

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 30 JUN 2026

DAY.

Tuesday

OF

TABLED
BY:

The Deputy
Majority Whip

CLERK-AT
THE-TABLE:

Geirde Anebet

THE AUDITOR-GENERAL

ON

PARLIAMENT
OF KENYA
LIBRARY

LANGA LANGA SECONDARY SCHOOL

FOR THE YEAR ENDED

30 JUNE, 2024

NAKURU COUNTY



LANGALANGA SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30 June 2024

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



LANGALANGA SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30 June 2024

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I. 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 Nakuru County, Nakuru East Sub-County

The school was registered in **30/1/2018** under registration number **32S30000162** and is currently categorized as **SUB COUNTY (Sub County)** public school established, owned or operated by the Government.

The school is a day school and had **2078** number of students as at *30 June 2024*. It has **10 STREAMS FORMS 1, 2-4 6 STREAMS** and **57** teachers of which **4** 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	LAWRENCE K. MACHARIA	Chairman	May 2022
2	RUFINA KANINI MUTEKI	Secretary- Principal	May 2022
3	MASINDE AGGREY OMENO	Member	May 2022
4	DEPHINE NJERI KAMAU	Member	May 2022
5	STEPHEN KARANJA KABUI	Member – Rep CEB	May 2022
6	MR. STEPHEN NDONGA	Member Rep Teachers	May 2022
7	PROF. ABDI GULIYE JACKLINE MORIASI CYPRIAN MUGAMBI	3 Members - Sponsor	May 2022
8	EMMILY RIMANTO LESHAO DR.GRACE NDEKE HARRISON OGUTU	Member - Community	May 2022
9	LILY NYANCHAMA	Member Special Needs	May 2022
10	CLARRIETE IGATO	Rep Students	May 2022

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

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
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule para 21 and 23 of the Basic Education Act, 2013.

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1. Lawrence K. Macharia 2. Rufina Mutegi 3. John Thuo Gitonga 4. Jackline Moriasi 5. Cyprian Mugambi	Chairman Secretary P.A. Rep. Vice Chair Member	3 OUT OF 3
2	Audit Committee	1. Lawrence K. Macharia 2. Rufina Mutegi 3. John Thuo Gitonga 4. Jackline Moriasi	Chairman Secretary P.A. Rep. Vice Chair	4 out of 4
3	Finance, procurement and general purposes Committee	<u>Procurement members</u> Eunice Njoroge 1. Mr. P. Waititu 2. Madam J. Kagiri - 3. Mr. S. Ndonga 4. Mr.Moffat Omutsa 5. Mrs. M. Kamunya <u>Finance committee</u>	Chairlady Vice chair-bursar Secretary Member Member Member	2 Out of 2
4	Academic Committee	1. Dr.Harrison Ogutu 2. Md.Rufina Mutegi 3. Mr. Stephen Ndonga 4. Mr.Aggrey Masinde 5. Md. Jackline Moriasi 6. Dr. Grace Ndeke 7. Prof. Abdi. Guliye 8. Md.Emilly Leshao 9. Md.Lucy Karitu	Chairperson Secretary Teacher Rep. Member Member Member Member Member Member	2 Out of 2

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5	Development Committee	1. Rev. Godfrey Mwamunga 2. Mr. Stephen Ndonga 3. Mr. John Thuo 4. Md. Rufina Mutegi 5. Md. Jackline Moriasi 6. Mr. Lawrence Karanja 7. CDF rep 8. Sub County Director	Chairperson Secretary P.A. Chair Principal/BOM secretary Vice chair	
6	Discipline and welfare Committee	1. Mr. Stephen Karanja 2. Md. Rufina Mutegi 3. Mr. Stephen Ndonga 4. Pastor Joseph Njenga 5. Md. Delphine Kamau 6. Mr. Cyprian Mugambi 7. Md. Lily Nyanchama 7. Clarriete Igato	Chairperson Secretary B.O.M Member Teacher Rep. Member Member School captain	
7	Adhoc Committee (if any during the year)			

(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	RUFINA KANINI MUTEKI	364112
2	Deputy Principal	EUNICE WANJIKU NJOROGI	312841
3	Deputy Principal	STEVEN NDONGA	389482
4	School Bursar	PATRICK WAITITU	ICPAK NO. 29345

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: 3253-20100
Telephone: 0707672883
E-mail: langalangasecondary@yahoo.com
Website: none
Facebook: -
Twitter: -

(f) School Bankers

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

1. Name of Bank: ABSA BANK
Branch: NAKURU EAST
Account Number: 1117132.1136692.3565438.3638434
2. Name of Bank: FAMILY BANK
Branch: KENYATTA AVE
Account Number: 018000017935.SIC ACC 018000077445.CDF ACC
3. Name of Bank: CO-OP BANK
Branch: NAKURU
Account: 01139506062400

(g) Independent Auditors

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

II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

a) Financial performance:

FINANCES PERFORMANCE

	2024	2023	2022	2021
Tuition Account	4,215,327.60	4,592,687.75	4,559,264.35	652,934.25
Operation Account	23,759,792.04	18,670,976.99	23,890,753.10	(239,965.00)
School fund Account	50,479,225.59	40,540,336	37,201,420.85	2,637,849.55

CAPITATION GRANTS

	2024	2023	2022	2021
Tuition Account	4,215,327.60	4,592,687.75	4,559,264.35	1,643,458.25
Operation Account	23,759,792.04	18,670,976.99	23,890,753.10	5,574,106.20

RATION OF CAPITATION GRANTS

2024	2023	2022	2021
22,244.00	22,244.00	22,244.00	22,244.00

GROWTH OF EXPENDITURE

Year	Tuition	Operation	School fund
2024	4,215,327.60	23,759,792.04	50,479,225.59
2023	4,281,639.00	20,846,897.99	35,095,695.00
2022	4,559,264.35	23,890,753.10	37,201,420.85
2021	990,524.00	5,814,036.20	8,381,466.45

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GROWTH INCOME

Year	Tuition	Operation	School fund
2024	4,215,327.60	23,759,792.04	50,479,225.59
2023	4,559,264.35	20,890,753.35	37,201,420.10
2022	1,643,458.25	5,574,106.20	11,019,316.00
2021	2,086,278.00	8,121,825.00	12,385,308.30

MOVEMENT OF DEBTORS

	2024	2023	2022	2021	2020
Tuition		--	--	--	--
Operation		--	--	--	--
School fund	11,201,378.00	5,100,000.00	3,350,269.00	616,615.00	388,923.00

MOVEMENT OF CREDITORS

	2024	2023	2022	2021	2020
Tuition	929,132.00	1,193,533.00	502,000.00	1,363,223.00	120,000.00
Operation	2,280,586.00	49,600.00	99,912.00	438,924.00	1,989,945.00
School fund account	1,806,631.00	864,250.00	855,830.00	426,620.00	2,180,281.00
Infrastructure	689,455.00	-----	-----	-----	-----

MOVEMENT OF CASH AND BANK

	2024	2023	2022	2021	2020
Tuition A/C					
Cash		---	---	---	---
Bank	1,422,668.80	-129,603.25	-100,324.8	16,459.85	(13,791.40)
Operation A/C					
Cash		---	---	---	---
Bank	4,113,578.91	208,133.47	461,366.48	(418,369.62)	(41,355.82)
School fund A/C					
Cash	1,646.00	1,000.00	---	4,840.80	9,168.00
bank	101,648.60	117,999.30	412,417.10	(105,303.50)	(298,418.05)

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(b) Teacher Student ratio:

Students are 2,078 and teachers 57 ratio is 1:37

Number of teachers recruited and posted to the school within the year are 7

No.	Name of teacher	T.S.C. NO
1.	EUNICE NDUMI	871311
2.	NANCY AKINYI AJWANG	433287
3.	NICOLAS OMONDI	716646
4.	JOYCE MURAGE	396525
5.	RUTH MURUGI	479236
6.	MILKA WANGUI	577008
7.	ASSSUMPTA MBINYA	-
8.	VINCENT KIMTAI	917058
9.	REUBEN KINUTHIA	535124

Transferred Teachers

No.	Name of teacher	T.S.C. NO
1	GITAH I JOHN	452087
2	CYPRIAN MACHARIA	503777

Retired Teacher - CHRISTINE MALOBI TSC NO. 335762

Shortage of Teachers

Subject	No. of teachers	Shortfall
Biology/Agriculture	3	1
Chemistry/Maths	5	2
Chemistry/Physics	2	1
Maths/Physics	5	2
Bio/Chem	4	2
CRE/Kiswahili	2	1
History/Kiswahili	5	1
Computer/Physics	0	1
French	0	1
TOTAL		13

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Performance of the school

Mean score in the 2023KCSE:

Year	No of candidates	Mean score	C+ and above	University Entry %
2023	421	6.2	170	40.40
2022	385	5.400	110	28
2021	296	6.830	194	57

Number of Candidates in the 2023, 2022, 2021, 2020 KCSE:

YEAR	NO OF STUDENTS
2020	275
2021	296
2022	385
2023	421

b) Capacity of the school:

- (i) No of students = 2078
- (ii) Laboratory: 4 Shortage 4, classrooms shortage 6
- (iii) Toilets
Boys: 30 Girls 20 Shortage 30:20
- (iv) Water – tap water not sufficient
- (v) Electricity –not sufficient

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Development projects carried out by the school:

On going project - twin classrooms/twin labs – RMI funded by the Ministry of Education.

CBC Classrooms

Rufina K. Mutegi

Sign.....



School Principal

III. 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 (**LANGALANGA SECONDARY SCHOOL**) accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

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

Name: **LAWRENCE KARANJA MACHARIA**
Designation: Chairman, School Board of Management
Sign:
Date: 31/8/2024

Name: **RUFINA MUTEGI**
Designation: School Principal/ Secretary to Board of Management
Sign:
Date: 31/8/2024

Name: **PATRICK WAITITU**
Designation: Bursar/ Finance Officer
Sign:
Date: 31/8/2024

PRINCIPAL
LANGALANGA SEC. SCHOOL
P.O. Box 3253-201 NAKURU
Date:

PRINCIPAL
JANUARY 1911
TO THE 1000
1000

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON LANGA LANGA SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2024 - NAKURU COUNTY

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the 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 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 Government achieves value for money and that such schools are applied for intended purpose.
- 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, the risk management environment, and the 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 Langa Langa Secondary School set out on pages 12 to 27, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2024, and the statement of receipts and payments,

statement of cash flows, 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 Langa Langa Secondary School as at 30 June, 2024, and of its financial performance and its cash flows for the period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Inaccuracy of Cash and Cash Equivalents

The statement of financial assets and financial liabilities reflects cash and cash equivalent balance of Kshs.8,544,216 as disclosed in note 10 and 11 to the financial statements. However, review of the underlying records revealed the following anomalies;

1.1 Savings Account

Note 10 reflects Kshs.1,351,020 and negative Kshs.44,725 in respect of two (2) savings accounts bank balances. However, no cashbook was provided for audit review despite the account being active as evidenced by the bank statements provided for the year under review. Further the bank reconciliation statements were also not provided for audit.

1.2 Co-operative account

Note 10 reflects Kshs.130,000 in respect of co-operative accounts bank balance. However, no cashbook was provided for audit review despite the account being active as evidenced by the bank statements provided for the year under review. Further the bank reconciliation statements were also not provided for audit.

1.3 Operations Account

Note 10 reflects Kshs.4,059,574 in respect of operations account. However, the cashbook balance as per bank reconciliation reflects Kshs.4,113,574 resulting in an unexplained and unreconciled variance of Kshs.54,000. Further, the bank balance as per the bank reconciliation reflects Kshs.15,105 whereas the bank confirmation certificate reflects Kshs.4,772,941 resulting in an unexplained variance of Kshs.4,757,836.

1.4 School Fund Account

Note 10 and 11 reflects Kshs.101,685 and Kshs.1,646 in respect of school fund account bank and cash balance. However, the cashbook reflects negative Kshs.51,604 cash balance resulting in an unexplained and unreconciled variance of Kshs.53,250.

In the circumstances the accuracy and completeness of cash and cash equivalent balance of Kshs.8,544,216 could not be confirmed.

2. Inaccuracies in the Financial Statements

2.1 Inaccuracies in the Statement of Receipts and Payments

The statement of receipts and payments amounts varied with the ledger amounts as summarized in the table below;

	Note	Ledger Balance (Kshs.)	Financial Statement Amounts (Kshs.)	Variance (Kshs.)
Capitation Grant for Tuition	1	4,215,327.60	4,216,852.00	(1,524.40)
Capitation Grant for Operations	2	20,428,596.04	23,772,592.00	(3,343,995.96)
Capitation Grant for Infrastructure	3	0	6,632,000.00	(6,632,000.00)
School Fund Income- Parent Contribution	4	48,332,804	47,556,632	(2,776,172)
Payments for Infrastructure	8	6,363,792	5,471,688	892,104
Boarding and School Fund Payments	9	40,932,892	36,002,757	4,930,135

In the circumstances, the accuracy and completeness of the statement of receipts and payments could not be confirmed.

2.2 Inaccuracies in the Statement of Budgeted Versus Actual Amounts.

Review of the statement of budgeted versus actual amounts revealed errors as shown below:

- i. Casting across figures between final budget and actual on comparable basis revealed misstatements as shown in the table below;

	Budget Utilization difference (Kshs.)	Casted Amount (Kshs.)	Variance (Kshs.)
Receipts			
Capitation grant on Operations			
Lunch programme	19,933,277	(9,671,979)	(29,605,256)
Other Incomes			
Income from Bus	0	382,200	(382,200)
Subtotal Income	0	382,200	(382,200)

- ii. The statement of budgeted versus actual amounts reflects Kshs.49,272,075 in respect to actual total capitation grants on operation, instead of the re-cast amount

of Kshs.50,500,575, resulting in an unexplained and unreconciled variance of Kshs.1,228,500;

- iii. Variances between the statement of budgeted versus actual amounts and the statement of receipts and payments were noted as shown below:

Item	Statements of Receipts and Payments (Kshs.)	Statement of Budgeted Versus actual amounts (Kshs.)	Variance (Kshs.)
Capitation Grants on Tuition	4,216,852	4,215,328	1,524
Capitation Grants on Operations	23,772,592	49,272,075	25,499,483
Payment for Tuition	2,279,180	4,215,328	1,936,148
Payment for Operations	29,553,717	47,579,361	18,025,644

In the circumstances, the accuracy and completeness of the statement of budgeted versus actual amounts could not be confirmed.

2.3 Inaccuracy of Fund Balance Brought Forward

The statement of financial assets and financial liabilities reflect fund balance brought forward as at 1 July, 2023 of Kshs.538,550 as disclosed in Note 15 to the financial statements. However, the audited previous year net financial position reflects Kshs.3,202,687 resulting in an unexplained and unreconciled variance of Kshs.2,664,137.

In the circumstances the accuracy and completeness of the fund balance brought forward of Kshs.538,550 could not be confirmed.

3. Unsupported Payments

The statement of receipts and payments reflects tuition, operations and boarding and school fund payments of Kshs.2,279,180, Kshs.29,553,718, and Kshs.36,002,757 in respect to respectively as disclosed in note 6, 7 and 9 to the financial statements. However, examination of payment vouchers revealed that they were not supported by requisitions, local purchase orders, invoices, delivery notes, inspection reports, and goods received notes.

In the circumstances, the accuracy, completeness and validity of the payments for tuition, operations and boarding and school fund of Kshs.2,279,180, Kshs.29,553,718, and Kshs.36,002,757 respectively, could not be confirmed.

4. Unsupported Accounts Receivable Balance

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.1,597,052 as disclosed in Note 13 to the financial statements. However,

the detailed aging analysis supporting the fees arrears exceeding one (1) year of Kshs.1,597,052 was not provided for audit review.

In the circumstances, the accuracy and completeness of the accounts receivable balance of Kshs.1,597,052 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Langa Langa Secondary School Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audit 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.57,874,800 and Kshs.53,869,603 respectively resulting to underfunding of Kshs.4,005,197 or 7% of the budget. However, the School spent an amount of Kshs.47,579,361 against actual receipts amounting to Kshs.53,869,603, resulting in an under-utilization of Kshs.6,290,242 or 12% of actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Adverse 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 pages 3 to 10 which comprise of Key School Information and Management, Summary Report of Performance of the School, and the Statement of School Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit 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. Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that Other Information is not materially inconsistent with the financial statements.

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 thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-compliance with the Public Sector Accounting Standards Board (PSASB) 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. Acronym and Glossary terms were omitted from the financial statements in contrary to the approved revised financial reporting template of 2023-24;
- ii. Included in the table of contents is a chapter titled "Consolidated Trial Balance for the Year Ended 30 June 2024"; however, the approved financial reporting template for the year 2024 did not provide for this chapter;
- iii. The page numbers indicated in the Table of Contents do not correspond with the page numbers in the body of the report;
- iv. The statement of assets and liabilities is not included in the table of content;
- v. In the Summary Report of Performance of the School section, the subsections of the report were not numbered. Further, the report indicates in page 9 the name of each development project and the source of funds. However, the tabular format indicating the project status, initial cost, amount spent, and expected completion date was not included in the report;
- vi. The statement of financial assets and financial liabilities and the statement of receipts and payments did not specify the financial reporting period for which it was prepared;
- vii. The financial statements erroneously refer to the "Statement of Financial Assets and Financial Liabilities" instead of the correct title, "Statement of Assets and Liabilities," as prescribed by the applicable reporting framework;
- viii. The comparative reporting period indicated in the statement of financial assets and financial liabilities and the statement of cashflow was erroneously presented as "1st January, 2022-30th June, 2023" instead of 2022-2023;
- ix. The statement of budgeted versus actual amounts did not have subitems amounts for tuition expenditure disclosed under actual on comparable basis and budget utilization columns;

- x. The statement of budgeted versus actual amounts did not have expenditure for infrastructure and boarding and school fund. Further, the statement did not reflect the school fund- parents contribution incomes;
- xi. The chapter references numbers in the table of contents did not correspond with the chapter reference numbers allocated in the body of the report and should be rearranged to follow the correct roman numerical order;
- xii. The stock/inventory and their values were omitted from the Other Important Disclosures to the financial statements.

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

2. Non-Disclosure of Summary of Fixed Assets Register in the Financial Statements

Annex 2 to the financial statements presents a summary of the fixed assets register. However, key columns relating to dates of purchase, additions during the year, and disposals during the year were not included, contrary to the financial reporting template by the Public Sector Accounting Standards Board.

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

3. Irregularities in Procurement Processes

3.1 Unstructured Procurement Processes

The statement of receipts and payments reflects total payments amounting to Kshs.73,307,343. However, Management did not provide for audit verification the requisite procurement documents, including the tender register; tender opening committee appointment letters and minutes; tender evaluation committee appointment letters and minutes; preliminary tender evaluation checklists; individual technical and financial evaluation score sheets; acceptance letters of award by the successful bidders; signed contracts or local purchase orders; and professional opinions, thereby limiting the ability to verify compliance with procurement procedures.

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

3.2 Lack of a Functional Procurement Unit

The School did not have a formal procurement function managed by a qualified procurement professional, as required under Section 47(2) of the Public Procurement and Asset Disposal Act, 2015, and Regulation 33 of the Public Procurement and Asset Disposal Regulations, 2020. Instead, procurement activities were carried out by individuals without the necessary qualifications, thereby exposing the School to the risk of applying inappropriate procurement methods.

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

4. Inefficiencies in Human Resource Management

The statement of receipts and payments reflects operations payment of Kshs.29,553,718 as disclosed in Note 7 to the financial statements. Included in the amount is

Kshs.4,337,728 in respect to personnel emoluments paid to the School's Board of Management teachers and non-teaching staff . However, review of employee records indicated that eight (8) of the employees contracted by the Board of Management did not have valid contract in their employee files contrary to Section B.10 (1) of the Human Resource Policies and Procedures Manual for the Public Service, 2016 states that an officer appointed to a position in the public service shall be issued with a letter of appointment specifying the terms and conditions of service. Further, Management did not provide for audit the approved staff establishment and terms and conditions of service to confirm the recruitment needs. This was contrary to section 13 of the Fourth Schedule of the Basic Education Act, 2013, which requires the Board of Management to employ its staff, upon such terms and conditions of service as the County Education Board may determine.

In the circumstances, Management was in breach of the law and the regularity of the Board of Management employee's recruitment could not be confirmed.

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

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.36,002,757 as disclosed in Note 9 to the financial statements. Included in the expenditure is an amount of Kshs.1,888,000 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.1,888,000 could not be confirmed.

6. Lack of an Approved Procurement Plan

The statement of receipts and payments reflects total payments of Kshs.73,307,343. However, review of the procurement processes of the School revealed that there was no approved procurement plan that outlines the procurement procedures for the school such as; -

- a) A schedule of the planned delivery, implementation or completion dates for all goods, works, or services;
- b) The sources of funds;
- c) A master procurement schedule, showing the target dates for procurement related activities and the actual progress;
- d) An allocation reserved to youth, women and people living with disabilities.
- e) The procurement method to be used.

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

7. Ineffective Governance by the Board of Management.

During the year under review, the Board of Management held only two meetings in the financial year. This is contrary to Section 6 (1) of the Fourth Schedule of the Basic Education Act, 2013 which requires that a Board of Management shall meet at least once every four months.

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

8. Under Funding of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and operations amount of Kshs.4,216,852 and Kshs.23,772,592 respectively as disclosed in Note 1 and Note 2 to the financial statements. During the financial year, NEMIS reported a total number of one thousand six hundred and thirty-eight (1638), while the enrolment records provided by the School indicated a total number of two thousand and seventy-eight (2078) students, resulting in an unexplained variance of 440 students. As a result of the variance, the School was over-funded by Kshs.7,518,531 (total capitation received/NEMIS enrolment X 440 students) in capitation grants.

In the circumstances, the underfunding of the School may have affected service delivery to the public.

The audit was conducted in accordance with ISSAI 4000. The standard requires 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, and based on the audit procedures performed, except for 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 overall governance were not effective.

Basis for Conclusion

1. Lack of Internal Audit Function and Audit Committee

During the year under review, the School did not constitute an internal audit unit and an audit committee as required by section 73 (1) (a), and 5 of the Public Finance Management Act 2012 which state that "every National Government entity shall ensure

that it complies with this Act and has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board” and that “every National Government public entity shall establish an audit committee whose composition and functions shall be as prescribed by the regulations”.

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

2. Lack of Risk Management Policy

The School does not have a formally documented and approved Risk Management Policy, hence there is no structured framework in place to identify, assess, monitor, and mitigate risks across operational, financial, strategic, and compliance areas.

In the circumstances, the School is exposed to heightened operational, financial, and compliance risks due to the absence of a structured framework for identifying, assessing, and managing risks.

3. Weaknesses in Information Technology Internal Controls

Review of Information Communication Technology (ICT) environment revealed that the School did not have in place the following controls in regards to Information Technology (IT):

- a) Documented policies which cover physical access to IT environments;
- b) Disaster management and recovery policies including fire suppression systems;
- c) An IT steering committee and IT strategic committee, this may result in inadequacy in IT governance, which forms a critical part of the entity’s governance structure;
- d) Lack of a duly signed contract between the Accounting System vendor and the school; and
- e) Business continuity plan and the IT continuity plan including an off-site back up plan.

In the circumstances, the School is exposed to significant risks including loss or compromise of data, disruption of critical operations and inability to promptly recover from disasters or system failures, which may adversely affect service delivery and financial reporting.

4. Weaknesses in Management of Assets

Included in the summary of fixed assets register, is land measuring 6.0 hectares reported to be owned by the School. However, a review of Certificate of Lease Title No. NAKURU/MUNICIPALITY BLOCK 2/488 dated 1 April, 1985 revealed that the land is registered in the name of Afraha Education Development Limited. Further, physical verification carried out in the month of March, 2026 confirmed that the land currently hosts two institutions, namely Afraha High School and Langa Langa Secondary School. None of the two Schools has a document of ownership of the land.

In addition, review of the School records revealed that a notification of sale of the land was served on 8 July, 2024, in exercising statutory power of sale arising from default on an outstanding loan of Kshs.11,685,995 advanced to Afraha Education Development Limited on 8 August, 1989, by Kenya Commercial Bank with the land used as collateral. In a Court of Appeal decision in Nakuru HCCC No. 260 of 2004, between the Attorney General and Kenya Commercial Bank and three others, the court held that the Attorney General had no locus standi to institute or be heard in the matter and set aside the temporary injunction earlier issued, thereby paving the way for the lender to exercise its statutory power of sale over the property. As a result, Langa Langa Secondary School had not obtained title documents evidencing ownership of the land in the name of the School.

In the circumstances, the School does not have legal title to land on which it operates and the continuance of the School in future could not be confirmed.

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

Responsibilities of Management and 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 overall governance.

In preparing the financial statements, Management is responsible for assessing the Schools ability to sustain its services, disclosing as applicable matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or 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 are in compliance 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 Schools financial reporting process, reviewing the effectiveness of how the 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, SBS
AUDITOR-GENERAL

Nairobi

18 May, 2026

LANGALANGA SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30 June 2024

I. STATEMENT OF RECEIPTS AND PAYMENTS

DESCRIPTION OF VOTE HEAD	Note	1ST JULY 2023- 30TH JUNE 2024	1ST JULY 2022-30TH JUNE 2023
			Kshs
RECEIPTS			
Government grants for tuition	1	4,216,852.05	4,592,687.75
Government grants for operations	2	23,772,592.04	18,670,976.99
Government grants for infrastructure	3	6,632,000.00	6,246,339.79
School Fund Income- Parents contributions	4	47,556,632.48	40,540,336.00
Other Incomes	5	-	
TOTAL RECEIPTS		82,178,076.57	70,050,340.53
PAYMENTS			
Tuition	6	2,279,180.00	4,281,639.00
Operations	7	29,553,717.70	20,846,897.99
Infrastructure	8	5,471,688.00	6,232,000.00
Boarding and school fund	9	36,002,757.18	35,095,695.80
TOTAL PAYMENTS		73,307,342.88	66,456,231.99
SURPLUS/DEFICIT		8,870,733.69	3,594,108.54

The School's Financial Statements were Approved on 2024 and signed by;
 SIGNED DATE:

.....
B.O.M CHAIRMAN

LAWRENCE K. MACHARIA

SIGNED

31/08/2024

.....
PRINCIPAL/B.O.M SECRETARY

RUFINA K. NKONGE

SIGNED

DATE:

31/08/2024

BURSAR/FINANCE OFFICER

PATRICK WAITITU

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LANGALANGA SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30 June 2024

II. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

	Note	1ST JULY 2023- 30TH JUNE 2024	1ST JAN 2022-30TH JUNE 2023
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	10	8,542,570.21	-327,517.48
Cash Balances	11	1,646.00	1,000.00
Short term Investment	12	-	-
Total Cash and Cash Equivalents		8,544,216.21	-326,517.48
Account's receivables	13	1,597,052.00	5,201,037.00
TOTAL FINANCIAL ASSETS		10,141,268.21	4,874,519.52
FINANCIAL LIABILITIES			
Accounts Payable	14	731,984.52	1,671,833.00
NET FINANCIAL SSETS		9,409,283.69	3,202,686.52
REPRESENTED BY			
Fund balance b/fwd 1st July...	15	538,550.00	-391,422.02
Surplus/Defict for the year		8,870,733.69	3,594,108.54
NET FINANCIAL POSITION		9,409,283.69	3,202,686.52

The School's Financial Statements were Approved on 2024 and signed by;
 SIGNED

DATE:

31/08/2024

.....
B.O.M CHAIRMAN
LAWRENCE K. MACHARIA
 SIGNED

DATE:

31/08/2024

.....
PRINCIPAL
LANGALANGA SEC. SCHOOL
RETN 03163-20100, NAKURU
RUFINA K. NKONGE Date

SIGNED

DATE:

31/08/2024

.....
BURSAR/FINANCE OFFICER
PATRICK WAITITU

PRINCIPAL
HONOLULU HIGH SCHOOL
1505 KALANOA AVE.
HONOLULU, T.H.

LANGALANGA SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30 June 2024

STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 30 JUNE 2024

		1ST JULY 2023-30TH JUNE 2024	1ST JAN 2022- 30TH JUNE 2023
		Kshs	Kshs
Receipts from operating activities			
Government grants for tuition	1	4,216,852.05	4,592,687.75
Government grants for operations	2	23,772,592.04	18,670,976.99
Government grants for infrastructure	3	6,632,000.00	6,246,339.79
School fund income-parents contribution/fees	4	47,556,632.48	38,315,527.00
Total receipts		82,178,076.57	67,825,531.53
Payments			
Cash outflows for tuition	6	2,279,180.00	4,281,639.00
Cash Outflows For Operations	7	29,553,717.70	20,846,897.99
Cash outflows for Boarding/ school fund payments	9	36,002,757.18	36,109,858.80
Total Payments		67,835,654.88	61,238,395.79
Net cash flow from operating activities		14,342,421.69	6,587,135.74
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		0.00	0.00
Acquisition of Assets	8	(5,471,688.00)	(6,232,000.00)
Proceeds from investments		0.00	0.00
Net cash flows from Investing Activities		(5,471,688.00)	(6,232,000.00)
NET CASHFLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
Net cash flows from Investing Activities			
NET INCREASE IN CASH AND CASH EQUIVALENT		8,870,733.69	3,594,108.54
Cash and cash equivalent at BEGINNING of the year		(326,517.48)	(3,920,626.02)
Cash and cash equivalent at END of the year		8,544,216.21	(326,517.48)

LANGALANGA SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30 June 2024

LANGALANGA SECONDARY SCHOOL
CONSOLIDATED TRIAL BALANCE AS AT 30 JUNE 2024

		DR	CR
Cash and Cash equivalents			
	Bank Balances	8,542,570.21	
	Cash Balances	1,646.00	
	Short term investments	0.00	
	Receivables	1,597,052.00	
Payments			
	Payments for Tuition	2,279,180.00	
	Payments for operations	29,553,717.70	
	Payment for infrastructure	5,471,688.00	
	Boarding and school fund payments	36,002,757.18	
Receipts	Government grants for tuition		4,216,852.05
	Government grants for operations		23,772,592.04
	Government grants infrastructure		6,632,000.00
	School Fund Income- Other receipts		47,556,632.48
	Other receipts		0.00
	Payables		731,984.52
Prior Year Adjustment			
Fund Balance b/f	FUND BALANCE BROUGHT FORWARD		538,550.00
TOTAL		83,448,611.09	83,448,611.09

V. 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	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
<i>(1) CAPITATION GRANT ON TUITION</i>						
Tuition account Reference/library	7,044,800.00		7,044,800.00	4,215,327.60	2,829,472.40	60%
Total	7,044,800.00	-	7,044,800.00	4,215,327.60	2,829,472.40	60%
					-	
<i>(2) CAPITATION GRANT ON OPERATIONS</i>					-	
Medical insurance/prop	3,400,000.00		3,400,000.00	1,228,500.00	2,171,500.00	36.1%
Other accounts	15,980,000.00		15,980,000.00	11,746,896.04	4,233,103.96	73.5%
M&I	8,500,000.00		8,500,000.00	6,470,000.00	2,030,000.00	76.1%
Activity fund	2,550,000.00		2,550,000.00	983,200.00	1,566,800.00	38.6%
Lunch programme	20,400,000.00		20,400,000.00	30,071,979.48	19,933,277.00	147.4%
Totals	50,830,000.00	-	50,830,000.00	49,272,075.52	29,934,680.96	96.9%
					-	
OTHER INCOME					-	
computers				-		
Income from Bus				382,200		
Transfer tuition				-		
Fee for hire of ground and equipment				-		
Total	-	-	-	382,200.00	-	
TOTAL INCOME	57,874,800.00	-	57,874,800.00	53,869,603.12	32,764,153.36	93.1%

LANGALANGA SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30 June 2024

(1) EXPENDITURE FOR TUITION						
Reference books (Bio, Chem & Practical Subjects/ photocopying papers)	2,714,264.00		2,791,680.00			
Exercise Books	1,550,000.00		1,550,000.00			
stationary	605,840.00		605,840.00			
Teaching/Leaning Resources	148,000.00		148,000.00			
Chalks	28,500.00		28,500.00			
Internal Exams/Printing	700,000.00		700,000.00			
Reference/Library	121,300.00		121,300.00			
Total	5,867,904.00		5,945,320.00	4,215,327.60	1,729,992.40	71%
			(1,099,480.00)			
8. PAYMENTS FOR OPERATIONS						
RMI (adm)	5,273,400.00		5,273,400.00	2,305,814.00	2,967,586.00	44%
LT & T	4,474,400.00		4,474,400.00	3,178,608.00	1,295,792.00	71%
Adm.cost	575,280.00		575,280.00	466,723.00	108,557.00	81%
Medical insurance/pro	3,400,000.00		3,400,000.00	1,728,000.00	1,672,000.00	51%
Activity	2,550,000.00		2,550,000.00	2,266,560.00	283,440.00	89%
Personal Emolument	4,474,400.00		4,474,400.00	3,499,682.00	974,718.00	78%
E.W.C	1,182,520.00		1,182,520.00	690,453.70	492,066.30	58%
Tuition Account	2,822,322.00		2,822,322.00	4,215,327.60	(1,393,006)	149%
M & I	8,500,000.00		8,500,000.00	4,788,000.00	3,712,000	56%
Lunch programme	20,400,000.00		20,400,000.00	24,440,193	(4,040,193)	120%
Total	53,652,322.00	-	53,652,322.00	47,579,361.30	6,072,960.70	89%
TOTAL	4,222,478.00	-	4,222,478.00	6,290,241.82	(2,067,763.82)	4%

VI. 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 imprest, salary advances and other receivables and b) payables that include deposits and retentions and payables from operations.

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

2. Recognition of receipts and payments

The *school* recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the *school*. In addition, the *school* recognises all expenses when the event occurs and the related cash has actually been paid out by the *school*.

3. In-kind contributions

In-kind contributions are donations that are made to the *school* in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the *school* includes such value in the statement of receipts and payments both as a receipt and as a payment in equal and opposite amounts; otherwise, the contribution is not recorded.

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various financial institutions at the end of the financial year.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. This is in recognition of the government practice where the imprest payments are recognized as expenditure when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements. Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years.

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 30 June 2024.

LANGALANGA SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30 June 2024

I. NOTES TO THE FINANCIAL STATEMENTS

1	GOVERNMENT GRANTS FOR TUITION			
			1ST JULY 2023- 30TH JUNE 2024	1ST JULY 2022- 30TH JUNE 2023
	Tuition			0.00
	Exercise books			0.00
	Lab Equipments and apparatus			0.00
	Teaching/learning materials		4,215,327.60	4,250,687.75
	Library materials			0.00
	Lunch main			342,000.00
	OPERATION			
	Reference books		1,524.45	0.00
	Total		4,216,852.05	4,592,687.75
2	CAPITATION GRANT FOR OPERATIONS			
			1ST JULY 2023- 30TH JUNE 2024	1ST JULY 2022- 30TH JUNE 2023
			Kshs.	Kshs.
	EWC			722,947.17
	LT @T			3,258,092.71
	CBC		1,576,440.00	0.00
	RMI			3,607,802.27
	NSSF		154,432.00	0.00
	PAYEE		87,912.00	0.00
	Personal emolument			3,003,599.16
	Infrastructure		6,470,000.00	6,232,000.00
	advance		12,000.00	
	Learning/materials		1,000.00	
	Admin cost			645,860.68
	NHIF		42,600.00	0.00
	Pension Scheme		51,000.00	
	Housing Levy		18,612.00	
	Other Vote Heads		11,746,896.04	
	CDF		1,400,000.00	
	Activity		983,200.00	883,975.00
	Medical and insurance		1,228,500.00	316,700.00
	Lunch main			0.00
	Total		23,772,592.04	18,670,976.99

LANGALANGA SECONDARY SCHOOL
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3	GOVERNMENT GRANTS FOR INFRASTRUCTURE			
			1ST JULY 2023- 30TH JUNE 2024	1ST JULY 2022- 30TH JUNE 2023
			Kshs.	Kshs.
	Maintenance and Improvement			0.00
	Transition infrastructure Grants		6,632,000.00	6,246,339.79
	Administration block			0.00
	Personal Emoluments			0.00
	Teaching/learning materials			0.00
	Economic stimulumus grants			0.00
	Others-NGCDF,			0.00
	Total		6,632,000.00	6,246,339.79
4	SCHOOL FUND INCOME-PARENTS CONTRIBUTION/FEEES			
			1ST JULY 2023- 30TH JUNE 2024	1ST JULY 2022- 30TH JUNE 2023
			Kshs.	Kshs.
	Boarding/Lunch		42,663,182.48	39,492,492.00
	Arrears			162,544.00
	Prepayments			
	Bus hire		382,200.00	855,300.00
	Personal Emoluments			0.00
	Desk and Chairs		2,873,700.00	0.00
	Activity			0.00
	EWC			0.00
	Admin costs		84,300.00	0.00
	Bursary		1,553,250.00	
	R/D Cheque			0.00
	Computer			30,000.00
	Medical			0.00
	Income from Bus Hire			0.00
	Tuition Account			0.00
	Operation Account			0.00
	Income from grants and -Bursary			0.00
	Total		47,556,632.48	40,540,336.00

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5	MISCELLANEOUS INCOME			
			1ST JULY 2023- 30TH JUNE 2024	1ST JULY 2022- 30TH JUNE 2023
	Rent income		0.00	0.00
	Income from farming activities		0.00	0.00
	Insurance compensation		0.00	0.00
	Income from Posho mill		0.00	0.00
	Income from bus hire		0.00	0.00
	Fee for hire of ground and equipment		0.00	0.00
	Income from grants and donations		0.00	0.00
	Interest income		0.00	0.00
	Loans/Borrowings		0.00	0.00
			0.00	0.00
	Total		0.00	0.00
6	PAYMENTS FOR TUITION			
			1ST JULY 2023- 30TH JUNE 2024	1ST JULY 2022- 30TH JUNE 2023
			Kshs.	Kshs.
	Text books			0.00
	Exercise books			1,283,345.00
	Laboratory Equipments and Apparatus		200,000.00	1,132,972.00
	Teaching/learning materials		1,924,780.00	1,003,615.00
	Chalks		24,200.00	13,270.00
	FUND			531,740.00
	OPERATION			
	Internal exams			9,190.00
	Reference books		130,200.00	296,268.00
	Bank charges			11,239.00
	Total		2,279,180.00	4,281,639.00

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7	PAYMENTS FOR OPERATIONS			
			1ST JULY 2023- 30TH JUNE 2024	1ST JULY 2022- 30TH JUNE 2023
			Kshs.	Kshs.
	EWC		1,015,396.00	722,947.17
	LT @T		5,164,853.00	3,258,092.71
	RMI		6,363,792.00	4,030,727.27
	Personal emolument		4,337,727.90	3,003,599.16
	Admin cost		539,583.00	645,860.68
	Activity		2,444,230.00	1,673,860.00
	Infrastructure Account		6,703,000.00	6,388,000.00
	Teaching/Learning Materials		346,674.00	1,123,811.00
	NSSF		262,848.00	0.00
	NHIF		69,000.00	0.00
	PAYEE		107,952.00	0.00
	Housing Levy		69,027.00	0.00
	NITA		3,700.00	0.00
	CBC		1,852,434.80	0.00
	Pension Scheme		100,000.00	0.00
	advance		112,100.00	
	Medical and insurance		61,400.00	0.00
	R/D Cheque			0.00
	Lunch Main			0.00
	TOTAL		29,553,717.70	20,846,897.99
8	PAYMENTS FOR INFRASTRUCTURE			
			1ST JULY 2023- 30TH JUNE 2024	1ST JULY 2022- 30TH JUNE 2023
			Kshs.	Kshs.
	Construction of Classrooms		3,102,765.00	6,232,000.00
	Construction of laboratory		2,368,923.00	0.00
	construction of dormitory			0.00
	Personal Emoluments			0.00
	Teaching/learning materials			0.00
	Bank charges			0.00
	Operations		-	0.00
	Total		5,471,688.00	6,232,000.00

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9	BOARDING AND SCHOOL FUND PAYMENTS			
			1ST JULY 2023- 30TH JUNE 2024	1ST JULY 2022- 30TH JUNE 2023
			Kshs.	Kshs.
	PAYEE			0.00
	EWC			0.00
	Prepayments			
	Creditors			
	Bus hire		970,303.00	1,020,830.00
	Gratuity and leave provision		1,053,380.00	1,431,448.00
	Admin cost			34,630.00
	Bursary		1,553,250.00	0.00
	Imprest		20,000.00	0.00
	Desk and Chairs		1,799,930.00	0.00
	Tuition Account			0.00
	Operations Account			0.00
	Medical Expenses			0.00
	Bank charges			0.00
	Fee on Boarding Equipment and Stores		30,605,894.18	32,608,787.00
	TOTAL		36,002,757.18	35,095,695.00
10	BANK ACCOUNTS			
	Name of Bank, Account No. & currency	Bank Account Number	1ST JULY 2023- 30TH JUNE 2024	1ST JULY 2022- 30TH JUNE 2023
			Kshs.	Kshs.
	Tuition Account		1,422,668.80	-129,603.25
	Operations Account		4,059,573.91	208,133.47
	School Fund Account/Boarding		101,684.60	117,999.30
	Savings Account Absa 3836438		1,351,020.00	540,185.00
	COOP Bank		130,000.00	-1,424,132.00
	Infrastructural Account		1,522,347.90	578,895.00
	Savings Account Absa 3565434		-44,725.00	-218,995.00
	Total		8,542,570.21	-327,517.48

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11	CASH IN HAND			
	Description		1ST JULY 2023- 30TH JUNE 2024	1ST JULY 2022- 30TH JUNE 2023
			Kshs.	Kshs.
	Tuition Account		0.00	0.00
	Infrastructure		0.00	0.00
	Operation Account		0.00	0.00
	School Fund account		1,646.00	1,000.00
	Total		1,646.00	1,000.00
12	SHORT TERM INVESTMENTS			
	Description		1ST JULY 2023- 30TH JUNE 2024	1ST JULY 2022- 30TH JUNE 2023
			Kshs.	Kshs.
	Cooperative shares		0.00	0.00
	Treasury Bills		0.00	0.00
	Fixed deposit		0.00	0.00
	Equity stock		0.00	0.00
	Other investments		0.00	0.00
	Total		0.00	0.00
13	ACCOUNTS RECEIVABLE			
	Description		1ST JULY 2023- 30TH JUNE 2024	1ST JULY 2022- 30TH JUNE 2023
			Kshs.	Kshs.
	Fees arrears		1,597,052.00	5,201,037.00
	Other Non-Fees Receivables			0.00
	Salary Advances(list/schedule			0.00
	Imprest(list/schedule attached)			0.00
	Excess fees			0.00
	Total		1,597,052.00	5,201,037.00

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13b	Description	Insert Current FY		Insert Comparative FY
		<u>Current FY</u>	% of the total	Comparative FY
	Less than 1 year	-	0.00	5,201,037.00
	Between 1-2 years	<u>1,597,052.00</u>	1.00	0.00
	Between 2-3 years	-	0.00	0.00
	Over 3 years	-	0.00	0.00
		-	0.00	0.00
	Total	<u>1,597,052.00</u>	1.00	5,201,037.00
14	ACCOUNTS PAYABLE			
	Description		1ST JULY 2023- 30TH JUNE 2024	1ST JULY 2022- 30TH JUNE 2023
			Kshs.	Kshs.
	Trade creditors (See ageing)		731,984.52	1,671,833.00
	Prepaid fees			0.00
	Short term loans			0.00
	Total		731,984.52	1,671,833.00
	Description	Insert Current FY		Insert Comparative FY
14a				
		Current FY	% of the total	Comparat FY
	Less than 1 year		0.00	1,671,833.00
	Between 1-2 years	731,984.52	0.46	0.00
	Between 2-3 years		0.00	0.00
	Over 3 years		0.00	0.00
	Total	731,984.52	0.46	1,671,833.00

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15 FUND BALANCE BROUGHT FORWARD

	Description		1ST JULY 2023- 30TH JUNE 2024	1ST JULY 2022- 30TH JUNE 2023
			Kshs.	Kshs.
	Bank Balances		-327,517.48	-3,923,196.02
	Cash balances		1,000.00	2,570.00
	Short Term Investments			
	Receivables		1,597,052.00	2,474,286.00
	Payables		-731,984.52	1,054,918.00
	Total		538,550.00	-391,422.02

16 Non-current Liabilities Summary

	Description		1ST JULY 2023- 30TH JUNE 2024	1ST JULY 2022- 30TH JUNE 2023
	Bank loan(s)			
	Outstanding Leases			
	Hire purchase			
	Gratuity and leave provision			
	Total			

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 20XX	Outstanding Balance 20XX-1	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1. INFRASTRCTURE					689,455.00	To be cleared in the next
2.						Financial year
3.						
Sub-Total					689,455.00	
Supply of goods						
4. FOOD STAFF					1,806,631.00	To be cleared in the next
5. LEARNING/MATERIALS					929,132.00	Financial year
6. OPERATION ACC					2,280,586.00	
Sub-Total					5,016,349.00	
Supply of services						
7. CCTV					-	
8.						
9.						
Sub-Total						
Grand Total					5,705,804.00	

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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1st July 2023	Additions during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2024
Land 1	Bal b/f	Langalanga Secondary School	250,000,000.00	-	300,000,000.00
Buildings and structures	Bal b/f	Langalanga Secondary School	70,000,000.00	20,000,000.00	90,000,000.00
Motor vehicles/Bus	Bal b/f	Langalanga Secondary School	6,000,000.00		5,500,000.00
Office equipment, furniture and fittings	Bal b/f	Langalanga Secondary School	2,500,000.00	400,000.00	2,700,000.00
ICT Equipment, and Other ICT Assets	Bal b/f	Langalanga Secondary School	1,000,000.00	100,000.00	900,000.00
Tools and apparatus	Bal b/f	Langalanga Secondary School	5,000,000.00	500,000.00	5,300,000.00
Textbooks	Bal b/f	Langalanga Secondary School	5,000,000.00	1,000,000.00	5,500,000.00
Other Machinery and Equipment	Bal b/f	Langalanga Secondary School	500,000.00	-	400,000.00
Intangible assets- soft ware	Bal b/f	Langalanga Secondary School	500,000.00		450,000.00
Total			340,500,000.00	22,000,000.00	410,750,000.00

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

RMI PROJECT

