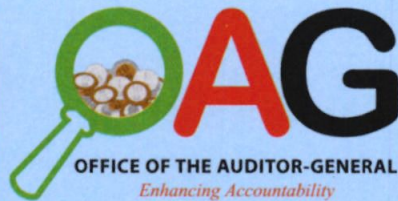


REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

NGAREMARA SECONDARY SCHOOL

FOR THE YEAR ENDED 30 JUNE, 2025



ISIOLO COUNTY

**THE NATIONAL ASSEMBLY
PAPERS LAID**

DATE: 28 JUL 2026

DAY.

Tue

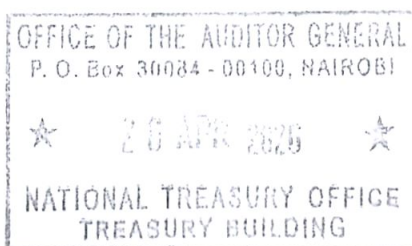
**TABLED
BY:**

*Deputy Majority Leader
Hon - Owen Baya*

**CLERK-AT
THE-TABLE:**

Mr. Inzira Mwangi

Revised 30th June 2025.



NGAREMARA SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025

Transitional Financial Statements Prepared under the International Public Sector Accounting Standards
(IPSAS)

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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.

(This list is an indication of the common acronyms and abbreviations; the Entity should include all from the annual report and financial statements prepared)

2. Key School Information and Management

Key School Information and Management

[Customise the details in this section to suit your School]

Background information

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is in Isiolo County, Isiolo Sub-County.

The school was registered in 03/2012 under registration number PU/S/2/8534/12 and is currently categorized as county public school established, owned or operated by the Government.

The school is a day/boarding school and had 100 number of students as at 30th June 2025. It has 2 streams and 14 teachers of which 0 teachers are employed by the School Board of Management.

(a) 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	Grace Lolim	Chairman	23/05/2022
2	Andrew Halake	Secretary - Principal	23/05/2022
3	Peter Ekai	Member	23/05/2022
4	Barnabus Esunyen	Member	23/05/2022
5	Joseph Murerwa	Member	23/05/2022
6	Timothy Edonga	Member	23/05/2022
7	Peter Losu	Member	23/05/2022
8	Erick Bundi	Member – Rep CEB	23/05/2022
9	Geoffrey Kimathi	Member Rep Teachers	23/05/2022
10	John Kikai	Member - Sponsor	23/05/2022
11	Rev Peter Ekai	Member - Sponsor	23/05/2022
12	Hellen Lorabi	Member - Sponsor	23/05/2022
13	Josphine Muli	Member - Community	23/05/2022
14	William Chamale	Member Special Needs	23/05/2022
15	Mark Samwel	Rep Students	23/05/2022

The functions of the School Board of Management are to:

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

(b) Committees of the Board

(Provide the names of the various committees of the Board established by the Board and the names of the committee members):

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1.Grace Lolim 2.Andrew Halake 3.Peter Ekai 4.Josphine Muli 5.Barnabas Esunyen	Chairperson secretary member member member	4 out of 4 4 out of 4 4 out of 4 4 out of 4 4 out of 4
2	Audit Committee	1.Grace Lolim 2.Halake Wario. 3.William Ekiru 4.Peter Loosu	Chairperson Secretary Member Member	0 out of 0 0 out of 0 0 out of 0 0 out of 0
3	Finance,procurement and general purposes Committee	1.Peter Loosu 2.Halake Wario 3.Hellen Lorabi 4.Grace Lolim 5.Peter Ekai	Chairperson Secretary Member Member Member	0 out of 0 0 out of 0 0 out of 0 0 out of 0 0 out of 0

5	Development Committee	1.BaranabasEsunyen	Chairperson	0 out of 0
		2.Halake Wario	Secretary	0 out of 0
		3.Geoffrey Kimathi	Member	0 out of 0
		4.Joseph Murerwa	Member	0 out of 0
		5.Hellen Lorabi	Member	0 out of 0
6	Discipline and welfare Committee	1.Peter Ekai	Chairperson	0 out of 0
		2.Halake Wario	Secretary	0 out of 0
		3.Joseph Muli	Member	0 out of 0
		4.John Kikai	Member	0 out of 0
		5.William Ekiru	Member	0 out of 0
7	Adhoc Committee (if any during the year)			

(c) School operation Management

For the financial year ended 30th June, 2025 the School's day-to-day management was under the following persons:

Ref:	Designation	Name	Identification
1	Principal	MOHAMMED PADAMSHI	TSC No.306262
2	Deputy Principal	JAMAL ABDI	TSC No.498539
3	School Bursar	LOMUTON KOOLI	ICPAK No.
4	Other (specify)		

(d) Schools contacts

Post Office Box: 705-60300
 Telephone: 0118 763 044
 E-mail: secondaryngaremara@gmail.com
 Website:
 Facebook:
 Twitter:

School Bankers

Provide details of the school bankers.

Name of Bank: KCB
 Branch: Isiolo
 Postal Address:
 Account Name: Ngaremara Secondary School- **School fund account**
 Account No: 1148685995

Name of Bank: Consolidated
 Branch: Isiolo
 Postal Address:
 Account Name: Ngaremara Secondary School-**Tuition account**
 Account No: 10111203000017

Name of Bank: Consolidated
 Branch: Isiolo
 Postal Address:
 Account Name: Ngaremara Secondary School -**Operations account**
 Account No: 10111203000062

Name of Bank: Consolidated
 Branch: Isiolo
 Postal Address:
 Account Name: Ngaremara Secondary School- **Operations**
 Account No: 10111301000022

Account No: 10111301000022

(e) Independent Auditors

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

3. Summary Report of Performance of The School

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

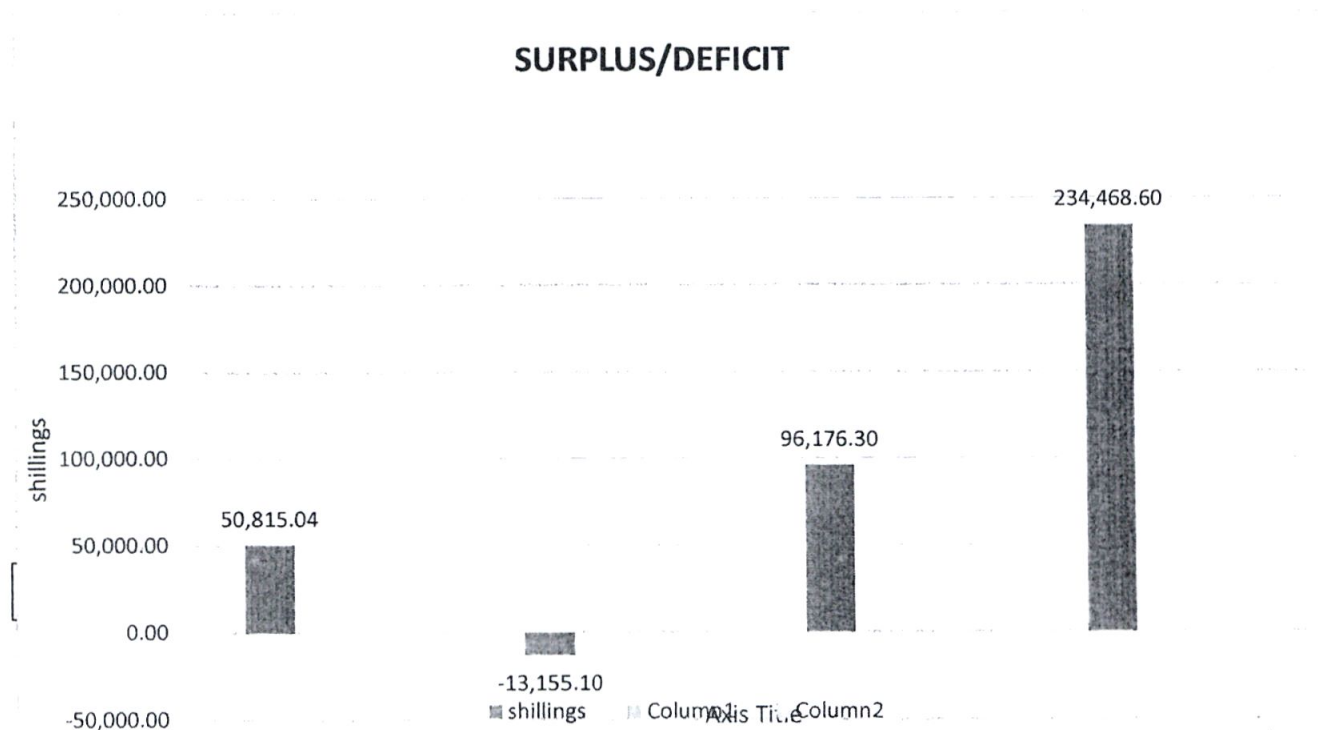
a) Financial performance:

(Under this section, the following information should be given:

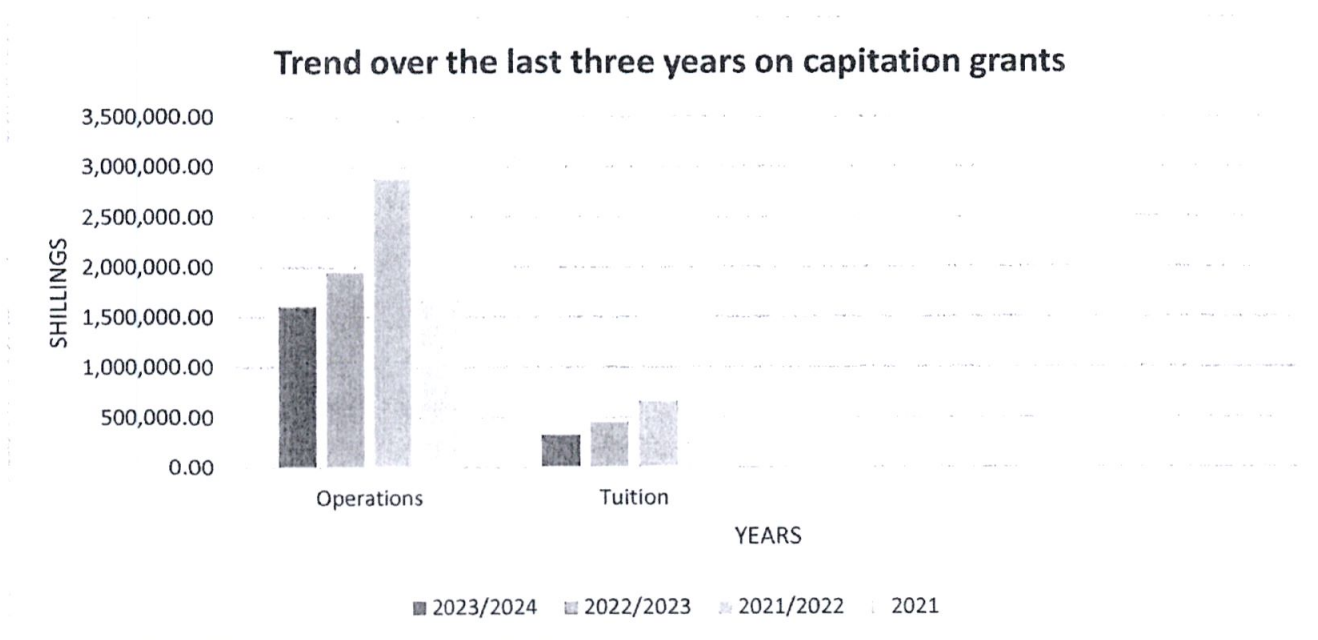
- *Surplus/ deficit for the year and a comparison of the same for the last three years*
- *Capitation grants from the Ministry of Education for the last three years*
- *A three-year overview of growth of other income(s) earned by the school.*
- *A three-year overview of growth in expenditure of the school*
- *Movement of debtors and creditors of the school over the last three years*

Graphical presentation, ratios, tables, and pie charts should be used to show/ indicate trends unless the school is new).

S/No.	2024/2025	2023/2024	2022/2023	2021/2022
	Kshs	Kshs	Kshs	Kshs
1		50,815.04	(13,155.10)	96,176.30



S/ No	ACCOUNTS	2024/3025	2023/2024	2022/2023	2022/2021
		Kshs	Kshs	Kshs	Kshs
	Operations account		1,611,836.84	1,959,125.90	2,885,702.20
	Tuition Account		330,149.80	452,201.00	665,034.00
	Total		1,941,986.64	2,411,326.90	3,550,736.20
	Increase/Decrease		(469,340.26)	(1,139,409.30)	1,615,596.40
	No. of students		171	170	160
	Ratio of Capitation per Student		1:11,356.65	1:14,184.27	1:22,192.10



The total capitation grants for the financial year 2023/2024 was Kshs.1,941,986.84 as compared to Kshs.2,411,926.90 in the financial year 2022/2023 representing a decrease of Kshs.469,340.24.

b) Teacher Student ratio:

(Include the teacher-to-student ratio, number of teachers recruited and posted to the school within the year, number of teachers that were transferred/ retired during the period as well as number of teachers employed by TSC, and number employed by BOM. One may also include how many teachers the school has for each subject to indicate shortage/ allocation of resources).

c) The mean score in the 2025 KCSE:

Give performance of the school for each over the last three years. Include the number of students that have since transitioned to institutions of higher learning. Include the mean score and comment on improvement or otherwise as compared to the school's set score.

d) Number of Candidates in the 2025 KCSE:

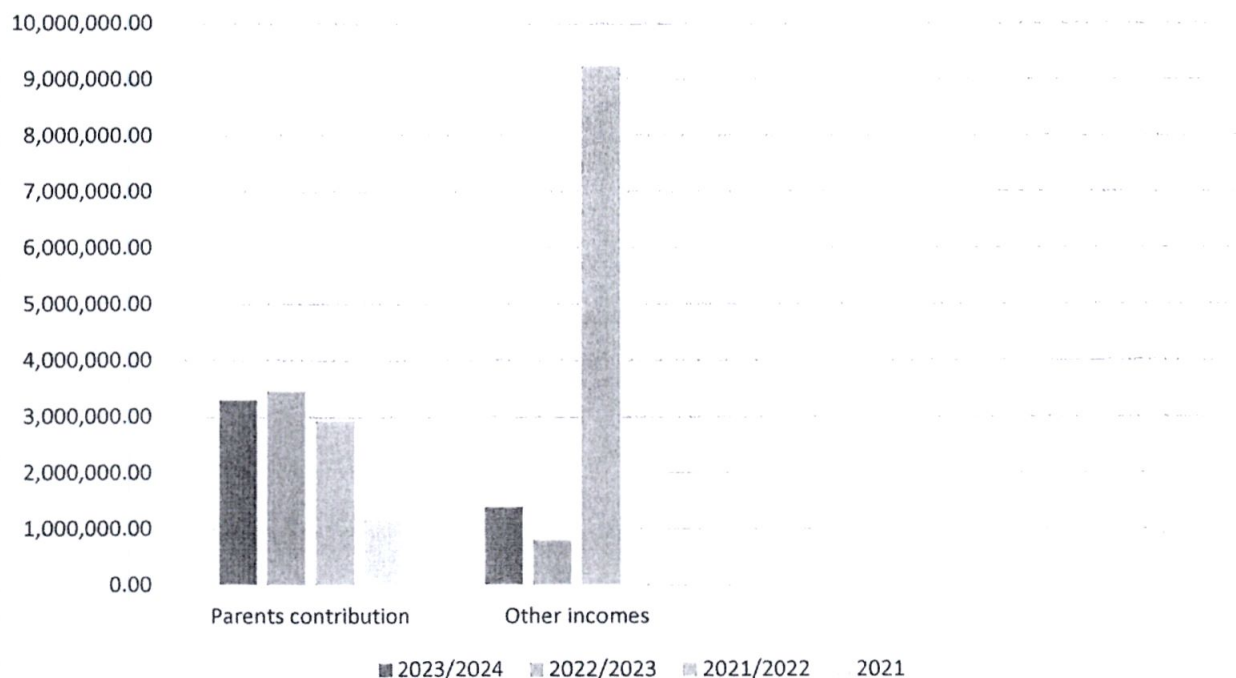
(Tabulate the number of candidates sitting for KCSE over the last three years).

e) The capacity of the school:

(Indicate the number of students in the school vis a vis the facilities like the dormitories, the dining hall, the laboratories, toilets and other amenities. This information will provide useful details for the Ministry of Education).

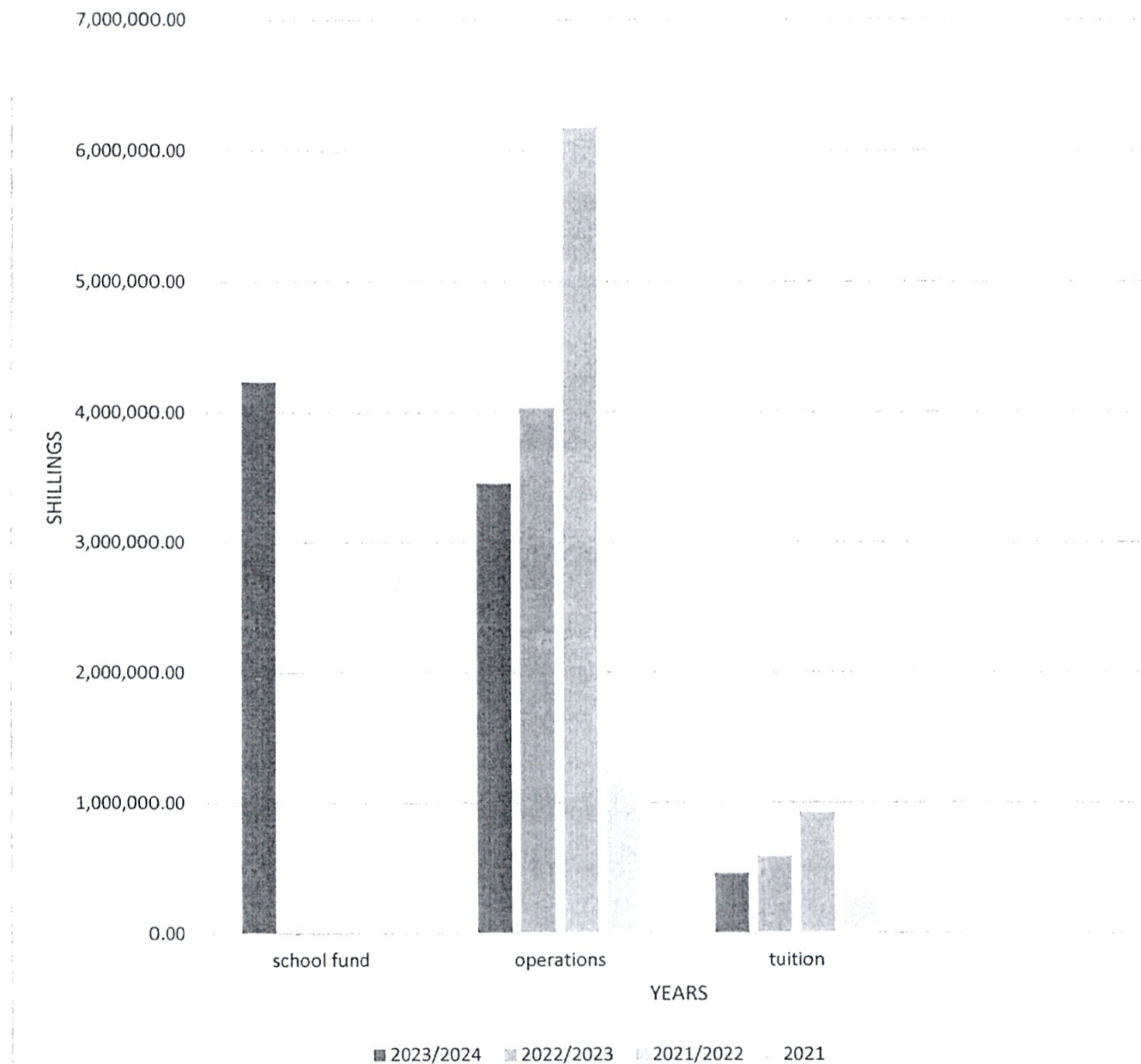
OVERVIEW OF NET GROWTH OF OTHER INCOME(S)

	2023/2024	2022/2023	2021/2022	2021
Parents contribution	3,304,743.00	3,451,071.00	2,936,510.00	1,168,890.00
Other incomes	1,317,000.00	799,500.00	9,236,000.00	14,000.00
TOTALS	4,621,743.00	4,250,571.00	12,172,510.00	1,182,890.00

Overview growth in Other Incomes over the last three years**OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL**

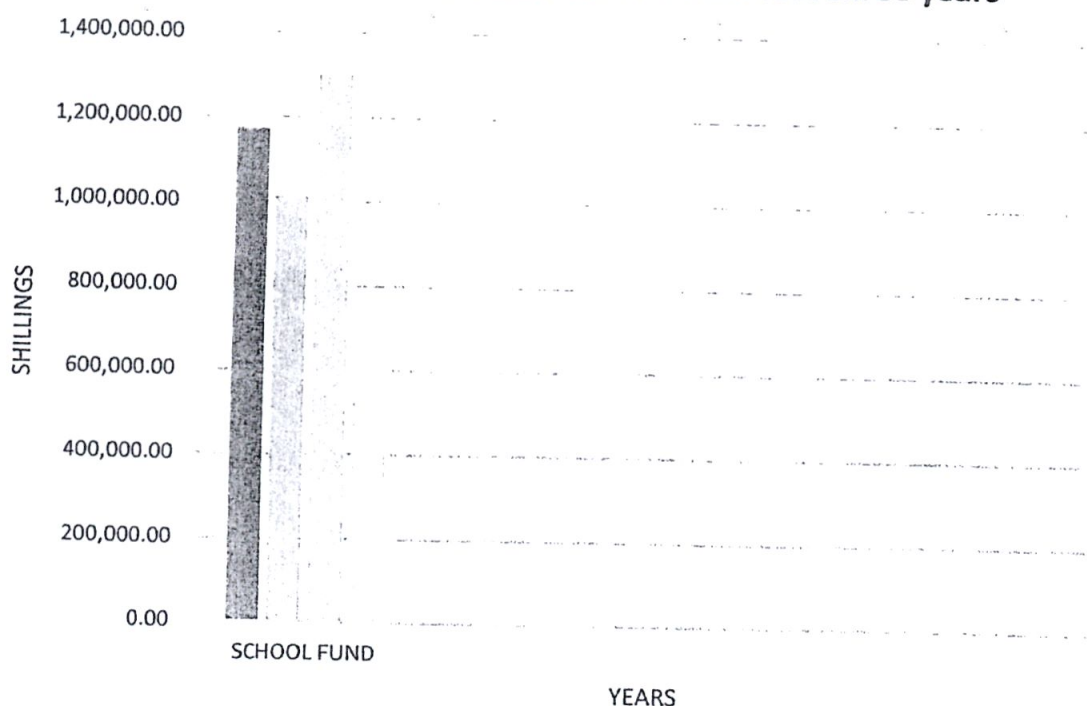
	2023/2024	2022/2023	2021/2022	2021
	Kshs	kshs	Kshs	Kshs
School Fund Account	4,237,209.60	3,985,068.00	11,409,016.70	1,278,933.00
Operations Account	3,451,751.50	4,038,597.00	6,176,539.50	1,251,878.00
Tuition Account	462,555.00	590,997.00	924,305.00	398,865.00
Total	8,151,516.10	8,614,662.00	18,509,861.20	2,929,676.00

Overview growth in Expenditure over the last three years



MOVEMENT OF DEBTORS OF THE SCHOOL					
S/NO		2023/2024	2022/2023	2021/2022	2021
1	School Fund Account	KSHS	KSHS	KSHS	KSHS
	Debtors	1,172,607.00	1,011,816.00	1,299,865.00	670,755.00
	Total	1,172,607.00	1,011,816.00	1,299,865.00	670,755.00
	Increase/Decrease	160,791.00	288,049.00	292,055.00	(408,600.00)

Movement Trend of the Debtors over the last three years



Total debt

Kshs.1,0

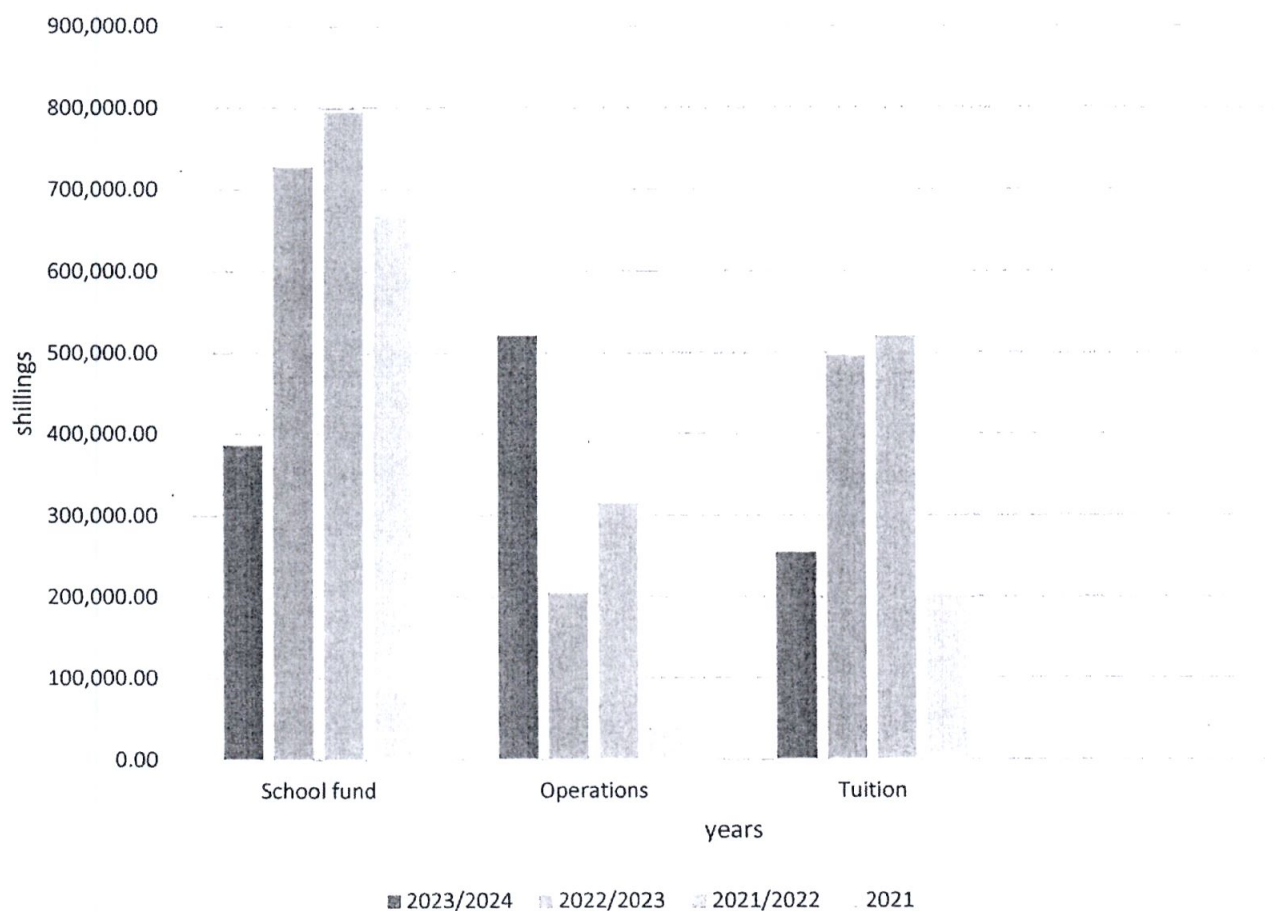
2023/2024 2022/2023 2021/2022 2021

2021/2022 were 1,299,865.00 which was an increase from the debtors of the financial year that ended on 30th June,2021 of 670,755,which covered a period of six months.The students are unable to clear their school fees due to the economic constraints that prevail within the area.

MOVEMENT OF CREDITORS OF THE SCHOOL					
SNO			2022/2023	2021/2022	2021
	School Fund Account		KSHS	KSHS	KSHS

1.	School fund	386,700	728,540.00	796,030.00	670,755.00
2.	Operations	521,320.00	204,890.00	315,670.00	40,000.00
3.	Tuition	255,325.00	497,527.00	521,485.00	203,880.00
	Total	1,163,345.00	1,430,957.00	1,633,185.00	914,635.00

Movement Trend of the Creditors over the last three years

**Teacher Student ratio:**

Teacher student ratio	1:8
Teachers recruited/posted	2

Teachers transferred/retired	4
Teachers employed by TSC	14
Teachers employed by BOM	0

TEACHERS PER SUBJECT.

S/N	SUBJECTS	NO.OF TEACHERS
1.	ENGLISH	2
2.	KISWAHILI	3
3.	MATHEMATICS	6
4.	BIOLOGY	2
5.	CHEMISTRY	4
6.	PHYSICS	1
7.	HISTORY	2
8.	C.R.E	1
9.	GEOGRAPHY	1
10.	BUSINESS STUDIES	4
11.	AGRICULTURE	1
12	I.R.E	1

The mean score in the 2023 KCSE:

YEAR	ENROL MENT	MEAN	TRANSI TION	TRANSITION (%)	SCHOOL TARGET	COMMENTS
2023	36	4.44	0	0	5.0	Positive deviation of 1.15 from the previous year mean score.
2022	31	3.29	1	3.23	3.50	Negative deviation 0.16 from the previous year.
2021	24	3.45	0	0	3.50	Negative deviation 0.09 from the previous year

2020	26	3.54	0	0	3.50	Positive deviation c 0.06 from the previ year.
------	----	------	---	---	------	--

Number of Candidates in the 2023 KCSE:

<i>YEAR</i>	<i>NUMBER OF STUDENTS</i>
2023	36
2022	31
2021	24
2020	26

The capacity of the school:

<i>Amenities</i>	<i>Number of students</i>	<i>Number of amenities</i>
<i>Classes</i>	<i>100</i>	<i>6</i>
<i>Dinning hall</i>	<i>100</i>	<i>0</i>
<i>Computer laboratory</i>	<i>100</i>	<i>1</i>
<i>Science laboratory</i>	<i>100</i>	<i>1</i>
<i>Dormitory</i>	<i>100</i>	<i>2</i>
<i>Toilets</i>	<i>100</i>	<i>8</i>
<i>Administration block</i>	<i>100</i>	<i>1</i>
<i>Kitchen</i>	<i>100</i>	<i>1</i>

f) Development projects carried out by the school:

(Development projects carried out in the year and ongoing projects including a disclosure of project fund sources in a tabular format).

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time

PRINCIPAL
 NGAREMARA SECONDARY SCHOOL
 P.O. Box 705 - 60300 ISIOLO
 Date: 16/4/26 Sign: *[Signature]*

School Principal

4. Statement of School Management Responsibility

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

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

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

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 20XX, and of the school's financial position as at that date.

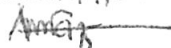
ANGELINE ABOTO

.....

Name:

Designation: Chairman, School Board of Management

Date: 16/4/2026



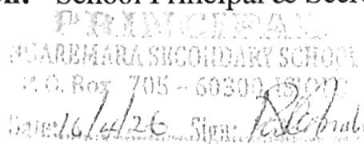
MOHAMMED PADAMSHI

.....

Name:

Designation: School Principal & Secretary to Board of Management

Date:


P. O. Box 705 - 60300 ISIOU
Date: 16/4/2026 Sign: 

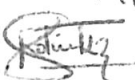
LOMUTON KOOLI

.....

Name:

Designation: Bursar/ Finance Officer

Date: 16/4/2026



REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NGAREMARA SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2025 – ISIOLO 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 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 the 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 transitional IPSAS financial statements of Ngaremara Secondary School set out on pages 1 to 22, which comprise of the statement of assets and liabilities as at 30 June, 2025 and the statement of financial

performance, 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 Ngaremara Secondary School as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Non-Compliance with Transitional IPSAS Reporting Requirements

As disclosed in Note 1 to the financial statements on Statement of Compliance and Basis of Preparation of the Financial Statements, the School has taken advantage of the transitional provisions under IPSAS 33. However, Management has not indicated the elements of the financial statements that have not been fully recognized as per the respective IPSAS and the steps being taken towards full compliance with IPSAS Accrual.

In the circumstances, the financial statements as prepared and presented are not in compliance with IPSAS reporting framework.

2. Inaccuracies in the Financial Statements

Review of the financial statements revealed the following inaccuracies.

- i. Annex 2 on summary of fixed assets register is blank yet the school has a parcel of land, buildings and two school generators among other assets
- ii. The statement of financial position reflects nil cash in hand while Note 11 reflects Kshs.18,320 resulting in unexplained variance of Ksh.18,320.
- iii. The statement of financial position reflects nil accounts receivable balance while the respective Note 13 reflects Kshs.2,369,783 resulting in unexplained variance of Kshs.2,369,783.
- iv. The statement of budgeted versus actual amounts does not reflect any amounts against all items of receipts and expenditure, both budget and actuals.
- v. The following variances were noted between balances in the financial statements and the ledger.

Item	Financial Statements balance (Kshs)	Ledger Figures (Kshs)	Variances (Kshs)
Government grants for tuition	200,387	66,784	133,603
Government grants for Operations	824,083	1,202,845	(378,762)
School fund income	922,070	564,335	357,735
Tuition Payments	194,390	115,000	79,390
Operations payments	824,083	1,249,134	(425,051)
Boarding and school fund	468,332	550,920	(82,588)

vi. Examination of cash book balances against ledger balances revealed the following variances.

Item	Ledger Balance (Kshs)	Cash book (Kshs)	Variance (Kshs)
Government grants for Operations	1,202,845	1,013,000	189,845
School fund income	564,335	668,335	104,000
Operations payments	1,249,134	1,752,978	503,844

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

3. Cash and Cash Equivalents

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.577,149 as disclosed in Note 10 to the financial statements. Included in the balance is school fund account balance of Kshs.481,379 KCB for which a certificate of bank balance was not provided for audit review. Further, included in the balance is Kshs.1,399 relating to the savings account held at Consolidated Bank for which a cash book was not provided for audit review. In addition, the audit revealed cash withdrawals from the KCB school fund account totalling Kshs.880,250. However, the school did not keep a memorandum cash book to record petty cash transactions.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.577,149 could not be confirmed.

4. Unsupported Accounts Receivable

Note 13 to the financial statements reflects accounts receivable balance of Kshs.2,369,783 as disclosed in Note 13 to the financial statements. However, detailed schedules were not provided to support the balance.

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

5. Unsupported Accounts Payable

The statement of assets and liabilities reflects accounts payable balance of Kshs.2,724,179 as disclosed in Note 14 to the financial statements. However, detailed schedules were not provided to support the balance.

In the circumstances, accuracy and completeness of the accounts payable balance of Kshs.2,724,179 could not be confirmed.

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

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 Matter

Significant Exemptions by PSASB in the Financial Reporting Template

The financial statements have been prepared using the financial year 2024/25 reporting template issued by the Public Sector Accounting Standards Board (PSASB). As communicated by PSASB on 25 February, 2026, the template was designed to facilitate a phased transition to accrual-based IPSAS for public secondary Schools and therefore, does not include certain statements and disclosures required under the full IPSAS transition. These omissions include the Opening Statement of Financial Position, the Statement of Changes in Net Assets/Equity, detailed disclosures of transitional provisions under IPSAS 33, and a reconciliation of budgeted amounts to actual accrual amounts. The absence of these elements arises from limitations inherent in the prescribed template and does not constitute non-compliance on the part of the School.

Other Information

Management is responsible for the other information set out on page iii to xix 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 Ngaremara Secondary School 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 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 Use of Public Resources, 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. Late Submission of Financial Statements for Audit

The financial statements for the year ended 30 June, 2025 were submitted to the Auditor-General for audit on 9 March, 2026. This was contrary to Section 47(1) of the Public Audit Act, 2015 which requires that financial statements should be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate, in this case 30 September, 2025.

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

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

The statement of financial performance reflects payments for boarding and school fund amount of Kshs.468,332 as disclosed in Note 9 to the financial statements. Included in the expenditure is Kshs.40,500 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.40,500 could not be confirmed.

3. Under-funding of Capitation Grants

The statement of financial performance reflects Government grants for tuition and capitation grants for operations amounts of Kshs.200,387 and Kshs.824,083

respectively, as disclosed in Notes 1 and Note 2 to the financial statements. Comparison of data from National Education Management Information System (NEMIS) with records from the physical class attendance registers during the financial year reflected under-funding by Kshs.563,398 for the period ended June 2025, as analyzed below:

Date NEMIS data was checked by MoE	Capitation Per Student	Number of Students Per NEMIS	Number of students in the Register	Variance (No. of students)	Variance (Kshs)
02/08/2024	3,281.82	113	140	27	88,609
25/11/2024	4,196.8	88	135	47	197,249
25/11/2024	4,196.8	88	135	47	197,249
22/04/2025	3,211.6	89	114	25	80,290
Total					563,398

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

4. Failure to Display Receipts of Capitation

During the audit, it was observed that the school did not display the receipts of capitation and the Circular accompanying the funds on the school noticeboard. This is contrary to Sub-section 3.1.1 of the Operations Manual for Utilization of Learner Capitation Grants on funding and disbursements to school which states that, upon receipt of the disbursement, the total amount received and the circular accompanying it should be conspicuously displayed on the school notice board.

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

5. Failure to Prepare School Improvement Plan

During the year 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 law.

6. Failure to Transfer Infrastructure Funds from Operations Account

The statement of financial performance reflects grants for operations amount of Kshs.824,083 as disclosed in Note 10 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.327,500 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the school's facilities.

However, these amounts were utilized in the operations account. This was contrary to The Ministry of Education Circular Ref. No: MOE.HQS/3/10/18 dated 7 March, 2024 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account within fifteen (15) days upon receipt of the funds in the operations account.

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

7. Use of Delible Ink to Make Entries in the Cash Books

During the audit, it was observed that the cash books provided for audit review had entries made in pencil. This is contrary to Regulation 16(1) of the Public Finance Management Regulations, 2015 which states that financial records and documents shall be written in indelible ink.

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

8. Lack of Approved Budgeted and Procurement Plan

The statement of financial performance reflects amounts of Kshs.1,947,936 and Kshs.1,486,805 in respect of total receipts and total payments respectively. However, during the year under review, Management did not prepare a budget and 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 should prepare a procurement plan for each financial year as part of the annual budget preparation process'.

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

9. Irregularities in Procurement Processes

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

9.1 Lack of Professional Opinions

Tender evaluation reports for the year under review did not have professional opinions as required under Section 84(1) of the Public Procurement and Assets Disposal Act, 2015.

9.2 Lack of Inspection and Acceptance Committee

There were no inspection and acceptance committees to inspect goods, works and services so as to ensure that they meet the standards and quantities in the respective contracts, contrary to the provisions of Section 48 of the Public Procurement and Assets Disposal Act, 2015

9.3 Lack of Tender Registers

The School did not provide for audit review tender opening registers showing the records of the bidders who submitted their bids, contrary to Section 78(5) of the Public Procurement and Asset Disposal Act, 2015.

9.4 Lack of a Functional Procurement Unit

The School did not have an established procurement function managed by qualified procurement professional as required by Section 47(2) 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 who did not possess the requisite qualifications.

9.5 Unstructured Procurement Processes

Review of payment vouchers and other supporting documents revealed absence of budgets, need analysis reports, procurement plans, failure to advertise, wrong choice of procurement methods and failure to comply with evaluation regulations.

9.6 Weaknesses in Record Keeping

During the year under review, the School failed to maintain complete procurement records, including tender documents, tender advertisements, tender opening minutes, tender evaluation reports, correspondences with supplier and contract documents. This is contrary to Section 68 of the Public Procurement and Asset Disposal Act, 2015 and limits audit trail and transparency.

9.7 Failure to Prepare Requisitions

Examinations of payment vouchers revealed that they lacked requisitions from user departments, contrary to Regulation 71(1) of Public Procurement and Asset Disposal Regulation, 2020 which provides that pursuant to Section 73 of the Act, the head of the user department shall initiate the procurement process through a requisition as per the approved procurement plan.

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

10. Unutilized School Dormitory

An inspection carried out on the school compound revealed that the School has a one hundred and twenty (120) bed capacity dormitory that was completed in 2021/2022 at a cost of Kshs.8,251,745 but has remained unutilized to date.

In the circumstances, value for money has not been obtained from the dormitory.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of matters discussed in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance,

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. Weaknesses in Management of Assets

Annex 2 to the financial statements reflects summary of fixed assets register with a nil balance. However, and as previously reported, the school sits on land measuring sixty-four (64) acres of undetermined value. However, ownership documents for the land were not provided for audit. In addition, the school did not maintain an updated fixed asset register detailing the date of acquisition, cost, supplier, unique identification number/code, location and custody of the assets.

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

2. Lack of a Risk Management Framework

During the year under review, the School did not have a risk management framework in place and no risk assessment was carried out during the year.

In the circumstances, the School is exposed to numerous operational and governance risks which may affect its operations.

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

Responsibilities of the Management and Board of Management

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards 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 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

comply with the authorities which govern them and that public resources are applied in an effective way.

The Board of Management is responsible for overseeing the School's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards 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

22 May, 2026

6. Statement Of Financial Performance for the Year Ended 30th June 20XX

Description Of Vote Head	Note	2024/2025	2023-2024
		Kshs	Kshs
Revenue			
Government grants for tuition	1	200,387.00	330,149.80
Government grants for operations	2	824,083.08	3,250,438.34
Government Grants for infrastructure	3	0	0.00
School fund income- parents' contributions	4	922,070.00	3,304,743.00
Miscellaneous incomes	5	1,399.28	1,317,000.00
Total Revenue		1,947,937.36	8,202,331.14
Expenditure			
Tuition	6	194,390.00	462,555.00
Operations	7	824,083.08	3,451,751.50
Infrastructure	8	0	0.00
Boarding and school fund	9	468,332.00	4,237,209.60
Total Expenditure		1,486,805.08	8,151,516.10
Surplus/Deficit		461,132.28	50,815.04

The school financial statements were approved on _____ 2025 and signed by:

ANGELINE ABOTO.

MOHAMMED PADAMSHI

LOMUTON KOOLI

.....

.....

.....

Name:

Name:

Name:

Chair BOM

School Principal/ Secretary to
BOM

Bursar/ Finance Officer

Date: 16/4/26

Amber

Date: 16/4/26

Moammed Padamshi

Date: 16/4/2026

Lo muton Kooli

7. Statement of Assets and Liabilities As At 30th June 20XX

Description	Note	2024-2025 Kshs	2023-2024 Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	577,148.7	85,275.21
Cash balances	11		379.25
Short term investments	12		0.00
Total cash and cash equivalent		577,148.7	85,654.46
Account's receivables	13		5,939,005.00
Total financial assets (a)		577,148.7	6,024,659.46
Financial liabilities			
Accounts payables	14	2,724,179	6,317,391.00
Total Financial Labilities (b)		2,724,179	6,317,391.00
Net financial assets (a-b)		(2,147,030.3)	(292,731.54)
Represented by			
Accumulated fund b/fwd	15		(343,546.58)
Surplus/deficit for the year		(2,147,030.3)	50,815.04
Net Assets		(2,147,030.3)	(292,731.54)

The school's financial statements were approved on _____ 2025 and signed by:

ANGELINE ABOTO.

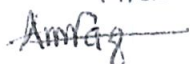
MOHAMMED PADAMSHI

LOMUTON KOOLI

Name:

Chair BOM

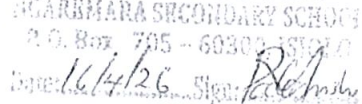
Date: 16/4/26



Name:

School Principal/ Secretary to BOM

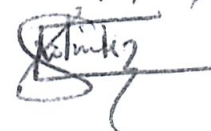
Date:



Name:

Bursar/ Finance Officer

Date: 16/4/2026



8. Statement of Cash Flows for the Year Ended 30th June 2025

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition		200,387.00	330,149.80
Government grants for operations		824,083.08	3,250,438.34
Government grants for infrastructure		0	0.00
School fund income- parents contributions/ fees		922,070.00	2,565,562.00
Other income		1,399.28	1,197,000.00
Total receipts		1,947,937.36	7,343,150.14
Payments			
Cash outflows for tuition		194,390.00	307,230
Cash outflows for operations		824,083.08	3,243,041.50
Cash outflows Boarding/lunch and school fund payments		468,332.00	3,775,242.00
Total payments		(1,486,805.00)	(7,325,513.50)
Net cash inflow/outflow from operating activities		461,132.36	17,636.64
Cash flow from investing activities			
Acquisition of assets		0.00	0.00
Proceeds from sale of Assets		0.00	0.00
Proceeds from investments		0.00	0.00
Purchase of investments		0.00	0.00
Net cash inflow/outflows from investing activities		0.00	0.00
Cash flow from Financing activities			
Proceeds from borrowings/ loans	18	0.00	120,000.00
Repayment of principal borrowings		0.00	122,343.60
Net cash inflow/outflow from financing activities		0.00	(2,343.60)
Net increase/decrease in cash and cash equivalents		461,132.36	15,293.04
Cash and cash equivalent at beginning of the FY		20,246.84	70,361.42
Cash and cash equivalent at end of the FY		481,379.20	85,654.46

Note: Cash and Cash Equivalent is the summation of Note 10, 11 and 12.

(The above presentation of the cash flow statement uses the direct method of cash flow presentation which is encouraged under IPSAS. Schools should therefore adopt the direct method of cash flow as recommended by PSASB)

The school's financial statements were approved on 16 APRIL 2025 and signed by:

ANGELINE ABOTO.

MOHAMMED PADAMSHI.

LOMUTON KOOLI

.....

.....

.....

Name:

Name:

Name:

Chair BOM

**School Principal/ Secretary to
BOM**

Bursar/ Finance Officer

Date: 16/4/2026

Date: 16/4/2026

Date: 16/4/2026

Amag

PRINTED BY
NGAREMARA SECONDARY SCHOOL
P.O. Box 705 - 60300, ISIOLO
Date: 16/4/2026 Sign: *Mo*

Stintz

9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2025

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					
<i>(1) Capitation Grant on Tuition</i>					
Reference Materials					
Exercise Books					
Laboratory Equipment					
Internal Exams					
Teaching / Learning Materials					
Exams And Assessment					
<i>(2) Capitation Grant on Operations</i>					
Personnel Emoluments	641,880.00				
Repairs And Maintenance					
Local Transport / Travelling					
Electricity And Water					
Medical					
Administration Costs					
Activity					
Gratuity					

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
3) FDSE for infrastructure					
Maintenance &Improvement MoE					
M&I parents' contribution					
Economic Stimulus Programs					
Transition Infrastructure Grants					
Administration Block					
(4) Fees Charged on Parents					
Personnel Emoluments					
Repairs And Maintenance					
Local Transport / Travelling					
Electricity And Water					
Medical					
Administration Costs					
Activity					
SMASSE					
Fee On Boarding Equipment and Stores					
5) Miscellaneous Income					
Loans / Borrowing					
Rent income					
Income From Farming Activities					
Insurance Compensation					
Income From Posho Mill					

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
Income From Bus Hire					
Fee For Hire of Ground and Equipment					
Interest Income					
Income From Any Other Investment					
Total Income					
(6) Expenditure For Tuition					
Textbooks					
Reference Materials					
Exercise Books					
Laboratory Equipment					
Internal Exams					
Teaching / Learning Materials					
Chalks					
Exams And Assessment					
Teachers Guides					
Administration Costs					
Bank Charges					
(7) Expenditure For Operations					
Personnel Emoluments					
Repairs, Maintenance & Improvements					
Local Transport / Travelling					

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
Electricity, Water and Conservancy					
Medical					
Administration Costs					
Activity Expenses					
Gratuity					
SMASSE					
(8) Expenditure For infrastructure					
Construction of classrooms					
Construction of LAB					
Construction of DORMS					
Purchase of furniture					
Purchase of equipment					
Purchase of machinery					
(9) Expenditure For school fund/lunch/boarding					
Personnel Emoluments					
Repairs, Maintenance and Improvements					
Local Transport / Travelling					
Electricity, Water and Conservancy					
Medical Expenses					

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
Administration Costs					
Activity					
Gratuity					
Lunch Programme					
Boarding Equipment and Stores					
Expenditure For Income Generating Activity					
Insurance Costs					
Other Expenses On Investments					
Rent Expenses					
Bank Charges					
Loan Interest Repayment					
Loan Principal Repayment					
Acquisition Of Assets					
Totals					

[Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization above 100%]

- i.
- ii.

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

Statement of Compliance

The financial statements have been prepared in accordance with the PFM Act and International Public Sector Accounting Standards (IPSAS). The entity has taken advantage of the transitional provisions under IPSAS 33, and therefore, these first/second/third/year financial statements are transitional financial statements.

Basis of Preparation

These financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period on an accrual basis unless otherwise specified (for example, statement of cash flow). Under an accrual basis, revenues are recognized when rights to assets are earned or levied rather than when cash is received, and expenses are recognized when obligations are incurred rather than when they are settled. The financial statements have been prepared and presented in Kenya Shillings to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

2. Recognition of revenue and expenditure

The school recognizes all revenue from various sources when earned and all expenses when incurred.

The capitation grants include recurrent and development grants. Recurrent capitation are recognised in the statement of financial performance while development grants are recognised in the statement of financial position after meeting the revenue recognition criteria. The conditional grants will be recognised as revenue upon fulfilment of the set conditions.

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 financial performance both as revenue and as expenditure in equal and opposite amounts; otherwise, the contribution is not recorded.

4. Cash and cash equivalents

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

5. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. Accounts receivables also include school fees billed to parents for services rendered but not paid. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. Accounts Payable

For the purposes of these financial statements, deposits, and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending the fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Payables also include expenditures incurred for the purchase of goods, works and services that have been rendered and not settled. This is an enhancement to the cash accounting policy adopted for public secondary schools. Other liabilities are disclosed in the financial statements.

7. Non-current assets

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the school fixed asset register a summary of which is provided as a memorandum to these financial statements.

8. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *school's* budget was approved by the School Board of Management. A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

9. Comparative figures

Where necessary, comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2025

11. Notes To the Financial Statements**1 Government Grants for Tuition**

Description	2024-2025	2023-2024
	Kshs	Kshs
Reference Materials		
Exercise Books		
Laboratory Equipment		
Internal Exams		
Teaching / Learning Materials	200,387	330,149.80
Others (specify) *		
Total	200,387	330,149.80

*Include others as per MOE circulars

2 Government Grants for Operations

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel Emoluments	641,880.00	
Repairs And Maintenance		445,439.19
Local Transport / Travelling		
Electricity And Water		
Medical		128,677.11
Administration Costs	10,250	
Bank interests		211.50
Activity	170,554.00	93,214.72
Savings account	1,399.28	1,611,836.84
Transfer from meals account		80,390.00
Transfer from tuition account		115,000.00
Other Vote Heads (specify) *		775,668.98
Total	824,083	3,250,438.34

*Include others as per MOE circulars

3 Government Grants for infrastructure

Description	2024-2025	2023-2024
	Kshs	Kshs
Maintenance & Improvement		
Transition infrastructure grants		

Description	2024-2025	2023-2024
	Kshs	Kshs
Administration Block		
Economic stimulus grants		
Other (specify) (NGCDF and County govt.		
Total		

4 School Fund Income - Parents Contribution/Fees

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel emoluments		
Repairs and maintenance		5,000
Local transport / travelling		
Electricity and water		
Medical		
Administration costs		
Activity		750.00
Fee on Boarding Equipment and stores	446,070	3,257,593.00
PA Levies*		
Others (specify) CDF	476,000.00	41400
Total	922,070.00	3,304,743.00

*Includes all levies charged by the school outside the fees structure but by mutual agreement with the parents.

5 Miscellaneous Incomes

Description	2024-2025	2023-2024
	Kshs	Kshs
Rent Income		
Income From Farming Activities		
Insurance Compensation		
Income From Posho Mill		
Income From Bus Hire		
Fee For Hire of Ground and Equipment		
Income From Grants and Donations*		
Interest Income		
Dividends Income		
Loans/Borrowings*		120,000.00
Bursary	476,000	1,197,000.00
Other Income (Specify)*		
Total	476,000	1,317,000.00

(Include an explanation on the kind and source of grants/ donations received by the school.)

**Ensure proper authorization from MOE before obtaining loans/borrowings.*

**Indicate what other income relates to including income arising from writebacks if any.*

6 Tuition

Description	2024-2025	2023-2024
	Kshs	Kshs
Exercise Books		
Textbooks		
Reference materials		
Laboratory Equipment		
Teaching / Learning Materials	200,387	345,325.00
Exams And Assessment		
Teachers Guides		
Bank Charges		2,230.00
Transfer to operations account		115,000.00
Others (Specify)		
Total	200,387	462,555.00

7 Operations

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel Emoluments	641,880.00	
Service Gratuity		
Administration Cost	10,250	
Repairs And Maintenance & Improvements		140,000.00
Local Transport / Travelling		
Electricity And Water		
Medical		
Activity Expenses	170,554.00	40,000.00
Insurance Cost		
Savings account	1,399.28	1,613,000.00
Meals account		79,750.00
Bank Charges		511.50
Others (specify)		1,578,490.00
Total	824,083	3,451,751.50

8 Infrastructure

Description	2024-2025	2023-2024
	Kshs	Kshs
Construction of classrooms		
Construction of laboratory		
Construction of dormitory		
Purchase of furniture		
Purchase of equipment		
Purchase of apparatus		
Drilling of boreholes		
Others (specify)		
Total	0.00	0.00

9 Boarding And School Fund

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel Emoluments		
Service Gratuity		
Repairs And Maintenance & Improvements		3,000
Local Transport / Travelling		
Electricity And Water		
Medical Expenses		
Administration Costs		
Lunch Programme	468,080.00	3,014,924.00
Bank Charges	252.00	9,052.00
Expenses On Income Generating Activities**		
Fee On Boarding Equipment and Stores		
Rent Expenses		
Insurance Cost (<i>Life Property</i>)		
Loan Principal Repayment		120,000.00
Loan Interest Repayment		2,343.60
Acquisition Of Assets		
PA expenses		
Bursary		914,000.00
Transfer to operations account		80,390.00
<i>Others (Specify)*</i>		93,500.00
Total	468,332.00	4,237,209.60

(Expenses on income generating activities** should include all costs relating to the school earnings on miscellaneous revenue as recorded in note 5. These costs should include farm maintenance, posho mill maintenance, ground maintenance and costs incurred during hire of school bus among others).

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2024-2025	2023-2024
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	10111203000017	33,658.85	54,217.55
Operations Account	Active	10111203000062	60,711.47	20425.37
School Fund Account/Boarding	Active	1148685995	481,379.20	342.20
Savings Account	Active	10111301000022	1,399.28	2,141.34
Parent Association Development Account	Active		0	0
Income Generating Activities Account	Active		0	0
Infrastructural Account	Active		0	0
Cdf Account	Active	0410279868198	0	8,148.75
Total			577,148.8	85,275.21

11 Cash In Hand

Description	2024-2025	2023-2024
	Kshs	Kshs
Notes and Coins	18,300.00	319.00
School fund account	20.00	60.25
Total	18,320.00	379.25

12 Short Term Investments

Description	2024-2025	2023-2024
	Kshs	Kshs
Cooperative Shares	0	0
Treasury Bills	0	0
Fixed Deposit accounts	0	0
Other Investments	0	0
Total	0	0

13 Accounts Receivable

Description	2024-2025	2023-2024
	Kshs	Kshs
Fees Arrears	2,369,783	5,939,005.00
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)	0	0
Imprest (list/schedule attached)	0	0
Rent arrears (list/schedule attached)	0	0
Total	2,369,783	5,939,005.00

13 b) Ageing Analysis of Accounts Receivable

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year		%	1,172,607.00	19.17%
Between 1- 2 years		%	578,390.00	9.74%
Between 2-3 years		%	1,058,465.00	17.82%
Over 3 years		%	3,129,543.00	52.70%
Total (should tie to note 13 a)		%	5,939,005.00	100%

14 Accounts Payable

Description	2024-2025	2023-2024
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	2,181,729	5,418,913.00
Prepaid Fees	82,450	485,498.00
Retention Monies		
Unpaid salaries and statutory deductions	460,000	412,980.00
Caution money		0
Other payables (specify)		0
Total	2,724,179	6,317,391.00

14a. Ageing Analysis of Accounts Payable

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year		%	750,365.00	%
Between 1- 2 years		%	859,667.00	%
Between 2-3 years		%	438,475.00	%
Over 3 years		%	3,298,726.00	%
Total (should tie to note 14)		%	5,418,913.00	%

15 Fund Balance Brought Forward

Description	2024-2025	2023-2024
	Kshs	Kshs
Bank Balances		64,347.17
Cash Balances		6,014.25
Short Term Investments		0
Receivables		5,199,824.00
Payables	2,724,179	(5,613,732.00)
Total	(2,724,179)	(343,546.58)

Other important disclosure notes

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

16 Non-current Liabilities Summary

Description	2024-2025	2023-2024
	Kshs	Kshs
Bank Loans	0	0
Outstanding Leases	0	0
Hire Purchase	0	0
Gratuity And Leave Provision	0	0
Others (specify)	0	0
Total	0	0

17 Biological assets

Description	Numbers	2024-2025	2023-2024
		Kshs	Kshs
Cattle			
Goats			
Trees			150
Coffee Or Tea Plantation			
Poultry			
Others (specify)			
Total			

18 Borrowings

Description	Kshs	Kshs
Borrowings at beginning of the year	0	0
Borrowings during the year	0	120,000.00
Repayments during the year	0	122,343.60
Balance at the end of the year	00	0

Other important disclosure notes**19 Stock/ Inventory**

Description	2024-2025	2023-2024
	Kshs	Kshs
Food stuffs	0	0
Lab consumables	0	0
Farm produce	0	0
Medication	0	0
Construction Materials	0	0
Others (specify)	0	0
	0	0

(Stock to be measured at lower of cost and net realisable value. Net realisable value is the difference between selling costs less costs to sell)

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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)

PRINCIPAL
 NGAREMARA SECONDARY SCHOOL
 P.O. Box 705 - 60300, ISIOLO
 Date: 16/9/2025 Sign: *[Signature]*

Sign and Date
 Principal

12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1.						
2.						
3.						
Sub-Total						
Supply Of Goods						
4.						
5.						
Sub-Total						
Supply Of Services						
6.						
7.						
8.						
Sub-Total						
Grand Total						

Annex 2 – Summary of Fixed Assets Register

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Asset Class	Historical Cost b/f (Kshs) 1 st July 2024	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2024
Land				
Buildings And Structures				
Motor Vehicles				
Office Equipment, Furniture and Fittings				
Textbooks				
ICT Equipment				
Tools And Apparatus				
Other Machinery and Equipment				
Heritage And Cultural Assets				
Intangible Assets- Soft Ware				
Total				

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

