

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 11 JUN 2025

DAY.

Wednesday

REPORT

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TABLED
BY:

Hon. Owen Baya, MP
Deputy leader of Majority

CLERK-AT
THE-TABLE:

homa

THE AUDITOR-GENERAL

ON

KAKAMEGA SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2024

KAKAMEGA COUNTY



KAKAMEGA SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2024

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

Table of Contents	Page
1. Acronyms and Definition of Key Terms	ii
2. Key School Information and Management.....	iii
3. Summary Report of Performance of the School.....	vi
4. Statement of School Management Responsibility.....	xi
5. Report of the Auditor - General.....	xii
6. Statement of Receipts and Payments for the Year Ended 30 th June 2024.....	1
7. Statement of Assets and Liabilities as At 30 th June 2024.....	2
8. Statement of Cash Flows for the Year Ended 30 th June 2024.....	3
9. Statement of Budgeted Versus Actual Amounts for The Year Ended 30 th June 2024.....	4
10. Significant Accounting Policies	7
11. Notes To the Financial Statements	9
12. Annexes	21

1. Acronyms and Definition of Key Terms

A. Acronyms.

BOM	Board of Management
CEB	County Education Board
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
FY	Financial Year
FDSE	Free Day Secondary Education
TSC	Teachers Service Commission
SMASSE	Strengthening of Mathematics and Science in Secondary Education

B. Definition of Key Terms

Comparative Year- Means the prior period.

2. Key School Information and Management

(a) Background information

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

The school was originally registered in 1932, with the most recent registration renewal completed in November 2019 under registration number 37S30000757. It is currently classified as a national public school established, owned and operated by the Government.

The school is a boarding school and had 2963 number of students as at 30th June 2024. It has 12 streams and 120 teachers of which 41 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	Prof. Egara Kabaji	Chairman - Sponsor	May 2022
2	Dr. Julius Mambili	Secretary – Chief Principal	Feb 2023
3	Tom Onyango	Member – Community & Parents Rep	May 2022
4	Daniel Kadenge	Member – Community & Parents Rep	May 2022
5	Charles Nyabero	Member – Community & Parents Rep	May 2022
6	Alfred Ambundo	Member – Community & Parents Rep	May 2022
7	Yulida Khaemba	Member – Special Interest	May 2022
8	S.C.D.E	Member – Rep CEB	May 2022
9	Pamela Nambande	Member Rep Teachers	May 2022
10	Mrs. Susan Rauto	Member - Sponsor	May 2022
11	Dr. Samuel Waweru	Members - Sponsor	May 2022
12	Dr. Alice Limo	Member – Community & Parents Rep	May 2022
13	Benson Makotsi	Member Special Needs	May 2022
14	Bill Clinton	Students Representative	May 2022

The functions of the School Board of Management are to:

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

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Prof. Egara Kabaji Dr. Julius Mambili Dr. Alfred Ambundo Prof. Alice Limo	Chair Secretary P.A Chairman Member	3 out of 3 3 out of 3 3 out of 3 3 out of 3
2	Audit Committee	Daniel Kadenge Julie Omaido Benson Makotsi	Chair Member Member	1 out of 1 1 out of 1 1 out of 1
3	Finance, Procurement and general purposes Committee	Alfred Ambundo Dr. Julius Mambili Prof. Alice Limo Francis Omayo	Chair Secretary Member Member	1 out of 1 1 out of 1 1 out of 1 1 out of 1
4	Academic Committee	Charles Nyabero Dr. Julius Mambili Yulida Khaemba Prof. Anne Kisilu Francis Omayo	Chair Secretary Member Member Member	1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1
5	Development Committee	Tom Onyango Dr. Julius Mambili Egara Kabaji Samwel Waweru Francis Omayo	Chair Secretary Member Member Member	1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1
6	Discipline and welfare Committee	Susan Rauto Dr. Julius Mambili Grace Ogero Yulida Khaemba Samuel Waweru Dr. Alice Limo	Chair Secretary Member Member Member Member	1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1

(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Chief Principal	Dr. Julius Mambili	291435
2	Deputy Principal(Administration)	Wycliffe Nandwa	387511
3	Deputy Principal (Academic)	David Sikulu	374706
4	School Bursar	Festus Olang'	11041765

(e) Schools contacts

Post Office Box: 90 - 50100
Telephone: 0707014500
E-mail: kakamegasch@gmail.com
Website:
Facebook:
Twitter:

(f) School Bankers

1. Co-operative Bank
Kakamega Branch
P.O. Box 152-50100, Kakamega
2. National Bank
Kakamega Branch
P.O. Box 1773-50100, Kakamega
3. Equity Bank
Kakamega Branch
P.O. Box 2572--50100, Kakamega
4. KCB Bank
Kakamega Branch
Postal Address: P.O. Box 595-50100, Kakamega

MPESA Pay Bill No. 522123, Account 50190K attached to KCB bank account No. 116 346 9289

(g) Independent Auditors

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

3. Summary Report of Performance of the School

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

a) Financial performance:**Surplus/Deficit Over the Last Three Years**

The school has experienced fluctuations in financial outcomes as shown below:

Year	TOTAL
2022	(6,299,010)
2023	32,695,204
2024	(18,606,321)

Capitation Grants from the Ministry of Education

The number of students and corresponding capitation grants received are detailed as follows:

No of students	Year	Tuition	Operation	Total Capitation
1853	2022	2,490,452	21,509,711	24,004,037
1783	2023	6,927,545	43,294,975	50,226,325
2302	2024	6,335,727	43,636,969	49,977,021

Ratio of Capitation Grant Per Student

The capitation per student over the last three years was as follows:

Year	Ration Grand Capitation per student
2022	1:20866
2023	1:9656.40
2024	1:14396.61

Three -Year Growth of Other Incomes

This represents the amounts earned from various streams:

Year	School Fund	Operation	Tuition
2022	200,557,987	43,294,975	6,927,545
2023	203,284,308	43,636,696	6,335,728
2024	218,108,545	32,847,159	7,996,029

Three-Year Growth in Expenditure

The trend of expenditure in key categories is presented below:

Year	School Fund	Operation	Tuition
2022	214,190,524	36,080,576	6,808,414
2023	186,387,335	27,818,036	6,356,429
2024	232,934,459	26,234,471	6,331,664

Movement of Debtors and Creditors

Below is the comparative position of amounts owed to and by the school:

	Creditors	Debtors
2022	29,572,185	123,947,265
2023	43,844,227	134,974,218
2024	57,907,356	151,327,745

Movement of Cash and Bank Balances

The status of cash and bank balances under the three vote heads is shown below:

Year	School Fund	Operation	Tuition
2022	404,471	3,800	67,037
2023	(138,866)	63,992	46,335
2024	340,999	(3,458,498)	4086

a) **Teacher Student ratio:**

Ration of teachers to students 1:38

No of teachers recruited and posted, transferred and retired within the period

No	Name	TSC No	Comment
1	Oketch Kubende	294474	Retired
2	Festus Tindi	395494	Transferred
3	Pamela Nambande	434526	Transferred
4	Rita Marita Mutola	506529	Transferred
5	Imbayi Maxwell Isiji	403100	Transferred
6	Julian Nafula	536054	Transferred
7	Eric Magroo Sorhe	645528	Transferred
8	Dorine Awino Mwelese	416820	Transferred
9	Didinya Cheye Eunice	470034	Transferred
10	Jairus Bulimo Khamali	557084	Transferred
11	Robert Kisabuli Wamatsi	959112	Posted
12	Robert Wesonga	965124	Posted

Number teachers employed by TSC - 79

Number of Teachers employed by BOM - 41

Shortage in teachers

No	Subject	Shortage
1	Electricity	1
2	English	2
3	Kiswahili /Geography	1
4	Computer/Mathematics/ Physics	1
5	Mathematics / Business Studies	2
6	Biology / Agriculture	2
7	Biology / Chemistry	3
8	Geography / Business Studies	2
9	Power Mechanics	1
10	Physical Education	1
	Total	16

b) Mean score in the 2024 KCSE

Performance of the school for over the last three years was as follows

	ENTRY	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E	MEAN	DEV
2024	610	8	74	80	86	130	97	94	29	10	2	0	0	8.128	0.358
2023	557	3	46	76	85	115	83	70	44	18	15	1	1	7.77	-0.45
2022	489	6	38	70	101	111	89	48	21	4	1	0	0	8.22	+0.02

Transition to Institutions of Higher Learning Over the Last Three Years

The table below outlines the number and percentage of students who transitioned to universities, colleges, and vocational institutions:

Year	C + & above	Percentage
2024	475	78
2023	408	73
2022	415	85

The data indicates a generally positive trend in the number and percentage of students transitioning to higher education institutions. In 2024, there was a notable increase in both the number (475) and percentage (78%) of students with C+ and above compared to 2023. Although the percentage in 2024 (78%) is slightly lower than in 2022 (85%), the absolute number is higher. This indicates was as a result of improved performance and increased enrolment. Overall, the school is making commendable progress in preparing students for university and college placement.

c) KCSE Candidate Trends

The number of candidates sitting for KCSE has shown consistent growth over the past three years, indicating strong retention and progression rates:

Year	2022	2023	2024
No. of candidates	489	557	610

This represents a **positive deviation**, with a cumulative increase of **24.7%** from 2022 to 2024. It reflects effective academic progression and improved student retention strategies.

d) Capacity of the school:

Year	2022	2023	2024
No. of students	2420	2493	2963

No of student in the school vis a vie the facilities

Facility		No	Capacity	Expected	Shortfall
Dormitory		21	2963	2700	+263
Toilets		84	94	92	12
Bathrooms		97	97	99	2
Computer lab		2	30	40	10
Dining Hall		1	1000	2400	1400
Science Lab	Chemistry	2	56	65	9
	Biology	2	48	65	17
	Physics	2	42	65	23
Art Room		1	10	60	50
Staffroom		1	100	100	00
Workshop	Electricity	1	10	81	71
	P/Mechanics	1	10	31	21
	Aviation	1	10	27	17
Classes		58	3306	2963	+6
Library		1	84	2000	2232
Kitchen		1	1500	2400	816
Administration Block		1	36	38	+2
Stores		3	2500	3000	500
Bakery		1	2500	3000	500

e) Development projects carried out by the school

Projects	Source of Funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected Completion
6 Class Rooms, Staffroom & Library	Ministry of Education	On going	49,887,091	31,935,467	30 June, 2027
Solar installation, 2 prefabricated dorms, renovation	PA Project	Complete	16,967,260	16,829,781	30 June 2027

Sign.....
Dr. Julius Mambili
 School Chief Principal

KAKAMEGA SCHOOL
SECRETARY B.O.M/P.A
 30 JUN 2024
 SIGN:.....
 P. O. Box 90 – 50100, KAKAMEGA (N)
 TEL: 0707 014500

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

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

Name: Prof. Egara Kabaji
Designation: Chairman, School Board of Management
Sign:
Date:



Name: Dr. Julius Mambili (Ph.D)
Designation: School Principal & Secretary to Board of Management
Sign:
Date:

Name: Festus Olang'
Designation: School Bursar
Sign:
Date: 2.6/24

REPUBLIC OF KENYA

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

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

PREAMBLE

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

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kakamega School set out on pages 1 to 20, which comprise of the statement of assets and liabilities as at 30 June, 2024 and the statement of receipts and payments, statement of cash flows and

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

Basis for Qualified Opinion

1. Inaccuracy in Fund Balance

The statement of assets and liabilities reflects fund balance brought forward of Kshs.150,067,156 as disclosed in Note 15 to the financial statements. The balance includes accounts receivables balance of Kshs.137,871,587 which differ from account receivable balance of Kshs.134,974,218 disclosed in Note 13(a) to the financial statements, resulting in an unexplained difference of Kshs.2,897,369.

In the circumstances, the completeness and accuracy of fund balance of Kshs.150,067,156 could not be confirmed.

2. Cash and Cash Equivalents Balance

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.39,029,200. The balance include bank balance of Kshs.39,028,201 which further include balances in fifteen (15) bank accounts with total of Kshs.39,024,115 which were not supported by cash books, bank confirmation certificates and bank reconciliation statements. Further, operations bank account with a negative cash book balance of Kshs.3,458,498, had been netted off against positive balances of Kshs.42,486,699. This is contrary to Paragraph 1.3.20 of the Financial Reporting Standard under the Cash Basis of Accounting, which requires cash receipts, payments, and balances to be reported on a gross basis.

In addition, the statement of cash flows reflect cash and cash equivalents at the beginning of the year of Kshs.60,896,733 differ from the comparative total cash and cash equivalents of Kshs.63,086,840 as reflected in the statement of assets and liabilities resulting in unreconciled variance of Kshs.2,190,107

In the circumstances, the completeness and accuracy of bank balance of Kshs.39,028,201 could not be confirmed.

3. Long Outstanding Accounts Receivable Balance

The statement of assets and liabilities reflect accounts receivable balance of Kshs.151,327,745 as disclosed in Note 13 to the financial statements. The balance relates to student fees arrears and includes an amount of Kshs.128,464,970, representing 85% of the total student arrears that has been outstanding for more than one (1) year. However, there was no policy on the impairment of the long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the completeness, accuracy and recoverability of the outstanding receivables balance of Kshs.151,327,745 could not be confirmed.

4. Unsupported Inventory Balance

Note 19 to the financial statements reflects an inventory balance of Kshs.79,805,289. However, stock take instructions, stock count sheets/certificates and reconciliations between physical counts and stores records were not provided for audit review.

In the circumstances, the existence, valuation and completeness of the reported inventory balance could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.386,349,872 and Kshs.288,383,016 respectively, resulting to an under-funding of Kshs.97,966,856 or 25% of the budget. However, the School spent a balance of Kshs.311,239,302 against actual receipts of Kshs.288,383,016, resulting to an over-utilization of Kshs.22,856,286 of actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in

the Basis for Qualified Opinion, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues as at 30 June, 2024.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Long Outstanding Accounts Payables

Note 14(a) to the financial statements reflects payables balance of Kshs.58,896,110. Included in the balance is a trade payables balance of Kshs.21,990,352 which had been outstanding for more than one (1) year contrary to Regulation 150(1) of the Public Procurement and Asset Disposal Regulations, 2020 which requires payment to be made within sixty (60) days from the date of invoice receipt.

In the circumstances, the School Management was in breach of the law and there is risk of loss of public funds through litigations, interests and penalties.

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

The statement of receipts and payments reflects boarding and school fund payments of Kshs.256,404,205 as further disclosed in Note 9 to the financial statements. Included in the expenditure is an amount of Kshs.588,543 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 the 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.588,543 could not be confirmed.

3. Unapproved Fees on Parents Association Support Programme

The statement of receipts and payments reflect school fund income – parents contribution / fees of Kshs.224,196,338 which include PA levies of Kshs.16,829,781 as further disclosed in Note 4 to the financial statements. However, there was no evidence of written approval from the Cabinet Secretary to charge the additional fees contrary to Regulations 44 and 45 of the Basic Education Regulations, 2015, which prohibit public schools from issuing alternative fee structures or increasing fees without such authorization. Although Management indicated that the authority was sought, no formal response had been received from the Ministry as at the time of audit in April, 2025.

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

4. Failure to Transfer Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects infrastructure grants from the Ministry of Education amounting to Kshs.31,935,467, as further disclosed in Note 3 to the financial statements. However, there was no evidence provided to confirm the transfer of Kshs.9,930,700 meant for infrastructure from the operations account to the infrastructure account, as required by the Ministry of Education guidelines.

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

5. Underfunding of Capitation Grant

The statement of receipts and payments reflects Government grants of Kshs.6,289,415 for tuition, Kshs.32,049,589 for operations, and Kshs.31,935,467 for infrastructure, as disclosed in Notes 1, 2, and 3 to the financial statements. However, review of capitation disbursements and NEMIS enrolment data revealed that the School only received Kshs.14,423 per learner during the financial year against an expected annual allocation of Kshs.22,244 per learner, in line with Ministry of Education (MoE) guidelines, resulting undisbursed balance estimated at Kshs.22,181,477. In addition, review of enrolment records revealed significant discrepancies between the student numbers reported in the National Education Management Information System (NEMIS) and those recorded in the class register. As a result of these variances, the school was further underfunded by Kshs.4,663,064.

In the circumstances, the School's ability to meet its operational and development obligations may have been adversely affected.

6. Lack of School Improvement Plan

During the year under review, the School did not prepare an approved School Improvement Plan, contrary to Section 2.2 of the Ministry of Education Operation Manual.

This manual requires schools to identify one priority area in each three-year cycle across four key areas which include curriculum implementation, literacy and numeracy outcomes, learning environment, and community engagement.

In the circumstances, the School's strategic focus and commitment to structured improvement in key performance areas could not be confirmed.

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 matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Weaknesses in Governance of the School

During the year under review, the school had not established an Internal Audit Unit. Although Management indicated that internal audits are conducted by auditors from the Ministry of Education, no evidence was provided to confirm that an audit took place during the year. Further, the School Board of Management met only twice, while the Audit Committee met once during the year. This was in contravention of Section 6(1) of the Fourth Schedule of the Basic Education Act, 2013, which requires the Board to meet at least once every four months, and Regulation 179(1) of the Public Finance Management (National Government) Regulations, 2015, which requires that audit committees meet at least quarterly.

In the circumstances, the School did not benefit from the oversight and advisory role of internal audit and the school Board of Management.

2. Incomplete Assets Registers

Annex 2 to the financial statements reflects fixed assets with an historical cost of Kshs.654,984,629. However, the fixed asset register provided to support the balance did not indicate details such as date of acquisition, location and the assets current status. In addition, the assets had not been tagged for ease of identification and no valuation of assets had been conducted to determine their present value.

Further, Note 17 to the financial statements disclose biological assets of Kshs.7,254,600. However, the School did not maintain an asset register capturing details such as asset description, unit of measurement (e.g., pieces, acreage), quantity, fair value unit cost, total value, and any relevant remarks, as required by Appendix 6 of the National Treasury

Guidelines on Asset and Liability Management in the Public Sector, 2020.

In the circumstances, the accuracy, completeness, existence and ownership of School's assets could not be confirmed.

3. Lack of Land Title Deed

Annex 2 to the financial statements reflects a fixed assets register balance of Kshs.708,081,409, which includes land valued at Kshs.198,000,000. However, the School did not provide the title deed to confirm ownership of the land. In addition, inspection of the land in April, 2025 indicated that a portion of the land had been encroached upon by unidentified individuals.

In the circumstances, the ownership and safe custody of the land assets could not be confirmed.

4. Inefficiencies in Supply of Books

During the period under review, the Ministry of Education distributed textbooks to public secondary schools through Kenya Institute of Curriculum Development (KICD). Review of records revealed uneven distribution of books at the School. It was noted that three (3) text books were in excess supply while three (3) text books were not sufficient.

In the circumstances, the effectiveness of the textbook distribution and value for money on the excess books supplied could not be confirmed.

5. Weaknesses in the School's Information Communication and Technology (ICT) Environment

Review of the School's ICT environment revealed that although an accounting system was in place, the contract agreement with the vendor was not provided for audit review. As a result, it was not possible to confirm the terms of the contract including the modules that were to be installed. In addition, the system was unable to generate essential financial reports such as the trial balance, ledgers, bank reconciliation statements and budget performance reports. Further, no evidence was provided to confirm the existence of an ICT policy. In the absence of these essential controls, it was not possible to ascertain whether adequate financial oversight mechanisms were in place. This deficiency weakens internal controls and increases the risk of misstatements in the financial statements.

In the circumstances, the adequacy and effectiveness of the School's ICT controls and financial reporting processes could not be confirmed.

Responsibilities of the Management and those Charged with Governance

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

Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP 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

29 May, 2025

Kakamega School

Annual Report and Financial Statements for the year ended 30th June 2024

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

DESCRIPTION OF VOTE HEAD	Note	2023 - 2024	2022 - 2023
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition	1	6,289,415	6,335,727
Capitation grants for operations	2	32,049,589	43,636,969
Government Grants for Infrastructure	3	31,935,467	-
School Fund Income- Parents' Contributions	4	224,196,338	175,243,789
Miscellaneous income	5	16,774,982	28,040,519
TOTAL RECEIPTS		311,245,791	253,257,004
PAYMENTS			
Payments for Tuition	6	6,331,664	6,356,429
Payments for operations	7	26,234,471	27,818,036
Payments for Infrastructure	8	40,881,772	-
Boarding and school fund payments	9	256,404,205	186,387,335
TOTAL PAYMENTS		329,852,112	220,561,800
SURPLUS/DEFICIT		(18,606,321)	32,695,204

The school financial statements were approved on 30/6/24 and signed by:

[Signature]
 Prof. Egara Kabaji
 Chair BOM

[Signature]
 Dr. Julius Mambili
 School Chief Principal/
 Secretary to BOM

[Signature]
 Festus Olang'
 School Bursar

Date:

Date:

Date: 30/6/24

**KAKAMEGA SCHOOL
 SECRETARY B.O.M/P.A**

30 JUN 2024

SIGN:.....
 P. O. Box 90 – 50100, KAKAMEGA (K)
 TEL: 0707 014500

Kakamega School
Annual Report and Financial Statements for the year ended 30th June 2024

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

Description	Note	2023 - 2024	2022 - 2023
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	10	39,028,201	63,055,737
Cash Balances	11	1,000	31,103
Short term Investment	12	-	-
Total Cash and Cash Equivalents		39,029,200	63,086,840
Account's receivables	13	151,327,745	1,010,589
TOTAL FINANCIAL ASSETS		190,356,945	64,097,429
FINANCIAL LIABILITIES			
Accounts Payable	14	58,896,110	8,057,633
NET FINANCIAL SSETS		131,460,835	56,039,796
REPRESENTED BY			
Fund Balance Brought Forward (Restated)	15	150,067,156	23,344,592
Surplus/deficit for the year		(18,606,321)	32,695,204
NET FINANCIAL POSITION		131,460,835	56,039,796

The school financial statements were approved on 30/6/24 and signed by:

[Signature]
 Prof. Egara Kabaji

Chair BOM

Date:

[Signature]
 Dr. Julius Mambili
 School Chief Principal/
 Secretary to BOM

Date:

[Signature]
 Festus Olang'

School Bursar

Date: 30/6/24.....



Kakamega School

Annual Report and Financial Statements for the year ended 30th June 2024

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

Description	Note	2023 - 2024	2022- 2023
		Kshs	Kshs
Receipts from operating activities			
Capitation grants for tuition	1	6,289,415	6,335,727
Capitation grants for operations	2	32,049,589	43,636,969
Government Grants for Infrastructure	3	31,935,467	-
School Fund Income- Parents' Contributions	4(a)	201,333,563	175,243,789
Miscellaneous income	5	16,774,982	28,040,519
Total receipts		288,383,016	253,257,004
Payments			
Payments for Tuition	6	6,331,664	6,356,429
Payments for operations	7	26,234,471	27,818,036
Payments for Infrastructure	8	40,881,772	-
Boarding and school fund payments	9(a)	237,791,396	186,387,335
Total Payments		311,239,303	220,561,800
Net cash flow from operating activities		(22,856,287)	32,695,204
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		-	-
Acquisition of Assets		-	-
Proceeds from investments		-	-
Net cash flows from Investing Activities		-	-
NET CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
Net cash flows from Investing Activities			
NET INCREASE IN CASH AND CASH EQUIVALENT		(22,856,287)	32,695,204
Cash and cash equivalent at BEGINNING of the year	10	60,896,733	28,201,529
Cash and cash equivalent at END of the year		39,029,200	60,896,733

The school financial statements were approved on.....*30/6/24*.....and signed by:.....*[Signature]*.....

Name: Prof. Egara Kabaji

Name: Dr. Julius Mambili
School Chief Principal/
Secretary to BOM

Name: Festus Olang'

Chair BOM

School Bursar

Date:

Date: *30/6/24*.....



**Kakamega School
Annual Report and Financial Statements for the year ended 30th June 2024**

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% of Utilisation
	a Kshs	b Kshs	c= a+b Kshs	d Kshs	e=d/c % Kshs
RECEIPTS					
(1) CAPITATION GRANT ON TUITION					
Teaching / learning materials	12,432,000		12,432,000	6,289,415	51%
(2) CAPITATION GRANT ON OPERATIONS					
Other Voteheads	28,200,000		28,200,000	21,241,849	75%
Activity	3,963,786		3,963,786	1,507,800	38%
medical	3,274,088		3,274,088	2,553,750	78%
Maintenance and improvement	8,000,000		8,000,000	6,746,190	84%
(3) FFDSE FOR INFRASTRUCTURE					
Maintenance and improvement	41,000,000		41,000,000	31,935,467	78%
(4) FEES CHARGED ON PARENTS					
Other Vote heads	78,279,195		78,279,195	46,442,975	59%
Activity	2,394,000		2,394,000	2,118,268	88%
Maintenance and improvement				22,703,129	
PA Project	35,000,000		35,000,000	16,829,781	48%
Fee on Boarding Equipment and Stores	173,806,803		173,806,803	113,239,410	65%
(5) Miscellaneous Income					
Income from farming activities					
Uniform				16,751,982	
Pocket money					
PA project					
Income from Bus Hire					0%
Tender fees				23,000	
TOTAL INCOME	386,349,872		386,349,872	288,383,016	75%

**Kakamega School
Annual Report and Financial Statements for the year ended 30th June 2024**

Receipt/Expense Item	Original Budget Kshs	Adjustments Kshs	Final Budget Kshs	Actual on Comparable Basis Kshs	% of Utilisation
	a	b	c=a+b	d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
(6) EXPENDITURE FOR TUITION					
Teaching / learning materials	12,432,000		12,432,000	6,331,664	51%
Bank charges					0
(7) EXPENDITURE FOR OPERATIONS					
Other Voteheads	28,200,000		28,200,000	14,310,000	51%
Maintenance and Improvement	8,000,000		8,000,000	11,921,035	149%
Activity	3,963,786		3,963,786		
Medical	3,274,088		3,274,088		
Bank charges				3,436	0%
(8) EXPENDITURE FOR INFRASTRUCTURE					
Maintenance and improvement	41,000,000		41,000,000	40,881,772	100%
(9) EXPENDITURE FOR SCHOOL FUND					
Other Voteheads	78,279,195		78,279,195	70,775,331	90%
Activity	239,4000		2,394,000	1,507,436	63%
Expenses on Boarding Equipment and Stores	173,806,803		173,806,803	126,160,336	73%
pa project	35,000,000		35,000,000	24,705,960	71%
Expenses on income generating activities				14,155,276	0%
Bank charges				487,057	0%
Total Payments	386,349,872		386,349,872	311,239,302	81%

Notes on Budget utilization

Significant Underutilization / Underperformance

1. **Teaching & Learning Materials (Capitation on Tuition – 51%)**
Utilization remained low due to delayed disbursement by the Ministry of Education, which hindered timely procurement of essential materials such as textbooks and lab supplies.
2. **Other Voteheads (Capitation on Operations – 51%)**
The delay in capitation release affected planned activities such as utilities, administrative expenses, and welfare programs.
3. **Other Voteheads (Fees from Parents – 90%)**
Low collection rates and reprioritization led to reduced absorption in this category.
4. **Boarding Equipment and Stores (Fees from Parents – 73%)**
Lower than expected usage due to phased procurement and prioritization of immediate needs.
5. **Activity (School Fund – 63%)**
Limited co-curricular activity rollout affected utilization in this area.
6. **PA Project (School Fund – 71%)**
Implementation delays stemmed from cash flow problems caused by low fee remittance.

Significant Overutilization

1. **Maintenance & Improvement (Expenditure for Operations – 149%)**
Overspending occurred due to emergency repairs and urgent facility maintenance that exceeded the original allocation.

10. Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and applicable government legislations and regulations. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

This cash basis of accounting has been supplemented with accounting for; a) receivables that include school fees from parents, imprest, salary advances and other receivables and b) payables that include deposits and retentions and payables from operations.

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

2. Recognition of receipts and payments

The school recognises all receipts from various sources when the event occurs, and the related cash has been received by the school. In addition, the school recognises all expenses when the event occurs, and the related cash has been paid out by the school. Income arising from school fees is recognised when the event occurs whether cash is received or not. Expenditure arising from operations is recognised when the event occurs irrespective of receipt of cash.

3. In-kind contributions

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

4. Cash and cash equivalents

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

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2024.

Kakamega School
Annual Report and Financial Statements for the year ended 30th June 2024

11. Notes To the Financial Statements

1 Government Grants for Tuition

Description	2023-2024	2022-2023
	Kshs	Kshs
Teaching / learning materials	6,289,415	6,335,727
Total	6,289,415	6,335,727

2 Government Grants for Operations

Description	2023-2024	2022-2023
	Kshs	Kshs
Other Voteheads		16,840,569
Local Travel And Transport	2,650,000	
Administration cost	6,281,720	
Electricity water and Conservancy	4,350,000	
Personal Emoluments	1,322,809	
Repairs Maintenance and improvement	6,637,320	
Medical	2,553,750	461,400
Activity	1,507,800	
Maintenance and improvement	6,746,190	26,335,000
Total	32,049,589	43,636,969

3 Government Grants for infrastructure

Description	2023-2024	2022-2023
	Kshs	Kshs
Maintenance and improvement	31,935,467	
Total	31,935,467	0

Kakamega School**Annual Report and Financial Statements for the year ended 30th June 2024****4 School Fund Income - Parents Contribution/Fees**

Description	2023-2024	2022-2023
	Kshs	Kshs
Other Voteheads		69,475,866
Maintenance and improvement	22,703,129	5,397,821
Local Travel and Transport	6,450,300	
Administration cost	19,770,000	
Electricity water and Conservancy	10,552,675	
Personal Emoluments	9,670,000	
PA Levies*	16,829,781	
Activity	2,118,268	2,621,454
Boarding Equipment and Stores	136,102,185	97,748,648
Total	224,196,338	175,243,789

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

4 (a). Reconciliation between statement of receipts and payments and statement of cash flows**School Fund Income - Parents' contribution fees**

Description	Amount as per statement of receipts and payments	Adjustments	Amount as per statement of cashflows
	Kshs	Kshs	Kshs
Repairs and maintenance	22,703,129		22,703,129
Activity	2,118,268		2,118,268
Fee on Boarding Equipment and stores	136,102,185	(22,862,775)	113,239,410
PA Levies	16,829,781		16,829,781
Other vote heads (LTT,EWC,ADM &PE)	46,442,975		46,442,975
Total	224,196,338	(22,862,775)	201,333,563

5 Miscellaneous Incomes

Description	2023-2024	2022-2023
	Kshs	Kshs
Income from Bus Hire		312,000
Tender	23,000	
Bank interest		26,377
Rent income		331,490
Pocket money		816,617
PA project		16,565,579
Uniform	16,751,982	9,988,456
Income from farming activities		
Total	16,774,982	28,040,519

Kakamega School**Annual Report and Financial Statements for the year ended 30th June 2024****6 Tuition**

Description	2023-2024	2022-2023
	Kshs	Kshs
Teaching / learning materials	6,331,664	6,356,429
Bank Charges		
Total	6,331,664	6,356,429

7 Operations

Description	2023-2024	2022-2023
	Kshs	Kshs
Maintenance and Improvement	11,921,035	5,601,204
Local Travel and Transport	2,560,000	
Administration cost	6,200,000	
Electricity water and Conservancy	4,250,000	
Personal Emoluments	1,300,000	
Other Vote heads		22,208,194
Bank Charges	3,436	8,638
TOTAL	26,234,471	27,818,036

8 Infrastructure

Description	2023-2024	2022-2023
	Kshs	Kshs
Library and Classes	24,705,960	
Solar Installation	6,894,018	
Prefabricated Dormitory	7,695,106	
Renovation of Jamuhuri Dorm	1,578,136	
Bank Charges	8,552	
Total	40,881,772	-

Kakamega School**Annual Report and Financial Statements for the year ended 30th June 2024****9 Boarding And School Fund**

Description	2023-2024	2022-2023
	Kshs	Kshs
Other vote heads		81,014,138
Local Travel and Transport	7,400,000	
Administration cost	23,005,331	
Electricity water and Conservancy	11,670,000	
Personal Emoluments	10,200,000	
Repairs Maintenance and improvement	18,500,000	
PA project	24,705,960	6,234,000
Bank Charges	487,057	59,874
Activity	1,507,436	1,771,026
Expenses on Income Generating Activities		17,118,225
Uniform	9,330,166	
Farm	163,810	
Bakery	4,661,300	
Expenses on Boarding Equipment and Stores	144,773,145	80,190,072
TOTAL	256,404,205	186,387,335

9 (a) Boarding And School Fund Payments**Reconciliation between statement of receipts and payments and statement of cash flows**

Description	Amount as per statement of receipts and payments	Adjustments	Amount as per statement of cashflows
	Kshs	Kshs	
Other vote heads (LT&T, ADM, EW&C, P/E)	52,275,331		52,275,331
Activity	1,507,436		1,507,436
Repairs And Maintenance & Improvements	18,500,000		18,500,000
Bank charges (School fund, PA, Infra & CDF acc)	487,057		487,057
Expenses On Income Generating Activities(farm)	163,810		163,810
Fee On Boarding Equipment and Stores	144,773,145	(35,917,004)	108,856,141
Bakery Expenses	4,661,300		4,661,300
Uniform expenses	9,330,166		9,330,166
PA expenses	24,705,960		24,705,960
Prior year creditors paid in the current year		17,166,195	17,166,195
Salary advances to staff		138,000	138,000
Total	256,404,205	(18,612,809)	237,791,396

Kakamega School**Annual Report and Financial Statements for the year ended 30th June 2024****10 Bank Accounts**

Name of Bank	Bank Account Number	2023-2024	2022-2023
		Kshs	Kshs
Tuition Account	1101771844	4,086	46,335
Operations Account	1101756950	(3,458,498)	63,992
School Fund Account/Boarding	1101753595	340,000	(138,866)
Savings account	500291359965	2,297,921	13,789,834
Savings account	1163469289	1,694,189	10,691,018
Savings account	1242070536500	1,398,186	8,255,956
Savings account Reserve	1102181927	1,255,465	1,209,503
savings account	1129033665600	233,887	5,271,218
savings farm	1103493027	9,292	9,292
savings caution	1103493191	12,790	12,790
savings absa	2025677377	85,511	85,511
Savings	1102401951	575,757	(9,440,403)
Infrastructure Account	1022211988900	2,449,338	11,395,642
Savings operation	1103500996	5,724,777	(1,362,831)
Savings	1022211988900	26,405,500	24,155,500
Infrastructural Account	1025070536500		(988,754)
Total		39,028,201	63,055,737

11 Cash In Hand

Description	2023-2024	2022-2023
	Kshs	Kshs
Tuition Account		
Operation Account		
Infrastructural Account		
School Fund account	1,000	31,103
Total	1,000	31,103

12 Short Term Investments

Description	2023-2024	2022-2023
	Kshs	Kshs
Cooperative shares	-	-
Treasury Bills	-	-
Fixed deposit	-	-
Equity stock	-	-
Other investments	-	-
Total	-	-

13 Accounts Receivable

Description	2023-2024	2022-2023
	Kshs	Kshs
Fees arrears	151,327,745	-
Other non-fees receivables	-	1,003,139
P.A.Y.E	-	-
N.S.S.F	-	-
Salary advances	-	7,450
Total	151,327,745	1,010,589

13 a) Ageing Analysis of Accounts Receivable

Description	2023-2024	2022-2023
	Kshs	Kshs
Current year	22,862,775	
Between 1 to 2 years	10,585,833	17,095,081
Between 2 to 3 years	42,513,208	42,513,208
Over 3 years	75,365,929	75,365,929
Total	151,327,745	134,974,218

14 Accounts Payable

Description	2023-2024	2022-2023
	Kshs	Kshs
Trade Creditors(See Annex 1 and aging analysis below)	57,907,356	
Infrastructure A/C Cashbook overdraft	988,754	
Fees refund	-	3,031,421
Prepaid fees	-	5,026,212
	58,896,110	8,057,633

14 (a) Ageing Analysis of Accounts Payable

Description	2023-2024	2022-2023
	Kshs	Kshs
Less than one year	35,917,004	
Between 1 to 2 years	1,671,477	18,837,672
Between 2 to 3 years	6,892,079	11,579,759
Over 3 years	13,426,796	13,426,796
Total	57,907,356	43,844,227

15 Fund Balance Brought Forward

Description	2023-2024 Kshs	2022-2023 Kshs
Bank balances	63,055,737	35,045,591
Cash balances	31,103	40,096
Short Term Investments	-	
Receivables	1,010,589	148,639
Payables	(8,057,633)	(11,889,734)
Prior year Adjustment*	94,027,360	
Total	150,067,156	23,344,592

Prior year Adjustment

During the current financial year, a review of the financial records revealed that prior period omissions had not been captured in previous financial statements. These comprised accounts receivables (fees arrears) of Kshs.137,871,587 and accounts payables amounting to Kshs.43,844,227. Due to the impracticality of accurately allocating these amounts to the specific financial years in which they arose, the net effect of the correction has been recognised by adjusting the fund balance at the beginning of the 2023–2024 financial year. Consequently, the Fund Balance Brought Forward increase by Kshs.94,027,360.

Kakamega School

Annual Report and Financial Statements for the year ended 30th June 2024

Other important disclosure notes

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

16 Non-current Liabilities Summary

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank loan(s)	-	-
Outstanding Leases	-	-
Hire purchase	-	-
Gratuity and leave provision	-	-
Total	-	-

17 Biological assets

Description	Numbers	2023-2024	2022-2023
		Kshs	Kshs
Cattle	5	115,000	
Goats			
Trees	17,849	7,139,600	
Coffee Or Tea Plantation		-	
Poultry		-	
Others (specify)		-	
Total		7,254,600	

18 Borrowings

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

Kakamega School
Annual Report and Financial Statements for the year ended 30th June 2024

Other important disclosure notes

19 Stock/ Inventory

Description	2024	2023
	Kshs	Kshs
Food stuffs	68,056,600	66,096,600
Lab consumables	777,955	668,925
Farm produce	9,519,340	8,960,430
Medication	1,028,604	742,880
Construction Materials	422,790	766,284
Others (specify)		
Total	79,805,289	77,235,119

Kakamega School
Annual Report and Financial Statements for the year ended 30th June 2024

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	Timeframe
REPORT ON THE FINANCIAL STATEMENTS				
1.	Inaccuracies in the Financial Statements			
1.1	Unreconciled Variances Between Financial Statements There were unexplained differences between the Statement of Receipts and Payments and the Statement of Budgeted Versus Actuals.	The variance arose from delayed recording and classification differences, which have since been reviewed and corrected.	Not Resolved	31 December, 2025
1.2	Understatement of Accounts Receivables The balance in Note 11 of Kshs.135,984,807 does not match the balance reported in the statement of assets and liabilities of Kshs.1,010,589.	A reconciliation exercise has been initiated and adjustments will be made to reflect accurate balances.	Not Resolved	31 December, 2025
1.3	Understatement of Accounts Payables Accounts payables reported as Kshs.8,057,633, while Note 12 shows Kshs.51,901,860, resulting in a variance of Kshs.43,844,227.	Reconciliation and verification of accounts payable is ongoing and adjustments will be effected accordingly.	Not Resolved	31 December, 2025
2	Lack of Cash Books and Bank Reconciliation Statements Cash and bank records supporting Kshs.60,021,219 of the total reported Kshs.63,086,840 were not availed.	Cash books are now being updated and reconciliations for missing accounts will be completed.	Not Resolved	31 December, 2025
3	Overdrawn Bank Accounts Four accounts were cumulatively overdrawn by Kshs.11,930,854 contrary to the Public Finance Management Act, 2012.	The overdrawn positions arose from delayed disbursements; the issue is being addressed with stricter fund controls.	Not Resolved	31 December, 2025

Kakamega School

Annual Report and Financial Statements for the year ended 30th June 2024

Ref No.	Issue / Observations from Auditor	Management Comments	Status	Timeframe
4	Long Outstanding Fees Arrears Out of Kshs.134,974,218 in fees arrears, Kshs.75,365,929 has been outstanding for more than two years, and no impairment policy exists.	A fees recovery strategy is under development and a policy for impairment is being drafted.	Not Resolved	31 December, 2025
5	Unsupported Accounts Payables Sampled payment vouchers lacked inspection and acceptance committee certificates to confirm delivery and compliance.	The necessary supporting documents are being compiled and committee documentation will be emphasized.	Not Resolved	31 December, 2025
REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES				
1	Unbalanced Budget Budgeted income was Kshs.197,378,629 while expenditure was Kshs.227,830,365, resulting in an unbalanced budget of Kshs.30,451,736.	Management will ensure compliance in future budgeting processes to meet the regulation requirement.	Not Resolved	31 December, 2025
2	Failure to Transfer Infrastructure Funds Out of Kshs.2,302,000 received for infrastructure, only Kshs.2,200,000 was transferred to the designated account.	The shortfall was an oversight which has since been rectified and will not recur.	Not Resolved	31 December, 2025
3	Excess Supply of Textbooks The Ministry supplied 356 more textbooks than needed, raising value for money concerns.	The school has documented the excess books and communicated the matter to the Ministry for guidance.	Not Resolved	31 December, 2025
4	Irregular Engagement of Casual Workers Contracts were not renewed and PAYE deductions were not made for casual staff earning above Kshs.24,000 monthly.	Contract renewals are now being documented and statutory deductions being enforced.	Not Resolved	31 December, 2025
5	Irregular Transfer of Funds to Kenya Secondary Schools Heads Association (KESSHA) Kshs.894,000 was transferred to KESSHA, a welfare organization not defined in the government funding system.	Management has noted the concern and will refrain from such transfers in the future.	Not Resolved	31 December, 2025

Kakamega School

Annual Report and Financial Statements for the year ended 30th June 2024

Ref No.	Issue / Observations from Auditor	Management Comments	Status	Timeframe
REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE				
1	Lack of Ownership Documents Ownership documents for land valued at Kshs.198,000,000 and vehicles worth Kshs.10,650,000 were not provided.	The school is liaising with the Ministry and relevant authorities to retrieve the documents.	Not Resolved	31 December, 2025
2	Lack of Updated Asset Register The asset register covering Kshs.383,421,408 in assets lacked acquisition dates, condition, tagging, and current valuation.	An asset tagging and revaluation exercise has been scheduled and updates will follow.	Not Resolved	31 December, 2025
3	Ineffective Board Committees Board committees failed to meet quarterly contrary to Basic Education Act requirements.	Board committee meetings are now being scheduled quarterly as per the Act.	Not Resolved	31 December, 2025

 Sign and Date
 Dr. Julius Mambili
 Chief Principal



**Kakamega School
Annual Report and Financial Statements for the year ended 30th June 2024**

12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2023-2024	Outstanding Balance 2022-2023	Comments
	a Kshs	b Kshs	c Kshs	d=a-c Kshs	Kshs	
Bonface Mudi	525,000	26/09/2023	400,000	125,000		
Bensonna Enterprise	406,000	29/04/2024		406,000		
Chapman Self Group	211,410	01/04/2024		211,410		
Cosheart Enterprise	210,000	07/02/2024		210,000		
Carbon Footprint	401,400	01/02/2024	108,000	293,400		
Eric Odhiambo	264,380	01/06/2024	84,800	179,580		
Evertec Investment	440,000	07/02/2024	100,000	340,000		
Emilly Liliuka	257,800	01/01/2024	100,000	157,800		
Ditom Ventures	880,000	01/12/2023	300,000	580,000		
Gaudentia Ashitiva	980,000	29/11/2023	300,000	680,000		
Gask	8,715,903	01/07/2023		12,287,086		
Grace Nelima	158,560	01/06/2023		158,560		
Gilbert Wanjala	1,120,000	24/04/2024	150,000	1,170,000		
Joyce Nasambu	191,250	01/05/2024	82,000	109,250		
Kelvin Alukwe	105,000	01/03/2024		105,000		
Kakamega Workers	1,142,760	01/02/2024	300,000	842,760		
Lusamamba Shem	3,051,180	12/03/2024	300,000	2,751,180		
Linda Muhonjia	88,500	06/01/2023		88,500		
Peter Boswell	118,000	01/01/2023	70,000	48,000		
Pertonilla Auma	163,200	01/03/2023		163,200		
Rosemary Khatievi	200,870	01/10/2023	99,750	101,120		
Peak-Lab Ltd	225,000	06/09/2023		464,500		
Jannet Mushira	192,075	01/09/2023	80,700	111,375		
Sharifa Mutende	261,300	01/10/2023	80,700	180,600		
School Farm	627,540	01/06/2024		916,465		

**Kakamega School
Annual Report and Financial Statements for the year ended 30th June 2024**

Supplier of Goods or Services	Original Amount a Kshs	Date Contracted b Kshs	Amount Paid To-Date c Kshs	Outstanding Balance 2023-2024 d-a-c Kshs	Outstanding Balance 2022-2023 Kshs	Comments
Shewama	748,450	01/10/2023	200,000	548,450		
Amdoc Systems	250,000	19/03/2024	100,000	150,000		
Cyberschool Solutions	232,000	11/10/2023	100,000	132,000		
Ciandci Ltd	666,000	12/12/2023	100,000	566,000		
Ebenezer Hardware	280,950	08/02/2024		280,950		
Deitas Wors	1,512,500	07/02/2024	300,000	1,212,500		
Danvahs	850,800	07/02/2024		850,800		
Deemk Holdings	847,553	20/03/2024	400,000	447,553		
Freevolt System	2,000,000	24/01/2024		2,000,000		
Hill Holdings	133,000	29/11/2023		133,000		
Instatech Solutions	117,000	08/02/2024		117,000		
Mbadavi Investment	278,950	07/02/2024	161,950	117,000		
Philmed	410,542	30/04/2024		410,542		
Kingsway Ltd	383,333	20/03/2024		383,333		
Nairobi Sports	378,120	04/03/2024		378,120		
Chetro Enterprise	90,000	06/09/2023		90,000		
Sanford Merchants	465,000	07/02/2024	150,000	315,000		
Purve Sale	1,818,000	11/02/2024	636,000	3,376,250		
Jay Brookes	960,351	24/01/2023		960,351		
Trivolt Works Lts	25,000	07/02/2024		25,000		
Oliad Engineering	333,152	04/04/2024		333,152		
Mzazi Link	146,500	07/02/2024		146,500		
Top Greatlite Ltd	75,200	07/01/2027		75,200		
Chrisjay	96,000	12/03/2024		96,000		
Kwemula It	769,000	09/05/2024		769,000		
Copy Cat	300,000	14/02/2024		300,000		
Danvahs	850,800	07/02/2024	300,000	550,800		
Kairali Enterprises	337,050	08/05/2023		6,107,675		
White Calves	7,386,000	19/05/2023	5,092,000	3,386,000		

**Kakamega School
Annual Report and Financial Statements for the year ended 30th June 2024**

Supplier of Goods or Services	Original Amount a Kshs	Date Contracted b Kshs	Amount Paid To-Date c Kshs	Outstanding Balance 2023-2024 d=a-c Kshs	Outstanding Balance 2022-2023 Kshs	Comments
Beyond Keys	177,000	19/03/2024	126,000	51,000		
Gella Investment	353,650	26/01/2024	100,000	253,650		
Giltech Investment	35,000	03/03/2024		35,000		
Palu Contractors	126,000	01/05/2024		126,000		
John Oduor	145,495	08/02/2024	60,000	85,495		
Semetime	157,880	19/03/2024		157,880		
Athens Woods	520,850	01/09/2023		520,850		
Douglas Ndula	167,300	23/06/2023		336,300		
David Onyango	424,700	08/02/2024		424,700		
Ecoryda Auto Garage	229,650	22/12/2023		229,650		
Hill Holdings	133,000	19/04/2024		133,000		
Kenodek		15/03/2022		430,100		
Marstar Systems		01/04/2022		38,500		
Fupema		01/02/2022		405,400		
Aurelia Osogo		31/02/2022		1,074,272		
Jeremiah Natalia		31/02/2022		488,923		
Bio-Degradation		01/02/2022		82,500		
Cic Group		01/03/2023		159,545		
Eye Point		15/06/2023		321,900		
Heatmax		18/03/2023		273,570		
Instatech Solutions		13/06/2023		172,000		
Maticom Agencies		22/08/2022		391,000		
Moses Okwaro		16/06/2023		389,550		
Shrend Publishers		23/03/2023		42,500		
Wale Snaps		23/03/2023		325,000		
Gask Bakery		26/02/2024		4,020,109		
Total				57,907,356		

Kakamega School
Annual Report and Financial Statements for the year ended 30th June 2024
Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1st July 2023	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost e/f (Kshs) 30th June 2024
Land	198,000,000			198,000,000
Buildings And Structures	347,530,000	40,873,220		388,403,220
Motor Vehicles	8,750,000			8,750,000
Office Equipment, Furniture and Fittings	41,284,026			41,284,026
Textbooks	4,230,020			4,230,020
ICT Equipment	3,236,000			3,236,000
Tools And Apparatus	9,341,783			9,341,783
Other Machinery and Equipment	1,739,580			1,739,580
Heritage And Cultural Assets				
Intangible Assets- Soft Ware				
Total	614,111,409	40,873,220		654,984,629

