

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

REPORT

DATE: 19 JUN 2025

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Thursday

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TABLED
BY:

Hon. Nicholas Oloo
(Majority Party Whip)

OF

CLERK-AT
THE-TABLE:

Anastacia

THE AUDITOR-GENERAL

ON

NJONJO GIRLS' HIGH SCHOOL

**FOR THE YEAR ENDED
30 JUNE, 2024**

LAIKIPIA COUNTY



NJONJO GIRLS HIGH SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th June 2024**



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1. Acronyms and Definition of Key Terms

B. 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
DKT	Doctorate
RMI	Repairs maintenance and improvement
DR	Doctor
T.I.G	Transitional Infrastructure Grant

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 Laikipia County, Nyahururu Sub-County.

The school was registered in 18/12/2019 under registration number 31S30000351 and is currently categorized as a National public school established, owned or operated by the Government.

The school is a boarding school and had 1386 students as at 30th June 2024. It had 7 streams and 52 teachers of which 11 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	Peter Gichohi Warutere	Chairman	22/06/2022
2	Junis Mutheu David	Secretary- Principal	22/06/2022
3	Peter nganga	Member	22/06/2022
4	Gladys kioko	Member	22/06/2022
5	Victor migire	Member	22/06/2022
6	Nora nyachienga	Member	22/06/2022
7	Dickson wanderi	Member	22/06/2022
8	Alex muthiwa	Member – Rep CEB	22/06/2022
9	Fredrick mbutu	Member Rep Teachers	22/06/2022
10	Dr rose nyambura & abdi aziz abdirashid	2 Members - Sponsor	22/06/2022
11	Stephen ngari	Member - Community	22/06/2022
12	Ann kibiru	Member-Special Needs	22/06/2022
13	Yvonne wambura	Rep Students	22/06/2022
14	Cecilia wambui	Special interest	22/06/2022

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	Peter Gichohi Warutere	Chairman	8/8
		Winnie Wainaina	Secretary	2/8
		Junis Mutheu David	Secretary	8/8
		Dkt Kenneth nyangena	Member	7/8
		Cecilia wambui	Member	8/8
		Dickson Wanderi	Member	8/8
2	Audit Committee	Peter Nganga	Chairman	1/1
		Victor Migire	Secretary	1/1
		Abdi Aziz Abdirashid	Member	1/1
3	Finance,procurement and general purposes Committee	Stephen Ngari	Chairman	2/2
		Winnie Wainaina	Secretary	1/2
		Cecilia Wambui	Member	2/2
		Dickson Wanderi	Member	2/2
4	Academic Committee	Dr Rosemary Nyambura	Chairman	2/2
		Victor Migire	Secretary	2/2
		Peter Macharia	Member	2/2
		Fredrick Mbutu	Member	2/2
		Peter Gichohi Warutere	Member	2/2
		Francis Maina Muriuki	Member	2/2

5	Development Committee	Dkt Kenneth Nyangena	Chairman	1/1
		Winnie Wainaina	Secretary	0/1
		Cecilia Wambui	Member	1/1
		Samson Mburugu	Member	1/1
		Dickson Wanderi	Member	1/1
		Peter Gichohi Warutere	Member	1/1
6	Discipline and welfare Committee	Alex Kioko	Chairman	1/1
		Nora Nyachienga	Secretary	1/1
		Ann Kabiru	Member	0/1
		Gladys Kioko	Member	1/1
		Cecilia Wambui	Member	0/1
		Nancy Njoki	Member	1/1

(d) School operation Management

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

Ref	Designation	Name	TSC Number
1	Chief Principal	Winnie W Wainaina	304022
2	Deputy Principal- Admin	Ann Moses	388923
	Deputy Principal -Academic	Edith Wangombe	415251
3	School Bursar	James Ndungu Wanjohi	ID-25477645

(e) Schools contacts

Post Office Box: 811-20300
Telephone: 0742392103
E-mail: njonjogirls@yahoo.com
Website: <http://njonjogirls.sc.ke>

(f) School Bankers

The following school operated 9 bank accounts in the following banks:

- Name of Bank: KCB
Branch: Nyahururu
Account Number: 1175926655
 - Name of Bank: EQUITY
Branch: Nyahururu
Account Number: 0160297534039
 - Name of Bank: ABSA
Branch: Nyahururu
Account Number: 0278307034
 - Name of Bank: EQUITY
Branch: Nyahururu
Account Number: 0160260565676
 - Name of Bank: KCB
Branch: Nyahururu
Account Number: 1209470187
 - Name of Bank: KCB
Branch: Nyahururu
Account Number: 1266483608
 - Name of Bank: KCB
Branch: Nyahururu
Account Number: 1232489743
- School Fund Accounts
- Infrastructure Account
- T.I.G account

8. Name of Bank: ABSA
Branch: Nyahururu → Operation Account
Account Number: 0278307042
9. Name of Bank: ABSA
Branch: Nyahururu → Tuition Account
Account Number: 0278309428
10. MPESA Paybill No. 522123 attached to KCB bank account 1175926655
11. Equity Paybill No.247247 attached to Equity Bank account 0160297534039

(g) Independent Auditors

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

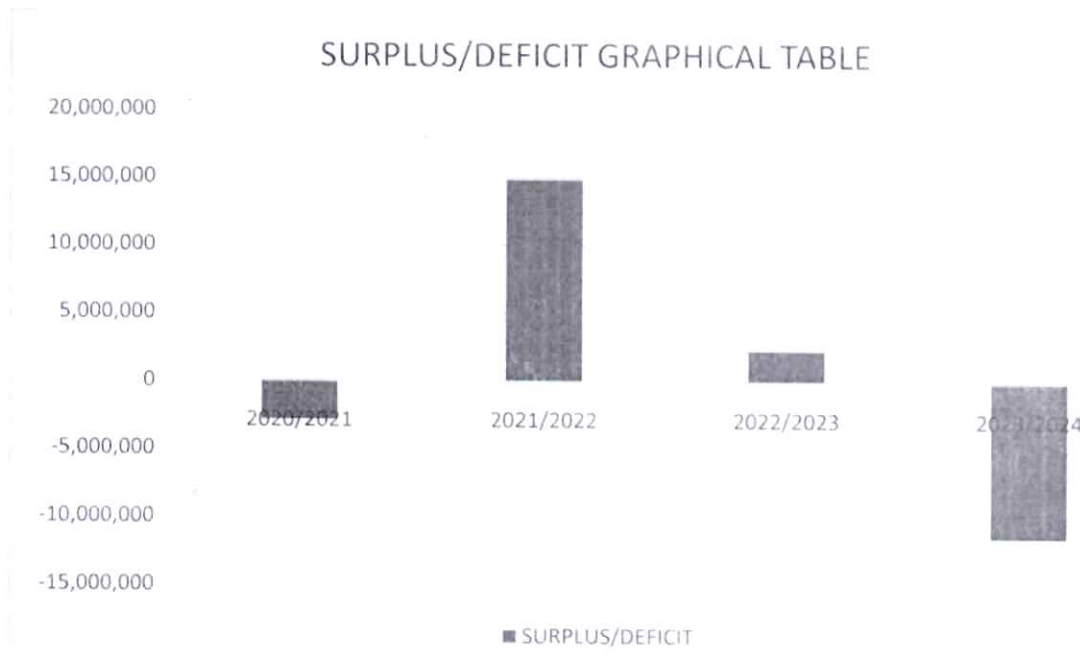
3. Summary Report of Performance of the School

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

a) Financial performance:

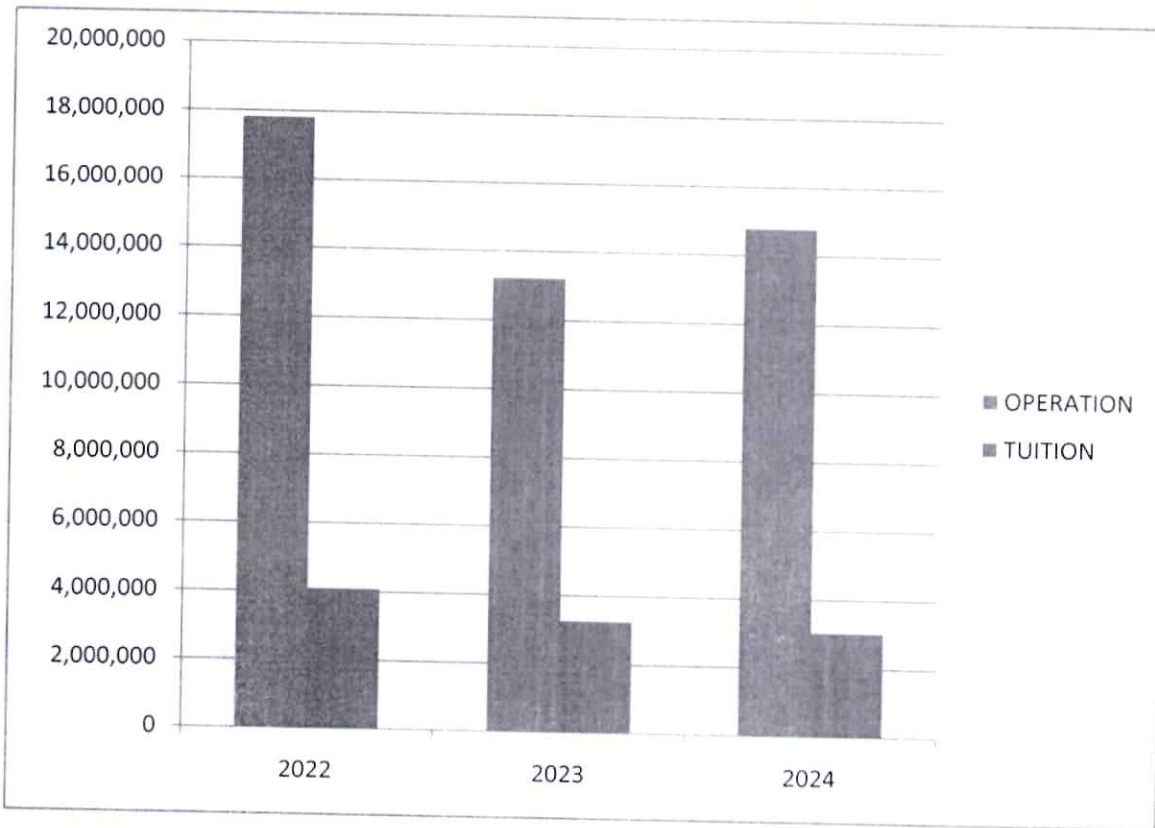
- Surplus/ deficit for the year and a comparison of the same for the last three years

YEAR	Surplus/deficit
2020/2021	(2,858,865)
2021/2022	14,846,718
2022/2023	2,293,781
2023/2024	(11,436,376)



- capitation grants from the Ministry of Education for the last three years

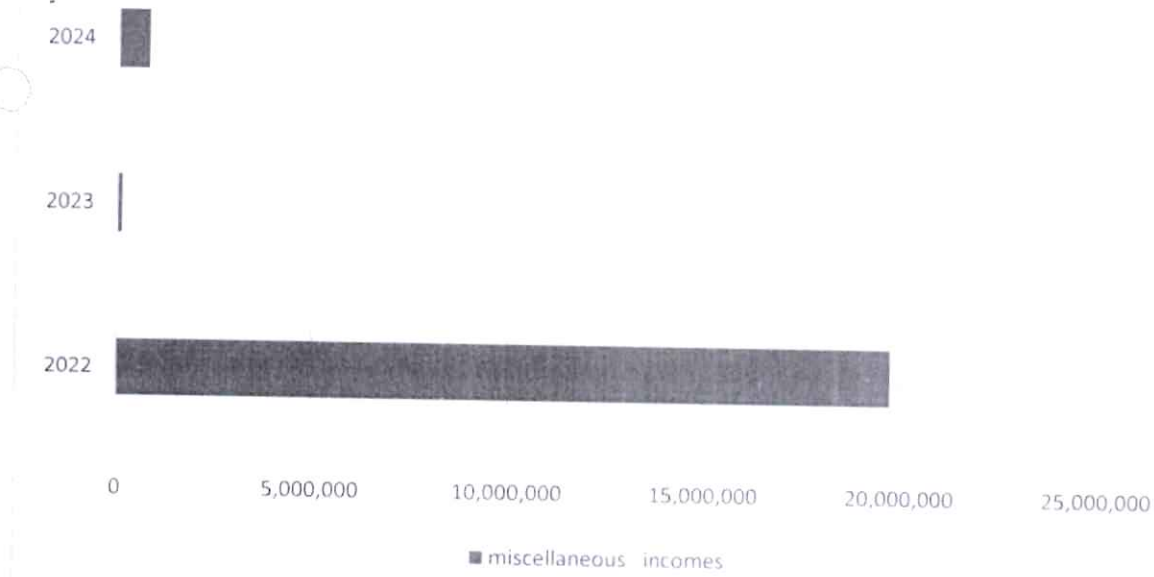
YEAR	OPERATION	TUTION
2022	17,815,309	4,095,021
2023	13,219,063	3,265,153
2024	14,779,710	3,045,401



- A three-year overview of growth of other income(s) earned by the school.

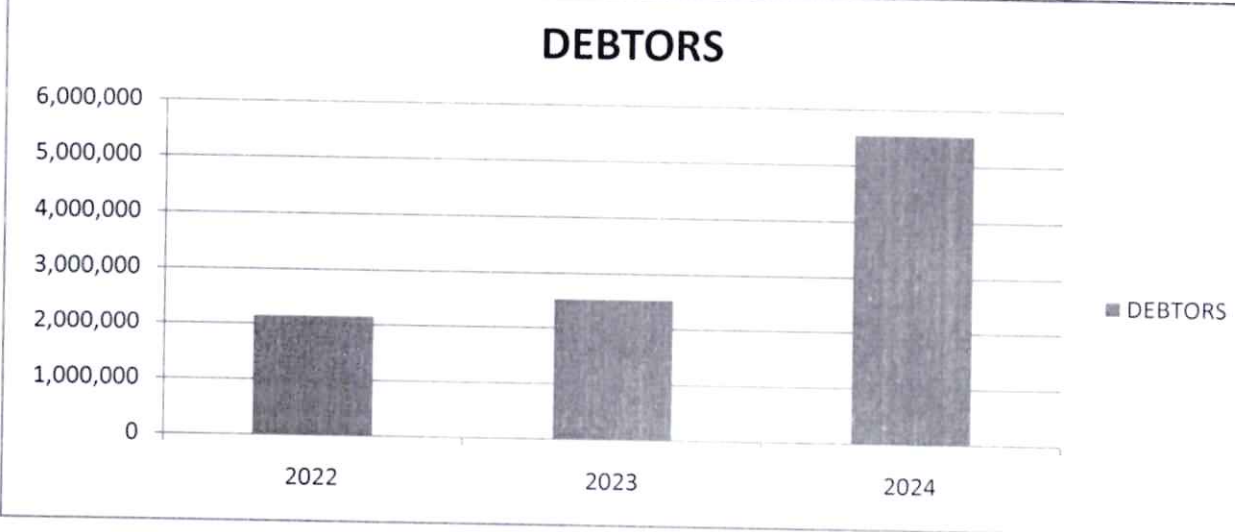
	miscellaneous incomes
2022	19,723,038
2023	129,230
2024	792,429

miscellaneous incomes

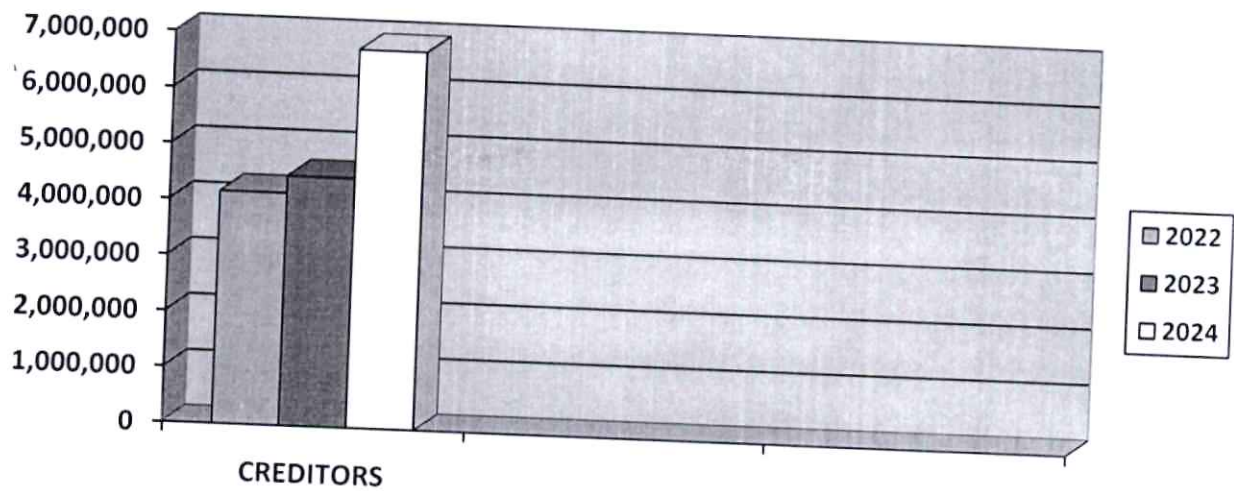


- Movement of debtors and creditors of the school over the last three years

YEAR	DEBTORS
2021/2022	2,148,807
2022/2023	2,531,059
2023/2024	5,540,035



YEAR	CREDITORS
2021/2022	4,160,559
2022/2023	4,466,440
2023/2024	6,766,571



b) Teacher Student ratio:

NUMBER OF TEACHERS	NUMBER OF STUDENTS	RATIO
52	1326	1:25

c) The mean score in the 2023 KCSE:

YEAR	Cad	A	A-	B+	B	B-	C+	C	C-	D+	D-	Mean	DEV	Target	University
2021	327	3	23	68	84	71	52	20	5	1	0	8.581	+0.272	9.000	301 92.04%
2022	304	2	20	54	87	63	45	23	7	3	0	8.457	-0.127	9.000	270 88.82%
2023	316	0	28	78	87	56	38	15	5	7	1	8.654	+0.216	9.000	287 91.11%

d) Number of Candidates in the 2024 KCSE:

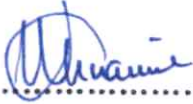
YEAR	CADIDATES
2021	327
2022	304
2023	316
2024	332

e) The capacity of the school:

FACILITIES	NUMBER	STUDENTS
DORMITORIES	16 CAPACITY 100 STUDENTS	1326
DINING HALL	1 CAPACITY 2000 STUDENTS	1326
LABORATORIES	9 CAPACITY 450 STUDENTS	1326
TOILETS	150 CAPACITY 10 PER STUDENT	1326
CLASSROOMS	35 CAPACITY 50 STUDENTS	1326
LIBRARY	1 CAPACITY 1500	1326

(f) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
DORMITORY 1	RMI/PARENTS FEES	Complete			Complete
DORMITORY 2	RMI/PARENTS FEES	Ongoing			MARCH 2024
FENCE	PARENTS FEES	Complete			Complete
GATE	PARENTS FEES	Complete			Complete



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

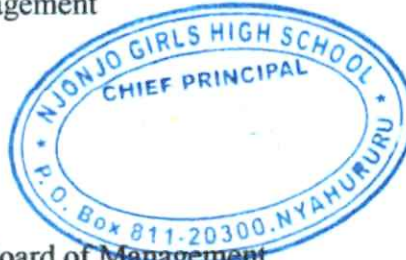
The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2024, and of the school's financial position as at that date.



Name: PETER WARUTERE

Designation: Chairman, School Board of Management

Date: 16/5/2025





Name: WINNIE WAINAINA

Designation: School Principal & Secretary to Board of Management

Date: 16/5/2025

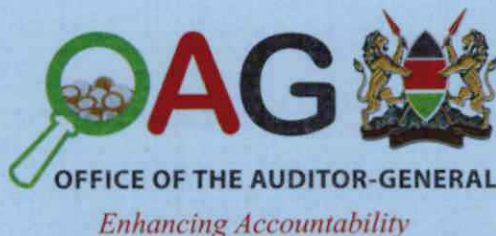


Name: JAMES NDUNGU

Designation: Bursar/ Finance Officer

Date: 16/5/2025

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 NJONJO GIRLS' HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2024 – LAIKIPIA 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 the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
 - A. 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 Njonjo Girls' High School set out on pages 1 to 29, which comprise the statement of assets and liabilities as at 30 June, 2024, and the statement of receipts and payments, statement of cash flows and statement

of budgeted versus actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Review of the financial statements revealed the following unexplained variances:

- i. The statement of receipts and payments reflect total receipts and payments amounts of Kshs.98,797,323 and Kshs.110,233,699 respectively while the statement of cash flows reflect total receipts and payments amounts of Kshs.107,470,569 and Kshs.119,576,234, resulting to unexplained variances of Kshs.8,673,246 and Kshs.9,342,535 respectively.
- ii. The statement of budgeted versus actual amounts reflects total actual receipts and payments of Kshs.97,549,664 and 108,986,040 respectively while the statement of receipts and payments reflects the same amounts as Kshs.98,797,323 and 110,233,699, resulting to unexplained variances of Kshs.1,247,659 and Kshs.1,247,659 respectively.
- iii. The statement of budgeted versus actual amounts reflect final budgeted income and expenditure of Kshs.99,212,757 and Kshs.110,754,130 respectively. However, the Board approved estimates reflected income and expenditure of Kshs.108,001,320 and Kshs.147,595,426, leading to unexplained variances of Kshs.8,788,563 and Kshs.36,841,296 respectively.
- iv. The statement of receipts and payments reflects Government grant for operations receipts and grants for operations payments of Kshs.16,027,369 and 14,201,155 respectively. However, the supporting schedules reflects Government grant for operations receipts of Kshs.14,779,711 and grant for operations payments of 12,953,496 resulting in unexplained variances of Kshs.1,247,658 and Kshs.1,247,658 respectively.

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

2. Unsupported and Long Outstanding Accounts Receivables

The statement of assets and liabilities and Note 13 to the financial statements reflect accounts receivables amounting to Kshs.27,425,992, out of which Kshs.21,885,957 had remained outstanding for over three (3) years. However, Management did not provide an explanation or plan on how the amounts will be recovered. Further, the School lacked a

documented debt management policy to guide the recovery of outstanding fees. Also, the receivables balance was not supported with a detailed listing of individual students and respective fee statements.

In the circumstances, the accuracy and recoverability of the accounts receivables of Kshs.21,885,957 could not be confirmed.

3. Unsupported Balances

3.1 Cash and Cash Equivalents

The statement of assets and liabilities reflects bank balances of Kshs.6,988,649. However, the bank reconciliation statements for the nine (9) bank accounts maintained by the school were not provided for audit review.

In the circumstances, the accuracy of the bank balances of Kshs.6,991,479 could not be confirmed.

3.2 Accounts Payables

The statement of assets and liabilities and Note 14 to the financial statement reflects accounts payable of Kshs.6,766,571 which include Kshs.3,565,319 as prepaid fees. However, the balance was not supported with respective students' names, student admission numbers, fee statements and prepaid amounts for each student.

In the circumstances, the accuracy of accounts payable of Kshs.6,766,571 could not be confirmed.

3.3 Biological Assets

Note 17 to the financial statements reflect Kshs.17,650,500 in respect to biological assets, which is a decrease by Kshs.3,195,250 from Kshs.20,845,750 reported in the prior year. However, the valuation reports, reconciliation statement for the carrying amounts between the beginning and end of the year, farm registers and document to support the movement in value of the assets were not provided for audit.

In the circumstances, the accuracy of the biological asset value of Kshs.17,650,500 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Njonjo Girls' High School Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing 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 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

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the issues remained unresolved as at 30 June, 2024.

Other Information

Management is responsible for the other information set out on page iii to xiii which comprise of Key School Information and Management, Summary Report of Performance of the School, 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 Njonjo Girls' High 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 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. Non-Compliance with the Public Sector Accounting Standards Board (PSASB) Financial Reporting Template

Review of financial statements revealed that the header statement "Njonjo Girls High School, Annual Report and Financial Statements For the year ended 30th June 2024" had been omitted contrary to the requirement of the Public Sector Accounting Standards Board (PSASB) financial reporting template.

In the circumstances, the presentation of the financial statements for the year ended 30 June 2024 does not conform to the Public Sector Accounting Standards Board requirements.

2. Failure to Transfer Infrastructure Funds from the Operations Account within the Stipulated Time

The statement of receipts and payments and as disclosed in Note 3 to the financial statements reflect grants for infrastructure of Kshs.4,818,200. However, review of the infrastructure bank statement revealed that amount of Kshs.3,390,400 was transferred to infrastructure account from operational account after fifteen (15) days, contrary to Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directs that infrastructure grants as well as maintenance and improvement funds be transferred to the school infrastructure account within fifteen (15) days on receipt of the funds in the operations account.

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

3. Unbalanced Budget

The statement of budgeted versus actual amounts reflect approved revenue and expenditure of Kshs.99,212,757 and Kshs.110,754,130 respectively resulting in a budgeted deficit of Kshs.11,541,373. However, no justification or explanation was provided why the School Board approved a budget with a deficit, contrary to the requirements of Regulation 33(c) of the Public Finance Management (National Government) Regulations, 2015, which stipulates that budget shall be balanced.

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

4. Unsupported Procurement - Provision of Legal Services

The statement of receipts and payments and Note 9 to the financial statements reflect boarding and school fund of Kshs.88,907,225 which include expenditure of Kshs.67,875 for provision of legal services. However, the signed contract agreement between the school and the service provider was not provided for audit contrary to Section 135 (2) of the Public Procurement and Asset Disposal Act,2015 which states that an accounting officer of a procuring entity shall enter into a written contract with the person submitting the successful tender based on the tender documents and any clarifications that emanate from the procurement proceedings.

In the circumstances, the value for money of Kshs.67,875 on provision of legal services could not be confirmed.

5. Irregular Imprest Management

The statement of receipts and payments and Note 9 to the financial statements reflects Kshs.88,907,225 on boarding and school fund. Included in this amount is Kshs.10,108,239 incurred as administration costs out of which Kshs.2,683,800 was paid through imprests. However, the imprests were issued without applications and subsequent approvals, contrary to Regulation 91(2) of the Public Finance Management (National Government) Regulations, 2015 which states that the officer authorized to hold and operate an imprest shall make formal application for the imprest through an imprest warrant. Further, Management did not maintain an imprest register, contrary to Regulation 93(4) of the Public Finance Management (National Government) Regulations, 2015.

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

6. Irregular Transfers to Kenya Secondary School Heads Association

The statement of receipts and payments and Note 9 to the financial statements reflects Kshs.88,907,225 as boarding and school fund payments. Included in this amount is Kshs.6,159,999 being payment for local transport out of which Kshs.317,000 was paid 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, the value for money of Kshs.317,000 transferred to KESSHA. could not be confirmed.

7. Unconfirmed Students Enrolment Data

Comparison of data from National Education Management and information System (NEMIS) with Schools records for the financial year under review revealed variances as tabulated below:

Disbursement Month	Capitation Disbursed (Tuition) (Kshs)	Number of Students as per NEMIS	Number of students as per School Register	Variance	Maintenance and improvement per student (Kshs.)	Under funding (Kshs.)
October, 2023	615,233	1,213	1,333	120	800	96,000
January, 2024	727,815	1,210	1,390	180	1,000	180,000
April, 2024	727,815	1,210	1,388	178	1,000	178,000
June, 2024	974,538	1,298	1,389	91	1,100	100,100
Total						554,100

As a result, the school was underfunded by Kshs.554,100 for the year ended 30 June, 2024 contrary to the Ministry of Education Circular MOE.HQS/3/13/3 dated 16 June 2021, which mandates that all learners be registered in NEMIS and that school principals ensure the accuracy of their records.

In the circumstances, the reliability of enrolment data used to determine capitation grants could not be confirmed and the Management was in breach of the law.

8. Lack of Procurement Function

As previously reported, Management had not put in place a procurement function including the recruitment of a procurement officer to assist in preparation of procurement documents, giving professional opinion on procurement process and provide guidance on general adherence to procurement laws contrary to Section 45(1) of the Public Procurement and Asset Disposal Act, 2015 which states that an Accounting Officer shall establish systems and procedures to facilitate decision making for procurement and asset disposal.

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

9. Lack of School Improvement Plan

During the year under review, Management did not have a School Improvement Plan approved by the Board of Management and Sub County Director of Education, contrary to Section 2.2 of the Operation Manual from the Ministry of Education which describes the context of preparation and content of a School Improvement Plan (SIP).

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Incomplete Fixed Asset Register

Annex 2 to the financial statements on summary of the fixed assets register was left blank and reflects Kshs. Nil balance. However, the detailed fixed assets register indicated unvalued school land whose ownership documents was not provided for audit. Further, the asset register did not capture key information including historical costs brought forward, additions during the year, and the closing balances, and lacked information on the cost, purchase date, asset coding and serial numbers of the assets.

In addition, audit inspection carried out in April 2025 on school assets revealed that items including furniture, printers, desktops and water dispensers were not tagged and the school's store was congested and not orderly arranged, resulting in difficulty accessing the items.

In the circumstances, the safety and existence of effective internal controls of the school's assets could not be confirmed.

2. Textbooks Management

During the year under review, the school did not have textbooks register showing text books lost, replaced, distributed and not issued. It was therefore not possible to establish the number of text books issued to the students, the lost text books, those in the library and the students to text book ratio in the financial year 2023/2024. Further, the stock take

was not conducted as envisaged in Section 162(2) of the Public Procurement and Assets Disposal Act, 2015.

In the circumstances, the effectiveness of the textbooks management could not be ascertained.

3. Lack of Risk Management Policy

During the year under review, the school had not established risk management policy, contrary to Regulation 165(1) (a-b) of the Public Finance Management (National Government) Regulations, 2015 which states that the accounting officer shall ensure that the national government entity develops risk management strategies, which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations.

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

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or to cease operations.

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

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

The School's Board of Management is responsible for overseeing the School's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes

and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

03 June, 2025

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

Description Of Vote Head	Note	2023/ 2024 Kshs	2022/ 2023 Kshs
Receipts			
Government grants for tuition	1	3,045,401	3,265,153
Government grants for operations	2	16,027,369	13,219,063
Government Grants for infrastructure	3	4,818,200	4,700,000
School fund income- parents' contributions	4	74,113,924	100,743,349
Miscellaneous incomes	5	792,429	129,230
Total Receipts		98,797,323	122,056,796
Payments			
Tuition	6	2,631,933	4,750,881
Operations	7	14,201,155	15,764,061
Infrastructure	8	4,493,386	5,580,001
Boarding and school fund	9	88,907,225	93,668,071
Total Payments		110,233,699	119,763,014
Surplus/Deficit		(11,436,376)	2,293,781

The school financial statements were approved on 28/9 2024 and signed by:



Name: **PETER WARUTERE**

Chair BOM

Date: 16/5/2025



Name: **WINNIE WAINAINA**
School Principal/ Secretary to BOM

Date: 16/5/2025



Name: **JAMES NDUNGU**

Bursar/ Finance Officer

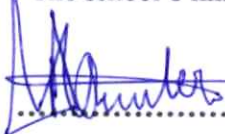
Date: 16/5/2025



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	6,988,649	19,095,387
Cash balances	11	2,830	1,638
Short term investments	12	-	-
Total cash and cash equivalent		6,991,479.00	19,097,025
Account's receivables	13	27,425,992	24,456,572
Total financial assets (a)		34,417,471	43,553,597
Financial liabilities;			
Accounts payables	14	6,766,571	4,466,440
Total Financial Liabilities (b)		6,766,571	4,466,440
Net financial assets (a-b)		<u>27,650,900</u>	<u>39,087,157</u>
Represented by;			
Accumulated fund b/fwd	15	39,087,157	36,793,376
Surplus/deficit for the year		(11,436,376)	2,293,781
Net financial position		<u>27,650,900</u>	<u>39,087,157</u>

The school's financial statements were approved on 20/9 2024 and signed by:



Name: PETER WARUTERE

Chair BOM

Date:

16/5/2025



Name: WINNIE WAINAINA
School Principal/ Secretary to BOM

Date: 16/5/2025



Name: JAMES NDUNGU


Bursar/ Finance Officer


Date: 16/5/2025




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

Description	Note	2023/ 2024	2022/ 2023
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition		3,045,401	5,052,568
Government grants for operations		16,027,369	15,792,987
Government grants for infrastructure		4,818,200	4,700,000
School fund income- parents contributions/ fees		80,303,305	110,829,307
Other income		705,679	129,230
Arrears recovered		2,570,615	2,110,636
Total receipts		107,470,569	138,614,729
Payments			
Cash outflows for tuition		2,631,933	4,750,881
Cash outflows for operations		14,201,155	15,853,011
Cash outflows for Infrastructure		3,276,894	8,065,095
Cash outflows Boarding/lunch and school fund payments		94,999,812	105,020,860
Creditors paid		4,466,440	2,745,763
Total payments		119,576,234	136,435,609
Net cash inflow/outflow from operating activities		(12,105,665)	2,179,119
Cash flow from investing activities			
Proceeds from sale of Assets		-	-
Net cash inflow/outflows from investing activities			
Cash flow from Financing activities			
Proceeds from borrowings/ loans	18	-	-
Net cash inflow/outflow from financing activities			
Net increase/decrease in cash and cash equivalents		(12,105,665)	2,179,119
Cash and cash equivalent at beginning of the FY		19,097,025	16,917,906
Cash and cash equivalent at end of the FY		<u>6,991,479</u>	<u>19,097,025</u>


 Name: PETER WARUTERE
 Chair BOM
 16/5/2025


 Name: WINNIE WAINAINA
 School Principal/ Secretary to BOM
 16/5/2025


 Name: JAMES NDUNG
 Bursar/ Finance Officer
 16/5/2025



9. Statement of Budgeted vs Actuals Amounts For The Year Ended 30th June 2024

Receipt/Expense Item	Original Budget	Adjustment	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Teaching/learning materials	3,120,500		3,120,500.00	3,045,401	75,099	98%
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	3,700,500		3,700,500	3,557,313	143,187	96%
Repairs and maintenance	4,920,005		4,920,005	4,818,200	101,805	98%
Local transport / travelling	1,170,620		1,170,620	1,160,328	10,292	99%
Electricity and water	1,198,520		1,198,520	1,177,332	21,188	98%
Medical/insurance	735,500.00		735,500	704,850	30,650	96%
Administration costs	2,200,684		2,200,684	2,075,500	125,184	94%
Activity	1,365,800		1,365,800	1,286,187	79,613	94%
(3) FDSE for infrastructure						
Maintenance & improvement	4,900,500		4,900,500	4,818,200	82,300	98%
(4) FEES CHARGED ON PARENTS						
Personnel emoluments	8,305,250		8,305,250	8,229,447	75,803	99%
Repairs and maintenance	3,302,500		3,302,500	3,230,453	72,047	98%
Local transport / travelling	5,458,520		5,458,520	5,378,045	80,475	99%
Electricity and water	6,540,058		6,540,058	6,432,038	108,020	98%
Administration costs	7,800,500		7,800,500	7,748,460	52,040	99%
Activity	1,435,200		1,435,200	1,315,916	119,284	92%
Fee on Boarding Equipment and Stores	42,500,600		42,500,600	41,779,565	721,035	98%

(5) Miscellaneous income						
Rent income	456,500		456,500	470,600	(14,100)	97%
Other incomes	-	-	-	224,750	-	
Income from Bus Hire	40,500		40,500	39,200	1,300.	97%
Interest income	60,500		60,500	57,879	2,621	96%
TOTAL INCOME	99,212,757		99,212,757	97,549,664	1,887,843	98%
(6) EXPENDITURE FOR TUITION						
Teaching/learning materials	2,920,500		2,920,500	2,631,933	288,567	90%
(7) Expenditure for operations						
Personal Emoluments	3,650,250		3,650,250	3,558,924	91,326	97%
Service Gratuity	90,200		90,200	88,788	1,412	98%
Administration Cost	2,356,800		2,356,800	2,227,473	129,327	95%
Repairs and maintenance & improvements	4,900,250		4,900,250	4,818,200	82,050	98%
Local transport / travelling	134,500		134,500	132,329	2,171.00	98%
Electricity and water	1,500,025		1,500,025	1,464,354	35,671	98%
Medical/insurance	450,200		450,200	421,428	28,772	94%
Activity Expenses	245,800		245,800	242,000	3,800.00	98%
(8) Exp for infrastructure						
Construction of dormitory	3,350,025		3,350,025	4,493,386	73,131	98%
(9) Expenditure for school fund/lunch/boarding						
Activity	2,100,600		2,100,600	1,907,192	193,408	91%
Personnel emoluments	5,125,200		5,125,200	5,031,597	93,603	98%
Service Gratuity	350,500		350,500	344,557	5,943	98%
Repairs and maintenance & Improvements	6,410,250		6,410,250	6,337,472.00	72,778	99%
Local transport / travelling	6,250,600		6,250,600	6,159,999	90,601	99%
Electricity and water	4,625,050		4,625,050	4,527,109	97,941	98%
Administration costs	11,250,060		11,250,060	10,108,239	1,141,821	90%

Tenders	145,500		145,500	143,000	2,500	98%
Bank Charges	24,600		24,600	23,521.00	1,079	96%
Expenses on Income Generating Activities	250,500		250,500	248,965	1,535	99%
Fee on Boarding Equipment and Stores	54,052,020		54,052,020	53,545,556	506,464	99%
Rent Expenses	450,200		450,200	414,450.00	35,750	92%
Insurance Cost (Life Property)	120,500		120,500	115,568	4,932	96%
TOTAL	110,754,130		110,754,130	108,986,040	2,984,582	

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.

9. Notes To the Financial Statements

1 Government Grants for Tuition

Description	2023/2024	2022/2023
	Kshs	Kshs
Exercise Books	-	852,600
Laboratory Equipment	-	771,983
Internal Exams	-	620,050
Teaching / Learning Materials	3,045,401	1,020,520.75
Total	3,045,401	3,265,153

2 Government Grants for Operations

Description	2023/ 2024	2022/ 2023
	Kshs	Kshs
Personnel Emoluments	3,557,313	3,486,484
Repairs And Maintenance	4,818,200	3,714,000
Local Transport / Travelling	1,160,328	1,013,400
Electricity And Water	1,177,332	2,112,198
Medical	704,850	247,500
Administration Costs	2,075,500	1,990,256
Activity	1,286,187	655,225
Other receipts	1,247,659	-
Total	16,027,369	13,219,063

3 Government Grants for infrastructure

Description	2023/ 2024	2022/ 2023
	Kshs	Kshs
Maintenance &Improvement	4,818,200	4,700,000
Transition infrastructure grants	-	-
Administration Block	-	-
Economic stimulus grants	-	-
Total	4,818,200	4,700,000

4 School Fund Income -Parents Contribution/Fees

Description	2023/2024	2022/2023
	Kshs	Kshs
Personnel emoluments	8,229,447	10,232,420
Repairs and maintenance	3,230,453	13,881,740
Local transport / travelling	5,378,045	4,235,163
Electricity and water	6,432,038	7,879,883
Administration costs	7,748,460	14,002,590
Activity	1,315,916	1,681,088
Fee on Boarding Equipment and stores	41,779,565	48,830,465
Total	74,113,924	100,743,349

5 Miscellaneous Incomes

Description	2023/2024	2022/2023
	Kshs	Kshs
Rent Income	470,600	108,000
Income From Farming Activities	-	21,230
Income From Bus Hire	39,200	-
Interest Income	57,879	-
Other Income: uniform, miscellenious income	224,750	-
Total	792,429	129,230

6 Tuition

Description	2023/ 2024	2022/ 2023
	Kshs	Kshs
Exercise Books	-	1,206,740
Textbooks	-	-
Reference materials	-	-
Laboratory Equipment	-	716,920
Teaching / Learning Materials	2,631,933	2,349,821
Exams And Assessment	-	-
Internal exams	-	477,400
Bank Charges	-	-
Total	2,631,933	4,750,881

7 Operations

Description	2023/ 2024	2022/ 2023
	Kshs	Kshs
Personnel Emoluments	3,558,924	4,914,691.00
Service Gratuity	88,788	-
Administration Cost	2,227,473	1,514,417.00
Repairs And Maintenance & Improvements	4,818,200	7,074,723.00
Local Transport / Travelling	132,329.00	-
Electricity And Water	1,464,354.00	1,725,270.00
Medical	421,428.00	-
Activity Expenses	242,000.00	534,960.00
Other exepnses	1,247,659	-
Total	14,201,155	15,764,061

8 Infrastructure

Description	2023/ 2024	2022/ 2023
	Kshs	Kshs
Construction of dormitory	4,493,386	5,575,749
Bank charges	-	4,252
Total	4,493,386	5,580,001.00

9 Boarding And School Fund

Description	2023/ 2024	2022/ 2023
	Kshs	Kshs
Personnel Emoluments	5,031,597	8,643,787
Service Gratuity	344,557	-
Repairs And Maintenance & Improvements	6,337,472	13,007,209
Local Transport / Travelling	6,159,999	6,089,604
Electricity And Water	4,527,109	3,583,065
Administration Costs	10,108,239	13,487,566
Bank Charges	23,521	8,250
Expenses On Income Generating Activities	248,965	347,430
Fee On Boarding Equipment and Stores	53,545,556	46,488,153
Rent Expenses	414,450	7,400
Activity	1,907,192	1,394,297
Insurance	115,568	611,310
Tenders	143,000	-
Total	88,907,225	93,668,071

10. Bank Accounts

Account Name& Currency	Status	Bank Account Number	2023/ 2024	2022/ 2023
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	0278309428	761,998	348,530
Operations Account	Active	0278307042	3,988,215	2,162,001
School Fund Account/Boarding-KCB	Active	1175926655	490,371	206,032
School Fund Account/Boarding-ABSA	Dormant	0278307034	9,896	9,896
School Fund Account/Boarding-EQUITY	Active	0160297534039	33,259	16,205,444
School Fund Account/Boarding-EQUITY	Dormant	0160260565676	539	539
School Fund Account/Boarding-KCB	Dormant	1209470187	12,162	12,162
TIG-KCB	Dormant	1232489743	8,658	8,658
Infrastructural Account-KCB	Active	1266483608	1,683,551	142,125
TOTAL			6,988,649	19,095,387

11. Cash In Hand

Description	2023/ 2024	2022/ 2023
	Kshs	Kshs
Notes and Coins	2,830	1,638
Total	2,830	1,638

12. Short Term Investments

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

13a. Accounts Receivable

Description	2023/ 2024	2022/ 2023
	Kshs	Kshs
Fees Arrears	27,425,992	24,456,572
Other Non-Fees Receivables		
Salary Advances	-	
Imprest	-	
Rent arrears	-	
Total	27,425,992	24,456,572

13 b) Ageing Analysis of Accounts Receivable

Description	2023/ 2024		2022/ 2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	5,540,035	%	2,531,059	%
Between 1- 2 years	-	%	38,171	%
Between 2-3 years	-	%	1,114,515	%
Over 3 years	21,885,957	%	20,772,827	%
Total	27,425,992	%	24,456,572	%

14a. Accounts Payable

Description	2023/ 2024	2022/ 2023
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	3,201,252	-
Prepaid Fees	3,565,319	4,466,440
Retention Monies	-	
Unpaid salaries and statutory deductions	-	
Caution money	-	
Other payables	-	
Total	6,766,571	4,466,440

14b. Ageing Analysis of Accounts Payable

Description	2023/ 2024		2022/ 2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	3,201,252	%	1,414,796	%
Between 1- 2 years	3,565,319	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	6,766,571	%	1,414,796	%

15. Fund Balance Brought Forward

Description	2023/ 2024		2022/ 2023	
	Kshs		Kshs	
Bank Balances	19,095,506		16,917,015	
Cash Balances	1,638		891	
Short Term Investments	-		-	
Receivables	24,456,572		24,036,029	
Payables	(4,466,440)		(4,160,559)	
Total	39,087,276		36,793,376	

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	Ks-hs
Bank Loans	--	--
Outstanding Leases	--	--
Hire Purchase	--	--
Gratuity And Leave Provision	--	--
Others (specify)	--	--
Total	--	--

17. Biological assets

Description	Numbers	2023/ 2024	2022/ 2023
		Kshs	Kshs
Cattle	10	400,500	645,750
Goats	-	-	-
Trees	6,900	17,250,000	20,200,000
Coffee Or Tea Plantation	-	-	-
Poultry	-	-	-
Others (specify)	-	-	-
Total	6910	17,650,500	20,845,750

18. Borrowings

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

Other important disclosure notes

19. Stock/ Inventory

Description	2023/ 2024	2022/ 2023
	Ksh	Ksh
Food stuffs	1,639,660	-
Lab consumables	590,690	-
Farm produce	-	-
Medication	33,174	-
Construction Materials	7,200	-
TOTAL	2,270,724	-



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.

No.	Issue/Observation from Auditor	Management comments	Status: (Resolved/N of Resolved)	Timeframe:(Put a date when you the issue to be resolved)
Basis for Qualification				
1	Variance in the comparative Amounts in the statements of Receipts and Payments.	The variance in the amounts reported was due to payment of payables as the school recognizes payments when the event occurs as per the guidelines issued by PSSAB number 4.1.2 dated August 20 th 2021.	Resolved	
2	Long Outstanding accounts Receivable of Kshs.20,772,827.	The school has discussed and implemented various fees recovery mechanisms details available in the respective B.O.M and PA meetings minutes. Some of the strategies includes the pay bills to allow for mobile money payments to the school accounts, goods or services for fees.The student specific details are contained in the fees registers maintained in the school and the summary was provided for in the financial statement given the student's enrolment, attaching of student's details to the financial statement would make them bulky and un economical. The	Not Resolved	June 2025

Ref No.	Issue/Observation from Auditor	Management comments	Status: (Resolved/Not Resolved)	Timeframe: (Put a date when you the issue to be resolved)
		receivables are mainly out of parental obligations required to be met for the learners, a debt recovery policy of the school is heavily reliant on the circulars issued by principal secretary MOE from time to time (no sending student home circulars)		
3	Unsupported Accounts Payable of Kshs.4,466,440.	On unsupported Accounts Payable, creditors are entered in respective ledgers and registers and on prepaid fees, this arises as the financial year and academic year differs so fees paid past the financial year is treated as prepaid fees for the ensuing year. The student specific details are contained in the fees registers maintained in the school and the summary was provided for in the financial statement given the student's enrolment, attaching of student's details to the financial statement would make them bulky and uneconomical.	Not Resolved	June 2025



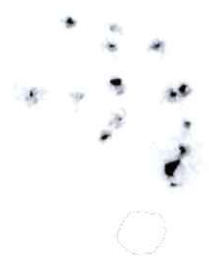
Ref.No.	Issue/Observation from Auditor	Management comments	Status: (Resolved/Not Resolved)	Timeframe: (Put a date when you the issue to be resolved)
4	Unsupported school Fund income—Parents' contribution of Kshs.100,743,349.	On the unsupported school fund income-parents' contributions ,the student specific specific details are contained in the fees registers maintained in the school and the summary was provided for in the financial statement given the student's enrolment, attaching of student's details to the financial statement would make them bulky and uneconomical.	Resolved	
5.1	Unsupported tuition payment of Kshs.2,533,117.	The school uses goods received stamp and duly enters the goods or items received in the respective stores ledgers i.e. S1 consumables and S2 permanent and expandable stores legers as stipulated in the handbook on financial management. However the management has noted the observations and will strive to support the expenses as advised moving forward.	Resolved	



Ref.No.	Issue/Observation from Auditor	Management comments	Status: (Resolved/N or Resolved)	Timeframe: (Put a date when you the issue to be resolved)
5.2	Unsupported operations payments of Kshs.2,740,155	The school uses goods received stamp and duly enters the goods or items received in the respective stores ledgers i.e. S1 consumables and S2 permanent and expandable stores legers as stipulated in the handbook on financial management. However the management has noted the observations and will strive to support the expenses as advised moving forward.	Resolved	
5.3	Unsupported Boarding and school fund payments of Kshs.11,165,573	The school uses goods received stamp and duly enters the goods or items received in the respective stores ledgers i.e. S1 consumables and S2 permanent and expandable stores legers as stipulated in the handbook on financial management. However the management has noted the observations and will strive to support the expenses as advised moving forward.	Resolved	



Ref.No.	Issue/Observation from Auditor	Management comments	Status: (Resolved/Not Resolved)	Timeframe:(Put a date when you the issue to be resolved)
6	Inaccuracies in capitation grants	The amount captured in the financial statements on capitations is as per the bank statement as sent by the ministry. Statements to confirm the same is available for perusal.	Resolved	
7.1	Variances between NEMIS amounts and school receipted amounts	Some of the students were admitted without birth certificates as per the ministry of education directives on 100% transition dated January 2020 and others who were over 18 years were not allowed by the NEMIS platform hence the variances. Students were also admitted without prerequisite documents as per ministry of education guidelines.	Not Resolved	June 2025



Ref No.	Issue/Observation from Auditor	Management comments	Status: (Resolved/N of Resolved)	Timeframe:(Put a date when you the issue to be resolved)
7 ²	Variances between NEMIS amounts and Financial statements Amounts	Some of the students were admitted without birth certificates as per the ministry of education directives on 100% transition dated January 2020 and others who were over 18 years were not allowed by the NEMIS platform hence the variances. Students were also admitted without prerequisite documents as per ministry of education guidelines.	Not Resolved	June 2025
7	Unsupported biological Assets of Kshs.20,845,750	The management has noted the observations and will take appropriate action as advised.	Not Resolved	June 2025

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES



Ref No.	Issue/Observation from Auditor	Management comments	Status: (Resolved/Not Resolved)	Timeframe: (Put a date when you the issue to be resolved)
1	Unbalance budget	The variances came about because of underfunding due to NEMIS data inconsistencies, delayed capitation and also the element of unpaid fees/receivables at the end of the financial year.	Not Resolved	June 2025
2	Irregular cash withdrawals of Kshs.3,310,000	Pursuant to Public Finance Management Act regulations section 83(2)(b) requires that payment are made when due for efficient effective and economical programs delivery. The said funds were availed when the specific activity was established in line with the calendar of activities issued by the ministry of education on co-curricular activities among other cash payments. These activities are seasonal and the amount of cash required revolves around uncertainties like progression of team to the next level hence establishment of standing imprest system may be uneconomical.	Resolved	



Ref No.	Issue/Observation from Auditor	Management comments	Status: (Resolved/Not Resolved)	Timeframe:(Put a date when you the issue to be resolved)
3	Unconfirmed students enrolment data	Some of the students were admitted without birth certificates as per the ministry of education directives on 100% transition dated January 2020 and others who were over 18 years were not allowed by the NEMIS platform hence the variances. Students were also admitted without prerequisite documents as per ministry of education guidelines.	Not Resolved	June 2025
4	Irregularities in the transfer of infrastructure Funds	The school transferred the above funds using the actual student's enrolment as opposed to the disbursement enrolment. This was for the purpose of availing adequate funds to allow for the commence of the project and in compliance with public procurement and disposal act 2015 section 53(8).	Resolved	
5	Non-compliance with Ministry of Education Guidelines on Income-Generating activities.	This are parent association projects and their co-purpose is to supplement the Boarding equipment and stores (BES) votehead. The observation has however been well noted and the school shall 24 to have	Not Resolved	June 2025



Ref No.	Issue/Observation from Auditor	Management comments	Status: (Resolved/N of Resolved)	Timeframe: (Put a date when you the issue to be resolved)
		an income generating activity account and separate accordingly.		
6	Lack of procurement function	The management has noted the observations and will take appropriate action on structures for procurement as advised	Not Resolved	June 2025
7	Irregular transfer of Funds to Kenya Secondary Schools Heads Association of Kshs. 700,464	The learners in the school participated in various co-curricular activities organized by MOE through KESHA, this included but not limited to Kenya National Science and Technology Exhibitions, ball games, athletics, racket games, music, drama .This is for holistic development of the learners. Both the teaching and non-teaching staffs also participated in various activities in order to improve service delivery i.e teacher's workshop, bursar's retreats and principal's retreats.	Not Resolved	June 2025



Ref No	Issue/Observation from Auditor	Management comments	Status: (Resolved/N ot Resolved)	Timeframe:(Put a date when you the issue to be resolved)
REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS,RISK MANAGEMENT AND GOVERNANCE				
1	Lack of audit committee	The management has noted the observations and will take appropriate action as advised.	Resolved	
2	Poor maintenance of cash books.	On the Poor maintenance of cashbooks, the school uses an accounting software that produces cashbooks in excel format as advised on the <i>guidelines on implementation of IPSAS</i> section 5.11 where schools are allowed to use their current accounting software as we await the treasury recommend the an accounting software to be used.	Resolved	
3	Lack of risk management policy	The management has noted the observations and will take appropriate action as advised.	Resolved	



Ref No.	Issue/Observation from Auditor	Management comments	Status: (Resolved/N of Resolved)	Timeframe: (Put a date when you the issue to be resolved)
4	Weakness in information Technology Governance	The management has noted the observations and will take appropriate action as advised.	Resolved	
5	Data protection Gaps in the school	The management has noted the observations and will take appropriate action as advised.	Resolved	
6	Weakness in the Inventory Management System	The management has noted the observations and will take appropriate action as advised.	Resolved	
7	Lack of Asset valuation Reports	The management has noted the observations and will take appropriate action as advised.	Not Resolved	June 2025

Ref No.	Issue/Observation from Auditor	Management comments	Status: (Resolved/N of Resolved)	Timeframe: (Put a date when you the issue to be resolved)
	Failure to maintain Textbooks Inventory Records	The management has noted the observations and will take appropriate action as advised.	Resolved	

[Handwritten Signature]

 Sign and Date
 Principal



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 Comparative 2022/2023	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1. HILDY HOLDINGS LTD	1,617,990	JUNE 2024	401,498	1,216,492		
Sub-Total	1,617,990		401,498	1,216,492		
Supply Of Goods						
2. TOPLINE TRADERS	1,984,760	MAY 2024	-	1,984,760	-	
Sub-Total	1,984,760			1,984,760		
Grand Total	<u>3,602,750</u>		<u>401,498</u>	<u>3,201,252</u>		

Annex 2 – Summary of Fixed Assets Register

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				

