

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

**OF**


**THE AUDITOR-GENERAL**

**ON**

**ELBURGON SECONDARY SCHOOL**

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

**NAKURU COUNTY**

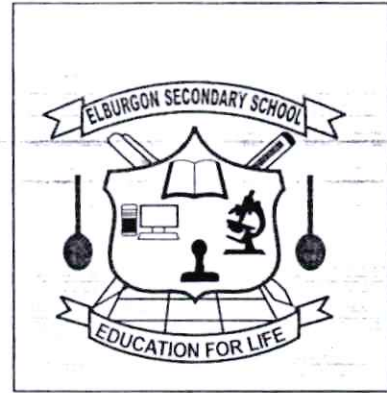
 <b>THE NATIONAL ASSEMBLY PAPERS LAID</b>	
DATE:	19 JUN 2025
	DAY: Thursday
TABLED BY:	Hon. Siyambwa Asoro (Majority Party Whip)
CLERK-AT THE-TABLE:	Anastacia



OFFICE OF THE AUDITOR GENERAL  
P.O. BOX 30054 - 00100, NAIROBI

03 JUN 2025

RECEIVED



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**Elburgon Secondary School**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE 2024**

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



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**1. Acronyms and Glossary of Terms**

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	

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 in Nakuru County, Molo Sub-County.

The school was registered in 23/1/2015 under registration number 32S30000012 and is currently categorized as an Extra County) public school established, owned or operated by the Government.

The school is a day/boarding school and had 664 number of students as at 30<sup>th</sup> June 2024. It has 3 streams and 30 teachers of which 10 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	Alfred Waithaka	Chairman	23 <sup>rd</sup> May 2022
2	Manyara C.K	Secretary - Principal	23 <sup>rd</sup> May 2022
3	Wairimu Kanyiri	Member	23 <sup>rd</sup> May 2022
4	Susan Mwangi	Member	23 <sup>rd</sup> May 2022
5	Lilian Machau	Member	23 <sup>rd</sup> May 2022
6	Richardson kanyoro	Member	23 <sup>rd</sup> May 2022
7	Stanleywangombe	Member	23 <sup>rd</sup> May 2022
8	Joram Kariuki	Member – Rep CEB	23 <sup>rd</sup> May 2022
9	Samuel Waweru	Member Rep Teachers	23 <sup>rd</sup> May 2022
10	Rachael Nungari	3 Members - Sponsor	23 <sup>rd</sup> May 2022
11	Kamuri Muya	Member - Community	23 <sup>rd</sup> May 2022
12	Betty chelangat	Member Special Needs	23 <sup>rd</sup> May 2022
13	Racheal Mugure	Member	23 <sup>rd</sup> May 2022
14	Isaac Yatich	Member	23 <sup>rd</sup> May 2022
15	Patrick Karengo	Member	23 <sup>rd</sup> May 2022
16		Rep Students	23 <sup>rd</sup> 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, 2013.
- Ensure and assure the provision of proper and adequate facilities for the School.
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School.
- Determine cases of pupils' discipline and make reports to the CEB.
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB.
- Administer and manage the resources of the School.
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule para 21 and 23 of the Basic Education Act, 2013.

**(c) Committees of the Board**

):

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1. Alfred Waithaka 2. Manyara C.K 2. Wairimu Kanyiri 3. Joram Kariuki 4. Susan Mwangi	Chairperson Secretary Vice- Chair Member Member	2 meeting 2 meetings 2 meetings 2 meetings 2 meetings
2	Audit Committee	1. Richardson Kanyoro 2. Susan mwangi 3. Betty chelangat 4. Manyra C.K	Chairperson Member Member Secretary	0 0 0 0
3	Finance, procurement and general purposes Committee	1. Patrick karengo 2. Lilian machau 3. Salome wangui 4. Manyara c.k	Chiarperson Member Member Secretary	1 meetng 1 meetng 1 meetng 1 meetng

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

4	Academic Committee	1. Stanley Wangombe 2. Racheal Mugure 3. Samuel Waweru 4. Manyara C.k	Chairperson	1 meetng 0 1 meetng 1 meetng
5	Development Committee	1. Patrick Karengo 2. Alfred Waitaha 3. Md. Susan Oyaro 4. Joram Kariuki 5. Ms Susan Mwangi 6. Mr. Charles Manyara	Chairperson Member Member Member Member Secretary	1 MEETING 1 MEETING 1 MEETING 1 MEETING 1 MEETING 1 MEETING
6	Discipline and welfare Committee	1. Joram Kariuki 2. Kamuri Muya 3. Wairimu Kanyiri 4. Manyara C.K	Chairperson Member Member Member	1 MEETING 1 MEETING 1 MEETING 1 MEETING

**(d) School operation Management**

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

Ref:	Designation	Name	Identification
1	Principal	Manyara C.K	TSC No.356960
2	Deputy Principal	Susan Moraa Abuya	TSC No.334745
3	School Bursar	Zipporah N. Nganga	E.S.S/Adm/001/24

**(e) Schools contacts**

Post Office Box: 52-20102  
 Telephone: 0793-900-235  
 E-mail: elburgonsec@gmail.com  
 Website: www.co.ke

Facebook:

Twitter:

**(f) School Bankers**

1. Name of Bank: Kenya Commercial Bank  
Branch: Njoro  
Account Number: 1101633581
2. Name of Bank: Kenya Commercial Bank  
Branch: Njoro  
Account Number: 1101866829
3. Name of Bank: Kenya Commercial Bank  
Branch: Njoro  
Account Number: 1101865911
4. Name of Bank: Kenya commercial Bank  
Branch: Njoro  
Account Number: 1271506637
5. Name of Bank: Equity Bank  
Branch: Molo  
Account Number: 0230277243961  
CDF Account

**(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 in comparison to the last three years**

ACCOUNT	2024	2023	2022
	SURPLUS/ DEFICIT	SURPLUS/ DEFICIT	SURPLUS/ DEFICIT
<b>TOTAL</b>	<b>(6,888,510)</b>	<b>(1,288,595.55)</b>	<b>(221,365.00)</b>

**-capitation grant from ministry of education for the last three years**

ACCOUNT	2024	2023	2022
<b>Tuition a/c</b>	1,752,130.45	1,841,195.75	2,065,413.00
<b>Operations a/c</b>	13,693,188	14,122,605.55	6,184,300.00
<b>Infrastructure</b>	9,503,635	2,657,000	3,113,000.00
<b>TOTAL</b>	<b>24,948,953.45</b>	<b>18,620,801.30</b>	<b>11,362,713.00</b>

**-Ratio of capitation grant per student over the last three years**

YEAR	2024	2023	2022
<b>MOE</b>	24,948,953.45	18,616,799.30	11,362,713.00
<b>NO STUDENTS</b>	832	680	664
<b>RATIO</b>	<b>1:29986.72</b>	<b>1:27,378</b>	<b>1:17,139.00</b>

**-Three-year overview of growth of other income(s) earned by the school.**

YEAR	2024	2023	2022
<b>SCHOOL FEES</b>	54,315,508.35	43,859,123.00	38,864,641.00
<b>HOUSE RENT</b>		29500	8,500.00
<b>TOTAL</b>	<b>54,315,508.35</b>	<b>43,888,623.00</b>	<b>38,873,141.00</b>

**-three years' overview of growth in expenditure of the school**

YEAR	2024	2023	2022
<b>TUITION</b>	1,351,248	1,743,903.00	2,074,998.00
<b>OPERATION</b>	1,879,4820	9,002,958.00	6,196,928.00

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

INFRASTRUCTURE	9,603,635.00	3,113,000.00	3,907,000.00
LUNCH PROGRAMME	54,315,508.35	39,072,293.00	14,541,547.00
<b>TOTAL</b>	<b>79,264,462.00</b>	<b>50,457,219.00</b>	<b>25,155,116.00</b>

**-Movement creditors of the school over the last three years**

YEAR	2024	2023	2022
DEBTORS	8,554,916	8,049,710	8,194,315
CREDITORS	28,458,822	16,695,037	10,457,681.00

YEAR	2024	2023	2022
BANK	918,410.3	7,706,046.70	133,330.00
CASH	2080	2954	500.00
<b>TOTAL</b>	<b>920,490.3</b>	<b>7,709,000.70</b>	<b>133,830.00</b>

**b) Teacher Student ratio:**

*Teachers to student ration - 1: 33*

*2 teachers transferred*

*19 teachers are employed by TSC*

*14 B.O.M teachers*

TEACHING SUBJECTS	
Kiswahili/C.R.E	1
Kiswahili/Geography	2
Business Studies	1

English/Literature	3
Chemistry/Biology	2
Mathematics/Physics	1
Agriculture / Biology	1
History/C.R.E	1
Mathematics/Business Studies	2
Kiswahili/C.R.E	1
C.R.E/Geography	1
Computer/Mathematics	1
Biology/Chemistry	1

**c) Mean score in the 2023 KCSE:**

ENTRY	YEAR	MEAN	GRADE
145	2020	7.786	C+
160	2021	6.844	C+
166	2022	6.337	C+
168	2023	7.417	B-

**d) Number of Candidates in the 2022 KCSE:**

YEAR	ENTRY
2021	160
2022	166
2023	168

e) Capacity of the school:

ELBURGON SECONDARY SCHOOL  
SCHOOL ENROLMENT

FORM	DAYSCHOLARS	BOARDERS	TOTAL
4 NORTH	1	48	49
4 EAST	2	47	49
4 SOUTH	4	45	49
3NORTH	1	63	64
3 EAST	2	61	63
3 SOUTH	1	59	60
2 NORTH	4	62	66
2 EAST	7	58	65
2 SOUTH	6	61	67
1 YELLOW	11	50	61
1 GREEN	11	50	61
1 PINK	10	50	60
1 BLUE	6	55	61
1 RED	13	46	59
TOTAL	79	755	834

*Dormitories not enough to accommodate all students*

*Dining hall is needed for all students.*

*The school also needs a bigger and modern laboratory for all students.*

*Toilets also not enough for both boys and girls.*

f) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
GIRLS DORMITORY	MOE	COMPLETED	2,715,510	2,715,510	2024
MULTI PURPOSE HALL	MOE	ONGOING	15,932,045	5,000,000	2026
CCTV	PARENTS	PHASE 1 COMPLETED	2,699,840	1,600,000	2024
DEPARTMENT OFFICE	MOE	COMPLETED	1,500,000	1,500,000	2024
CONSTRUCTION OF BOYS TOILETS	MOE	ONGOING	800,000	544,000	2025
GUTTERING	MOE	COMPLETE	204,000	204,000	2024

Sign




School Principal

4. Statement of School Management Responsibility

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board (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 be keep all proper books and records of accounts of the income, expenditure and assets of the institution.

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

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



Name: ALFRED WATHARA

Designation: Chairman, School Board of Management

Date:





Name: MANJARA CK

Designation: School Principal & Secretary to Board of Management

Date:





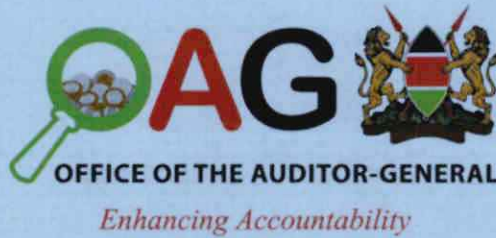
Name: ZIPPORAH WATHARA

Designation: Bursar/ Finance Officer

Date:

# REPUBLIC OF KENYA

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**HEADQUARTERS**  
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## **REPORT OF THE AUDITOR-GENERAL ON ELBURGON SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2024 - NAKURU COUNTY**

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### **PREAMBLE**

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

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

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

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

## REPORT ON THE FINANCIAL STATEMENTS

### Qualified Opinion

I have audited the accompanying financial statements of Elburgon Secondary School - Nakuru County set out on pages 1 to 23 which comprise the statement of assets and liabilities 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 Elburgon Secondary School - Nakuru County 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

#### 1.0 Inaccuracies in the Financial Statements

Review of the financial statements presented for audit revealed the following inaccuracies:

#### 1.1 Variances Between the Financial Statements and Supporting Ledger

The financial statements reflect items with balances that vary with the ledgers as detailed below:

<b>Component</b>	<b>Financial Statements Amounts (Kshs.)</b>	<b>Supporting Ledger Balance (Kshs.)</b>	<b>Variance (Kshs.)</b>
Government grants for Tuition	1,752,130	1,951,089	198,958
School Fund Income- Parents Contribution	54,484,189	48,999,818	5,484,374
Tuition - Payments	1,161,248	1,951,089	789,841
Boarding and School Fund Payments	67,123,099	56,072,640	11,050,459
Accounts Receivables	8,637,705	4,704,618	3,933,087
Accounts Payables	28,458,822	28,489,345	(30,523)

## 1.2 Unexplained Variances Between the Financial Statements and Explanatory Notes

The financial statements reflect balances that are at variance with the corresponding notes to the financial statements as detailed below:

<b>Component</b>	<b>Financial Statements Balance (Kshs.)</b>	<b>Notes to the Financial Statements Balance (Kshs.)</b>	<b>Variance (Kshs.)</b>
School Fund Income - Parents Contribution	54,484,188	54,284,262	199,926
Miscellaneous Income	0	199,927	(199,927)
Bank Balances	1,002,560	918,410	84,150
Accounts Receivables	8,637,705	8,554,916	82,789

Further, the statement of cash flows reflects School fund income-parents contributions of Kshs.50,612,102 and cash outflows in respect of boarding and School fund payments amounting to Kshs.50,506,029 whereas the statement of receipts and payments reflects School fund income-parents contributions and boarding and School fund payments of Kshs.54,484,188.85 and Kshs.67,123,098.90 respectively, resulting to unexplained variances of Kshs.3,872,087 and Kshs.16,617,070 respectively.

## 1.3 Variances Between the Comparative 2023/2024 Balances and Prior Year Audited Financial Statements

Comparison between the 2022/2023 audited financial statements and comparative balances of the financial statements presented for audit revealed unreconciled variances as indicated below:

<b>Financial Statements/Item</b>	<b>Comparative Prior Year Amounts as per 2023/2024 Financial Statements (Kshs.)</b>	<b>2022/2023 Audited Financial Statements Balance (Kshs.)</b>	<b>Variance (Kshs.)</b>
<b>Statement of Receipts and Payments</b>			
Total Receipts	62,475,922	66,857,939	4,382,017
Surplus/Deficit	1,288,595	7,356,731	6,068,136
<b>Statement of Cash Flows</b>			

<b>Financial Statements/Item</b>	<b>Comparative Prior Year Amounts as per 2023/2024 Financial Statements (Kshs.)</b>	<b>2022/2023 Audited Financial Statements Balance (Kshs.)</b>	<b>Variance (Kshs.)</b>
School Fund Income- Parents Contributions/ Fees	43,859,123	56,286,850	12,427,727
Total Receipts	62,475,922	74,907,649	12,431,727
Total Payments	57,650,087	58,926,227	1,276,140
Cash and Cash Equivalent at End of the Year	4,603,124	15,758,711	11,155,587
<b>Statement of Assets and Liabilities</b>			
Total Financial Assets	12,413,620	15,758,712	3,345,092
Accounts Payables	11,780,753	16,695,037	4,914,284
Net Financial Assets	632,867	(936,325)	(1,569,192)
Accumulated Fund Brought Forward	(3,617,988)	(8,293,056)	(4,675,068)
Surplus/(Deficit) for The Year	4,250,854	7,356,731	3,105,877

In the circumstances, the accuracy and completeness of the financial statements for the year ended 30 June, 2024 could not be confirmed.

## **2.0 Unsupported Accounts Receivables**

The statement of assets and financial liabilities reflects accounts receivables balance of Kshs.8,637,705 as disclosed in Note 13 to the financial statements. However, the ledger reflected a balance of Kshs.4,704,618, resulting to an unexplained variance of Kshs.3,933,087. Further, the supporting schedules, detailed aging analysis and issued invoices were not provided for audit review.

In the circumstances, the accuracy and completeness of the accounts receivables balance of Kshs.8,637,705 could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Elburgon Secondary School Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe

that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.64,345,209 and Kshs.63,381,049 respectively, resulting to an under-funding of Kshs.964,159 or 1.5% of the budget. However, the School spent a balance of Kshs.45,389,177 against actual receipts of Kshs.63,381,049, resulting to an under-utilization of Kshs.17,991,872 or 28% of actual receipts.

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

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section of my report, 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 the Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the issues had not been resolved as at 30 June, 2024. Management did not give any explanation for failure to resolve the issues or for the failure to adhere to the provisions of the Public Sector Accounting Standards Board reporting templates.

### **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 and the Statement of School Management Responsibility. The other information does not include the financial statements and my audit report thereon.

In connection with my audit on the School's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit

or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Late Submission of Financial Statements for Audit**

The School's financial statements for the year ended 30 June, 2024 were submitted for audit on 8 April, 2025, instead of before the statutory deadline of 30 September, 2024. This was contrary to the Ministry of Education's Circular Ref. MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which required the School's financial statements to be prepared and submitted for audit by 30 September, of each financial year in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

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

The statement of receipts and payments reflects Boarding and School fund payments amount of Kshs 67,123,098 as disclosed in Note 9 to the financial statements. Included in the expenditure is an amount of Kshs.295,000 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a Welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by Schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.295,000 could not be confirmed.

### **3. Under Funding of Capitation Grants**

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amount of Kshs.1,752,130 and Kshs.13,693,189, respectively as disclosed in Notes 1 and Note 2 to the financial statements. During the financial year, NEMIS reported a total number of eight-hundred and thirty (830) students while the enrolment records provided by the School indicated a total number of eight-hundred and thirty-six (836) students, resulting to an unexplained variance of six (6) students. As a result of the variances, the School was under-funded by an amount of Kshs.111,653.

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

### **4. Failure to Settle Accounts Payables**

The statement of financial assets and liabilities reflects accounts payables balance of Kshs.28,458,822 as disclosed in Note 14 to the financial statements. However, included in the balance are trade payables balance of Kshs.10,809,472 which had been outstanding for more than one year. This was contrary to Section 53 (8) of the Public Procurement and Asset Disposal Act, 2015 which states that an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contracts are reflected in approved budget estimates.

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

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

## **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the 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. Lack of Internal Audit Review**

During the year under review, the School had an Audit Committee constituted from the board members but did not hold any meeting. Further, the School did not have an internal audit unit. This is contrary to Regulation 166 (1) and (2) of the Public Finance Management (National Government), Regulations, 2015 which requires that, the internal audit unit of a National Government assesses the effectiveness of the School through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury.

In the circumstances, the School did not benefit from the oversight and advice provided by the Audit Committee and the Internal Audit Function.

### **2. Failure to Maintain a Fixed Assets Register**

Review of records revealed that the School owns land, buildings, motor vehicles, furniture, computers, tools and biological assets. However, Management did not maintain an asset register for the assets to reflect the cost of assets, date of acquisition, asset serial numbers, location and condition of the assets. Further, Annex 2 to the financial statements on summary of fixed assets register does not indicate historical cost or valuation of the assets. In addition, the assets were not tagged for ease of identification.

In the circumstances, the existence of effective internal control mechanisms to safeguard the School's assets could not be confirmed.

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

### **Responsibilities of the Management and Board of Management**

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

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

### **Auditor-General's Responsibilities for the Audit**

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

05 June, 2025

6. Statement Of Receipts and Payments For the Year Ended 30<sup>th</sup> June 2024

Description Of Vote Head	Note	Insert Current	Insert Comparative
		1 <sup>ST</sup> JULY 2023 - 30 <sup>TH</sup> JUNE 2024	1 <sup>ST</sup> JULY 2022-30 <sup>TH</sup> JUNE 2023
		Kshs	Kshs
<b>Receipts</b>			
Government grants for tuition	1	1,752,130.45	1,841,195.75
Government grants for operations	2	13,693,188.60	14,126,603.55
Government Grants for infrastructure	3	9,503,635	2,657,000
School fund income- parents' contributions	4	54,484,188.85	43,859,123
Miscellaneous incomes	5		0.00
<b>Total Receipts</b>		<b>79,433,142.45</b>	<b>62,475,922</b>
<b>Payments</b>			
Tuition	6	1,161,248	1,743,903.00
Operations	7	18,794,820	9,002,958.85
Infrastructure	8	11,803,319.50	574,980.00
Boarding and school fund	9	67,123,098.90	46,903,226
<b>Total Payments</b>		<b>98,882,486.70</b>	<b>61,814,513.00</b>
<b>Surplus/Deficit</b>		<b>(19,449,344.25)</b>	<b>1,288,595</b>

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

*Alfred Wainani*

Name: ALFRED WAINANI  
Chair BOM

Date:

*Mama*

Name: MAMA  
School Principal/ Secretary to BOM

Date:



*Zipporah Nyambura*

Name: ZIPPORAH NYAMBURA


Bursar/ Finance Officer


Date:

Statement of Assets and Liabilities As At 30<sup>th</sup> June 2024

Description	No te	Insert Current 1 <sup>st</sup> JULY 2023-	Insert Comparative 1 <sup>st</sup> JULY 2022-
		30 <sup>th</sup> JUNE 2024	30 <sup>th</sup> JUNE 2023
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash and cash equivalents</b>			
Bank balances	10	1,002,559.75	7,706,046.70
Cash balances	11	2,080.00	2,954.00
Short term investments	12		-
<b>Total cash and cash equivalent</b>		<b><u>1,004,639.25</u></b>	<b>7,709,000.70</b>
Account's receivables	13	8,637,705.00	4,704,618
<b>Total financial assets</b>		<b>9,642,344.25</b>	<b>12,413,619.70</b>
<b>Financial liabilities</b>			
Accounts payables	14	28,458,822.00	11,780,753.00
<b>Net financial assets</b>		<b>(18,816,477.75)</b>	<b>632,866.70</b>
<b>Represented by</b>			
Accumulated fund b/fwd	15	(632,866.50)	(3,617,987.75)
Surplus/deficit for the year		(19,449,344.25)	4,250,854.45
<b>Net financial position</b>		<b>(18,816,477.75)</b>	<b>632,866.70</b>

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

  
 Name: ALFRED WANJALA  
 Chair BOM  
 Date: \_\_\_\_\_

  
 Name: MARY KARANJA  
 School Principal  
 BOM  
 Date: \_\_\_\_\_

  
 Name: ZIPORA N. AMBARI  
 Bursar/ Finance Officer  
 Date: \_\_\_\_\_

8. Statement of Cash Flows for the Year Ended 30<sup>th</sup> June 2024

Description	Note	Insert Current 1 <sup>st</sup> JULY 2023 - 30 <sup>th</sup> JUNE 2024	Insert Current 1 <sup>st</sup> JULY 2022-30 <sup>th</sup> JUNE 2023
		Kshs.	Kshs
<b>Cash from Operating Activities</b>			
<b>Receipts</b>			
Government grants for tuition		1,752,130.45.00	1,841,195.75
Government grants for operations		13,693,188.60	14,122,603.55
Government grants for infrastructure		9,503,635.00	2,657,000.00
School fund income- parents contributions/ fees		50,612,101.85	43,859,123.00
Other income			0.00
<b>Total receipts</b>		<b>75,561,055.00</b>	<b>62,475,922.30</b>
<b>Payments</b>			
Cash outflows for tuition		1,161,248.00	1,743,903.00
Cash outflows for operations		18,794,820.00	9,002,958.85
Cash outflows Boarding/lunch and school fund payments		50,506,029.00	46,903,229
<b>Total payments</b>		<b>70,462,098.00</b>	<b>57,650,087.85</b>
<b>Net cash inflow/outflow from operating activities</b>		<b>5,098,957.25</b>	<b>4,825,834.45</b>
<b>Cash flow from investing activities</b>			
Acquisition of assets		-11,803,319	(574,980)
Proceeds from sale of Assets			0.00
Proceeds from investments			0.00
Purchase of investments			0.00
<b>Net cash inflow/outflows from investing activities</b>		<b>-11,803,319.50</b>	<b>(574,980))</b>
<b>Cash flow from Financing activities</b>			
Proceeds from borrowings/ loans	18		0.00
Repayment of principal borrowings			0.00
<b>Net cash inflow/outflow from financing activities</b>			<b>0.00</b>
<b>Net increase/decrease in cash and cash equivalents</b>		<b>-6,704,362.25</b>	<b>4250854.45</b>
Cash and cash equivalent at beginning of the FY		7,709,001.50	352,270.25
<b>Cash and cash equivalent at end of the FY</b>		<b>1,004,639.25</b>	<b>4,603,124.70</b>

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

Elburgon Secondary School

Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024

*Alfred W. L. W. W.*

Name: ALFRED W. L. W. W.

Chair BOM

Date:



*MANYA A. S. S.*

Name: MANYA A. S. S.  
School Principal/ Secretary to BOM

Date:

*LIPPORAH KANAU*

Name:

Bursar/ Finance Officer

Date:



*[Handwritten signature]*

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
<b>(1) CAPITATION GRANT ON TUITION</b>						
Chalks	89,900.00	0.00	89,900.00	89,695.75	204.25	99.77%
Exercise books	388,800.00	0.00	388,800.00	388,500.00	300.00	99.92%
Laboratory equipments and apparatus	910,000.00	0.00	910,000.00	890,000.00	20,000.00	97.80%
Teaching/learning materials	460,000.00	0.00	460,000.00	450,000.00	10,000.00	97.83%
Main Account	23,000.00	0.00	23,000.00	23,000.00	0.00	100.00%
<b>Total</b>		0.00	0.00		0.00	#DIV/0!
0		0.00	0.00		0.00	#DIV/0!
<b>Sub totals</b>	<b>1,871,700.00</b>	<b>0.00</b>	<b>1,871,700.00</b>	<b>1,841,195.75</b>	<b>30,504.25</b>	<b>98.37%</b>
<b>(2) CAPITATION GRANT ON OPERATIONS</b>		0.00	0.00		0.00	#DIV/0!
EWC	1,230,000.00	0.00	1,230,000.00	1,223,865.00	6,135.00	99.50%
LT @T	883,000.00	0.00	883,000.00	882,095.85	904.15	99.90%
NHIF	29,600.00	0.00	29,600.00	29,600.00	0.00	100.00%
Personal emolument	1,900,000.00	0.00	1,900,000.00	1,898,361.00	1,639.00	99.91%
PAYE	10,000.00	0.00	10,000.00	10,000.00	0.00	100.00%
<b>MAIN ACC</b>	<b>1,100,000.00</b>	<b>0.00</b>	<b>1,100,000.00</b>	<b>1,018,450.00</b>	<b>81,550.00</b>	<b>92.59%</b>

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Admin cost	1,300,000.00	0.00	1,300,000.00	1,215,709.20	84,290.80	93.52%
Activity	120,000.00	0.00	120,000.00	110,662.50	9,337.50	92.22%
Medical and insurance	8,500.00	0.00	8,500.00	8,500.00	0.00	100.00%
Infrastructure Grant	7,657,000.00	0.00	7,657,000.00	7,657,000.00	0.00	100.00%
Activity	120,000.00	0.00	120,000.00	110,662.00	9,338.00	92.22%
House Rent	8,500.00	0.00	8,500.00	8,500.00	0.00	100.00%
Sub totals	0.00	0.00	0.00	14,173,405.55	-14,173,405.55	#DIV/0!
<b>(3)FDSE FOR INFRASTRUCTURE</b>						
Maintenance and Improvement	2,657,000.00	0.00	2,657,000.00	2,657,000.00	0.00	100.00%
Transition infrastructure Grants		0.00	0.00	0.00	0.00	
Administration block		0.00	0.00	0.00	0.00	
Economic stimulus grants		0.00	0.00	0.00	0.00	
Others(NGCDF, County government)		0.00	0.00	0.00	0.00	
Sub total	2,657,000.00	0.00	2,657,000.00	2,657,000.00	0.00	100.00%
<b>(4)FEES CHARGED ON PARENTS</b>						
Boarding/Lunch	15,000,000.00	0.00	15,000,000.00	14,267,889.00	732,111.00	95.12%
Repairs and Maintenance	1,800,000.00	0.00	1,800,000.00	1,707,609.00	92,391.00	94.87%
Personal Emoluments	8,500,000.00	0.00	8,500,000.00	8,025,365.00	474,635.00	94.42%
BUS HIRE	135,700.00	0.00	135,700.00	135,700.00	0.00	100.00%
LTT	2,300,000.00	0.00	2,300,000.00	2,234,450.00	65,550.00	97.15%
Activity	710,000.00	0.00	710,000.00	708,546.00	1,454.00	99.80%
EWC	5,000,000.00	0.00	5,000,000.00	4,902,838.00	97,162.00	98.06%
House Rent	29,500.00	0.00	29,500.00	29,500.00		100.00%
MOTIVATION	2,200,000.00	0.00	2,200,000.00	2,139,207.00		97.24%
NHIF	59,200.00	0.00	59,200.00	59,200.00		100.00%
NSSF	162,774.00	0.00	162,774.00	162,774.00		100.00%

PAYE	23,546.00	0.00	23,546.00	23,546.00		100.00%
Admin costs	4,200,000.00	0.00	4,200,000.00	4,110,040.00	89,960.00	97.86%
Operation account	5,329,189.00	0.00	5,329,189.00	5,329,189.00	0.00	100.00%
Sub total		0.00		43,835,853.00		0.00%
(5) MISCELLANEOUS INCOME		0.00	0.00		0.00	0.00%
Rent income		0.00	0.00	0.00	0.00	0.00%
Income from farming activities		0.00	0.00	0.00	0.00	0.00%
Insurance compensation		0.00	0.00	0.00	0.00	0.00%
Income from posho mill		0.00	0.00	0.00	0.00	0.00%
Income from bus hire		0.00	0.00	0.00	0.00	0.00%
Fee for hire of ground and equipment		0.00	0.00	0.00	0.00	0.00%
Income from grants and donations		0.00	0.00	0.00	0.00	0.00%
Interest income		0.00	0.00		0.00	0.00%
Loans/Borrowings		0.00	0.00		0.00	0.00%
SUB TOTAL	0.00	0.00	0.00		0.00	0.00%
(1) EXPENDITURE FOR TUITION		0.00	0.00		0.00	#DIV/0!
Tuition		0.00	0.00	0.00	0.00	#DIV/0!
Exercise books	500,000.00	0.00	500,000.00	500,000.00	0.00	100.00%
Laboratory equipments and apparatus	670,000.00	0.00	670,000.00	660,569.00	9,431.00	98.59%
Teaching/learning materials	510,000.00	0.00	510,000.00	505,570.00	4,430.00	99.13%
Main account	72,000.00	0.00	72,000.00	70,000.00	2,000.00	97.22%
Internal exams		0.00	0.00	0.00	0.00	#DIV/0!
Bank charges		0.00	0.00	7,764.00	-7,764.00	#DIV/0!
sub totals	1,752,000.00	0.00	1,752,000.00	1,743,903.00	8,097.00	99.54%
PAYMENTS FOR OPERATIONS		0.00	0.00		0.00	#DIV/0!

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EWC	740,000.00	0.00	740,000.00	733,100.00	6,900.00	99.07%
LT @T	0.00	0.00	0.00	0.00	0.00	#DIV/0!
RMI	2,000,000.00	0.00	2,000,000.00	1,993,000.00	7,000.00	99.65%
Personal emolument	2,200,000.00	0.00	2,200,000.00	2,147,878.00	52,122.00	97.63%
Admin cost	1,500,000.00	0.00	1,500,000.00	1,459,315.00	40,685.00	97.29%
TOWER SACCO	11,000.00	0.00	11,000.00	11,000.00	0.00	100.00%
Activity	240,000.00	0.00	240,000.00	237,300.00	2,700.00	98.88%
NHIF	22,400.00	0.00	22,400.00	22,400.00	0.00	100.00%
MEDICAL	6,500.00	0.00	6,500.00	6,500.00	0.00	100.00%
Bank charges	30,000.00	0.00	30,000.00	28,212.85	1,787.15	94.04%
PAYE	13,722.00	0.00	13,722.00	13,722.00	0.00	100.00%
RMI	400,000.00	0.00	400,000.00	376,725.00	23,275.00	94.18%
NSSF	17,358.00	0.00	17,358.00	17,358.00	0.00	100.00%
MAIN ACCOUNT		0.00		1,740,000.00		
Bank charges	100,000.00	0.00	100,000.00	100,000.00	0.00	100.00%
PAYE	116,448.00	0.00	116,448.00	116,448.00	0.00	100.00%
SUBTOTALS	0.00	0.00	0.00	9,002,958.85	9,002,958.85	#DIV/0!
INFRASTRUCTURE PAYMENTS		0.00	0.00		0.00	#DIV/0!
Construction of classrooms		0.00	0.00	0.00	0.00	#DIV/0!
Construction of laboratory		0.00	0.00	0.00	0.00	#DIV/0!
RMI	600,000.00	0.00	600,000.00	549,760.00	50,240.00	91.63%
Purchase of furniture		0.00	0.00	0.00	0.00	#DIV/0!
Purchase of equipment		0.00	0.00	0.00	0.00	#DIV/0!
Purchase of apparatus		0.00	0.00	0.00	0.00	#DIV/0!

Main account	22,000.00	0.00	22,000.00	22,000.00	0.00	100.00%
<b>SUBTOTALS</b>	<b>622,000.00</b>	<b>0.00</b>	<b>622,000.00</b>		<b>622,000.00</b>	<b>0.00%</b>
<b>BOARDING AND SCHOOL FUND PAYMENTS</b>		<b>0.00</b>	<b>0.00</b>		<b>0.00</b>	<b>#DIV/0!</b>
Activity		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>#DIV/0!</b>
<b>TOWER SACCO</b>	<b>20,000.00</b>	<b>0.00</b>	<b>20,000</b>	<b>20,000.00</b>	<b>0.00</b>	<b>100%</b>
Lunch programme	23,000,000.00	0.00	23,000,000.00	22,350,246.00	649,754.00	97.17%
Main Account	684,700.00	0.00	684,700.00	684,500.00	200.00	99.97%
Medical	4,500.00	0.00	4,500.00	4,050.00	450.00	90.00%
Operations account	5,000,000.00	0.00	5,000,000.00	4,993,190.00	6,810.00	99.86%
Personnel emoluments	4,200,000.00	0.00	4,200,000.00	4,103,207.00	96,793.00	97.70%
Repairs and maintenance & Improvements	900,000.00	0.00	900,000.00	899,894	106.00	100.57%
Local transport / travelling	920,000.00	0.00	920,000.00	905,108.00	14,892.00	98.38%
<b>ACTIVITY</b>	<b>500,000.00</b>	<b>0.00</b>	<b>500,000.00</b>	<b>478657</b>	<b>21,343.00</b>	<b>95.73%</b>
NHIF	79,310.00	0.00	79,310.00	79,310.00	0.00	100.00%
EWC	960,000.00	0.00	960,000.00	948,862.00	11,138.00	98.84%
Uniforms	60,000.00	0.00	60,000.00	59,005.00	995.00	98.34%
NSSF	199,748.00	0.00	199,748.00	199,748.00	0.00	100.00%
MOTIVATION	3,100,000.00	0.00	3,100,000.00	3,030,500.00	69,500.00	97.76%
PAYE	60,000.00	0.00	60,000.00	59,005.00	995.00	98.34%
<b>TOWER SACCO</b>	<b>20,000.00</b>	<b>0.00</b>	<b>20,000.00</b>	<b>20,000.00</b>	<b>0.00</b>	<b>100.00%</b>
Bank charges	77,000.00	0.00	77,000.00	76,515.00	485.00	99.37%
Pocket Money		<b>0.00</b>	<b>0.00</b>		<b>0.00</b>	<b>#DIV/0!</b>
School Bus	80,000.00	0.00	80,000.00	76,650.00	3,350.00	95.81%
GRATUITY	23,919.00	0.00	23,919.00	23,919.00	0.00	100.00%
Infrastructure	700,000.00	0.00	700,000.00	671,000.00	29,000.00	95.86%
Insurance	100,000.00	0.00	100,000.00	100,000.00	0.00	100.00%

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Administration costs	4,700,000.00	0.00	4,700,000.00	7,047,880.00	-2,347,880.00	149.95%
SUBTOTALS	45,389,177.00	0.00	45,389,177.00	46,831,246.00	-1,442,069.00	103.18%
TOTAL	47,763,177.00	0.00	47,763,177.00		47,763,177.00	0.00%

**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 the various sources when the event occurs, and the related cash has actually been received by the *school*. In addition, the *school* recognises all expenses when the event occurs, and the related cash has actually been paid out by the *school*. 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 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 fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Payables also include expenditure incurred for the purchase of goods, works and services that has 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 30<sup>th</sup> June 2024.

11. Notes To The Financial Statements

1 Government Grants for Tuition

Description	1 <sup>st</sup> JULY 2023- 30 <sup>th</sup> JUNE 2024	1 <sup>st</sup> JULY 2022- 30 <sup>th</sup> JUNE 2023
	Kshs	Kshs
Reference Materials		0.00
Exercise Books	150,000.00	388,500.00
Laboratory Equipment	390,000.00	890,000.00
Main a/c		23,000.00
Teaching / Learning Materials	1,157,512.00	450,000.00
Chalks	54,618.45	89,695.76
<b>Total</b>	<b>1,752,130.45</b>	<b>1,814,195.75</b>

2 Government Grants for Operations

Description	1 <sup>st</sup> JULY 2023- 30 <sup>th</sup> JUNE 2024	1 <sup>st</sup> JULY 2022- 30 <sup>th</sup> JUNE 2023
	Kshs	Kshs
Personnel Emoluments	2,496,116	1,898,361.00
Repairs And Maintenance		0.00
Local Transport / Travelling	1,011,185	882,095.85
Electricity And Water	1,322,621	1,223,865.00
Medical	351,959	0.00
Administration Costs	936,100	1,215,709.20
Advance		4,000.00
Activity	576,740.60	110,662.50
NHIF	14,950	29,600
HOUSE LEVY	17,117	8,500
NSSF	57,980	53,280.00
TOWER SACCO	2,500	10,000.00
PAYE	6,101	11,080.00
MAIN A/C	3,434,019	1,018,450.00
INFRASTRUCTURE A/C	3,465,800	7,657,000.00
<b>Total</b>	<b>13,693,188.60</b>	<b>14,118,603.55</b>

Elburgon Secondary School  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024

12.

3 Government Grants for infrastructure

Description	1 <sup>st</sup> JULY 2022- 30 <sup>th</sup> JUNE 2023	1 <sup>st</sup> JULY 2022- 30 <sup>th</sup> JUNE 2023
	Kshs	Kshs
Maintenance & Improvement	3,959,635.00	2,657,000.00
Transition infrastructure grants	5,544,000.00	0.00
Administration Block		0.00
Economic stimulus grants		0.00
Other (specify)(NGCDF and County govt.		0.00
<b>Total</b>	<b>9,503,635.00</b>	<b>2,657,000.00</b>

4 School Fund Income - Parents Contribution/Fees

Description	1 <sup>st</sup> JULY 2023- 30 <sup>th</sup> JUNE 2024	1 <sup>st</sup> JULY 2022- 30 <sup>th</sup> JUNE 2023
	Kshs	Kshs
Personnel emoluments	6,157,000.00	8,025,365
Repairs and maintenance	5,579,450.00	1,707,609
Local transport / travelling	1,670,300	2,234,450
Electricity and water	4,747,807.50	4,902,838
Medical		4,110,040
Administration costs	6,479,614.35	708,546
Activity	1,397,003	14,267,889.00
Fee on Boarding Equipment and stores	20,051,087.00	5,329,189
OPERATION A/C cosmo		2,770
BURSARY	142,000.00	20,500
TOWER SACCO Bom teachers/remedials		
POCKET MONEY		2,139,207
MOTIVATION FEE	5,200,000	

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Description	1 <sup>st</sup> JULY 2023- 30 <sup>th</sup> JUNE 2024	1 <sup>st</sup> JULY 2022- 30 <sup>th</sup> JUNE 2023
	Kshs	Kshs
INFRASTRUCTURE	1,560,000	
TUITION		
PTA	1,300,000	
UNPAID CHEQUE		
PAYE		23,546
NSSF		162,774
NHIF		59,200
BUS HIRE		135,700
HOUSE RENT		29,500
<b>Total</b>	<b>54,284,261.85</b>	<b>43,859,123</b>

5 Miscellaneous Incomes

Description	1 <sup>st</sup> JULY 2023- 30 <sup>th</sup> JUNE 2024	1 <sup>st</sup> JULY 2022- 30 <sup>th</sup> JUNE 2023
	Kshs	Kshs
Rent Income	16,000.00	0.00
Development fund		0.00
Infrastructure		0.00
BUS HIRE	183,927.00	0.00
Income From Bus Hire		0.00
Operation account		0.00
Income From Grants and Donations*		0.00
Interest Income		0.00
Dividends Income		0.00
Loans/Borrowings*		0.00
Other Income		0.00
<b>Total</b>	<b>199,927.00</b>	<b>0.00</b>

Notes to the Financial Statements (continued)

6 Tuition

Description	1 <sup>st</sup> JULY 2023- 30 <sup>th</sup> JUNE 2024	1st JULY 2022- 30TH JUNE 2023
	Kshs	Kshs
Exercise Books		500,000.00
Textbooks/refrence	120,000.00	0.00
Main a/c		70,000
Laboratory Equipment		660,569.00
Teaching / Learning Materials	695,235.00	505,570.00
Exams And Assessment		0.00
Library refrence		0.00
Bank Charges	6,013.00	7,764.00
chalks	340,000.00	0.00
<b>Total</b>	<b>1,161,248.00</b>	<b>1,743,903.00</b>

7 Operations

Description	1 <sup>st</sup> JULY 2023- 30 <sup>th</sup> JUNE 2024	1st JULY 2022- 30TH JUNE 2023
	Kshs	Kshs
Personnel Emoluments	1,885,286.00	2,147,878.00
Service Gratuity		0.00
Administration Cost	1,166,980.00	1,459,315.00
Repairs And Maintenance & Improvements	1,631,940.00	376,725.00
INFRASTRUCUTRE	7,754,450.00	0.00
Electricity And Water	294,000.00	733,100
Medical	5,000.00	6,500
Activity Expenses		237,300.00
Insurance Cost		100,000.00
Nhif		22,400.00

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Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024

Bank charges	19,646.30	28212.85
Paye		13,722.00
Infrastructure a/c		1,993,000.00
Cosmopolitan		116,448.00
Tower sacco		11,000.00
Nssf		17,358.00
Main a/c	6,037,518.00	1,740,000.00
<b>Total</b>	<b>18,794,820.00</b>	<b>9,002,758.00</b>

Notes to the Financial Statements (continued)

8 Infrastructure

Description	1 <sup>st</sup> JULY 2023- 30 <sup>th</sup> JUNE 2024	1 <sup>st</sup> JULY 2022- 30 <sup>th</sup> JUNE 2023
	Kshs	Kshs
Construction of classrooms	11,803,319.50	0.00
Construction of laboratory		0.00
Construction of dormitory		549,760.00
Purchase of furniture		0.00
Purchase of equipment		0.00
Purchase of apparatus		0.00
Bank charges		3,220.00
Main a/c		22,000.00
<b>Total</b>	<b>11,803,319.50</b>	<b>574,980.00</b>

9 Boarding And School Fund

Description	1 <sup>st</sup> JULY 2023- 30 <sup>th</sup> JUNE 2024	1 <sup>st</sup> JULY 2022- 30 <sup>th</sup> JUNE 2023
	Kshs	Kshs
Personnel Emoluments	5,186,905.00	4,103,227.00
DEV FUND	250,000.00	
Repairs And Maintenance & Improvements	8,323,448.00	899,894.00
Local Transport / Travelling	731,020.00	905,108.00
Electricity And Water	1,138,029.00	948,862.00
Medical Expenses	10,035.00	4,050.00
INSURANCE		100,000.00
Administration Costs	9,547,369.00	7,047,880.00

*Elburgon Secondary School*

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Bursary	645,763.00	5,000.00
Bank Charges	88,534.90	76,515
Motivation		3,030,500.00
Fee On Boarding Equipment and Stores	33,794,777.00	22,350,246.00
Infrastructure a/c		671,000.00
NHIF		79,310.00
GRATUITY	82,000.00	23,919.00
REMEDIAL	2,941,223.00	
Nssf		199,748.00
MAIN ACC		684,500
OPERATION		4,993,190
EXAMS	5,900.00	
Uniforms		0.00
CATION MONEY		425
Paye		59,005.00
ESWA	78,060.00	
Tower sacco		20,000.00
COSMO	312,027.00	145,560.00
Infrastructure	3,050,000.00	0.00
CREDITORS		0.00
Bus hire	362,747.00	76,650.00
Pocket money	11,650.00	
Strenuous	64,000.00	0.00
HOUSE LEVY	143,421.00	.00
Activity	349,590.00	478,657.00
C.U	3,000.00	0.00
RD CHEQUE	3,600.00	0.00
Main a/c		0.00
<b>Total</b>	<b>67,123,098,90</b>	<b>46,903,226.00</b>

Notes to the Financial Statements (continued)

**10 Bank Accounts**

Account Name & Currency	Status	Bank Account Number	1 <sup>st</sup> JULY 2023- 30 <sup>th</sup> JUNE 2024	1st JULY 2022- 30 <sup>th</sup> JUNE 2023
	Active/Dormant		Kshs	Kshs
Tuition Account		599,840.25		98,957.70
Operations Account		43,238.80		5,144,870.50
School Fund Account/Boarding		269,481.25		162,450.50
Savings Account				0.00
Parent Association Development Account				0.00
Income Generating Activities Account				0.00
Infrastructural Account		5,850.00		2,299,769.00
<b>Total</b>		<b>918,410.30</b>		<b>7,706,047.70</b>

**11 Cash In Hand**

Description	1 <sup>st</sup> JULY 2023- 30 <sup>th</sup> JUNE 2024	1st JULY 2022- 30 <sup>th</sup> JUNE 2023
	Kshs	Kshs
Notes and Coins	2080.00	2,954.00
<b>Total</b>	<b>2080.00</b>	<b>2,954.00</b>

**12 Short Term Investments**

Description	1 <sup>st</sup> JULY 2023- 30 <sup>th</sup> JUNE 2024	1 <sup>st</sup> JULY 2022- 30 <sup>th</sup> JUNE 2023
	Kshs	Kshs
Cooperative Shares		0.00
Treasury Bills		0.00
Fixed Deposit accounts		0.00
Other Investments		0.00
<b>Total</b>		<b>0.00</b>

Notes to the Financial Statements (continued)

13 Accounts Receivable

Description	1 <sup>st</sup> JULY 2023- 30 <sup>th</sup> JUNE 2024	1 <sup>st</sup> JULY 2022- 30 <sup>th</sup> JUNE 2023
	Kshs	Kshs
Fees Arrears	8,554,916	4,682,829.00
<b>Other Non-Fees Receivables</b>		
Salary Advances (list/schedule attached)		21,789.00
Imprest (list/schedule attached)		
Rent arrears (list/schedule attached)		
<b>Total</b>	<b>8,554,916</b>	<b>4,704,618.00</b>

13 b Ageing Analysis of Accounts Receivable

Description	1 <sup>st</sup> JULY 2023- 30 <sup>th</sup> JUNE 2024		1 <sup>st</sup> JULY 2022- 30 <sup>th</sup> JUNE 2023	
	Kshs		Kshs	
	Current FY	% of the total	Current FY	% of the total
Less than 1 year	3,872,087	45.26%	2,218,821.00	47.38%
Between 2- 3 years	2,218,821	25.94%	2,464,008.00	52.62%
Between 2- 3 years	2,464,008	28.80%		
<b>Total</b>	<b>8,554,916</b>	<b>100.00%</b>	<b>4,682,829.00</b>	<b>100%</b>

14 Accounts Payable

Description	1 <sup>st</sup> JULY 2023- 30 <sup>th</sup> JUNE 2024	1 <sup>st</sup> JULY 2022- 30 <sup>th</sup> JUNE 2023
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	28,489,345.00	11,809,472.00
Prepaid Fees	(30,523)	(28,719)
Retention Monies		0.00
Unpaid salaries and statutory deductions		0.00
Caution money		0.00
Other payables		0.00
<b>Total</b>	<b>28,458,822.00</b>	<b>11,780,753.00</b>

**14a. Ageing Analysis of Accounts Payable**

Description	1 <sup>st</sup> JULY 2023- 30 <sup>th</sup> JUNE 2024		1 <sup>st</sup> JULY 2022- 30 <sup>th</sup> JUNE 2023	
	Kshs		Kshs	
	Current FY	% of the total	Current FY	% of the total
Less than 1 year	17,257,218.00	206.26%	6,237,356.00	77.49%
Between 1- 2 years	5,237,356	61.22%		129.91%
Between 2- 3years	4,772,116.00	55.78%	4,772,116.00	0.00%
Over 3 years	800,000	9.35%	800,000	0.00%
<b>Total</b>	<b>28,489,345.00</b>	<b>333.02</b>	<b>11,809,472</b>	<b>207.40%</b>

**15 Fund Balance Brought Forward**

Description	1 <sup>st</sup> JULY 2023- 30 <sup>th</sup> JUNE 2024	1 <sup>st</sup> JULY 2022- 30 <sup>th</sup> JUNE 2023
	Kshs	Kshs
Bank Balances	7,706,047.00	351,080.20
Cash Balances	2,954.00	1,190.05
Short Term Investments		0.00
Receivables	4,704,618.00	6,489,797.00
Payables	11,780,753.00	10,460,055.00
<b>Total</b>	<b>632,866.20</b>	<b>(3,617,987.75)</b>

**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	1 <sup>st</sup> JULY 2023- 30 <sup>th</sup> JUNE 2024	1 <sup>st</sup> JULY 2022- 30 <sup>th</sup> JUNE 2023
	Kshs	Kshs
Bank Loans	0.00	0.00
Outstanding Leases	0.00	0.00
Hire Purchase	0.00	0.00
Gratuity And Leave Provision	0.00	0.00
Others	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

**17 Biological assets**

Description	Numbers	1 <sup>st</sup> JULY 2023- 30 <sup>th</sup> JUNE 2024	1 <sup>st</sup> JULY 2022- 30 <sup>th</sup> JUNE 2023
		Kshs	Kshs
Cattle		0.00	0.00
Goats		0.00	0.00
Trees		0.00	0.00
Coffee Or Tea Plantation		0.00	0.00
Poultry		0.00	0.00
Others		0.00	0.00
<b>Total</b>		<b>0.00</b>	<b>0.00</b>

**18 Borrowings**

Description	Kshs	Kshs
Borrowings at beginning of the year	0.00	0.00
Borrowings during the year	0.00	0.00
Repayments during the year	0.00	0.00
<b>Balance at the end of the year</b>	<b>0.00</b>	<b>0.00</b>

Other important disclosure notes

19 Stock/ Inventory

Description	<i>1<sup>st</sup> JULY 2023- 30<sup>th</sup> JUNE 2024</i>	<i>1<sup>st</sup> JULY 2022- 30<sup>th</sup> JUNE 2023</i>
	Kshs	Kshs
Food stuffs	0.00	0.00
Lab consumables	0.00	0.00
Farm produce	0.00	0.00
Medication	0.00	0.00
Construction Materials	0.00	0.00
Others	0.00	0.00
	0.00	0.00

20 Progress On Follow Up Of Auditor Recommendations

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

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

  
 Sign and Date  
 Principal

13. Annexes

Annex I - Analysis of Pending Accounts Payable

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

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 <sup>st</sup> July 2023	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 <sup>th</sup> June 2024
Land	4 ACREAS			
Buildings And Structures	44			
Motor Vehicles	1 BUS	0	0	
Office Equipment, Furniture And Fittings	762 PCS			
Textbooks	14,916			
ICT Equipment	26			
Tools And Apparatus				
Other Machinery And Equipment	1			
Heritage And Cultural Assets	-			
Intangible Assets- Soft Ware	ACCOUNTS SOFTWARE			
<b>Total</b>				