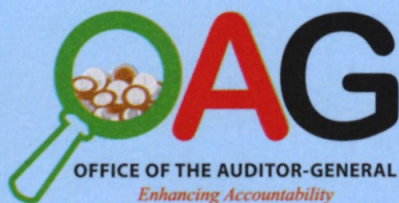
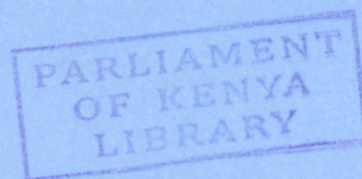


REPUBLIC OF KENYA



REPORT

OF



THE AUDITOR-GENERAL

ON

SABUNLEY SECONDARY SCHOOL

FOR THE YEAR ENDED

30 JUNE, 2025

WAJIR COUNTY

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 24 JUN 2026	
DAY: Wednesday	
TABLED BY:	Hon. Owen Baya (Deputy Majority Party leader)
CLERK-AT THE-TABLE:	Anastacia



SABUNLEY SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025

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

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1. Acronyms and Definition of Key Terms

A. Acronyms.

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

B. Definition of Key Terms

Comparative Year- Means the prior period.

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 Wajir County, Wajir east Sub-County.

The school was registered in 09/06/2016 under registration number 08/S/3000/012/16 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 758 number of students as at 30th June 2025. It has 4 streams and 34 teachers of which 9 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	Mohamed Hassan	Chairperson	2022
2	Abdinoor Haji	Secretary-Principal	2022
3	Halima Kahiye	V-Chair	2022
4	Abdille Yussuf	Member	2022
5	Halima Ali	Member	2022
6	Omar Ali	Member	2022
7	Farhiya Bishar	Member	2022
8	Abdihakim Ali Adan	Member-Rep Ceb	2022
9	Bishar Bontore	Member Rep Teachers	2022
	Mohamed Hassan Hassan Osman Farhiya Bishar	3 Members- Sponsor	
10			
13	Halima Kahiye	Member-Community	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	Halima Kahiye Abdinoor Haji Mohamed Hassan Omar Hussein	Chair Secretary V- Chair PTA	2
2	Audit Committee & finance	Farhiya Bishar Hassan Osman Mohamed Hassan Ebla Kheir	Chair	2
3	Academic Committee	Abdille Yussuf Dr. Abdihakim Ali Ubah Kahiye Mohamed Hassan Ali Omar	Chair	3

(d) School operation Management

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

Ref:	Designation	Name	Identification
1	Principal	Abdinoor Hajji	TSC No.416457
2	Deputy Principal	Mohamed Saney	TSC No.401740
3	School Bursar	Mohamed Gaiye	

(e) Schools contacts

Post Office Box: 42-70200
Telephone: 0720382729
E-mail:sabunleysecondary@gmail.com

(f) School Bankers

Name Of Bank: KCB
Branch Wajir
Account Number: 1105226832 tuition

Name Of Bank: KCB
Branch Wajir
Account Number: 1105227219 -operation

Name Of Bank: KCB
Branch Wajir
Account Number: 1105197654/ Business number: 522123 fund acc

Name Of Bank: KCB
Branch Wajir
Account Number: 1113803754 Infrastructure 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:

Financial performance:

1. Surplus / Deficit Trend

Year	2021–2022	2022–2023	2023–2024	2024–2025
Surplus / Deficit	32,000	33,000	30,000	20,000

2. Capitation Grants Received from the Ministry

Year	Amount (Ksh.)
2021–2022	10,541,577.60
2022–2023	9,637,596.55
2023–2024	10,998,296.00
2024–2025	10,130,256.00

3. Ratio of Capitation Grant per Student (Operations and Tuition)

Year	Number of Students	Amount (Ksh.)
2025	658	10,130,256.00
2024	758	12,151,986.00
2023	607	9,637,596.55
2022	789	10,541,577.60

4. Overview of Growth in School Income

Year	Amount (Ksh.)
2025	10,130,256.00
2024	12,151,986.00
2023	9,637,596.55
2022	10,541,577.60

5. Movement of Debtors and Creditors

Year	Debtors (Ksh.)	Creditors (Ksh.)
2025	3,993,692	1,926,905
2024	989,778	989,778
2023	0	0
2022	0	0

6. Movement of Cash and Bank Balances

Year	Bank Balances (Ksh.s)	Cash Balances (Ksh.s)
2025	3,974,447.54	-
2024	5,279,103.00	-
2023	4,454,451.18	-
2022	1,679,364.42	-

Teacher Student ratio:

Teacher–Student Ratio

Item	Number
Teacher–Student Ratio	1 : 23.2
Number of TSC Teachers	23
Number of B.O.M Teachers	10

b) Mean Score in the 2024 KCSE

Year	Mean Score	Mean Grade
2025	8.00	B (Minus)
2024	8.30	B (Minus)
2023	8.634	B (Plain)
2022	7.50	B (Minus)
2021	7.397	C+ (Plus)

c) Number of Candidates in KCSE

Year	Number of Students
2021	136
2022	158
2023	175
2024	166
2025	—

d) Capacity of the School

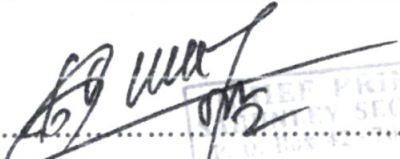
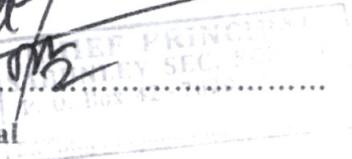
Sabunley Secondary School is an extra-county school with an enrolment of 758 students. The school operates four streams and has the following facilities:

Facility	Number Available
Dormitories	5
Laboratories	4
Toilets (Students and Teachers)	13

The school occupies approximately 63.63 hectares of land which requires fencing. The estimated cost of fencing the entire school land is yet to be determined and requires funding for implementation.

a) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Ksh.s)	Amount Spent (Ksh.s)	Expected completion time
Renovation of h.o.d offices	Ministry of education	Complete	700,000	700,000	Completed
12 Doors ablution Blocks-Repairs	Ministry of education	Complete	1,000,000	1,000,000	Completed



 School Principal

5. 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 Wajir Sabunley' 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).

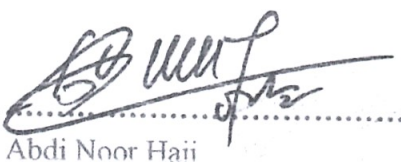
The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2025, and of the school's financial position as at that date.


.....

Name: Halima Kahiye

Designation: Chairperson, School Board of Management

Date:


.....

Name: Abdi Noor Haji

Designation: School Principal & Secretary to Board of Management

Date:


.....

Name: Mohamed Gaiye Mude

Designation: Bursar/ Finance Officer

Date:

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 SABUNLEY SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2025 – WAJIR COUNTY

PREAMBLE

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

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; 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 transitional IPSAS financial statements of Sabunley Secondary School set out on pages 1 to 22, which comprise of the statement of assets and liabilities as at 30 June, 2025, and the statement of financial performance, statement of cash flows and statement of budgeted versus actual amounts, for the

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of Sabunley Secondary School as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards - Accrual Basis (including the transitional provisions permitted under IPSAS 33) and comply with the Basic Education Act, 2013, the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Non-Compliance with Transitional IPSAS Reporting Requirements

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

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

2. Inaccuracies in the Statement of Budgeted Versus Actual Amounts

The statement of cash flows reflects total actual receipts and payments of Kshs.41,473,825 and Kshs.42,078,475 respectively. However, the statement of budgeted versus actual amounts reflects total actual receipts and payments of Kshs.42,292,302 and Kshs.42,081,204 respectively, resulting in variances of Kshs.818,477 and Kshs.2,729 in receipts and payments respectively.

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

3. Unsupported Accounts Receivables

The statement of assets and liabilities reflects accounts receivable balance of Kshs.1,490,602 as disclosed in Note 12 to the financial statements. However, the supporting schedules, detailed aging analysis and billing schedules were not provided for audit review.

In the circumstances, the accuracy and completeness of the accounts receivable balance of Kshs.1,490,602 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Sabunley 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 total receipts budget and actual on a comparable basis of Kshs.49,385,000 and Kshs.42,292,302 respectively, resulting in an under-funding of Kshs.7,092,698 or 14% of the budget. However, the School spent a total of Kshs.42,081,204 against actual receipts of Kshs.42,292,302, resulting in an under expenditure of Kshs.211,098 actual receipts.

The under-funding affected the planned activities and may have impacted negatively on the operations of the School.

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

Other Matter

1. Unresolved Prior Year Issues

Several issues raised in the Auditor-General's reports for the year ended 30 June, 2021 to 30 June, 2024 remain unresolved as at 30 June, 2025. Management has provided explanations on the status of these matters. However, they had not been fully resolved by the time of this audit. The issues are listed in **Appendix 1**.

2. Significant Exemptions by Public Sector Accounting Standards Board in the Financial Statements Reporting Template

The financial statements have been prepared using the financial year 2024/2025 reporting template issued by the Public Sector Accounting Standards Board (PSASB). As communicated by PSASB on 25 February, 2026, the template was designed to facilitate a phased transition to accrual-based IPSAS for public secondary schools and, therefore, does not include certain statements and disclosures required under the full IPSAS transition. These omissions include the Opening Statement of Financial Position, the Statement of Changes in Net Assets/Equity, detailed disclosures of transitional provisions under IPSAS 33, and a reconciliation of budgeted amounts to actual accrual amounts.

The absence of these elements arises from limitations inherent in the prescribed template and does not constitute non-compliance on the part of the School.

Other Information

The Management is responsible for the Other Information set out on page iii to ix which comprise of Key School Information and Management, Summary Report of Performance of the School and Statement of School Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the 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.

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 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 Transfer of Infrastructure Funds from Operations Bank Account

The statement of financial performance reflects operations and infrastructure grants of Kshs.5,512,641 and Kshs.2,256,000 respectively, as disclosed in Notes 2 and 3 to the financial statements, which were credited by the Ministry of Education to the operations bank account. Out of this amount, Kshs.2,256,000 in respect of infrastructure grant was expected to be transferred to the infrastructure bank account for the maintenance and improvement of the School's facilities. However, Kshs.2,622,500 was transferred to the infrastructure account, resulting in an excess transfer of Kshs.366,500 as at 30 June, 2025. Further, an amount of Kshs.609,000 was transferred to infrastructure account four (4) days after the allowed time limit of fifteen days. This was contrary to The Ministry of Education Circular Ref. No: HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as Maintenance and Improvement Funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

2. Under Funding of Capitation Grants

The statement of financial performance reflects capitation grants for tuition, operations, and infrastructure amounting to Kshs.1,841,143, Kshs.5,512,641, and Kshs.2,256,000, respectively, as disclosed in Notes 1, 2, and 3 to the financial statements. For a school to qualify for capitation funding, it is required to be registered in the National Education Information Management System (NEMIS), with all learners duly registered in the System. During the year, (NEMIS) reported a total enrollment of seven hundred and fifty-eight (758) students, six hundred and twenty (626) and six hundred and nine (609) students for terms 3, 2 and 1, respectively while the School records indicated enrolment of eight hundred and forty-six (846), seven hundred and seventy-one (771), and seven hundred and seventy-nine (779) students for terms 3, 2 and 1, respectively. This resulted in a variance of eighty-eight (88), one hundred and ninety (190), and one hundred and forty-five (145) students for terms 3, 2, and 1, respectively, indicating that not all learners were registered in the System. As a result of the variances, the School was underfunded by Kshs.2,349,266.

The under-funding affected execution of the planned activities and may have impacted negatively the operations of the School.

3. Lack of a Functional Procurement Unit

The School did not have an established procurement function managed by qualified procurement professional. This was contrary to Regulation 33(1) and (2) of the Public Procurement and Asset Disposal Regulations, 2020 which provides that a procuring entity shall establish a procurement function in accordance with Section 47 of the Act and that the procurement function shall be handled by the procurement professionals whose qualification and experience are recognized in Kenya.

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

4. Lack of a Procurement Plan

The statement of financial performance reflects total payments of Kshs.42,025,824. However, during the year under review, Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that a procuring entity shall prepare a procurement plan for each financial year as part of the annual budget preparation process.

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

5. Non-Compliance with the Law on Ethnic Diversity in Employment

Review of the payroll revealed that the School had thirteen (13) Board of Management employees. However, nine (9) out the employees representing 69% of the total workforce, were from the dominant ethnic community. This was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and no public establishment should have more than one third of its staff from the same ethnic group.

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

6. Non-Deduction of Capacity Building Levy

The statement of financial performance reflects school fund payment amount of Kshs.30,442,328 as disclosed in Note 9 to the financial statements which includes an amount of Kshs.20,045,302 in respect of procurement contracts signed with the School's suppliers. Review of payments for goods and services revealed that the Public Procurement Capacity Building Levy of 0.03% was not deducted on the contracts. This was contrary Levy Order 2023 issued by the Public Procurement Regulatory Authority which provides that there shall be paid a Levy by a supplier on all procurement contracts signed between the supplier and a procuring entity, at the rate of zero point zero three per centum (0.03%) of the value of the signed contract, exclusive of applicable taxes.

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

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

The statement of financial performance reflects operations and boarding and school fund expenditure of Kshs.7,074,719 and Kshs.30,422,329 respectively as disclosed in Note 7 and 9 to the financial statements. Included in the expenditure is an amount of Kshs.202,271 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.202,271 could not be confirmed.

8. Late Submission of Financial Statements for Audit

The School's financial statements were submitted to the Auditor-General on 18 September, 2025 instead of the statutory deadline 31 August, 2025. This was contrary to The National Treasury Circular No. AG.3/88 Vol.II(41) dated 4 December, 2024 which directed that in line with the Public Finance Management Act, all public sector entities, for both National and County Governments, prepare and submit annual financial statements by 31 August, 2025.

In the circumstances, Management was in breach of 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 Unit and Audit Committee

During the year under review, the School did not have an Audit Committee and an Internal Audit Unit. This was contrary to Section 73(1)(a) of the Public Finance Management Act, 2012, provides that every National Government entity shall ensure that has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board. Further, Regulation 174(1) of the Public Finance Management (National Government) Regulations, 2015, requires each National Government entity to establish an Audit Committee.

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

2. Weaknesses in Information Technology Controls

The School utilized Information Technology resources in running part of its operations. However, Management did not establish Information Technology (IT) strategy and IT steering committee, IT policy, disaster management and recovery policies, business continuity plan and IT continuity plan and risk management policy to ensure smooth running of its operations.

In the circumstances, Management's ability to recover vital information and continue with operations in the event of a system failure, or other disruptive incidents like fire and floods could not be confirmed.

3. Weaknesses in Management of Assets

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.56,380,000 which includes land value Kshs.12,600,000. However, land ownership documents were not provided for audit. Further, the asset register maintained did not capture details such as asset tag numbers, serial numbers, asset model/type, acquisition date, description, location, asset classification, cost of acquisition, accumulated depreciation, and net book value for most of the assets.

In the circumstances, the existence of effective measures in the management of 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 those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards - Accrual Basis (including the transitional provisions permitted under IPSAS 33) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

15 May, 2026

Appendix 1

Prior Year Audit Issues

No.	Financial Year	Audit Issue
1.	2023/2024	Variances Between Financial Statements and Supporting Ledgers
2.	2023/2024	Unsupported Accounts Payables
3.	2023/2024	Inaccuracies in the Statement Budgeted Versus Actual Amounts
4.	2023/2024	Unresolved Prior Years Matters
5.	2023/2024	Late Submission of Financial Statement
6.	2023/2024	Anomalies in the Presentation of the Financial Statements
7.	2023/2024	Irregular Transfer to KESSHA
8.	2023/2024	Variance between Textbook Distributed and Student Enrolment Number
9.	2023/2024	Weakness in Maintenance of Cashbook
10.	2023/2024	Failure to Update Fixed Asset Register
11.	2023/2024	Failure to Establish Internal Audit Unit
12.	2023/2024	Lack of Audit Committee
13.	2022/2023	Late Submission of Financial Statement
14.	2022/2023	Noncompliance with the Public Sector Accounting Standards Board
15.	2022/2023	Management Failure to Prepare School Improvement Plan
16.	2022/2023	Failure to Reconcile Student Enrolment
17.	2022/2023	Irregular Transfer to KESSHA
18.	2022/2023	Failure To Establish Board of Management Committees and Other Internal Control Structures
19.	2022/2023	Lack of Fixed Asset Register
20.	2021/2022	Late Submission of Financial Statement
21.	2021/2022	Noncompliance with the Public Sector Accounting Standards Board
22.	2021/2022	Management Failure to Prepare School Improvement Plan
23.	2021/2022	Failure to Reconcile Student Enrolment
24.	2021/2022	Failure to Establish Board of Management Committees and Other Internal Control Structures
25.	2021/2022	Lack of Fixed Asset Register
26.	2020/2021	Budgetary Control and Performance
27.	2020/2021	Late Submission of Financial Statement
28.	2020/2021	Noncompliance with the Public Sector Accounting Standards Board
29.	2020/2021	Management Failure to Prepare School Improvement Plan
30.	2020/2021	Failure to Reconcile Student Enrolment
31.	2020/2021	Failure to Establish Board Of Management Committees and Other Internal Control Structures
32.	2020/2021	Lack of Fixed Asset Register

Annual Report and Financial Statements For the year ended 30th June 2025

Description Of Vote Head	Note	2024-2025	2023-2024
		Kshs	Kshs
Revenue			
Government grants for tuition	1	1,841,143	1,673,297
Government grants for operations	2	5,512,641	8,486,858
Government Grants for infrastructure	3	2,256,000	
School fund income- parents' contributions	4	32,364,860	25,503,345
Miscellaneous incomes	5	-	-
Total Revenue		41,974,644	35,663,500
Expenditure			
Tuition	6	2,428,777	1,618,690
Operations	7	7,074,719	8,476,064
Infrastructure	8	2,100,000	-
Boarding and school fund	9	30,422,328	26,433,872
Total Expenditure		42,025,824	36,528,626
Surplus/Deficit		(51,180)	(865,126)

The school financial statements were approved on 12/15/2025 and signed by: [Signature]

Date: 30/06/2025

Date: 30/06/25

Date: 30/06/2025

8. Statement of Assets and Liabilities As At 30th June 2025

Description	Note	2024-2025	2023-2024
		Ksh.s	Ksh.s
Financial Assets			
Cash and cash equivalents			
Bank balances	10	3,974,448	4,579,103
Cash balances	11	-	-
Short term investments		-	-
Total cash and cash equivalent		3,974,448	4,579,103
Account's receivables	12	1,490,602	989,778
Total financial assets (a)		5,465,050	5,568,881
Financial liabilities			
Accounts payables	13	1,926,905	1,979,556
Total Financial Liabilities (b)		1,926,905	1,979,556
Net financial assets (a-b)		3,538,145	3,589,325
Represented by			
Accumulated fund b/fwd	14	3,589,325	4,454,451
Surplus/deficit for the year		(51,180)	(865,126)
Net Assets		3,538,145	3,589,325

The school's financial statements were approved on 30/06/2025 and signed by:

.....
 Name: *Halima*
 Chair BOM
 Date: 30/06/2025

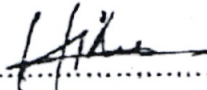
.....
 Name: *Abdullahi*
 School Principal/ Secretary to
 BOM
 Date: 30/06/2025

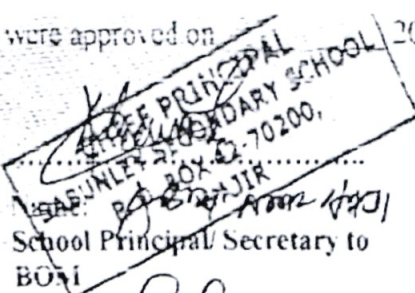
.....
 Name: *Muhammed Ganiyu*
 Bursar/ Finance Officer
 Date: 30/06/2025

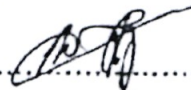
9. Statement of Cash Flows for the Year Ended 30th June 2025

Description	Note	2024 - 2025	2023 - 2024
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition		1,841,142	1,673,297
Government grants for operations		5,512,647	8,486,858
Government grants for infrastructure		2,256,000	-
School fund income- parents contributions/ fees		31,864,036	24,513,567
Miscellaneous incomes		-	-
Total receipts		41,473,825	34,673,722
Payments			
Cash outflows for tuition		2,428,777	1,153,690
Cash outflows for operations		7,074,719	8,476,064
Infrastructure		2,100,000	-
Cash outflows Boarding/lunch and school fund payments		30,474,979	24,919,316
Total payments		42,078,475	34,549,070
Total adjusted payments		42,078,475	34,549,070
Net cash inflow/outflow from operating activities		(604,650)	124,652
Cash flow from investing activities			
Acquisition of assets		(0)	(0)
Proceeds from sale of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		(0)	(0)
Net cash inflow/outflows from investing activities		(0)	(0)
Cash flow from Financing activities			
Proceeds from borrowings/ loans	18	-	-
Repayment of principal borrowings		(0)	(0)
Net cash inflow/outflow from financing activities		(0)	(0)
Net increase/decrease in cash and cash equivalents		(604,650)	124,652
Cash and cash equivalent at beginning of the FY		4,579,103	4,454,451
Cash and cash equivalent at end of the FY		3,974,453	4,579,103

The school's financial statements were approved on 30/06/2025 and signed by:


Name: Hayma
Chair BOM
Date: 30/06/2025


Name: B. J. JIR
School Principal/ Secretary to
BOM
Date: 30/06/2025


Name: M. H. M. G. G.
Bursar/ Finance Officer
Date: 30/06/2025

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	A	b	c=a+b	D	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
(1) Capitation Grant on Tuition					
Textbooks And Reference Materials	-	-	-	-	0
Exercise Books	370,000	-	722,400	368,229	50.97%
Laboratory Equipment	300,000	-	689,500	276,171	40.05%
Internal Exams	266,516	-	266,516	276,171	103.62%
Teaching/Learning Materials	1,053,384	-	1,053,384	736,457	69.91%
References and library materials	169,000	-	169,000	184,114	108.94%
SUB TOTALS	2,158,900	-	2,900,800	1,841,143	63.47%
(2) Capitation Grant on Operations		-	-		0%
Personnel Emoluments	2,632,000	-	2,632,000	1,760,639	0.00%
Maintenance & Improvement		-	-		0%
Local Transport/Travelling	789,600	-	789,600	440,160	55.74%
Electricity And Water	1,842,400	-	1,842,400	1,320,479	72%
Medical/insurance	1,400,000	-	1,400,000	668,990	47.79%
Administration Costs	1,316,000	-	1,316,000	880,319	66.89%
Activity	1,050,000	-	1,050,000	442,060	42%
SUB TOTALS	9,030,000	-	9,030,000	5,512,647	61%
Maintenance & Improvement MoE	3,500,000	-	3,500,000	2,776,466	79%
M&I parents' contribution	1,400,000	-	1,400,000	298,010	21%
SUB TOTALS	4,900,000	-	4,900,000	3,074,476	62.74%

		-	-		0%
(3) Fees Charged on Parents		-	-		0%
Personnel Emoluments	4,170,000	-	4,170,000	4,027,906	96.59%
Local Transport & Travel	120,000		120,000	738,591	615.49%
Repairs And Maintenance	4,080,000		4,080,000	4,779,605	117.15%
Electricity And Water	2,849,000		2,849,000	2,549,123	89.47%
Medical	570,000	-	570,000	-	559%
Administration Costs	3,295,000		3,295,000	3,186,404	0%
Activity	505,000		505,000	462,727	3192.02%
Fee On Boarding Equipment and Stores	16,965,200		16,965,200	16,119,679	0.00%
SUB TOTALS	32,554,200	-	32,554,200	31,864,036	98%
Other Income		-	-		0%
Rent Income	-	-	-	-	0%
Income From Farming Activities	-	-	-	-	0%
Insurance Compensation	-	-	-	-	0%
Income From Posho Mill	-	-	-	-	0%
Income From Bus Hire	-	-	-	-	0%
Fee For Hire of Ground and Equipment	-	-	-	-	0%
Interest Income	-	-	-	-	0%
Income From Any Other Investment	-	-	-	-	0%
Total Income	48,643,100	-	49,385,000	42,292,302	85.64%
		-	-		0%
(1) Expenditure For Tuition		-	-		0%
Textbooks		-	-		0%
Exercise Books	368,229		368,229	485,755	131.92%

Laboratory Equipment	276,171		276,171	485,755	175.89%
Internal Exams	276,171		276,171	485,755	175.89%
Teaching/Learning Materials	736,457		736,457	728,633	98.94%
References/library materials	184,114		184,114	242,878	131.92%
Bank Charges	-		-	2,477	0%
					0%
SUB TOTALS	1,841,143	-	1,841,143	2,431,254	132.05%
(4) Expenditure For Operations		-	-		0%
Personnel Emoluments	1,760,639		1,760,639	1,818,466	103%
Maintenance &Improvement	-			822,500	0%
Local Transport/Travelling	440,160		440,160	-	0%
Electricity, Water and Conservancy	1,320,479		1,320,479	1,616,897	122%
Medical	668,990		668,990	53,900	8%
Administration Costs	880,319		880,319	2,743,857	312%
Activity Expenses	442,060		442,060	7,000	2%
Refund				7,000	0%
Bank charges				5,099	0%
SUB TOTALS	5,512,647	-	5,512,647	7,074,719	128%
(3) Expenditure For infrastructure			-		0%
Repair & Maintenece	3,074,476		3,074,476	2,100,252	68.31%
	-	-	-		0%
SUB TOTALS	3,074,476	-	3,074,476	2,100,252	68.31%
(3) Expenditure For School Fund		-	-		0%
Personnel Emoluments	4,170,000		3,210,067	5,291,737	165%
Repairs, Maintenance &Improvements	1,245,834		1,216,766	578,600	48%
Local Transport/Travelling	4,080,000		718,777	1,492,100	208%

Electricity, Water and Conservancy	2,849,000		3,887,107	2,057,338	52.93%
Medical Expenses	570,000			-	0%
Administration Costs	3,295,000		2,399,394	4,051,394	6%
Activity	505,000		278,137	140,242	0%
Refund		-	-	6010.384018	0
Boarding Equipment and Stores	21,500,000		15,665,972	14,901,447	95.12%
Bank Charges				25,872	
Prepaid Fees				1,279,115	
Sundry Creditos				651,125	
SUBTOTAL	38,214,834	-	27,376,219	30,474,979	111%
			-		0%
Expenditure For Income Generating Activity	-	-	-	-	0%
Insurance Costs	-	-	-	-	0%
Other Expenses on Investments	-	-	-	-	0%
Rent Expenses	-	-	-	-	0%
Bank Charges	-	-	-	-	0%
Loan Interest Repayment	-	-	-	-	0%
Loan Principal Repayment	-	-	-	-	0%
Totals	48,643,100	-	37,804,485	42,081,204	111%

11. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

Statement of Compliance

The financial statements have been prepared in accordance with the Public Finance Management (PFM) Act, 2012 and the International Public Sector Accounting Standards (IPSAS). The entity has applied the transitional provisions under IPSAS 33; therefore, the financial statements for the year ended 30 June 2025 are transitional financial statements. The schools began reporting on financial assets and financial liabilities, such as receivables and payables, in the 2020/2021 financial year. In the 2024/2025 financial year, the transition also included renaming the Statement of Receipts and Payments to the Statement of Financial Performance. However, the school has not recognised other assets and liabilities, including inventories, non-financial assets, and non-financial liabilities, despite being beyond the first year of transition.

Basis of Preparation

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

2. Recognition of revenue and expenditure

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

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

3. In-kind contributions

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

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call, and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Bank account balances include amounts held at various financial institutions at the end of the financial year.

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

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

Description	2024-2025	2023-2024
	Ksh.s	Ksh.s
Teaching / learning materials	-	1,673,297
Exercise Books	368,229	
Laboratory Equipment	276,171	
Internal Exams	276,171	
Teaching/Learning Materials	736,457	
References and library materials	184,114	
Total	1,841,143	1,673,297

2 Government Grants for Operations

Description	2024-2025	2023-2024
	Ksh.s	Ksh.s
Personnel Emolument	1,760,639	2,374,308
Maintenance & Improvement		2,642,000
Local Transport/Travelling	440,160	0
Electricity And Water	1,320,479	1,424,584
Medical	668,990	545,250.00
Administration Costs	880,319	949,723
Co-Curricular Activities	442,060	550,993.00
Other Vote Heads(Pe,Ew&C &Admin)		
Total	5,512,641	8,486,858

3 Government Grants for infrastructure

Description	2024-2025	2023-2024
	Ksh.s	Ksh.s
Maintenance & Improvement	2,256,000	-
Transition infrastructure grants	-	-
Administration Block	-	-
Economic stimulus grants	-	-
Other (specify)(NGCDF and County govt.	-	-
Total	2,256,000	-

4 School Fund Income - Parents Contribution/Fees

Description	2024-2025	2023-2024
	Ksh.s	Ksh.s
Personal emoluments	4,091,215	3,370,649
maintenance & improvement funds	4,854,729	2,006,529
local transport & travelling	750,200	585,493
electricity, water and conservancy	2,589,189	2,762,207
administration cost	3,236,486	2,829,568
Activity	470,000	463,898
fee on boarding Equipment and stores	16,373,041	12,495,223
Refund		0
Prepayment		
Total	32,364,860	24,513,567

5 Miscellaneous Incomes

Description	2024-2025	2023-2024
	Ksh.s	Ksh.s
Rent Income	-	-
Income From Farming Activities	-	-
Other Income (<i>specify</i>)*	-	-
Total	-	-

6 Tuition

Description	2024-2025	2023-2024
	Ksh.s	Ksh.s
Teaching / learning materials	1,961,300	1,150,000
Sundry creditors	465,000	0
bank charges	2,477.	3,660
Total	2,428,777	1,153,660

7 Operations

Description	2024-2025	2023-2024
	Ksh.s	Ksh.s
Personnel emoluments	1,818,466	2,076,042
maintenance& improvement	822,500	4,012,440
Electricity, water and conservancy	1,616,897	1,245,625

Administration costs	2,743,857	833,957
Activity	60,900	308,000
refund	7,000	-
Other vote heads(pe,ew&c& admin)		-
Payee		-
Total	7,074,719	8,476,064

8 Infrastructure

Description	2024-2025	2023-2024
	Ksh.s	Ksh.s
Repair & Maintenance	2,100,000	-
Construction of laboratory	-	-
Construction of dormitory	-	-
Purchase of furniture	-	-
Purchase of equipment	-	-
Purchase of apparatus	-	-
Drilling of boreholes	-	-
Others (specify)	0	-
Total	2,100,000	-

9 Boarding And School Fund

Description	2024-2025	2023-2024
	Ksh.s	Ksh.s
Activity	140,000	185,454
Repairs and maintenance	577,600	177,700
personal emolument	5,282,594	4,935,685
local transport & travelling	1,489,522	1,279,574
electricity, water & conservacy	2,053,784	2,419,126
administration cost	4,044,394	3,521,959
exams		-
fee on boarding Equipment and stores	14,875,702	11,820,050
Refund	6,000	579,768
Prepaid Fees	1,276,905	-
Bank charges	25,827	-
Payables	650,000	
Total	30,422,328	24,919,316

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2024-2025	2023-2024
	Active/Dormant		Ksh.s	Ksh.s
Tuition Account	Active		59,318	646,952
Operations Account	Active		1,212,740	2,618,811
School Fund Account/Boarding	Active		1,451,384	1,282,799
Gratuity Account	Active			
Parent Association Development	n/a		-	-
Income Generating Activities Account	Active		-	-
Infrastructural Account	Active		1,251,007	30,541
Total			3,974,448	4,579,103

11 Cash In Hand

Description	2024-2025	2023-2024
	Ksh.s	Ksh.s
Notes and Coins	-	-
Total	-	-

12 Accounts Receivable

Description	2024-2025	2023-2024
	Ksh.s	Ksh.s
Fees Arrears	1,490,602	989,778
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)		
Imprest (list/schedule attached)		
Rent arrears (list/schedule attached)		
Total	1,490,602	989,778

12 b) Ageing Analysis of Accounts Receivable

Description	2024-2025		2023-2024	
	Ksh.s		Ksh.s	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	730,602			
Between 1- 2 years	760,000	100%	989,778	100%
Between 2-3 years				
Over 3 years				
Total (should tie to note 13 a)	1,490,602		989,778	100%

13 Accounts Payable

Description	2024-2025	2023-2024
	Ksh.s	Ksh.s
Trade Creditors (See Ageing Below and Appendix 1)	650,000	1,642,875
Prepaid Fees	1,276,905	336,681
Retention Monies	-	-
Total	1,926,905	1,979,556

13a. Ageing Analysis of Accounts Payable

Description	2024-2025		2023-2024	
	Ksh.s		Ksh.s	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year				
Between 1- 2 years				
Between 2-3 years				
Over 3 years				
Total (should tie to note 14)				

14 Fund Balance Brought Forward

Description	2024-2025	2023-2024
	Ksh.s	Ksh.s
Bank Balances	5,279,103	4,454,451
Cash Balances	-	
Short Term Investments		
Receivables	989,778	998,778
Payables	(989,778)	(998,778)
Total	5,279,103	4,454,451

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.

15 Biological assets

Description	Numbers	2024-2025	2023-2024
		Ksh.s	Ksh.s
Cattle	-	-	-
Goats			
Trees	250	750,000	
Coffee Or Tea Plantation	-	-	
Poultry	-	-	
Total	250	750,000	

16 Stock/ Inventory

Description	2024-2025	2023-2024
	Ksh.s	Ksh.s
Food stuffs	5,854	
Lab consumables		
Farm produce		
Medication		
Construction Materials		
Others (specify)		

17 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)
1.	Variances Between Financial Statements and Supporting Ledgers	we acknowledge the variance noted by the auditor, and it was caused by timing differences and minor posting errors between the financial statements and supporting ledgers. The management has reconciled the records and made the necessary adjustments to ensure consistency.	Not Resolved	30 June 2026
2.	Unsupported Accounts Payables	Management acknowledges the observation and notes that the variance arose due to incomplete supporting documentation at the time of audit. The relevant supporting documents for the accounts payables are being compiled and reconciled to ensure all balances are fully supported going forward	Not Resolved	30 June 2026
3.	Inaccuracies in the Statement Budgeted V Actual Amounts	Management acknowledges the observation and notes that the inaccuracies were due to errors in data compilation during preparation of the	Not Resolved	30 June 2026

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		statement. The figures have since been reviewed and corrected, and measures have been put in place to ensure proper reconciliation between budget and actual amounts in future reports.		
4.	Unresolved Prior Years Matters	Management acknowledges the observation and confirms that the outstanding prior year issues are being addressed. Necessary corrective actions and follow-ups are ongoing to ensure that the matters are resolved and compliance is achieved.	Not Resolved	30 June 2026
5.	Late submission of Financial Statement	Management acknowledges the delay in submission of the financial statements and notes that it was due to challenges in compiling the required financial information. Measures have been put in place to ensure timely preparation and submission in future.	Not Resolved	30 June 2026
6.	Anomalies in the Presentation of the Financial Statements	Management acknowledges the observation and notes that the anomalies arose during the preparation of the financial	Not Resolved	30 June 2026

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		statements. The statements will be reviewed and corrected to ensure proper presentation in accordance with the required reporting standards in future.		
7.	Irregular Transfer to KESSHA	The management acknowledges the irregular transfer to Kenya Secondary School Heads Association. This payment was made to support official school activities. Management will ensure future transfers are properly approved, documented, and aligned with the approved budget.	Not Resolved	30 June 2026
8.	Variance between Textbook distributed and Student Enrolment Number	The management notes the variance between textbooks distributed and the actual student enrolment numbers. This discrepancy arose due to delays in updating enrolment records and some textbooks being issued in advance. Management will review the distribution process to ensure future allocations align accurately with the current student enrolment.	Not Resolved	30 June 2026

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
9.	Weakness in Maintenance of Cashbook	The management acknowledges the weakness in the maintenance of the cashbook. Steps are being taken to ensure all cash transactions are recorded promptly and accurately. Staff will be trained on proper cashbook procedures, and regular internal checks will be conducted to strengthen financial record-keeping	Not Resolved	30 June 2026
10.	Failure to Update Fixed Asset Register	The management acknowledges the failure to update the Fixed Asset Register. Measures are being put in place to ensure all acquisitions and disposals are promptly recorded. Regular reconciliations and monitoring will be conducted to maintain an accurate and up-to-date Fixed Asset Register.	Not Resolved	30 June 2026
11.	Failure to Establish Internal Audit Unit	The management acknowledges the failure to establish an Internal Audit Unit. Plans are underway to set up the unit in line with statutory requirements. In the interim, management	Not Resolved	30 June 2026

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		will engage qualified personnel to conduct periodic internal audits to strengthen internal controls and compliance.		
12.	Lack of Audit Committee	The management acknowledges the absence of an Audit Committee. Efforts are being made to constitute the committee in line with regulatory requirements. Meanwhile, management will ensure that oversight and review of financial operations are strengthened through regular management reviews and internal controls.	Not Resolved	30 June 2026
13.				

 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 2024/2025	Outstanding Balance Comparative	Comments
	A	b	C	d=a-c		
	Ksh.s	Ksh.s	Ksh.s	Ksh.s	Ksh.s	
Construction Of Buildings						
1.						
2.						
3.						
Sub-Total						
Supply Of Goods						
4. Sundry creditors	650,000	12/06/2025		650,000	465,000	Management will prioritize settlement of verified payables and strengthen monitoring to prevent delays in future payments.

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2024/2025	Outstanding Balance Comparative	Comments
5.						
Sub-Total						
Supply Of Services						
6. Prepayment-Student Fess	1,276,905	July2024		1,276,905	524,778	Management will prioritize settlement of verified payables and strengthen monitoring to prevent delays in future payments.
7.						
8.						
Sub-Total	1,926,905			1,926,905	989,778	
Grand Total	1,926,905			1,926,905	989,778	

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Ksh.s) 1 st July 2024	Additions during the year (Ksh.s)	Disposals during the year (Ksh.s)	Historical Cost c/f (Ksh.s) 30 th June 2025
Land	12,600,000			12,600,000
Buildings and structures	39,600,000			39,600,000
Transport equipment	1,200,000			1,200,000
Office equipment, furniture and fittings	1,300,000			1,300,000
ICT Equipment, Software and Other ICT Assets	1,000,000			1,000,000
Other Machinery and Equipment	180,000			180,000
Heritage and cultural assets	200,000			200,000
Intangible assets	300,000			300,000
Total	56,380,000	-	-	56,380,000