

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

THE NATIONAL ASSEMBLY  
PAPERS LAID

REPORT

DATE: 23 JUL 2025

DAY.

Wednesday

TABLED BY:

Hon. (Dr.) Robert F. Ombaka  
on behalf of the Leader of the Majority

CLERK-AT THE-TABLE:

Halima Suleman

PARLIAMENT OF KENYA LIBRARY

THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 23 JUL 2025

DAY.

Wednesday

ON

TABLED BY:

Hon. Owen Bayo  
(Deputy Majority Leader)

CLERK-AT THE-TABLE:

Anastacia

STAREHE BOYS CENTRE

FOR THE YEAR ENDED  
30 JUNE, 2024

NAIROBI CITY COUNTY



OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
REGISTRY  
20 JUN 2025  
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**STAREHE BOYS CENTRE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**30 JUNE 2024**

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**Prepared in accordance with the Accrual Basis of Accounting Method 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 Nairobi County, Starehe Sub-County.

The school was registered in March 1998 under registration number GP/A/839/98 and is currently categorized as a national school established, owned or operated by the Government and the Starehe Board of Trustees.

The school is a boarding school and had 1300 number of students as at 30 June 2024. It has 7 streams and 87 teachers of which 54 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	David Mureithi	Chairman	09/02/2020
2		Secretary - Principal	
3	Jarret Odwallo	Member	09/02/2020
4	Muratha Kinuthia	Member	09/02/2020
5	Jane Soita	Member	09/02/2020
6	Isabella M. Kamere	Member	09/02/2020
7		Member	09/02/2020
8	Sarah Ituku Njunguna	Member – Rep CEB	09/02/2020
9		Member Rep Teachers	
10	Josphat Mwaura	3 Members - Sponsor	09/02/2020
11	Mohamed Wehliye	Member - Community	09/02/2020
12	Waheed Sheikh	Member Special Needs	09/02/2020
13		Rep Students	

**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**

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

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1. David Mureithi 2. Josphat Mwaura 3. Muratha Kinuthia 4. Sr. Jane Soita 5. Sara Ituku Njunguna	1. Chair	
2	Audit Committee	1. Sr. Jane Soita 2. David Mureithi 3. Sara Ituku Njunguna 4. Josphat Mwaura	1. Chair	
3	Finance, procurement and general purposes Committee	1. Sara Ituku Njunguna 2. Josphat Mwaura 3. Principal 4. Fred Okono 5. Sr. Jane Soita	1. Chair	

4	Academic Committee	1. Dr Isabella Musyoka Kamere 2. Sr. Jane Soita 3. Josphat Mwaura 4. Principal 5. Fred Okono	1. Chair	
5	Resource Mobilization	1. Muratha Kinuthia 2. Mohamed Wehluye 3. Janet Odwallo 4. Waheed Sheikh 5. Fred Okono 6. Evans Njoro	1. Chair	
6	Human Resources	1. Fred Okono 2. Muratha Kinuthia 3. Josphat Mwaura 4. Sr. Jane Soita	1. Chair	
7	Adhoc Committee (if any during the year)			

**(d) School operation Management**

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

Ref:	Designation	Name	Identification
1	Principal	Samuel Njiiri	TSC No. 309607
2	Deputy Principal	James Mwangi	TSC No. 336944
	Deputy Principal	Edward Obala	TSC No. 363361
3	Finance Officer	Maurice Achach	CPA(K)
4	Other (specify)		

**(e) Schools contacts**

Post Office Box: 30178-00100  
 Telephone: +254727531001  
 E-mail: info@stareheboyscentre.ac.ke  
 Website: www.stareheboyscentre.ac.ke  
 Facebook: Starehe Boys Centre and School  
 Twitter:

**(f) School Bankers**

Name of Bank: Kenya Commercial Bank  
 Branch: Moi Avenue, Nairobi  
 Postal Address: Po box 30081, 00100 Nairobi

Name of Bank: NCBA Bank Kenya  
 Branch: Mama Ngina Street, Nairobi  
 Postal Address: Po Box 44599-00100

Name of Bank: Absa Bank Kenya  
 Branch: Market Branch, Nairobi  
 Postal Address: Po Box 30018-00100

**(g) Independent Auditors**

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

### 3. Summary Report of Performance of the School

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

#### a) Financial performance:

##### Surplus/Deficit over the years

Year	Surplus/Deficit
2023/2024	(9,898,913)
2022/2023	(8,125,985)
2021/2022	14,560,846
2020/2021	26,990,701

##### Capitation grants from the ministry over the years

	Tuition	Operations	Infrastructure	Science & Technology
2023/2024	2,834,071	10,143,328	3,651,664	-
2022/2023	3,115,773	13,726,527	-	-
2021/2022	-	15,703,177		3,072,497
2020/2021	-	15,558,631		3,290,152

##### Expenditure over the years

Year	Expenditure
2023/2024	215,938,738
2022/2023	196,198,082
2021/2022	165,661,866
2020/2021	157,899,766

##### Debtors and Creditors Over the years

Year	Debtors	Creditors
2023/2024	25,412,418	55,305,512
2022/2023	21,938,527	44,941,024
2021/2022	20,470,404	97,958,424
2020/2021	17,270,187	100,919,791

**b) Teacher Student ratio:**

Teacher to student ratio: 1 to 12.7

No of teachers retired/transferred during the year was 1

TSC teachers were 33; BoM teachers were 54

**c) The mean score in the 2022 to 2024 KCSE:**

YEAR	CANDIDATES	SCHOOL MEAN	TRANSITION TO UNIVERSITY
2024	273	10.0989	272
2023	271	9.5018	263
2022	274	9.2628	259

**d) The capacity of the school:**

No of students is 1,300

	Facilities	Number
1	Dormitories	14
2	Dining Hall	1
3	Kitchen	1
4	Kitchen	1
5	Bakery	1
6	Laboratories - Science	6
7	Laboratories - Computer	5
8	Toilets for students	30

**e) Development projects carried out by the school:**

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

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Refurbishment of two dorms	Safaricom	Completed in July 2024	N/A: Safaricom was totally in charge	N/A: Safaricom was totally in charge	Completed in July 2024

*[Handwritten Signature]*

for School Principal

#### 4. Statement of School Management Responsibility

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

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

The Board of Management of Starehe Boys Centre accepts responsibility for the school's financial statements, which have been prepared on the Accrual 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:

EVANS NJORO

Designation: Chairman, School Board of Management

Date: 15 May 2025

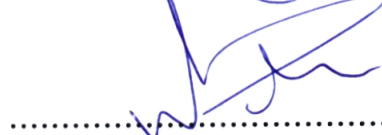


Name:

F. OLUWO

Designation: School Principal & Secretary to Board of Management

Date: 18 May 2025



Name:

MAURICE ACHACH

Designation: Finance Officer

Date: 15 May 2025

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

		2023/2024	2022/2023
		Kshs	Kshs
<b>Receipts</b>			
Government grants for tuition	1	2,834,071	3,115,773
Government grants for operations	2	10,143,328	13,726,527
Government Grants for infrastructure	3	3,651,664	-
School fund income — parents' contributions	4	92,604,558	87,223,781
Miscellaneous incomes	5	96,806,204	84,006,016
<b>Total Receipts</b>		<b>206,039,825</b>	<b>188,072,097</b>
<b>Payments</b>			
Tuition	6	13,802,580	9,717,290
Operations	7	100,588,384	95,688,954
Infrastructure	8	14,698,370	11,217,346
Boarding and school fund	9	86,849,404	79,574,492
<b>Total Payments</b>		<b>215,938,738</b>	<b>196,198,082</b>
<b>Surplus/Deficit</b>		<b>(9,898,913)</b>	<b>(8,125,985)</b>

The school financial statements were approved on 15 May 2025 and signed by:



Name: EVANS NJORO


for Chair BOM

Date: 15 May 2025



Name: F. Oluwo  
for School Principal/ Secretary to BOM

Date: 15 May 2025

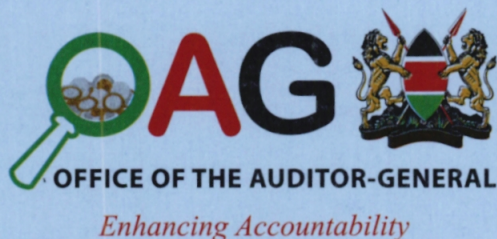


Name: Maurice Achach  
Finance Officer

Date: 15 May 2025

# REPUBLIC OF KENYA

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



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

## **REPORT OF THE AUDITOR-GENERAL ON STAREHE BOYS CENTRE FOR THE YEAR ENDED 30 JUNE, 2024 NAIROBI CITY 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 Starehe Boys Centre-Nairobi City County set out on pages 1 to 20, which comprise the statement of financial assets

and financial liabilities as at 30 June, 2024 and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Starehe Boys Centre -Nairobi City 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 (Accrual Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Overstatement of Receipts from School Fees**

The Statement of receipts and payment and Note 4 to the financial statements reflect income of Kshs.92,604,558 for school fund income- parents contribution. Review of student's school fees payment schedule revealed that the school received school fees from fully paying students and partially sponsored student of Kshs.89,820,000, resulting to overstatement of school fees from boys by Kshs.2,784,558.

In the circumstances, the accuracy and completeness of receiving charitable support of Kshs.92,604,558 could not be confirmed.

#### **2. Variances In Government Securities**

The statement of financial assets and liabilities reflects Government securities of Kshs.39,192,668. However, the ledger indicated a balance of kshs.39,112,667 resulting to unexplained variance of Kshs.80,001.

In the circumstances, the accuracy and completeness of the Government securities could not be confirmed.

#### **3.Unsupported Cash and Cash Equivalence Balances**

Note 10 to the financial statements reflects cash at bank balance of Kshs.37,418,303. However, the, bank statement, cash book, bank reconciliation statement and certificate of bank balance for Commercial Bank of Africa Current Global Connection Account and Absa Bank Kenya account were not provided for audit verification.

Note 11 to the financial statements reflects Cash at Hand of Kshs.10,157. However, the petty cashbook and cash survey certificate were not provided for audit verification.

In the circumstances, the accuracy and completeness of cash and cash equivalence balances could not be confirmed.

In the circumstances, the accuracy and completeness of bank balance of Kshs.37,418,303 could not be confirmed

#### **4.Long Outstanding Receivables**

The statement of financial position reflects accounts receivables balance of Kshs.25,412,418 as disclosed in Note 13 to the financial statements. Included in the balance are student debtors amounting to Kshs. 23,631,875 which had been outstanding for more than two (2) years. However, there was no policy on impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivable balance.

In the circumstances, the accuracy and fully recovery of the outstanding receivable balance of Kshs.23,631,875 could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Starehe Boys Centre 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 comparable basis of Kshs.148,744,872 and kshs.206,039,825 respectively, resulting to overfunding of Kshs.57,294,953 or 39% of the budget. However, the School spent a balance of Kshs.215,948,489 against actual receipts of Kshs.206,039,825, resulting to an over expenditure of Kshs.9,898,913 or 4.8% of actual receipts.

The over-funding and the over expenditure show that the management was not objective when formulating its budget for the year under review.

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. There were no other key audit matters to report in the year under review.

## **Other Matter**

### **Unresolved Prior Year Matters**

In the audit report of the previous year several issues were raised under the report on financial statements report on lawfulness and effective use of public resources and report on effectiveness of internal controls, Risk Management and Governance. However, Management had not resolved the issues as at 30 June, 2024.

### **Other Information**

The Management is responsible for the other information set out on page iii to ix which comprise of key entity information and management, summary report of performance of the School Board of management, Chairman's Statement, summary report of performance of the school, Statement of Management Responsibilities.

The Other Information does not include the financial statements and my audit report 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. Over- Funding of Capitation Grants**

The statement of receipts and payment and Note 1 and 2 to the financial statements reflects capitation grants for tuition and capitation grants for operations amount of Kshs.2,834,071 and Kshs.10,143,328 respectively. However, review of NEMIS records against the School's student's enrolment records provided by the School indicated that there was an overfunding of Kshs.754,854 as a result of having registered excess learners in NEMIS, contrary to paragraph 3.2 of circular MOE.HQS/3/10/18/ (112) dated 15 November, 2022 on implementation of Free Day Secondary Education (FDSE) states that it's the responsibility of the School Principals to ensure accuracy of the data available on NEMIS where every eligible learner is fully registered on the platform. Paragraph 3.2.5 requires School Principals to ensure that schools records on NEMIS are accurate at all times by regularly updating these records.

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

#### **2. Failure to Transfer Infrastructure Funds from Operations Bank Account**

The statement of receipts and payment reflects operations income amount of Kshs.10,143,328 as disclosed in Note 2 to the financial statements. Included in this

amount is Kshs.4,498,400 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the school's facilities. However, no amount was transferred to the infrastructure account, contrary to The Ministry of Education Circular Ref. No: MOE.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 Law.

### **3. Excess books in Stores**

An examination of books inventory records maintained by the institution revealed that a total of 19,855 books were received between financial years 2018 to 2023 out of which there was an excess of 9,775 books. The excess books were still laying idle in the school library in the year under review as they are no longer in use.

In the circumstances, value for money on the excess nine thousand, seven hundred and seventy-five (9,775) text books could not be confirmed.

### **4. Long Outstanding Payables**

The statement of financial position and as disclosed in Note 14 to the financial statements reflects payables balance of Kshs.55,305,512. However, included in the balance are accounts payable balance of Kshs.16,119,547 which had been outstanding for more than two years. 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 contract (s) are reflected in approved budget estimates.

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

### **5. Failure to Prepare School Improvement Plan**

During the year under review, the School did not have an approved School Improvement plan, contrary to Section 2.2 of the Ministry of Education Operation Manual for Utilization of Learner Capitation Grant and Other School Funds, which requires schools to identify in every three-year school improvement planning cycle, one priority area in each of the four key areas which include curriculum implementation, foundational literacy and numeracy outcomes, an enabling environment for learning and parental involvement and community engagement for implementation.

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

### **6. Irregular Prescription and Payment of Suppliers of School Uniforms**

Statement of receipts and payment reflects boarding operations expenditure of Kshs.100,588,384 as disclosed in Note 7 to the financial statements. Included in this amount is expenditures of clothing, shoes and beddings totaling to Kshs.8,384,341.

A review of payment vouchers and other supporting documents revealed that the payments were made to a supplier for the supply of school uniform against the regulation 67 (3) of the Basic Education Act, 2015 which require that no institution shall prescribe a specific supplier of school uniforms or any other materials for the parent or guardian.

In the circumstances Management was in breach of the law.

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

The statement of receipts and payment reflects and Note 7 to the financial statements reflects operations expenditure of Kshs.100,588,384. Included in the expenditure is an amount of Kshs.159,680 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.159,680 could not be confirmed.

### **8. Late Submission of The Financial Statements**

During the year under review, the School Management submitted the financial statements to the Auditor-General on 9 April, 2025 hence did not meet the statutory date of 30 September, 2024. This is contrary to Section 47(1) of the Public Audit Act, 2015 which requires that financial statements should be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.

In the circumstances Management was in breach of the law.

### **9. Non-Compliance In Operation of Tuition and Operations Bank Accounts**

The Statement of receipts and payment reflects tuition and operation income of Kshs.2,834,071 and Kshs.10,143,328 as disclosed in Note 1 and Note 2 to the financial statements respectively. However, the monies from the school's registered operation account were transferred to school imprest bank account and co-mingled with other funds for use by the school. Contrary to the Ministry of Education circular on the guidelines on Free Day Secondary Education Ref; No; MOE/CONF/G5 which requires that tuition

funds and all payments should be strictly made by cheque, funds in the tuition account must be utilized for the procurement of teaching and learning materials (TLMs) only. No virement is authorized from the tuition account. The operations bank account is to be used for banking all Government subsidies except the tuition and the Circular indicates the votes the funds should be used for.

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

## **10. Lack of Approved Budgets and Procurement Plan**

Review of the budget and procurement documents revealed that even though the School did prepare a budget for the year under review, it had not been approved by the Board of Management. Further, the School did not have in place an approved procurement plan for the year under review. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that 'a procuring entity 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.

## **11. Irregular Increase of School Fees**

The statement of receipts and payment and as disclosed under Note 4 to the financial statement reflect school fund income- parents' contributions of Kshs.92,604,558. Review of student's files revealed that School is a category A school and the school Management entered into agreement with parents to pay school fees at different rates ranging from Kshs.140,000 to Kshs.300,000 based on the parent's ability in contravention of section 3.2 of the Ministry of Education Circular Number MOE-HQS/3/13/3 on fees charged for Category A. Boarding school of Kshs.67,244 which required the school management to obtain a written authority from the cabinet secretary.

In the circumstances Management was in breach of the law.

## **12. Failure to Update the List of Pre-qualified Suppliers**

The Statement of receipts and payment reflects operations, infrastructure and boarding and school fund amounting to Kshs.100,588,384, Kshs.14,698,370 and Kshs.86,849,404 as disclosed in Notes 7, 8 and 9 to the financial statements respectively. During the year under review, the school procured goods and services for care of boys, administration and repair and maintenance from a list of registered suppliers that was developed in 2019. There was no evidence to indicate that the list had been updated and no professional opinion to certify the register. This is contrary to Section 57(1) of the Public Procurement and Asset Disposal Act, 2015 which states that the head of procurement function of procuring entity shall maintain and update lists of registered suppliers, contractors and consultants in the categories of goods, works or services according to its procurement needs.

In the circumstances Management was in breach of the law.

## **13. Buildings Covered with Banned Asbestos Roofing**

Physical inspection of the School revealed that the students and staffs were being housed in asbestos roofed structures hence exposing them to the risk of poisoning. This is contrary to Section 3 of the Public Health Act Cap 247) which requires that a Provision may be made by regulations under the Act for the purpose of protecting persons against risks of poisoning by poisonous substances arising from the use of those poisonous

substances and employment of employees at places in which or on which those poisonous substances are being or have been used; and Regulations for protection of persons against risks of poisoning.

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(s) of the matter(s) 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 Function and Audit Committee

During the year under review, the School had not constituted an audit committee and an internal audit unit as required by Regulation 166 (1) and (2) of the Public Finance Management (National Government), 2015 which states that, the internal audit unit of a National Government entity to assess 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 role and advice from the audit committee and the internal audit function.

#### 2. Non-Adherence to the Frequency of Board Meetings

Review of the Board Minutes revealed that the Board of Management met only once during the financial year under review contrary to the requirements of the Basic Education Act, 2013 which states that a Board of Management shall meet at least once every four months.

In the circumstances Management was in breach of the law.

### **3. System for Collection and Accounting for Revenue.**

The Management acquired an accounting management system known as ESMAN to aid in improving its revenue collection processes as well as to enhance accountability. However, it was observed that the system had limited application, thus can only generate specific reports. In addition, the system was not interlinked with the school fees collection bank account.

In the circumstances, the system was not able to perform optimally and give credible results as and when needed.

### **4. Under-Staffing – Teaching**

The school organizational chart and school's records such as board minutes reveals that the school has not had a substantive school principal since October, 2019. Further, it was also noted that the approved Curriculum Based Establishment for the institution is sixty-eight (68) teachers while the current staffing is forty (40) resulting to an under staffing of twenty-eight (28) Teacher. There was no indication of any effort made by the Board of Management to ensure that the vacant positions are filled, contrary to Regulation 66 of the Basic Education Regulations, 2015 which requires the Board of Management to make a report to the Teachers Service Commission and the County Education Board on matters related to staffing levels.

In the circumstances, the management is in breach of the law.

### **5. Lack of Information Technology Strategic Plan**

The school Management has not developed Information System strategic plan. Contrary to Regulation 19 (1) (d) of Public Finance Management (National Government) Regulation 2015 which states that the standing committee shall generally be responsible for reviewing on a regular basis the adequacy and integrity of the entity's internal control, acquisition and divestitures and management information and management information systems including compliance with applicable laws, regulations, rules and guidelines.

In the circumstances, the management is in breach of the law.

### **6. Lack of Risk Management Policy and Disaster Recovery Plan**

The school Management did not have risk management policy and disaster recovery plan, contrary to Regulation 65(1) of Public Finance Management (National Government), Regulation 2015 which states that the accounting officer shall ensure that the national Government entity develops risk management strategies which include fraud prevention mechanisms and a system of risk management and internal control that build robust business operations.

In the circumstances, the management is in breach of the law.

## **7.Lack of Staff Establishment**

Review of the human resource records revealed that the institution does not maintain staff inventory (staff establishment) contrary to Part H.14(1) of the Public Service Commission Human Resource Policies 2016 which states that authorized officers are expected to develop, update and maintain a skills inventory for all officers in their respective state departments for purposes of identifying the available and the required skills. The inventory will guide the training, recruitment and succession management decisions.

In the circumstances, the management is in breach of the law.

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

### **Responsibilities of 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) 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 to sustain its services , disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the school or to cease its operations.

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

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

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

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

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**


**Nairobi**


**30 June, 2025**

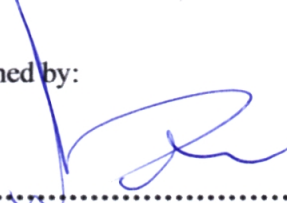
7. Statement of Assets and Liabilities as at 30 June 2024

		2023/2024	2022/2023
		Kshs	Kshs
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and Equipment	22	78,183,144	81,626,871
Prepaid leases	20	4,496,548	4,501,372
		<b>82,679,692</b>	<b>86,128,243</b>
<b>CURRENT ASSETS</b>			
Inventories	19	9,173,671	12,050,478
Receivables and Prepayments	13	25,412,418	21,938,527
Government Securities		39,192,668	46,028
Short-term Deposits		13,124,521	48,974,364
Bank and Cash Deposits	10 - 11	37,428,460	36,460,092
		<u>124,331,738</u>	<u>119,469,489</u>
<b>TOTAL ASSETS</b>		<b>207,011,430</b>	<b>205,597,732</b>
<b>ACCUMULATED FUND AND LIABILITIES</b>			
<b>ACCUMULATED FUND</b>			
Fund Balance	15	90,757,796	100,656,709
<b>CURRENT LIABILITIES</b>			
SBC Agro-Horticultural Fund		60,000,000	60,000,000
Payables	14	55,305,512	44,491,024
Bank Overdraft	10	948,123	-
		<u>116,253,635</u>	<u>104,941,024</u>
<b>TOTAL ACCUMULATED FUND AND LIABILITIES</b>		<b>207,011,431</b>	<b>205,597,733</b>

The school's financial statements were approved on 15 May 2025 and signed by:

  
 Name: Evans Njoro  
 for Chair BOM

  
 Name: F. Okoro  
 for School Principal/ Secretary to BOM

  
 Name: Maurice Achach  
 Finance Officer

Date: 15 May 2025

Date: 15 May 2025

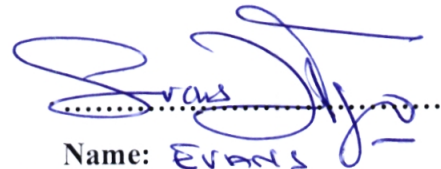
Date: 15 May 2025

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

		2023/2024	2022/2023
		Kshs	Kshs
<b>Cash from Operating Activities</b>			
Surplus/(Loss) for the year	6	(9,898,913)	8,125,985)
Adjustment for:			
Depreciation		3,799,551	4,371,704
Provision for bad debts		11,793,579	10,215,639
Amortization of leasehold land		-	4,824
Amortization of intangible assets		-	-
<b>Operating deficit before working capital changes</b>		<b>5,694,217</b>	<b>6,466,182</b>
Inventories		2,876,807	(3,536,152)
Debtors and prepayments		(15,267,470)	(11,683,762)
Payables		10,364,488	6,982,600
<b>Net cash flows from operating activities</b>		<b>3,668,042</b>	<b>(1,771,132)</b>
CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of government securities		(39,146,640)	-
Purchase of property and equipment		(351,000)	(1,644,550)
<b>Net cash flow used in investing activities</b>		<b>(39,497,640)</b>	<b>(1,644,550)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(35,829,598)</b>	<b>(3,415,682)</b>
CASH EQUIVALENTS			
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		85,434,456	88,850,138
<b>CASH AND CASH EQUIVALENT AT THE END OF THE YEAR (Note 23)</b>		<b>49,604,858</b>	<b>85,434,456</b>

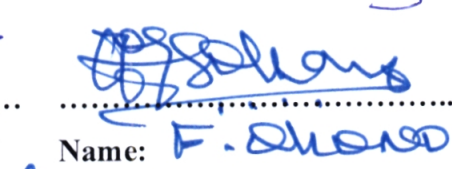
CASH AND CASH EQUIVALENTS			
Cash and equivalent included in the cash flow statement comprise of the following balance sheet amounts:			
Short term deposits		13,124,521	48,974,364
Bank and cash balances		37,428,460	36,460,092
Bank overdraft		(948,123)	
		<b>49,604,858</b>	<b>85,434,456</b>

The school's financial statements were approved on 15 May 2025 and signed by:



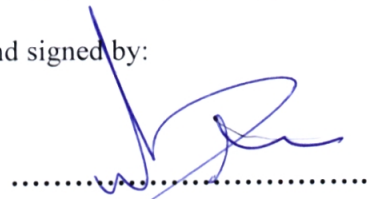
Name: **EVANS NJORO**  
for Chair BOM

Date: 15 May 2025



Name: **F. Shoro**  
for School Principal/ Secretary to BOM

Date: 15 May 2025



Name: **Maurice Achach**

Finance Officer

Date: 15 May 2025

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	% of Utilization
	a	b	c = a + b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>(1) Capitation Grant on Tuition</b>					
Government grants for tuition	3,085,740	-	3,085,740	2,834,071	92%
<b>(2) Capitation Grant on Operations</b>					
Government grants for operations	9,997,688	-	9,997,688	10,143,328	101%
<b>3) FDSE for infrastructure</b>					
Government grants for infrastructure	-	-	-	3,651,664	-
<b>(4) Fees Charged on Parents</b>					
School fund income-parents' contribution	75,000,000	-	75,000,000	92,604,558	123%
<b>5) Miscellaneous Income</b>					
Miscellaneous incomes	60,661,444	-	60,661,444	96,806,204	160%
<b>Total Income</b>	<b>148,744,871</b>	<b>-</b>	<b>148,744,871</b>	<b>206,039,825</b>	<b>139%</b>
<b>(6) Expenditure For Tuition</b>					
Educational supplies and stationery	19,258,293	-	19,258,293	13,499,760	70%

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
Awards-Students	100,000	-	100,000	-	0%
Farm inputs and agriculture				236,700	
Library expenses	100,000	-	100,000	66,120	66%
<b>(7) Expenditure For Operations</b>					
Swimming pool				374,000	
Sponsors of boys moved to other institutions	400,000	-	400,000	851,317	213%
Motor vehicle running	6,619,585	-	6,619,585	3,589,897	54%
Phone and postages	488,000	-	488,000	214,873	44%
Transport	400,000	-	400,000	380,411	95%
Stationery and miscellaneous	3,710,285	-	3,710,285	5,128,576	138%
Insurance	1,864,538	-	1,864,538	2,077,748	111%
Audit Fees	1,870,000	-	1,870,000	1,491,000	80%
Legal Fees, fines and penalties	-	-	-	-	-
Publication and photographic	350,000	-	350,000	144,350	41%
Security				1,835,280	
Special events	13,863,645	-	13,863,645	9,105,272	66%
Bank Charges	420,000	-	420,000	427,701	102%
Provision for bad and doubtful debt				11,793,579	
Rent and Rates	16,000	-	16,000	13,790	86%
Fund management fees	544,000	-	544,000	917,067	169%
(i) Mombasa holiday camp	-	-	-	-	-

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
(ii) Kambiti farm project	-	-	-	203,580	
Salary	43,644,558	-	43,644,558	43,379,270	99%
Wages-Casual Workers	11,762,511	-	11,762,511	18,660,673	159%
<b>(8) Expenditure For infrastructure</b>					
Repairs, maintenance and cleaning	6,720,587	-	6,720,587	10,898,819	162%
Depreciation Charge for the year				3,794,727	
Amortisation: Prepaid leases				4,824	
Amortisation: Intangible assets	-	-	-	-	-
<b>(9) Expenditure For school fund/lunch/boarding</b>					
Catering	31,847,866	-	31,847,866	38,592,551	121%
Clothing, shoes and beddings	5,317,420	-	5,317,420	8,384,341	158%
Sports, adventure activities and recreation	9,812,075	-	9,812,075	6,989,031	71%
Medical	2,901,350	-	2,901,350	2,861,615	99%
Fuel and cooking gas	4,563,250	-	4,563,250	5,683,864	125%
Electricity and water	17,129,501	-	17,129,501	16,373,889	96%
Consumables	4,267,650	-	4,267,650	7,964,113	186%
<b>TOTAL</b>				<b>215,938,738</b>	

**Underutilisation**

a. Educational supplies and stationery	70%	Overbudgeting
b. Awards-Students	0%	Budget item merged with education supplies
c. Library expenses	66%	Low budget item, hence big percentage change when absolute figure changes.
d. Motor vehicle running	54%	Lack of funds
e. Phone and postages	44%	Low budget item, hence big percentage change when absolute figure changes.
f. Audit Fees	80%	Negotiated for lower figure.
g. Publication and photographic	41%	Low budget item, hence big percentage change when absolute figure changes.
h. Special events	66%	Lack of funds
i. Rent and Rates	86%	Overbudgeting
j. Sports, other activities & recreation	71%	Lack of funds

**Overutilisation**

a. Sponsors of boys in other		
b. institutions	213%	Donations were made available for this particular item.
c. Stationery and miscellaneous	138%	Low budgeting
d. Insurance	111%	Premiums were raised.
e. Wages-Casual Workers	159%	Low budgeting
f. Repairs, maintenance and cleaning	162%	Low budgeting
g. Catering	121%	Inflation
h. Clothing, shoes and beddings	158%	Inflation
i. Fuel and cooking gas	125%	Inflation
j. Consumables	186%	Inflation

## 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 Accrual Basis Financial Reporting under the Accrual 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 accrual 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

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 payment 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 income and expenditure both as a income and as an 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 income at the time of disposal. However, the acquisitions and disposals are reflected in the school property, plant and equipment account a summary of which is provided as a memorandum to these financial statements.

**8. Budget**

The budget is developed on the same accounting basis (accrual 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**

	2023/2024	2022/2023
	Kshs	Kshs
Government Grant for Tuition	2,834,071	3,115,773
<b>Total</b>	<b>2,834,071</b>	<b>3,115,773</b>

*\*Include others as per MOE circulars*

**2 Government Grants for Operations**

	2023/2024	2022/2023
	Kshs	Kshs
Government Grant for Operations	10,143,328	13,726,527
<b>Total</b>	<b>10,143,328</b>	<b>13,726,527</b>

*\*Include others as per MOE circulars*

**3 Government Grants for infrastructure**

	2023/2024	2022/2023
	Kshs	Kshs
Government Grant for Infrastructure	3,651,664	-
<b>Total</b>	<b>3,651,664</b>	<b>-</b>

**4 School Fund Income - Parents Contribution/Fees**

	2023/2024	2022/2023
	Kshs	Kshs
School fund income: Parents' contributions	92,604,558	87,223,781
<b>Total</b>	<b>92,604,558</b>	<b>87,223,781</b>

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

**5 Miscellaneous Incomes**

	<b>2023/2024</b>	<b>2022/2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Miscellaneous incomes	96,806,204	84,006,016
<b>Total</b>	<b>96,806,204</b>	<b>84,006,016</b>

**Sources of funds**

	<b>2024/2023</b>	<b>2023/2022</b>
VIVO (K) Ltd	2,000,000	2,000,000
Int. on Griffin Memorial Endowment Fund	13,800,000	14,000,000
Save the Children Fund of Austria	336,671	1,501,952
Starehe Boys' Centre U.K. Association	9,021,275	8,699,550
Old Boys	9,758,745	5,325,890
Private sponsors	27,815,480	30,649,269
Interest on fixed deposits	4,668,590	1,776,586
Kenya National Exams Council	15,636,976	9,492,536
General donations	2,961,455	116,600
Uniforms	6,484,760	5,346,570
Rent – Staff flats	901,000	1,540,500
Electricity - Staff flats	518,736	736,670
Miscellaneous receipts	2,902,516	2,819,893
	<b>96,806,204</b>	<b>84,006,016</b>

**6 Tuition**

	<b>2023/2024</b>	<b>2022/2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Educational supplies and stationery	13,499,760	9,461,270
Awards - Students	0	1,500
Farm inputs and agriculture	236,700	169,400
Library expenses	66,120	85,120
<b>Total</b>	<b>13,802,580</b>	<b>9,717,290</b>

**7 Operations**

	2023/2024	2022/2023
	Kshs	Kshs
Swimming pool	374,000	339,555
Sponsorship of boys moved to other institutions	851,317	861,350
Motor vehicle running	3,589,897	3,178,606
Phones and postages	214,873	340,971
Transport	380,411	216,540
Stationery and miscellaneous	5,128,576	7,252,195
Insurance	2,077,748	1,247,156
Audit fees	1,491,000	2,424,000
Legal Fees, fines & penalties	-	-
Publication and photographic	144,350	202,700
Security	1,835,280	-
Special events	9,105,272	11,531,042
Bank Charges	427,701	346,464
Provision for bad and doubtful debts	11,793,579	10,215,639
Rent & Rates	13,790	13,650
Fund management fees	917,067	220,514
(i) Mombasa holiday camp	0	159,250
(ii) Kambiti farm project	203,580	100,900
Salary	43,379,270	39,621,239
Wages - Casual Workers	18,660,673	17,417,183
<b>Total</b>	<b>100,588,384</b>	<b>95,688,954</b>

**8 Infrastructure**

	2023/2024	2022/2023
	Kshs	Kshs
Repairs, maintenance and cleaning	10,898,819	6,840,818
Depreciation Charge for the year	3,799,551	4,376,528
<b>Total</b>	<b>14,698,370</b>	<b>11,217,346</b>

## 9 Boarding and School Fund

	2023/2024	2022/2023
	Kshs	Kshs
Catering	38,592,551	37,782,887
Clothing, shoes and beddings	8,384,341	8,210,277
Sports, adventure activities and recreation	6,989,031	4,606,386
Medical	2,861,615	2,939,964
Fuel and cooking gas	5,683,864	4,523,177
Electricity and water	16,373,889	14,247,411
Consumables	7,964,113	7,264,390
<b>Total</b>	<b>86,849,404</b>	<b>79,574,492</b>

## 10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2023/2024	2022/2023
	Active/Dormant		Kshs	Kshs
Bank Balance - KCB	Active	1101595779	9,545,805	3,161,614
Bank Balance - CBA	Active	6489550027		3,178,975
Bank Bal. – CBA (Global co)	Dormant	6473470025	92,169	92,169
Bank Bal. - CBA(Tertiary)	Active	6489550014	193,029	193,029
Min. of Educ. Infrastructure. (KCB)	Active	1123671087	47,396	47,396
Dollar-a-Month (KCB)	Active	1137598115	106,925	107,990
Ministry of Education - Operations	Active	1107739721	4,485,924	7,701,367
Min. of Educ. Tuition (KCB)	Active	1109064233	2,701,706	1,876,895
Absa Bank	Dormant	03027780064	20,245,349	19,996,410
<b>Total</b>			<b>37,418,303</b>	<b>36,355,845</b>
<b>OD</b>			<b>(948,123)</b>	

**11 Cash In Hand**

	2023/2024	2022/2023
	Kshs	Kshs
Notes and Coins	10,157	104,247
<b>Total</b>	<b>10,157</b>	<b>104,247</b>

**12 Short Term Investments**

	2023/2024	2022/2023
	Kshs	Kshs
Cooperative Shares	0	0
Treasury Bills	39,192,668	46,028
Fixed Deposit accounts	13,124,520	48,974,364
Other Investments	0	0
<b>Total</b>	<b>52,317,188</b>	<b>49,020,392</b>

**13 Accounts Receivable**

	2023/2024	2022/2023
	Kshs	Kshs
Fees Arrears	23,631,875	19,732,738
<b>Other Non-Fees Receivables</b>		
Salary Advances (list/schedule attached)	467,711	648,639
Interest Receivable	287,734	81,947
Rent arrears (list/schedule attached)	776,177	1,109,749
Electricity Income Receivable	248,921	365,454
<b>Total</b>	<b>25,412,418</b>	<b>21,938,527</b>

## 13 b) Ageing Analysis of Accounts Receivable

Description	2023/2024		2022/2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	1,780,543.00	7%	2,205,789.00	17%
Between 1- 2 years	15,754,583	62%	13,155,158.67	60%
Between 2-3 years	5,907,969.00	23%	4,933,185.00	22%
Over 3 years	1,969,323.00	8%	1,644,394.33	7%
<b>Total (should tie to note 13 a)</b>	<b>25,412,418</b>		<b>21,938,527</b>	

## 14 Accounts Payable

Description	2023/2024	2022/2023
	Kshs	Kshs
Creditors	23,422,942	19,722,726
Add: Negative debtors	14,452,171	8,360,084
Exam Fees	2,545,000	2,545,000
Exam Fees 2	854,720	845,000
Pre-Paid School Fees	2,500	2,500
Bank Balance - CBA	-	-
Accruals	4,718,109	4,354,085
Caution Money	6,834,500	6,218,500
Pocket Money	362,433	278,900
Round Square	(206,151)	(1,008,380)
Dr. Griffin Memorial Trust	200,001	200,001
Salaries Payable Account	1,419,461	1,172,607
Provision, Audit, Tax & Pe	699,826	2,250,001
<b>Total</b>	<b>55,305,512</b>	<b>44,941,024</b>

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

Description	2023/2024		2022/2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Current	1,719,287	3%	3,422,608	8%
30 – 60 Days	7,106,000	13%	8,207,315	18%
60 – 90 Days	7,708,604	14%	5,837,680	13%
90 – 120 Days	22,652,074	41%	18,670,800	42%
Over 120	16,119,547	29%	8,802,621	20%
<b>Total</b>	<b>55,305,512</b>		<b>44,941,024</b>	

**15 Fund Balance Brought Forward**

Description	2023/2024	2022/2023
	Kshs	Kshs
Balance brought forward	100,656,709	108,782,693
Deficit for the year	(9,898,913)	(8,125,984)
<b>Total</b>	<b>90,757,796</b>	<b>100,656,709</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	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
	N/A	N/A
<b>Total</b>	<b>N/A</b>	<b>N/A</b>

## 17 Biological assets

Description	Numbers	Insert Current FY	Insert Comparative FY
		Kshs	Kshs
Cattle		N/A	N/A
Goats		N/A	N/A
Trees		N/A	N/A
Coffee Or Tea Plantation		N/A	N/A
Poultry		N/A	N/A
Others (specify)		N/A	N/A
<b>Total</b>		<b>N/A</b>	<b>N/A</b>

## 18 Borrowings

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

## Other important disclosure notes

## 19 Stock/Inventory

Description	2023/2024	2022/2023
	Kshs	Kshs
Drugs	353,594	412,000
Electricity-maintenance materials	327,709	315,115
Consumables	1,303,975	1,816,568
Fuel	-	-
Hardware and plumbing	775,180	787,774
Stationery	1,080,168	1,401,663
Uniforms	2,775,931	4,002,515
Beddings	1,712,802	1,885,184
Food	844,312	1,429,659
<b>Total</b>	<b>9,173,671</b>	<b>12,050,478</b>

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

**20 Prepaid Leases**

	2023/2024	2022/2023
	Kshs	Kshs
Cost:	4,612,400	4,612,400
At 1 January and 31 December		
Amortisation:		
At 1 January	111,028	106,204
Amortisation for the year:	4,824	4,824
	<u>115,852</u>	<u>111,028</u>
At 31 December	<u>4,496,548</u>	<u>4,501,372</u>

**21 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

12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Construction Of Buildings</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Supply Of Goods</b>						
4.						
5.						
<b>Sub-Total</b>						
<b>Supply Of Services</b>						
6.						
7.						
8.						
<b>Sub-Total</b>						
<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)	Depreciation	Historical Cost c/f (Kshs) 30 <sup>th</sup> June 2024
Buildings	65,665,019	-	-	1,641,628	64,023,391
Site developments	8,135,453	-	-	203,386	7,932,067
Sports facilities	420,610	-	-	10,515	410,095
Furniture and Equipment	5,461,233	167,000	-	1,407,058	4,221,174
Computers	1,723,338	184,000	-	476,834	1,430,504
Motor vehicles	188,379	-	-	47,095	141,284
Music equipments	32,840	-	-	8,209.90	24,630
<b>Total</b>					<b>78,183,144</b>

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

STAREHE BOYS CENTRE

Annual Report and Financial Statements For the year ended 30 June 2024

22a PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2024

	Buildings	Site developments	Sports facilities	Furniture and Equipment	Computers	Motor vehicles	Music equipment	Total
	2.50%	2.50%	2.50%	25.00%	25.00%	25.00%	25.00%	
<b>NET BOOK VALUE</b>								
At 1 July 2023	65,665,019	8,135,453	420,610	5,461,233	1,723,338	188,379	32,840	<b>81,626,871</b>
Additions	-	-	-	167,000	184,000	-	-	<b>351,000</b>
<b>At 30 June 2024</b>	<b>65,665,019</b>	<b>8,135,453</b>	<b>420,610</b>	<b>5,628,233</b>	<b>1,907,338</b>	<b>188,379</b>	<b>32,840</b>	<b>81,977,871</b>
<b>DEPRECIATION</b>								
Charge for the year	1,641,628	203,386	10,515	1,407,058	476,835	47,095	8,210	<b>3,794,727</b>
At 30 June 2024	<b>1,641,628</b>	<b>203,386</b>	<b>10,515</b>	<b>1,407,058</b>	<b>476,835</b>	<b>47,095</b>	<b>8,210</b>	<b>3,794,727</b>
<b>NET BOOK VALUE</b>								
At 30 June 2024	<b>64,023,391</b>	<b>7,932,067</b>	<b>410,095</b>	<b>4,221,174</b>	<b>1,430,504</b>	<b>141,284</b>	<b>24,630</b>	<b>78,183,144</b>

## 22b PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2023

	Buildings	Site developments	Sports facilities	Furniture and Equipment	Computers	Motor vehicles	Music equipment	Total
	2.50%	2.50%	2.50%	25.00%	25.00%	25.00%	25.00%	
<b>NET BOOK VALUE</b>								
At 1 July 2022	67,348,741	8,344,055	321,745	6,156,543	1,887,984	251,171	43,786	84,354,025
Additions	-	-	109,650	1,125,100	409,800	-		1,644,550
At 30 June 2023	67,348,741	8,344,055	431,395	7,281,643	2,297,784	251,171	43,786	85,998,575
<b>DEPRECIATION</b>								
Charge for the year	1,683,722	208,601	10,785	1,820,411	574,446	62,793	10,946	4,371,704
At 30 June 2023	1,683,722	208,601	10,785	1,820,411	574,446	62,793	10,946	4,371,704
<b>NET BOOK VALUE</b>								
At 30 June 2023	65,665,019	8,135,453	420,609.87	5,461,233	1,723,338	188,379	32,840	81,626,871