

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

BY:

CLERK-AT
THE-TABLE:

DATE: 18 JUN 2026

DAY.

Thursday

Hon. Samuel Chepkongh
(on behalf of Leader of Majority)
Lorale

OF

THE AUDITOR-GENERAL

ON

**NAKAMI FRIENDS
SECONDARY SCHOOL**

**FOR THE YEAR ENDED
30 JUNE, 2023**

TRANS NZOIA COUNTY

PARLIAMENT
OF KENYA
LIBRARY



NAKAMI FRIENDS SECONDARY SCHOOL

PUBLIC SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2023

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

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Acronyms and Glossary of Terms

BOM	Board of Management
CEB	County Education Board
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
FY	Financial Year
FDSE	

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 Trans nzoia County, Saboti Sub-County.

The school was registered in 1993 under registration number GP/A/168/93 and is currently categorized as a County public school established, owned or operated by the Government.

The school is a day/boarding school and had 720 number of students as at 30th June 2023. It has 18 streams and 31 teachers of which 20 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	Amos Yiminyi	Chairman/sponsor	07/10/2022
2	John M. Wasike	Secretary- Principal	07/10/2022
3	Benard Kwalia	Member	07/10/2022
4	Gabriel Makhino	Member	07/10/2022
5	Eucabeth Obonyo	Member	07/10/2022
6	Carol Kapchanga	Member	07/10/2022
7	Leonard Nasir	Member	07/10/2022
8	Moses Ngania	Member – Rep CEB	07/10/2022
9	Edwin Wanyonyi	Member Rep Teachers	07/10/2022
10	Leany Kasembeli	3 Members - Sponsor	07/10/2022
11	Christopher Masika	Member - Community	07/10/2022
12	Irine N. Barasa	MemberSpecial Needs	07/10/2022
13	Kevin Matumbai	Rep Students	07/10/2022
14	Henry B. Manyorio	Member	07/10/2022
15	Martin Muricho	P.A. Chair	07/10/2022
16	Margaret Sesi	Member	07/10/2022
17	Maryanne Wanyonyi	Sponsor/Member	07/10/2022

NAKAMI FRIENDS SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

The functions of the School Board of Management are to:

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

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Amos Yiminyi Benard Kwalia Maryanne Wanyonyi Martin Muricho John ,M Wasike	Chairman Member Member Member Sec.	7
2	Audit Committee	1. Moses N'gania 2. Benard Kwalia 3. John M wasike	Chairman Member member	1
3	Finance,procurement and general purposes Committee	Margaret Sesi Moses N'gania Martin Muricho	Chair	1
4	Academic Committee	Christopher Masika Mark Borter Martin Muricho	Chairman D.O.S Sec.	9
5	Development Committee	Benard Kwalia John M Wasike Martin Muricho	Chairman Sec Member	1
6	Discipline and welfare Committee	Benard Kwalia John M Wasike Martin Muricho	Chairman Sec Member	2
7	Adhoc Committee (if any during the year)	Tender opening Evaluation/awarding Inspection		2 1 2

NAKAMI FRIENDS SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

(d) School operation Management

For the financial year ended 30th June 2023 the School day-to-day management was under the following persons:

Ref:	Designation	Name	Identification
1	Principal	JOHN M WASIKE	TSC No 287447
2	Deputy Principal	LUCIA N.C MASAI	TSC No. 295247
3	School Bursar	HUDSON BARASA	ID NO . 8659897
4	Other (specify)		

(e) Schools contacts

Post Office Box: 3870
Telephone: 0723157502
E-mail: nakamisecondary49@gmail.com
Website:
Facebook:
Twitter:

(f) School Banks

1. Name of Bank: National
Branch: Kitale

Account Number: 01021048815301 operational account
01025048815300 Tuition Account
2. Name of Bank KCB

Branch Kitale
Account Number: 1159774269 School Fund and other monies
Account Number: 1253891486 Infrastructure
3. Name of Bank: Sidian
Branch: Kitale.
Account Number: 01026030001744 CDF account
4. MPESA Pay Bill No. 522123 attached to 1159774269 bank account

Independent Auditors

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

NAKAMI FRIENDS SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

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

PERIOD	AMOUNT
2022-2023	3,149,688
2021-2022	5,623,685
2020-2021	5,067,316

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

2022-2023	2021-2022	2021
11,899,856	16,206,959	15,677,435

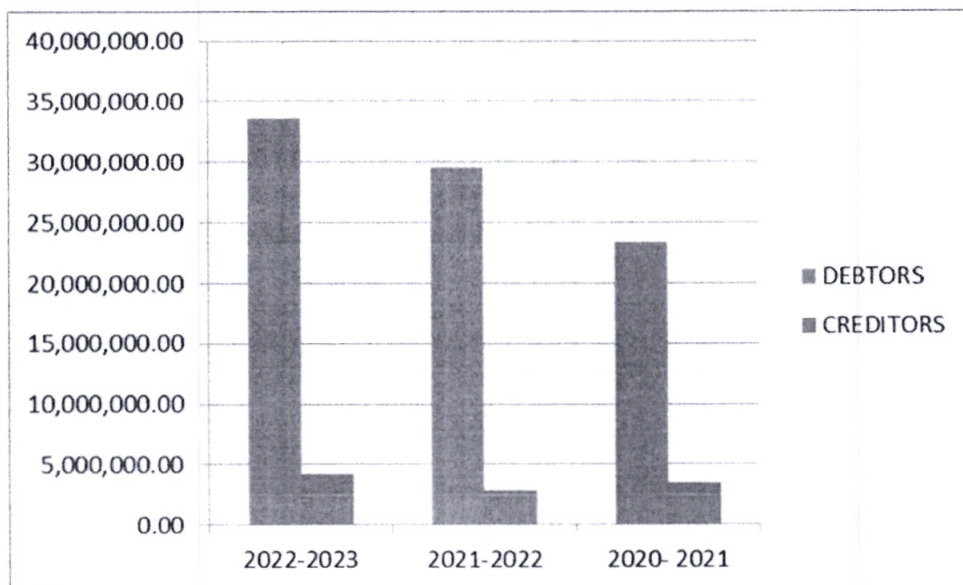
PERIOD	AMOUNT
2022- 2023	16,835,300
2021-2022	13,966,611
2020 -2021	12,431,602

PERIOD	AMOUNT
2022 -2023	27,378,637
2021-2022	24,549,885
2020-2021	23,045,954

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

PERIOD	DEBTORS	CREDITORS
2022-2023	33,637,736	4,201,705
2021-2022	29,546,313	2,858,927
2020- 2021	23,409,023	3,509,893



b) Teacher Student ratio:

Period	Number of students	Number of teachers	Ratio	Shortage
2022 -2023	800	27	1:34	22
2021-2022	720	23	1:35	18
2021	720	22	1:33	18

c) Mean score in KCSE

Period	candidates	Higher institutions	Mean score	Set score	Remarks
2022	183	121	3.8	5.1	Dropped, not attained
2021	125	106	4.2	5.1	Dropped, not attained
2020	167	132	4.5	5.1	Improved, not attained

NAKAMI FRIENDS SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

d) Number of Candidates in KCSE:

Period	Candidates
2022	183
2021	125
2020	167

e) Capacity of the school:

Amenities	Dormitories	Dining hall	Toilets	Laboratory
No. of students	800	800	800	800
No. of amenities	2	1	58	2
Ratio	1:400	1:800	1:14	1:400
Shortage	2	-	-	1

NAKAMI FRIENDS SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

f) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Guiding and counselling Office	M.I.		700,500	700,500	On going
Lockers/Chairs	M.I.		1,200,000	1,200,000	On going
Plumbing	M.I.		580,000	580,000	Completed
Recarpeting	M.I.		217,736	217,736	Completed

.....
School Principal

SECRETARY
NAKAMI FRIENDS SEC. SCHOOL
P.O. Box 3070 - 30200, KITALE
DATE: SIGN:

NAKAMI FRIENDS SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

Statement of School Management Responsibility

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

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

The Board of Management of Nakami Friends 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, 2023, and of the school's financial position as at that date.

K.M

.....
Name: Kituyi Muxonambi
Designation: Chairman, School Board of Management
Date: 13/4/2026



.....
Name: Oryio Samuel
Designation: School Principal & Secretary to Board of Management
Date: 13/4/2026

SECRETARY
NAKAMI FRIENDS SEC. SCHOOL
P.O. Box 3870 - 30200, KITALE
DATE: SIGN:

.....
Name: Maryna Simiyu
Designation: Bursar/ Finance Officer
Date: 13/4/2026

NAKAMI FRIENDS SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

Statement Of Receipts and Payments For the Year Ended 30th June 2023

Description Of Vote Head	Note	30 th Jun 2023	30 th Jun 2022
		Kshs	Kshs
Receipts			
Government grants for tuition	1	2,198,492	2,947,269
Government grants for operations	2	6,060,364	13,259,600
Government Grants for infrastructure	3	3,641,000	
School fund income- parents' contributions	4	13,270,313	12,173,186
Miscellaneous incomes	5	3,227,095	1,615,490
Total Receipts		28,397,264	30,189,294
Payments			
Tuition	6	2,143,460	2,553,418
Operations	7	6,743,696	10,167,075
Infrastructure	8	2,660,363	
Boarding and school fund	9	14,518,279	11,829,392
Total Payments		26,065,798	24,549,885
Surplus/Deficit		2,331,466	5,639,409

The school financial statements were approved on 30th June 2023 and signed by:

K.M
 Name: *Kityui mukongambi*

Chair BOM

Date: *13/4/2026*

Samuel
 Name: *Oyo Samuel*
 School Principal/ Secretary to BOM

Date: *13/4/26*
 B.O.M. SECRETARY
 NAKAMI FRIENDS SEC. SCHOOL
 P.O. Box 3870 - 30200, KITALE
 DATE:.....SIGN:.....

SA
 Name: *Maryna Simiyu*
 Bursar/ Finance Officer
 Date: *13/4/2026*

NAKAMI FRIENDS SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

Statement of Assets and Liabilities As At 30th June 2023

Description	Note	30 th Jun 2023	30 th Jun 2022
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	396,677	82,399
Cash balances	11	103,173	
Short term investments	12		
Total cash and cash equivalent		483,442	82,399
Account's receivables	13	33,637,736	29,546,313
Total financial assets		34,121,178	29,628,712
Financial liabilities			
Accounts payables	14	(4,201,705)	(2,858,927)
Net financial assets		29,935,881	26,769,785
Represented by			
Accumulated fund b/fwd	15	26,769,785	21,146,100
Surplus/deficit for the year		3,166,096	5,623,685
Net financial position		29,935,881	26,769,785

The school's financial statements were approved on 30th June 2023 and signed by:

.....
K.M

Name: *Kituyi mukoraambi*

Chair BOM

Date: *13/4/2026*

.....
[Signature]

Name: *Oyoo S*

School Principal/ Secretary to BOM

Date: *13/4/22*

B.O.M. SECRETARY
NAKAMI FRIENDS SEC. SCHOOL
P.O. Box 3870 - 30200, KITALE
 DATE:.....
 SIGN:.....
 XIII

.....
[Signature]

Name: *Maryna Simiyu*

Bursar/ Finance Officer

Date: *13/4/2026*

NAKAMI FRIENDS SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

Statement of Cash Flows for the Year Ended 30th June 2023

Description	Note	30 th Jun 2023	30 th Jun 2022
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition	1	2,198,492	2,947,269
Government grants for operations	2	6,060,364	13,259,690
Government grants for infrastructure	3	3,241,000	0
School fund income- parents contributions/ fees	4	13,270,313	12,366,845
Other income	5	1,146,995	1,615,490
Total receipts		25,917,164	30,189,294
Payments			
Cash outflows for tuition	6	2,143,460	2,553,418
Cash outflows for operations	7	6,743,696	10,167,075
Cash outflows Boarding/lunch and school fund payments	8	14,518,027	11,829,392
Total payments		23,405,183	24,549,885
Net cash inflow/outflow from operating activities		2,511,981	5,639,409
Cash flow from investing activities			
Acquisition of assets		2,660,363	
Proceeds from sale of Assets		(2,698,236)	(4,304,625)
Proceeds from investments			
Purchase of investments			
Net cash inflow/outflows from investing activities		(37,873)	(4,304,625)
Cash flow from Financing activities			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
Net cash inflow/outflow from financing activities			
Net increase/decrease in cash and cash equivalents		2,474,108	(1,334,781)
Cash and cash equivalent at beginning of the FY		161,853	1,231,246
Cash and cash equivalent at end of the FY		450,046	2,566,027

NAKAMI FRIENDS SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

The school's financial statements were approved on 30th June 2023 and signed by:

.....K.M......

Name: Kitui Mukongamb

Chair BOM

Date: 13/4/2026

.....Samuel.....

Name: Oyo Samuel

School Principal/ Secretary to BOM

Date: 13/4/2026
B.O.M. SECRETARY
NAKAMI FRIENDS SEC SCHOOL
P.O. Box 3870 - 30200, KITALE
DATE:.....SIGN:.....

.....[Signature].....

Name: Maryna Simiyu

Bursar/ Finance Officer

Date: 13/4/2026

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: 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 NAKAMI FRIENDS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 – TRANS NZOIA 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 financial statements of Nakami Friends Secondary School set out on pages XII to 34, which comprise of the statement of assets and liabilities as at 30 June, 2023, and the statement of receipts and payments, statement of cash

Report of the Auditor-General on Nakami Friends Secondary School for the year ended 30 June, 2023 - Trans Nzoia County

flows and the 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 Nakami Friends Secondary School as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Discrepancies in the Comparative Amounts

The statement of receipts and payments indicates comparative amounts for school fund income-parents' contributions of Kshs.12,173,186, which differs with the balance of Kshs.12,366,845 reported in the previous year 2021/2022 audited financial statements, resulting in unreconciled variance of Kshs.193,659.

Further, the statement of cash flows reflects comparative net decrease in cash and cash equivalents amount of Kshs.1,334,781, which differs with net increase of Kshs.1,334,781 reflected in the audited financial statements for 2021/2022 financial year, resulting in an unreconciled variance of Kshs.2,669,562. In addition, a Nil and an amount of Kshs.4,304,625 comparative amounts were stated for acquisition of assets and actual loss on sale of assets, respectively. However, the amounts differ from Kshs.4,304,625 and Nil amount reported in the previous year 2021/2022 audited financial statements.

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

2. Inaccuracies in the Statement of Cash Flows

The statement of cash flows reflects under cash flows from investing activities an actual loss amounting to Kshs.2,698,236 in respect of sale of assets. However, the amount was not supported by documentation indicating details of disposed assets, disposal proceedings, and payment of an amount of Kshs.2,698,236 to the winning bidders.

Further, the cash and cash equivalents opening balance of Kshs.161,853 and closing balance of Kshs.450,046, differ from previous year 2021/2022 audited financial statements balance of Kshs.2,566,027 and statement of assets and liabilities balance of Kshs.483,442, resulting in unexplained variances of Kshs.2,404,174 and Kshs.33,396 respectively.

In the circumstances, the accuracy and completeness of the respective amounts reflected in the statement of cash flows could not be confirmed.

3. Unexplained Variances in the Statement of Receipts and Payments

3.1 Variances Between the Statement of Receipts and Payments and the Supporting Schedules Amounts

The statement of receipts and payments indicates amounts which were at variance with those indicated in their respective supporting schedules as follows:

S/No.	Item	Amount in the Statement of Receipts and Payments (Kshs)	Amount in the Supporting Schedules (Kshs)	Variance (Kshs)
1	Government grants for operations	6,060,364	9,701,364	3,641,000
2	Government grants for Infrastructure	3,641,000	1,446,000	2,195,000
3	School Fund Income-Parents Contributions	13,270,313	14,740,986	1,470,673
4	School Fund Income-Other Receipts	3,227,095	-	3,227,095
5	Payments for tuition	2,143,460	2,368,010	224,550
6	Payments for operations	6,743,696	7,395,106	651,410
7	Payments for Infrastructure	2,660,363	-	2,660,363
8	Payments for Boarding and School Fund	14,518,279	14,774,819	256,540

The above variances were not explained or reconciled.

3.2 Variances Between the Statement of Receipts and Payments and Notes to the Financial Statements Amounts

The statement of receipts and payments indicates amounts which were at variance with those indicated in their respective notes to the financial statements as follows:

S/No	Item	Amount in the Statement of Receipts and Payments (Kshs)	Amount in the Notes to the Financial Statements (Kshs)	Variance (Kshs)
1	Government grant for tuition	2,198,492	2,088,428	110,070
2	School Fund Income-Parents Contributions	13,270,313	14,407,000	1,136,687

S/No	Item	Amount in the Statement of Receipts and Payments (Kshs)	Amount in the Notes to the Financial Statements (Kshs)	Variance (Kshs)
3	School Fund Income-Other Receipts	3,227,095	1,146,995	2,080,100
4	Payments for Infrastructure	2,660,363	2,698,236	37,873
5	Payments for Boarding and School Fund	14,518,279	15,607,000	1,088,721

The above variances were not explained or reconciled.

In the circumstances, the accuracy and completeness of the respective amounts reflected in the statement of receipts and payments could not be confirmed.

4. Unsupported Accounts Receivables Balance

The statement of assets and liabilities and Note 13 to the financial statements reflects accounts receivables balance of Kshs.33,637,736. However, the balance was not supported by debtors' ledgers and invoices.

In addition, the balance includes receivables amounting to Kshs.22,143,032 which had been outstanding for more than two (2) years. However, there was no ageing analysis and policy on the impairment of long outstanding fees arrears.

In the circumstances, the accuracy, completeness and recoverability of the accounts receivables balance of Kshs.33,637,736 could not be confirmed.

5. Unsupported Other Important Disclosures

Notes 17 and 19 to the financial statements reflect biological assets and inventory balances of Kshs.3,300,000 and Kshs.582,250 respectively. However, the balances were not supported by stock take valuation records confirming the values of assets held as at 30 June, 2023.

Further, Annex 2 to the financial statements in respect to summary of fixed assets register indicates additions during the year of Kshs.2,698,236. However, the amount differs from statement of cash flows acquisition of assets amount of Kshs.2,660,363, resulting to an unexplained variance of Kshs.37,873.

In the circumstances, the accuracy and completeness of the biological assets and inventory balances of Kshs.3,300,000 and Kshs.582,250 respectively could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Nakami Friends Secondary School Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other

ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on comparable basis of Kshs.28,547,621 and Kshs.25,917,164 respectively, resulting to an under-funding of Kshs.2,639,457 or 9% of the approved budget. Similarly, the school expended a total of Kshs.21,577,692 against actual receipts of Kshs.25,917,164, resulting to under-expenditure of Kshs.4,339,472 or 17% of actual budget.

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

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 Information

Management is responsible for the Other Information set out on page iv to xi 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 effects of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Late Submission of Financial Statements

The financial statements for the financial year 2022/2023 for Nakami Friends Secondary School were submitted for audit on 2 April, 2025. However, the submission was eighteen (18) months later after the set statutory submission deadline of 30 September, 2023. This was contrary to Regulation 101(4) of the Public Finance Management (National Government) Regulations, 2015 which requires an Accounting Officer shall prepare the financial statements in a form that complies with the relevant accounting standards prescribed by the Public Sector Accounting Standards Board, not later than three months after the end of the financial year and submit them to the Auditor General with a copy to the Controller of Budget and the National Treasury.

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

2. Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements

Review of the annual report and financial statements revealed that, the numbering of pages of the financial statements was not presented systematically using numerical as required. Further the report of the independent auditors was presented after statement of cash flows, which contradicts the required presentation before the financial statements.

This was contrary to Section 81(1) of the Public Financial Management Act, 2012 which states that the Accounting Officer shall prepare the financial statements in a form that complies with the relevant accounting standards prescribed and published by the Public Sector Accounting Standards Board from time to time.

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

3. Failure to Acknowledge Government Grants for Tuition and Operations

The statement of receipts and payments reflects amounts of Kshs.2,198,492 and Kshs.6,060,364 for government grants for tuition and operation, respectively. However, the school did not provide individual student signed form-lists showing admission numbers, full names and amounts allocated which were submitted to the County Director

of Education (CDE) through the Sub-County Director of Education as stipulated in Ministry of Education Circular Ref. No. MOE.HQS/3/10/18/(53) dated 27 July, 2022.

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

4. Unsupported Government Grants for Operations

The statement of receipts and payments reflects government grants for operations amount of Kshs.6,060,364. However, the amount does not include an additional capitation for operations of Kshs.2,263,500 from the Ministry of Education, which was received in the school's operations bank account. Further, there was no circular or supporting documentation explaining release of the funds to the school, and the amount was not reflected in the National Education Management Information System (NEMIS) report for the year under review.

In the circumstances, the regularity and value for money for addition government grants for operations of Kshs.2,263,500 could not be confirmed.

5. Discrepancy in Student Enrolment Data

The statement of receipts and payments reflects government grants for tuition and operations amounts of Kshs.2,198,492 and Kshs.6,060,364, and as disclosed in Note 1 and Note 2 to the financial statements, respectively. During the financial year, the National Education Management Information System (NEMIS) reported a total number of eight hundred and ten (810) students while the enrolment records provided by the school indicated a total of nine hundred and thirty-two (932) students, resulting in an unexplained variance of one hundred and twenty-two (122) students.

This was contrary to the Ministry of Education Circular Ref. MOE.HQS/3/13/3 dated 16 June, 2021 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

In the circumstances, the reliability of the student's enrolment data used to determine capitation grants could not be confirmed.

6. Failure to Prepare a 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.

7. Non-Compliance with Affirmative Action Requirement

Review of the June, 2022 payroll revealed no representation in employment for persons with disabilities employed in school or accorded with employment opportunities. This was contrary to Article 27 of the Constitution of Kenya and Section 21 of the Persons with Disabilities Act, 2025.

In addition, there was no documentary evidence of reservation of 30% of procurement opportunities to Youth, Women and Persons with Disabilities, contrary to Articles 10 and 232(1)(h) of the Constitution.

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

8. Non-Compliance with Basic Education Act, 2013

During the year under review, the Board of Management did not have a policy on the payment of allowances to Board members, attendance registers, an annual work plan and a board charter. This was contrary to the Fourth Schedule Part 1.12 of the Basic Education Act, 2013 which states that members of a Board of Management shall be paid in respect of their services such allowances as the Board of Management shall, with the approval of the Cabinet Secretary, determine.

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

9. Failure to Prepare Bank Reconciliation Statements

During the year under review, bank reconciliation statements for the school's four (4) bank accounts were not prepared as required by Regulation 90 of the Public Finance Management (National Government) Regulations, 2015 which requires the accounting officers shall ensure bank accounts reconciliations are completed for each bank account held by that Accounting Officer, every month and submit a bank reconciliation statement not later than the 10th of the subsequent month to the National Treasury with a copy to the Auditor-General.

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

10. Failure to Prepare an Annual Procurement Plan

During the year under review, the Management did not prepare an annual procurement plan as part of the annual budget preparation process.

This was contrary to Regulation 40(1) 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. Further, Regulation 40(4) states that the consolidated annual procurement plan shall be prepared by the accounting officer of the procuring entity and approved by the Cabinet Secretary, or county executive committee member of finance responsible for that entity or, where applicable, by the board of directors or a similar body.

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

11. Partial Implementation of School Management System

The school procured a School Management System (JBS) for the automation of the cash books and the entire accounting system. However, the system did not post receipts and payments transactions to the relevant ledgers accurately making the school to opt for manual recording of transactions. Further, the Service Level Agreement showing key deliverables in terms of system hardware and modules, location and management of backups, and timelines for implementation of the system modules was provided for audit review.

In the circumstances, the value for money may not be realized in procurement of the system.

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 effects 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 Land Ownership Documents

Review of documents provided for audit revealed that the School was allocated a parcel of land measuring 18 acres by The Ministry of Cooperative Development and Marketing through allotment letter REF No. CS/2797/GEN/TEMP/113 dated 27 April, 2007. However, there was no documentary evidence to show that Board of Management made any efforts to initiate the legal transfer of the land and acquire a title-deed in the school's name.

In the circumstances, the ownership status of land parcel could not be confirmed.

2. Lack of Policy on Fees Collection in Cash

The statement of receipts and payments and Note 4 to the financial statements reflects School Fund Income-Parents Contribution amount of Kshs.13,270,313. The amount includes collections of Kshs.3,113,724 in respect to direct cash deposits in the school. However, there was no documented policy or procedure outlining how cash collected was

safeguarded, banked, and independently verified. Further, there were no daily cash summaries.

In the circumstances, the existence of an effective cash management system could not be confirmed.

3. Lack of Policy Documents

During the period under review, Management had not established a Disaster Management and Recovery Policy, Risk Management Policy, Business Continuity Plan and Finance Policy and Procedure Manual to ensure smooth running of its operations.

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

In preparing the financial statements, Management is responsible for assessing the School's ability to continue as a going concern, disclosing, as applicable, matters related going concern of services 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

28 April, 2026

NAKAMI FRIENDS SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2023

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					
Reference Materials	152,800		152,800	109,925	72%
Exercise Books	611,200		611,200	428,636	70%
Laboratory Equipment	611,200		611,200	434,636	79%
Internal Exams	347,200		347,200	257,819	74%
Teaching / Learning Materials	1,125,600		1,125,600	857,412	76%
Exams And Assessment					
Sub Total	2,848,000		2,848,000	2,198,492	75%
(2) Capitation Grant on Operations					
Personnel Emoluments					
Repairs And Maintenance					
Local Transport / Travelling					
Electricity And Water					
Medical	523,621		523,621	443,332	100%
Other Voteheads	5,848,000		5,848,000	5,160,370	88%
Activity	480,000		480,000	456,662	95%
Gratuity					
Sub Total	6,851,621		6,851,621	6,060,364	98%

NAKAMI FRIENDS SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

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
3) FDSE for infrastructure					
Maintenance &Improvement MoE					
M&I parents' contribution					
Economic Stimulus Programs					
Transition Infrastructure Grants	3,241,000		3,241,000	3,241,000	100%
Administration Block					
(4) Fees Charged on Parents					
Personnel Emoluments					
Repairs And Maintenance	400,000		400,000	331,950	83%
Local Transport / Travelling					
Other Voteheads	2,580,000		2,580,000	2,815,017	109%
Medical					
Administration Costs					
Activity	50,000		50,000	60,719	106%
SMASSE					
Fee On Boarding Equipment and Stores	11,377,000		11,377,000	10,062,627	88%
Sub Total	14,407,000		1,4407,000	13,270,313	92%
5) Miscellenous Income					
Loans / Borrowing					
Rent income					
Income From Farming Activities	800,000		800,000	757,460	95%
Insurance Compensation					

NAKAMI FRIENDS SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

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
Income From Posho Mill					
Income From Bus Hire	400,000		400,000	389,535	97%
Fee For Hire of Ground and Equipment					
Interest Income					
Income From Any Other Investment					
Total Income	28,547,621		28,547,621	25,917,164	91%
(6) Expenditure For Tuition					
Textbooks					
Reference Materials	152,800		152,800	122,000	80%
Exercise Books	611,200		611,200	261,060	43%
Laboratory Equipment	611,200		611,200	518,390	03%
Internal Exams	347,200		347,200	281,500	85%
Teaching / Learning Materials	1,125,600		1,125,600	960,510	85%
Chalks					
Exams And Assessment					
Teachers Guides					
Administration Costs					
Bank Charges					
Sub total	2,848,000		2,848,000	2,143,460	
(7) Expenditure For Operations					
Personnel Emoluments					
Repairs, Maintenance & Improvements					

NAKAMI FRIENDS SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

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
Local Transport / Travelling					
Electricity, Water and Conservancy					
Medical	160,000		160,000	55,465	35%
Other Voteheads	5,848,000		5,848,000	6,096,511	104%
Activity Expenses	480,000		480,000	591,720	123%
Gratuity					
SMASSE					
Sub total	6,488,000		6,488,000	6,743,696	104%
<i>(8) Expenditure For infrastructure</i>					
Construction of classrooms					
Construction of LAB					
Construction of DORMS					
Purchase of furniture	3,241,000		3,241,000	2,698,236	83%
Purchase of equipment					
Purchase of machinery					
<i>(9) Expenditure For school fund/lunch/boarding</i>					
Personnel Emoluments					
Repairs, Maintenance and Improvements	400,000		400,000	440,657	110%
Local Transport / Travelling					
Electricity, Water and Conservancy					

NAKAMI FRIENDS SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

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
Medical Expenses					
Administration Costs					
Activity	50,000		50,000	69,513	121%
Gratuity					
Other Voteheads	2,580,000		2,580,000	2,358,247	91%
Boarding Equipment and Stores	11,377,000		11,377,000	10,673,537	94%
Expenditure For Income Generating Activity-Farm	800,000.		800,000.	381,082	48%
Bus Hire	400,000		400,000	595,243	149%
Other Expenses On Investments					
Rent Expenses					
Bank Charges					
Loan Interest Repayment					
Loan Principal Repayment					
Acquisition Of Assets					
Sub total			15,607,000	14,518,279	93%
Totals	28,184,000		28,184,000	21,577,692	76%

Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2023.

NAKAMI FRIENDS SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

Notes To The Financial Statements

1. Government Grants for Tuition

Description	30 th Jun 2023	30 th Jun 2022
	Kshs	Kshs
Reference Materials	109,925	
Exercise Books	428,636	139,677
Laboratory Equipment	434,636	512,147
Internal Exams	257,819	488,868
Teaching / Learning Materials	857,412	991,799
Chalk		814,780
Others (<i>specify</i>)*		
Total	2,198,492	2,947,269

2. Government Grants for Operations

Description	30 th Jun 2023	30 th Jun 2022
	Kshs	Kshs
Personnel Emoluments		
Repairs And Maintenance		4,411,000
Local Transport / Travelling		
Electricity And Water		
Medical	443,332	160,000
CBC Project		
Activity	456,663	
Other Vote Heads (PE,LTT,ADM,EWC)	5,160,370	8,688,690
Total	6,060,364	13,259,690

3. Government Grants for infrastructure

Description	30 th Jun 2023	30 th Jun 2022
	Kshs	Kshs
Maintenance & Improvement		
Transition infrastructure grants	3,641,000	
Administration Block		
Economic stimulus grants		
Other (<i>specify</i>)(NGCDF and County govt.		
Total	3,641,000	

NAKAMI FRIENDS SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

4. School Fund Income - Parents Contribution/Fees

Description	30 th Jun 2023	30 th Jun 2022
	Kshs	Kshs
Personnel emoluments		
Repairs and maintenance	400,000	400,000
Local transport / travelling		
Electricity and water		625,000
Medical		
Administration costs		
Activity	50,000	125,000
Fee on Boarding Equipment and stores	11,137,700	9,241,845
PA Levies*		
Others (PE LTT ADM EWC)	2,580,000	2,000,000
Total	14,407,000	12,366,845

5. Miscellaneous Incomes

Description	30 th Jun 2023	30 th Jun 2022
	Kshs	Kshs
Rent Income		
Income From Farming Activities	757,460	1,200,000
Insurance Compensation		
Income From Posho Mill		
Income From Bus Hire	389,535	415,490
Fee For Hire of Ground and Equipment		
Income From Grants and Donations*		
Interest Income		
Dividends Income		
Loans/Borrowings*		
Other Income (<i>Exam Fee</i>)		
Total	1,146,995	1,615,490

NAKAMI FRIENDS SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

Notes to the Financial Statements

6. Tuition payment

Description	30 th Jun 2023	30 th Jun 2022
	Kshs	Kshs
Exercise Books	261,060	512,147
Textbooks		
Reference materials	122,000	40,685
Laboratory Equipment	518,390	588,868
Teaching / Learning Materials	960,510	814,780
Exams And Assessment	281,500	497,946
Teachers Guides		139,677
Bank Charges		
Others (<i>specify</i>)		
Total	2,143,460	2,553,418

7. Operations payment

Description	30 th Jun 2023	30 th Jun 2022
	Kshs	Kshs
Personnel Emoluments		
Service Gratuity		
Administration Cost		
Repairs And Maintenance & Improvements		4,302,622
CBC Project		
Electricity And Water		
Medical	55,465	77,580
Activity Expenses	591,720	150,940
Others (PE LTT ADM EWC)	6,096,511	5,633,930
Bank Charges		2,003
Total	6,743,696	10,167,075

NAKAMI FRIENDS SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

Notes to the Financial Statements

8. Infrastructure payments

Description	30 th Jun 2023	30 th Jun 2022
	Kshs	Kshs
Construction of classrooms		
Construction of laboratory		
Construction of dormitory		
Purchase of furniture	2,698,236	4,302,622
Purchase of equipment		
Purchase of apparatus		
Drilling of boreholes		
Others (specify)		
Total	2,698,236	4,302,622

9. Boarding And School Fund

Description	30 th Jun 2023	30 th Jun 2022
	Kshs	Kshs
Personnel Emoluments		
Service Gratuity		
Repairs And Maintenance & Improvements	440,657	400,000
Local Transport / Travelling		
Electricity And Water		
Medical Expenses		
Activity	69,513	125,000
Examination Payments		
Bank Charges		
Expenses On Income Generating Activities**		
Fee On Boarding Equipment and Stores	10,673,537	8,829,392
Rent Expenses		
Insurance Cost (Life Property)		
Hire of School Bus	595,243	
School Farm	381,082	
Acquisition Of Assets		
PA expenses		
Others (PE, LTT, ADM, EWC)	2,358,247	1,850,000
Total	1,5607,000	11,829,392

NAKAMI FRIENDS SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

Notes to the Financial Statements

10. Bank Accounts

Account Name & Currency	Status	Bank Account Number	30 th Jun 2023	30 th Jun 2022
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	7700456704	1,690	6,028
Operations Account	Active	7700131066	298,372	1,340
School Fund Account/Boarding	Active	1159774269	80,585	22,456
Savings Account				
Parent Association Development Account				
Income Generating Activities Account				
Infrastructural Account	Active	1253891486	16,030	52,575
Total			396,677	82,399

11. Cash In Hand

Description	30 th Jun 2023	30 th Jun 2022
	Kshs	Kshs
Notes and Coins school Fund	103,173	
Total	103,173	

12. Short Term Investments

Description	30 th Jun 2023	30 th Jun 2022
	Kshs	Kshs
Cooperative Shares		
Treasury Bills		
Fixed Deposit accounts		
Other Investments		
Total		

NAKAMI FRIENDS SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

Notes to the Financial Statements

13. Accounts Receivable

Description	30 th Jun 2023	30 th Jun 2022
	Kshs	Kshs
Fees Arrears	33,637,736	29,546,313
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)		
Imprest (list/schedule attached)		
Rent arrears (list/schedule attached)		
Total	33,637,736	29,546,313

13 b Ageing Analysis of Accounts Receivable

Description	30 th Jun 2023		30 th Jun 2022	
	Kshs		Kshs	
	Current 2023	% of the total	Comparative 2022	% of the total
Less than 1 year	5,809,689	14%	6,137,290	
Between 1- 2 years	5,685,015	7%	3,938,348	
Between 2-3 years	1,239,312	4 %		
Over 3 years	20,903,720	75%	19,470,675	
Total (should tie to note 13 a)	33,637,736	100%	29,546,313	100%

14. Accounts Payable

Description	30 th Jun 2023	30 th Jun 2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	3,968,174	2,691,208
Prepaid Fees	233,531	167,719
Retention Monies		
Unpaid salaries and statutory deductions		
Caution money		
Other payables (<i>specify</i>)		
Total	4,201,705	2,858,927

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Notes to the Financial Statements

14a. Ageing Analysis of Accounts Payable

Description	30 th Jun 2023		30 th Jun 2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	3,968,174	100%	2,662,420	94%
Between 1- 2 years			28,788	6%
Between 2-3 years				
Over 3 years				
Total (should tie to note 14)	3,968,174	100%	2,691,208	100%

15. Fund Balance Brought Forward

Description	30 th Jun 2023	30 th Jun 2022
	Kshs	Kshs
Bank Balances	82,399	1,231,246
Cash Balances		15,724
Short Term Investments		
Receivables	29,546,313	23,409,023
Payables	(2,858,927)	(3,509,893)
Total	26,769,785	21,146,100

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	30 th Jun 2023	30 th Jun 2022
	Kshs	Kshs
Bank Loans		
Outstanding Leases		
Hire Purchase		
Gratuity And Leave Provision		
Others (specify)		
Total		

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17. Biological assets

Description	Numbers	30 th Jun 2023	30 th Jun 2022
		Kshs	Kshs
Cattle	8	800,000	800,000
Goats			
Trees	250	2,500,000	2,000,000
Coffee Or Tea Plantation			
Poultry			
Others (specify)			
Total	258	3,300,000	2,800,000

18. Borrowings

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

19. Stock/ Inventory

Description	30 th Jun 2023	30 th Jun 2022
	Kshs	Kshs
Food stuffs	300,000	100,000
Lab consumables	170,000	60,000
Farm produce	107,250	99,000
Medication	5,000	2,640
Construction Materials		
Others (specify)		
	582,250	261,640

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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


B.O.M. SECRETARY
NAKAMI FRIENDS SECONDARY SCHOOL
P.O. Box 3870 - 30200, KITALE
DATE:.....SIGN:.....

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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 30 th Jun 2023	Outstanding Balance Comparative FY 30 th Jun 2022	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1. Solida Hardware& Agrovet						
2.						
3.						
Sub-Total						
Supply Of Goods						
4. Nashotech, Diligent,waki, and lisa paper works	1,439,498	01/07/2022	883,060	556,438	691,000	
5. Skullab Enterprise	1,467,436	01/07/2022	520,610	946,826	687,047	
6 Daniel, jada pest, Oracle,Possible auto and Luna	21,355,382	01/07/2022	20,673,767	681,615	764,590	
Sub-Total	24,262,316		22,177,437	2,084,879	2,142,637	
Supply Of Services						
7.Bom workers, Kinya,	3,074,945	01/07/2022	1,691,749	1,383,196	674,290	
8. Schemers plus focus	265,600	01/07/2022	240,600	25,000	42,000	
9. Tobias Ochieng	780,000	01/07/2022	71,370	708,630		
Sub-Total	4,120,545		2,003,719	2,116,826	716,290	
Grand Total	28,382,861		24,181,156	4,201,705	2,858,927	

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Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 st July 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2023
Land	36,000,000			36,000,000
Buildings And Structures	12,892,985	437,451	-	13,330,436
Motor Vehicles	6,000,000	-	-	6,000,000
Office Equipment, Furniture And Fittings	3,172,657	1,000,000		4,672,657
Textbooks	7,806,100	-		7,806,100
ICT Equipment	1,222,212	1,260,785		2,482,997
Tools And Apparatus	2,132,435			2,132,435
Other Machinery And Equipment				
Heritage And Cultural Assets	-			
Intangible Assets- Soft Ware	-			
Total	69,226,389	2,698,236		71,924,625