REPUBLIC OF KENYA

REPUBLIC OF KENYA

OAG

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

PARLIAMENT OF KENYA LIBRARY

REPORT

OF

THE AUDITOR-GENERAL

ON

SIPALA FRIENDS BOYS HIGH SCHOOL

FOR THE YEAR ENDED 30 JUNE, 2023

BUNGOMA COUNTY

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 28 JUL 2026	DAY. TUE
TABLED BY:	Deputy Majority leader Hon. Owen Baya
CLERK-AT THE-TABLE:	Mr. Inzofu Mwali

Revised 30th June 2023.

OFFICE OF THE AUDITOR GENERAL
KAKAMEGA REGIONAL OFFICE
RECEIVED
10 APR 2026
P. O. Box 2042-50100, KAKAMEGA

SFBHS
HARD WORK PAYS

SIPALA FRIENDS BOYS

HIGH 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)

(Leave this page blank)

Table of Contents Page

1. Acronyms and Glossary of Terms

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

2. Key School Information and Management

(a) Background information

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is located in Bungoma County, Webuye East Sub-County

The school was registered in 11/3/09 under registration number GP/A/5809/09 and is currently categorized as a COUNTY public school established, owned or operated by the Government.

The school is a Boarding school and had 284 number of students as at *30th June 2023.*It has 2 streams and 21 teachers of which 5 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	Amb Simon Nabukwesi	Chairman	2019
2	Mr.Henrey Ogombe	Secretary- Principal	2019
3	Mr.Nyongesa Watulo	Member	2019
4	Mr. Elijah Muga	Member	2019
5	Mr.Johnstone Nakitari	Member	2019
6	Mrs.Rhoda Lusaka	Member	2019
7	Mr.Antony Chebulobi	Member	2019
8	Mr. Humphrey Silungi	Member	2019
9	Mrs Melda Nakhurenya	Member	2019
10	Mrs. Nasimiyu Mulari	Member	2019
11	Dr.David Wamamili	Member	2019
12	Mr. Alfred Walubengo	Member Rep Teachers	2019
13	Mr.Collins Namaswa		2019
14	Mrs.Florence Mwenya		2019
15	Mrs.Selah Liko	3 Members - Sponsor	2019

The function of the School Board of Management include:

- 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 theyear
1	Executive Committee	1.Dr,David Wamamili 2.Mr.Henrey Ogombe 3.Mr.Elijah Moga 4.Mrs.Nasimiyu Mulari 5.Mr.Nyongesa Watulo	chair Principal Member Member Member	**1**
2	Audit Committee	1.Mr.Watulo Nyongesa 2.Mr.Elijah Moga 3.Mr.Henrey Ogombe	Chair Member Member	
3	Finance,procurement and general purposes Committee	1.Mr,Antony Chebulobi 2.Mrs.Selah Liko 3.Mr.Henrey Ogombe	Chair Member Member	
4	Academic Committee	1.Mr.Elijah Moga 2.Mrs.Nasimiyu Mulari 3.Mr.Henrey Ogombe	Chair Member Member	3
5	Development Committee	Mrs,Nasimiyu Mulari Dr.David Wamamili Mr.Nyongesa Watulo Mrs.Florence Mwenya Mr.Henrey Ogombe	Chair Member Member Member principal	
6	Discipline and welfare Committee	Mrs.Selah Liko Mr.Johnstone Nakitari Mrs.Rhoda Lusaka Mr.Henrey Ogombe	Chair Member Member principal	2
7	Adhoc Committee (if any during the year)			

(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	TSC Number
1	Principal	Mr.Henrey Ogombe	361357
2	Deputy Principal	Mr.Henrey Onyango	372871
3	School Bursar	Mrs Elizabeth Mupalia	

(e) Schools contacts

Post Office Box: PRIVATE BAG
Telephone: 0722978907
E-mail: sipalafriendsboyswebuye@gmail.com
Website:
Facebook:
Twitter:

(f) School Bankers

The school operated 7 bank accounts in the following banks:

1. Name of Bank: KCB
   Branch: WEBUYE
   Account Number: 1107167248

2. Name of Bank: KCB
   Branch: WEBUYE
   Account Number: 1124357645

3. Name of Bank: K.C.B
   Branch: WEBUYE
   Account Number: 1108082734

4. Name of Bank: K.C.B
   Branch: WEBUYE
   Account Number: 1212065026

5. Name of Bank: K.C.B
   Branch: WEBUYE
   Account Number: 1109632479

6. Name of Bank: K.C. B
   Branch: WEBUYE
   Account 1130095630

7. MPESA PayBill No.522123, account No.50045k attached to account no.1107167248

(g) Independent Auditors

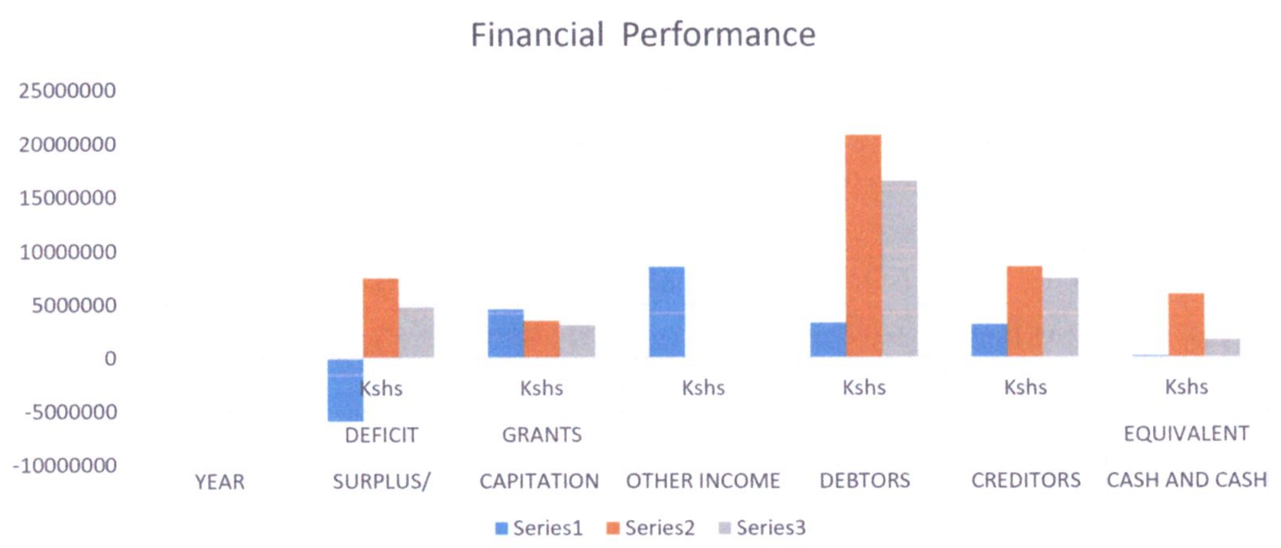
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

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:

YEAR	SURPLUS/ DEFICIT	CAPITATION GRANTS	OTHER INCOME	DEBTORS	CREDITORS	CASH AND CASH EQUIVALENT
	Kshs	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**
2023	(5,937,675)	4,557,972	8,456,935	3,246,974	3,110,504	160,986
2022	7,455,510	3,459,530		20,755,259	8,461,199	5,910,539
2021	4,744,333	3,069,488		16,454,405	7,383,714	1,678,398



b). Teacher- Student ratio:

Year	Teacher: Student Ratio	Total Teachers	TSC Teacher	Bom Teachers	Recruited Teachers	Transferred	Retired Teachers
2023	22:310	22	16	6	0	1	0
2022	23: 310	23	16	6	1	0	0
2021	22:300	22	15	8	0	0	0

c). Mean score in the 2023 KCSE/Number of Candidates in the 2023 KCSE:

YEAR	NO. OF STUDENT	TARGET MEANSCORE	MEAN SCORE	TRANSITION	REMARKS
2023	74	4.0	3.767	8	
2022	81	4,3	4.272	10	
2021	71	4.2	4.197	10	

d). Capacity of the school:

NO.	FACILITY	NO	STD CAPACITY	NO.OF STUDENT	REMARKS
1.	DINING HALL	1	1000	310	Enough
2.	DORMITORIES	3	300	310	Not enough
3.	LABORATORIES	2	50	310	not enough
4.	TOILETS	20	300	310	Not Enough
5.	CLASSROOMS	8	320	310	Enough
6.	LIBRARY	1	20	310	Not Enough

e). Development projects carried out by the school:

NO.	*PROJECT*	*STATUS*	*PROJECT FUND*
1.	*DORMITORY*	*COMPLETED*	*CDF*
2.			

....

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

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2023, and of the school's financial position as at that date.

Name: Amb Simon Nabukwesi
Designation: Chairman, School Board of Management

Sign: ....

Date: 07/04/2026

Name: Mr.Henrey Ogombe
Designation: School Principal& Secretary to Board of Management

Sign: ....

Date: 07/04/2026

Name: Mrs.Elizabeth Mupalia
Designation: Bursar/ Finance Officer

Sign: ....

Date: 7/4/2026

REPUBLIC OF KENYA

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

REPUBLIC OF KENYA

OAG
OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON SIPALA FRIENDS BOYS HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 – BUNGOMA 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 Sipala Friends Boys High School set out on pages 1 to 17, which comprise the statement of assets and liabilities as at 30 June, 2023 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 Sipala Friends Boys High 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. Inaccuracies in the Financial Statements

The statement of receipts and payments reflects receipts amounting to Kshs.12,979,907 in respect of capitation grants for tuition, operations and infrastructure and school fund income. However, the ledgers reported the amount as Kshs.14,142,828 resulting in an unexplained variance of Kshs.1,162,921.

Further, the statement reflects total payments of Kshs.18,952,582 while the ledgers indicated the balance as Kshs.8,192,843 resulting in an unexplained variance of Kshs.10,759,739.

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

2. Unsupported Payments

The statement of receipts and payments reflect tuition, operations, boarding and school fund payments of Kshs.1,570,788, Kshs.1,983,758 and Kshs.8,387,881 respectively as disclosed in Notes 6, 7 and 9 to the financial statements. However, examination of sampled payment vouchers amounting to Kshs.843,934 revealed that Management made payments without proper support documents as such as invoices, local purchase orders and goods received notes.

In the circumstances, the regularity, accuracy and completeness of the tuition, operations and school fund payments of Kshs.1,570,788, Kshs.1,983,758 and Kshs.8,387,881 respectively could not be confirmed.

3. Unsupported Cash and Cash Equivalents

The statement of assets and liabilities reflects a balance of Kshs.160,986 in respect of cash and cash equivalents. However, the bank and cash balances were not supported by bank reconciliation statements and board of survey report.

In the circumstances, the accuracy, completeness, existence of cash and cash equivalents balance of Kshs.160,986 could not be confirmed.

4. Unsupported Accounts Receivable

The statement of assets and liabilities reflects accounts receivable balance of Kshs.23,512,697 as disclosed in Note 12 to the financial statements. However, the relevant schedules were not provided for audit.

In the circumstances, the accuracy and completeness of the accounts receivable balance of Kshs.23,512,697 could not be confirmed.

5. Variance in Accounts Payable

The statement of assets and liabilities reflect accounts payable of Kshs.11,208,163 as disclosed in Note 13 to the financial statements. However, the balance differs with the amount of Kshs.3,110,504 reflected in the ledger resulting in an unexplained variance of Kshs.8,097,659.

In the circumstances, the accuracy, existence and completeness of accounts payable balance of Kshs.11,208,163 could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Sipala Friends Boys High 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.20,613,676 and Kshs.13,014,906 respectively resulting to an under-funding of Kshs.7,598,770 or 37% of the budget.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion, I have determined that there are no other key audit matters to communicate in my report.

Other Information

The 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 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. Unconfirmed Student Enrollment Data

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations totalling Kshs.3,359,972. Comparison of data from National Education Management and information System (NEMIS) with records from the County Director of Education revealed that during the financial year ended 30 June, 2023, NEMIS reflected three hundred and thirty one (331) students while records from the County Director of Education had three hundred and forty two (342) students, resulting in an underfunding of the School by an amount of Kshs.153,000. This was contrary to the Ministry of Education Circular 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, under-funding of the School may have affected service delivery to the students.

2. Long Outstanding Accounts Payable

The statement of assets and liabilities reflect accounts payable of Kshs.11,208,163 as disclosed in Note 13 to the financial statements. However, included in the balance are trade payables of Kshs.5,553,283 which had been outstanding for more than two (2) years, and risk of loss of public funds through litigations, interests and penalties. This was contrary to Regulation 42(1)(a) of the Public Finance Management (National Government) Regulations, 2015 which states that, service payments shall be a first charge on the Consolidated Fund and the Accounting Officer shall ensure this is done to the extent possible that the government does not default on debt obligations.

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

3. Failure to Transfer Infrastructure Funds from Operations Bank Account

The School received operations capitation grant of Kshs.1,840,965 from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.633,000 in respect of infrastructure grants which was supposed to be transferred to the infrastructure bank account for maintenance and improvement of the school's facilities. However, no amount was transferred to infrastructure account, leaving a balance of Kshs.633,000 as at 30 June, 2023. This was contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3/3 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 Government Guidelines.

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

The financial statements presented for audit did not include all information provided in the format prescribed and published by the Public Sector Accounting Standards Board (PSASB) as follows:

i. Note numbers in the statement of assets and liabilities were not aligned to those in the Notes to the financial statements.

ii. Management did not provide commentary on significant under/overutilization in the statement of budgeted versus actual amounts.

iii. Annex 1 and Annex 2 on analysis of pending accounts payable and summary of fixed assets register respectively were incomplete.

Further, lack of relevant information may affect users' reliance on the financial statements for decision making.

In the circumstances, Management did not comply with the PSASB guidelines.

5. Late Submission of Financial Statements for Audit

During the year under review, the School Management submitted the financial statements to the Auditor-General on 09 April, 2025 instead of the statutory deadline of 30 September, 2023. This was 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.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Long Outstanding Accounts Receivable

The statement of assets and liabilities reflected accounts receivable balance of Kshs.23,512,697 as disclosed in Note 12 to the financial statements. Included in the balance is accounts receivable balance of Kshs.15,121,293 which had been outstanding more than two (2) years. However, there was no policy on the impairment of long outstanding fees casting doubt on full recoverability of the accounts receivable balance.

In the circumstances, the existence of effective mechanisms for debt management could not be confirmed.

2. Weaknesses in Management of Assets

Although the School is situated in a specific parcel of land, the land title deed was not provided for audit and therefore no proof of legal ownership. In addition, the log book for the school bus which has been in a garage for over five (5) years was not provided for audit. The School Management explained that the bus was co-owned by a Commercial Bank and Sipala Secondary School.

Further, the School Management did not maintain an updated fixed asset register.

In the circumstances, the existence of effective measures in the management of assets could not be confirmed.

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

Responsibilities of the Management and Board of Management

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

12 May, 2026

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

Description Of Vote Head	Note	2022 - 2023	2021 - 2022
		Kshs	Kshs
Receipts			
Government grants for tuition	1	852,235	1,058,493
Government grants for operations	2	2,507,737	2,401,038
Government Grants for infrastructure	3	1,198,000	-
School fund income- parents' contributions	4	8,421,935	6,326,874
Miscellaneous incomes	5	35,000	15,397,525
Total Receipts		**13,014,906**	**25,183,929**
Payments			
Tuition	6	1,570,788	1,368,564
Operations	7	1,983,758	2,461,324
Infrastructure	8	7,010,154	-
Boarding and school fund	9	8,387,881	13,598,031
Total Payments		**18,952,582**	**17,427,919**
Surplus/Deficit		**(5,937,675)**	**7,756,010**

The school financial statements were approved on 7-4- 2026 and signed by:

....

Name: MARTIN KIVEU

Chair BOM

Date: 07-04-2026

....

Name: FRANCIS JUMA

School Principal/ Secretary to BOM

Date: 7-4-2026

....

Name: Elizabeth Mufula

Bursar/ Finance Officer

Date: 7/4/2026

7. Statement of Assets and Liabilities As At 30th June 2023

Description	Note	2022 - 2023	2021 - 2022
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	154,782	5,873,671
Cash balances	11	6,204	36,868
Short term investments	12	-	-
Total cash and cash equivalent		**160,986**	**5,910,539**
Account's receivables	13	23,512,697	20,953,856
Total financial assets		**23,673,683**	**26,864,395**
Financial liabilities			
Accounts payables	14	11,208,163	8,461,199
Net financial assets		**12,465,520**	**18,403,196**
Represented by			
Accumulated fund b/fwd	15	18,403,196	10,647,186
Surplus/deficit for the year		(5,937,675)	7,756,010
Net financial position		**12,465,520**	**18,403,196**
			-

The school's financial statements were approved on 7/4/ 2026 and signed by:

....	....	....
Name: MARTIN KIVEU	Name:	Name: Elizabeth Mupalia
	School Principal/ Secretary to BOM	
Chair BOM		**Bursar/ Finance Officer**
Date: 7/4/2026	**Date:** 7/4/2026	**Date:** 7/4/2026.

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

Description	Note	2022 - 2023	2021 - 2022
		Kshs	Kshs
CASHFLOW FROM OPERATING ACTIVITIES			
RECEIPTS			
Government grants for tuition	1	852,235	1,058,493
Government grants for operations	2	2,507,737	2,401,038
Government Grants for infrastructure	3	1,198,000	-
School fund income- parents' contributions	4	8,421,935	6,326,874
Miscellaneous incomes	5	35,000	11,873,656
Total Receipts		**13,014,906**	**21,660,060**
PAYMENTS			
Cash outflows for tuition	6	1,570,788	1,368,564
Cash outflows for operations	7	1,983,758	2,461,324
Cash outflows Boarding&school fund payments	9	8,199,758	13,598,031
Total Payments		**11,754,304**	**17,427,919**
Net cash flows from Operating Activities		**1,260,602**	**4,232,141**
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets(infrastructure expenditure)	8	(7,010,154)	-
Proceeds from sale of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash flows from Investing Activities		**(7,010,154)**	**-**
Cashflow from financing activities			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
Net cash flows from borrowing Activities		**-**	**-**
Net Increase in Cash and Cash equivalent		**(5,749,552)**	**4,232,141**
Cash and cash equivalent at Beginning of the FY	10	**5,910,539**	**1,678,398**
Cash and cash equivalent at END of the FY		**160,986**	**5,910,539**

The school's financial statements were approved on 7/4/2026 and signed by:

....	....	....
Name: MARTIN AKASU	**Name:** FRANCIS JUMA	**Name:** Elizabeth Mupalia
Chair BOM	**School Principal/ Secretary to BOM**	**Bursar/ Finance Officer**
Date: 7/4/2026	**Date:** 7-4-2026	**Date:** 7/4/2026.

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% of Utilisation
	a	b	c=a+b	d	f=d/c %
	Kshs.	Kshs.	Kshs.	Kshs.	
RECEIPTS					
(1) Capitation Grant on Tuition					
Teaching / Learning Materials	1,989,550	-	1,989,550	852,235	43%
Sub-totals	**1,989,550**	**-**	**1,989,550**	**852,235**	**43%**
(2) Capitation Grant on Operations					
Medical and Insurance	599,000	-	599,000	31,100	5%
Repairs,Maintenance &Improvement	1,750,000	-	1,750,000	-	0%
Activity	525,000	-	525,000	115,987	22%
Personal Emolument	1,925,000		1,925,000	1,300,000	68%
Local Transport &Travelling	350,000		350,000	250,000	71%
Electricity,Water &Conservancy	175,000		175,000	310,650	178%
Administration Cost	840,000	-	840,000	500,000	60%
Sub-totals	**6,164,000**	**-**	**6,164,000**	**2,507,737**	**41%**
3) FDSE for infrastructure					
Maintenance &Improvement MoE	3,000,000	-	3,000,000	1,198,000	40%
Sub-totals	**3,000,000**	**-**	**3,000,000**	**1,198,000**	**40%**
(4) Fees Charged on Parents			-		
Activity	43,750		43,750	18,256	42%
Local Transport &Travelling	516,250		516,250	345,252	67%
Electricity,Water &Conservancy	857,500		857,500	689,929	80%

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% of Utilisation
	a	b	c=a+b	d	f=d/c %
	Kshs.	Kshs.	Kshs.	Kshs.	
Boarding Equipment & Stores	6,362,500		6,362,500	6,329,268	99%
Maintenance &Improvement	420,000		420,000	102,147	24%
Personal Emolument	800,000		800,000	162,755	20%
Medical	46,376		46,376	35,240	76%
Exams	50,000		50,000	47,920	96%
Administration Cost	323,750	-	323,750	691,168	213%
Sub-totals	**9,420,126**	**-**	**9,420,126**	**8,421,935**	**89%**
5) Miscellenous Income			-		
Tender fees	40,000	-	40,000	35,000	88%
Sub-totals	**40,000**	**-**	**40,000**	**35,000**	88%
TOTAL INCOME	**20,613,676**	**-**	**20,613,676**	**13,014,906**	**63%**
PAYMENTS					
(6) Expenditure For Tuition					
Exercise Books	579,000	-	579,000	499,358	86%
Laboratory Equipment	450,000	-	450,000	675,235	150%
Teaching / Learning Materials	300,000	-	300,000	273,254	91%
Exams And Assessment	200,000	-	200,000	-	0%
Teachers' Guides	150,000		150,000	-	0%
Bank charges	500		500	372	74%
Internal Exams	250,550		250,550	109,000	44%
Chalk	60,000	-	60,000	13,569	23%
Sub-totals	**1,990,050**	**-**	**1,990,050**	**1,570,788**	**79%**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% of Utilisation
	a	b	c=a+b	d	f=d/c %
	Kshs.	Kshs.	Kshs.	Kshs.	
(7) Expenditure For Operations					
Personnel Emoluments	1,925,000	-	1,925,000	1,087,169	56%
Administration Cost	840,000	-	840,000	220,110	26%
Local Transport / Travelling	350,000	-	350,000	154,600	44%
Electricity And Water	175,000	-	175,000	221,770	127%
Medical	599,000	-	599,000	-	0%
Activity Expenses	525,000	-	525,000	140,250	27%
Bank charges	1,050		1,050	1,044	99%
Repairs,Maintenance &Improvement	10,000		10,000	8,000	80%
Welfare	53,000		53,000	52,653	99%
Sacco	99,000		99,000	98,162	99%
Sub-totals	**4,577,050**	**-**	**4,577,050**	**1,983,758**	**43%**
(8) Expenditure For infrastructure					
Renovation of Classrooms	1,750,000		1,750,000	1,198,000	**68%**
Construction of a Dormitory	6,000,000	-	6,000,000	5,812,154	97%
Sub-totals	**7,750,000**	**-**	**7,750,000**	**7,010,154**	**90%**
(9)Expenditure for Boarding/school fund					
Activity	43,750		43,750	398,990	912%
Administration Cost	323,750		323,750	499,068	154%
Local Transport / Travelling	516,250		516,250	234,064	45%
Electricity And Water	857,500		857,500	152,683	18%

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% of Utilisation
	a	b	c=a+b	d	f=d/c %
	Kshs.	Kshs.	Kshs.	Kshs.	
Boarding Equipment & Stores	5,462,000		5,462,000	6,681,881	122%
Maintenance &Improvement	420,000		420,000	110,680	26%
Lunch program expenses	850,000		850,000	-	0%
Medical Expenses	30,000		30,000	20,470	68%
Tender fees	9,000		9,000	8,700	97%
Bus Hire expenses	9,000		9,000	7,800	87%
Bank charges	3,000		3,000	2,736	91%
Personal Emolument	846,376	-	846,376	270,809	32%
Sub-totals	**9,370,626**	**-**	**9,370,626**	**8,387,881**	**90%**
TOTAL EXPENDITURE	**23,687,726**	**-**	**23,687,726**	**18,952,582**	**80%**

10. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

5. **Accounts Receivable**

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

6. **Accounts Payable**

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

7. **Non-current assets**

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

8. **Budget**

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

9. **Comparative figures**

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

10. **Subsequent events**

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

11. Notes To The Financial Statements

1 Government Grants for Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Textbooks	-	-
Exercise Books	-	101,684
Laboratory Equipment	-	141,347
Internal Exams	-	38,614
Teaching / Learning Materials	852,235	737,169
Chalks	-	10,391
Teachers Guides	-	29,288
Exams And Assessment	-	-
Total	**852,235**	**1,058,493**

2 Government Grants for Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	1,300,000	770,000
Repairs And Maintenance	-	200,000
Local Transport / Travelling	250,000	70,000
Other voteheads	-	-
Medical	31,100	20,217
Administration Costs	500,000	40,000
Electricity,Water and Conservancy	310,650	150,000
Activity	115,987	1,150,820
Insurance	-	-
Total	**2,507,737**	**2,401,038**

3 Government Grants for infrastructure

Description	2022-2023	2021-2022
	Kshs	Kshs
Maintenance &Improvement MoE	1,198,000	-
M&I parents' contribution	-	-
Economic Stimulus Programs	-	-
Transition Infrastructure Grants	-	-
Total	**1,198,000**	**-**

4 School Fund Income - Parents Contribution/Fees

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	162,755	1,366,634
Repairs maintenance & improvement	102,147	240,851
Local transport / travelling	345,252	222,440
Electricity and water	689,929	320,666
Medical	35,240	5,100
Administration costs	691,168	766,632
Activity	18,256	66,692
Fee on Boarding Equipment and stores/Lunch	6,329,268	3,337,859
Exams	47,920	-
Total	**8,421,935**	**6,326,874**

5 Miscellaneous Incomes

Description	2022-2023	2021-2022
	Kshs	Kshs
Income From Farming Activities	-	2,385
Income From Grants and Donations- Infrastructure	-	1,518,500
Bursary	-	-
CDF	-	13,857,225
Tender fee	35,000	-
Excess fees refund	-	14,515
Textboos replacement	-	4,900
Total	**35,000**	**15,397,525**

6 Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Exercise Books	499,358	494,218
Laboratory Equipment	675,235	246,310
Teaching / Learning Materials	273,254	390,276
Internal exams	109,000	237,760
Bank Charges	372	-
Chalks	13,569	-
Total	**1,570,788**	**1,368,564**

7 Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	1,087,169	791,000
Welfare	52,653	89,452
Administration Cost	220,110	686,540
Repairs And Maintenance & Improvements	8,000	143,000
Local Transport / Travelling	154,600	100,000
Electricity And Water	221,770	570,420
Medical	-	-
Activity Expenses	140,250	80,912
Bank charges	1,044	-
Sacco	98,162	-
Total	**1,983,758**	**2,461,324**

8 Infrastructure

Description	2022-2023	2021-2022
	Kshs	Kshs
Renovation of classrooms	1,197,628	-
Construction of dormitory	5,812,154	-
Bank charges	372	-
Total	**7,010,154**	-

9 Boarding And School Fund

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	270,809	133,510
Repairs And Maintenance & Improvements	110,680	113,930
Local Transport / Travelling	234,064	468,445
Electricity, Water & conservancy	152,683	213,800
Medical Expenses	20,470	12,800
Administration Costs	499,068	1,199,895
Bank Charges	2,736	-
Expenses On Income Generating Activities	7,800	32,655
Fee On Boarding Equipment and Stores	6,681,881	4,159,940
Tender fees	8,700	-
Acquisition of Assets	-	7,151,125
Excess fees		3,360
Activity	398,990	108,571
Total	**8,387,881**	**13,598,031**

10 Bank Accounts

Name of Bank, Account No. & currency	Status	Bank Account Number	2022-2023	2021-2022
	Active/Dormant		Kshs	Kshs
Tuition Account			116,269	2,476
Operations Account			13,376	13,676
School Fund Account/Boarding			10,113	30,340
Savings Account			-	-
P.A. Development Account			-	-
C.D.F. Account			-	5,812,154
Infrastructural Account			15,024	15,024
Total			**154,782**	**5,873,671**

11 Cash In Hand

Description	2022-2023	2021-2022
	Kshs	Kshs
Operation account	3,475	-
School fund account	2,729	36,868
Total	**6,204**	**36,868**

12 Short Term Investments

Description	2022-2023	2021-2022
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit accounts	-	-
Other Investments	-	-
Total	-	-

12. Accounts Receivable

Description	2022-2023	2021-2022
	Kshs	Kshs
Fees Arrears	23,270,763	20,697,856
Other Non-Fees Receivables	241,934	256,000
Salary Advances (list/schedule attached)	-	-
Imprest (list/schedule attached)	-	-
Rent arrears (list/schedule attached)	-	-
Total	**23,512,697**	**20,953,856**

13 b Ageing Analysis of Accounts Receivable

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	2022-2023	**% of the total**	**2021-2022**	**% of the total**
Less than 1 year	3,246,874	14%	5,576,559	27%
Between 1- 2 years	4,902,596	21%	2,891,695	14%
Between 2-3 years	9,394,955	40%	6,503,264	31%
Over 3 years	5,726,338	25%	5,726,338	28%
Total (should tie to note 13 a)	**23,270,763**	**100%**	**20,697,856**	**100%**

13 Accounts Payable

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade Creditors (See Ageing Below &Appendix 1)	11,043,204	8,327,385
Prepaid Fees	164,959	133,814
Retention Monies	-	-
Unpaid salaries and statutory deductions	-	-
Caution money	-	-
Other payables (specify)	-	-
Total	**11,208,163**	**8,461,199**

13. Ageing Analysis of Accounts Payable

Description	2022-2023		2021-2022	
	Kshs		*Kshs*	
	2022-2023	**% of the total**	**2021-2022**	**% of the total**
Less than 1 year	3,110,504	28%	2,774,102	33%
Between 1- 2 years	2,379,417	22%	45,700	1%
Between 2-3 years	5,553,283	50%	5,507,583	66%
Over 3 years	-	0%	-	0%
Total (should tie to note 14)	**11,043,204**	**100%**	**8,327,385**	**100%**

14. Fund Balance Brought Forward

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank Balances	5,873,671	1,675,724
Cash Balances	36,868	2,674
Short Term Investments	-	-
Receivables	20,953,856	16,352,502
Payables	(8,461,199)	(7,383,714)
Total	**18,403,196**	**10,647,186**

Other important disclosure notes

IPSAS Cash Standard encourages an entity to disclose accrual related information in relation to an entity's assets and liabilities. The notes outlined below are disclosure notes in relation to the school's non- financial assets and liabilities.

15 Non-current Liabilities Summary

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank Loans	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Others (specify)	-	-
Total	-	-

16 Biological assets

Description	Numbers	2022-2023	2021-2022
		Kshs	Kshs
Cattle	2	-	-
Goats		-	-
Trees	79	-	-
Coffee Or Tea Plantation		-	-
Poultry		-	-
Others (specify)		-	-
Total	**81**	-	-

17 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	-	-

18 Stock/ Inventory

Description	2022-2023	2021-2022
	Kshs	Kshs
Food stuffs	-	-
Lab consumables	-	-
Farm produce	-	-
Medication	-	-
Construction Materials	-	-
Others (specify)	-	-
	-	-

19 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)*

7/4/2026

Sign and Date
Principal

14. 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	
Construction Of Buildings						
1.						
2.						
3.						
Sub-Total						
Supply Of Goods						
4.						
5.						
Sub-Total						
Supply Of Services						
6.						
7.						
8.						
Sub-Total						
Grand Total						

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1st July 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2023
Land				
Buildings And Structures				
Motor Vehicles				
Office Equipment, Furniture And Fittings				
Textbooks				
ICT Equipment				
Tools And Apparatus				
Other Machinery And Equipment				
Heritage And Cultural Assets				
Intangible Assets- Soft Ware				
Total				