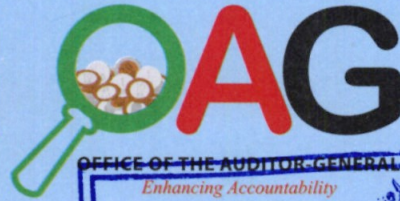


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

REPORT

DATE: 13 JUN 2026

DAY.

Tuesday.

OF

TABLED
BY:

Hon. Naomi Wago, CBS, MP
(Deputy Majority Party Whip)

CLERK-AT
THE-TABLE:

Female.

PARLIAMENT
OF KENYA
LIBRARY

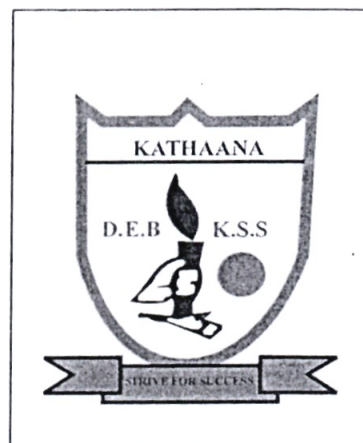
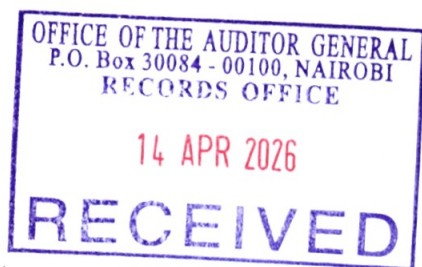
THE AUDITOR-GENERAL

ON

KATHAANA DEB SECONDARY SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2023

MACHAKOS COUNTY



KATHAANA D.E.B 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)

KATHAANA D.E.B SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2023

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1. Acronyms and Glossary of Terms

BOM	Board of Management
CEB	County Education Board
CDF	Constituency development fund
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
FY	Financial Year
FDSE	Free Day Secondary Education
IMF	Infrastructure Maintenance Fund

2. Key School Information and Management**(a) Background information**

Kathaana D.E.B secondary school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is located in Machakos County, Kangundo Sub-county, Kangundo West ward.

The school was registered in the year **2014** under the registration number **PU/S/2/10165/14** and is currently categorized as a **sub-county school**.

Kathaana D.E.B secondary school is a **mixed day school** and had **302** students as 30th June 2023. It had two streams and **13** teachers of which 2 were employed by the B.O.M. The number of support staff stood at eight (**8**).

The school was established in 2012 and sits on 2 acres piece of land. It is a **DEB sponsored** school. The first infrastructure was donated by CDF which comprises of 4 classrooms and 1 administration block.

The school's present development has come through the grants from the CDF projects, parents' contribution and Ministry of Education (M.O.E). As at 30th June 2023, the school infrastructure consisted of 8 permanent classrooms, 1 Administration block and a Kitchen.

(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	Dr. Ancent Kituku	Chairman	8/3/2022
2	Ms. Esther W. Ithiga	Secretary- Principal	8/3/2022
3	Mr. Gideon Nzuki	Member	8/3/2022
4	Mr. Lawrence Nzioka	Member	8/3/2022
5	Ms. Sarah Kieti	Member	8/3/2022
6	Ms. Agnes Mbatha	Member	8/3/2022
7	Ms. Mary Mutindi	Member	8/3/2022
8	Mr. Dancan Wambua	Member – Rep CEB	8/3/2022
9	Ms. Catherine Mutiso	Member Rep Teachers	8/3/2022
10	Mr. Dennis Makau Mr. Kyengo Maweu Mr. Thomas Mukola	3 Members - Sponsor	8/3/2022
11	Ms. Ann Mueni	Member - Community	8/3/2022
12	Mr. Zakayo Makau	Member Special Needs	8/3/2022
13	Simon Mutisya.	Rep Students	8/3/2022

The functions of the School Board of Management are to:

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

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Dr. Ancent Kituku Mr. Gideon Nzuki Ms. Esther Ithiga Mr. Lawrence Nzioka Ms. Agnes Mbatha	Chairperson Secretary Member Member member	3 out of 3 3 out of 3 3 out of 3 3 out of 3 3 out of 3
2	Audit Committee	Mr. Dancan Wambua Mr. Lawrence Nzioka Ms. Agnes Mbatha Ms. Esther Ithiga	Member Chairperson Member Member	3 out of 3 3 out of 3 3 out of 3 3 out of 3
3	Finance, procurement and general purposes Committee	Mr. Dancan Wambua Mr. Lawrence Nzioka Ms. Agnes Mbatha Ms. Esther Ithiga	Member Chairperson Member Member	3 out of 3 3 out of 3 3 out of 3 3 out of 3
4	Academic Committee	Mr. Zakayo Makau Mr. Gideon Nzuki Ms. Esther Ithiga Ms. Catherine Mutiso	Chairperson Member Member Member	3 out of 3 3 out of 3 3 out of 3 3 out of 3
5	Development Committee	Mr. Lawrence Nzioka Ms. Ann Mueni Mr. Thomas Mukola Ms. Esther Ithiga	Chairperson Member Member Member	3 out of 3 3 out of 3 3 out of 3 3 out of 3
6	Discipline and welfare Committee	Ms. Mary Mutindi Mr. Dancan Wambua Ms. Sarah Kieti Ms. Esther Ithiga	Chairperson Member Member Member	3 out of 3 3 out of 3 3 out of 3 3 out of 3

KATHAANA D.E.B 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	Esther Wambui Ithiga	TSC No. 324399
2	Deputy Principal	Ms. Pauline Mwinzi	TSC No. 371869
3	School accounts clerk	Ms. Elizabeth Nzioka	ICPAK No. N/A

(e) Schools contacts

Post Office Box: 1190-90115, Kangundo.

Phone: 0795358285

E-mail: kathaanas@gmail.com

Facebook: N/A

Website: N/A

(f) School Bankers

The following school operated 4 number of bank accounts in the following banks

- Name of Bank: kathaana DEB Secondary School
Branch: Equity Bank - Tala
Account Number: 0900XXXXXXXXXX (Operational A/C)
- Name of Bank: kathaana DEB Secondary School
Branch: Equity Bank - Tala
Account Number: 0900XXXXXXXXXX (Lunch program/PTA A/C/)
- Name of Bank: kathaana DEB Secondary School
Branch: Equity Bank - Tala
Account Number: 0900XXXXXXXXXX (Infrastructure A/C)
- Name of Bank: kathaana DEB Secondary School
Branch: Equity Bank - Tala
Account Number: 0900XXXXXXXXXX (Tuition A/C)

(g) Independent Auditors

Office of the Auditor General

Anniversary Towers, University Way

P.O.Box 30084

GOP 00100

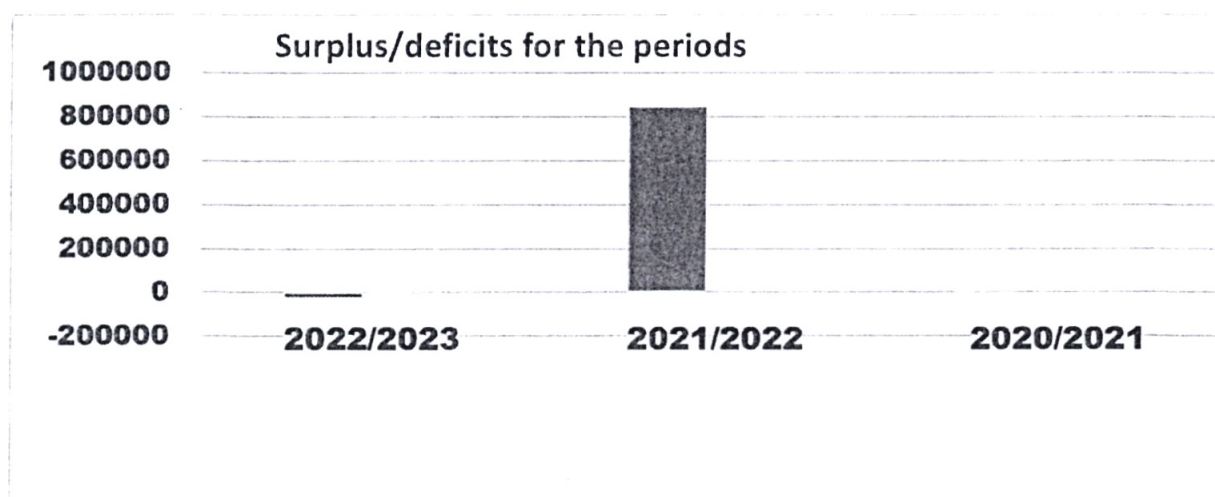
Nairobi, Kenya

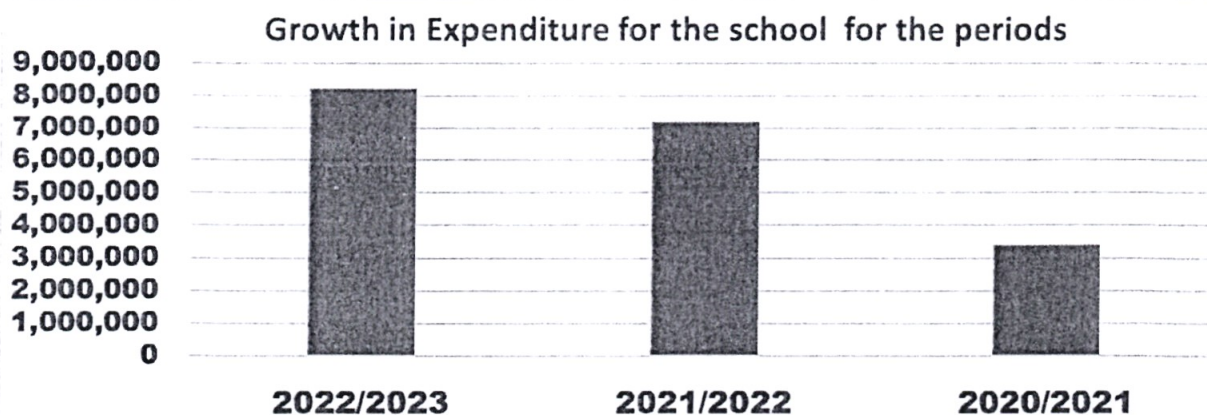
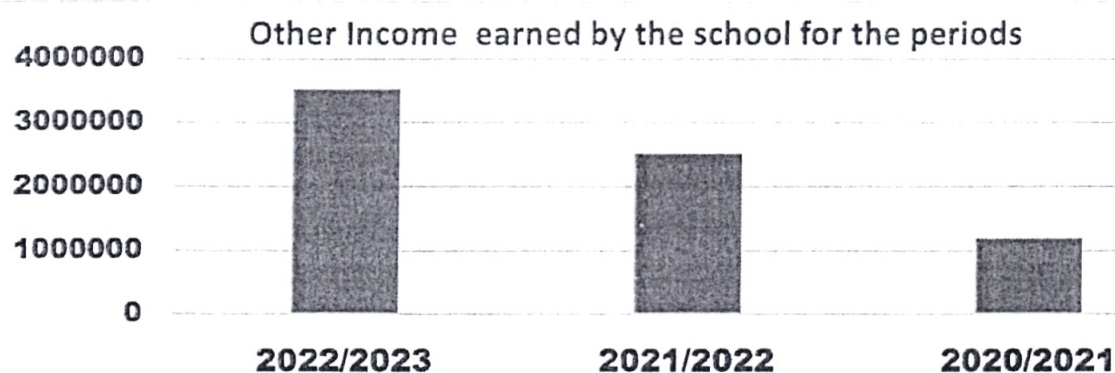
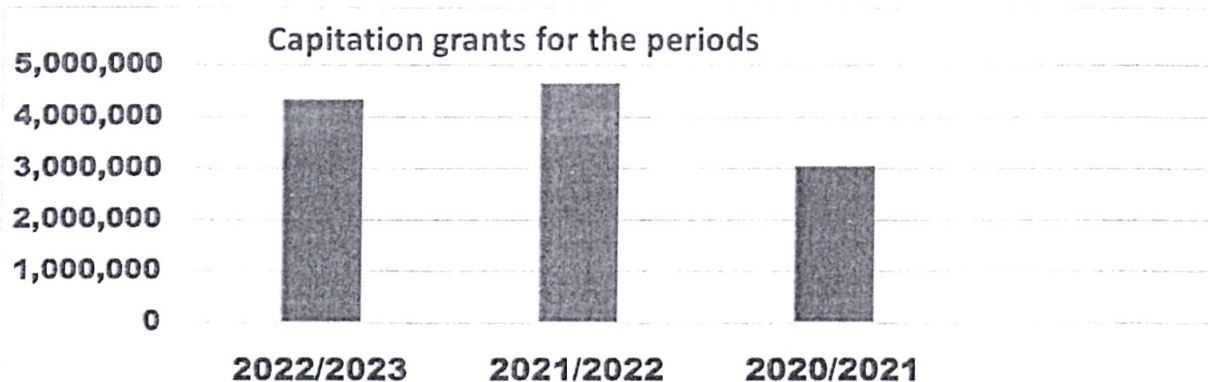
3. Summary Report of Performance of The School

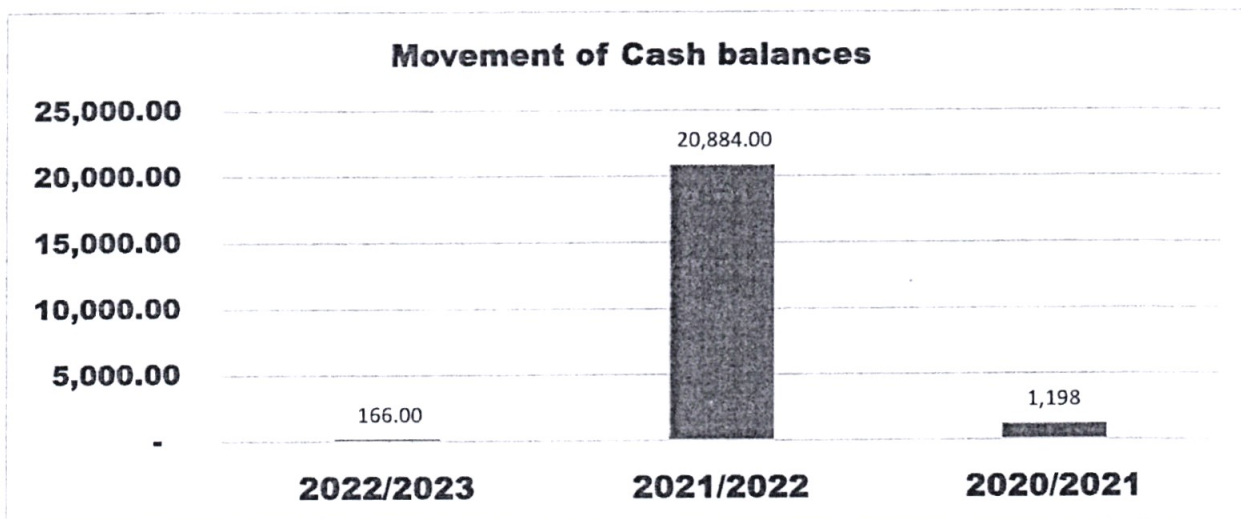
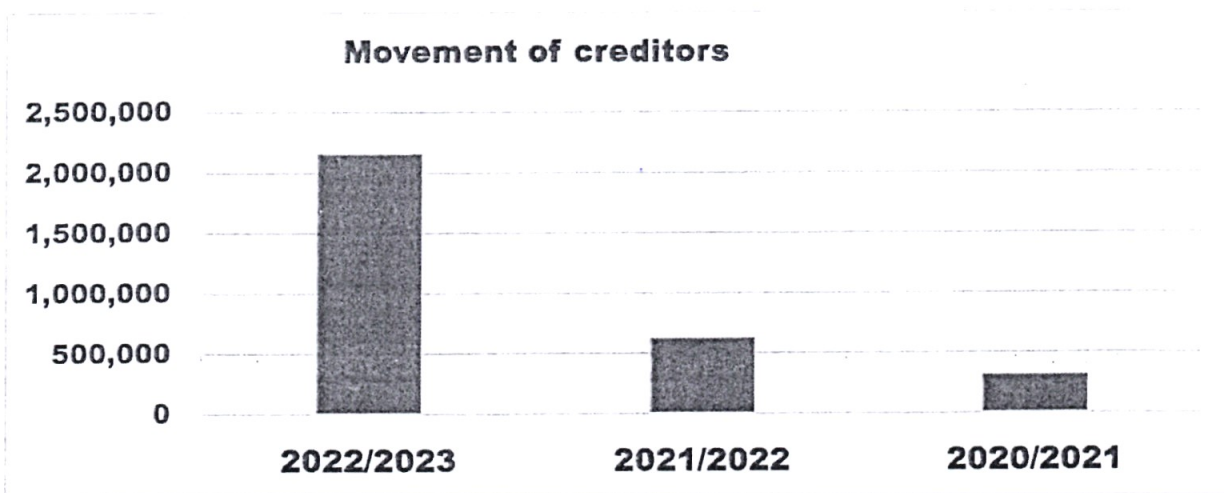
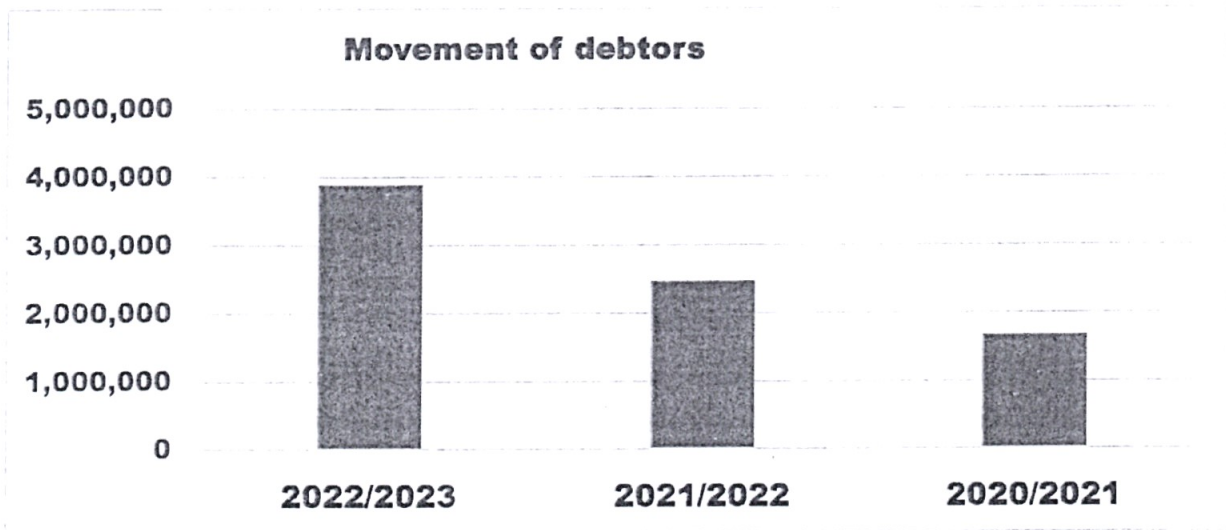
The following is a summary report of the performance of the school against the set performance evaluation criteria:

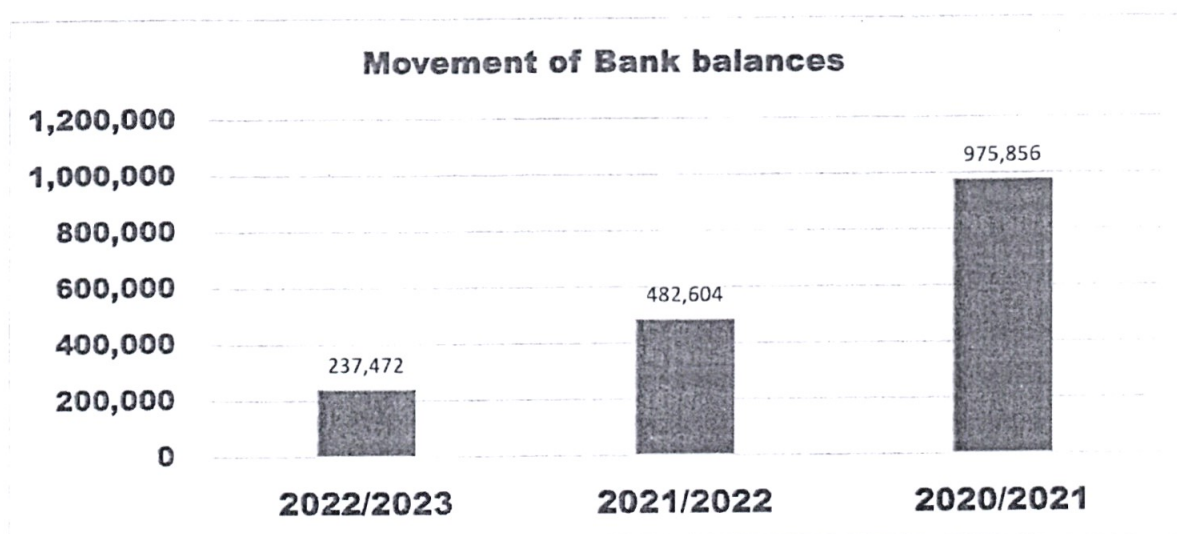
a) Financial performance:

DATAILS	2022/2023	2021/2022	2020/2021
Surplus/Deficit for the year	(352,399)	(20,468)	841,917
Capitation grants	4,338,905	4,658,127	3,050,776
Ratio of capitation grant per student	1:14,367	1:15,373	1:10,102
Overview of growth of other income earned by the school	3,520,802	2,513,657	1,192,126
Overview of growth in expenditure of the school	8,212,106	7,192,252	3,400,985
Movement of debtors of the school	3,886,499.00	2,471,255	1,678,802
Movement of creditors of the school	2,156,925	655,132	315,777
Movement of cash balances	166	20,884	1,198.00
Movement of bank balances	237,472	482,604	975,856

GRAPHICAL PRESENTATION OF FINANCIAL PERFORMANCE.





**b) Teacher Student ratio:**

- The teacher to student ratio as at 30th June 2023 was **1:23**
- One teacher was recruited and another one posted within this period.
- The teachers in Each subject were as follows:

SUBJECT	NO OF TEACHERS
MATHEMATICS	3
ENGLISH	2
KISWAHILI	3
BIOLOGY	3
CHEMISTRY	2
PHYSICS	1
GEOGRAPHY	1
HISTORY & GOVERNMENT	2
CRE	3
BUSINESS STUDIES	1
AGRICULTURE	1
PHYSICAL EDUCATION	N/A

c) Mean score in the 2023 KCSE:

	2023	2022	2021
MEAN SCORE	2.75	2.54	2.39
comments	Slight improvement	Slight improvement	There was slight drop
Students admitted to universities	1	1	none
Students admitted to colleges	9	3	3
Students admitted to vocational/technical institution	20	50	36

d) Number of Candidates in the 2023 KCSE:

YEAR	NO OF CANDIDATES
2023	45
2022	59
2021	47

e) Capacity of the school:

NO OF STUDENTS	FACILITY	NO OF FACILITIES	STUDENTS TO FACILITY RATIO
302	Classroom	8	38:1
	Laboratory	0	-
	Dining Hall	0	-
	Kitchen	1	302:1
	Toilets	26	12:1
	Washing points	9	34:1
	Water source	Quarry	302:1

f) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Construction of a Laboratory	Ministry of education	On-going	1,515,000	881,972	June 2024
TOTAL			1,515,000	881,972	
CDF Donation 2 classroom	CDF	complete	-	-	complete

.....
Name: KYENGO KATITHA MANEU

Designation: Chairman, School Board of Management

Date: 13/4/2026

.....
Name: VIRGINIA M. MULI

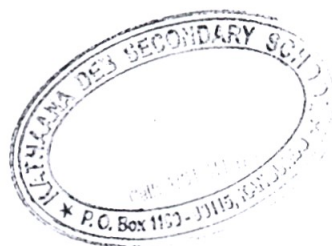
Designation: School Principal & Secretary to Board of Management

Date: 13/4/2026

.....
Name: ELIZABETH M. NZOKA

Designation: Bursar/ Finance Officer

Date: 13/4/2026



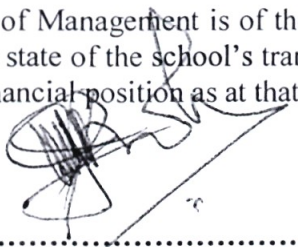
4. Statement of School Management Responsibility

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

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

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

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



.....
Name: **KYEGERE KATHANA NJAU**

Designation: **Chairman, School Board of Management**

Date: **13/4/2026**



.....
Name: **VIRGINIA M. MUTI**

Designation: **School Principal & Secretary to Board of Management**

Date: **13/4/2026**



.....
Name: **ELIZABETH M. NZUKA**

Designation: **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 KATHAANA DEB SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023-MACHAKOS 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 Kathaana DEB Secondary School set out on pages 1 to 19, which comprise of 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 Kathaana DEB 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 Public Finance Management Act, 2012, and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Unsupported Scholarships and Bursaries

The statement of receipts and payments reflects School fund income-parents' contributions of Kshs.3,508,302, which includes bursaries of unspecified amounts received from various institutions and donors. However, the School did not maintain a register or a control account for bursaries and scholarships received. As a result, there was no record detailing the amounts allocated and credited to each beneficiary student, outstanding fees, or any excess balances carried forward.

In the circumstances, the accuracy and completeness of the School fund income-parents' contributions of Kshs.3,508,302 could not be confirmed.

2. Long Outstanding Accounts Receivables

The statement of assets and liabilities reflects accounts receivable balance of Kshs.3,886,499 in respect of fees arrears as disclosed in Note 13 to the financial statements. Included in the balance are debtors of Kshs.2,424,105, which have been outstanding for more than two (2) years. However, the School did not have in place a policy for the impairment of long-outstanding fees, casting doubt on the fair statement of the accounts receivable balance.

In the circumstances, the accuracy and completeness of the accounts receivable balance of Kshs.2,424,105 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kathaana DEB Secondary School Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.8,991,058 and Kshs.6,482,063 respectively,

Report of the Auditor-General on Kathaana DEB Secondary School for the year ended 30 June, 2023-Machakos County

resulting to under-funding of Kshs.2,508,994 or 28% of the budget. However, the School spent an amount of Kshs.6,747,913 out of the actual receipts of Kshs.6,482,063, resulting in over-utilization of Kshs.265,850 or 4% of the actual receipts.

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 judgment, 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, 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 III to XII which comprise of Key School Information and Management, Summary Report of Performance of the School and Statement of the 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 effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in 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. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

The statement of receipts and payments reflects operations payments amount of Kshs.2,809,833 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.243,900 transferred to the Kenya Secondary School

Report of the Auditor-General on Kathaana DEB Secondary School for the year ended 30 June, 2023-Machakos County

Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in the Government Funding System, and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by Schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.243,900 could not be confirmed

2. Late Submission of Financial Statements for Audit

The financial statements for the year under review, were submitted for audit on 27 March, 2025 instead of the statutory deadline of 30 September, 2023. This was contrary to Section 81(4) of the Public Finance Management Act, 2012, which states that not later than three (3) months after the end of each financial year, the Accounting Officer shall submit the entity's financial statements to the Auditor-General and a copy to the Controller of Budget and The National Treasury.

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

3. Non-Compliance with the Law on Staff Composition

Review of staff bio data revealed that all eight (8) non-teaching staff engaged by the School Board of Management are drawn from one ethnic community. This was contrary to Section 7(2) of the National Cohesion and Integration Act, 2008, which provides that no public establishment shall have more than one-third of its staff from the same ethnic community.

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

4. Irregularities in the Procurement Process

4.1. Irregular Use of Low-Value Procurement Method

During the year under review, the School incurred a total expenditure of Kshs.8,212,106. Included in this expenditure is an amount of Kshs.2,990,194 for goods and services that were procured using the low-value procurement method. However, the amount exceeds the allowable threshold matrix of Kshs.50,000 per item in a financial year as stipulated in the Second Schedule threshold matrix of the Public Procurement and Asset Disposal Regulations, 2020. Further, the expenditure was not supported with a procurement plan contrary to Section 45(3)(a) and (b) of the Public Procurement and Asset Disposal Act, 2015, which provides that all procurement processes shall be within the approved budget of the procuring entity and shall be planned by the procuring entity concerned through an annual procurement plan and as per the threshold matrix.

4.2. Failure to Register Suppliers

During the year under review, the School Management did not maintain a list of registered suppliers. This is contrary to Section 57(1) and (2) of the Public Procurement and Asset Disposal Act, 2015, which provides that the head of the procurement function of a procuring entity shall maintain and update lists of registered suppliers, contractors and

consultants in the categories of goods, works, or services according to its procurement needs.

4.3. Irregular Construction of a Science Laboratory

The School entered into a labour-based contract agreement Ref. No KDO/PWD/DEB/2022 for the construction of a laboratory block at a contract sum of Kshs.403,380 on 22 July, 2022. However, the appointment letters for the tender opening and evaluation committee members, minutes of both committees and the professional opinion were not provided for audit verification. This was contrary to Sections 46(1), 80(1) and 84(1) of the Public Procurement and Asset Disposal Act, 2015, which require accounting officers to maintain documents for all procurements conducted by entities.

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

5. Failure to Pay Outstanding Accounts Payables as a First Charge

The statement of financial assets and liabilities reflects accounts payable balance of Kshs.2,156,925 and, as disclosed in Note 14 to the financial statements, relates to trade payables and statutory deductions that were not settled during the year but were instead carried forward to the financial year 2023/2024. No reason was provided for the delay in paying the creditors as a first charge to the budget, contrary to Regulation 42(1)(a) of the Public Finance Management (National Government) Regulations, 2015 and The National Treasury Circular No. 10-2020 of 16 June, 2020 on prioritization of pending bills.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of an Internal Audit Review

During the year under review, the School had not constituted an Audit Committee as required by Regulation 166(2) of the Public Finance Management (National Government) Regulations, 2015, which states that each year the Audit Committee shall carry out an annual review of the independence, performance and competency of the Internal Audit unit and comment on their effectiveness in the annual report.

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

2. Ineffective Accounting System

Review of the accounting system revealed that the School uses an accounting software to manage School fee payments and student receivables. However, key documents, including the purchase contract, service level agreement and certificate of approval, were not provided for review. Further, the system could not generate essential financial and management reports, including students' master data, aging analysis of student debtors and prepayments, and summaries of amounts invoiced, paid and balance at the end of the financial year.

In the circumstances, Management did not realize the intended operational effectiveness and operational benefits of the system.

3. Deficiencies in Management of Textbooks

During the financial year, the School received books from the Kenya Institute of Curriculum Development and suppliers. However, store records indicating issuance, returned books list, list of lost and replaced books, and closing balances of books in the library were not maintained.

Further, it was noted that the total supply of textbooks in various categories exceeded the student–textbook ratio prescribed by the Kenya Institute of Curriculum Development guidelines, resulting in an excess of 558 textbooks.

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

4. Weaknesses in Assets Management

The School occupies land of undetermined acreage and value, which was allocated through the School Management Committee minutes dated 4 March, 2011 and hived off from Kathaana Primary School. However, the School had not engaged a surveyor to carry out a formal subdivision and has not completed the process of transferring the title deed into the School's name.

In the circumstances, the effectiveness of measures put in place to safeguard the School's assets could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control 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 its operations.

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

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

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

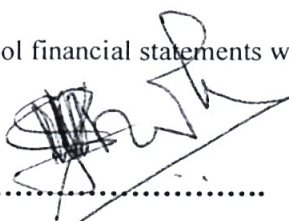
Nairobi

28 April, 2026

KATHAANA D.E.B SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2023****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	797,565	889,386
Government grants for operations	2	2,372,340	2,375,741
Government Grants for infrastructure	3	1,169,000	1,393,000
School fund income- parents' contributions	4	3,508,302	2,499,657
Miscellaneous incomes	5	12,500	14,000
Total Receipts		7,859,707	7,171,784
Payments			
Tuition	6	1,220,917	1,011,263
Operations	7	2,809,833	2,908,455
Infrastructure	8	1,614,121	1,001,515
Boarding and school fund	9	2,567,235	2,271,019
Total Payments		8,212,106	7,192,252
Surplus/Deficit		(352,399)	(20,468)

The school financial statements were approved on 13/04/2026 and signed by:



Name: KYENGO K. MAWEU

Chair BOM

Date: 13/4/2026



Name: VIRGINIA M. MULI
School Principal/ Secretary to
BOM

Date: 13/4/2026



Name: ELIZABETH M. NJORAA

Bursar/ Finance Officer

Date: 13/4/2026



KATHAANA D.E.B SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2023****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	237,472	482,604
Cash balances	11	166	20,884
Short term investments	12	-	-
Total cash and cash equivalent		<u>237,638</u>	<u>503,488</u>
Account's receivables	13	3,886,499	2,471,255
Total financial assets		<u>4,124,137</u>	<u>2,974,743</u>
Financial liabilities			
Accounts payables	14	2,156,925	655,132
Net financial assets		<u>1,967,212</u>	<u>2,319,611</u>
Represented by			
Accumulated fund b/fwd	15	2,319,611	2,340,079
Surplus/deficit for the year		(352,399)	(20,468)
Net financial position		<u>1,967,212</u>	<u>2,319,611</u>

The school's financial statements were approved on 13/4/2026 and signed by:

.....
Name: KYENGO K. MAWEU

Chair BOM

Date: 13/4/2026

.....
Name: VIRGINIA M. MUKI

School Principal/ Secretary to BOM

Date: 13/4/2026

.....
Name: ELIZABETH M. NZWIKWA

Bursar/ Finance Officer

Date: 13/4/2026



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

Description	Note	2022/2023	2021/2022
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition	1	797,565	889,386
Government grants for operations	2	2,372,340	2,375,741
Government grants for infrastructure	3	1,169,000	1,393,000
School fund income- parents contributions/ fees	4	2,130,658	1,707,904
Other income	5	12,500	29,000
Total receipts		6,482,063	6,395,031
Payments			
Cash outflows for tuition	6	931,730	878,743
Cash outflows for operations	7	2,578,495	5,050,206
Cash outflows Boarding/lunch and school fund payments	9	2,355,716	1,941,163
Total payments		(5,865,941)	7,870,112
Net cash inflow/outflow from operating activities		616,122	(1,75,081)
Cash flow from investing activities			
Acquisition of assets	8	(881,972)	(1,001,515)
Proceeds from sale of Assets		-	
Proceeds from investments		-	
Purchase of investments		-	
Net cash inflow/outflows from investing activities		(881,972)	(1,001,515)
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		(265,850)	(473,566)
Cash and cash equivalent at beginning of the FY		503,488	977,054
Cash and cash equivalent at end of the FY		237,638	503,488

Narration

- Cash and Cash Equivalent is the summation of Note 11, 12 and 13.
- The above presentation of cash flow statement uses the direct method of cash flow presentation which is encouraged under IPSAS.

KATHAANA D.E.B SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2023

The school's financial statements were approved on 13/04/2026 and signed by:

.....
Name: KYELIGO K. MAULEU

Chair BOM

Date: 13/4/2026

.....
Name: VIRGINIA M. NULU
School Principal/ Secretary to
BOM

Date: 13/4/2026

.....
Name: ELIZABETH M. NZIUKA

Bursar/ Finance Officer

Date: 13/4/2026

9. 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					
Teaching / Learning Materials	1,251,488	-	1,251,488	797,565	64%
(2) Capitation Grant on Operations					
Personnel Emoluments	1,432,056	-	1,432,056	1,300,130	90.8%
Repairs And Maintenance	-	-	-	-	-
Local Transport / Travelling	314,080	-	314,080	316,105	100.6%
Electricity And Water	362,400	-	362,400	110,000.00	30.4%
Medical	342,770	-	342,770	60,000.00	17.5%
Administration Costs	730,264	-	730,264	466,105.00	63.8%
Activity	453,000	-	453,000	120,000.00	26.5%
3) FDSE for infrastructure					
Maintenance & Improvement MoE	1,510,000	-	1,510,000	1,169,000.00	77.4%
M&I parents' contribution	-	-	-	-	-
Economic Stimulus Programs	-	-	-	-	-
Transition Infrastructure Grants	-	-	-	-	-
Administration Block	-	-	-	-	-

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
(4) Fees Charged on Parents					
Personnel Emoluments	-	-	-	-	-
Lunch Program	2,595,000		2,595,000	2,130,658	82%
5) Other Income – tenders	-	-	-	12,500	0%
Total Income	8,991,058		8,991,058	6,482,063	72%
(6) Expenditure For Tuition					
Teaching / Learning Materials	1,251,488	-	1,251,488	661,910	53%
Bank Charges	-	-	-	2,400	0%
Creditors	-	-	-	267,420	-
(7) Expenditure For Operations					
Personnel Emoluments	1,432,056	-	1,432,056	1,316,992	93%
Repairs, Maintenance & Improvements	-	-	-	-	0.0%
Local Transport / Travelling	314,080	-	314,080	396,250	126%
Electricity, Water and Conservancy	362,400	-	362,400	14,300	4%
Medical	342,770	-	342,770	-	0%
Administration Costs	730,264	-	730,264	757,393	104%
Activity Expenses	453,000	-	453,000	93,560	21%
(8) Expenditure For infrastructure					
Construction of LAB	1,510,000	-	1,510,000	881,972	58%

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
(9) Expenditure For school fund/lunch/boarding					
Personnel Emoluments	-	-	-	-	-
Lunch Programme	2,595,000	-	2,595,000	2,061,235	79%
Electricity and water	-	-	-	18,900	-
Tenders	-	-	-	10,500	-
Bank Charges	-	-	-	5,775	-
creditors	-	-	-	229,606	-
Salary advance	-	-	-	29,700	-
Totals	8,991,058	-	8,991,058	6,747,913	96%
Total expenditure less acquisition of an asset of kshs 881,972	-	-	-	5,865,941	-
Surplus/(deficit)	-	-	-	265,850	-

Commentary on significant underutilization (below 90% of utilization) and any overutilization above 100%

- i. **On the capitation grant on tuition under teaching and learning materials we have a 64% of utilization. This is because the government did not disburse the expected capitation for tuition account**
- ii. **On the Capitation grant on Operational account under EWC we have a 30% of utilization since the government didn't disburse enough capitation as expected.**
- iii. **On the Capitation grant on Operational account under medical we have 18% of utilization since we allocated more funds to other voteheads which were taken as emergencies considering the inadequate capitation from the government. This is also the same case to activity votehead which had 27 % of utilization.**

- iv. On the Capitation grant on FDSE for infrastructure we had planned to build a laboratory fully supported by FDSE capitation under infrastructure but we couldn't complete due to inadequate fund therefore that's why we have a 77% of utilization
- v. On the fees charged on parent we have a 79% of utilization. This is because most of the parents did not pay school fees as they were waiting for bursaries.
- vi. On the Payments on tuition under teaching and learning materials we have a 53% of utilization. This is because some of the teaching and learning materials (exercise books and printing papers) we had planned to purchase were not purchased because of low capitation from the government.
- vii. On the payments on Operational account under LT&T we have a 126% of utilization. The expenditure we had budgeted for was based on the full distribution of capitation.
- viii. On the payments on Operational account under EWC we have a 4% of utilization. The expenditure on the votehead was reduced since we did not have high bills, also we had planned for wiring on the classrooms which was never done, the low power bill was settled with school fund account.
- ix. On the payments on Operational account under medical we have a 0% of utilization since we couldn't spend because we did not receive capitation for medical from the government
- x. On the payments on Operational account under administration we have a 104% of utilization. The expenditure became more than what we had planned therefore more allocation was done to the votehead.
- xi. On the payments on Operational account under activity we have a 21% of utilization since the government didn't disburse all the money for activity.
- xii. On the payments on infrastructure we have a 58% of utilization since we received less money from the government for Infrastructure therefore we spent less.
- xiii. On the expenditure for school fund we have a 79% of utilization. The parents did not clear fees balances and therefore we could not pay our suppliers on time.

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
Teaching / Learning Materials	797,565	889,386
Total	797,565	889,386

2 Government Grants for Operations

Description	2022/2023	2021/2022
	Kshs	Kshs
Personnel Emoluments	1,300,130	1,566,184
Repairs And Maintenance	-	-
Local Transport / Travelling	316,105	150,000
Electricity And Water	110,000	50,000
Medical	60,000	-
Administration Costs	466,105	609,557
Activity	120,000	-
Total	2,372,340	2,375,741

3 Government Grants for infrastructure

Description	2022/2023	2021/2022
	Kshs	Kshs
Maintenance & Improvement	1,169,000	1,393,000
Total	1,169,000	1,393,000

4 School Fund Income - Parents Contribution/Fees

Description	2022/2023	2021/2022
	Kshs	Kshs
Lunch programme	3,508,302	2,499,657
Total as per receipts and payments	3,508,302	2,499,657
Add fees arrears recovered during the year	47,150	98,050
Add prepaid fees for the year	41,100	33,200
Less fees arrears for the current year	(1,432,694)	(905,503)

Description	2022/2023	2021/2022
	Kshs	Kshs
Less prepaid fees for previous year	(33,200)	(17,500)
Total as per the cash flow statement	2,130,658	1,707,904

5 Miscellaneous Incomes

Description	2022/2023	2021/2022
	Kshs	Kshs
Tender fees	12,500	14,000
Total as per receipts and payments	12,500	14,000
Salary advance recovered	-	15,000
Income From Farming Activities	-	-
Insurance Compensation	-	-
Total as per the cash flow statement	12,500	29,000

6 Tuition

Description	2022/2023	2021/2022
	Kshs	Kshs
Teaching / Learning Materials	1,218,517	1,005,613
Bank Charges	2,400	5,650
Total as per receipts and payments	1,220,917	1,011,263
Less creditors for the year	(556,607)	(267,420)
Add creditors paid during the year	267,420	134,900
Total as per the cash flow statement	931,730	878,743

7 Operations

Description	2022/2023	2021/2022
	Kshs	Kshs
Personnel Emoluments	1,436,330	1,368,210
Administration Cost	757,393	762,500
Repairs And Maintenance & Improvements	-	68,495
Local Transport / Travelling	396,250	128,700
Electricity And Water	14,300	1,000
Medical	-	-
Activity Expenses	205,560	579,550
Total as per receipts and payments	2,809,833	2,908,455

Add creditors paid	-	145,896
Less creditors for the year	(231,338)	(7,175)
Add acquisition of an asset	-	1,001,515
Total as per the cash flow statement	2,578,495	5,050,206

8 Infrastructure

Description	2022/2023	2021/2022
	Kshs	Kshs
Construction of laboratory	1,614,121	-
Construction of one classroom	-	1,001,515
Total as per receipts and payments	1,614,121	1,001,515
Less creditors for the year	(749,630)	-
Add creditors paid	17,481	-
Total as per the cash flow statement	881,972	1,001,515

9 Boarding and School Fund

Description	2022/2023	2021/2022
	Kshs	Kshs
Electricity And Water	18,900	-
Activity	-	98,000
personnel emoluments	-	110,606
Lunch Programme	2,532,060	2,059,053
Bank Charges	5,775	3,360
tenders	10,500	-
Total as per receipts and payments	2,567,235	2,271,019
Less creditors for the year	(470,825)	(329,856)
Add creditor paid	229,606	-
Add salary advance given to employees	29,700	-
Total as per the cash flow statement	2,355,716	1,941,163

**KATHAANA D.E.B SECONDARY SCHOOL****Annual Report and Financial Statements For the year ended 30th June 2023****Notes to the Financial Statements (continued)****10. Bank Accounts**

Account Name & Currency	Status	Bank Account Number	2022/2023	2021/2022
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	0900xxxxxxxxx (Equity bank-Tala branch)	704	134,870
Operations Account	Active	0900xxxxxxxxx (Equity bank-Tala branch)	198,926	94,885
School Fund Account/Boarding	Active	0900xxxxxxxxx (Equity bank-Tala branch)	15,484	224,421
Infrastructure A/C	Active	0900xxxxxxxxx (Equity bank-Tala branch)	22,358	28,428
Total			237,472	482,604

11. Cash In Hand

Description	2022/2023	2021/2022
	Kshs	Kshs
Notes and Coins	166	20,884
Total	166	20,884

12. Short Term Investments

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

13. Accounts Receivable

Description	2022/2023	2021/2022
	Kshs	Kshs
Fees Arrears	3,856,799	2,471,255
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)	29,700	-
Imprest (list/schedule attached)	-	-
Rent arrears (list/schedule attached)	-	-
Total	3,886,499	2,471,255

13 b Ageing Analysis of Accounts Receivable

Description	2022/2023		2021/2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	1,432,694	37%	905,503	36%
Between 1- 2 years	-	0%	-	0%
Between 2-3 years	858,353	22%	212,981	9%
Over 3 years	1,565,752	41%	1,352,771	55%
Total	3,856,799	100%	2,471,255	100%

14. ACCOUNTS PAYABLE

Description	2022/2023	2021/2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	1,996,487	621,932
Prepaid Fees	41,100	33,200
Retention Monies	-	-
Unpaid salaries and statutory deductions	119,338	-
Caution money	-	-
Total	2,156,925	655,132

14b. Ageing Analysis of Accounts Payable

Description	2022/2023		2021/2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	1,889,062	95%	604,451	97%
Between 1- 2 years	107,425	5%	17,481	3%
Between 2-3 years	-	0%	-	0%
Over 3 years	-	0%	-	0%
Total	1,996,487	100%	621,932	100%

15. FUND BALANCE BROUGHT FORWARD

Description	2022/2023	2021/2022
	Kshs	Kshs
Bank Balances	237,472	482,604
Cash Balances	166	20,884
Short Term Investments	-	-
Receivables	3,886,499	2,471,255
Payables	(2,156,925)	(655,132)
Total	1,967,212	2,319,611

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

17. Biological assets

Description	Numbers	2022/2023	2021/2022
		Kshs	Kshs
Cattle		-	-
Goats		-	-
Trees	60	17,000	15,000
Coffee Or Tea Plantation		-	-
Poultry		-	-
Others (specify)		-	-
Total	60	17,000	15,000

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	-	-

Other important disclosure notes**19. Stock/ Inventory**

Description	2022/2023	2021/2022
	Kshs	Kshs
Opening inventory	30,000	10,000
Food stuffs	2,000	3,000
Farm produce	-	-
Medication	-	-
Construction Materials	20,000	17,000
Others (specify)	-	-
Lab consumables /opening bal	(30,000)	-
Total	22,000	30,000

(Stock measured at lower of cost and net realisable value.)

KATHAANA D.E.B SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2023**

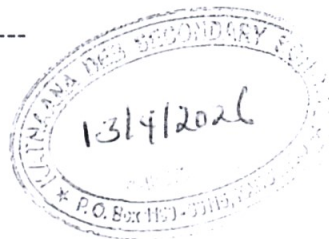
12. Progress On Follow Up Of Auditor Recommendations

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



KATHAANA D.E.B SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2023****Annexes****Annex I - Analysis of Pending Accounts Payable**

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
Sub-Total						
Supply Of Goods						
1. Loidel suppliers	30,400	July 2022	-	30,400	-	To be cleared when FDSE will be disbursed
2. Emajay General Suppliers	62,500	Aug 2022	-	62,500	-	To be cleared when FDSE will be disbursed
3. Wagon Investment limited	30,000	July 2022	-	30,000	-	To be cleared when FDSE will be disbursed
4. Jawpitam Suppliers	146,707	July 2022	-	146,707	-	To be cleared when FDSE will be disbursed
5. Stewin Ndavi Merchant	490,130	June 2022	-	490,130	-	To be cleared when FDSE will be disbursed

KATHAANA D.E.B SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2023**

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
6. Evolution Concept Limited	90,000	July 2022	-	90,000	-	To be cleared when FDSE will be disbursed
7. Damwash	128,000	Aug 2022	-	128,000	-	To be cleared when FDSE will be disbursed
8. Sohcahtor Enterprises	307,800	July 2022	-	307,800	-	To be cleared when FDSE will be disbursed
9. Ngwate Ngakwate	139,850	June 2022	-	139,850	100,250	To be cleared when FDSE will be disbursed
10. James Muinde	169,500	July 2022	-	169,500	-	To be cleared when FDSE will be disbursed
11. Mama Sam stores	7,175	June 2022	-	7,175	7,175	To be cleared when FDSE will be disbursed
12. Speedlink Technologies	287,000	July 2022		287,000	-	To be cleared when FDSE will be disbursed
Sub-Total	1,889,062			1,889,062	107,425	
Supply Of Services						
13. Salaries for June 2023	101,826	June 2023	-	101,826	-	To be cleared in July 2023
14. NHIF	3,800	June 2023	-	3,800	-	To be cleared in July 2023

KATHAANA D.E.B SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2023**

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
15.NSSF	11,868	June 2023	-	11,868	-	To be cleared in July 2023
16.HELB	1,844	June 2023	-	1,844	-	To be cleared in July 2023
Sub-Total	119,338			119,338		
Grand Total	2,008,400			2,008,400	107,425	

KATHAANA D.E.B SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2023****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	16,001,515	881,972	-	16,883,487
Motor Vehicles	-	-	-	-
Office Equipment, Furniture And Fittings	518,381	-	-	518,381
Textbooks	200,000	-	-	200,000
ICT Equipment	100,000	-	-	100,000
Tools And Apparatus	-	-	-	-
Other Machinery And Equipment	300,000	-	-	300,000
Heritage And Cultural Assets	-	-	-	-
Intangible Assets- Soft Ware		-	-	
Total	17,119,896	881,972		18,001,868

