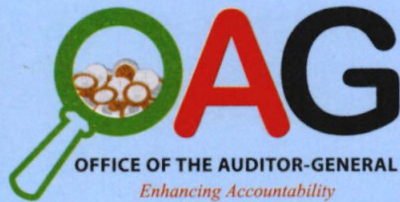


REPUBLIC OF KENYA



REPORT

PARLIAMENT
OF KENYA
LIBRARY

OF

THE AUDITOR-GENERAL

ON

PARLIAMENT
OF KENYA
LIBRARY

CHEPTIL SECONDARY SCHOOL

**FOR THE YEAR ENDED
30 JUNE, 2025**

NANDI COUNTY	
THE NATIONAL ASSEMBLY	
PAPERS LAID	
DATE: 28 JUL 2026	DAY: TUE
TABLED BY:	Hon. Owen Bays Deputy Majority Leader
CLERK-AT THE-TABLE:	Mr - Inzoh Mueh

Revised 30th June 2025.



Cheptil Secondary School
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025

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

OFFICE OF THE AUDITOR GENERAL
ELDORET REGIONAL OFFICE

17 MAR 2026

RECEIVED

P. O. Box 2774 - 30100, ELDORET

	Page
Table of Contents	
1. Acronyms and Definition of Key Terms.....	ii
2. Key School Information and Management	iii
3. Summary Report of Performance of The School	viii
4. Statement of School Management Responsibility.....	xiv
5. Report Of The Independent Auditors	xv
6. Statement Of Financial Performance for the Year Ended 30 th June 2025	1
7. Statement of Assets and Liabilities As At 30 th June 2025.....	2
8. Statement of Cash Flows for the Year Ended 30 th June 2025.....	3
9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30 th June 2025	5
10. Significant Accounting Policies.....	8
11. Notes To the Financial Statements	10
12. Annexes	20
I. Analysis of Pending Bills Payable	
II. Summary of Fixed Assets Register	

1. Acronyms and Definition of Key Terms

A. Acronyms.

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

B. Definition of Key Terms

Comparative Year- Means the prior period.

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

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is in Nandi County, Nandi North Sub-County.

The school was registered in 08/03/1976 under registration number 2634 and is currently categorized as an Extra County public school established, owned or operated by the Government.

The school is a mixed boarding school and had 494 number of students as at 30th June 2025. It has 10 streams and 27 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:

(The BoM chairman Dr. Barnabas Bwambok resigned and Prof. David Kosgei took over as chairman. A new board was appointed on 9/6/2025 Chaired by Advocate Joshua Maritim.)

Ref:	Name Of Board Member	Designation	Date Of Appointment	Remarks
1	Dr. Barnabas Bwambok	Chairman	15/06/2022	Resigned 11/10/2023
2	Prof. David Kosgei	Vice Chairman	15/06/2022	Reappointed 9/6/2025
3	Mr. Kipyego Ngetich	Secretary - Principal	15/06/2022	Reappointed 9/6/2025
4	Mrs. Salome Kitele	Member	15/06/2022	Reappointed 9/6/2025
5	Mr. William Sang	Member	15/06/2022	Reappointed 9/6/2025
6	Dr. Emily Bomet	Member	15/06/2022	Term ended 9/6/2026
7	Mrs. Esther Seronei	Member	15/06/2022	Term ended 9/6/2026
8	Mr. Levy Limo	Member - Rep CEB	15/06/2022	Term ended 9/6/2026
9	Ms. Anne Birgen	Member Rep Teachers	15/06/2022	Term ended 9/6/2026
10	Mr. Gilbert Sawe	Member - Sponsor	15/06/2022	Term ended 9/6/2026
11	Mr. Kennedy Tanui	Member - Sponsor	15/06/2022	Term ended 9/6/2026
12	Mr. Jackson Tuwei	Member - Sponsor	15/06/2022	Term ended 9/6/2026

13	Dr. Jonah Katam	Member Community -	15/06/2022	Term ended 9/6/2026
14	Mr. Paul Mutai	Member Community -	15/06/2022	Term ended 9/6/2026
15	Mr. Sammy Kerich	Member Special Needs	15/06/2022	Reappointed 9/6/2025
16	Frankline Kipkosgei	Rep Students	15/06/2022	Term ended 9/6/2026
17	Adv. Joshua Maritim	Chairman	09/06/2025	
18	Dr. Stephen Chelogoi	Vice Chairman	09/06/2025	
19	Cpa Eglah Samoei	Member	09/06/2025	
20	Dr. Gladys Biwott	Member	09/06/2025	
21	Dr. Geoffrey Kiptoo	Member	09/06/2025	
22	Mr. Charles Kiprotich	Member	09/06/2025	
23	Mr. Paul K. Mutai	Member	09/06/2025	
24	Eliazer Korir	Member	09/06/2025	
25	Mr. Paul B. Busienei	Member	09/06/2025	
26	Moses Kipchirchir	Member	09/06/2025	

The functions of the School Board of Management are to:

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

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Mr. Kipyego Ngetich Mr. Paul Mutai Mrs. Salome Kitele Mr. Gilbert Sawe	BOM Secretary PA Chairman Member Member	1 of 1 0 1 of 1 1 of 1
2	Audit Committee	Mr. Levy Limo Mr. Barnabas Koros Mr. Charles Kiprotich	Chairman Member Member	0 0 0
3	Finance, procurement and general purposes Committee	Mr. William Sang Mr. Jackson Tuwei Mr. Kipyego Ngetich Mrs. Salome Kitele	Chairman Member Member Member	2 out of 2 1 out of 2 2 out of 2 2 out of 2
4	Academic Committee	Dr. Emily Bomet	Chairlady	0

		Mr. Paul Mutai	Member	0
		Mrs. Salome Kitele	Member	0
		Mr. Kipyego Ngetich	BOM Secretary	0
		Mr. Johana Kering	Director of studies	0
5	Development Committee			
6	Discipline and welfare Committee	Mrs. Esther Seronei	Chairlady	0
		Mr. Emmanuel Cheruiyot	Deputy Principal	0
		Mr. Gilbert Sawe	Member	0
		Mr. Sammy Kerich	Member	0
		Mr. Kipyego Ngetich	BOM Secretary	0

(d) School operation Management

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

Ref:	Designation	Name	Identification
1	Principal	Mr. Kipyego Ngetich	TSC No. 335532
2	Deputy Principal	Mr. Emmanuel Cheruiyot	TSC No. 455127
3	School Bursar	Mr. John Talam	ID No. 22890010

(e) Schools contacts

Post Office Box: P. O. Box. 2151-30100 Eldoret
 Telephone: 0202029991
 E-mail: cheptilsecondary@gmail.com

(f) School Bankers

S/No.	ACCOUNT NAME	NAME OF THE BANK	BRANCH	ACCOUNT NUMBER
1	School Fund	KCB	Eldoret	1135325561
2	Operations	NBK	Eldoret	01021027623400
3	Tuition	NBK	Eldoret	01025027623400
4	Infrastructure	KCB	Eldoret	1255230096
5	CDF	NBK	Eldoret	2527623401

(g) Independent Auditors

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

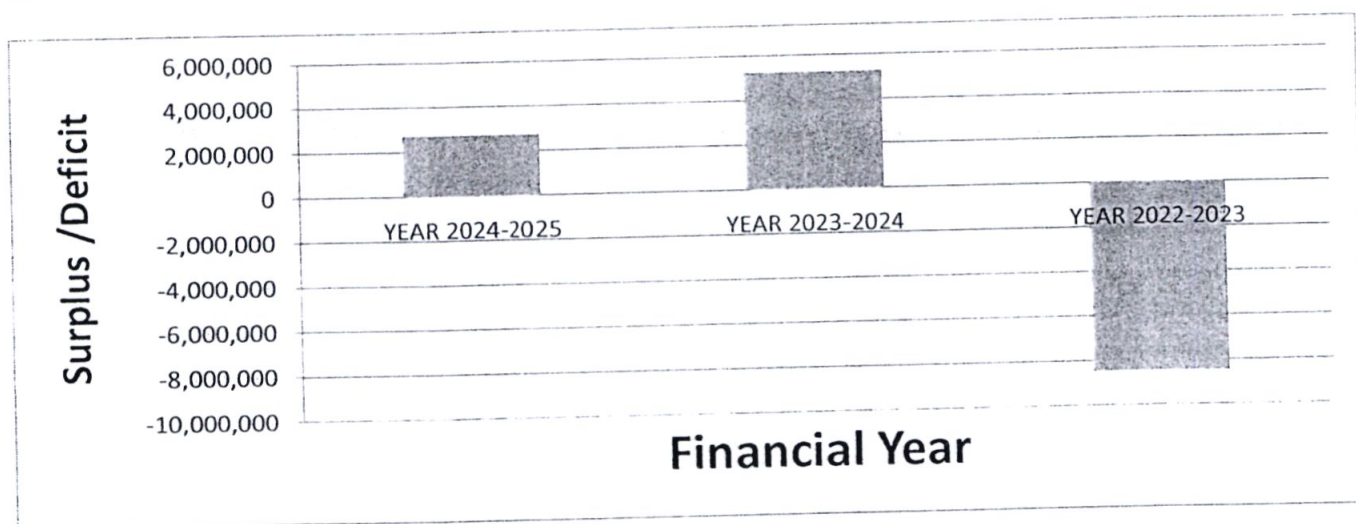
3.Summary Report of Performance of The School

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

a) Financial performance:

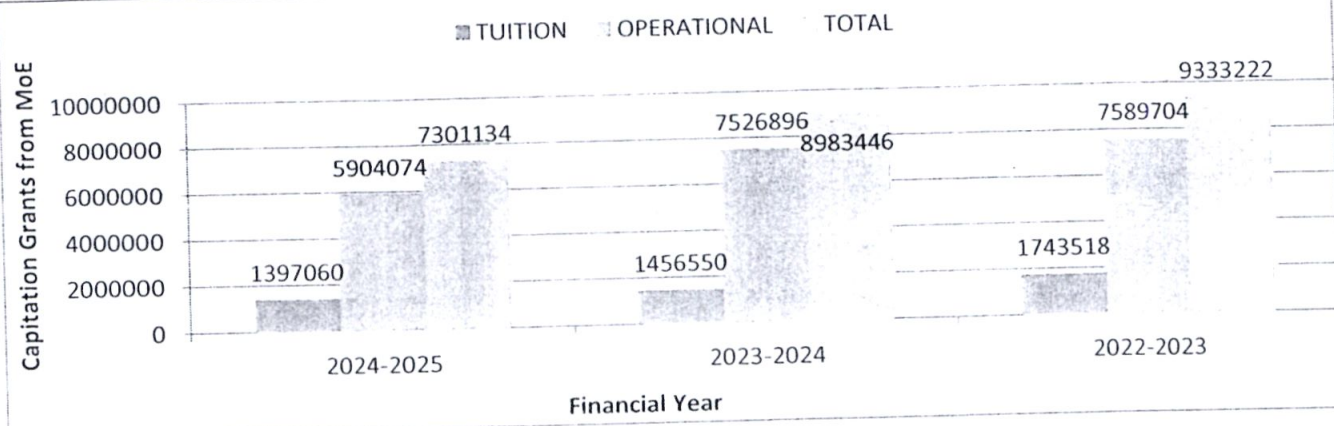
- Surplus/ deficit for the year and a comparison of the same for the last three years

Year	2024-2025	2023-2024	2022-2023
Deficit/Surplus	2,702,699	5,252,916	(8,487,339)



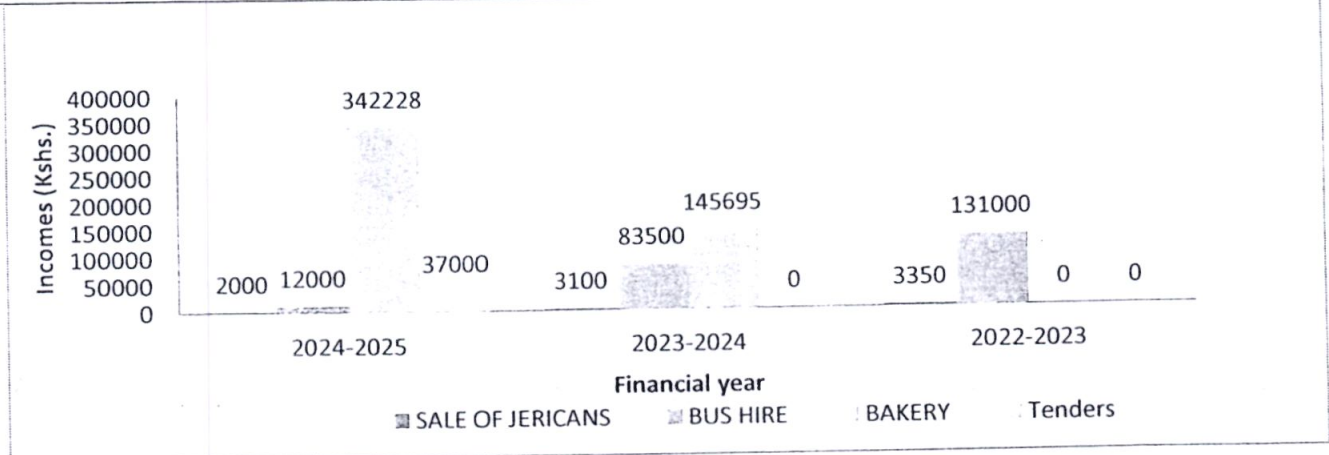
- Capitation Grants from the Ministry of Education for the last three years

Account	2024-2025	2023-2024	2022-2023
Tuition	1,397,060	1,456,550	1,743,518
Operational	5,904,074	7,526,896	7,589,704
Total	7,301,134	8,983,446	9,333,222



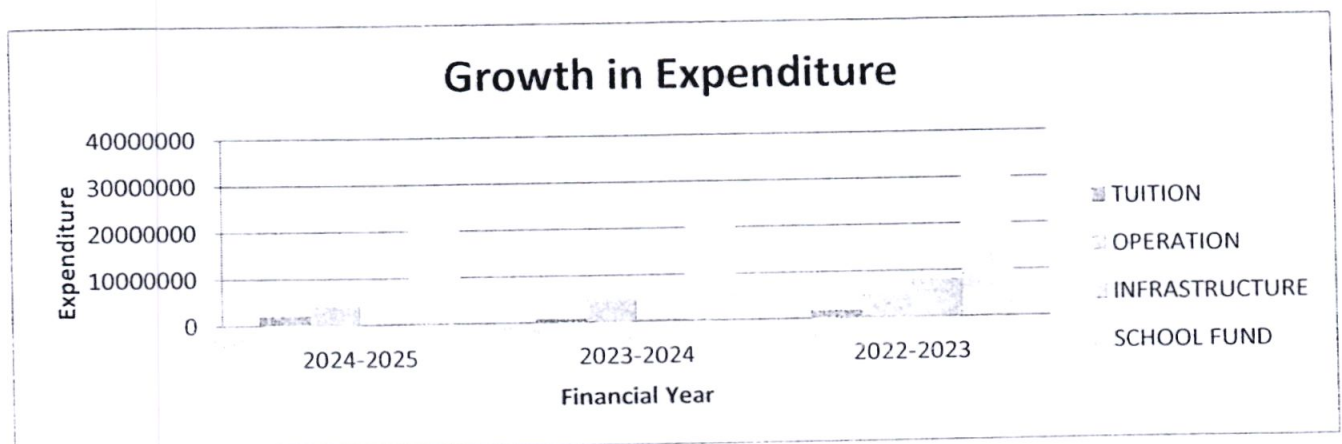
- A three-year overview of growth of other income(s) earned by the school.

Income	2024-2025	2023-2024	2022-2023
Sale of Jericans	2,000	3,100	3,350
Bus Hire	12,000	83,500	131,000
Bakery	342,228	145,695	-
Tender forms	37,000	-	-
Total	393,228	232,295	134,350



- A three-year overview of growth in expenditure of the school

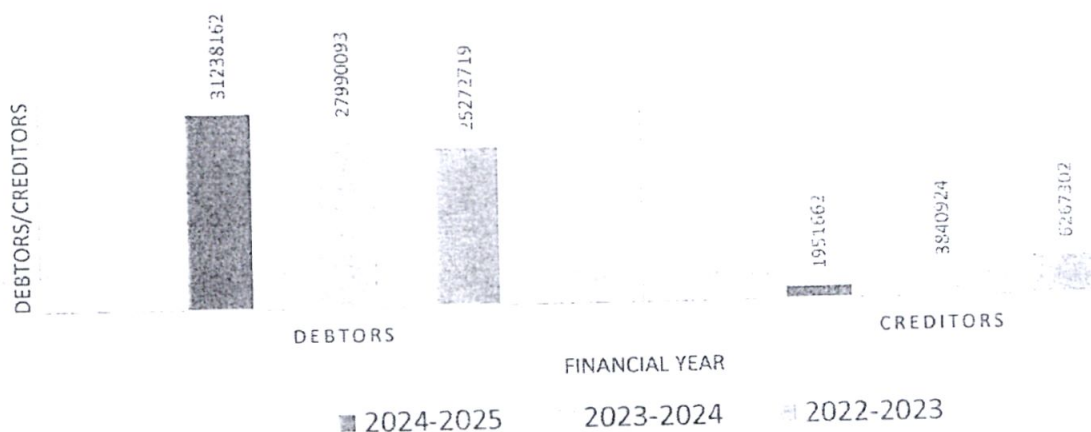
Account	2024-2025	2023-2024	2022-2023
Tuition	2,069,121	757,798	1,743,365
Operation	4,172,574	4,962,612	5,205,373
Infrastructure	298,577	557,395	8,053,823
School Fund	20,380,290	24,662,854	30,367,188
Total	26,920,562	30,940,659	45,369,749



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

Description	2024-2025	2023-2024	2022-2023
Debtors	31,287,662	27,803,200	25,272,719
Creditors	2,248,726	3,840,924	6,267,302

MOVEMENT OF DEBTORS/CREDITORS



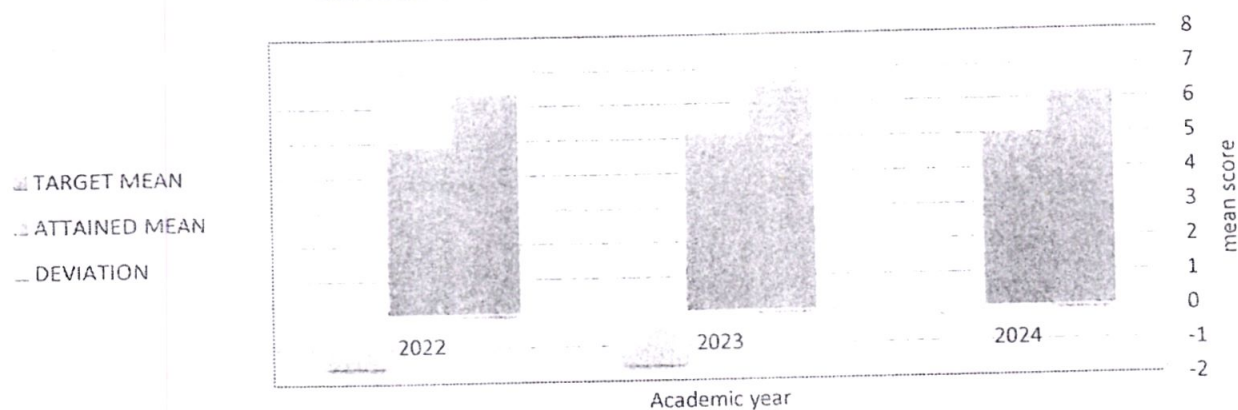
b) Teacher Student ratio:

Subject	Eng.	Kisw.	Math	Chem.	Bio	Phy.	Geo.	CRE	Agri.	BeS.	Comp.	PE	His
Teachers	3	5	8	6	7	2	4	4	3	5	1	1	6
Teacher:Student	1:165	1:99	1:62	1:82	1:71	1:247	1:124	1:124	1:165	1:99	1:494	1:494	1:82
New Teachers	1	0	1	1	2	2	0	0	1	1	0	0	0
Transferred	1	0	2	1	2	1	0	0	1	1	0	0	0
TSC-Employed	3	5	7	5	5	2	4	3	2	3	0	1	5
BOM-Employed	0	0	1	1	2	0	0	1	1	2	1	0	1

c) The mean score in the 2024 KCSE:

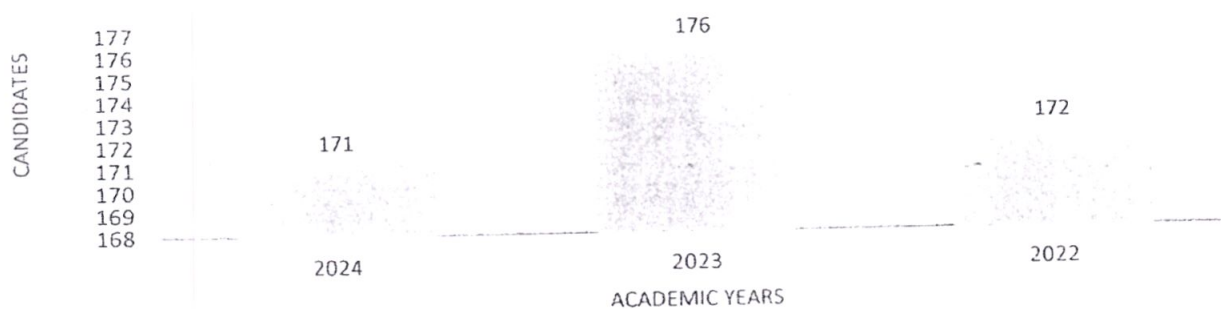
Year	2024	2023	2022
Targeted Mean	6.25	6.7	6.4
Attained Mean	5.0351	5.1705	4.8895
Deviation from set mean	-0.1354	-1.5295	-1.5105
Students Transition	17	29	19

school mean score over three years



d) Number of Candidates in the 2024 KCSE:

Year	2024	2023	2022
Number of candidates	171	176	172



e) The capacity of the school:

Number of Students	Dormitories	Dining Halls	Laboratories	Latrines
494	9	0	3	40

f) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
One storeyed 6No. Classrooms	Ministry of Education-MI	In progress	10,064,995	14,572,425	2022

(The project took long to start after the approval due to logistical issues. At the time it kicked off the cost of the materials was much higher. It is currently stalled due to lack of funding)

24 SEP 2025



.....

School Principal

4. Statement of School Management Responsibility

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

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

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

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



.....
Name: Prof. David Kosgei

Designation: Chairman, School Board of Management

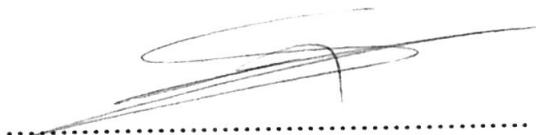
Date: 24/9/2025



.....
Name: Kipyego Ngetich

Designation: School Principal & Secretary to Board of Management

Date: 24/9/2025



.....
Name: John Talam

Designation: Bursar

Date: 24/9/2025

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON CHEPTIL SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2025 - NANDI COUNTY

PREAMBLE

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

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of Cheptil Secondary School - Nandi County set out on pages 1 to 21, which comprise of the statement of assets and liabilities as at 30 June, 2025, and the statement of financial

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

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

Basis for Qualified Opinion

1. Unsupported Payments

The statement of financial performance reflects expenditure on tuition of Kshs.2,069,121, operations of Kshs.4,172,574 and boarding and school fund payments of Kshs.20,380,290 all totaling to Kshs.26,621,985. However, examination of payment vouchers revealed payments amounting to Kshs.14,547,705 were made without proper support documents such as requisitions, local purchase orders, delivery notes, inspection reports, and goods received notes.

Further, Note 9 to the financial statements reflects boarding and school fund expenditure of Kshs.20,380,290 out of which Kshs.62,000 is sitting allowances for Board of management members. However, the expenditure lacked supporting documents including, minutes of the meeting and attendance records. In addition, no explanation was provided for why two persons who were not members of the Board during the period under review were remunerated.

In the circumstances, the , accuracy and completeness of the payments of tuition of Kshs.2,069,121, operations of Kshs.4,172,574 and boarding and school fund payments of Kshs.20,380,290 could not be confirmed.

2. Unsupported Cash and Cash Equivalents Balance

The statement of assets and liabilities reflects bank balance of Kshs.2,414,914 as disclosed in Note 10 to the financial statements held in five (5) bank accounts. However, the bank reconciliation statements for the months of July 2024 to May 2025 were not provided for audit. Further, the School held bank account for NG-CDF (Mosop Constituency) was reported and inactive with a bank balance of Kshs.215,395 and a nil cash book balance since the year 2022 that was not supported by bank statement, bank reconciliation or a certificate of balance.

In the circumstances, the accuracy, completeness of cash and cash equivalents balance of Kshs.2,414,914 could not be confirmed.

3. Variances in Accounts Receivables Balance

The statement of assets and liabilities reflects accounts receivables balance of Kshs.31,287,662 as disclosed in Note 13 to the financial statements. Included in the balance is Kshs.31,238,162 in respect of fee arrears. However, the ledger balance and issued invoices reflect a balance of Kshs.15,648,496, resulting in an unexplained variance of Kshs.15,589,666.

In the circumstances, the accuracy, completeness and recoverability of accounts receivables amounting to Kshs.31,238,662 could not be confirmed.

4. Inaccuracies in Capitation Grants

The statement of financial performance reflects Government grants for operations amount of Kshs.4,190,834 as disclosed in Note 2 to the financial statements. Review of the NEMIS capitation disbursements made to the school and the amount receipted by the school revealed an amount of Kshs.4,190,824 whereas the NEMIS reflects capitation amount of Kshs.3,851,824, resulting in an unexplained variance of Kshs.339,000.

In the circumstances, the accuracy and completeness of capitation grants for operations amounting to Kshs.4,190,824 could not be confirmed.

5. Undisclosed Income from Hire of Bus

The statement of financial performance reflects miscellaneous income amount of Kshs.393,228 as disclosed in Note 5 to the financial statements. Included in the balance is Kshs.12,000 for income from bus hire. However, examination of school bus work tickets revealed that the bus had been hired out on thirty-two (32) occasions during the financial year for approximately Kshs.12,000 per day without declaring, recording and banking the revenue.

In the circumstances, the accuracy and completeness of miscellaneous income amount of Kshs.393,228 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Cheptil 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.33,549,132 and Kshs.29,586,260 respectively, resulting in an under-funding of Kshs.3,962,872 or 12% of the budget. However, the school spent an amount of Kshs.26,883,562 against actual receipts amounting to Kshs.29,586,260, resulting in an under-utilization of Kshs.2,702,698 or 9% of actual receipts. Further, Management excluded miscellaneous income as a line item despite the school having historically received such receipts including income from hire of bus, bakery, and school farm cows.

The under-funding and under-utilization 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 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 Matter

Significant Exemptions by PSASB in the Financial Reporting Template

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

In the circumstances, presentation of the financial statements was not in the format prescribed by the Public Sector Accounting Standards Board.

Other Information

The Board of Management is responsible for the Other Information set out on page ii to xiv which comprise of Key School Information and Management, Summary Report of

Performance of the School, 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. Failure to Maintain Imprest Register

The statement of assets and liabilities reflect accounts receivable balance of Kshs.31,287,662 as disclosed in Note 13 to the financial statements. The balance include imprest amount of Kshs.39,500. However, during the year under review, the school did not maintain an imprest register contrary to Regulation 93(4)(c) of the Public Finance Management (National Government) Regulations, 2015.

In the circumstances, Management was in breach of law.

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

The statement of financial performance reflects operations payments amount of Kshs.4,172,574 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.267,000 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by Schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.267,000 could not be confirmed.

3. Late Transfer of Infrastructure Funds from Operations Bank Account

The statement of financial performance reflects operations grants amount of Kshs.4,190,824 as disclosed in Note 2 to the financial statements from the Ministry of Education credited to the operations bank account. Review of the operations payment cashbook as well as prior year grants revealed that infrastructure funds amounting to Kshs.656,700 received in the operations bank account on 20 June, 2024 were to be transferred by 5 July, 2024. However, the amount was transferred to the infrastructure bank account on 15 July, 2024, 25 days after receipt of the funds, instead of within fifteen (15) days as required. This was contrary to the Ministry of Education Circular Ref. No:MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

In the circumstances, Management was in breach of the Ministry of Education Circular.

4. Non-collection of Capacity Building Levy on Procurement Contracts

During the review of procurement transactions, it was noted that the school procured goods and services with a total contract value of Kshs.17,312,613 but did not deduct, collect or remit the statutory Capacity Building Levy of 0.03% amounting to Kshs.5,194. This is contrary to Paragraph 3(1) of the Public Procurement Capacity Building Levy Order, 2023

In the circumstances, Management was in breach of law.

5. Failure to Prepare School Improvement Plan

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

In the circumstances, Management was in breach of the Ministry of Education Circular.

6. Non-Compliance with AGPO Reservation in Procurement

The statement of financial performance expenditure amount of Kshs.26,920,562 as disclosed in Notes 6, 7, 8 and 9 to the financial statements which includes an amount of Kshs.17,312,613 in respect of procurement for goods and services from the school's suppliers. Review of payments for goods and services revealed that the school did not

reserve 30% of the Procurement of goods and services for Youth Women and Persons with Disabilities, contrary to Section 53(6) of Public Procurement and Disposal Act.

In the circumstances, Management was in breach of law.

7. Under Funding of Capitation Grants

The statement of financial performance reflects capitation grants for tuition and capitation grants for operations amount of Kshs.1,397,060 and Kshs.4,190,824, respectively as disclosed in Notes 1 and 2 to the financial statements. During the financial year, NEMIS reported a total number six hundred and eleven (611) term three, four hundred and fifty eight (458) term one and four hundred and fifty two (452) term two students while the enrolment records provided by the school indicated a total seven hundred and three (703) term three, four hundred and ninety one (491) term one and four hundred and ninety two (492) term two students, resulting in an unexplained variance of ninety two (92) term three, fifteen (15) term one and nine (9) term two students. As a result of the variances, the school was under funded by an amount of Kshs.2,602,548.

In the circumstances, the under-funding of the School may have affected service delivery to the public.

8. Non-Compliance to School Infrastructure Standards and Guidelines on Safety

Physical inspection of the school in respect of adherence with School Infrastructure Standards and Guidelines on Safety on School Grounds and Safety in Physical Infrastructure of classrooms, dormitories and sanitation infrastructure indicated that the school was not in compliance with twenty-four (24) of the guidelines and standards. Infrastructure Standards and Guidelines

In the circumstances, Management was in breach of the Ministry of Education safety guidelines.

9. Payment of Salaries Below the Statutory Minimum Wage

Review of the payroll for June 2025 revealed that several non-teaching staff were paid basic salaries below the statutory minimum wage prescribed under the Regulation of Wages (General) (Amendment) Order, 2024. Employees serving as cook, accounts clerk and ICT technician earned basic pay of Kshs.10,457, Kshs.12,200 and Kshs.13,759 respectively, which were below the applicable statutory minimum wage for comparable categories of workers

In the circumstances, Management was in breach of law.

10. Lack of Functional Procurement Unit

The school did not have an established procurement function managed by qualified procurement professional as required under Section 47(2) of the Public Procurement and Asset Disposal Act, 2015 and Regulation 33 of the Public Procurement and Asset

Disposal Regulations, 2020. Procurement activities were undertaken by individuals lacking the requisite qualifications.

Further, the School failed to maintain complete procurement records, including tender documents, tender advertisements, bid evaluation reports, correspondences with supplier, contract documents, payment certificates and contract performance monitoring reports. This was contrary to Section 68 of the Public Procurement and Asset Disposal Act, 2015 and limits audit trail and transparency.

In the circumstances, Management was in breach of law.

11. Projects Implementation Status

The statement of financial performance reflects infrastructure payments of Kshs.298,577 in respect of construction of 6 no. classrooms as disclosed under note 8. To the financial statements. Review of procurement records indicated that the proposed construction of one storeyed 6 No. Classrooms block commenced on 12 April, 2022 with an initial budget of Kshs.10,064,995 from the infrastructure fund funded by the National Government. The contract agreement was labour only contract with the school supplying materials. The cost of labour was Kshs.2,781,383 and materials Kshs.7,283,612 as per the contract agreement for a period of 29 weeks ending 6 September, 2022. However, the following observations were made;

- i. The project was for a period of 29 weeks and 6 September, 2022 as the expected date of completion. However, at the time of audit verification the project had stalled for three years and efforts get the project manager and the school management explain the circumstances failed.
- ii. The management did not provide the procurement file for the works and records for procurement of labour and materials, tender advertisement documents, professional opinion, payment certificates, materials deliveries and utilization on site register/records and contract performance monitoring reports.
- iii. The approved budget for the constructions was Kshs.10,064,995. However, a total of Kshs.14,992,054 had been paid as at 30 June, 2025, resulting to an unexplained overpayment of Kshs.4,927,059. The management did not provide any evidence of project cost variation to justify the overpayment.
- iv. Physical inspection of the project's implementation status revealed that the proposed 6 No. classrooms storeyed block project that is currently stalled was allocated to a local primary school. Further, the primary school had done electrical installation and fitting of windowpanes and was utilizing the ground floor of the project without a written agreement and approval of the County Director of Education.

In the circumstances, the value for money and regularity for the expenditure on projects totalling Kshs.14,992,054 could not be confirmed.

12. Failure to Advertise Tenders to Achieve Competitiveness

Management prepared an invitation to tender for the year 2024-25 with a deadline for tender documents to be submitted on or before the 12 June, 2024. However, the invitation to tender as not uploaded onto the Public Procurement Information Portal until the 19 July, 2025. As such the advertisement failed to reach the largest number of prospective tenderers and hence the entire procurement of Kshs.16,596,145 was irregularly conducted.

In the circumstances, Management was in breach of law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Weaknesses in Security Control of Financial System

Review of the school's financial management system revealed that no requests were made by users before they are allowed system access, login sessions persisted for many days until users logged out, users could concurrently log in on multiple computers and regular backups of important information from the system were not made.

In circumstances, the effectiveness of controls in management of the financial system could not be confirmed.

2. Long Outstanding Receivables

The statement of assets and liabilities reflects accounts receivables balance of Kshs.31,287,662 as disclosed in Note 13 to the financial statements. Included in the balance is fees arrears of Kshs.31,238,162 out of which a balance of Kshs.16,235,649 has been outstanding for more than three (3) years representing 52% of the total accounts receivable. However, there was no details supporting schedule for the ageing analysis and policy on the impairment of long outstanding fees arrears casting doubt on full recoverability of the accounts receivables balance.

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

3. Weaknesses in Management of Assets

Annex II - summary of fixed assets register reflects a balance of Kshs.56,859,447 which includes land with a balance of Kshs.9,900,000. However, land ownership documents for two parcels of land are still registered in the names of the sellers. Further, Management did not prepare an updated fixed assets register and several assets at the school were not tagged.

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

4. Lack of Internal Audit Function and Inactive Audit Committee

During the year under review, the school had not constituted an internal audit unit and the constituted audit committee did not hold any meetings. This was contrary to Regulation 166(1) and (2) of the Public Finance Management (National Government) Regulations, 2015 which states that, the internal audit unit of a National Government entity to assess effectiveness of the school through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury.

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

5. Weaknesses in Constitution of Board of Management

During the year under review, the Board of Management did not prepare an annual board work plan or schedule of activities/board charter for the year under review as envisioned by section 59 of the Basic Education Act, 2013. Further, Management did not constitute sub committees of the Board submit an annual report on governance to Director of Basic Education section 60 of the Basic Education Act, 2013. In addition, evidence of meetings of the full board were not provided for audit.

In the circumstances, the existence and effectiveness of governance structure of the School 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 International Public Sector Accounting Standards Basis

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

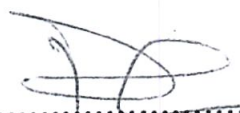
Nairobi

29 May, 2026

6. Statement Of Financial Performance for the Year Ended 30th June 2025

Description Of Vote Head	Note	2024-2025	2023-2024
		Kshs	Kshs
Revenue			
Government grants for tuition	1	1,397,060	1,456,550
Government grants for operations	2	4,190,824	5,426,096
Government Grants for infrastructure	3	1,713,250	2,315,800
School fund income- parents' contributions	4	21,928,899	26,189,113
Miscellaneous incomes	5	393,228	232,295
Total Revenue		29,623,261	35,619,854
Expenditure			
Tuition	6	2,069,121	757,798
Operations	7	4,172,574	4,962,612
Infrastructure	8	298,577	557,395
Boarding and school fund	9	20,380,290	24,662,854
Total Expenditure		26,920,562	30,940,659
Surplus/Deficit		2,702,699	5,252,916

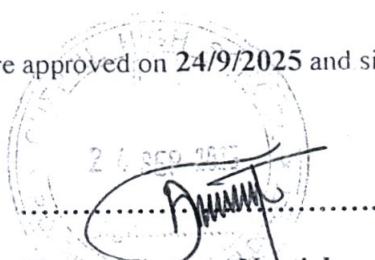
The school financial statements were approved on 24/9/2025 and signed by:


.....

Name: Prof. David Kosgei

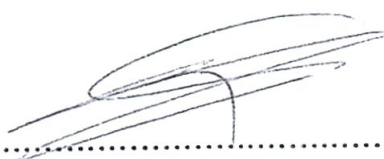
Chair BOM

Date: 24/9/2025


.....

Name: Kipyego Ngetich
School Principal/ Secretary to
BOM

Date: 24/9/2025


.....

Name: John Talam

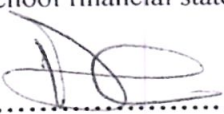
Bursar

Date: 24/9/2025

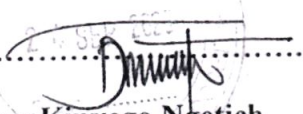
7. Statement of Assets and Liabilities As At 30th June 2025

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	2,414,914	4,804,247
Cash balances	11	15,410	39
Short term investments	12	-	-
Total cash and cash equivalent		2,430,324	4,804,285
xx			
Account's receivables	13	31,287,662	27,803,200
Total financial assets (a)		33,717,986	32,607,485
Financial liabilities			
Accounts payables	14	2,248,726	3,840,924
Total Financial Labilities (b)		31,469,260	28,766,561
Net financial assets (a-b)		2,248,726	3,840,924
Represented by			
Accumulated fund b/fwd	15	28,766,561	23,513,645
Surplus/deficit for the year		2,702,699	5,252,916
Net Assets		31,469,260	28,766,561

The school financial statements were approved on 24/9/2025 and signed by:


 Name: Prof. David Kosgei
 Chair BOM

Date: 24/9/2025


 Name: Kipyego Ngetich
 School Principal/ Secretary to
 BOM

Date: 24/9/2025


 Name: John Talam
 Bursar

Date: 24/9/2025

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

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition	1	1,397,060	1,456,550
Government grants for operations	2	4,190,824	5,426,096
Government grants for infrastructure	3	1,713,250	2,315,800
School fund income- parents contributions/ fees	4	19,253,372	24,978,202
Other income	5	393,228	232,295
Total receipts		26,947,734	34,408,943
Payments			
Cash outflows for tuition	6	2,141,621	685,298
Cash outflows for operations	7	5,489,731	3,819,115
Cash outflows Boarding/lunch and school fund payments	9	21,582,013	26,398,096
Total payments		29,213,365	30,902,509
Net cash inflow/outflow from operating activities	A	(2,265,631)	3,506,434
Cash flow from investing activities			
Acquisition of assets		(1,513)	(1,222,605)
Proceeds from sale of Assets		0	0
Proceeds from investments		0	0
Purchase of investments		(0)	(0)
Net cash inflow/outflows from investing activities		(1,513)	(1,222,605)
Cash flow from Financing activities			
Proceeds from borrowings/ loans	18	0	0
Repayment of principal borrowings		(0)	(0)
Net cash inflow/outflow from financing activities		(1,513)	(557,395)
Net increase/decrease in cash and cash equivalents		(2,267,144)	2,283,829
Cash and cash equivalent at beginning of the FY		4,230,564	1,946,735
Cash and cash equivalent at end of the FY		1,963,420	4,230,564

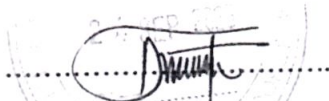
The school financial statements were approved on 24/9/2025 and signed by:



Name: Prof. David Kosgei

Chair BOM

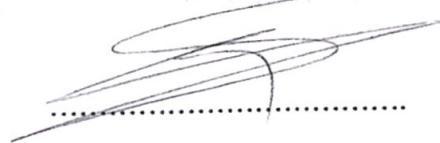
Date: 24/9/2025



Name: Kipyego Ngetich

School Principal/ Secretary to BOM Bursar

Date: 24/9/2025



Name: John Talam

Bursar

Date: 24/9/2025

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
<i>(1) Capitation Grant on Tuition</i>					
Text books	285,404	-	285,404	-	0%
Exercise Books	587,840	-	587,840	122,200	21%
Laboratory Equipment	625,248	-	625,248	183,300	29%
Internal Exams	267,200	-	267,200	197,072	74%
Teaching / Learning Materials	374,080	-	374,080	808,156	216%
Chalks	74,816	-	74,816	86,332	115%
<i>(2) Capitation Grant on Operations</i>					
Personnel emoluments	2,595,512	-	2,595,512	1,494,075	58%
Local transport / travelling	427,520	-	427,520	243,335	57%
Electricity and water	650,968	-	650,968	823,165	126%
Medical and insurance	801,600	-	801,600	514,580	64%
Administration costs	1,942,544	-	1,942,544	659,650	34%
Activity	475,616	-	475,616	338,770	71%
Smasse	106,880	-	106,880	-	0%
Repairs Maintenance and Improvements				117,248	0%
<i>3) FDSE for infrastructure</i>					
Maintenance & Improvement MoE	2,672,000	-	2,672,000	1,713,250	64%
M&I parents' contribution	1,068,800	-	1,068,800	1,080,000	101%
<i>(4) Fees Charged on Parents</i>					
Personnel emoluments	4,343,603	-	4,343,603	4,401,259	101%
Repairs and maintenance- RMI	1,068,800	-	1,068,800	1,085,121	102%
Local transport /	989,709	-	989,709	1,016,053	103%

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
travelling					
Electricity and water	1,976,211	-	1,976,211	1,994,260	101%
Administration costs	2,125,843	-	2,125,843	2,170,431	102%
Activity	1,915,824	-	1,915,824	1,977,948	103%
Fee on Boarding Equipment and Stores	7,852,474	-	7,852,474	7,880,130	100%
Medical and insurance	320,640		320,640	323,697	101%
5) Miscellaneous Income					
Income From Bus Hire	-	-	-	12,000	0%
Sale of Jericans	-	-	-	2,000	0%
Bakery Sales	-	-	-	342,228	0%
Total Income	33,549,132		33,549,132	29,586,260	88%
(6) Expenditure For Tuition					
Exercise books	587,840	-	587,840	430,366	73%
Laboratory equipments and apparatus	625,248	-	625,248	425,995	68%
Teaching/learning materials	374,080	-	374,080	802,530	215%
Internal exams	267,200	-	267,200	296,606	111%
Chalks	74,816	-	74,816	86,294	115%
Text books	285,404	-	285,404	-	0%
Ref/ Lib. Materials	-	-	-	23,600	0%
Bank charges	-	-	-	3,730	0%
(7) Expenditure For Operations					
Personal Emoluments	2,595,512	-	2,595,512	1,493,721	58%
Local transport and travelling	427,520	-	427,520	243,000	57%
Administration Cost	1,942,544	-	1,942,544	707,112	36%
Medical and insurance	801,600	-	801,600	96,232	12%
Activity Expenses	475,616	-	475,616	587,860	124%
Electricity and water	650,968	-	650,968	858,549	132%

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
Smasse	106,880	-	106,880	-	0%
Repairs Maintenance and Improvements				186,100	0%
<i>(8) Expenditure For infrastructure</i>					
Stand-By Generator	3,740,800	-	3,740,800	298,577	8%
<i>(9) Expenditure For school fund/lunch/boarding</i>					
Activity	1,915,824	-	1,915,824	1,665,155	87%
Boarding ,equipment and stores	7,852,474	-	7,852,474	7,972,265	116%
Bus hire and school bus	-	-	-	40,053	0%
Personnel emoluments	4,343,603	-	4,343,603	4,451,156	102%
Repairs Maintenance and Improvements	1,068,800	-	1,068,800	1,018,902	95%
Local transport / travelling	989,709	-	989,709	701,470	71%
Electricity and water	1,976,211	-	1,976,211	1,689,747	86%
Administration costs	2,125,843	-	2,125,843	1,572,632	74%
Refund to students	-	-	-	89,040	0%
Expenses on Income Generating Activities - Bakery	-	-	-	783,230	0%
School Farm-Cows	-	-	-	51,815	0%
Medical and insurance	320,640	-	320,640	267,289	83%
Sponsorship	-	-	-	40,536	
Totals	33,549,132		33,549,132	26,883,562	80%

- The underutilization of the funds is occasioned by late payment of the fees by the parents.
- The overutilization was as a result of high cost of the items used during the year.

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

Statement of Compliance

The financial statements have been prepared in accordance with the PFM Act and International Public Sector Accounting Standards (IPSAS). The entity has taken advantage of the transitional provisions under IPSAS 33, and therefore, these first/second/third/year financial statements are transitional financial statements.

Basis of Preparation

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

2. Recognition of revenue and expenditure

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

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

3. In-kind contributions

In-kind contributions are donations that are made to the *school* in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment, or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the *school* includes such value in the statement of financial

performance both as revenue and as expenditure in equal and opposite amounts; otherwise, the contribution is not recorded.

4. Cash and cash equivalents

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

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

11. Notes To the Financial Statements

1 Government Grants for Tuition

Description	2024-2025	2023-2024
	Kshs	Kshs
Exercise books	122,200	59,700
Laboratory equipment and apparatus	183,300	959,565
Teaching/learning materials	808,156	140,265
chalks	86,332	47,180
Internal exams	197,072	219,990
Reference books	-	29,850
Total	1,397,060	1,456,550

2 Government Grants for Operations

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel emoluments	1,494,075	1,860,182
Local transport / travelling	243,335	280,590
Electricity and water	823,165	809,470
Medical and insurance	514,580	486,525
Administration costs	659,650	759,139
Activity	338,770	473,194
Repairs Maintenance and Improvements	117,248	100,296
Maintenance & Improvement	-	656,700
Total	4,190,824	5,426,096

3 Government Grants for infrastructure

Description	2024-2025	2023-2024
	Kshs	Kshs
Maintenance & Improvement	1,713,250	1,650,800
CBC Classrooms	-	450,000
CDF	-	215,000
Total	1,713,250	2,315,800

4 School Fund Income - Parents Contribution/Fees

Description	2024-2025	2023-2024
	Kshs	Kshs
Boarding ,equipment and stores	7,880,130	10,652,361
Personnel emoluments	4,401,259	4,831,015
Repairs maintenance and Improvements	1,085,121	1,293,629
Local transport / travelling	1,016,053	1,215,192
Electricity water and Conservancy	1,994,260	2,127,309
Medical	323,697	392,573
Administration costs	2,170,431	2,433,214
Activity	1,977,948	1,953,420
M & I	1,080,000	1,290,400
Total	21,928,899	26,189,113

5 Miscellaneous Incomes

Description	2024-2025	2023-2024
	Kshs	Kshs
Sale of Jaricans	2,000	3,100
Income from Bus Hire	12,000	83,500
Income from Bakery	342,228	145,695
Application Fees(selling tender forms)	37,000	-
Total	393,228	232,295

6 Tuition

Description	2024-2025	2023-2024
	Kshs	Kshs
Exercise books	430,366	-
Laboratory equipment and apparatus	425,995	466,218
Teaching/learning materials	802,530	100,300
Internal exams	296,606	161,150
Reference books	23,600	-
chalks	86,294	29,900
Bank charges	3,730	230
Total	2,069,121	757,798

7 Operations

Description	2024-2025	2023-2024
	Kshs	Kshs
Personal Emoluments	1,493,721	2,104,374
Local transport and travelling	243,000	279,000
Administration Cost	707,112	870,530
Electricity and water	858,549	1,096,548
Medical and insurance	96,232	303,900
Activity Expenses	587,860	153,000
Repairs Maintenance and Improvements	186,100	155,260
TOTAL	4,172,574	4,962,612

8 Infrastructure

Description	2024-2025	2023-2024
	Kshs	Kshs
Construction of 6 No. Classrooms	298,577	25,615
CBC Classrooms	-	531,780
Total	298,577	557,395

9 Boarding And School Fund

Description	2024-2025	2023-2024
	Kshs	Kshs
Activity	1,665,155	1,356,426
Boarding ,equipment and stores	7,972,265	11,988,884
Bus hire and school bus	40,053	303,407
School farm- Cows	51,815	193,793
Personnel emoluments	4,451,156	4,238,293
Repairs Maintenance and Improvements	1,018,902	422,335
Local transport / travelling	701,470	816,454
Electricity and water	1,689,747	1,533,029
Administration costs	1,572,632	2,192,754
Refund to students	89,040	118,741
Expenses on Income Generating Activities - Bakery	783,230	656,783
Medical	267,289	44,940
Sponsorship	40,536	223,294
Application Fee(Tendering)	37,000	-
TOTAL	20,380,290	24,089,133

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2024-2025	2023-2024
			Kshs	Kshs
Tuition Account	Active	01025027623400	29,459	774,020
Operations Account	Active	7700088888	1,903	1,970,537
School Fund Account/Boarding	Active	1135325561	218,920	263,495
M&I Account	Active	1255230096	1,949,237	1,580,800
CDF account	Inactive	2527623401	215,395	215,395
Total			2,414,914	4,804,247

11 Cash In Hand

Description	2024-2025	2023-2024
	Kshs	Kshs
Notes and Coins	15,410	39
Total	15,410	39

12 Short Term Investments

Description	2024-2025	2023-2024
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit accounts	-	-
Other Investments	-	-
Total	-	-

13 Accounts Receivable

Description	2024-2025	2023-2024
	Kshs	Kshs
Fees Arrears	31,238,162	27,803,200
Other Non-Fees Receivables		
R/D Cheque	10,000	
Imprest (list/schedule attached)	39,500	-
Total	31,287,662	27,803,200

13 b) Ageing Analysis of Accounts Receivable

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	6,516,252	21 %	6,072,008	22 %
Between 1- 2 years	2,990,718	10 %	228,258	8 %
Between 2- 3 years	5,495,543	18 %	5,267,285	19 %
Over 3 years	16,235,649	51 %	16,235,649	51 %
Total	31,238,162	100 %	27,803,200	100 %

14 Accounts Payable

Description	2024-2025	2023-2024
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	1,676,184	2,824,785
Prepaid fees	572,542	1,016,139
Total	2,248,726	3,840,924

14a. Ageing Analysis of Accounts Payable

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year : School Fund Account	1,379,120	82 %	1,435,128	51 %
Operation Account	-		1,317,157	47%
Tuition Account	-		72,500	2%
M & I Account	297,064	18%	-	-
Total	1,676,184	100 %	2,824,785	100 %

15 Fund Balance Brought Forward

Description	2024-2025	2023-2024
	Kshs	Kshs
Bank balances-note 10	2,414,914	4,804,247
Cash balances-note 11	15,410	39
Receivable-note 13	31,287,662	27,803,200
Payables-note 14	(2,248,726)	(3,840,924)
Total	31,469,260	28,766,561

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	2024-2025	2023-2024
	Kshs	Kshs
Bank Loans	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	545,176
Total	-	545,176

17 Biological assets

Description	Numbers	2024-2025	2023-2024
		Kshs	Kshs
Cattle	5	320,000	280,000
Trees	100	220,000	290,000
Total	105	540,000	570,000

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	2024-2025	2023-2024
	Kshs	Kshs
Food stuffs	665,609	897,393
Lab consumables	63,394	106,935
Medication	185,980	87,836
Construction Materials	61,030	12,030
Others (Stationery)	-	297,532
	976,013	1,401,726

20 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)
N/A	N/A	N/A	N/A	N/A

Sign and Date
Principal

12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2024-2025	Outstanding Balance Comparative 2023-2024	Comments
	A	b	C	d=a-c		
	Kshs		Kshs	Kshs	Kshs	
Supply Of Goods						
1. Cheptil Dam Association	163,300	1.7.2024	-	163,300	-	Water bills
2. Talai Filling Station	79,389	1.7.2024	-	79,389	-	Diesel
3. Melachem Pharmaceuticals	205,069	25.5.2025	-	205,069	-	Human Drugs
4. Jubilee Merchants Ltd	63,700	9.6.2025	-	63,700	-	Foodstuffs
5. Bidii Self Help Group	32,329	1.7.2024	-	32,329	-	Fruits
6. Philemon Maiyo	76,160	1.7.2024	-	76,160	-	Mutton
7. Rael Jeruto Ngisirei	50,256	1.7.2024	-	50,256	-	Cabbages
8. Emily J. Saina	19,500	1.7.2024	-	19,500	-	Milk
9. Priscah Buses	20,475	1.7.2024	-	20,475	-	Milk
Sub-Total	710,178		-	710,178	-	
Supply Of Services						
1. Wilson Kiprop Korir	67,300	1.7.2024	-	67,300	-	Repairs
2. Soin System Solution	56,500	24.3.2025	-	56,500	-	Machine servicing
3. Employees	457,919	1.6.2025	-	457,919	-	June Salaries
4. Chaplain	22,002	1.6.2025	-	22,002	-	Stipends
5. Nandi North Sub-County Education Improvement Fund	79,900	1.1.2025	56,400	23,500	-	Education Improvement
6. Elphas Kipkemboi	6,000	1.6.2025	-	6,000	-	Electrician
7. Kenya Power And Lighting Co. Ltd	35,721	1.6.2025	-	35,721	-	Electricity Bills
Sub-Total	725,342		56,400	668,942	-	

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2024-2025	Outstanding Balance Comparative 2023-2024	Comments
Grand Total	1,435,520		56,400	1,379,120	-	

Annex II – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 st July 2024	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2025
Land	9,900,000	-	-	9,900,000
Buildings And Structures	34,758,717	-	-	34,758,717
Motor Vehicles	5,000,000	-	-	5,000,000
Office Equipment, Furniture and Fittings	831,000	-	-	831,000
ICT Equipment	965,000	-	-	965,000
Tools And Apparatus	733,190	-	-	733,190
Other Machinery and Equipment	3,761,546	-	-	3,761,540
Heritage And Cultural Assets	710,000	-	-	710,000
Intangible Assets- Soft Ware	200,000	-	-	200,000
Total	56,859,447	-	-	56,859,44