

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 10 JUN 2026

DAY.

WEDNESDAY

TABLED
BY:

HON. OWEN BAYA, MP

DEPUTY MAJORITY LEADER

THE-TABLE:

ESTHER NG'NYO

PARLIAMENT
OF KENYA
LIBRARY

REPORT

OF

THE AUDITOR-GENERAL

ON

LUNGA-LUNGA SECONDARY SCHOOL

FOR THE YEAR ENDED

30 JUNE, 2024

KWALE COUNTY



LUNGALUNGA SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2024

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

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2. 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.

3. Key School Information and Management

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

The school was registered in **15TH April 1988** under registration number **02S30000001** and re-registered on **27TH January 2017** under registration number **KWL/S/02/123/596** and is currently categorized as a **Sub-County public school** established, owned and operated by the Government.

The school is a **Boy's Day/Boarding school** and had **764** number of students as at **30th June 2024**. It has **5 (Five)** streams and **23** teachers of which **3** teachers are employed by the School Board of Management.

(a) 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	Prof. Balozi Bekuta	Chairman	2.9.2022
2	Nixon Mbaga	Secretary - Principal	2.9.2022
3	Daniel Bazo	Member	2.9.2022
4	Salma Boga	Member	2.9.2022
5	Dorah Mwang'ombe	Member	2.9.2022
6	Sada Boga	Member	2.9.2022
7	Alice Rai	Member	2.9.2022
8	Grace Samuel	Member - Rep CEB	2.9.2022
9	Ali Azwaj	Member Rep Teachers	2.9.2022
10	Nicodemus Kioko	Sponsor	2.9.2022
11	George Lugogo	Member	2.9.2022
12	Mdzomba Tsuma	Member	2.9.2022
13	Tsingwa T. Ndurya	Member - Community	2.9.2022
14	Francis Timothy	Member Special Needs	2.9.2022
15	Michael Tsuma	Rep Students	2.9.2022

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, 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.

(b) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1. Prof. Balozi Bekuta Kirongo 2. Salma A. Boga 3. Nixon Mbagha 4. Daniel Bazo John 5. Grace Nthenya Samuel	Chairman Vice Chair Secretary PA Chair Member	2 out of 4 4 out of 4 4 out of 4 4 out of 4 4 out of 4
2	Audit Committee	1. Nixon Mbagha 2. Daniel Bazo John 3. Dorah Chari Mwang'ombe 4. Abubakar Bosso Dzombo 5. Tsingwa T. Ndurya	Secretary Chair Member Member Member	1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1
3	Finance, procurement and general purposes Committee	1. Nixon Mbagha 2. Daniel Bazo John 3. George Chombo Lugogo 4. Dorah Chari Mwang'ombe	Secretary PA Chair Member Member	1 out of 1 1 out of 1 1 out of 1 1 out of 1
4	Academic Committee	1. Nicodemus Kioko Musembi 2. Nixon Mbagha 3. Joseph Nyae Chiguzo 4. Grace Nthenya Samuel	Chair Secretary Member Member	3 out of 3 3 out of 3 3 out of 3 3 out of 3

		5. Francis Mutunga Timothy 6. Riziki Ali Mwero	Member Member	1 out of 3 0 out of 3
5	Development Committee	1. Daniel Bazo John 2. Nixon Mbagha 3. Dorah Chari Mwang'ombe 4. George Chombo Lugogo	Chair Secretary Member Member	3 out of 3 3 out of 3 3 out of 3 3 out of 3
6	Discipline and Welfare Committee	1. Nicodemus Kioko Musembi 2. Nixon Mbagha 3. Joseph Nyae Chiguzo 4. Grace Nthenya Samuel 5. Francis Mutunga Timothy 6. Riziki Ali Mwero	Chair Secretary Member Member Member Member	2 out of 2 2 out of 2 2 out of 2 2 out of 2 2 out of 2 2 out of 2

(c) School operation Management

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

Ref:	Designation	Name	Identification
1	Principal	Nixon Mbagha	TSC No. 336384
2	Deputy Principal	Fredrick Kithuku	TSC No. 358293
3	School Bursar	Simon Riko Wanje	ID. 13143892

(a) Schools contacts

Post Office Box: 9 – 80402, LUNGALUNGA.
 Telephone: 0733151301
 E-mail: lungalungasecondary@gmail.com
 Website: NONE
 Facebook: NONE
 Twitter: NONE

(b) School Bankers

Name of Bank : Kenya Commercial Bank
 Branch : Ukunda
 Name of Account : LungaLunga Secondary School TUITION ACCOUNT
 Account Number : 1108604862

Name of Bank : Kenya Commercial Bank
 Branch : Ukunda

Name of Account : LungaLunga Secondary School OPERATIONAL ACCOUNT
Account Number : 1108603645

Name of Bank : Kenya Commercial Bank
Branch : Ukunda

Name of Account : LungaLunga Secondary School BOARDING ACCOUNT
Account Number : 1108605060

Name of Bank : Kenya Commercial Bank
Branch : Ukunda

Name of Account : LungaLunga Secondary School INFRASTRUCTURE ACCOUNT
Account Number : 1212770285

Name of Bank : Kenya Commercial Bank
Branch : Ukunda

Name of Account : LungaLunga Secondary School PTA FUND ACCOUNT
Account Number : 1109900562

(c) Independent Auditors

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

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

S/No	Year	Amount	Surplus / Deficit
1	2023 - 2024	83,864	Surplus
2	2022 - 2023	710,006	Surplus
3	2021 - 2022	(2,328,290)	Deficit

Capitation grants from the ministry of education for the last three years

Financial Year		2023 - 2024	2022-2023	2021-2022
S/No	Name Of Account	Amount	Amount	Amount
1	Tuition Account	2,135,696	2,441,888	2,739,064
2	Operational Account	9,169,643	7,667,524	14,023,680
3	Infrastructure Account	4,738,057	3,566,000	0
	TOTAL	16,043,396	13,675,412	16,762,744

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

Financial Year		2023 - 2024	2022-2023	2021-2022
S/No	Name Of Account	Amount	Amount	Amount
1	Parents Contribution - Fees	29,119,221	26,939,153	22,074,621
2	PTA Fund	0	0	0
3	Tender Fees	0	2,000.00	0
4	Miscellaneous Income	113,000	0	0
	TOTAL	29,232,221	26,941,153	22,074,621

A three-year overview of the growth in expenditure of the school**2023 – 2024:**

Total expenditure increased by 12% to **Kshs. 45,191,753 (2024)** from **Kshs. 39,904,559 (2023)**.

2022-2023:

Total expenditure decreased by 3% to **Kshs. 39,904,559 (2023)** from **Kshs. 41,165,656 (2022)**.

2021 - 2022:

Total expenditure increased by 141% to **Kshs. 41,165,656 (2022)** from **Kshs. 17,051,736 (2021)**.

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

S/No	Year	Debtors (Kshs)	Creditors (Kshs)
1	2023 - 2024	10,340,868	5,410,879
2	2022 - 2023	10,792,405	1,107,755
3	2021 - 2022	11,517,777	1,833,127

b) Teacher Student ratio:

• The teacher-to-student ratio,	=	1:22
• Number of teachers recruited and posted to the school within the year,	=	2
• Number of teachers that were transferred	=	2
• Number of teachers that retired during the period	=	0
• Number of teachers employed by TSC,	=	20
• Number employed by BOM.	=	3
• Number of teachers for each subject		
1. English	=	3
2. Kiswahili	=	5
3. Mathematics	=	8
4. Chemistry	=	3
5. Biology	=	3
6. CRE	=	2

7.	IRE	=	1
8.	History	=	2
9.	Geography	=	3
10.	Business Studies	=	2
11.	Agriculture	=	2
12.	Physics	=	2

c) The mean score in the 2024 KCSE:

KCSE YEAR	NO. OF CANDIDATES	MEAN SCORE	MEAN DEVIATION	TRANSITION TO HIGHER LEARNING
2023	197	2.71 (D)	- 0.49 (Negative)	53
2022	160	3.200 (D)	- 0.112 (Negative)	59
2021	141	3.312	0.062 (+ve)	54

d) Number of Candidates in the 2024 KCSE:

KCSE YEAR	NO. OF CANDIDATES
2024	190
2023	197
2022	160
2021	141

e) The capacity of the school:

- 29 Students : One Dormitory
- 764 Students : No Dining Hall
- 764 Students : No Kitchen
- 764 Students : Two Laboratories
- 764 Students : Seven Toilets (6 Way)
- 764 Students : Nineteen Classrooms
- 764 Students : One Administration Block

f) Development projects carried out by the school:

Project	Source of funds	Status	Start Date	End Date	Completion time
Twin Laboratory	SEQUIP	In-complete			

 16/3/2026

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 Lungalunga 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, 2024, and of the school's financial position as at that date.



Name:

Prof. Balazi K. Bekuti

Designation: Chairman, School Board of Management

Date:

16/3/2026

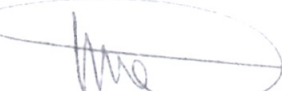


Name: NGANA K. RECHA

Designation: School Principal & Secretary to Board of Management

Date:

16/3/2026



Name:

SIMON RIKO WANJE

Designation: Bursar/ Finance Officer

Date:

16/3/2026

REPUBLIC OF KENYA

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HEADQUARTERS
Anniversary Towers
Monrovia Street
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON LUNGA-LUNGA SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2024 – KWALE 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 Lunga-Lunga Secondary School set out on pages 1 to 23, which comprise of the statement of assets and liabilities as at 30 June, 2024, 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 Lunga-Lunga Secondary School as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Variances in Revenue and Unsupported Revenue and Expenses

The statement of receipts and payments reflects total receipts of Kshs.45,275,617 and payments of Kshs.45,191,753. However, revenue items were not supported with schedules indicating revenue stream, transaction date, amount/fees being paid, the school term being invoiced, among other details. In addition, the statement reflects total expenses of Kshs.45,191,753 which was not supported by ledgers indicating detailed individual breakdown of transactions. Further, the receipts include Government grants of Kshs.16,043,396 being the amount from National Education Management and Information System (NEMIS) data while the school records indicated Kshs.9,998,948 resulting to unexplained variance of Kshs.6,044,448.

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

2. Unsupported Cash and Cash Equivalents Balance

The statement of assets and liabilities and as disclosed in Note 10 and Note 11 to the financial statements reflects cash and cash equivalents balance of Kshs.5,061,463. Included in the balance is an amount of Kshs.121,174 in respect to cash balances which was not supported by board of survey certificate. Further, the balance includes an amount of Kshs.4,940,289 in respect to bank balances out of which an amount of Kshs.1,988,676 was extracted from certificate of bank balances for two (2) accounts which were not supported with cashbooks and bank reconciliation statements.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.5,061,463 could not be confirmed.

3. Unsupported Accounts Receivables

The statement of assets and liabilities and as disclosed in Note 13 to the financial statements reflects accounts receivables balance of Kshs.10,340,868. However, the balance was not supported by schedules detailing outstanding amount owed by the

Government as well as the list of students indicating their outstanding fees amounts, due dates and ageing analysis.

In the circumstances, the accuracy, completeness and recoverability of the accounts receivable balance of Kshs.10,340,868 could not be confirmed.

4. Unsupported Accounts Payables

The statement of assets and liabilities and as disclosed in Note 14 to the financial statements reflect accounts payables balance of Kshs.5,410,879. However, the amount was not supported with a ledger, invoices, delivery notes, or payment vouchers to confirm that the goods were supplied or the services were rendered to the school.

In the circumstances, the accuracy and completeness of the accounts payable balance of Kshs.5,410,879 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Lunga-Lunga 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

1. Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget of Kshs.66,609,227 and actual on a comparable basis of Kshs.45,275,617 resulting to an under collection of Kshs.21,333,610 or 32%. Similarly, the school spent an amount of Kshs.45,191,753 out of the actual receipt of Kshs.45,275,617 resulting to under-absorption of Kshs.83,864.

The under collection may have negatively impacted the school's ability to effectively deliver services and meet its operational obligations.

2. Delays in Release of School Capitation Funds

The statement of receipts and payments reflects total revenue of Kshs.45,275,617 out of which Kshs.16,043,396 relates to Government grants. However, review of the bank statements, cashbook, and funds release letters revealed that capitation disbursements were received approximately one month after the official school opening dates.

In the circumstances, the delays in disbursement of school capitation funds may adversely affect the school activities and the timely delivery of educational services.

My opinion is not modified in respect of these matters.

Key Audit Matters

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

Other Information

The Management is responsible for the Other Information set out on pages iii to xi which comprise of Key School Information and Management, Summary Report of Performance of the School and Statement of School Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the school's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Late Submission of the Financial Statements

The audit report and financial statements for the year under review were submitted on 16 March, 2026 instead of 30 September, 2024. This was contrary to Section 47(1) of the Public Audit Act, 2015, which states that the financial statements required under the Constitution, the Public Finance Management Act, 2012 and any other legislation, shall be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.

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

2. Failure to Operate Income Generating Activities and Savings Account

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects miscellaneous income amount of Kshs.113,000. However, Management did not open an income-generating activities account to manage income from school activities and savings account for banking funds from boarding account that cannot be put to immediate use. This was contrary to the Ministry of Education Circular Ref. No. Circular Ref No. HQS/3/10/18/(112) on the Guidelines on Implementation of Free Day Secondary Education for 2023 dated November 2022, which requires schools to operate separate accounts for Income Generating Activities and savings to ensure proper management and accountability of funds.

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

3. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association Payments

The statement of receipts and payments and as disclosed in Note 9 to the financial statements reflects boarding and school fund payments of Kshs.31,158,868. The amount includes an amount of Kshs.260,650 transferred to Kenya Secondary School Heads Association (KESSHA) a welfare organization which is not defined in Government Funding system. This was contrary to Regulation 23(2)c of the Public Finance Management (National Government) Regulations, 2015 which requires that an Accounting Officer shall, before transferring any funds to an entity within or outside the Government, ensure that there is a written assurance from the entity that it shall implement effective, efficient and transparent financial management and internal control systems.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.260,650 could not be confirmed.

4. Unbalanced Budget

The statement of budgeted versus actual amounts reflects total revenue budget of Kshs.66,609,227 and total expenditure budget of Kshs.63,509,977 resulting to an unbalanced budget of Kshs.3,099,250. This was contrary to Regulation 33(c) of the Public Finance Management (National Government) Regulations, 2015, which states that the budget should be balanced.

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

5. Lack of Approved Procurement Plan

The statement of receipts and payments reflects total expenditure of Kshs.45,191,753. However, the school did not have an Approved Procurement Plan. This was contrary to Regulation 71(1) of Public Procurement and asset disposal Regulations, 2020, which requires that Pursuant to Section 73 of the Act, the head of the user department shall initiate the procurement process through a requisition as per the approved procurement plan. In addition, Management had not made training arrangements to capacity build the existing storekeeper.

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

6. Failure to Submit the Annual Governance Report

Review of the school's governance and reporting records established that Management did not prepare and submit an annual report for the year under review to the Director of Basic Education. This was contrary to Section 60 of the Basic Education Act, 2013. requires that "every public school or institution of basic education shall, on an annual basis, submit a report to the Director of Basic Education".

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

7. Delayed Transfer of Infrastructure Funds

The statement of receipts and payments reflects total receipts of Kshs.45,275,617. However, review of the bank statements revealed that an amount of Kshs.1,734,000 earmarked for infrastructure development was received in the operations account on 21 September, 2023 and transferred to the infrastructure account on 29 February, 2024, resulting in a delay of one hundred and sixty-one days (161) days. This was contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021, which requires that infrastructure grants, as well as maintenance and improvement funds, be transferred to the school infrastructure account within fifteen (15) days of receipt in the operations account.

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

8. Stalled Projects

During the year under review, the Ministry of Education initiated the construction of a laboratory within the school through the Secondary Education Equity and Quality Improvement Programme. However, interviews with Management revealed that they did not have key project documentation, including the signed contract agreement, bills of quantities, payment records, certificates of completed works, and details regarding the project commencement and expected completion dates.

Further, physical verification on 12 March, 2026 revealed that the contractor was not on site with pending works of roofing, fitting of doors and windows, electrical works, painting, labelling, and equipping of the laboratory. In addition, there was no evidence of measures put in place by Management to facilitate the completion of the project.

In the circumstances, the value for money incurred on the project could not be confirmed.

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. Use of Manual Systems

The statement of receipts and payments reflects total revenue of Kshs.45,275,617. Review of the school's information and technology systems revealed that the school collects fees from parents in cash and issues manual receipts instead of utilizing an automated receipting system.

In the circumstances, the effectiveness in the use of manual system for collection of receipts could not be confirmed.

2. Lack of Imprest Register

Note 7 and Note 9 to the financial statements reflect expenditure on local travel, transport, and travelling amounting to Kshs.2,401,792. However, examination of expenditure records revealed that the school does not maintain an imprest register to account for imprests issued and surrendered by individual staff members.

In the circumstances, the effectiveness of internal controls on the management of imprest could not be confirmed.

3. Weaknesses in Management of Assets

Annex 2 on summary of fixed assets register reflects total assets balance of Kshs.116,377,886 out of which Kshs.10,000,000 relates to land measuring approximately 25 acres. However, Management did not explain how the value of land was determined and they were not in the possession of any land ownership documents including title deed.

Further, Annex 2 to the financial statements reflects a summary of the fixed assets register historical cost balance of Kshs.116,377,886, which includes the school parcel of land, buildings and structures, motor vehicles, office equipment, furniture and fittings, ICT equipment, tools and apparatus, other machinery and equipment, and intangible assets. However, Management had not maintained a fixed asset register indicating the individual asset description, tag number, and specific asset location.

In the circumstances, the effectiveness of internal controls on the management of the school fixed assets could not be confirmed.

4. Weakness in Textbook Management

Review of textbook issuance records for five (5) sampled streams revealed that seventy-six (76) textbooks reported as lost had not been recovered or replaced by the time of this audit in March 2026. Further, verification of the school library revealed that three hundred and seventy-three (373) textbooks, comprising Form 4 Mathematics, Biology, Chemistry, and Form 2 Biology supplied by the Kenya Literature Bureau and delivered on 15 April, 2024 had not been issued to students and remained undistributed.

In the circumstances, the effectiveness of internal controls on textbooks management could not be confirmed.

5. Weaknesses of Board of Management Committees

During the year under review, Board of Management (BoM) committees meeting minutes, agendas, notices, or attendance registers were not provided for audit. Further, it was noted that the terms of appointment for all Board members were set to lapse simultaneously in September 2022, indicating the absence of staggered appointments and inadequate succession planning.

In the circumstances, the overall governance mechanisms could not be confirmed.

6. Lack of Risk Management Policy

During the year under review, Management had not developed Risk Management Policy, Risk Register and established Risk Management Framework. Further, Management had not undertaken any formal risk assessment.

In the circumstances, the effectiveness of risk management could not be confirmed.

7. Failure to Prepare School Improvement Plan

During the year under review, Management did not have an approved School Improvement Plan (SIP) which is a key strategic planning tool that guides academic performance targets, infrastructure development, resource allocation, and overall institutional growth.

In the circumstances, the effectiveness of overall governance and strategic direction 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 the Management and those Charged with Governance

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

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

13 May, 2026

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

DESCRIPTION OF VOTE HEAD	Note	2023-2024	2022-2023
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition	1	2,135,696	2,441,888
Capitation grants for operations	2	9,169,643	7,667,524
Government Grants for Infrastructure	3	4,738,057	3,566,000
School Fund Income- Parents' Contributions	4	29,119,221	26,939,153
Miscellaneous Income	5	113,000	-
Proceeds from borrowings		-	-
TOTAL RECEIPTS		45,275,617	40,614,565
PAYMENTS			
Payments for Tuition	6	1,687,359	3,727,006
Payments for operations	7	8,485,838	10,838,226
Payments for Infrastructure	8	3,859,688	3,181,056
Boarding and school fund payments	9	31,158,868	22,158,271
TOTAL PAYMENTS		45,191,753	39,904,559
SURPLUS/DEFICIT		83,864	710,006

The school financial statements were approved on 16/3/2026 and signed by:

.....
 Name: Prof. Balazzi
K. Bekutu
 Chair BOM

Date: 16/3/2026

.....
 Name: NGANA K R
 School Principal/ Secretary to
 BOM

Date: 16/3/2026

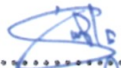
.....
 Name: SIMON RIKO WANJI
 Bursar/ Finance Officer

Date: 18/3/2026

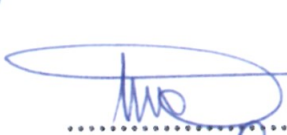
7. Statement of Assets and Liabilities As At 30th June 2024

	Note	2023-2024	2022-2023
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	10	4,940,289	2,045,311
Cash Balances	11	121,174	
Short term Investment	12	-	-
Total Cash and Cash Equivalents		5,061,463	2,045,311
Account's receivables	13	10,340,868	10,792,405
TOTAL FINANCIAL ASSETS		15,402,331	12,837,716
FINANCIAL LIABILITIES			
Accounts Payable	14	5,410,879	1,107,755
NET FINANCIAL ASSETS		9,991,452	11,729,961
REPRESENTED BY			
Fund balance b/fwd	15	9,907,552	11,019,955
Surplus/Deficit for the year		83,864	710,006
NET FINANCIAL POSITION		9,991,416	11,729,961

The school's financial statements were approved on 16/3/2026 and signed by:


 Name: Prof. Balozi
 Chair BOM
 Date: 16/3/2026


 Name: NGANA K. D.
 School Principal/ Secretary to BOM
 Date: 16/3/2026


 Name: 16/3/2026
 Bursar/ Finance Officer
 Date:

8. Statement of Cash Flows for the Year Ended 30th June 2024

		2023-2024	2022-2023
		Kshs	Kshs
Receipts from operating activities			
Capitation grants for tuition	1	2,135,696	2,441,888
Capitation grants for operations	2	9,169,643	7,667,524
Government Grants for Infrastructure	3	4,738,057	3,566,000
School fund income- Parents contributions/ fees	4	32,051,509	26,939,153
Miscellaneous Income	5	113,000	-
Total receipts		48,207,905	40,614,565
Payments			
Payments for Tuition	6	1,687,359	3,727,006
Payments for operations	7	8,485,838	10,838,226
Payments for Infrastructure	8	3,859,688	3,181,056
Boarding and school fund payments	9	31,158,868	22,158,271
		45,191,753	39,904,559
Net cash flow from operating activities		3,016,152	710,006
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		-	-
Acquisition of Assets		-	-
Proceeds from investments		-	-
Net cash flows from Investing Activities			-
NET CASHFLOW FROM BORROWING ACTIVITIES			-
Proceeds from borrowings/ loans		-	-

Repayment of principal borrowings			
Net cash flows from Investing Activities			
NET INCREASE IN CASH AND CASH EQUIVALENT		3,016,152	710,006
Cash and cash equivalent at BEGINNING of the year	15	2,045,311	1,335,305
Cash and cash equivalent at END of the year		5,061,463	2,045,311

The school's financial statements were approved on 16/3/2026 and signed by:


 Name: Prof. Balaji K. Bektu
 Chair BOM
 Date: 16/3/2026


 Name: NGANA K. RACHA
 School Principal/ Secretary to
 BOM
 Date: 16/3/2026


 Name: SIMON WANJE
 Bursar/ Finance Officer
 Date: 16/3/2026

9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2024

Receipt/Expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b Kshs	Actual On Comparable Basis d Kshs	% Of Utilization e=d/c % Kshs
Receipts					
(1) Capitation Grant on Tuition					
Reference Materials			-		
Exercise Books	1,740,671		1,740,671	530,874	30%
Laboratory Equipment	920,821		920,821	413,997	45%
Internal Exams	300,000		300,000	279,927	93%
Teaching / Learning Materials	828,480		828,480	708,658	86%
Chalks	86,300		86,300	109,610	127%
Laboratory Materials	100,000		100,000	92,630	93%
Total	3,976,272	0	3,976,272	2,135,696	
(2) Capitation Grant on Operations					
Personnel Emoluments	5,000,000		5,000,000	4,279,252	86%
Repairs And Maintenance	4,315,000		4,315,000	0	0%
Local Transport / Travelling	650,000		650,000	560,007	86%
Electricity And Water	670,000		670,000	643,543	96%
Medical	1,726,000		1,726,000	911,400	53%
Administration Costs	800,000		800,000	753,000	94%

LENGALUNGA SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2024

Activity	1,294,500		1,294,500	711,951	55%
Other Vote Heads	8,112,200		8,112,200	1,310,490	16%
SMASSE	172,600		172,600		0%
Total	<u>22,740,300</u>	<u>0</u>	<u>22,740,300</u>	<u>9,169,643</u>	
3) FDSE for infrastructure					
Maintenance & Improvement	5,250,000		5,250,000	4,738,057	90%
Transition infrastructure grants					0%
Administration Block			-		0%
Economic stimulus grants			-		0%
Other (specify) (NCCDF and County govt)					0%
Total	<u>5,250,000</u>	<u>-</u>	<u>5,250,000</u>	<u>4,738,057</u>	
(4) Fees Charged on Parents					
Personnel emoluments	4,174,300		4,174,300	1,637,095	39%
Repairs and maintenance	959,200		959,200	876,065	91%
Local transport / travelling	2,151,450		2,151,450	1,959,822	91%
Electricity and water	1,141,700		1,141,700	318,965	28%
Medical	1,000		1,000	900	90%
Administration costs	2,540,000		2,540,000	2,371,613	93%
Activity	1,400,000		1,400,000	1,333,010	95%
Fee on Boarding Equipment and stores	13,775,005		13,775,005	13,166,838	96%
PA Levies*	1,300,000		1,300,000	1,194,343	92%
Bursary	7,000,000		7,000,000	6,231,570	89%
Tender				29,000	0%

Total	<u>34,442,655</u>	<u>—</u>	<u>34,442,655</u>	<u>29,119,221</u>	
5) Miscellaneous Income					
Bus Income	200,000		200,000	113,000	57%
Income From Farming Activities			-		0%
Bom Teachers			-		0%
Insurance Compensation			-		0%
Renovation			-		0%
Income From Posho Mill			-		0%
Equity			-		0%
Lost Items			-		0%
Infrastructure			-		0%
Income From Bus Hire			-		0%
Fee For Hire Of Ground And Equipment			-		0%
Income From Grants And Donations*			-		0%
Lunch			-		0%
CBC Retooling			-		0%
Tender Fees			-		0%
Damages			-		0%
Caution Money			-		0%
Dividends Income			-		0%
Total	<u>200,000</u>	<u>0</u>	<u>200,000</u>	<u>113,000</u>	
Total Income	<u>66,609,227</u>	<u>0</u>	<u>66,609,227</u>	<u>45,275,617</u>	68%
(6) Expenditure For Tuition					
Exercise Books	1,740,671		1,740,671	464,820	27%

Textbooks			-		0%
Reference materials/Library			-		0%
Laboratory Equipment	520,821		520,821	414,410	80%
Teaching / Learning Materials	728,480		728,480	526,440	72%
Exams And Assessment	200,000		200,000	181,224	91%
Chalks	126,300		126,300	100,000	79%
Teachers Guides			-		0%
Bank Charges			-	465	0%
Others (specify)			-		0%
Total	3,316,272	—	3,316,272	1,687,359	
(7) Expenditure For Operations					
Personnel Emoluments	5,000,000		5,000,000	4,243,607	85%
Service Gratuity			-		0%
Administration Cost			-	574,937	0%
Repairs And Maintenance & Improvements	4,315,000		4,315,000		0%
Local Transport / Travelling			-	330,125	0%
Electricity And Water			-	521,000	0%
Medical	1,726,000		1,726,000	610	0%
Activity Expenses	1,294,500		1,294,500	500,160	39%
Insurance Cost			-		0%
Other Voteheads	8,112,200		8,112,200	2,315,399	29%
SMASSE	172,600		172,600		0%
Total	20,620,300	0	20,620,300	8,485,838	
(8) Expenditure For infrastructure					

Maintenance & Improvements	4,124,000		4,124,000	3,859,688	94%
Construction of classrooms			-		0%
Construction of laboratory			-		0%
Construction of dormitory			-		0%
Purchase of furniture			-		0%
Purchase of equipment			-		0%
Purchase of apparatus			-		0%
Drilling of boreholes			-		0%
Bank Charges			-		0%
Total	<u>4,124,000</u>	<u>0</u>	<u>4,124,000</u>	<u>3,859,688</u>	
<i>(9) Expenditure For school fund/lunch/boarding</i>					
Personnel Emoluments	4,951,000		4,951,000	3,677,600	74%
Service Gratuity			-		0%
Repairs Maintenance & Improvements	959,200		959,200	872,740	91%
Local Transport / Travelling	2,351,450		2,351,450	2,071,667	88%
Electricity And Water	1,141,700		1,141,700	986,554	86%
Medical Expenses			-	48,000	0%
Administration Costs	4,431,050		4,431,050	3,430,467	77%
Tender			-		0%
Bank Charges			-		0%
Expenses On Income Generating Activities**	180,000		180,000	161,240	90%
Fee On Boarding Equipment and Stores	18,775,005		18,775,005	17,453,020	93%
Rent Expenses			-		0%

Insurance Cost (Life Property)			-		0%
Loan Principal Repayment			-		0%
Loan Interest Repayment			-		0%
Acquisition Of Assets			-		0%
PA expenses	1,250,000		1,250,000	1,139,830	0%
Activity Expenses	1,410,000		1,410,000	1,317,750	93%
Total	<u>35,449,405</u>	<u>0</u>	<u>35,449,405</u>	<u>31,158,868</u>	
Totals	<u>63,509,977</u>	<u>0</u>	<u>63,509,977</u>	<u>45,191,753</u>	71%

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 various sources when the event occurs, and the related cash has been received by the *school*. In addition, the *school* recognises all expenses when the event occurs, and the related cash has 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 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 2024.

11. Notes To the Financial Statements**1 Government Grants for Tuition**

CAPITATION GRANT FOR TUITION		
	2023-2024	2022-2023
	Kshs	Kshs
Reference Materials		
Exercise Books	530,874	1,188,013
Laboratory Equipment	413,997	593,219
Internal Exams	279,927	217,930
Teaching / Learning Materials	708,658	304,991
Chalks	109,610	137,735
Laboratory Materials	92,630	-
Total	2,135,696	2,441,888

2 Government Grants for Operations

	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	4,279,252	3,769,423
Repairs And Maintenance		-
Local Transport / Travelling	560,007	767,430
Electricity And Water	643,543	787,872
Medical	911,400	181,500
Administration Costs	753,000	1,111,430
Activity	711,951	501,938
Other Vote Heads	1,310,490	547,931
Total	9,169,643	7,667,524

3 Government Grants for infrastructure

	2023-2024	2022-2023
	Kshs	Kshs
Maintenance & Improvement	4,738,057	3,566,000
Transition infrastructure grants	-	-
Administration Block	-	-
Economic stimulus grants	-	-
	4,738,057	3,566,000

4 School Fund Income - Parents Contribution/Fees

	2023-2024	2022-2023
	Kshs	Kshs
Personnel emoluments	1,637,095	4,890,025
Repairs and maintenance	876,065	1,093,117
Local transport / travelling	1,959,822	853,570
Electricity and water	318,965	503,155
Medical	900	16,000
Administration costs	2,371,613	456,824
Activity	1,333,010	194,465
Fee on Boarding Equipment and stores	13,166,838	18,929,997
PA Levies*	1,194,343	-
Bursary	6,231,570	-
Tender	29,000	2,000
Total	29,119,221	26,939,153

5 Miscellaneous Incomes

	2023-2024	2022-2023
	Kshs	Kshs
Bus Income	113,000	-
Income From Farming Activities	-	-
Bom Teachers	-	-
Insurance Compensation	-	-
Total	113,000	-

6 Tuition

	2023-2024	2022-2023
	Kshs	Kshs
Exercise Books	464,820	982,250
Textbooks		-
Reference materials/Library		421,800
Laboratory Equipment	414,410	817,590
Teaching / Learning Materials	526,440	1,360,786
Exams And Assessment	181,224	144,100
Chalks	100,000	-
Teachers Guides		
Bank Charges	465	480
Others (specify)		
Total	1,687,359	3,727,006

7 Operations

	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	4,243,607	3,513,994
Service Gratuity		
Administration Cost	574,937	290,300
Repairs And Maintenance & Improvements		4,770,427
Local Transport / Travelling	330,125	106,200
Electricity And Water	521,000	700,000
Medical	610	
Activity Expenses	500,160	418,810
Insurance Cost		
Others	2,315,399	1,038,495
TOTAL	8,485,838	10,838,226

8 Infrastructure

PAYMENTS FOR INFRASTRUCTURE	2023-2024	2022-2023
	Kshs	Kshs
Maintenance & Improvements	3,859,688	3,180,684
Construction of classrooms		-
Construction of laboratory		-
Construction of dormitory		-
Purchase of furniture		-
Purchase of equipment		-
Purchase of apparatus		-
Drilling of boreholes		-
Bank Charges		372
Total	3,859,688	3,181,056

9 Boarding And School Fund

	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	3,677,600	4,968,654
Service Gratuity		
Repairs Maintenance & Improvements	872,740	2,529,340
Local Transport / Travelling	2,071,667	1,133,400
Electricity And Water	986,554	220,213
Medical Expenses	48,000	55,790
Administration Costs	3,430,467	1,440,462
Tender		6,000
Bank Charges		
Expenses On Income Generating Activities**	161,240	
Fee On Boarding Equipment and Stores	17,453,020	11,174,877
Rent Expenses		
Insurance Cost (Life Property)		
Loan Principal Repayment		
Loan Interest Repayment		
Acquisition Of Assets		
PA expenses	1,139,830	
Activity Expenses	1,317,750	629,535
TOTAL	31,158,868	22,158,271

10 Bank Accounts

Name of Bank, Account No. & currency	Bank Account Number	2023-2024	2022-2023
		Kshs	Kshs
Tuition Account	1108604862	661,965	213,628
Operations Account	1108603645	2,273,987	395,239
School Fund Account/Boarding	1108605060	15,661	560,416
Savings Account			
Parent Association Development Account	1109900562	26,586	26,586
Income Generating Activities Account			
Infrastructural Account	1212770285	1,962,090	849,442
Total		4,940,289	2,045,311

11 Cash In Hand

CASH IN HAND	2023-2024	2022-2023
	Kshs	Kshs
Tuition Account	120,000	
Operation Account	346	
School Fund account	828	
Total	121,174	-

12 Short-Term Investments

Description	2024-2025	2023-2024
	Kshs	Kshs
Cooperative shares	-	-
Treasury Bills	-	-
Fixed deposit	-	-
Equity stock	-	-
Other investments	-	-
Total	-	-

13 Accounts Receivable

ACCOUNTS RECEIVABLE		
Description	2023-2024	2022-2023
	Kshs	Kshs
Fees Arrears	10,340,868	10,792,405
Other Non-Fees Receivables		
P.A.Y.E		
RD Cheque		
Total	10,340,868	10,792,405

13 b) Ageing Analysis of Accounts Receivable

Description	2023-2024		2022-2023	
	Kshs		Comparative FY	
			Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	10,317,268	100%	1,250,376	12%
Between 1- 2 years	23,600	0%	9,542,029	88%
Between 2-3 years	0	0%	0	0%
Over 3 years	0	0%	0	0%
Total	10,340,868	100%	10,792,405	100%

14 Accounts Payable

ACCOUNTS PAYABLE	2023-2024	2022-2023
	Kshs	Kshs
Trade Creditors	2,160,503	1,107,755
Prepaid Fees	3,250,376	-
Retention Monies		
Statutory Deductions		
Unpaid Salaries		
Other Payables		
Total	5,410,879	1,107,755

14a. Ageing Analysis of Accounts Payable

Description	2023-2024		2022-2023	
	Kshs		Comparative FY	
			Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	2,160,503	40%	1,107,755	100%
Between 1- 2 years	3,250,376	60%	0	0%
Between 2-3 years	0	0%	0	0%
Over 3 years	0	0%	0	0%
Total	5,410,879	100%	1,107,755	100%

15. Fund Balance Brought Forward

Description		2023-2024	2022-2023
		Kshs	Kshs
Bank balances	10	4,940,289	1,335,305
Cash balances	11	121,174	-
Short Term Investments	12	-	-
Receivables	13	10,340,868	10,792,405
Payables	14	5,494,779	1,107,755
Total		9,907,552	11,019,955

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	2023-2024	2022-2023
	Kshs	Kshs
Bank Loans	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Others (specify)	-	-
Total	-	-

17 Biological assets

Description	Numbers	2023-2024	2022-2023
		Kshs	Kshs
Cattle		-	-
Goats		-	-
Trees		-	-
Coffee Or Tea Plantation		-	-
Poultry		-	-
Others (specify)		-	-
Total		-	-

18 Borrowings

Description	2023-2024	2022-2023
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	2023-2024	2022-2023
	Kshs	Kshs
Food stuffs	-	-
Lab consumables	-	-
Farm produce	-	-
Medication	-	-
Construction Materials	-	-
Others (specify)	-	-
	-	-

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)

Note

This is the first-time audit, hence there were no outstanding external audit issues

 ~~HNE~~ 16-03-2026

Sign and Date
Principal

LUNGALLUNGA SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2024

12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2023 - 2024	Outstanding Balance Comparative 2022 - 2023	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
Sub-Total						
Supply Of Goods						
2. KEMONJINO TRADERS	1,155,503	8.9.2023		1,155,503	0	
3. MWANAINCHI BAKERY	525,000	12.9.2023		525,000	0	
4. EMMANUEL MUMBA KIRORO	480,000	11.1.2024		480,000	0	
Sub-Total	2,160,503			2,160,503	0	
Supply Of Services						
Sub-Total						
Grand Total	2,160,503			2,160,503	0	2,160,503

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 st July 2023	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2024
Land	10,000,000	0	0	10,000,000
Buildings And Structures	69,439,698	3,859,688	0	73,299,386
Motor Vehicles	-	0	0	0
Office Equipment, Furniture And Fittings	8,550,000	0	0	8,550,000
ICT Equipment	2,000,000	0	0	2,000,000
Tools And Apparatus	21,500,000	0	0	21,500,000
Other Machinery And Equipment	155,760	872,740	0	1,028,500
Heritage And Cultural Assets	-	0	0	0
Intangible Assets- Soft Ware	-	0	0	0
Total	111,645,458	4,732,428	0	116,377,886