

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 11 JUN 2025	DAY: Wednesday
TABLED BY: Hon. Owen Baya, MP	Deputy leader of Majority House
CLERK-AT-THE-TABLE:	

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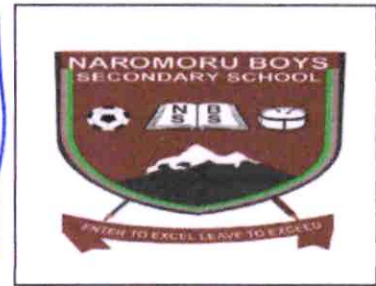
THE AUDITOR-GENERAL

ON

NAROMORU BOYS SECONDARY SCHOOL

**FOR THE YEAR ENDED
30 JUNE, 2024**

NYERI COUNTY



NAROMORU BOYS 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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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 Nyeri County, Kieni East Sub-County.

The school was registered in 1/3/2001 under registration number 19 S 0030 0186 and is currently categorized as an Extra county public school established, owned or operated by the Government.

The school is a day/boarding school and had 536 number of students as at 30th June 2024. It has 4 streams and 32 teachers of which 2 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:

			Date of appointment
1.	Dr.Maryann Ndonga	Chairman	5 th March 2022
2.	Stephen Gitonga	Secretary – Principal	5 th March 2022
3.	Irene Machira	Member	5 th March 2022
4.	Lucy wachira	Member	5 th March 2022
5.	Anthony Kahindi	Member	5 th March 2022
6.	John Mwai	Member	5 th March 2022
7.	Oscar Njuguna	Member	5 th March 2022
8.	Stephen Gichuki	Member	5 th March 2022
9.	Pauline Chege	Member	5 th March 2022
10	Benard Mathu	Member – Rep CEB	5 th March 2022
11	Anunda Mogusu	Member Rep Teachers	5 th March 2022
12	Alice Gachigi Margaret Kirimi Dr. Maryann Ndonga	3 Members – Sponsor	5 th March 2022
13	David Ndirangu	Member – Community	5 th March 2022
14	Godfrey Ngatia	Member Special Needs	5 th March 2022
15	Kelvin Onunga	Rep Students	5 th March 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.

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Dr.Mary A. Ndonga David Ndirangu Lucy Wachira John Mwai Stephen Gitonga	Chairman Member Member Member Secretary	2 out of 3
2	Audit Committee	Anthony Kahindi Irene Machira John Mwai	Chairman Member Member	1 out of 1
3	Finance,procurement and general purposes Committee	Anthony Kahindi Irene Machira John Mwai	Chairman Member Member	1 out of 1
4	Academic Committee	Benard mathu anunda mogusu Lucy wachira	Chairman Member Member	
5	Development Committee	Oscar Njuguna Dr. Maryann Ndonga Alice Gachigi	Chairman Member Member	1 out of 2
6	Discipline and welfare Committee	Bernard Mathu Lucy Wachira Oscar Njuguna	Bernard Mathu Lucy Wachira Oscar Njuguna	4
7	Adhoc Committee (if any during the year)		-	-

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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	Stephen Gitonga Mwenda	TSC No. 257478
2	Deputy Principal	Linus Muna Kimaru	TSC No. 377012
3	School Bursar	George Wanjohi Maina	ICPAK No.
4	Other (specify)	-	-

(d) Schools contacts

Post Office Box: 85-10105
Telephone: 0718435128
E-mail: naromoruboys@gmail.com
Website:
Facebook:
Twitter:

(e) School Bankers

Provide details of the school bankers.

Name of Bank: K.C.B
Branch Naromoru
Postal Address. naromoru@kcb.co.ke

(f) Independent Auditors

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

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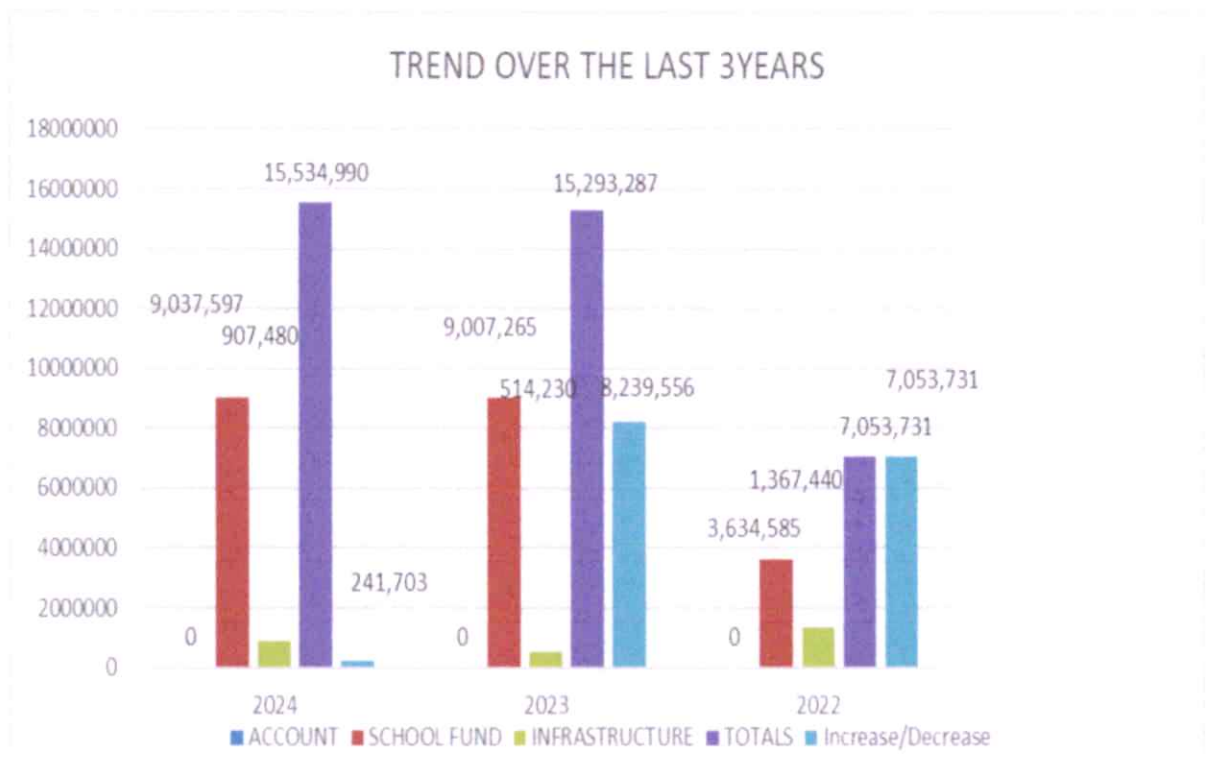
3. Summary Report of Performance of The School

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

a) Financial performance:

i. Surplus/Deficit

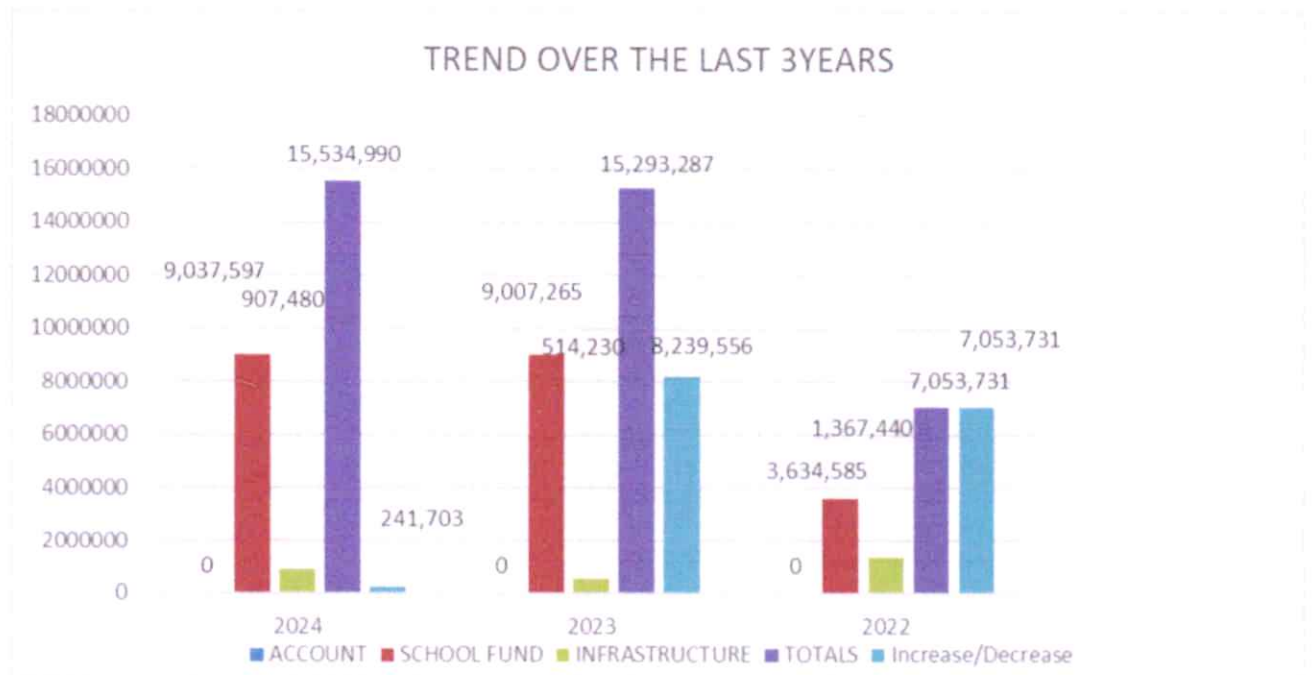
	2024	2023	2022
ACCOUNT	Kshs.	Kshs.	Kshs.
Tuition	201,701.00	-77,967.00	99,786.00
Operations	376,540.00	469,315.00	-159,912.00
School fund	223,229.00	-555,343.00	1,572,020.00
Infrastructure	-1,548.00	-539,549.00	532,370.00
TOTALS	799,922.00	-703,544.00	2,044,264.00
Increase/Decrease	1,503,466.00	-2,747,808.00	



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Capitation grants from ministry of education.

	2024	2023	2022
ACCOUNT	Kshs.	Kshs.	Kshs.
Tuition	1,085,120	1,276,587	1,854,832
Operations	5,286,337	5,743,334	10,837,668
TOTALS	6,371,457	7,019,921	12,692,499
Increase/Decrease	-648,464	-5,672,579	12,692,499
No. of students	520	504	567
Ratio of capitation per students	1:12,252	1:13,587	1:22,385

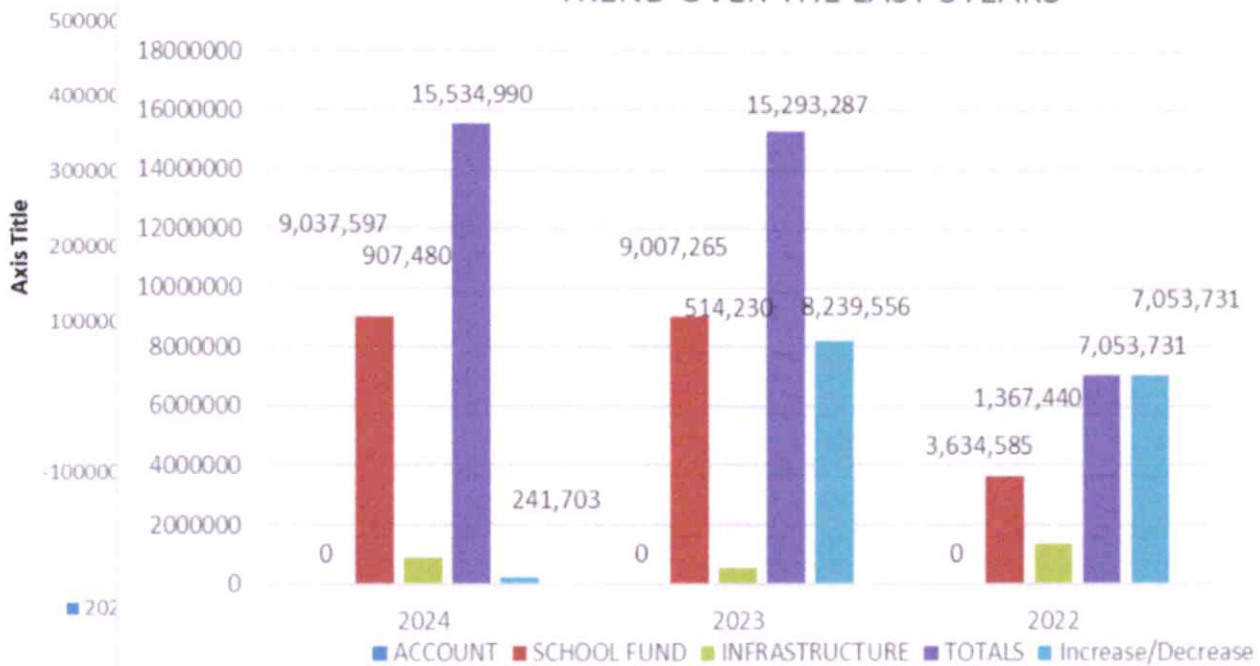


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Annual Report and Financial Statements for the year ended 30th June 2024

ii. Growth in Expenditure

	2024	2023	2022
ACCOUNT	Kshs.	Kshs.	Kshs.
Payments for tuition	883,419	1,354,554	1,755,046
	4,910,797	5,274,019	8,238,580
Payments for school fund	24,953,028	29,361,089	32,148,795
payments for infrastructure	1,548	1,889,450	2,226,630
TOTALS	30,748,792	37,879,112	44,369,051
Increase/Decrease	-7,130,320	-6,489,939	

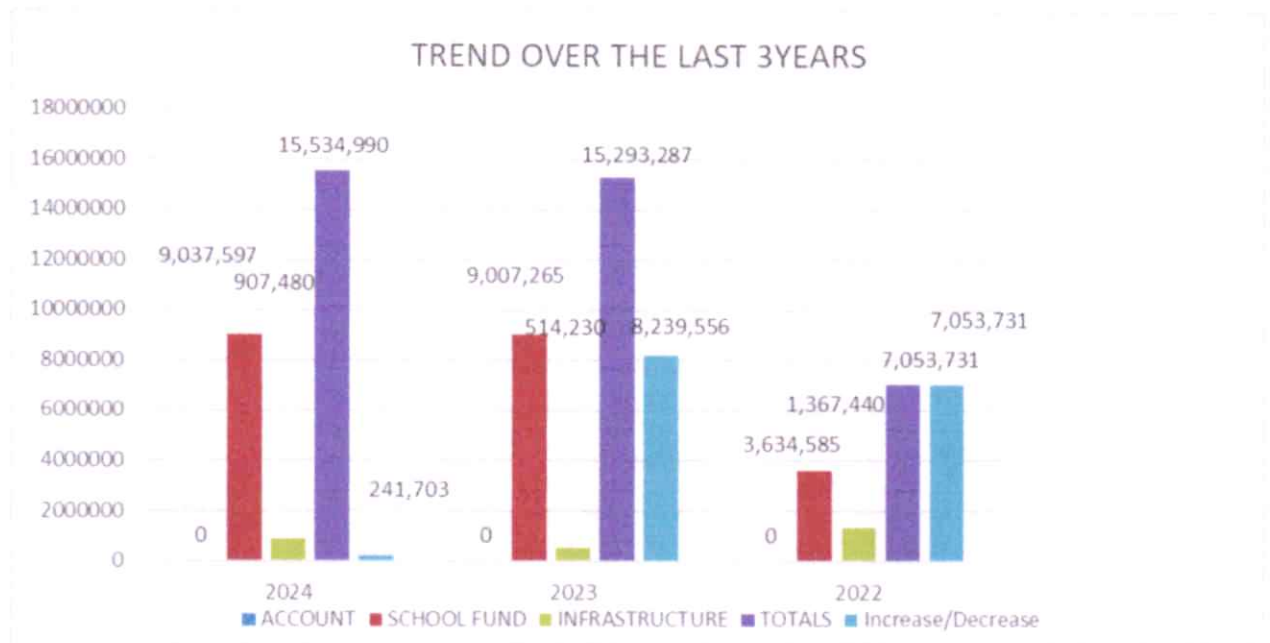
TREND OVER THE LAST 3 YEARS



NAROMORU BOYS SECONDARY SCHOOL
Annual Report and Financial Statements for the year ended 30th June 2024

iii. Movement of debtors

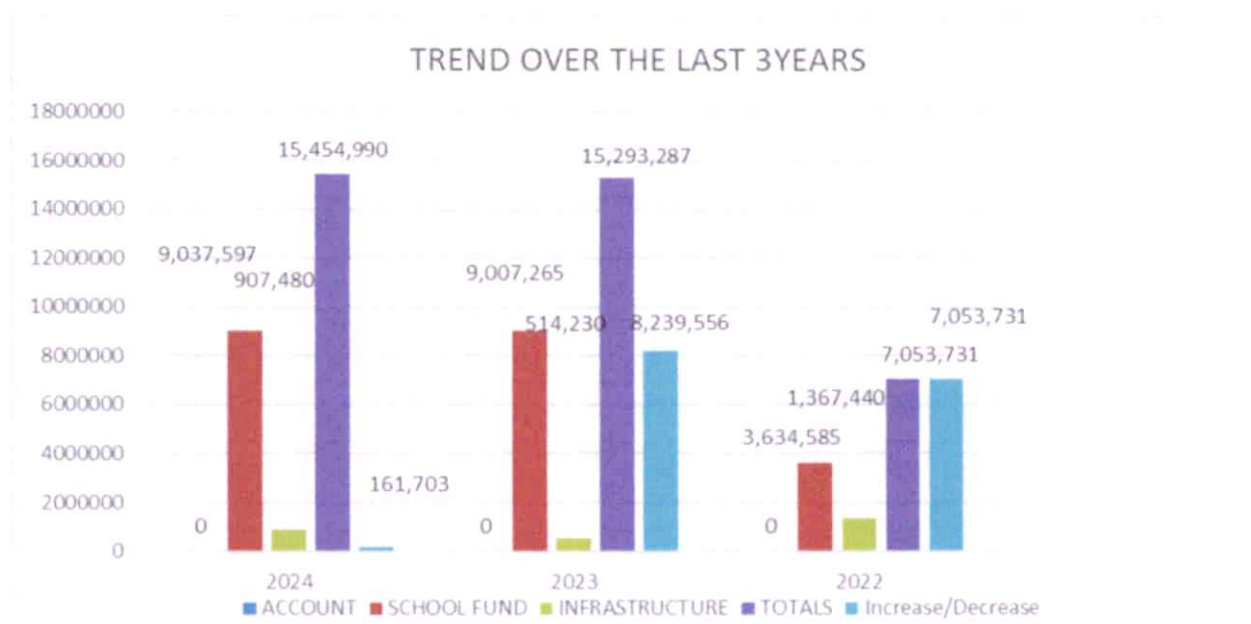
	2024	22023	2022
ACCOUNT	Kshs.	Kshs.	Kshs.
SCHOOL FUND	42,243,606	41,327,749	41,223,950
TOTALS	42,243,606	41,327,749	41,223,950
Increase/Decrease	915,857	103,799	



NAROMORU BOYS SECONDARY SCHOOL
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iv. Movement of creditors

	2024	2023	2022
ACCOUNT	Kshs.	Kshs.	Kshs.
SCHOOL FUND	9,037,597	9,007,265	3,634,585
OPERATIONS	3,099,753	2,946,097	746,076
TUITION	2,410,160	2,825,695	1,305,630
INFRASTRUCTURE	907,480	514,230	1,367,440
TOTALS	15,454,990	15,293,287	7,053,731
Increase/Decrease	161,703	8,239,556	7,053,731



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(b) Teacher student ratio

Total students in 2024	535
Total No. of TSC teachers	32
Total BOM teachers	1

Ratio: Teacher /Student

1:17

With both BOM and TSC teachers

1:16

No. of teachers retired	1
No. of Teachers employed by BOM	1
No. of teachers recruited	Nil
No. of teachers posted to the school	1
No. of teachers transferred	2

No. of teacher per Subject

English	5 TSC teachers
Kiswahili	2 TSC teachers
Mathematics	4 TSC teachers
Biology	8 TSC teachers
Physics	3 TSC teachers
Chemistry	5 TSC teachers
History	4 TSC teachers
Geography	3 TSC teachers + 1 BOM Teacher
CRE	5 TSC teachers
Agriculture	4 TSC teachers
Business Studies	4 TSC teachers
Computer	1 TSC teacher
French	1 BOM teacher

(c) Mean score in the 2021-2023

Entry	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E	M/ Score	Mean Grade	Deviation
141 (2021)	0	0	1	3	10	14	11	34	39	18	11	0	4.844	C-	-0.820
120 (2022)	0	0	0	0	3	8	8	33	46	19	3	0	4.45	C	-0.394
116 (2023)	1	0	3	8	12	12	18	27	24	11	0	0	5.741	4	1.2329

University direct admission (C+ and above)

2021	28 students
2022	11 students
2023	28 students

(d) Number of candidates in the 2023 KCSE

2021	141 students
2022	120 students
2023	116 students

(e) Capacity of the school

(i) Total no. of students	535
535 ÷ 6 dormitories	89

(ii) One dining hall with capacity of 400 students

(iii) **2** laboratories for the total population

(iv) **3** urinals and **35** toilets for the entire population.

Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Construction of students toilets	school fees	Complete		623,630	

PRINCIPAL
 NAROMORU BOYS SEC. SCHOOL

 SEP 2024
 School Principal P.O. Box 85 - 10105,
 NAROMORU

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.

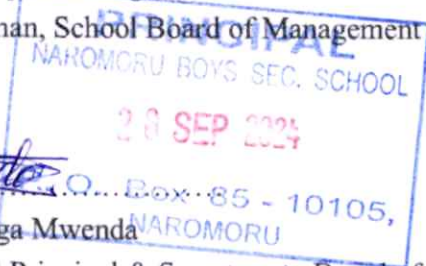
The Board of Management of Naromoru Boys Secondary School accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

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: Dr. Maryann Njeri Ndonga

Designation: Chairman, School Board of Management

Date:



.....
Name: Stephen Gitonga Mwenda

Designation: School Principal & Secretary to Board of Management

Date:

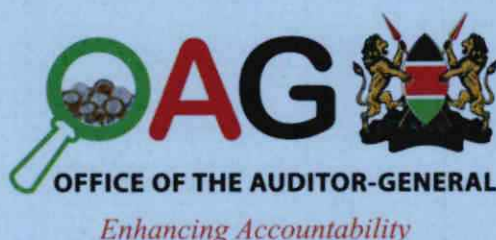
.....
Name: Georg Wanjohi Maina

Designation: Bursar/ Finance Officer

Date: 28/09/2024

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 NAROMORU BOYS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2024 – NYERI COUNTY

PREAMBLE

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

- A. Report on the 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 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 Government achieves value for money and that such funds are applied for the intended purpose.
- 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, the risk management environment and the 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 Naromoru Boys Secondary School – Nyeri County set out on pages 1 to 25, which comprise of the statement of

Report of the Auditor-General on Naromoru Boys Secondary School for the year ended 30 June, 2024 – Nyeri County

financial assets and liabilities as at 30 June, 2024 and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts, 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 Naromoru Boys Secondary School - Nyeri County as at 30 June, 2024 and of its receipts and payments and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and Basic Education Act, 2013.

Basis for Qualification

1. Variances in Accumulated Fund Brought Forward

The statement of assets and liabilities reflects accumulated fund brought forward balance of Kshs.27,151,652. However, the comparative balance for 2022/2023 reflects a balance of Kshs.26,397,496 while the corresponding Note 15 reflects a balance of Kshs.27,101,040. The resulting differences between the three (3) balances were not explained or reconciled.

In the circumstances, the accuracy and completeness of the accumulated fund brought forward balance of Kshs.27,151,652 could not be confirmed.

2. Overdrawn Account and Netting-Off of Bank Balance

The statement of financial assets and liabilities reflects bank balance of Kshs.1,143,581 as disclosed in Note 10 to the financial statements. Included in the balance is school fund account boarding with an overdraft balance of Kshs.30,991 which was offset against bank balance of Kshs.1,143,581 contrary to Section 28(4)(5) of the Public Finance Management Act, 2012.

In the circumstances, the accuracy and completeness of the bank balance of Kshs.1,143,581 could not be confirmed.

3. Unsupported Accounts Receivables

The statement of assets and liabilities reflects accounts receivables balance of Kshs.42,243,608 as disclosed in Note 13 to the financial statements. However, the supporting schedules, detailed ageing analysis per student and invoices issued were not provided for audit.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.42,243,608 could not be confirmed.

4. Long Outstanding Accounts Receivables

The statement of financial assets and liabilities reflects accounts receivables balance of Kshs.42,243,608 in respect of fees arrears as disclosed in Note 13 to the financial statements. Included in the balance are receivables amounting to Kshs.35,529,184 which had been outstanding for more than two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy of the accounts receivables balance of Kshs.35,529,184 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Naromoru Boys Secondary School Management in accordance with ISSAI 130 on 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.27,622,000 and Kshs.31,348,524 respectively, resulting to an over-funding of Kshs.3,826,524 or 14% of the budget. However, the School spent a balance of Kshs.30,549,702 against actual receipts of Ksh,31,348,524 resulting to an under-utilization of Kshs.798,822 of the actual receipts.

In the circumstances, the under-expenditure affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect to this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public

Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues as at 30 June, 2024.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

The statement of receipts and payments reflects an amount of Kshs.24,953,028 in respect to boarding and school fund payments as disclosed in Note 9 to the financial statements. Review of the payment vouchers revealed that a total of Kshs.300,950 was transferred to Nyeri County Secondary School Heads Association and Kieni East Secondary School Heads Association which are private entities not subject to Public Finance Management Act, 2012 or any other public finance regulations and approval by the Ministry of Education. This was contrary to Regulation 23(2) c of the Public Finance Management (National Government) Regulations, 2015. Further, no acknowledgements were received from the two entities.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.300,950 could not be confirmed.

2. Irregular Increase of School Fees

Review of school fee records revealed that there was a departure from the school fees structure issued by the Ministry of Education (MOE) The fees as per Ministry of Education Guidelines was Kshs.40,535 while total annual fees charged by the School was Kshs.49,535 resulting in a variance of Kshs.9,000. This was contrary to Government Circular No. MOE.HQS/3/13/3 dated 16 June, 2021 on guidelines on implementation of Free Day and Secondary Education programme which stipulates that parent will only pay for school uniforms, boarding related costs as reflected in the boarding fee's structure and lunch for the day scholars.

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

3. Long Outstanding Payables

The statement of financial assets and liabilities and as disclosed in Note 14 to the financial statements reflects payables balance of Kshs.15,454,990 However, included in the

balance are trade payables amounting to Kshs.5,263,133 which had been outstanding for more than two (2) years. This was contrary to Section 53 (8) of the Public Procurement and Asset Disposal Act, 2015 which states that 'an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contract (s) are reflected in approved budget estimates.

In the circumstances, Management was in breach of the law and there is risk loss of public funds through litigations, interests and penalties.

4. Under-Funding of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amounts of Kshs.1,085,120 and Kshs.5,287,337 respectively as disclosed in Notes 1 and 2 to the financial statements. During the year under review, NEMIS reported a total number of three hundred and nineteen (319), four hundred and forty-eight (448) and four hundred and thirty-nine (439) students in September, 2023, January and May, 2024, while the enrolment records provided by the School reflected a total number of five hundred and three (503), five hundred and thirty-five (535), and five hundred and thirty-eight (538) in September,2023, January and May, 2024 respectively, resulting to an unexplained variance of one hundred and eighty-four (184) ,eighty-seven (87) and ninety-nine (99) students. As a result of the variances, the School was under-funded by total amount of Kshs.1,493,642.

In the circumstances, the under-funding of the School may have affected service delivery and value for money could not be confirmed.

The audit was conducted in accordance with ISSAI 4000. The standard requires 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 are in compliance, 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 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 overall governance were not effective.

Basis for Conclusion

1. Inadequate Meetings by the Board of Management

During the year under review, the School Board of Management met three (3) times which was contrary to the Fourth Schedule of the Basic Education Act, 2013 which provides that

the Board of Management shall meet at least once every three months. Further, no meetings were held for the school improvement committee and the academic committee during the year under review.

In the circumstances, the School did not achieve its strategic objectives.

2. Lack of Ownership Documents

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.117,359,355. in respect of fixed assets which includes land with a balance of Kshs.29,000,000 However, land ownership documents were not provided for audit.

In the circumstances, the ownership and safe custody of the fixed assets could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of intention to terminate the School or to cease its operations.

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

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

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

governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

20 May, 2025

NAROMORU BOYS SECONDARY SCHOOL
Annual Report and Financial Statements for the year ended 30th June 2024

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			
Government grants for tuition	1	1,085,120	1,276,587
Government grants for operations	2	5,287,337	5,743,334
Government Grants for infrastructure	3	0	1,349,901
School fund income- parents' contributions	4	25,176,257	28,805,746
Miscellaneous incomes	5	0	0
Total Receipts		31,548,714	37,175,568
Payments			
Tuition	6	883,419	1,354,554
Operations	7	4,910,797	5,274,019
Infrastructure	8	1,548	1,889,450
Boarding and school fund	9	24,953,028	29,361,089
Total Payments		30,748,792	37,879,112
Surplus/Deficit		799,922	-703,544


The school financial statements were approved on 28th Sep 2024 and signed by:


.....


Name: Dr. Maryann Ndonga
Chair BOM

Date:




.....
Name: Stephen G. Mwenda
School Principal/ Secretary to
BOM

Date:


.....
Name: George Wanjohi
Bursar/ Finance Officer

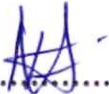
Date: 28/09/2024


NAROMORU BOYS SECONDARY SCHOOL
Annual Report and Financial Statements for the year ended 30th June 2024


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

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	1,143,581	330,720
Cash balances	11	19,375	32,314
Short term investments	12	0	0
Total cash and cash equivalent		1,162,956	363,034
Account's receivables	13	42,243,608	41,327,749
Total financial assets (a)		43,406,564	41,690,783
Financial liabilities			
Accounts payables	14	15,454,990	15,293,287
Total Financial Labilities (b)		27,951,574	26,397,496
Net financial assets (a-b)			
Represented by			
Accumulated fund b/fwd	15	27,151,652	35,236,797
Surplus/deficit for the year		799,922	-703,544
Accounts receivable			103,799
Accounts payable			-8,239,556
Net Assets		27,951,574	26,397,496

The school's financial statements were approved on 28th Sep 2024 and signed by:


.....
Name: Dr. Maryann
Ndonga
Chair BOM


.....
Name: Stephen G. Mwenda
School Principal/ Secretary to
BOM


.....
Name: George Wanjohi
Bursar/ Finance Officer



NAROMORU BOYS SECONDARY SCHOOL
Annual Report and Financial Statements for the year ended 30th June 2024

Date:

Date:


Date:


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

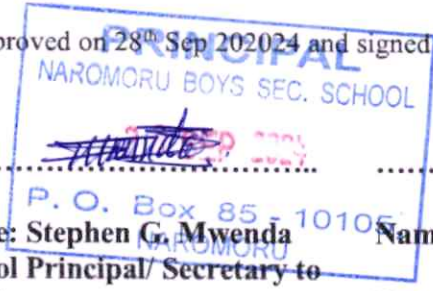
Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition		1,085,120	1,276,587
Government grants for operations		5,287,337	5,743,334
Government grants for infrastructure		0	1,349,901
School fund income- parents contributions/ fees		25,176,257	28,805,746
Other income		0	0
Total receipts		31,548,714	37,175,568
Payments			
Cash outflows for tuition		883,419	1,354,554
Cash outflows for operations		4,910,797	5,274,019
Cash outflows from Infrastructure		1,548	1,889,450
Cash outflows Boarding/lunch and school fund payments		24,953,028	29,361,089
Total payments		30,748,792	37,879,112
Net cash inflow/outflow from operating activities		799,922	-703,544
Cash flow from investing activities			
Acquisition of assets		0	0
Proceeds from sale of Assets		0	0
Proceeds from investments		0	0
Purchase of investments		0	0
Net cash inflow/outflows from investing activities		0	0
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			
Net increase/decrease in cash and cash equivalents		799,922	-703,544
Cash and cash equivalent at beginning of the FY		363,034	1,066,578
Cash and cash equivalent at end of the FY		1,162,956	363,034


NAROMORU BOYS SECONDARY SCHOOL
Annual Report and Financial Statements for the year ended 30th June 2024

The school's financial statements were approved on 28th Sep 2024 and signed by:


.....
Name: Dr. Maryann
Ndonga
Chair BOM
Date:


.....
Name: Stephen G. Mwenda
School Principal/ Secretary to
BOM
Date:




.....
Name: George Wanjohi
Bursar/ Finance Officer
Date: 28/09/2024

NAROMORU BOYS SECONDARY SCHOOL
Annual Report and Financial Statements for the year ended 30th June 2024

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

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					0
					0
<i>(1) Capitation Grant on Tuition</i>					0
Reference Materials	0	0	0	0	0
Exercise Books	0	0	0	0	0
Laboratory Equipment	0	0	0	0	0
Internal Exams	0	0	0	0	0
Teaching / Learning Materials	2,072,000	0	2,072,000	1,085,120	52
Exams And Assessment	0	0	0	0	0
<i>(2) Capitation Grant on Operations</i>					0
Other voteheads	5,096,000	0	5,096,000	5,286,237	104
Repairs And Maintenance	0	0	0	0	0
Local Transport / Travelling	0	0	0	0	0
Electricity And Water	0	0	0	0	0
Medical	0	0	0	0	0
Administration Costs	0	0	0	0	0
Activity	840,000	0	840,000	0	0
Gratuity	0	0	0	0	0
School	0	0	0	1,100	0

NAROMORU BOYS SECONDARY SCHOOL

Annual Report and Financial Statements for the year ended 30th June 2024

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	A	B	c=a+b	D	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
3) FDSE for infrastructure					0
Maintenance & Improvement MoE	2,000,000	0	2,000,000	0	0
M&I parents' contribution	0	0	0	0	0
Economic Stimulus Programs	0	0	0	0	0
Transition Infrastructure Grants	0	0	0	0	0
Administration Block	0	0	0	0	0
(4) Fees Charged on Parents	0	0	0	0	0
Personnel Emoluments	1,234,072	0	0	0	0
Repairs And Maintenance	1,000,000		1,000,000	1,234,266	123
Local Transport / Travelling	0	0	0	0	0
Electricity And Water	0	0	0	0	0
Medical	0	0	0	0	0
Administration Costs	0	0	0	0	0
Other voteheads	0	0	0	3,453,965	0
P.A	0	0	0	4,299,157	0
Activity	0	0	0	1,233,534	0
Arrears	0	0	0	1,925,102	0
Fee On Boarding Equipment and Stores	10,415,000	0	10,415,000	12,831,143	123
5) Miscellaneous Income					0
Loans / Borrowing	0	0	0	0	0
Rent income	0	0	0	0	0
Income From Farming Activities	0	0	0	0	0

NAROMORU BOYS SECONDARY SCHOOL

Annual Report and Financial Statements for the year ended 30th June 2024

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
Insurance Compensation	0	0	0	0	0
Income From Posho Mill	0	0	0	0	0
Income From Bus Hire	0	0	0	0	0
Fee For Hire of Ground and Equipment	0	0	0	0	0
Interest Income	0	0	0	0	0
Income From Any Other Investment	0	0	0	0	0
Total Income	22,657,072	0	21,423,000	31,349,624	146
(6) Expenditure For Tuition					0
Textbooks	0	0	0	0	0
Reference Materials	0	0	0	0	0
Exercise Books	0	0	0	0	0
Laboratory Equipment	0	0	0	0	0
Internal Exams	0	0	0	0	0
Teaching / Learning Materials	2,072,000	0	2,072,000	202,500	10
Creditors	0	0	0	676,534	0
Exams And Assessment	0	0	0	0	0
Teachers Guides	0	0	0	0	0
Administration Costs	0	0	0	0	0
Bank Charges	0	0	0	4,385	0
					0
(7) Expenditure For Operations					0
Personnel Emoluments	2,225,000	0	2,225,000	1,330,243	60

NAROMORU BOYS SECONDARY SCHOOL

Annual Report and Financial Statements for the year ended 30th June 2024

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
Repairs, Maintenance & Improvements	0	0	0	102,970	60
Local Transport / Travelling	890,000	0	890,000	225,550	25
Electricity, Water and Conservancy	430,000	0	430,000	203,800	47
Medical	0	0	0	43,044	0
Administration Costs	1,655,000	0	1,655,000	1,141,805	69
Activity Expenses	750,000	0	750,000	148,980	20
Creditors	0	0	0	1,515,315	0
SMASSE	100,000		100,000	0	0
	0	0	0	0	0
(8) Expenditure For infrastructure					0
R.M.I	3,000,000	0	3,000,000	1,548	0
Construction of LAB	0	0	0	0	0
Construction of DORMS	0	0	0	0	0
Purchase of furniture	0	0	0	0	0
Purchase of equipment	0	0	0	0	0
Purchase of machinery	0	0	0	0	0
(9) Expenditure For school fund/lunch/boarding					0
Personnel Emoluments	1,500,000		1,500,000	3,095,240	206
Repairs, Maintenance and Improvements	0	0	0	799,360	0
Local Transport / Travelling	1,335,000		1,335,000	1,351,150	102

NAROMORU BOYS SECONDARY SCHOOL

Annual Report and Financial Statements for the year ended 30th June 2024

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
Electricity, Water and Conservancy	1,250,000		1,250,000	597,580	0
Medical Expenses	0	0	0	0	0
Administration Costs	1,750,000		1,750,000	2,501,343	143
Activity	250,000		250,000	588,770	235
Creditors	0	0	0	6,191,335	0
Boarding Equipment and Stores	10,415,000	0	10,415,000	9,462,505	91
Expenditure For Income Generating Activity	0	0	0	0	0
Insurance Costs	0	0	0	365,745	0
Other Expenses On Investments	0	0	0	0	0
Rent Expenses	0	0	0	0	0
Bank Charges	0	0	0	0	0
Loan Interest Repayment	0	0	0	0	0
Loan Principal Repayment	0	0	0	0	0
Acquisition Of Assets	0	0	0	0	0
Totals	27,622,000	0	27,622,000	30,549,702	107

1. The 146% revenue collection is due to Arrears and P.A collection.

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

Description	2023-2024	2022-2023
	Kshs	Kshs
Reference Materials		
Exercise Books		
Laboratory Equipment		
Internal Exams		
Teaching / Learning Materials	1,085,120	1,276,587
Others (<i>specify</i>)*		
Total	1,085,120	1,276,587

2 Government Grants for Operations

Description	2023-2024	2022-2023
	Kshs	Kshs
Other Voheads	5,286,237	3,617,746
Repairs And Maintenance		1,820,000
Local Transport / Travelling		
Electricity And Water		
Medical		
Administration Costs		
Activity		133,575
Welfare		16,250
Union		2,420
N.S.S.F		9,468
N.H.I.F		12,350
P.A.Y.E		1,704
Advance		2,250
Sacco		85,371
School fund	1,100	
Infrastructure		42,200
Total	5,287,337	5,743,334

NAROMORU BOYS SECONDARY SCHOOL
Annual Report and Financial Statements for the year ended 30th June 2024

3 Government Grants for infrastructure

Description	2023-2024	2022-2023
	Kshs	Kshs
Maintenance & Improvement	0	1,349,901
Transition infrastructure grants		
Administration Block		
Economic stimulus grants		
Other (specify)(NGCDF and County govt.		
Total	0	1,349,901

4 School Fund Income - Parents Contribution/Fees

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel emoluments		
Repairs and maintenance	1,234,266	518,547
Local transport / travelling		
Electricity and water		
Medical		
Administration costs		
Activity	1,233,534	82,986
Fee on Boarding Equipment and stores	12,831,143	14,124,113
PA Levies*	4,299,157	3,393,927
Arrears	1,925,102	2,956,437
Other voteheads	3,453,965	4,858,500
Operations	199,090	1,240,445
Uniform		21,500
N.S.S.F		158,322
N.H.I.F		91,500
P.A.Y.E		8,520
Union		19,100
Welfare		142,400
Sacco		765,649
Infrastructure		423,800
Total	25,176,257	28,805,746

5 Miscellaneous Incomes

Description	2023-2024	2022-2023
	Kshs	Kshs
Rent Income		
Income From Farming Activities		
Insurance Compensation		
Income From Posho Mill		
Income From Bus Hire		
Fee For Hire of Ground and Equipment		
Income From Grants and Donations*		
Interest Income		
Dividends Income		
Loans/Borrowings*		
Other Income (<i>specify</i>)*		
Total		

NAROMORU BOYS SECONDARY SCHOOL
 Annual Report and Financial Statements for the year ended 30th June 2024

6 Tuition

Description	2023-2024	2022-2023
	Kshs	Kshs
Exercise Books		
Textbooks		
Reference materials		
Laboratory Equipment		
Teaching / Learning Materials	202,500	150,000
Exams And Assessment		
Teachers Guides		
Bank Charges	4,385	606
Creditors	676,534	1,203,948
Total	883,419	1,354,554

7 Operations

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	1,330,243	402,582
Service Gratuity		36,625
Administration Cost	1,141,805	714,884
Repairs And Maintenance & Improvements	102,970	1,640,251
Local Transport / Travelling	225,550	
Electricity And Water	203,800	63,080
Medical	43,044	162,100
Activity Expenses	148,980	215,240
Insurance Cost		
Creditors	1,515,315	751,500
N.S.S.F		9,468
N.H.I.F		12,350
P.A.Y.E		1,704
Union		6,040
Sacco		17,750
School fund	199,090	1,240,445
Total	4,910,797	5,274,019

NAROMORU BOYS SECONDARY SCHOOL
Annual Report and Financial Statements for the year ended 30th June 2024

8 Infrastructure

Description	2023-2024	2022-2023
	Kshs	Kshs
Construction of classrooms		
Construction of laboratory		
Construction of dormitory		
Purchase of furniture		
Purchase of equipment		
Purchase of apparatus		
Drilling of boreholes		
Maintanance and Improvement		500,000
Creditors		923,210
School fund		423,800
Operations		42,200
Others (Bank charges)	1,548	240
Total	1,548	1,889,450

9 Boarding and School Fund

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	3,095,240	3,386,613
Service Gratuity		190,920
Repairs And Maintenance & Improvements	799,360	507,835
Activity	588,770	716,590
Local Transport / Travelling	1,351,150	2,219,486
Electricity And Water	597,580	629,126
Medical Expenses		
Administration Costs	2,501,343	2,737,440
Creditors	6,191,335	3,825,073
Bank Charges		
Expenses On Income Generating Activities**		
Fee On Boarding Equipment and Stores	9,462,505	13,452,812
Farm		38,440
Insurance Cost (Life Property)	365,745	242,938
N.S.S.F		249,768
N.H.I.F		95,500
P.A.Y.E		10,224

NAROMORU BOYS SECONDARY SCHOOL
Annual Report and Financial Statements for the year ended 30th June 2024

Union		23,020
Welfare		179,270
Sacco		798,534
Advance		57,500
Loan Principal Repayment		
Loan Interest Repayment		
Acquisition Of Assets		
PA expenses		
Others (specify)		
Total	24,953,028	29,361,089

NAROMORU BOYS SECONDARY SCHOOL
Annual Report and Financial Statements for the year ended 30th June 2024

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2023-2024	2022-2023
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	1103147048	250,535	48,833
Operations Account	Active	1103143948	923,305	548,080
School Fund Account/Boarding	Active	1103130706	-30,991	-268,473
Savings Account		-		
Parent Association Development Account		-		
Income Generating Activities Account		-		
Infrastructural Account	Active	1272840271	732	2,280
Total			1,143,581	330,720

11 Cash In Hand

Description	2023-2024	2022-2023
	Kshs	Kshs
Notes and Coins	19,375	32,314
Total	19,375	32,314

12 Short Term Investments

Description	2023-2024	2022-2023
	Kshs	Kshs
Cooperative Shares		
Treasury Bills		
Fixed Deposit accounts		
Other Investments		
Total	0	0

13 Accounts Receivable

Description	2023-2024	2022-2023
	Kshs	Kshs
Fees Arrears	42,243,608	41,327,749
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)		
Imprest (list/schedule attached)		
Rent arrears (list/schedule attached)		
Total	42,243,608	41,327,749

13 b) Ageing Analysis of Accounts Receivable

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	2,840,961	7	3,060,236	7
Between 1- 2 years	3,873,463	9	4,362,280	11
Between 2-3 years	4,171,864	10		
Over 3 years	31,357,320	74	33,905,233	82
Total (should tie to note 13 a)	42,243,608	100	41,327,749	100

14 Accounts Payable

Description	2023-2024	2022-2023
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	15,454,990	15,293,287
Prepaid Fees		
Retention Monies		
Unpaid salaries and statutory deductions		
Caution money		
Other payables (<i>specify</i>)		
Total	15,454,990	15,293,287

14a. Ageing Analysis of Accounts Payable

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	1,512,783	10	3,437,217	22
Between 1- 2 years	8,679,074	56	5,312,047	35
Between 2-3 years	4,913,133	32	6,194,023	41
Over 3 years	350,000	2	350,000	2
Total (should tie to note 14)	15,454,990	100	15,293,287	100

15 Fund Balance Brought Forward

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank Balances	330,720	944,756
Cash Balances	32,314	121,822
Short Term Investments		
Receivables	42,243,608	41,327,749
Payables	-15,454,990	-15,293,287
Total	27,151,652	27,101,040

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		2	2
Goats			
Trees		792	792
Coffee Or Tea Plantation			
Poultry			
Others (specify)			
Total		794	794

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	2023-2024	2022-2023
	Kshs	Kshs
Food stuffs	72,500	
Lab consumables	25,000	
Farm produce		
Medication		
Construction Materials		
Others (specify)		
	97,500	

(Stock to be measured at lower of cost and net realisable value. Net realisable value is the difference between selling costs less costs to sell)

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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)
REPORT ON FINANCIAL STATEMENTS				
1.	Inaccuracies in capitation grants, unexplained variance of 23,522	This was as a result of the total grants received in operation include the recoveries of statutory deductions of Kshs. 23,522. The recoveries were. 1. NSSF – 9,468 2. NHIF – 12,350 3. UNION- 1,704	Resolved	2023/2024 financial year
2	Accounts receivables			
2.1	Long outstanding receivables	The receivables ageing analysis for less than 3years is provided	Not resolved	
2.2	Long outstanding receivables Ksh. 33,905,233	The school management will avoid fees arrears accumulation by educating parents on how to avoid students debts.	Not resolved	To be reviewed in the next meeting.
3	Overdrawn account and netting-off Kshs. 268,473	Payment made exceeded by ksh, 268,473 due to unreceipted cash of ksh. 340,786	Resolved	2023/2024 financial year
4.	Unsupported payments ksh. 5,337,445	The support documents filed separately were attached to the payment vouchers.	Resolved	2023/2024 financial year.
5.	Inaccuracies in the financial statements.	The correct note numbers have been inserted.	Resolved	2022/2023 financial year

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Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		Variances noted on balances brought forward from 2021/2022 to 2022/2023 have been corrected.		
6	Net deficit (Excess vote)	The year 2022/2023 had a deficit of Ksh. 703,544. This were funds spent from the savings of year 2021/2022 which reached a surplus of Ksh. 2,041,848	Resolved	
REPORT ON LAWFULNESS AND EFFECTIVENES ON USE OF RESOURCES				
1.	Irregular transfer of funds to kenya secondary schools heads association.	The management will comply and adhere with the ministry guidelines.	Awaiting ministry guidelines.	
2.	Failure to prepare school improvement plan.	The school management will prepare school improvement plan.	Resolved	2024/2025 financial year.
3.	Failure to transfer infrastructure funds.	Infrastructure grants will be transferred when grants are received and guidelines from the ministry of education are issued.	Resolved	2024/2025 financial year.
4.	Lack of complete procurement plan	The procurement plan 2022/2023 have been amended to include unit costs, total costs and procurement plan.	Resolved	2023/2024 financial year.
5.	Non-compliance with the public sector Accounting Standards Board Reporting Requirements.	All items on the PSASB Template will be attached for compliance.	Resolved	2023/2024 financial year.
REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE.				

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Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Lack of internal audit function and audit committee	The Audit committee will be made functional through regular meetings.	Resolved	2023/2024 financial year.
2.	Lack of ownership documents	The management has written to the ministry of land for the same.	Not resolved	Government to determine.
3.	Lack of segregation of duties.	The management will ensure segregation of duties for effective internal controls.	Resolved	2023/2024 financial year
4.	Lack of automated systems.	The management has a system in place and will be fully utilized.	Not resolved	2025/2026


PRINCIPAL
 NAROMORU BOYS SEC. SCHOOL
 28 SEP 2024
 P. O. Box 85 - 10105,
 NAROMORU

Sign and Date
Principal

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12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
	A	B	C	d=a-c	Kshs	Kshs
Construction Of Buildings	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.						
2.						
3.						
Sub-Total						
Supply Of Goods						
4. One stop hardware	514,230	01/07/2022		707,480	514,230	
5. Regina Mumbi	2,601,510	01/07/2023		3,011,560	2,801,510	
6. Blue Joseph enterprises	150,000	01/07/2020		100,000	150,000	
7. Githima Lincolns enterprises	2,522,950	01/07/2023		2,834,650	2,672,950	
8. Bundi traders		01/07/2022			99,000	
9. Simon Mahinda	718,100	01/07/2022		400,000	718,100	
10. James Wambugu	533,880	01/07/2023		946,280	533,880	
11. Julius Wambugu	29,200	01/07/2023		24,000	29,200	
12. Gauss construction	635,000	01/07/2023		353,000	635,000	

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Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
13. Charles mathenge		01/07/2023			7,650	
14. Janerose gichuhi	127,250	01/07/2023		50,000	127,250	
15. Sistu trading co. ltd	225,000	01/07/2023		96,000	225,000	
16. Lucy michire	27,325	01/07/2023		25,440	27,325	
17. Top engineering	839,000	01/07/2022		653,000	839,000	
18. David Mwaniki	711,456	01/07/2022		250,000	711,456	
19. Jambu generals	140,000	01/07/2023		150,890	140,000	
20. Kabaru Bookshop	361,534	01/07/2023		425,720	361,534	
21. Aspets sch supplies	100,486	01/07/2022		50,000	100,486	
22. Saatech tech	702,290	01/07/2023		416,510	702,290	
23. Franch Enterprises	628,530	01/07/2022		328,000	628,530	
24. Dabuem suppliers	595,105	01/07/2022		300,000	595,105	
25. Chamaka enterprises	337,750	01/07/2023		430,000	337,750	
26. Joylab enterprises		01/07/2023		339,630		
27. EPHYA Enterprises		01/07/2023		30,000		
28. Lisbon ventures		01/07/2023		90,300		
29. Peter Maina	450,195	01/07/2023		451,965	450,195	
30. Green rings investment	200,000	01/07/2020		200,000	200,000	
31. Darlow Africa	50,660	01/07/2023		44,200	50,660	

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Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
32. Gathuitu supplies		01/07/2023		396,920		
33. Kieni health		01/07/2023			5,830	
34. Silver Solutions		01/07/2023			5,000	
35. Mary Nyathira	90,000	01/07/2023		51,400	90,000	
36. Benson Wamac	144,780	01/07/2023		278,600	144,780	
37. Happy chance	113,900	01/07/2023		205,050	113,900	
38. Geris ventures		01/07/2023		57,500		
39. Esther wanjiru		01/07/2023			28,800	
40. David Gichero	154,850	01/07/2023		120,000	154,850	
Sub-Total	13,704,981			13,818,095	14,201,261	
Supply Of Services						
41. Luke kamondo		01/07/2023		335,721		
42. Joseph Ichura	168,325	01/07/2022		108,325	168,325	
43. Joseph gituuro	376,938	01/07/2022		376,938	376,938	
44. Kanyiri miano	66,000	01/07/2023		10,000	66,000	
45. Joseph Wanjohi		01/07/2023		40,000		
46. C.I.C Insurance		01/07/2023		201,137		
47. Bernard Mwangi		01/07/2023		231,034		
48. Benson Karimi	260,963	01/07/2022		200,963	260,963	

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Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
49. Proto Energy		01/07/2023		132,777		
Grand Total	14,577,207			15,454,990	15,293,287	

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Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1st July 2023	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2024
Land	29,000,000			29,000,000
Buildings And Structures	75,700,000	623,630		76,323,630
Motor Vehicles	2,500,000			2,500,000
Office Equipment, Furniture and Fittings	4,322,485			4,322,485
Textbooks	2,840,800			2,840,800
ICT Equipment	748,500			748,500
Tools And Apparatus	350,000			350,000
Other Machinery and Equipment	1,273,940			1,273,940
Heritage And Cultural Assets				
Intangible Assets- Soft Ware				
Total	116,735,725	623,630		117,359,355