

REPUBLIC OF KENYA



Enhancing Accountability



REPORT

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HON. MADMI WAQO,
DEPUTY CHIP WHIP

OF

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WHIP

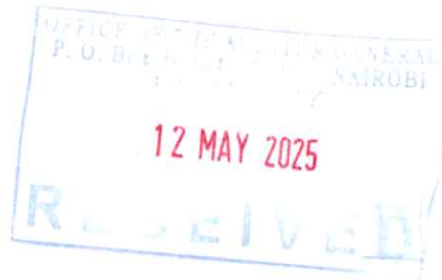
THE AUDITOR-GENERAL

ON

NAROMORU GIRLS HIGH SCHOOL

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

NYERI COUNTY



NAROMORU GIRLS HIGHSCHOOL

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 of 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. |

A. 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 15/2/2024 under registration number 19S00300195 and is currently categorized as an Extra County public school established, owned or operated by the Government.

The school is boarding school and had 920 number of students as at 30th June 2024 It has 5 streams and 34 teachers of which 4 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

The School Board of Management established under Section 55 of the Basic Education Act, 2013; is composed of the following members:

| Ref: | Name of Board Member | Designation | |
|------|----------------------|----------------------|----------|
| 1 | Mr. James Miano | Chairman | 5/3/2022 |
| 2 | Esther Mukundi | Secretary- Principal | 5/3/2021 |
| 3 | Mr.Stephen Kiarie | Member | 5/3/2022 |
| 4 | Ms. Charity Mwangi | Member | 5/3/2022 |
| 5 | Ms.Irene Ndumia | Member | 5/3/2022 |
| 6 | Mr.Daniel Kang'angi | Member | 5/3/2022 |
| 7 | Mr.Daniel Kiriungi | Member | 5/3/2022 |
| 8 | Mr.Bernard Mathu | Member – | 5/3/2022 |
| 9 | Mr.Samuel Njuguna | Member Rep Teachers | 5/3/2022 |
| 10 | Rev.Muriithi Miiru | Member - Sponsor | 5/3/2022 |
| 11 | Mr.Isaack Kamanja | MemberSpecial Needs | 5/3/2022 |
| 12 | Mr.Titus Wambeti | Member | 5/3/2022 |
| 13 | Mrs Beretha Ngunjiri | Member | 5/3/2022 |
| 14. | Dr.Charity Waithima | Member | 5/3/2022 |

The functions of the School Board of Management are to:

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

(c) Committees of the Board

(Provide the names of the various committees of the Board established by the Board and the names of the committee members):

| Ref: | Name of Committee | Names of Members | Designation | Number of meetings attended during the year |
|------|---|--|--|---|
| 1 | Executive Committee | 1. James Miano 2. Esther Mukundi 3. Stephen Kiarie 4. Irene Ndumia 5. Charity Mwangi | Chairman Secretary Member. P.A. Chair Member | 2 of 4 |
| 2 | Audit Committee | 1. Stephen Kiarie 2. Njoroge Kiriungi 3. Charity Waithima 4. Benard Mathu | Chairperson Secretary Member Member | 1 of 4 |
| 3 | Finance, procurement and general purposes Committee | 1. Titus Wambeti 2. Esther Mukundi 3. Mrs Beritha Ngunjiri 4. Mr Simon Gichia 5. Mr. Stephen Kiarie | -Chairman Principal /Member Member Member | 3 of 4 |
| 4 | Academic Committee | 1. Mr Benard Mathu 2. Mr. Samuel Njuguna 3. Dr. Charity Waithima 4. Mr. James Miano 5. Ms Charity Mwangi | Chairman Member Member Member Member | 1 of 4 |

| | | | | |
|---|----------------------------------|---|--|--------|
| 5 | Development Committee | 1.Daniel Kanga'angi 2.David Ntuara 3.Mercy Ngatia 4.James M.Gachara 5.Irene Ndumia 6.Esther Mukundi 7.Daniel Kiriungi | Chairman Subcounty Director .Educ Secretary /Deputy Principal Member P.A. Member Principal/Member Member | 3 of 4 |
| 6 | Discipline and welfare Committee | 1.Simon Gichia 2.Mercy Ngatia 3.Dr.Charity Waithima 4.Isaack Kamanja 5.Eng.Peris Gathoni | Chairman Secretary/D.Principal Member Member Member | 1 of 4 |

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

| Ref: | Designation | Name | Identification |
|------|------------------|---------------|------------------|
| 1 | Principal | Phylis Kamau | TSC No.423240 |
| 2 | Deputy Principal | Lilian Mundia | TSC No. 352534 |
| 3 | School Bursar | Stephen Maina | ID. NO. 11032679 |

(d) Schools contacts

Post Office Box: 20-10105 NARO MORU
 Telephone: 0795143256
 E-mail: naromorgirls@yahoo.com

(e) School Bankers

| S/No | Account Name | A/c Number | Name of the Bank | Postal Address |
|------|---------------------|---------------|------------------|----------------|
| | Tuition account | 1101933054 | KCB | 211 NAROMORU |
| | Operations account | 1101934883 | KCB | 211 NAROMORU |
| | Infrastructure | 1150279617670 | Equity | 270 NYERI |
| | Taifa SACCO | 702-11-0779 | Taifa Sacco | 238 NYERI |
| | School fund- KCB | 110192645 | -KCB | 211 NAROMORU |
| | School fund- Equity | 1150266511152 | Equity | 270 NYERI |
| | Canteen | 1150282766031 | Equity | 270 NYERI |

MPESA PAY BILL

i) Business No.522123

Account No.37654k
 Attached to bank account 1101926457 at KCB

i) Business no.247247

Account 511152
 Attached to account 1150266511152 at Equity Bank

(f) Independent Auditors

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

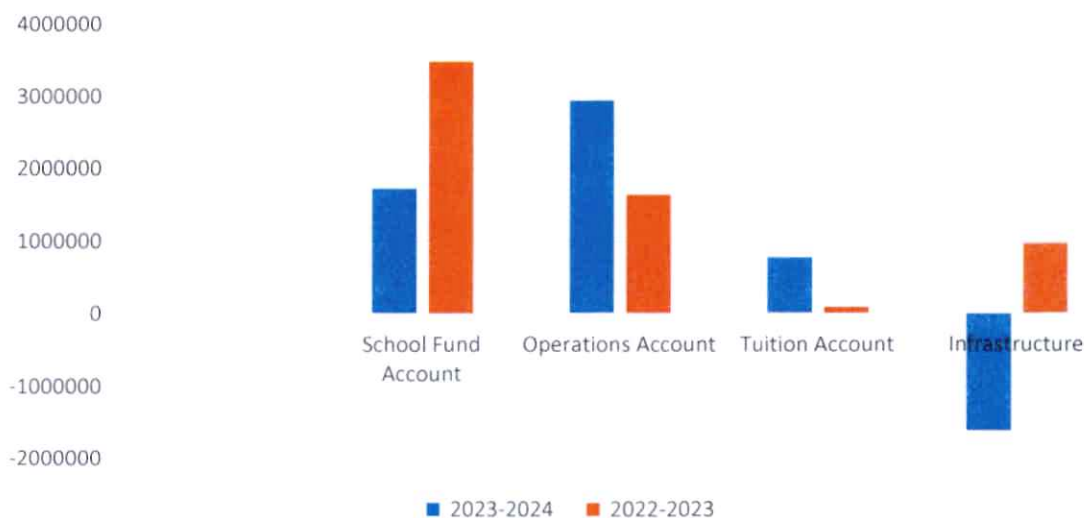
3. Summary Report of Performance of The School

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

a) Financial performance:

| SNO | ACCOUNTS | 2023-2024 | 2022-2023 | 2021-2022 |
|-----|---------------------|------------------|------------------|------------------|
| | | Kshs | Kshs | Kshs. |
| 1 | School Fund Account | -4,206,194.00 | 3,479,872.00 | 1,296,544.00 |
| 2 | Operations Account | 5,370,376.00 | 1,638,609.00 | 108,204.00 |
| 3 | Tuition Account | 3,620,706.00 | 91,483.00 | 470,256.00 |
| 4 | Infrastructure | -1,623,675.0 | 964,940.00 | -1,806,287 |
| | TOTAL | 3,769,920 | 6,174,904 | 68,717.00 |

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



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

| SNO | ACCOUNTS | 2023-2024 | 2022-2023 | 2021-2022 |
|-----|--------------------|-------------------|----------------------|----------------------|
| | | KSHS | KSHS | KSHS |
| 1 | Operations Account | 12,212,462.00 | 9,025,275.00 | 9,127,580.00 |
| 2 | Tuition Account | 2,194,199.00 | 1,998,440.00 | 2,868,536.00 |
| | TOTAL | 14,406,661 | 11,023,715.00 | 11,996,116.00 |

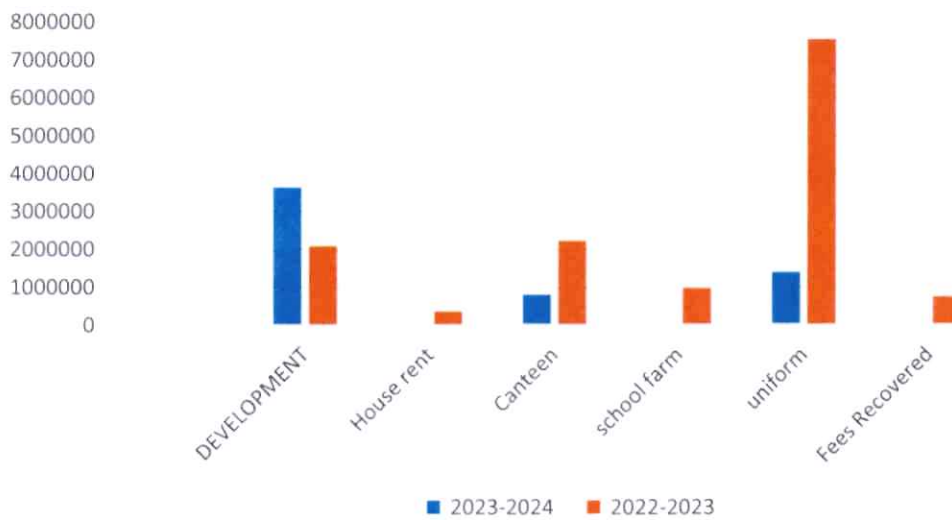
Capitation grants from the Ministry of Education for the last three years



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

| Accounts | 2023-2024 | 2022-2023 |
|----------------|---------------------|----------------------|
| | Ksh | Ksh |
| Development | 3,617,673.00 | 2,080,171.00 |
| House rent | | 350,050.00 |
| Canteen | 783,235.00 | 2,218,448.00 |
| school farm | | 956,725.00 |
| uniform | 1,372,770.00 | 7,517,345.00 |
| Fees Recovered | | 728,629.00 |
| | 5,773,678.00 | 13,851,368.00 |

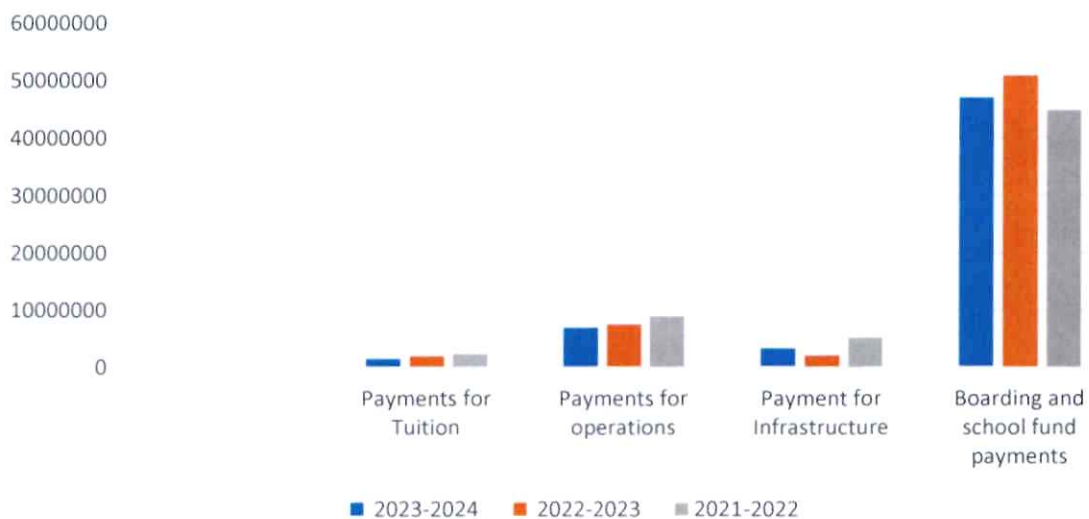
A three-year overview of growth of other income(s) earned by the school.



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

| S/no | Accounts | 2023-2024 | 2022-2023 | 2021-2022 |
|--------------|-----------------------------------|-------------------|-------------------|-------------------|
| | | Ksh | Ksh | Ksh |
| | Payments for Tuition | 1,426,507.00 | 1,906,957.00 | 2,398,280 |
| | Payments for operations | 6,842,086.00 | 7,386,666.00 | 9,019,376 |
| | Payment for Infrastructure | 3,200,115.00 | 2,002,060.00 | 5,255,787 |
| | Boarding and school fund payments | 46,827,974.00 | 50,771,625.00 | 44,832,460 |
| | Payments from savings account | 188132 | | |
| | Payments from canteen account | 547,385 | | |
| TOTAL | | 59,032,199 | 62,067,308 | 61,505,903 |

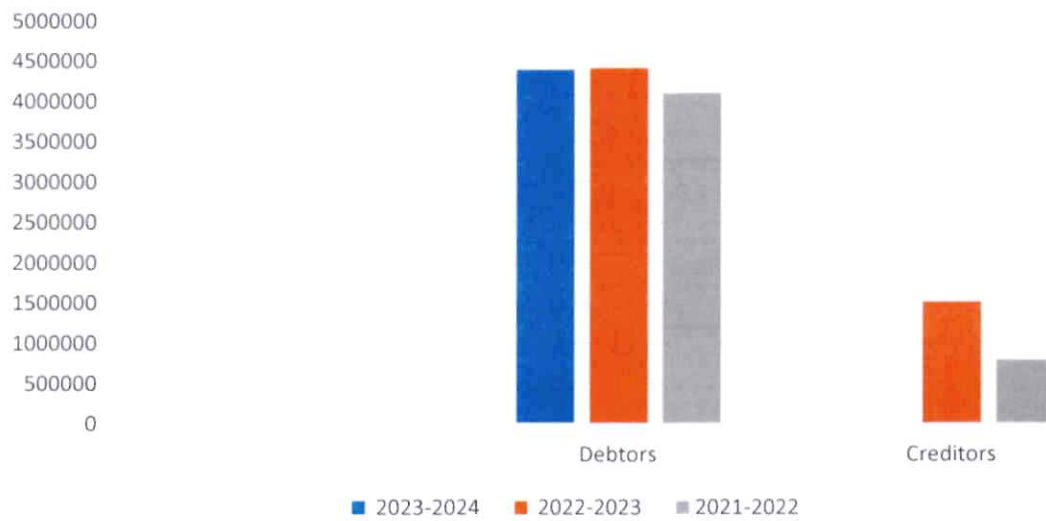
A three-year overview of growth in expenditure of the school



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

| Accounts | 2023-2024 | 2022-2023 | 2021-2022 |
|-----------|--------------|--------------|--------------|
| | Ksh | Ksh | Ksh |
| Debtors | 5,743,061.00 | 4,409,811.00 | 4,100,839.00 |
| Creditors | - | 862,758.00 | 786,000.00 |

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



Graphical presentation, ratios, tables, and pie charts should be used to show/ indicate trends unless the school is new).

b) Teacher Student ratio:

Between the month of July 2023 and June 2024 the status of the teaching staff is as follows
 There are 30 teachers employed by Teachers Service Commission and 4 teachers employed by the Board of Management

c) Mean score in the 2023KCSE:

| Year | ENROLMENT | MEAN | TRANSITION | TRANSITION % | SCHOOL TARGET | COMMENTS |
|------|-----------|------|------------|--------------|---------------|-----------------|
| 2023 | 179 | 6.57 | 177 | 99 | 8.0 | Hope to improve |
| 2022 | 132 | 6.52 | 132 | 100 | 8.0 | Decline |
| 2021 | 144 | 7.35 | 138 | 96 | 8.0 | Well done |

d) Number of Candidates in the 2023 KCSE:

| 2023 | 2022 | 2021 |
|------|------|------|
| 179 | 132 | 144 |

e) Capacity of the school:

| Year | Enrolment | Laboratory | Dining Hall | Toilets | Classrooms | Home Science workshop | COMMENTS |
|------|-----------|------------|-------------|---------|------------|-----------------------|---|
| 2024 | 920 | 4 | 1 | 73 | 17 | 2 | Need more Lab, Classrooms and Dormitories |
| 2023 | 820 | 4 | 1 | 68 | 16 | 2 | More classrooms needed |
| 2022 | 807 | 4 | 1 | 68 | 14 | 2 | More dormitories and lab required |
| 2021 | | 4 | 1 | 68 | 14 | 2 | More Dormitories needed |

f) Development projects carried out by the school:

| Projects | Source of funds | Status | Initial Cost (Kshs) | Amount Spent (Kshs) | Expected completion time |
|--|---|-------------|---------------------|---------------------|--------------------------|
| Dormitory Roofing (tumaini) | 1.Maintenance and Improvement 2.Parents Contribution-Development | Complete | 3,808,265.00 | 3,808,265.00 | December 2023. |
| Food Stores And Generator house | 1.Maintenance and Improvement 2.Parents Contribution-Development | Complete | 3,985,600 | 3,985,600 | October 2023 |
| Modern gate and fence | 1.Maintenance and improve ment | Partly done | 3,912,500 | 2,885,201 | December 2024 |
| Entrance cabros from schoolgate to offices | 1.Maintenance and improvement 2.Parents contributions | Partly done | 1,219,000 | 0 | December 2024 |
| Six(6) tanks -10,000 Litres | Parents Contribution-Development | Complete | 850,000 | 850,000 | October 2023 |



Irene M Ndumia
Chairperson
Board of Management
Naromoru Girls High
School

Date 9/5/2025



Phylis W. Kamau
Secretary Board of
Management/Principal
Naromoru Girls High School .

THE PRINCIPAL
NAROMORU GIRLS HIGH SCHOOL
XIV
09 MAY 2025
SIGN:.....
P. O. Box 20 - 10105, NAROMORU



Stephen Maina
Bursar
Naromoru girls HighSchool

Date 9/5/2025

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

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2024, and of the school's financial position as at that date.

.....

Name: Irene M .Ndumia

Designation: Chairperson , School Board of Management

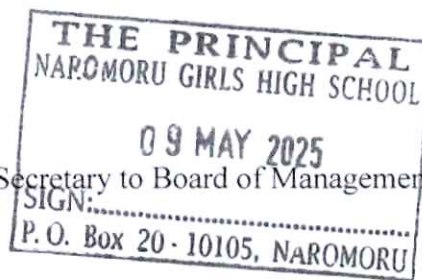
Date: 9/5/2025

.....

Name: Phylis W. Kamau

Designation: School Principal & Secretary to Board of Management

Date: 9/5/2025



.....

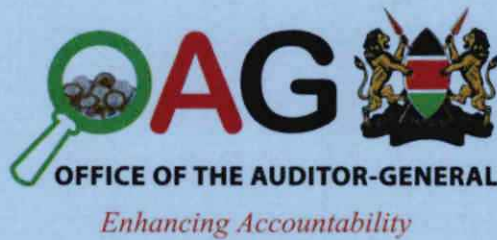
Name: . Stephen Maina

Designation: Bursar

Date: 9/5/2025

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NAROMORU GIRLS HIGH 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 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.
- 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 Naromoru Girls High School – Nyeri County set out on pages 1 to 21, which comprise of the statement of 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 for the year then ended 30 June 2024 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 effects of the matter 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 Girls High School - Nyeri County 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 Public Education Act of 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Long Outstanding Student Accounts Receivables

The statement of assets and liabilities reflects accounts receivables balance of Kshs.5,743,062 as disclosed in Note 12 to the financial statements. Included in the amount is Kshs.5,351,588 being long outstanding debtors for over 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 and full recoverability of the outstanding receivables balance of Kshs.5,351,588 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.67,506,337 and Kshs.63,425,490 respectively, resulting to an under-funding of Kshs.4,080,847 or 6% of the budget. However, the School spent a balance of Kshs.59,031,197 against actual receipts of Kshs.63,425,490 resulting to an under-utilization of Kshs.4,394,293 or 7% of the actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. 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.

Other Information

The Management is responsible for the other information set out on page III to XV which comprise of Key School Information and Management, Summary Report of the Performance of the School and Statement of School Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

Basis for Conclusion

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. Over-Funding of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amounts of Kshs.2,194,199 and Kshs.10,636,022 as disclosed in Notes 1 and 2 to the financial statements respectively. Review of students' documents provided for audit revealed that there were discrepancies between the data in the National Education Management Information System (NEMIS) and school records relating to the enrolment of students. During the year under review, the NEMIS reported a total number of three thousand five hundred and forty-three (3,543) students while the enrolment record provided by the School reflected a total of three thousand five hundred and twenty-eight (3,528) students, resulting in a variance of fifteen (15) students. As a result of the variances, the School was over funded by an amount of Kshs.216,246.

In the circumstances, the over-funding may have affected service delivery to the other schools which did not receive capitation for students and value for money could not be confirmed.

2. Failure to Transfer Infrastructure Funds from the Operations Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.10,636,022 as disclosed in Note 2 to the financial statements. Included in the amount is Kshs.3,467,300 in respect of RMI Component that ought to have been transferred to the infrastructure bank account for maintenance and improvement of the school's facilities. However, only Kshs.2,370,000 was transferred to infrastructure account, leaving a balance of Kshs.1,106,300. This was contrary to Ministry of Education Circular Ref. No.MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account within 15 days upon receipt of the funds in the operations account.

In the circumstances was in breach of the law.

3. Virement (Reallocation) of Funds

The statement of receipts and payments reflects government grants for infrastructure of Kshs.1,576,440 as reflected in Note 3 to the financial statements. Review of the bank statements presented for audit revealed that Management transferred Kshs.200,000 from the infrastructure account to the school fund account on 23 January 2024. This was contrary to Ministry of Education regulations concerning virement of funds from infrastructure account without prior approval from the County Education Board (CEB).

In the circumstances Management was in breach of the regulations.

4. Irregular Increase of School Fees

The statement of receipts and payments reflects Miscellaneous Income - parents' contributions amount of Kshs.5,773,678 as disclosed in Note 5 to the financial statements

which includes Development PA Support Programme amount of Kshs.3,617,673. Review of fee records revealed that the School charged an extra amount of Kshs.2,000 to form ones (1) and Kshs.14,000 to Forms two (2), three (3) and Four (4) per student to support the programme which had not been approved by the Ministry of Education through the County Education Board. 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 parents 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 law.

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

The statement of receipts and payments reflects operations payments amount of Kshs.6,842,086 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.762,630 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system, and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.762,630 could not be confirmed.

6. Dilapidated Dormitories with Asbestos Roofing

Physical inspection of the School's boarding facilities revealed that the School has eight (8) Dormitories. However, Nyati, shalom, Mbuni, Neema, Simba and Chui Dormitories that held one hundred (100), one hundred and twenty (120), one hundred and eight (108), ninety-eight (98), one hundred and five (105) and one hundred and ten (110) students respectively were visibly squeezed, and did not adhere to the 1.2 metre spacing between beds. Further, physical inspection of these boarding facilities at the School, revealed that Tumaini dormitory which has a capacity of two hundred and fifty (250) students had dilapidated walls caused by water retention on the walls. This has led to growth of moulds on the walls due to dampness where students are exposed to health risks, such as respiratory diseases caused by these walls.

In addition, the School has an old building with asbestos roofing, which is converted to a dormitory when the School has full capacity of students. . This was contrary to Regulation Y36 of the Fourth Schedule of the Environmental Management and Co-ordination (waste management) Regulations 2006 that states that wastes containing asbestos in the form of dust or fibers are considered hazardous.

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

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 effects of the matter 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

Lack of Data Storage and Recovery Strategy

Review of the School systems and data storage facilities revealed that during the year under review, the School maintained manual ledgers, which did not have any backup up in case of data loss or damage by water or fire.

In the circumstances, the School's ability to recover data in case of a disaster 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 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 the 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 comply with the authorities which govern them and that public resources are applied in an effective way.

The Board of Management is responsible for overseeing the School's financial reporting process, reviewing the effectiveness of how Management monitors compliance with

relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

20 May, 2025

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

| Description of vote heads | Note | 2023-2024 Kshs. | 2022-2023 Kshs |
|--|------|----------------------|----------------------|
| Receipts | | | |
| Government grants for tuition | 1 | 2,194,199.00 | 1,998,440.00 |
| Government grants for operations | 2 | 10,636,022.00 | 9,025,275.00 |
| Government grant for Infrastructure | 3 | 1,576,440.00 | 2,967,000.00 |
| School Fund Income- Parents' Contributions | 4 | 42,621,780.00 | 48,287,748.00 |
| Miscellaneous incomes | 5 | 5,773,678.00 | 5,983,973.00 |
| Total Receipts | | 62,802,119.00 | 68,262,436.00 |
| Payments | | | |
| Payments for Tuition | 6 | 1,426,505.00 | 1,906,957.00 |
| Payments for operations | 7 | 6,842,086.00 | 7,386,666.00 |
| Payment for Infrastructure | 8 | 3,200,115.00 | 2,002,060.00 |
| Payment for Boarding and School Fund | 9 | 47,563,491.00 | 50,781,161.00 |
| Total Payments | | 59,032,199.00 | 62,076,844.00 |
| Surplus/deficit | | 3,769,920.00 | 6,185,592.00 |

The school financial statements were approved on 9/5 2025 and signed by:

Irene Ndumia

Name: Irene Ndumia

Chairperson BOM

Date: 29/5/2025

Phylis W Kamau

Name: Phylis W Kamau
School Principal/ Secretary to
BOM

THE PRINCIPAL
NAROMORU GIRLS HIGH SCHOOL
09 MAY 2025
SIGN:.....
P. O. Box 20 - 10105, NAROMORU

Stephen Maina

Name: Stephen Maina

Bursar/ Finance Officer

Date: 9/5/2025

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 | 12,728,069.00 | 8,303,712.00 |
| Cash Balances | 11 | 121,199.00 | 152,280.00 |
| Total Cash and Cash Equivalents | | 12,849,268.00 | 8,455,992.00 |
| Account's receivables | 12 | 5,743,062.00 | 5,138,440.00 |
| Total Financial assets (a) | | 18,592,330.00 | 13,594,432.00 |
| Financial Liabilities | | | |
| Accounts Payable | 13 | 2,460,899.00 | 1,232,921.00 |
| Total Financial Liabilities (b) | | 2,460,899.00 | 1,232,921.00 |
| Net financial assests (a-b) | | 16,131,431.00 | 12,361,511 |
| Represented by: | | | |
| Accumulated fund b/fwd | 14 | 12,361,511.00. | 6,175,919.00 |
| Surplus/deficit for the year | | 3,769,920.00 | 6,185,592.00 |
| Net Assets | | 16,131,431.00 | 12,361,511.00 |

The school's financial statements were approved on 9/5 2025 and signed by:

[Signature]

Name: Irene M Ndumia

Chairperson BOM

Date: 9/5/2025

[Signature]

Name: Phylis W. Kamau
School Principal/ Secretary to
BOM

THE PRINCIPAL
NAROMORU GIRLS HIGH SCHOOL
Date: 09 MAY 2025
SIGN:.....
P. O. Box 20-10105, NAROMORU

[Signature]

Name: Stephen Maina

Bursar/ Finance Officer

Date: 9/5/2025

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 grant for tuition | 1 | 2,194,199.00 | 1,998,440.00 |
| Government grant for operation | 2 | 10,636,022.00 | 9,025,275.00 |
| Government grant for Infrastructure | 3 | 1,576,440.00 | 2,967,000.00 |
| School fund income- Parents contributions/ fees | 4 | 43,245,146.00 | 48,287,748.00 |
| Other income | 5 | 5,773,678.00 | 5,983,973.00 |
| Total receipts | | 63,425,485.00 | 68,262,436.00 |
| Payments | | | |
| Cash Outflow for Tuition | 6 | 1,426,505.00 | 1,906,957.00 |
| Cash outflows for operations | 7 | 6,842,086.00 | 7,386,666.00 |
| Cash outflow for Infrastructure | 8 | 3,200,115.00 | 2,002,060.00 |
| Cash outflow for Boarding/School Fund | 9 | 47,563,491.00 | 50,781,161.00 |
| Total payments | | 59,032,209.00 | 62,076,844.00 |
| Net cash inflow /outflow from operating activities | | 4,393,276.00 | 6,185,592 |
| CASHFLOW FROM INVESTING ACTIVITIES | | | |
| Net cash inflows/outflow from Investing Activities | | - | - |
| Cashflow from financing Activities | | | |
| Proceeds from borrowings/ loans | | | |
| Repayment of principal borrowings | | | |
| Net cash inflow/outflow from Financing Activities | | | |
| Net increase/decrease in cash and cash Equivalents | | 4,393,276.00 | 6,185,592.00 |
| Cash and cash equivalent at BEGINNING of the FY year | | 8,455,992.00 | 2,270,300.00 |
| Cash and cash equivalent at END of the FY year | | 12,849,268.00 | 8,455,992.00 |

The school's financial statements were approved on 9/5/2025 2025 and signed by:



Name: Irene M Ndumia

Chairperson BOM

Date: 9/5/2025



Name: Phylis W. Kamau
School Principal/ Secretary to BOM

THE PRINCIPAL
NAROMORU GIRLS HIGH SCHOOL
09 MAY 2025
SIGN:.....
P. O. Box 20 - 10105, NAROMORU



Name: Stephen Maina

Bursar/ Finance Officer

Date: 9/5/2025

NAROMORU GIRLS HIGH 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 | Budget Utilization Difference | % of Utilization |
|---|------------------------|--------------------|---------------------|-----------------------------------|--------------------------------------|-------------------------|
| | a | b | c = a+b | d | e = c - d | f = d/c |
| | Kshs | Kshs | Kshs | Kshs | Kshs | |
| RECEIPTS | | | | | | |
| (1) CAPITATION GRANT ON TUITION | | | | | | |
| Exercise Books | 3,059,994 | | 3,059,994 | 153,844 | 2,906,150 | 5% |
| Lab. Equipment | 386,030 | | 386,030 | 19,407 | 366,623 | 5% |
| T/L Materials | 3,356,640 | | 3,356,640 | 1,925,752 | 1,430,888 | 57% |
| Internal Exam | 1,891,300 | | 1,891,300 | 95,086 | 1,796,214 | 5% |
| Chalk | 1,100 | | 1,100 | 110 | 990 | 10% |
| SUB-TOTAL | 8,695,064 | | 8,695,064 | 2,194,199 | 6,500,865 | |
| (2) CAPITATION GRANT ON OPERATIONS | | | | | | |
| Local, Transport & Travelling | 1,903,500 | | 1,903,500 | 931,137 | 972,363 | 49% |
| Electricity, Water & Conservancy | 1,142,100 | | 1,142,100 | 949,131 | 192,969 | 83% |
| Repair, Maintenance & Improvement | 4,050,000 | | 4,050,000 | 3,433,700 | 616,300 | 85% |
| Activity | 1,215,000 | | 1,215,000 | 528,790 | 686,210 | 44% |
| Personal Emoluments | 2,284,200 | | 2,284,200 | 2,730,512 | -446,312 | 120% |
| Administration Costs | 2,284,200 | | 2,284,200 | 1,347,477 | 936,723 | 59% |
| Medical | 0 | | 0 | 715,275 | -715,275 | 0% |
| SUB-TOTAL | 12,879,000 | | 12,879,000 | 10,636,022 | 2,242,978 | |
| (3) GOVERNMENT GRANTS FOR INFRASTRUCTURE | | | | | | |
| CBC classrooms | 1700,000 | | 0 | 1,576,440 | -1,576,440 | 0% |
| SUB-TOTAL | 1700,000 | | 0 | 1,576,440 | -1,576,440 | |
| FEEES CHARGED ON PARENTS | | | | | | |
| Boarding, Equipment & Stores | 27,676,529 | | 27,676,529 | 22,507,676 | 5,168,853 | 81% |
| Local, Transport & Travelling | 3,764,500 | | 3,764,500 | 3,657,269 | 107,231 | 97% |

NAROMORU GIRLS HIGH SCHOOL

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

| | | | | | |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|------|
| Electricity, Water & Conservancy | 2,542,104 | 2,542,104 | 2,559,201 | -17,097 | 101% |
| Administration Costs | 3,171,439 | 3,171,439 | 5,361,042 | -2,189,603 | 169% |
| Activity | 0.00 | 0.00 | 331,102 | -331,102 | 0% |
| Personal emoluments | 3,917,698 | 3,917,698 | 3,915,854 | 1,844 | 100% |
| Repairs and Maintenance | 0.00 | 0.00 | 1,866,254 | -1,866,254 | 0% |
| Prepayments | 0.00 | 0.00 | 2,460,899 | -2,460,899 | 0% |
| Fee Arrears Recovered | 0.00 | 0.00 | 585,854 | -585,854 | 0% |
| SUB-TOTAL | 41,072,270 | 41,072,270 | 43,245,151 | -2,172,881 | |
| OTHER INCOME | | | | | |
| Development | 4,860,000 | 4,860,000 | 3,617,673 | 1,242,327 | 74% |
| Canteen | 0.00 | 0.00 | 783,235 | -783,235 | 0% |
| Uniform | 0.00 | 0.00 | 1,372,770 | -1,372,770 | 0% |
| SUB-TOTAL | 4,860,000 | 4,860,000 | 5,773,678 | | |
| GRANDTOTAL INCOME. | 69,206,337 | 67,506,337 | 63,425,490 | | |

| | | | | | |
|---------------------------------------|------------------|------------------|------------------|------------------|------|
| (1) EXPENDITURE FOR TUITION | | | | | |
| Exercise Books | 3,059,994 | 3,059,994 | 759,567 | 2,300,427 | 25% |
| Lab Equipment | 386,030 | 386,030 | 0.00 | 386,030 | 0% |
| T/L Materials | 3,356,640 | 3,356,640 | 152,262 | 3,204,378 | 5% |
| Internal Exam | 1,891,300 | 1,891,300 | 510,000 | 1,381,300 | 27% |
| Bank Charges | | | 4,676 | | 0% |
| Creditors | | | | | |
| SUB-TOTAL | 8,693,964 | 8,693,964 | 1,426,505 | 7,272,135 | |
| (2) EXPENDITURE FOR OPERATIONS | | | | | |
| Local, Transport & Travelling | 1,903,500 | 1,903,500 | 118,925 | 1,784,575 | 6% |
| Electricity, Water & Conservancy | 407,491 | 407,491 | 533,924 | -126,433 | 131% |
| Activity | 1,215,000 | 1,215,000 | 0 | 1,215,000 | 0% |
| Personal Emoluments | 2,284,200 | 2,284,200 | 4,136,389 | -1,852,189 | 181% |

NAROMORU GIRLS HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2024

| | | | | | | | |
|---|-------------------|--|-------------------|--|-------------------|------------------|------|
| Administration Costs | 2,284,200 | | 2,284,200 | | 472,350 | 1,811,850 | 21% |
| CBC Classrooms | 0.00 | | 0.00 | | 1,575,644 | -1,576,440 | 0% |
| Bank Charges | | | | | 4,058 | -4,058 | 0% |
| SUB-TOTAL | 8,094,391 | | 8,094,391 | | 6,842,086 | 1,253,305 | |
| (3) EXPENDITURE FOR INFRASTRUCTURE ACCOUNT | | | | | | | |
| 200 Capacity dormitory | 4,050,000 | | 4,050,000 | | 3,200,000 | 850,000 | 79% |
| Bank Charges | | | | | 115 | | |
| SUB-TOTAL | 4,050,000 | | 4,050,000 | | 3,200,115 | 850,000 | |
| (4) EXPENDITURE FOR SCHOOL FUND | | | | | | | |
| Boarding, Equipment & Stores | 24,999,100 | | 24,999,100 | | 18,554,986 | 6,444,114 | 74% |
| Local, Transport & Travelling | 3,764,500 | | 3,764,500 | | 3,327,161 | 437,339 | 88% |
| Electricity, Water & Conservancy | 2,542,104 | | 2,542,104 | | 1,367,193 | 1,174,911 | 54% |
| Repair, Maintenance & Improvement | 2,688,700 | | 2,688,700 | | 4,754,141 | -2,065,441 | 177% |
| Activity | 1,264,700 | | 1,264,700 | | 1,096,217 | 168,483 | 87% |
| Personal Emoluments | 3,417,439 | | 3,417,439 | | 789,318 | 2,628,121 | 23% |
| Administration Costs | 3,171,439 | | 3,171,439 | | 10,946,004 | -7,774,565 | 345% |
| School Farm | 0.00 | | 0.00 | | 412,140 | -412,140 | 0% |
| Development Expense | 4,860,000 | | 4,860,000 | | 4,915,201 | -4,915,201 | 101% |
| Uniform | 0.00 | | 0.00 | | 1,367,850 | -1,367,850 | 0% |
| Bank Charges | 0.00 | | 0.00 | | 33,280 | -33,280 | 0% |
| SUB-TOTAL | 46,707,982 | | 46,707,982 | | 47,563,491 | -855,509 | |
| Grand total | 69,206,337 | | 67,506,337 | | 59,031,197 | | |

10. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2024.

11. Notes To The Financial Statements

1 Government Grants for Tuition

| Description | 2023- 2024 | 2022-2023 |
|-------------------------------------|---------------------|---------------------|
| | Kshs | Kshs |
| Text books | | |
| Exercise books | 153,844.00 | 1,081,036.00 |
| Laboratory equipments and apparatus | 19,407.00 | 188,850.00 |
| Teaching/learning materials | 1,925,752.00 | 280,192.00 |
| chalks | 110.00 | - |
| Internal exams | 95,086.00 | 448,362.00 |
| Reference books | - | - |
| Operations Accounts | - | - |
| Total | 2,194,199.00 | 1,998,440.00 |

2 Government Grants for Operations

| | 2023-2024 | 2022-2023 |
|------------------------------|-------------------|---------------------|
| | Kshs | Kshs |
| Personnel emoluments | 2,730,512.00 | 2,506,337.00 |
| Repairs and maintenance | 3,433,700.00 | 2,967,000.00 |
| Local transport / travelling | 931,137.00 | 790,093.00 |
| Electricity and water | 949,131.00 | 1,069,807.00 |
| Medical | 715,275.00 | 71,200.00 |
| Administration costs | 1,347,477.00 | 1,283,475.00 |
| Activity | 528,790.00 | 53,100.00 |
| Nhif -Eduafya | - | 284,263.00 |
| Total | 10,636,022 | 9,025,275.00 |

3 Government Grants for infrastructure

| DESCRIPTION | 2023-2024 | 2022-2023 |
|-----------------------------|------------------|---------------------|
| | Kshs | Kshs |
| CBC Classrooms | 1,576,440 | 0 |
| Maintenance and improvement | | 2,967,000.00 |
| Total | 1,576,440 | 2,967,000.00 |

4. School Fund Income -Parents Contribution/Fees

| | 2023-2024 | 2022-2023 |
|-------------------------------|----------------------|----------------------|
| | Kshs | Kshs |
| Personnel emoluments | 3,915,854.00 | 3,496,547.00 |
| Repairs and maintenance | 1,866,254.00 | 1,616,490.00 |
| Local transport / travelling | 3,657,269.00 | 1,969,601.00 |
| Electricity and water | 2,559,201.00 | 3,099,335.00 |
| Boarding, equipments & Stores | 25,262,160.00 | 25,141,724.00 |
| Administration costs | 5,361,042.00 | 4,783,945.00 |
| Activity | 331,102.00 | 292,598.00 |
| Uniform | | 7,517,345.00 |
| Prepaid Fees | | 370,163.00 |
| Total | 42,621,780.00 | 48,287,748.00 |

5 Miscellaneous Incomes

| | 2023-2024 | 2022-2023 |
|--|---------------------|---------------------|
| | Kshs | Kshs |
| Development | 3,617,673.00 | 2,080,171.00 |
| House rent | | 350,050.00 |
| School farm | | 956,725.00 |
| Canteen | 783,235.00 | 2,218,448.00 |
| Uniform | 1,372,770.00 | |
| Fees arrears recovered during the year | | 728,629.00 |
| Total | 5,773,678.00 | 6,334,023.00 |

6 Tuition

| | 2023-2024 | 2022-2023 |
|-------------------------------------|---------------------|---------------------|
| | Kshs | Kshs |
| Exercise books | 759,567.00 | 211,384.00 |
| Laboratory equipments and apparatus | - | 30,940.00 |
| Teaching/learning materials | 152,262.00 | 1,216,670.00 |
| Creditors paid | - | 100,000.00 |
| Assessment /exam | 510,000.00 | 346,500.00 |
| Bank charges | 4,676.00 | 1,463.00 |
| Total | 1,426,505.00 | 1,906,957.00 |

7 Operations

| | 2023-2024 | 2022-2023 |
|--|---------------------|---------------------|
| | Kshs | Kshs |
| Personal Emoluments | 4,136,389.00 | 2,734,339.00 |
| Infrastructure | | 2,967,000.00 |
| Administration Cost | 472,350.00 | 188,115.00 |
| Repairs and maintenance & improvements | - | 63,430.00 |
| Local transport / travelling | 118,925.00 | 287,744.00 |
| Electricity and water | 533,924.00 | 492,735.00 |
| Activity Expenses | - | 450,035.00 |
| Transfer to Savings account | - | 200,000.00 |
| Bank Charges | 4,058.00 | 3,268.00 |
| CBC Classrooms | 1,576,440.00 | - |
| TOTAL | 6,842,086.00 | 7,386,666.00 |

NAROMORU GIRLS HIGH SCHOOL
 Annual Report and Financial Statements For the year ended 30th June 2024

8 Infrastructure

| DESCRIPTION | 2023-2024 | 2022-2023 |
|---------------------------|---------------------|---------------------|
| | Kshs | Kshs |
| Construction of dormitory | 3,200,000.00 | 2,002,000.00 |
| Bank Charges | 115.00 | 60.00 |
| Total | 3,200,115.00 | 2,002,060.00 |

9 Boarding And School Fund

| | 2023-2024 | 2022-2023 |
|------------------------------|----------------------|----------------------|
| | Kshs | Kshs |
| Boarding equipment and store | 18,554,986.00 | 18,387,168.00 |
| Repairs and maintenance | 4,754,141.00 | 3,638,550.00 |
| Electricity and water | 1,367,193.00 | 852,220.00 |
| Local transport and travel | 3,327,161.00 | 2,396,923.00 |
| Activity | 1,096,217.00 | 239,300.00 |
| Admin costs | 10,946,004.00 | 8,021,108.00 |
| Personal emolument | 789,318.00 | 1,719,218.00 |
| Creditors paid | 0.00 | 762,758.00 |
| School farm | 412,140.00 | 250,890.00 |
| Bank charges | 33,280.00 | 17,488.00 |
| Rent Expenses | - | 50,000.00 |
| Uniform | 1,367,850.00 | 8,042,580.00 |
| Expense on canteen | 0.00 | 2,319,640.00 |
| Development expense | 4,915,201.00 | 4,083,318.00 |
| TOTAL | 47,563,491.00 | 50,781,161.00 |

Notes to the Financial Statements (continued)

13a. Ageing Analysis of Accounts Payable

Notes to the Financial Statements (continued)

10 Bank Accounts

| Account Name & Currency | Status | Bank Account Number | 2023-2024 | 2022-2023 |
|-------------------------------------|----------------|---------------------|----------------------|---------------------|
| | Active/Dormant | | Kshs | Kshs |
| Tuition Account | Active | 1101933054 | 865,102.00 | 97,411.00 |
| Operations Account | Active | 1101934883 | 4,833,419.00 | 1,839,843.00 |
| School Fund Account/Boarding-Equity | Active | 1150266511152 | 339,920.00 | 648,232.00 |
| School Fund Account/Boarding-KCB | Active | 1101926457 | 6,384,826.00 | 4,431,018.00 |
| Savings Account | Active | 702-11-779 | 13,587.00 | 201,719.00 |
| Infrastructural Account | Active | 1150279617670 | 46,026.00 | 1,076,141.00 |
| Canteen Account | Active | 1150282766031 | 245,189.00 | 9,348.00 |
| Total | | | 12,728,069.00 | 8,303,712.00 |

11 Cash In Hand

| Description | 2023-2024 | 2022-2023 |
|-----------------|-------------------|-------------------|
| | Kshs | Kshs |
| Notes and Coins | 121,199.00 | 152,280.00 |
| Total | 121,199.00 | 152,280.00 |

Notes to the Financial Statements (continued)

12 Accounts Receivable

| Description | 2023-2024 | 2022-2023 |
|---------------------------------------|---------------------|---------------------|
| | Kshs | Kshs |
| Fees Arrears | 5,648,462.00 | 5,138,440 |
| Other Non-Fees Receivables | | |
| Rent arrears (list/schedule attached) | 94,600 | 0.00 |
| Total | 5,743,062.00 | 5,138,440.00 |

12 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 | 391,474.00 | 6.8% | | |
| Between 1- 2 years | | | 1,650,420.00 | 32% |
| Between 2-3 years | 1,650,420.00 | 28% | 568,441.00 | 11% |
| Over 3 years | 3,701,168.00 | 64% | 2,919,579.00 | 57% |
| Total (should tie to note 13 a) | 5,743,062.00 | 100% | 5,138,440 | 100% |

13 Accounts Payable

| Description | 2023-2024 | 2022-2023 |
|---|---------------------|---------------------|
| | Kshs | Kshs |
| Trade creditors (See ageing below and appendix 1) | - | 862,758.00 |
| Prepaid fees | 2,460,889.00 | 370,163.00 |
| | - | |
| Total | 2,460,889.00 | 1,232,921.00 |

NAROMORU GIRLS HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2024

| Description | 2023-2024 | | 2022-2023 | |
|--------------------------------------|---------------------|----------------|---------------------|----------------|
| | Kshs | | Kshs | |
| | Current FY | % of the total | Comparative FY | % of the total |
| Less than 1 year | 2,460,889.00 | 100% | 1,232,921.00 | 100% |
| Total (should tie to note 14) | 2,460,889.00 | 100% | 1,232,921.00 | 100% |

14 Fund Balance Brought Forward

| Description | 2023-2024 | 2022-2023 |
|---------------|----------------------|---------------------|
| | Kshs | Kshs |
| Bank Balances | 12,728,069.00 | 2,199,364.00 |
| Cash Balances | 121,199.00 | 71,036.00 |
| Receivables | 5,743,062.00 | 4,216,649.00 |
| Payables | (2,460,889.00) | (1,991,965) |
| Total | 16,131,431.00 | 4,495,084.00 |

Notes to the Financial Statements (continued)

Other important disclosure notes

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

15 Biological assets

| Description | Numbers | 2023-2024 | 2022-2023 |
|--------------|------------|-------------------|-------------------|
| | | Kshs | Kshs |
| Cattle | 6 | 290,000.00 | 230,000.00 |
| Trees | 900 | 75,000.00 | |
| Total | 906 | 365,000.00 | 230,000.00 |

Other important disclosure notes

16 Stock/ Inventory

| Description | 2023-2024 | 2022-2023 |
|--|--------------|---------------|
| | KShs | KShs |
| Stock/Inventory | | |
| Stock/ inventory at beginning of the year | 3,430,234.00 | 491,008.00 |
| Stock/ inventory purchased during the year | - | 15,577,269.00 |
| Stock/ inventory issued during the year | - | 12,638,043.00 |
| Balance at end of the year | 3,430,234.00 | 3,430,234.00 |

17 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) |
|----------------|---|-----------------------------------|--|---|
| 1.1 | <p>REPORT ON FINANCIAL STATEMENT Unsupported Accounts Receivables The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.5,138,440 as disclosed in Note 13 to the financial statements. However, the supporting schedules, detailed aging analysis and issued invoices were not provided for audit review.</p> | <p><i>Awaiting Parliament</i></p> | | |
| 1.2 | <p>Long Outstanding Receivables The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.5,138,440 in respect of fees arrears as disclosed in Note 13b to the financial statements. Included in the balance are receivables amounting to Kshs.2,919,579 which had been outstanding for more than three (3) 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.</p> | <p><i>Awaiting Parliament</i></p> | | |
| 2. | <p>Unreconciled Cash and Bank Balance The statement of financial assets and liabilities reflects bank account balance of Kshs.8,303,712 as disclosed in Note 10 to the financial statements. Included in the balance is School Fund Account balance of Kshs.5,079,250 from two banks with balances of Kshs.4,431,018 and Kshs.648,232 respectively. However, the cashbook and the bank reconciliation statement for the two bank accounts indicated a balance of Kshs.5,149,238 resulting in an unexplained and an unreconciled variance of Kshs.69,988. Further, the two bank accounts had one cashbook making it difficult to confirm their separate cashbook balances.</p> | <p><i>Awaiting Parliament</i></p> | | |

| Ref No. | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|---------|---|-----------------------------------|-----------------------------------|--|
| 3 | <p>Unsupported Payments The statement of receipts and payments reflects operations and infrastructure amount of Kshs.7,386,666 and Kshs.2,002,060 as disclosed in Note 7 and 8 to the financial statements respectively. However, examination of payment vouchers amounting to Kshs.4,364,640 for construction of dormitory block revealed that Management made payments without proper support documents such as requisitions, local purchase orders, delivery notes, inspection reports, goods received notes, certificate of payments.</p> | <p><i>Awaiting Parliament</i></p> | | |
| 4. | <p>Inaccuracies in the Financial Statements i) A re-computation for most of the amounts and balances reported in the financial statements revealed unexplained and unreconciled variances. ii) The financial statements included comparative amounts. However, the balances and amounts did not agree with the previous financial year amounts and balances. iii) The statement of comparison of budget and actual amounts does not include the net surplus or deficit at the end of the actual on comparable basis column as required in the reporting template. iv) The statement of comparison of budget and actual amounts does not have a column for budget utilization difference as required in the revised template of 2023. v) The approved budget figures could not accurately be traced in the statement of budget and actual amounts for the year under review.</p> | <p><i>Awaiting Parliament</i></p> | | |
| 1. | <p>REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES Irregular Transfer of Funds to Kenya Secondary Schools Heads Association The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.50,781,161 as disclosed in Note 9 to the financial statements. Included in the expenditure is an</p> | <p><i>Awaiting Parliament</i></p> | | |

| Ref No. | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|---------|--|-----------------------------------|-----------------------------------|--|
| | <p>amount of Kshs.832,540 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.</p> | | | |
| 2. | <p>Over Funding of Capitation Grants The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amount of Kshs.1,998,440 and Kshs.9,025,275 respectively as disclosed in Notes 1 and Note 2 to the financial statements. During the financial year, NEMIS reported a total number of six hundred ninety-seven (697) students while the enrolment records provided by the school indicated a total number of six hundred ninety-four (694) students, resulting to an unexplained variance of three (3) students. As a result of the variances, the school was over funded by an amount of Kshs.66,732.</p> | <p><i>Awaiting Parliament</i></p> | | |
| 3. | <p>Excess Supply of Books During the year under review, the Ministry of Education distributed textbooks to public secondary schools through Kenya Institute of Curriculum Development (KICD). Examination of records revealed that the Institute distributed three hundred seventy- seven (377) books to the School while only three hundred and eight (308) books were issued to the students, resulting to an unexplained excess text books of sixty nine (69) books in the School store.</p> | <p><i>Awaiting Parliament</i></p> | | |
| 4. | <p>Failure to Prepare School Improvement Plan The School did not have an approved School Improvement plan, contrary to Section 2.2 of the Ministry of Education Operation Manual for Utilization of Learner Capitation Grant and Other School Funds, which requires schools to identify in every three-year school improvement planning cycle.</p> | <p><i>Awaiting Parliament</i></p> | | |

| Ref No. | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|---------|---|-----------------------------------|-----------------------------------|--|
| | <p>one priority area in each of the four key areas which include curriculum implementation, foundational literacy and numeracy outcomes, an enabling environment for learning and parental involvement and community engagement for implementation.</p> | | | |
| 5. | <p>Failure to Transfer of Infrastructure Funds The statement of receipts and payments reflects operations grants amount of Kshs.9,025,275 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.697,000 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the school's facilities. However, no amount was transferred to infrastructure account, leaving a balance of Kshs.697,000 as at 30 June, 2023. This was contrary to The Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.</p> | <p><i>Awaiting Parliament</i></p> | | |
| 6. | <p>Incomplete Procurement Plan The statement of receipts and payments reflects an amount of Kshs.68,262,436 and Kshs.62,076,844 in respect of total receipts and payments respectively. during the year the Management had an approved procurement plan. However, the procurement plan did not include the unit costs for the planned items, total expected costs and the procurement method applicable for each of the items in the plan. This was contrary to regulation 41(e),</p> | <p><i>Awaiting Parliament</i></p> | | |

| Ref No. | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|---------|--|---------------------|-----------------------------------|--|
| 7. | <p>Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements</p> <p>The financial statements presented for audit did not include all information provided in the format prescribed and published by the Public Sector Accounting Standards Board (PSASB) as follows;</p> <p>(i) The table of contents and the Report of the Independent Auditors have been omitted.</p> <p>(ii) The Notes to the financial statements were not aligned to the figures in the financial statements.</p> | Awaiting Parliament | | |
| 1. | <p>REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE</p> <p>Lack of Internal Audit Function and Audit Committee</p> <p>During the year under review, the School had not constituted an audit committee and an internal audit unit as required by Regulation 166(1) and (2) of the Public Finance Management (National Government), 2015 which states that, the internal audit unit of a National Government entity to assess effectiveness of the School through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury.</p> | Awaiting Parliament | | |
| 2. | <p>Lack of Automated Systems</p> <p>The School Management did not provide any evidence indicating that, it had an automated system to manage its operations. This was despite the growth in students' and financial data, the school uses a manual system to manage its financial, procurement, human resource and students records.</p> | Awaiting Parliament | | |

Sign and Date
Principal



THE PRINCIPAL
NAROMORU GIRLS HIGH SCHOOL
09 MAY 2025
SIGN:.....
P. O. Box 20 - 10105, NAROMORU

12. Annexes

Annex I - 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 | 24,125,000 | | 0 | 24,125,000 |
| Buildings And Structures | 91,361,440 | 14,894,221 | 0 | 109,798,661 |
| Motor Vehicles | 7,305,901 | 0 | 0 | 7,305,901 |
| Office Equipment, Furniture And Fittings | 528,000 | 0 | 0 | 528,000 |
| Textbooks | 2,500,000 | 0 | 0 | 2,500,000 |
| ICT Equipment | 947,500 | 0 | 0 | 947,500 |
| Tools And Apparatus | 425,000 | 395,000 | 0 | 395,000 |
| Other Machinery And Equipment | 1,582,500 | 245,000 | 0 | 1,827,500 |
| Heritage And Cultural Assets | | | | |
| Intangible Assets- Soft Ware | 367,675 | 0 | 0 | 367,675 |
| Total | 129,143,016 | 15,534,221 | 0 | 147,795,237 |