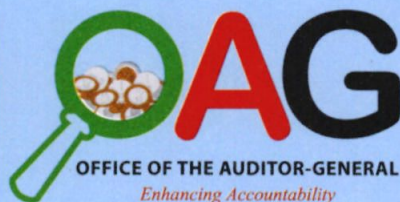
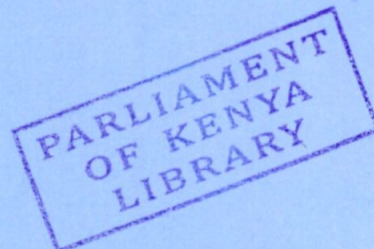


REPUBLIC OF KENYA



REPORT



OF

THE AUDITOR-GENERAL

PAPERS LAID

DATE: 29 JUL 2026

DAY.

WEDNESDAY

TABLED
BY:

HON. MARIANE KITANT

ON

ON BEHALF OF LOM

CLERK-AT
THE-TABLE:

ESTHER NGINYO

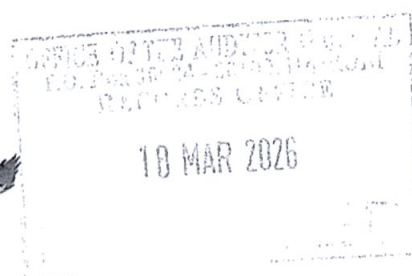
KOELEL FORCES ACADEMY

FOR THE YEAR ENDED

30 JUNE, 2025

NAKURU COUNTY

Revised 30th June 2025.



KOELEL FORCES ACADEMY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025

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

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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 Term

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 Nakuru County, Gilgil Sub-County.

The school was registered in 10/07/2023 under registration number 32S30000247 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 1629 number of students as at 30th June 2025 It has 11 (eleven) streams and 70 (seventy) teachers of which ...10 (ten) 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	Date of appointment
1	PSONGOL E KONDOLTIONY	Chairman/Sponsor	16/6/2023
2	OBENGE PHILEMON OGOLA	Secretary - Principal	6/08/2018
3	FAITH WANJIRU KIBONJA	Member –Special Interest Group	23/05/2022
4	JOHN WACHIRA	Member –CO OPTED	30/06/2023
5	ERICK OTIENO	“	“
6	EVERLYNE MWANGO	“	“
8	ANN MBURU	Member – Rep CEB	23/05/2022
9	KENNEDY KIPKIRUI	Member Rep Teachers	“
10	MAJOR T M NJAGI	Members - Sponsor	“
11	MAJOR FR NDUNGU DUNCAN NDEGWA	“	“
12	BEATRICE WANJIKU MUIGAI	Member - Community	“

KOELEL FORCES ACADEMY**Annual Report and Financial Statements For the year ended 30th June 2025**

	TONY KARIUKI		
13	NG'ANG'A	"	"
14	DAVID K GICHUKI	"	"
	DINAH BOSIBORI		
15	NYAKWARA	"	"
16	OLIVER ASWANI	"	"
17	STEPHEN NJUNG'E KIHU	"	"
18	CHRISTINE ALWANGA	Member Special Needs	"

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	1. Lieutenant Col E P Kondoliony 2. Philemon Obenge 3. Maj (FR) Ndung'u Duncan N 4. Ms. Ann Mburu 5. Beatrice Wanjiku Muigai 6. Major Tony Njagi	Chairman Secretary BoM/Principal Member Member Member Member	4

		1. Mr John Wachira 2. Sylvia Christine Alwanga 3. Ms Evelyne Moraa 4. Ms. Ann Mburu 5. Lieutenant Col E P Kondoltiony	chairman Member Member Member Member	
2	Audit Committee			0
		1. Beatrice Wanjiku Muigai 2. Mr Tony Nganga Kariuki 3. Brig (RTD) Stephen Njunge Kihui 4. Ms. Ann Mburu 5. Lieutenant Col E P Kondoltiony	Chairman Member Member Member Member	
3	Finance, procurement and general purposes Committee			1
		1. Brig (RTD) Stephen Njunge Kihui- 2. Mr olive Aswani 3. David K Gichuki- 4. Ms. Ann Mburu 5. Major Tony M Njagi 6. Lieutenant Col E P Kondoltiony	Chairman Member Member Member Member Member	
4	Academics Standards Quality & Environment Committee			0
		1. Ms Ann Mburu- 2. Lieutenant Col E P Kondoltiony 3. Beatrice Wanjiku Muigai	Chairman Member Member	
5	School Infrastructure Committee			5

		4. Major Tony M Njagi 5. Mr Tony Nganga 6. Betsy Rono	Member Member SCDE	
6	Discipline Ethics And Integrity Committee	1. Mr Tony Nganga Kariuki 2. Ms Faith Wanjiru K- 3. Beatrice Wanjiku Muigai- 4. Ms Diana Bosibori 5. Lieutenant Col E P Kondoltiony 6. Ms Ann Mburu	Chairman Member Member Member Member Member	4
7.	Adhoc Committee	1. Mr Francis Kihima 2. Mr. Peter Kuria 3. Ms. Ruth Ngugi 4. Ms. Salinah Chumba 5. Ms Jackline Masibo 6. Mr Patterson Mwaniki 7. Mr. Isaiah Chemjor		2

(d) School operation Management

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

Ref:	Designation	Name	Identification
1	Principal	PHILEMON OBENGE	TSC No.374595
2	Deputy Principal	FRANCIS SAINA KIHIMA	TSC No.347682
3	Deputy Principal	WANJOHI DAVID MAINA	TSC No.348765
4	School Bursar	RUTH NJERI NGUGI	CPA PART2/BCOM(FINANCE)
5	Accounts Clerk	SALINAH J CHUMBA	

(e) Schools contacts

Post Office Box: 151-20116
Telephone: 0707486669
E-mail: Koelelhigh@gmail.com
Website: N/A
Facebook: N/A
Twitter: N/A

(f) School Bankers

1. Name of Bank: EQUITY BANK-BOARDING ACCOUNT
Branch: GILGIL
Account Number: 0770298358081
2. Name of Bank: EQUITY BANK-SAVINGS ACCOUNT
Branch: GILGIL
Account Number: 0770298358114
3. Name of Bank: ABSA BANK
Branch: NAKURU EAST
Account Number: 027-1281110
4. Name of Bank: KCB-OPERATIONS ACCOUNT
Branch: GILGIL
Account Number: 1106219589
5. Name of Bank: KCB-TUITION ACCOUNT
Branch: GILGIL
Account Number: 1106219385

6. Name of Bank: KCB-TIG ACCOUNT
 Branch: GILGIL
 Account Number: 1265922586
7. MPESA Pay Bill No. 247247 attached to 0770298358081 bank account

(g) Independent Auditors

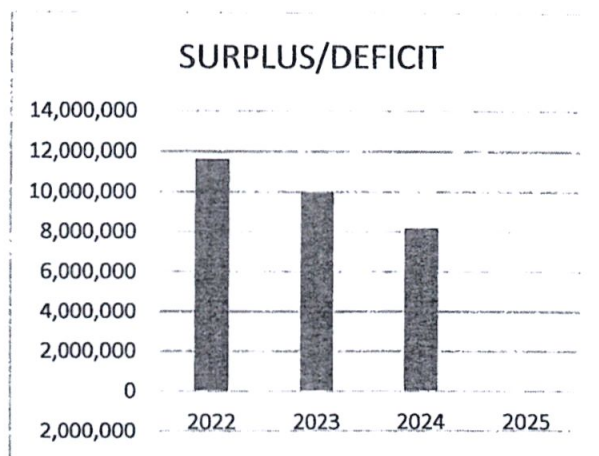
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

3. Summary Report of Performance of The School

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

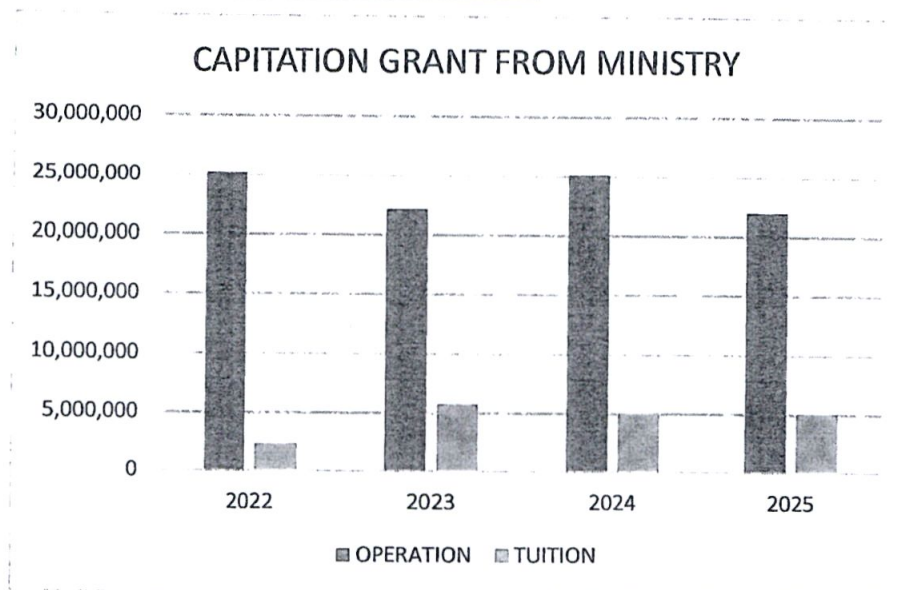
a) Financial performance:**SURPLUS/DEFICIT**

2022	11,640,846
2023	10,001,822
2024	8,182,966
2025	(45,414)



CAPITATION GRANT FROM MINISTRY

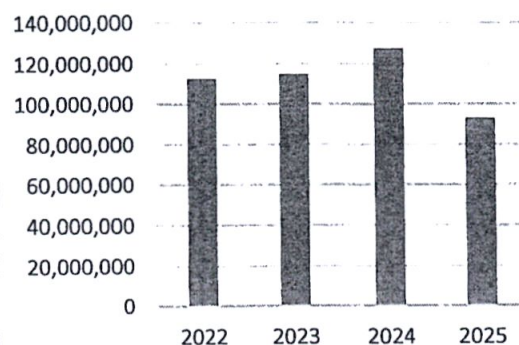
	OPERATION	TUITION
2022	25,212,432	2,283,119
2023	22,134,850	5,724,702
2024	25,121,071	5,013,990
2025	21,988,240	5,094,168

**RATIO OF CAPITATION GRANT PER STUDENT**

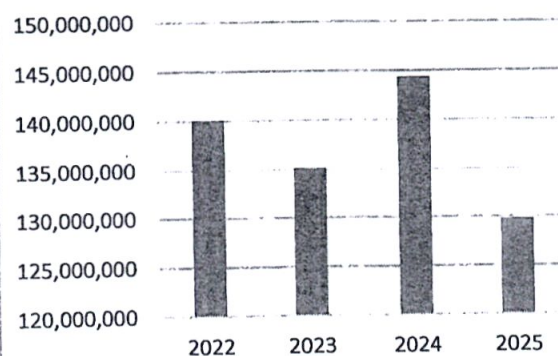
RATIO OF CAPITATION GRANT PER STUDENT			
YEAR	GRANT	NO OF STUDENTS	
2022	27,495,551	1741	15,793
2023	27,859,552	1803	15,452
2024	30,135,061	2018	14,933
2025	27,082,408	1629	16,625

OVERVIEW OF GROWTH OF OTHER INCOME**GROWTH OF OTHER INCOME**

YEAR	INCOME
2022	112,687,946
2023	114,900,987
2024	127,570,832
2025	93,052,886

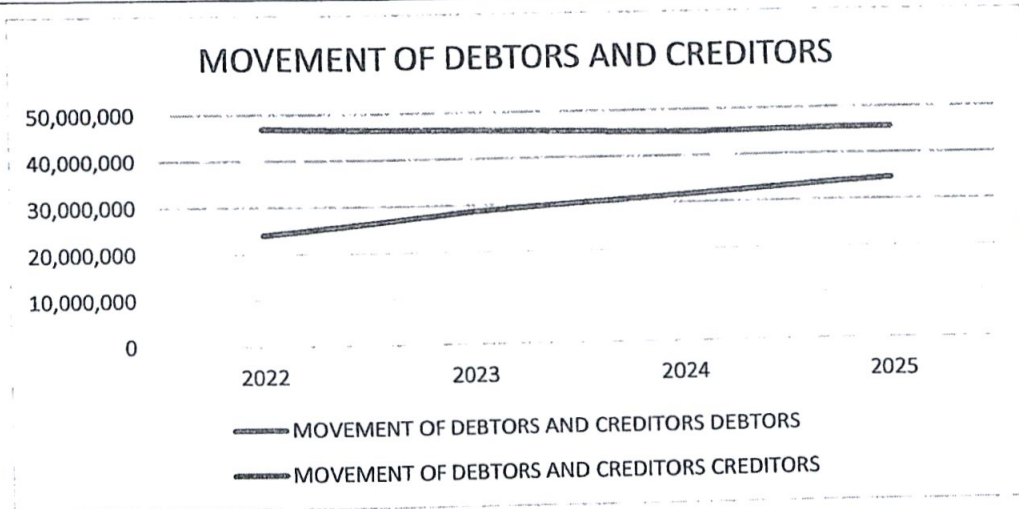
GROWTH IN OTHER INCOME**OVERVIEW OF GROWTH IN EXPENDITURE****GROWTH IN EXPENDITURE**

YEAR	EXPENDITURE
2022	140,076,252
2023	135,159,119
2024	144,362,702
2025	129,770,075

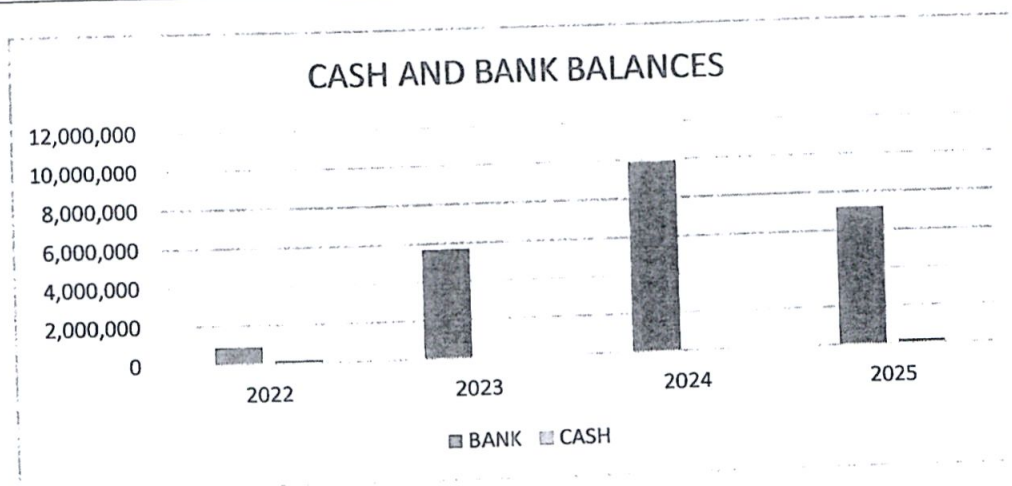
**GROWTH IN EXPENDITURE
EXPENDITURE**

MOVEMENT OF DEBTORS AND CREDITORS

YEAR	DEBTORS	CREDITORS
2022	24,013,980	46,873,725
2023	28,653,230	46,183,360
2024	31,634,318	45,198,963
2025	34,620,038	45,683,043

**CASH AND BANK BALANCES**

YEAR	BANK	CASH
2022	886,853	148,971
2023	5,676,624	31,416
2024	9,904,377	21,144
2025	7,178,503	199,964



b) Teacher Student ratio:

1.Number of Students	1629
2.Teachers employed by TSC	60
3.Teachers to student ratio	1:27
4.Teachers Recruited and posted within the year	6
5.Teachers transferred	3
4.No.of teachers retired	0
6. Teachers employed by BOM	10

c) The mean score in the 2024/2025 KCSE:

<i>YEAR</i>	<i>TARGET</i>	<i>MEAN SCORE</i>	TRANSITION TO INSTITUTION OF HIGHER LEARNING
2022	8.0	6.11	134
2023	8.0	6.6912	223
2024	8.0	6.6005	815

d) Number of Candidates in the 2025 KCSE:

<i>YEAR</i>	<i>NO. OF CANDIDATES</i>
2023	406
2024	374
2025	402

e) The capacity of the school:

Number of students	1629
Dormitories	11
Laboratories	4
Library	1 (200 Capacity)
Toilets	130
Classrooms	43
Dining Hall	1 (1700 Capacity)
Admin block	1

f) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Construction of modern school gate	M I/FEES	ONGOING	6,518,053	4,851,005	2025/2026

.....
School Principal

09 MAR 2026

4. Statement of School Management Responsibility

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

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

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

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



.....
Name: PSONGOLE KONDOLTIONY

Designation: Chairman, School Board of Management

Date: 9/3/26



.....
Name: OBENGE PHILEMON OGOLA

Designation: School Principal & Secretary to Board of Management

Date: 9/3/26



.....
Name: NGUGI RUTH NJERI

Designation: Bursar/ Finance Officer

Date: 9/3/26



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 KOEEL FORCES ACADEMY FOR THE YEAR ENDED 30 JUNE, 2025 - NAKURU COUNTY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional financial statements of Koelel Forces Academy set out on pages 1 to 21, which comprise of the statement of assets and liabilities as at 30 June, 2025 and the statement of financial performance, statement of cash flows and statement of budgeted versus actual amounts for the year then ended

Report of the Auditor-General on Koelel Forces Academy for the year ended 30 June, 2025 - Nakuru County

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 transitional financial statements present fairly, in all material respects, the financial position of Koelel Forces Academy as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis (including the transitional provisions permitted under IPSAS 33) and comply with the Basic Education Act, 2013, the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No. 3 of 14 April, 2025.

Basis for Qualified Opinion

1. Non-Compliance with Transitional IPSAS Reporting Requirements

As disclosed in Note 1 to the financial statements on statement of compliance and basis of preparation of the financial statements, the School has advantage of the transitional provisions under IPSAS 33. However, Management has not indicated the elements of the financial statements that have not been fully recognized as per the respective IPSAS and the steps being taken towards full compliance with IPSAS Accrual.

In the circumstances, the financial statements as prepared and presented are not in compliance with IPSAS reporting framework.

2. Unsupported Accounts Receivable Balance

The statement of assets and liabilities reflects accounts receivable balance of Kshs.34,620,038 as disclosed in Note 13 to the financial statements. However, the supporting schedules and issued invoices for receivables totaling to Kshs.23,336,200 were not provided for audit review.

In the circumstances, the accuracy and completeness of the accounts receivable balance of Kshs.34,620,038 could not be confirmed.

3. Inaccuracies in the Statement of Cash Flows

The statement of cash flows reflects Nil balances for other incomes for both the current and prior year. However, the statement of financial performance reflects miscellaneous incomes of Kshs.2,478,435 and Kshs.9,913,073 for the current year and prior year respectively. Management has not reconciled the amounts.

In addition, the statement of cash flows reflects total receipts and total payments of Kshs.128,718,430 and Kshs.122,041,586, respectively. However, the statement of budgeted versus actual amounts reflects actual incomes and expenditure of Kshs.129,724,661 and Kshs.129,770,075, respectively, which has not been reconciled to

the cash flow statement amounts, resulting therefore, to unreconciled variances of Kshs.1,006,231 and Kshs.7,728,489, respectively.

In the circumstances, the accuracy and completeness of the statement of cash flows could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Koelel Forces Academy 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.

Key Audit Matters

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

Other Matter

1. Significant Exemptions in the PSASB Reporting Templates

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

2. Unresolved Prior Year Matters

The Auditor General's report for the year ended 30 June, 2024 raised several audit issues which remained unresolved as at 30 June, 2025. Management has not taken adequate action to address these matters. The issues relate to prior periods and have been reported for emphasis of matter purposes as follows;

No.	Audit Issue
1	Inaccuracies in Financial Statements
2	Unexplained Variances Between the Statement of Receipts and Payments and the Statement of Budgeted Versus Actual Amounts
3	Long Outstanding Receivables

No.	Audit Issue
4	Irregular Transfer of Funds to Kenya Secondary Schools Heads Association
5	Over Funding of Capitation Grants
6	Unapproved School Fund Income-Parents' Contribution
7	Excess Supply of Books
8	Failure to Settle Long Outstanding Payables
9	Lack of Ownership Documents

Other Information

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

In connection with my audit on the School's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that Other Information is not materially inconsistent with the financial statements.

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 thereon.

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 financial performance reflects boarding and school fund payments amount of Kshs.96,034,092 as disclosed in Note 9 to the financial statements. Included in the expenditure is an amount of Kshs.1,625,600 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 the government funding system and there is no assurance that it has implemented effective,

efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, regularity of the funds transferred to KESSHA amounting to Kshs.1,625,600 could not be confirmed.

2. Over Funding of Capitation Grants

The statement of financial performance reflects capitation grants for tuition and capitation grants for operations amounting to Kshs.5,094,168 and Kshs.21,988,240, respectively, as disclosed in Note 1 and Note 2 to the financial statements. The capitation totaled Kshs.27,082,408 resulting to Kshs.16,016 per student based on 1,691 students registered in NEMIS. During the financial year NEMIS reported a total number of 1,691 students, while the enrolment records provided by the School indicated a total of 1,650 students, resulting in an unexplained variance of 41 students. As a result of the variance, the School was overfunded by Kshs.656,640 (Kshs.16,016 X 41students) in capitation grants.

In the circumstances, the accuracy of the student enrolment data captured in NEMIS and the resulting overfunding of capitation grants amounting to Kshs.656,640 could not be confirmed.

3. Excess Supply of Books

During the period 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 six hundred and eighty (680) books to the School while only one hundred and forty-four (144) books were issued to the students, resulting in an unexplained excess text books of five hundred and fifty-six (556) books in the school store.

In the circumstances, value for money on the excess text books could not be confirmed.

4. Long Outstanding Payables

The statement of assets and liabilities and as disclosed in Note 14 to the financial statements reflects payables balance of Kshs.45,683,043. However, included in the balance are trade payables balance of Kshs.9,114,360 which had been outstanding for over one (1) year, which could lead to risk of loss of public funds through litigations, interests and penalties. This was contrary to Regulation 42 (1) (a) of the Public Finance Management (National Government) Regulations, 2015 which states that, debt service payments shall be a first charge on the Consolidated Fund and the Accounting Officer shall ensure this is done to the extent possible that the government does not default on debt obligations.

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

5. Unapproved Fees on Parents Association Support Programme

The statement of financial performance reflects operations, infrastructure, boarding and school fund income - parents' contributions amount of Kshs.91,580,682 as disclosed in

Note 4 to the financial statements which includes Parents Association (PA) income of Kshs.8,961,640. Examination of the records revealed that the School charged an amount of Kshs.10,000 per student comprising PA project of Ksh.7,000 and BOM teachers of Kshs.3,000 which had not been approved by the Ministry of Education through the County Education Board. This was contrary to Government Circular No. MOE.HQS/3/10/18 Vol (33) dated 7 March, 2024 on guidelines on implementation of Free Day and Secondary Education which stipulates that a parent will only pay for school uniforms, boarding related costs as reflected in the boarding fee structure and lunch for the day scholars.

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

6. Failure to Deduct Capacity Building Levy

The statement of financial performance reflects operations, infrastructure, boarding and school fund payments of Kshs.129,770,075 as disclosed in Notes 7, 8 and 9 to the financial statements, which includes an amount of Kshs 62,772,089 in respect of procurement contracts signed with the School's suppliers. Review of payments revealed that there was no deduction of the public procurement capacity building levy of Kshs.18,832 (0.03% of 62,772,089) on the contracts, contrary to the Levy Order 2023 issued by the Public Procurement Regulatory Authority.

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

7. Delayed Project

The statement of financial performance reflects payments for infrastructure amounting to Kshs.9,223,898 as disclosed in Note 8 to the financial statements. Included in this amount is payment for construction of a gate of Kshs.4,851,005. A review of the procurement records revealed that the School awarded the contract on 7 October, 2024 at a contract sum of Kshs.6,244,829, with a completion period of twenty-four (24) weeks. The site was handed over to the contractor on 14 October, 2024. However, as at the time of audit verification on 4 March, 2026, the project had delayed by eleven (11) months. Further, a total of Kshs.4,851,005, representing 78% of the contract sum, had been paid as at 30 June, 2025, while the contractor was not on site during the audit inspection.

In the circumstances, value for money has not been achieved on Kshs.4,851,005 paid to the contractor for construction of the gate.

8. Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements

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;

- i. The statement of cash flows does not have reference to explanatory Notes to the financial statements;
- ii. The statement of budgeted versus actual amounts has budget items that have significant underutilization and overutilization and Management has not provided explanation comments on the same.

In the circumstances, the financial statements as prepared and presented are not in compliance with Transitional IPSAS Reporting framework.

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

REPORT ON INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Weaknesses in Management of Assets

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.169,265,125 as at 30 June, 2025 which includes motor vehicles with a balance of Kshs.26,999,999. Motor vehicle log books reviewed indicated the registered owner as Koelel Secondary School instead of the Institution's officially recognized name, Koelel Forces Academy. Further, the School's thirty-acre parcel of land was not included in the summary.

In addition, review of the asset register revealed that serial numbers and descriptions of several assets had not been recorded, thereby limiting the ability to uniquely identify the assets. None of the assets had been tagged for identification and tracking purposes. In the circumstances, the existence of effective measures in the management of assets could not be confirmed.

2. Long Outstanding Accounts Receivable Balance

The statement of assets and liabilities reflects accounts receivable balance of Kshs.34,620,038 in respect of fees arrears as disclosed in Note 13 to the financial statements. Included in the balance is accounts receivable balance of Kshs.18,996,916 which had been outstanding for more than two (2) years. However, a detailed ageing analysis and policy on the impairment of long outstanding fees arrears were not provided for review, casting doubt on full recoverability of the accounts receivables balance.

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

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 Board of Management

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

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

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

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

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 ISSAI 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

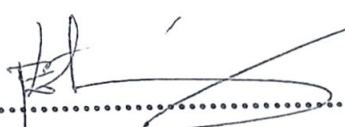
Nairobi

05 May, 2026

KOELEL FORCES ACADEMY**Annual Report and Financial Statements For the year ended 30th June 2025****6. Statement Of Financial Performance for the Year Ended 30th June 2025**

Description Of Vote Head	Date	JUL 24 - JUN 25	JUL 23 - JUN 24
		Kshs	Kshs
Receipts			
Government grants for tuition	1	5,094,168	5,013,990
Government grants for operations	2	21,988,240	25,121,071
Government Grants for infrastructure	3	8,583,136	5,496,000
School fund income- parents' contributions	4	91,580,682	107,001,534
Miscellaneous incomes	5	2,478,435	9,913,073
Total Receipts		129,724,661	152,545,668
Payments			
Tuition	6	3,357,844	1,646,063
Operations	7	21,154,241	20,887,429
Infrastructure	8	9,223,898	7,112,248
Boarding and school fund	9	96,034,092	114,716,962
Total Payments		129,770,075	144,362,702
Surplus/Deficit		(45,414)	8,182,966

The school financial statements were approved on _____ 2025 and signed by:



Name: PSONGOL E
KONDOLITIONY

Chair BOM

Date: 9/3/26



Name: OBENGE PHILEMON
OGOLA
School Principal/ Secretary to
BOM

Date: 9/3/26



Name: NGUGI RUTH NJERI

Bursar/ Finance Officer

Date: 9/3/26

09 MAR 2026

KOELEL FORCES ACADEMY**Annual Report and Financial Statements For the year ended 30th June 2025****7. Statement of Assets and Liabilities As At 30th June 2025**

Description	Note	JUL 24 - JUN 25	JUL 23 - JUN 24
		KShs	KShs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	7,178,503	9,904,377
Cash balances	11	199,964	21,144
Short term investments	12	0	0
Total cash and cash equivalent		7,378,467	9,925,521
Account's receivables	13	34,620,038	31,634,318
Total financial assets (a)		41,998,505	41,559,839
Financial liabilities		0	0
Accounts payables	14	45,683,043	45,198,963
Total Financial Liabilities (b)		45,683,043	45,198,963
Net financial assets (a-b)		(3,684,538)	(3,639,124)
Represented by		0	0
Accumulated fund b/fwd.	15	(3,639,124)	(11,822,090)
Surplus/deficit for the year		(45,414)	8,182,966
Net Assets		(3,684,538)	(3,639,124)

The school's financial statements were approved on _____ 2025 and signed by:

.....
Name: PSONGOL E
 KONDOLITIONY

Chair BOM

Date: 9/3/26

.....
Name: OBENGE PHILEMON
 OGOLA
 School Principal/ Secretary to
 BOM

Date: 9/3/26

.....
Name: NGUGI RUTH NJERI

Bursar/ Finance Officer

Date: 9/3/26

KOELEL FORCES ACADEMY**Annual Report and Financial Statements For the year ended 30th June 2025****8. Statement of Cash Flows for the Year Ended 30th June 2025**

Description	Note	JUL 24 - JUN 25	JUL 23 - JUN 24
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition		5,094,168	5,013,990
Government grants for operations		21,988,240	25,121,071
Government grants for infrastructure		8,583,136	5,496,000
School fund income- parents contributions/ fees		93,052,886	127,570,832
Other income		0	0
Total receipts		128,718,430	163,201,893
Payments			
Cash outflows for tuition		5,950,571	4,459,235
Cash outflows for operations		25,165,643	23,999,677
Cash outflows Boarding/lunch and school fund payments		90,925,372	122,327,252
Total payments		122,041,586	150,786,164
Net cash inflow/outflow from operating activities		6,676,844	12,415,729
Cash flow from investing activities			
Acquisition of assets		(9,223,898)	(7,112,248)
Proceeds from sale of Assets		0	0
Proceeds from investments		0	0
Purchase of investments		0	0
Net cash inflow/outflows from investing activities		(9,223,898)	(7,112,248)
Cash flow from Financing activities			
Proceeds from borrowings/ loans	18	0	0
Repayment of principal borrowings		0	(1,086,000)
Net cash inflow/outflow from financing activities		0	(1,086,000)
Net increase/decrease in cash and cash equivalents		(2,547,054)	4,217,481
Cash and cash equivalent at beginning of the FY		9,925,521	5,708,040
Cash and cash equivalent at end of the FY		7,378,467	9,925,521

The school's financial statements were approved on _____ 2025 and signed by:

.....
Name: PSONGOL E
KONDOLTIONY

Chair BOM

Date: 9/3/26

.....
Name: OBENGE PHILEMON
OGOLA
School Principal/ Secretary to
BOM

Date: 9/3/26

.....
Name: NGUGI RUTH NJERI

Bursar/ Finance Officer

Date: 9/3/26

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
(1) Capitation Grant on Tuition					
Reference Materials	1,016,170	0	1,016,170	0	0%
Exercise Books	2,482,500	0	2,482,500	818,418	33%
Laboratory Equipment	1,075,750	0	1,075,750	1,740,184	162%
Internal Exams	1,406,750	0	1,406,750	1,143,971	81%
Teaching / Learning Materials	1,529,220	0	1,529,220	1,391,595	91%
Whiteboard/pens dusters	175,430	0	175,430	0	0%
(2) Capitation Grant on Operations					
Personnel Emoluments	5,756,090	0	5,756,090	5,879,072	102%
Repairs And Maintenance	8,275,000	0	8,275,000	6,243,149	75%
Local Transport / Travelling	2,595,040	0	2,595,040	2,076,552	80%
Electricity, Water and Conservancy	3,111,400	0	3,111,400	1,949,650	63%
Medical/Insurance	3,310,000	0	3,310,000	1,863,233	56%
Administration Costs	3,266,970	0	3,266,970	2,754,431	84%
Activity	2,482,500	0	2,482,500	1,222,153	49%
Gratuity	0	0	0	0	0%

KOELEL FORCES ACADEMY**Annual Report and Financial Statements For the year ended 30th June 2025**

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/e %
	Kshs	Kshs	Kshs	Kshs	Kshs
3) FDSE for infrastructure					
Maintenance & Improvement MoE	0	0	0	8,583,136	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			
Personnel Emoluments	7,899,315	0	7,899,315	8,829,185	112%
Repairs And Maintenance	3,310,000	0	3,310,000	3,289,983	99%
Local Transport / Travelling	4,483,395	0	4,483,395	8,053,533	180%
Electricity, Water and Conservancy	4,056,405	0	4,056,405	4,032,916	99%
Medical	0	0	0	10,305	0%
Administration Costs	4,910,385	0	4,910,385	5,698,909	116%
Activity	413,750	0	413,750	927,293	224%
BOM teachers	9,930,000	0	9,930,000	7,189,429	72%
Fee On Boarding Equipment and Stores	42,012,175	0	42,012,175	44,587,489	106%
PA project	6,620,000	0	6,620,000	8,961,640	135%
5) Miscellaneous Income					
Uniform	0	0	0	2,108,002	0%
KNEC Exam	0	0	0	41,951	0%
Breakages and losses	0	0	0	115,982	0%
Tenders	0	0	0	97,500	0%
Donations	0	0	0	115,000	0%

KOELEL FORCES ACADEMY
Annual Report and Financial Statements For the year ended 30th June 2025

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
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	120,118,245	0	120,118,245	129,724,661	108%
(6) Expenditure For Tuition					
Textbooks	0	0	0	0	0%
Reference Materials	1,016,170	0	1,016,170	0	0%
Exercise Books	2,482,500	0	2,482,500	345,600	14%
Laboratory Equipment	1,529,220	0	1,529,220	1,636,677	107%
Internal Exams	0	0	0	0	0%
Teaching / Learning Materials	1,075,750	0	1,075,750	96,000	9%
Chalks	175,430	0	175,430	0	0%
Exams And Assessment	1,406,750	0	1,406,750	1,275,750	91%
Revision Materials	0	0	0	0	0%
Administration Costs	0	0	0	0	0%
Bank Charges	0	0	0	3,817	0%
		0			
(7) Expenditure For Operations					
Personnel Emoluments	5,756,090	0	5,756,090	5,443,422	95%
Repairs, Maintenance & Improvements	8,275,000	0	8,275,000	8,583,136	104%
Local Transport / Travelling	2,595,040	0	2,595,040	1,669,700	64%

KOELEL FORCES ACADEMY**Annual Report and Financial Statements For the year ended 30th June 2025**

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Electricity, Water and Conservancy	3,111,400	0	3,111,400	856,927	28%
Medical and Insurance	3,310,000	0	3,310,000	439,351	13%
Administration Costs	3,266,970	0	3,266,970	2,396,120	73%
Activity Expenses	2,482,500	0	2,482,500	1,621,400	65%
Bank Charges	0	0	0	8,005	0%
Gratuity	0	0	0	136,180	0%
SMASSE	0	0	0	0	0%
(8) Expenditure For infrastructure					
Construction of gate	6,518,053	0	6,518,053	4,851,005	74%
Repairs of equipments/buildings	798,212	0	798,212	3,411,006	427%
Construction of dorm/ablution block	0	0	0	0	0%
Purchase of furniture	0	0	0	0	0%
Purchase of equipment	958,735	0	958,735	958,735	100%
Purchase of machinery	0	0	0	0	0%
Bank Charges	0	0	0	0	0%
(9) Expenditure For school fund/lunch/boarding					
Personnel Emoluments	0	0	0	8,729,185	0%
Repairs, Maintenance and Improvements	3,310,000	0	3,310,000	2,318,239	70%
Local Transport / Travelling	4,135,065	0	4,135,065	8,353,533	202%
Electricity, Water and Conservancy	2,578,600	0	2,578,600	2,634,410	102%
Medical Expenses	0	0	0	369,700	0%

KOELEL FORCES ACADEMY**Annual Report and Financial Statements For the year ended 30th June 2025**

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Ksh	Kshs	Kshs	Kshs	Kshs
Administration Costs	1,337,058	0	1,337,058	6,506,543	487%
Activity	1,682,650	0	1,682,650	1,788,205	106%
Gratuity	0	0	0	269,542	0%
PA Programme	6,620,000	0	6,620,000	2,874,082	43%
Boarding Equipment and Stores	50,281,932	0	50,281,932	53,714,205	107%
Tenders	0	0	0	92,800	0%
KNEC exam	0	0	0	50,400	0%
BOM TEACHERS	5,415,120	0	5,415,120	5,472,163	101%
Uniform	0	0	0	2,612,930	0%
Bank Charges	0	0	0	79,753	0%
Breakages and Losses	0	0	0	56,354	0%
Loan Principal Repayment	0	0	0	0	0%
DONATIONS	0	0	0	115,200	0%
Totals	120,118,245	0	120,118,245	129,770,075	108%

[Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization above 100%]

- i. Xxxx
- ii. Xxxx

10. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation**Statement of Compliance**

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

Basis of Preparation

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

2. Recognition of revenue and expenditure

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

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

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

Description	JUL 24 - JUN 25	JUL 23 - JUN 24
	Kshs	Kshs
Reference Materials	0	0
Exercise Books	818,418	567,845
Laboratory Equipment	1,740,184	340,698
Internal Exams	1,143,971	119,757
Teaching / Learning Materials	1,391,595	3,985,690
Others (specify)*	0	0
Total	5,094,168	5,013,990

2 Government Grants for Operations

Description	JUL 24 - JUN 25	JUL 23 - JUN 24
	Kshs	Kshs
Personnel Emoluments	5,879,072	6,975,403
Repairs And Maintenance	6,243,149	7,619,408
Local Transport / Travelling	2,076,552	662,272
Electricity And Water	1,949,650	2,092,618
Medical	1,863,233	1,575,273
Administration Costs	2,754,431	3,060,846
Activity	1,222,153	1,558,811
Transition Infrastructure Grant	0	1,576,440
Total	21,988,240	25,121,071

3 Government Grants for infrastructure

Description	JUL 24 - JUN 25	JUL 23 - JUN 24
	Kshs	Kshs
Maintenance & Improvement	8,583,136	5,496,000
Transition infrastructure grants	0	0
Administration Block	0	0
Economic stimulus grants	0	0
Other (specify)(NGCDF and County govt.	0	0
Total	8,583,136	5,496,000

KOELEL FORCES ACADEMY**Annual Report and Financial Statements For the year ended 30th June 2025****4 School Fund Income - Parents Contribution/Fees**

Description	JUL 24 - JUN 25	JUL 23 - JUN 24
	Kshs	Kshs
Personnel emoluments	8,829,185	13,852,134
Repairs and maintenance	3,289,983	3,862,629
Local transport / travelling	8,053,533	6,506,770
Electricity and water	4,032,916	4,774,365
Medical	10,305	0
Administration costs	5,698,909	6,862,149
Activity	927,293	1,693,719
Fee on Boarding Equipment and stores	44,587,489	51,757,970
BOM Teachers	7,189,429	9,729,931
PA Project	8,961,640	7,961,867
Total	91,580,682	107,001,534

5 Miscellaneous Incomes

Description	JUL 24 - JUN 25	JUL 23 - JUN 24
	Kshs	Kshs
Rent Income	0	0
KNEC Examinations	41,951	35,679
Uniform	2,108,002	9,793,073
Tender	97,500	72,000
Donation	115,000	0
Income Generating KNEC	0	0
Income from Clubs and Societies	0	0
Student ID	0	0
Development Fund	0	0
Breakages and Losses	115,982	12,321
Total	2,478,435	9,913,073

6 Tuition

Description	JUL 24 - JUN 25	JUL 23 - JUN 24
	Kshs	Kshs
Exercise Books	345,600	300,000
Textbooks	0	0
Reference materials	0	0
Laboratory Equipment	1,636,677	518,890
Teaching / Learning Materials	96,000	450,000
Exams And Assessment	1,275,750	370,000
Teachers Guides	0	0
Bank Charges	3,817	7,173
Total	3,357,844	1,646,063

7 Operations

Description	JUL 24 - JUN 25	JUL 23 - JUN 24
	Kshs	Kshs
Personnel Emoluments	5,443,422	8,031,980
Service Gratuity	136,180	0
Administration Cost	2,396,120	2,477,180
Repairs And Maintenance & Improvements	8,583,136	5,496,000
Local Transport / Travelling	1,669,700	693,500
Electricity And Water	856,927	1,363,879
Medical	439,351	130,000
Activity Expenses	1,621,400	1,082,000
Insurance Cost	0	0
Bank Charges	8,005	36,450
Construction of Classroom	0	1,576,440
Total	21,154,241	20,887,429

KOELEL FORCES ACADEMY**Annual Report and Financial Statements For the year ended 30th June 2025****8 Infrastructure**

Description	JUL 23 - JUN 24	JUL 22 - JUN 23
	Kshs	Kshs
Construction of classrooms	0	4,562,793
Construction of Gate	4,851,005	0
Construction of dormitory	0	0
Purchase of Equipment	958,735	230,311
Repair of Equipment	0	2,308,835
Repair of Building	3,411,006	0
Construction of Ablution Block	0	0
Bank Charges	3,152	10,309
Total	9,223,898	7,112,248

9 Boarding And School Fund

Description	JUL 24 - JUN 25	JUL 23 - JUN 24
	Kshs	Kshs
Personnel Emoluments	8,729,185	8,546,994
Repairs And Maintenance & Improvements	2,318,239	5,623,966
Local Transport / Travelling	8,353,533	8,450,516
Electricity And Water	2,634,410	1,619,357
Medical Expenses	369,700	646,500
Administration Costs	6,506,543	10,818,816
Activity	1,788,205	1,955,860
BOM Teachers	5,472,163	3,240,247
Uniform Expense	2,612,930	7,651,825
Donation	115,200	0
Tender	92,800	0
Bank Charges	76,601	590,987
Service Gratuity	269,542	1,025,296
Fee On Boarding Equipment and Stores	53,714,205	62,144,415
Breakages and Losses	56,354	0
Loan Principal Repayment	0	1,134,294
Loan Interest Repayment	0	0
Insurance	0	461,429
KNEC Examination	50,400	36,000
PA Classroom	2,874,082	770,460
Total	96,034,092	114,716,962

KOELEL FORCES ACADEMY**Annual Report and Financial Statements For the year ended 30th June 2025****10 Bank Accounts**

Account Name & Currency	Status	Bank Account Number	31 st Dec 2024	30 th June 2025
	Active/Inactive		Kshs	Kshs
KCB - Tuition	Active	1106219325	529,023	1,385,426
KCB - Operations	Active	1106219589	20,895	3,198,298
KCB - Infrastructural	Active	1265922586	51,308	692,070
EQUITY Bank - Fund /Boarding	Active	0770298358081	5,393,108	2,793,908
ABSA Bank - Fees Collection	Active	0271281110	1,001,685	1,729,690
EQUITY Bank - Savings	Active	0770298358114	182,475	104,975
Total		-	7,178,503	9,904,377

11 Cash In Hand

Description	JUL 24 - JUN 25	JUL 23 - JUN 24
	Kshs	Kshs
Notes and Coins	199,964	21,144
Total	199,964	21,144

12 Short Term Investments

Description	JUL 24 - JUN 25	JUL 23 - JUN 24
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit accounts	-	-
Other Investments	-	-
Total	-	-

13 Accounts Receivable

Description	JUL 24 - JUN 25	JUL 23 - JUN 24
	Kshs	Kshs
Fees Arrears	34,612,538	31,545,318
Other Non-Fees Receivables		
R/D Cheques (list/schedule attached)	7,500	89,000
Imprest (list/schedule attached)	0	0
Rent arrears (list/schedule attached)	0	0
Total	34,620,038	31,634,318

13 b) Ageing Analysis of Accounts Receivable

Description	JUL 24 - JUN 25		JUL 23 - JUN 24	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	11,283,838	33%	8,910,371	28%
Between 1- 2 years	4,331,784	13%	7,798,843	25%
Between 2-3 years	5,998,843	17%	1,927,440	6%
Over 3 years	12,998,073	38%	12,908,664	41%
Total (should tie to note 13 a)	34,612,538	100%	31,545,318	100%

14 Accounts Payable

Description	JUL 24 - JUN 25	JUL 23 - JUN 24
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	43,725,553	41,532,856
Prepaid Fees	1,957,490	3,666,107
Retention Monies	0	0
Unpaid salaries and statutory deductions	0	0
Caution money	0	0
Other payables (<i>specify</i>)	0	0
Total	45,683,043	45,198,963

14a. Ageing Analysis of Accounts Payable

Description	JUL 24 - JUN 25		JUL 23 - JUN 24	
	KShs		KShs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	34,611,193	79%	31,802,725	77%
Between 1- 2 years	3,791,850	9%	6,407,621	15%
Between 2-3 years	2,000,000	5%	0	0%
Over 3 years	3,322,510	8%	3,322,510	8%
Total (should tie to note 14)	43,725,553	100%	41,532,856	100%

15 Fund Balance Brought Forward

Description	JUL 24 - JUN 25	JUL 23 - JUN 24
	KShs	KShs
Bank Balances	9,904,377	5,676,624
Cash Balances	21,144	31,416
Short Term Investments	0	0
Receivables	31,634,318	28,653,229
Payables	45,198,963	46,183,360
Total	(3,639,124)	(11,822,091)

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	Insert Current June 2025 Kshs	Insert Comparative June 2024 Kshs
Bank Loans	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Others (specify)	-	-
Total	-	-

17 Biological assets

Description	Numbers	Insert Current June 2025 Kshs	Insert Comparative June 2024 Kshs
Cattle	4		160,000
Pigs	125		2,868,000
Trees			
Coffee Or Tea Plantation			
Poultry			
Others (specify)			
Total			3,028,000

18 Borrowings

Description	Kshs	Kshs
Borrowings at beginning of the year	-	-
Borrowings during the year	-	-
Repayments during the year	(-)	(-)
Balance at the end of the year	-	-

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

Description	Insert Current FY Kshs	Insert Comparative FY Kshs
Food stuffs	1,690,858	1,236,325
Lab consumables		
Farm produce		
Medication		
Construction Materials		
Stationeries	734,800	906,562
	2,425,658	2,142,887

(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)

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)
1.	KESSHA transfers	The school has been depending on the guidance from KESSHA on how to participate and incur expenditure on co-curricular activities. The school has been complying with this directive and remitting the funds for avoidance of being left out on county activities. Through the observations made by the audit team, the school raised the concerns with the welfare for proper guidelines	Not Resolved	Awaiting Ministry directive
2.	Inaccuracies in the financial statements	The unreconciled variances were corrected and copies of revised financial statements submitted.	Resolved	
3.	Lack of ownership document for land-30 acres and school vehicles	The school is within the army barracks (military cantonment) The Logbooks are in the custody of the school	Not resolved	In Progress
4.	Long Outstanding Payables		Not Resolved	In Progress
5.	Long outstanding receivables		Not Resolved	In Progress

KOELEL FORCES ACADEMY**Annual Report and Financial Statements For the year ended 30th June 2025**

Ref No.	Issue / Observations from Auditor	Management comments	Status (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
6.	Unapproved School Fees	The school management, after a P A meeting, had written a letter to the cabinet secretary ministry of education through the county director of education requesting to be allowed to have parents pay an extra amount. The management had outlined the needs that necessitated the request.		
7	Excess Supply of books		Not Resolved	

Sign and Date
Principal

KOELEL FORCES ACADEMY**Annual Report and Financial Statements For the year ended 30th June 2025****12. Annexes****Annex I - Analysis of Pending Accounts Payable**

Supplier Of Goods Or Services	Original Amount	Days Contracted	Amount Paid To Date	Outstanding Balance Current 2025	Outstanding Balance Comparative 2025	Comments
				Ksh	Ksh	P-DVS
NAIVAS LIMITED	1,009,965	01/07/2024 TO 30/06/2025	1,009,965	0	812,469	812,469
SHUNGANI SARUNI RESON	1,254,150	01/07/2024 TO 30/06/2025	1,254,150	0	669,543	669,543
ACACIA INNOVATIONS LIMITED	840,000	01/07/2024 TO 30/06/2025	840,000	0	810,000	810,000
RUMINJEK ENVESTMENTS	218,500	01/07/2024 TO 30/06/2025	218,500	0	214,500	214,500
GITHINJI CROCERY	673,157	01/07/2024 TO 30/06/2025	673,157	0	832,440	832,440
DAN AUSTIN SIGNS	24,700	01/07/2024 TO 30/06/2025	24,700	0	0	0
SAMARITAN DEALERS LIMITED	839,368	01/07/2024 TO 30/06/2025	839,368	0	1,104,282	1,104,282
RACESTER VENTURES	115,400	01/07/2024 TO 30/06/2025	115,400	0	0	0
ELISHIPAH WANGOI	19,425	01/07/2024 TO 30/06/2025	19,425	0	45,720	45,720
SHEPHERD BUTCHERY	492,460	01/07/2024 TO 30/06/2025	492,460	0	776,100	776,100
GREEN MARK SELF HELP GROUP	535,770	01/07/2024 TO 30/06/2025	535,770	0	652,885	652,885
GIKIMWA ENTERPRISES	3,322,510	01/07/2024 TO 30/06/2025	0	3,322,510	0	3,322,510
ABC GARAGE	113,000	01/07/2024 TO 30/06/2025	113,000	0	59,500	59,500
BUHOTI INVESTMENTS	290,000	01/07/2024 TO 30/06/2025	290,000	0	247,000	247,000
GOREN GATE AGENCY	40,000	01/07/2024 TO 30/06/2025	40,000	0	0	0
KANJUURI ENTERPRISES	504,000	01/07/2024 TO 30/06/2025	504,000	0	415,500	415,500
FARMWILL FARMERS CENTRE	248,100	01/07/2024 TO 30/06/2025	248,100	0	94,300	94,300
WHITEROCK SELF HELP GROUP	572,000	01/07/2024 TO 30/06/2025	57,200	0	767,842	767,842
BUMWAMA SUPPLY	3,296,567	01/07/2024 TO 30/06/2025	3,296,567	0	3,517,651	3,517,651

KOELEL FORCES ACADEMY**Annual Report and Financial Statements For the year ended 30th June 2025**

Supplier Of Goods Or Services	Original Amount	Date of Invoice	Amount Paid To Date	Outstanding Balance Current 2024	Outstanding Balance Comparative 2023	Comments
	Kshs	Kshs	Kshs	Kshs	Kshs	F=D+B
ELENOX STYLE ELEGANCE	1,569,520	01/07/2024 TO 30/06/2025	812,250	757,270	19,320	776,590
KAMS ELETRICALS & ELECTRONICS	54,640	01/07/2024 TO 30/06/2025	0	54,640	129,380	184,020
ELIDAAC ENTERPRISES	6,504,440	01/07/2024 TO 30/06/2025	4,465,500	2,038,940	4,409,600	6,448,540
ZIWANI ENTERPRISES	61,400	01/07/2024 TO 30/06/2025	61,400	0	35,450	35,450
MURIOGO KURONOI	1,356,550	01/07/2024 TO 30/06/2025	1,356,550	0	1,483,366	1,483,366
FANCY CHEPTOO	3,037,500	01/07/2024 TO 30/06/2025	2,943,400	941,000	0	941,000
VEEGENT VENTURES	266,880	01/07/2024 TO 30/06/2025	266,880	0	0	0
PEROMA ENTERPRISES LIMITED	2,081,000	01/07/2024 TO 30/06/2025	81,000	2,000,000	523,030	2,523,030
COPYCATE ENTERPRISES LIMITED	634,720	01/07/2024 TO 30/06/2025	634,720	0	1,264,800	1,264,800
REVAKH ENTERPRISES	702,901	01/07/2024 TO 30/06/2025	702,901	0	0	0
TRIXLARD COMPANY LIMITED	686,313	01/07/2024 TO 30/06/2025	686,313	0	0	0
NANCIE WAKESHO	6,000	01/07/2024 TO 30/06/2025	6,000	0	40,500	40,500
JACKLINE NDERITU	51,500	01/07/2024 TO 30/06/2025	51,500	0	153,500	153,500
FLORALANGS TRADERS	1,042,500	01/07/2024 TO 30/06/2025	1,042,500	0	927,450	927,450
JANE WAIRIMU WANJOHI	77,000	01/07/2024 TO 30/06/2025	77,000	0	0	0
BARNABA KIPCHUMBA	250,000	01/07/2024 TO 30/06/2025	250,000	0	0	0
NIXON KIPKOECH	3,000	01/07/2024 TO 30/06/2025	3,000	0	0	0
PETPAT ENTERPRISES	1,307,090	01/07/2024 TO 30/06/2025	1,307,090	0	1,141,790	1,141,790
PATMAT BOOKSHOP	967,962	01/07/2024 TO 30/06/2025	967,962	0	0	0
SHANANGEL AGENCIES	411,600	01/07/2024 TO 30/06/2025	411,600	0	0	0
DOTTSY TECHNICAL& SUPPLIES	290,000	01/07/2024 TO 30/06/2025	290,000	0	515,000	515,000
ELIDAAC ENTERPRISES	791,000	01/07/2024 TO 30/06/2025	791,000	0	948,000	948,000
MIMOSA OFFICE	531,285	01/07/2024 TO 30/06/2025	531,285	0	0	0
DOBEX SCHOOL SUPPLIERS	197,680	01/07/2024 TO 30/06/2025	197,680	0	154,820	154,820
CENTRAL SCIENTIFIC SUPPLIES LTD	390,374	01/07/2024 TO 30/06/2025	390,374	0	0	0

KOELEL FORCES ACADEMY**Annual Report and Financial Statements For the year ended 30th June 2025**

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To	Outstanding Balance Current	Outstanding Balance Comparative 2025	Comments
	A	B	C	D	E	F=D+E
	Kshs	Kshs	Kshs	Kshs	Kshs	
JACKMOT ENTERPRISES	220,000	01/07/2024 TO 30/06/2025	220,000	0	0	0
SHANANGEL AGENCIES	156,212	01/07/2024 TO 30/06/2025	156,212	0	0	0
PATMAT BOOKSHOP	1,908,537	01/07/2024 TO 30/06/2025	1,908,537	0	0	0
LYNEPHUS ENTERPRISES	391,200	01/07/2024 TO 30/06/2025	391,200	0	0	0
CIC GEN INSURANCE	508,800	01/07/2024 TO 30/06/2025	508,800	0	0	0
ORACLE ENGINEERING	300,000	01/07/2024 TO 30/06/2025	300,000	0	490,300	490,300
KEKIBE SUPPLIES	0	01/07/2024 TO 30/06/2025	0	0	44,000	44,000
BOMA GARDENS SHG	0	01/07/2024 TO 30/06/2025	0	0	1,327,800	1,327,800
SARELIM ENTERPRISES	0	01/07/2024 TO 30/06/2025	0	0	2,647,600	2,647,600
JOMI GENERAL SUPPLIERS	0	01/07/2024 TO 30/06/2025	0	0	301,720	301,720
LAGSURE SUPPLIES	0	01/07/2024 TO 30/06/2025	0	0	330,300	330,300
LEMROY LOGISTICS	0	01/07/2024 TO 30/06/2025	0	0	1,394,060	1,394,060
MOBYPHOCAS LIMITED	0	01/07/2024 TO 30/06/2025	0	0	135,000	135,000
PETER NDUNGU MACHARIA	0	01/07/2024 TO 30/06/2025	0	0	9,000	9,000
NANJOYA TRADING LIMITED	0	01/07/2024 TO 30/06/2025	0	0	1,350,000	1,350,000
GRAPE JEC ENTERPRISES	0	01/07/2024 TO 30/06/2025	0	0	147,200	147,200
DOTTSIE SUPPLIES	0	01/07/2024 TO 30/06/2025	0	0	513,500	513,500
TOBIAS OJWANG	0	01/07/2024 TO 30/06/2025	0	0	52,380	52,380
BLESSEDOLENG ENT	0	01/07/2024 TO 30/06/2025	0	0	1,663,280	1,663,280
GEPHARDT BOOKSHOP LTD	0	01/07/2024 TO 30/06/2025	0	0	584,440	584,440
MUKOLAB SUPPLIES LTD	0	01/07/2024 TO 30/06/2025	0	0	67,340	67,340
WOOLSHOP	0	01/07/2024 TO 30/06/2025	0	0	750,515	750,515
JOHN MUTURI	0	01/07/2024 TO 30/06/2025	0	0	37,020	37,020
TOTAL	41,532,856	01/07/2024 TO 30/06/2025	32,384,416	9,114,360	34,611,193	43,725,553

KOELEL FORCES ACADEMY**Annual Report and Financial Statements For the year ended 30th June 2025****Annex 2 – Summary of Fixed Assets Register**

Asset Class	Historical Cost b/f (Kshs) 1 st July 2024	Additions during the Year (Kshs)	Disposals during the Year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2025
Buildings And Structures	90,723,321	4,851,005	-	95,574,326
Motor Vehicles	26,999,999	-	-	26,999,999
Office Equipment, Furniture and Fittings	6,254,500			6,254,500
Textbooks	35,000,000			35,000,000
ICT Equipment	1,226,000			1,226,000
Tools And Apparatus	3,082,000			3,082,000
Other Machinery and Equipment				
Heritage And Cultural Assets				
Intangible Assets- Soft Ware	1,128,300			1,128,300
Total	164,414,120			169,265,125

NOTE: A detailed fixed assets has been maintained at the school.

Value of assets are approximations were not listed in the previous year, listing the in quantity was allowed.

REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

Ref: OAG/NKR/AUD/KFA/11/18/2024/2025/21

16 June, 2026

Mr. Samuel Josephat Njoroge, CBS

Clerk of the National Assembly

Parliament Buildings

P. O. Box 41842-00100

NAIROBI

Dear Sir,

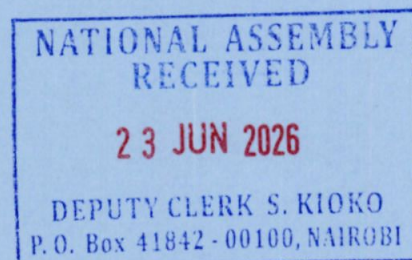
REPORT OF THE AUDITOR-GENERAL ON KOEEL FORCES ACADEMY FOR THE YEAR ENDED 30 JUNE, 2025 – NAKURU COUNTY

I transmit the report of the Auditor-General on the examination and audit of Koeel Forces Academy for the year ended 30 June, 2025 in accordance with the provisions of Article 229(7) of the Constitution of Kenya for the necessary action as required by Article 229(8) of the Constitution.

Yours sincerely

CPA Justus O. Okumu

For: AUDITOR-GENERAL



Copy to: Dr. Chris K. Kiptoo, PhD., CBS

Principal Secretary

The National Treasury

P. O. Box 30007-00100

NAIROBI

Mr. John Lekakeny Ololtuaa, CBS

Principal Secretary

Ministry of Education

State Department for Basic Education

P. O. Box 30040-00100

NAIROBI

Mr. Obenge Philemon Ogola

The Chief Principal

Koeel Forces Academy

P.O. Box 151 - 20116

GILGIL

REPUBLIC OF KENYA

MEMORANDUM

TO: THE PRESIDENT

FROM: THE ATTORNEY GENERAL

SUBJECT: [Illegible]

DATE: [Illegible]

[Illegible text block]

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