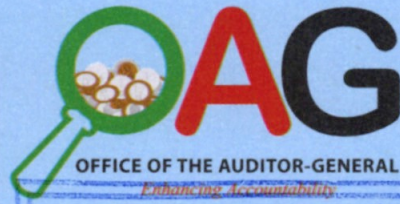


REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY
PAPERS LAID

REPORT

DATE: 24 JUN 2026

DAY.

WEDNESDAY

TABLED
BY:

Hon. Benson BAYA, MP

DEPUTY LEADER OF MAJORITY

OF

CLERK-AT
THE-TABLE:

KESTER NG'ENDO

THE AUDITOR-GENERAL

ON

PARLIAMENT
OF KENYA
LIBRARY

SEKO GIRLS HIGH
SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2025

UASIN GISHU COUNTY



SEKO GIRLS HIGH SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025

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



Table of Contents

Page

1. Acronyms and Definition of Key Terms	ii
2. Key School Information and Management	iii
3. Summary Report of Performance of The School	vii
4. Statement of School Management Responsibility	xii
5. Report of the Auditor – General	xiii
6. Statement Of Financial Performance for the Year Ended 30 th June 2025	1
7. Statement of Assets and Liabilities As At 30 th June 2025	2
8. Statement of Cash Flows for the Year Ended 30 th June 2025	3
9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30 th June 2025	4
10. Significant Accounting Policies	8
11. Notes To the Financial Statements	11
12. Annexes	27

1. Acronyms and Definition of Key Terms

A. Acronyms.

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

B. Definition of Key Terms

Comparative Year- Means the prior period.

2. Key School Information and Management

(a) Background information

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

The school was registered for the first time in March (03)/2001 and later re- registered under registration number **27S30000998 in the year 2019** and is currently categorized as an Extra County public school established, owned or operated by the Government.

The school is a boarding school and had 551 number of students as at 30th June 2025.

It has 4 streams and 33 teachers of which 6 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	Dr. Mary Sambu	Chairman	16-Jun-22
2	Mrs. Gladys Koech	Secretary – Principal	16-Jun-22
3	Mrs. Jacqueline Kipchoge	Member – Student Representative	16-Jun-22
4	Mr. Kipkoech Simukwo	Member – Student Representative	16-Jun-22
5	Qs. Pauline Olbara	Member – Special Interest	16-Jun-22
6	Mr. Sylvester Murto	Member – Community	16-Jun-22
7	Dr. William Koech	Member – Community	16-Jun-22
8	Mr. Silas Rotich	Member – Rep CEB	16-Jun-22
9	Mr. Nickson Rutto	Member – Teacher's Representative	16-Jun-22
10	Dr. Caroline Biwott	Member – Sponsor	16-Jun-22
11	Mr. Simion Tanui	Member – Sponsor	16-Jun-22
12	Mr. Sammy Kiptoo	Member – Sponsor	16-Jun-22
13	Mr. Joash Sitienei	Member – Special Needs	16-Jun-22
14	Mr. Simion Koech	Member - Parents Association	16-Jun-22

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

The school operates under a structured governance framework, guided by various committees responsible for oversight, strategic decision-making, and operational management. These committees are composed of members drawn from the School Board of Management and other relevant stakeholders. The table below provides a summary of the committees, their members, designations, and attendance records for meetings held during the year. This ensures transparency, accountability, and active participation in the governance of the school.

Ref	Name of Committee	Names of Members	Designation	Number of Meetings Attended During the Year
1	Executive Committee	1. Dr Mary Sambu 2. Mrs Gladys Koech 3. Mr Simion Tanui 4. Dr Caroline Kipsaat 5. Mr Simion Koech	Chairperson Secretary Member Member Member	3 out of 3 3 out of 3 3 out of 3 3 out of 3 3 out of 3
2	Audit Committee	1. Mr Sylvester Murto 2. Qs Olbara Pauline 3. Mr Simion Koech	Chairperson Secretary Member	1 out of 1 1 out of 1 1 out of 1
3	Finance, Procurement and General Purposes Committee	1. Mr Simion Tanui 2. Mr Sammy Kiptoo 3. Mrs Jacqueline Kipchoge 4. Mrs Fridah Ruto	Chairperson Secretary Member Member	2 out of 2 2 out of 2 2 out of 2 2 out of 2

Ref	Name of Committee	Names of Members	Designation	Number of Meetings Attended During the Year
4	Academic Committee	1. Dr William Koech 2. Dr Caroline Kipsaat 3. Mr Silas Rotich 4. Mr Kipkoech Sumukwa 5. Mr Moses Otieno	Chairperson Secretary Member Member Member	3 out of 3 3 out of 3 3 out of 3 3 out of 3 3 out of 3
5	Development Committee	1. Qs Pauline Olbara 2. Mrs Hellen Kiplagat 3. Dr Mary Sambu 4. Mrs Gladys Koech 5. Mr Simion Koech 6. Dr Caroline Kipsaat 7. SCDE Representative	Chairperson Secretary Member Member Member Member Member	2 out of 2 2 out of 2 2 out of 2 2 out of 2 2 out of 2 2 out of 2 2 out of 2
6	Discipline and Welfare Committee	1. Mrs Jacqueline Kipchoge 2. Mr Sammy Kiptoo 3. Mrs Hellen Kiplagat	Chairperson Secretary Member	1 out of 1 1 out of 1 1 out of 1

(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	Ms Gladys Koech	337489
2	Deputy Principal-Administration	Ms Winnie Mursoi	414768
3	Deputy Principal-Discipline	Ms Hellen Cherono	395621
4	School Finance Officer	Ms Fridah Ruto	25753798

(e) Schools contacts

Postal Address: P.O. Box 8366–30100, Eldoret

Mobile Number: 0722 609 575

Email Addresses: sekogirls@yahoo.com/ sekogirlsh@gmail.com

Website: www.sekogirls.co.ke

(f) School Bankers

1. Standard Chartered Bank,
Eldoret Branch,
P.O. Box 7, 30100,
Eldoret, Kenya.
2. Kenya Commercial Bank (KCB),
Eldoret Branch,
P.O. Box 560, 30100,
Eldoret, Kenya

(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:

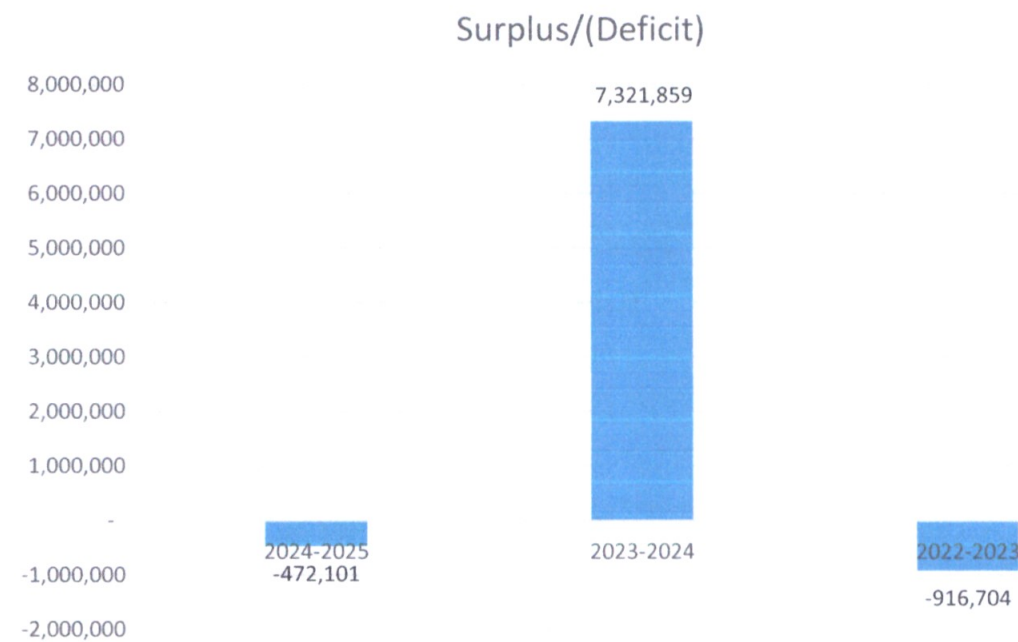
a) Financial performance:

Item	2024/2025	2023/2024	2022/2023
	Kshs	Kshs	Kshs
Surplus / (Deficit)	(472,101)	7,321,859	(916,704)
Increase / (Decrease)	(7,793,960)	8,238,563	(6,371,223)
Capitation Grants			
Operations Account	4,725,495	8,140,686	1,966,505
Tuition Account	1,490,511	1,675,280	5,724,558
Total Capitation	6,216,006	9,815,966	7,691,063
Increase / (Decrease)	(3,599,960)	2,124,903	(3,946,550)
Number of Students	551	686	686
Capitation per Student	11,281	14,308	11,211
Movement in Fees Debtors			
School Fund Account	15,734,413	15,162,205	7,848,895
Increase / (Decrease)	572,208	7,283,310	(2,297,278)

i) Surplus and Deficit

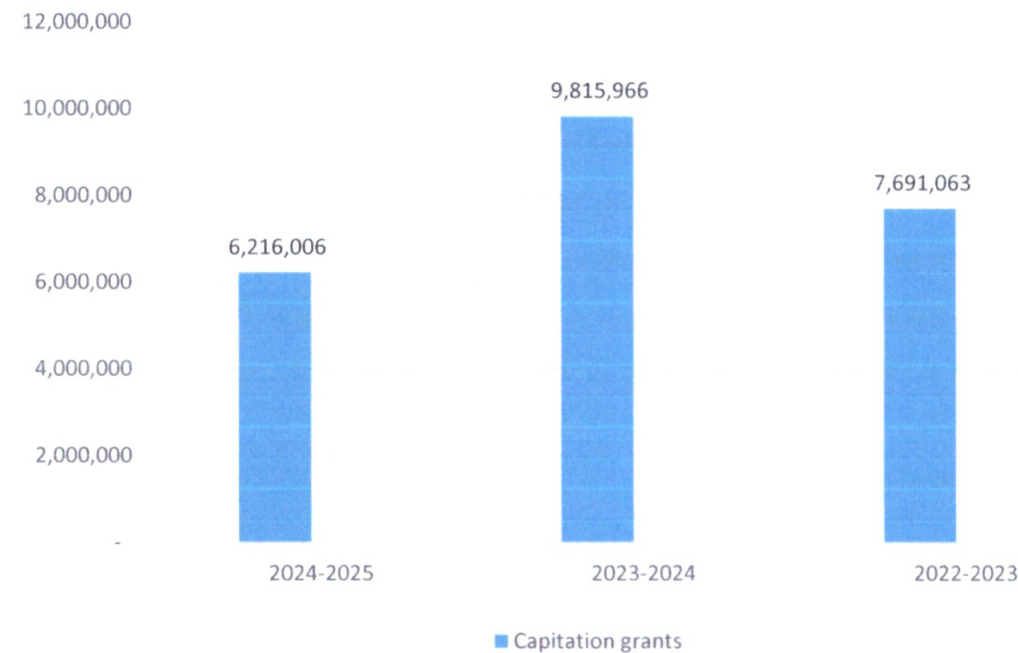
The school recorded a decrease in surplus, registering a deficit of Kshs.472,101 down from a surplus of Kshs.7,321,859 realized in the previous period. The decline is attributable to the inflationary economic conditions being witnessed in the country coupled with reduction in enrolment as a result of transitioning to CBC. The school is not operating at full capacity but at minus one classroom caused by the change over to the new curriculum and this led to diseconomies of scale.

The graph below summarizes the performance.



ii) Capitation grants

The disbursement of free day secondary school declined to Kshs.6,216,006 down from Kshs.9,815,966 disbursed in the preceding year. The trend of capitation funding has been declining and this poses a challenge to service delivery and might affect learning adversely is not addressed urgently.

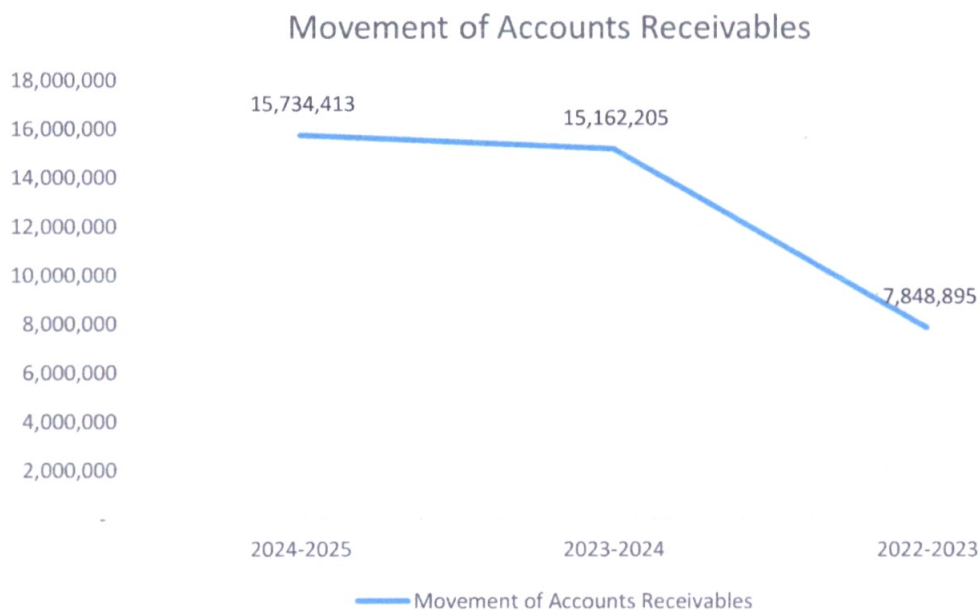


iii) Movement of fees debtors

Fees debtors increased from Kshs.15, 162,205 recorded in the previous comparative period to 15,734,413, reported in the year under review. This represents a 4% growth. The rise is attributable to the directive from the Ministry of Education to the effect that all certificates be released on demand despite outstanding fees balances coupled with the hard economic times prevailing in the country.

The graph below illustrates the trend

Fees debtors

**b) Teacher Student ratio:**

During the year, the teaching staff comprised 33 teachers posted by the Teachers Service Commission (TSC) and 6 teachers recruited by the School Board of Management (BOM). The teacher–student ratio for the period was 1:14, reflecting the average number of students per teacher.

The mean score in the 2022 to 2024 KCSE:

Year	Enrolment	Mean Score	Transitioned	Transition (%)	School Target	Comments
2024	230	5.77	27	12%	7.5	Below target; low transition rate
2023	167	6.22	76	46%	7.5	Average performance; below target

2022	149	5.09	41	28%	7.5	Below target; needs improvement
------	-----	------	----	-----	-----	---------------------------------

During the period 2022–2024, the school recorded a steady increase in enrolment, rising from 149 students in 2022 to 230 students in 2024. Despite this growth, the mean scores for the students remained below the school target of 7.5, with 2022 recording 5.09, 2023 at 6.22, and 2024 at 5.77. This indicates that students’ overall academic performance is below the desired benchmark. Transition rates similarly remained below optimal levels. While there was an improvement from 28% in 2022 to 46% in 2023, performance declined significantly to 12% in 2024, indicating a deterioration in student progression despite increased enrolment.

The School’s actual performance reflects an average standing, below the set targets, and highlights areas that require immediate attention. To improve outcomes, management has put in place the following actions:

1. Strengthen remedial support for underperforming students, including after-school tutoring and targeted revision sessions.
2. Monitor student performance regularly through monthly assessments to identify gaps early and implement timely interventions.
3. Engage parents and guardians in supporting learning at home, especially for students at risk of underperforming.

These measures aim to ensure that students meet the school’s performance targets and improve transition rates in the coming years.

c) The capacity of the school:

The school has maintained a range of facilities to support teaching, learning, and boarding. An assessment of the current infrastructure against student numbers indicates areas where the school is adequately resourced, as well as areas requiring urgent attention to meet standards and enhance the learning environment.

Facility	Units Available	Capacity per Unit	Total Capacity	No. of Students	Required	Adequacy Status
Classrooms	18	50	900	750	900	Adequate
Dormitories	5	140	700	750	–	Adequate
Dining Hall	1	1000	1000	750	900	Adequate
Laboratories	2	45	90	750	2 units	Inadequate
Toilets	40	18	750	750	50	Inadequate

d) Development projects carried out by the school

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Water tank	G.O.K and Parents	Ongoing	1,179,385	1,179,385	30-06-2026
Pavements	G.O.K and Parents	Ongoing	9,000,000	7,500,000	30-06-2026



.....
School Principal

4. Statement of School Management Responsibility

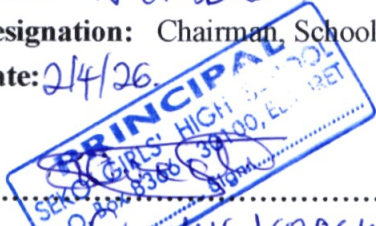
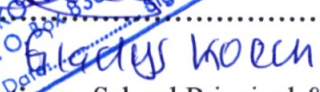
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant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

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

The Board of Management of Seko Girls High School 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:  N. CHESHEREM
Designation: Chairman, School Board of Management
Date: 2/4/26


.....
Name:  Elizabeth Woech
Designation: School Principal & Secretary to Board of Management
Date: 2/4/26


.....
Name: Fridah RUB
Designation: Bursar/ Finance Officer
Date: 2/4/26

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 SEKO GIRLS HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2025 - UASIN GISHU COUNTY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of Seko Girls High School - Uasin Gishu County set out on pages 1 to 30 which comprise of the statement of assets and liabilities as at 30 June, 2025, and the statement of financial

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

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

Basis for Qualified Opinion

1. Inaccuracies of the Financial Statements

Review of financial statements submitted for audit revealed the following inaccuracies:

- (i) Comparison of amounts reflected in the statement of financial performance and supporting schedules revealed variances as detailed below:

Item	Amount as Per Financial Statements (Kshs)	Amount as Per Supporting Schedules (Kshs)	Variance (Kshs)
Parents Contribution-School Fund Account Note 4			
Boarding, Equipment and Stores	22,657,387	10,653,035	12,004,352
Administration costs	767,942	769,530	1,588
Other Receipts- School Fund Account- Note 5			
Rent	50,775	44,000	6,775
Payments for Tuition - Note 6			
Laboratory equipment and apparatus	1,637,931	503,924	1,134,007
Reference books/Library	258,500	183,500	75,000
Payments for Operations- Note 7			
Electricity and water	516,650	471,650	45,000
Administration costs	841,140	492,090	349,050
Boarding and School Fund Payments- Note 9			
Boarding, Equipment and Stores	14,334,173	10,626,731	3,707,442

- (ii) The statement of cash flows reflects total receipts of Kshs.47,102,963, which is at variance with the total income of Kshs.41,432,462 under actual on a comparable

basis in the statement of budgeted versus actual amounts, resulting in an unexplained variance of Kshs.5,670,501. Similarly, the statement of cash flows reflects payments of Kshs.52,244,170, comprising total payments of Kshs.42,948,329 and acquisition of assets of Kshs.9,295,841. This is at variance with the total expenditure of Kshs.44,291,184 under actual on a comparable basis in the statement of budgeted versus actual amounts, resulting in an unexplained variance of Kshs.7,952,986.

- (iii) The statement of financial performance reflects boarding and school fund payments of Kshs.29,539,111 as disclosed in Note 9 to the financial statements. However, Note 9(a) reflects an amount of Kshs.34,860,035 resulting in unexplained variance of Kshs.5,320,924.
- (iv) The statement of cash flows reflects an amount of Kshs.33,143,175 in respect of cash outflows for boarding/lunch and school fund operations. However, Note 9(a) reflects an amount of Kshs.35,242,248, resulting in an unexplained variance of Kshs.2,099,073.
- (v) The statement of budgeted versus actual amounts reflects a final expenditure budget of Kshs.56,394,912, which is at variance with the approved budget of Kshs.45,463,410, resulting in an unexplained variance of Kshs.10,931,502.
- (vi) The statement of assets and liabilities reflects accounts receivable balance of Kshs.15,734,413 as disclosed in Note 13 to the financial statements. However, the ledger balance and issued invoices reflect a balance of Kshs.11,417,228, leaving an unreconciled variance of Kshs.4,317,185.

In the circumstances, the completeness and accuracy of balances reflected in the financial statements could not be confirmed

2. Unsupported Accounts Payables Balance

The statement of assets and liabilities reflects accounts payables balance of Kshs.4,261,165 which relate to trade creditors as disclosed in Note 14 to the financial statements. However, supporting documents in respect of the payables such as requisitions, local purchase

orders, delivery notes, inspection reports, goods received notes and certificate of payments were not provided for audit review.

In the circumstances, the accuracy, existence and completeness of payables balance of Kshs.4,261,165 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.56,394,912 and Kshs.41,432,462 respectively, resulting in an under-funding of Kshs.14,962,450 or 27% of the budget. Further, the School spent Kshs.44,291,184 against actual receipts of Kshs.41,432,462 resulting in over utilization of Kshs.2,858,722.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Significant Exemptions by PSASB in the Financial Reporting Template

The financial statements have been prepared using the FY 2024/25 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.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Under-funding of Capitation Grants

The statement of financial performance reflects capitation grants for tuition and capitation grants for operations amount of Kshs.1,490,511 and Kshs.4,725,495 respectively as disclosed in Note 1 and Note 2 to the financial statements. Comparison between NEMIS-registered learners and actual enrolment revealed variances, resulting in cumulative underfunding of Kshs.249,604 for tuition and Kshs.1,051,389 for operations. As a result, the School was under-funded by an amount of Kshs.1,300,993

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

2. Late Transfer of Infrastructure Funds from Operations Bank Account

The statement of financial performance reflects operations grants amount of Kshs.4,725,495 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.1,828,750 in respect of infrastructure grants which were to be transferred to Infrastructure Bank Account for maintenance and improvement of the School's facilities. However, an amount of Kshs.512,250 was transferred after one sixty two (162) days of receipt. 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 be transferred to the School Infrastructure Account fifteen (15) days upon receipt of the funds in the operations account.

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

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

The statement of financial performance reflects boarding and school fund payments amount of Kshs.29,539,111 as disclosed in Note 9 to the financial statements. Included in the expenditure is an amount of Kshs.239,080 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.239,080 could not be confirmed.

4. Lack of a Procurement Plan

The statement of financial performance reflects amounts of Kshs.49,475,628 and Kshs.49,947,729 in respect of total receipts and payments respectively. However, during the year Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that “a procuring entity prepare a procurement plan for each financial year as part of the annual budget preparation process”.

Further, Management did not have an established procurement function managed by qualified procurement professional as required under Section 47(2) of the Public Procurement and Asset Disposal Act, 2015 and Regulation 33 of the Public Procurement and Asset Disposal Regulations, 2020. Except for procurement of infrastructure projects which the School engaged services of other procuring entities, other procurement activities were undertaken by individuals lacking the requisite qualifications.

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

5. Irregularities in Procurement Process.

The statement of financial performance reflects boarding and school fund payments of Kshs.29,539,111 as disclosed in Note 9 to the financial statements. Review of documents revealed that an amount of Kshs.2,206,300 was paid to a consultant for the supply of bakery equipment and associated labour costs. Examination of supporting documents revealed that no formal procurement process was undertaken prior to making the payment contrary to provisions of article 227(1) of the Constitution of Kenya, 2010, which states that when a state organ or any other public entity contracts for goods or services, it shall do so in accordance with a system that is fair, equitable, transparent, competitive and cost-effective.

Further, the School made payments to various suppliers of general foodstuffs amounting to Kshs.4,234,645. Review of the procurement records revealed that Requests for Quotations (RFQs) were issued to several suppliers at the beginning of the financial year, and quotations were received. However, despite the availability of the submitted quotations, the Tender Evaluation Committee did not award the contract to any of the evaluated suppliers. Instead, the School proceeded to procure the goods through single sourcing, without documented justification or approval to support the deviation from the RFQ procurement method. This contrary to the quoted provisions of article 227(1) of the Constitution of Kenya, 2010.

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

6. Non-Deduction and Non-Remittance of Procurement Capacity Building Levy

The statement of financial performance reflects infrastructure payments amount of Kshs.9,826,171 as disclosed in Note 8 to the financial statements, which includes an amount of Kshs.9,821,891 in respect of procurement contracts signed with the school's suppliers. Review of payments for infrastructure revealed that there was no deduction of the public procurement capacity building levy of 0.03% 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. Adequacy of Facilities in the School

During the review of the School's records and physical inspection, it was noted that no documented facility assessment reports were available to demonstrate that the School's infrastructure meets the minimum standards under Regulation 64 of Basic Education Regulation, 2015. In addition, there was no evidence that the Board of Management monitored or verified the adequacy of classrooms, boarding facilities, laboratories, libraries, sanitation facilities, or outdoor play areas, as required by Section 59(c) of the Basic Education Act, 2013. Further, the School did not maintain documentation to support compliance with Sections 39 of the Act, and Regulations 82(2) and 83 of the Basic Education Regulation, 2015, including evidence that premises and equipment are appropriate for the programmes offered.

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

8. Unapproved Fees on Parents Association Support Programme

The statement of financial performance reflects miscellaneous incomes of Kshs.8,126,197 which include Parents Association Support Programme for development of Kshs.2,059,418 as disclosed in Note 5 to the financial statements. Examination of the records revealed that the School charged an amount of Kshs.12,000 per student to support purchase of School land. This had not been approved by the Ministry of Education through the County Education Board, 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 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 Ministry of Education guidelines.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Long Outstanding Accounts Receivable

The statement of assets and liabilities reflects accounts receivable balance of Kshs.15,734,413 in respect of fees arrears as disclosed in Note 13 to the financial statements. Included in the balance is accounts receivable balance of Kshs.3,527,696 which had been outstanding for more than one (1) year. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on full recoverability of the accounts receivables balance.

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

2. Effectiveness of the School's Audit Committee

Review of the Audit Committee minutes revealed that during the year under review, the Committee convened only once, on 7 February, 2025 contrary to Regulation 179(1) of the Public Finance Management (National Government) Regulations, 2015 which requires that an audit committee shall meet at least once every three months or four times a year.

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

3. Weaknesses in Management of Inventory

Note 16 to the financial statements reflects an inventory balance of Kshs.1,776,000. However, stock count sheets/certificates and reconciliations between physical counts and stores records were not provided for audit review.

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

4. Weaknesses in Management of Assets

Annex 2 to the financial statements reflects summary of Fixed Assets Register balance of Kshs.375,590,389 which includes motor vehicles with a balance of Kshs.8,000,000. However, the logbook for School bus and School van indicates joint ownership between the School and a local bank. No explanation or supporting documentation was provided to explain the nature of the joint ownership.

In the circumstances, the ownership status of the motor vehicles and the adequacy of supporting documentation for the assets could not be confirmed.

5. Lack of Risk Assessment Policy and Disaster Recovery Plan

Review of the internal controls revealed that the School Management had not developed a risk management policy nor were risk assessments performed for the period under review. This is contrary to Regulations 165(1) and 170(1) of the Public Finance Management (National Government) Regulations, 2015 which requires each national government entity to develop risk management strategies and a system of risk management. In addition, a disaster recovery plan or business continuity plan was not in place.

In the circumstances, the School may not be able to mitigate any risk in case of any eventuality.

6. Weaknesses in Information Communication Technology (ICT) Environment

Review of the ICT internal controls revealed that the School did not have an approved ICT policy, IT Security Policy, policy on physical access to IT environment and IT continuity and disaster recovery plan in place to guide ICT operations. Further, Management did not have an IT strategic committee which is important in performing the oversight function and formulation of policies to ensure that IT department functions properly to assist in achieving organizational objectives in an economic, efficient and effective way. In addition, the School did not have an IT steering committee and periodic IT reports which are supposed to assess the status of implementation of IT systems and suggest corrective measures.

In the circumstances, the effectiveness of the School's information systems control environment could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

22 May, 2026

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

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Government grants for tuition	1	1,490,511	1,675,280
Government grants for operations	2	4,725,495	8,140,686
School fund income- parents' contributions	3	27,657,485	35,536,650
Government Grants for infrastructure	4	7,475,940	2,224,295
Miscellaneous incomes	5	8,126,197	4,608,773
Total Receipts		49,475,628	52,185,684
Payments			
Tuition	6	2,479,303	1,864,685
Operations	7	8,103,144	6,770,751
Boarding and school fund	9	29,539,111	32,618,785
Infrastructure	8	9,826,171	3,609,604
NG-CDF			
Total Payments		49,947,729	44,863,825
Surplus/Deficit		(472,101)	7,321,859

The school financial statements were approved on 21/04/2026 and signed by:

Name: N OTHESEROM

Chair BOM

Date: 2/4/26

Name: Gladys Koech
School Principal/ Secretary to
BOM

Date: 2/4/26

Name: Fridan RUBO

Bursar/ Finance Officer

Date: 2/04/26

Seko Girls High School
Annual Report and Financial Statements For the year ended 30th June 2025

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

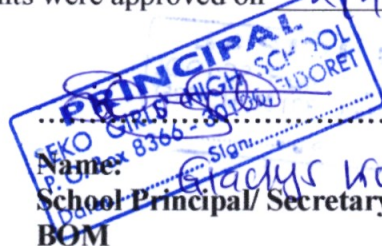
Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	9,923,568	15,064,531
Cash balances	11	1,541	1,785
Short term investments	12		
Total cash and cash equivalent		9,925,109	15,066,316
Account's receivables	13	15,734,413	15,162,205
Total financial assets (a)		25,659,522	30,228,521
Financial liabilities			
Accounts payables	14	4,261,145	8,358,043
Total Financial Labilities (b)		4,261,145	8,358,043
Net financial assets (a-b)		21,398,377	21,870,478
Represented by			
Accumulated fund b/fwd	15	21,870,478	14,548,619
Surplus/deficit for the year		(472,101)	7,321,859
Net Assets		21,398,377	21,870,478

The school's financial statements were approved on 21/4/2026 and signed by:


 Name: N. CHESLEN

Chair BOM

Date: 2/4/26


 Name: Gladys Worech
 School Principal/ Secretary to BOM

Date: 2/4/26


 Name: Indira Ruto

Bursar/ Finance Officer

Date: 2/4/26

Seko Girls High School
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	2024-2025	2023-2024
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition	1	1,490,511	1,675,280
Government grants for operations	2	4,725,495	8,140,686
School fund income- parents contributions/ fees	4(a)	27,383,894	29,356,791
Other income	5	6,027,123	4,608,773
Government grants for infrastructure	3	7,475,940	2,224,295
Total receipts		47,102,963	46,005,824
Payments			
Cash outflows for tuition	6(a)	2,001,061	1,499,337
Cash outflows for operations	7(a)	7,804,093	6,987,871
Cash outflows Boarding/lunch and school fund payments	9(a)	33,143,175	33,362,457
Total payments		42,948,329	41,849,665
Net cash inflow/outflow from operating activities		4,154,634	4,156,160
Cash flow from investing activities			
Acquisition of assets	8(a)	9,295,841	3,527,063
Net cash inflow/outflows from investing activities		-	-
Cash flow from Financing activities			
Net cash inflow/outflow from financing activities			-
Net increase/decrease in cash and cash equivalents		-5,141,207	629,097
Cash and cash equivalent at beginning of the year		15,066,316	14,437,219
Cash and cash equivalent at end of the year		9,925,109	15,066,316

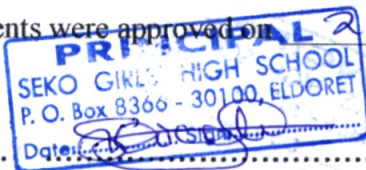
The school's financial statements were approved on 2/4/2026 and signed by:



Name: N. Ombeni

Chair BOM

Date: 2/04/2026



Name: Gladys Koech
 School Principal/ Secretary to BOM

Date: 2/4/26



Name: Frederick Rubo

Bursar/ Finance Officer

Date: 2/4/26

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					
Exercise Books	735,042		735,042	427,077	58%
Lab Equipment	882,051		882,051	415,464	47%
Learning Materials	688,033		688,033	282,800	41%
Reference/Library	441,026		441,026	216,183	49%
Internal Examination	488,032		488,032	149,018	31%
(2) Capitation Grant on Operations					
P/Emolument	3,121,800		3,121,800	1,439,686	46%
Activity	1,064,250		1,064,250	365,160	34%
Electricity Water & Conservancy	1,064,250		1,064,250	712,183	67%
Local Transport & Traveling	1,419,000		1,419,000	712,128	50%
Administration Costs	1,064,250		1,064,250	948,146	89%
Medical / Insurance	1,419,000		1,419,000	548,192	39%
3) FDSE for infrastructure					
Maintenance &Improvement MoE	3,547,500		3,547,500	3,216,790	91%
M&I parents' contribution	4,500,000		4,500,000	4,259,150	95%
Economic Stimulus Programs	-	-	-	-	
Transition Infrastructure Grants	-	-	-	-	
Administration Block	-	-	-	-	
(4) Fees Charged on Parents					
BES/ Meals	25,025,178		25,025,178	22,657,387	91%
Repair Maintenance & Improvement	1,702,800		1,702,800	883,693	52%

Seko Girls High School
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
Local Travels & Transport	534,000		534,000	377,974	71%
Administration Cost	3,198,500		3,198,500	1,721,047	54%
Electricity, Water & Conservancy	3,478,500		3,478,500	767,942	22%
Activity Fees	754,950		754,950	198,642	26%
P/Emolument	1,099,750		1,099,750	1,050,800	96%
5) Miscellaneous Income					
Bus Hire	167,000		167,000	83,000	50%
Total Income	56,394,912		56,394,912	41,432,462	73%
(6) Expenditure For Tuition					
Exercise Books	735,042		735,042	301,600	41%
Lab Equipment	1,682,051		1,682,051	1,637,931	97%
Learning Materials	288,033		288,033	20,000	7%
Reference/Library	341,026		341,026	258,000	76%
Internal Examination	188,032		188,032	153000	81%
(7) Expenditure For Operations					
Repair Maintenance & Improvement	3,547,500		3,547,500	3,259,150	92%
P/Emolument	3,121,800		3,121,800	2,337,847	75%
Activity	1,064,250		1,064,250	125,650	12%
Electricity Water & Conservancy	1,064,250		1,064,250	719,150	68%
Local Transport & Travelling	1,019,000		1,019,000	284,800	28%
Administration Costs	2,064,250		2,064,250	841,140	41%
Medical / Insurance	619,000		619,000	532,550	86%
(8) Expenditure For infrastructure					
CDF	2,000,000		2,000,000	1,707,010	85%
Parent Association	4,000,000		4,000,000	3,723,241	93%

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
(9) Expenditure For school fund/lunch/boarding					
BES/ Meals	19,431,150		19,431,150	16,334,173	84%
Repair Maintenance & Improvement	2,496,828		2,496,828	1,808,480	72%
Local Travels & Transport	2,034,000		2,034,000	2,000,420	98%
Administration Cost	3,115,500		3,115,500	2,713,805	87%
Elec. Water & Conservancy	3,078,500		3,078,500	1,725,099	56%
Activity Fees	1,154,950		1,154,950	993,260	81%
P/Emolument	3,199,750		3,199,750	2,762,953	86%
Expense on Bus Hire	150,000		150,000	51,925	35%
Total Expenditure	56,394,912		56,394,912	44,291,184	79%

Budget Utilization Commentary

1. The significant under-utilization of tuition-related capitation items—particularly exercise books (58% receipts; 41% expenditure) and internal examinations (31% receipts; 81% expenditure)—is largely attributable to delayed and partial disbursement of funds by the Ministry of Education. This constrained timely procurement and implementation of planned academic activities, resulting in suppressed absorption levels, especially in critical learning areas.
2. Revenue from fees charged to parents underperformed in several vote heads, notably electricity, water & conservancy (22%), activity fees (26%), and administration costs (54%), primarily due to delays in fee payments and accumulation of arrears. This weakened cash flow position necessitated prioritization of essential expenditures such as meals (91%) and personnel emoluments (88%), while non-essential or deferrable activities were scaled down.
3. The observed under-utilization across both tuition and operational expenditures—evident in areas such as learning materials (7%), activity (12%), local transport (28%), and administration (41%)—reflects the deferment or scaling down of planned activities due to funding constraints. These constraints arose from both under-disbursement of capitation grants and shortfalls in parental contributions.

4. Miscellaneous income streams, including bus hire, remained inconsistent and relatively insignificant in contribution, limiting their ability to support planned expenditures. This resulted in reduced or adjusted spending in related areas, as reflected in the low utilization of bus hire expenses (35%).
5. Notwithstanding these challenges, the institution demonstrated strong absorption in infrastructure-related expenditures, including MoE-funded projects (91%), parents' contributions (95%), and CDF (85%), indicating effective implementation of capital projects. Overall, the school achieved expenditure utilization of approximately 79% against income realization of 73%, reflecting moderate financial discipline under constrained funding conditions, albeit with notable inefficiencies in recurrent and academic expenditure execution.

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 provisions of the Public Finance Management (PFM) Act, 2012, the Basic Education Act, 2013, and the applicable International Public Sector Accounting Standards (IPSAS) as adopted by the Public Sector Accounting Standards Board (PSASB) of Kenya.

In line with Treasury Circular No.03/2025 and the Cash-to-Accrual Accounting Transition Roadmap approved by the National Steering Committee, the School has taken advantage of the transitional provisions under IPSAS 33: First-time Adoption of Accrual Basis IPSAS. Accordingly, these financial statements for the year ended 30th June 2025 represent the first transitional accrual financial statements, incorporating financial assets (cash and cash equivalents, receivables, prepayments) and financial liabilities (payables and third-party deposits). Other non-financial assets and inventories will be progressively onboarded in subsequent years as per the roadmap. Other non-financial assets and inventories have been disclosed but not recognized in these financial statements, consistent with Year 1 transitional requirements. Their formal recognition will follow the roadmap progression:

- Year 2 (FY 2025/2026): Inventories and identified non-financial assets will be onboarded into the Statement of Financial Position.
- Year 3 (FY 2026/2027): Full IPSAS accrual compliance will be achieved, with recognition of all assets (including property, plant and equipment, biological assets, heritage assets, and intangible assets) and all liabilities.

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

In line with the Public Finance Management Act, 2012, IPSAS 33: First-time Adoption of Accrual Basis IPSAS, and the transitional guidance provided under Treasury Circular No.03/2025, the School has adopted a phased approach to the recognition and reporting of non-current assets.

- **Transitional Treatment (FY 2024/2025 – Year 1):** Non-current assets are expensed at the time of acquisition, while disposal proceeds are recognized as receipts at the time of disposal.

Acquisitions and disposals are reflected in the school's fixed asset register, a summary of which is provided as a memorandum to these financial statements.

- **Progression under IPSAS 33 Roadmap:**

- i. **Year 1 (FY 2024/2025):** Disclosure of financial assets and liabilities only. Non-current assets are maintained in the fixed asset register but not recognized in the Statement of Financial Position.
 - ii. **Year 2 (FY 2025/2026):** Inventories will be onboarded into the Statement of Financial Position.
 - iii. **Year 3 (FY 2026/2027):** Full IPSAS accrual compliance will be achieved, with recognition of all non-current assets (including land, buildings, motor vehicles, office equipment, ICT equipment, textbooks, tools and apparatus, other machinery, heritage and cultural assets, and intangible assets) and application of depreciation, revaluation, and impairment policies in line with IPSAS requirements.
- Historical cost is used as the primary measurement basis during the transitional phase. Revaluations and depreciation will be introduced progressively as required under IPSAS accrual standards.

This policy ensures transparency during the transition period and demonstrates the school's preparedness for full IPSAS accrual compliance by **30th June 2027**, as directed by the National Treasury.

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

11. Notes To the Financial Statements

1 Government Grants for Tuition

Description	2024-2025	2023-2024
	Kshs	Kshs
Reference Materials	-	
Exercise Books	427,077	196,387
Laboratory Equipment	415,464	473,852
Internal Exams	149,018	599,548
Teaching / Learning Materials	282,800	233,558
Library Materials	216,153	-
Total	1,490,511	1,675,280

2 Government Grants for Operations

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel Emoluments	1,439,686	2,051,431
Maintenance & Improvement	-	2,652,400
Local Transport & Travelling	712,128	802,772
Newspapers	179,300	-
Electricity Water & Conservancy	712,183	681,566
Medical	548,192	559,800
Administration Costs	698,846	848,724
Activity	365,160	543,993
Bank charges	70,000	-
Total	4,725,495	8,140,686

Seko Girls High School

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

3 Government Grants for infrastructure

Description	2024-2025	2023-2024
	Kshs	Kshs
Maintenance & Improv	1,830,790	2,224,295
Transitional infrastructure grants	4,645,150	-
NG-CDF Moiben	1,000,000	-
Total	7,475,940	2,224,295

4 School Fund Income - Parents Contribution/Fees

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel emoluments	1,050,800	1,880,372
Fee on Boarding Equipment and Stores	22,657,387	22,328,976
Maintenance & Improvement	883,693	1,592,852
Local transport / travelling	377,974	2,111,576
Electricity and water	1,721,047	4,381,367
Administration costs	767,942	2,813,527
Activity	198,642	427,980
Total	27,657,485	35,536,650

4 (a) Reconciliation of Statement of Financial Performance and Cash Flow

Description	Amount as per statement of financial performance	Adjustments for accruals & Prepayments	Amount as per statement of cash flow
	Kshs.	Kshs.	Kshs.
Personnel emoluments	1,050,800	-	1,050,800
Fee on Boarding Equipment and Stores	22,657,387	(9,263,409)	13,393,978
Maintenance & Improvement	883,693	-	883,693
Local transport / travelling	377,974	-	377,974
Electricity and water	1,721,047	-	1,721,047
Administration costs	767,942	-	767,942
Activity	198,642	-	198,642
Arrears		8,691,201	8,691,201
Prepaid fees		298,617	298,617
Total	27,657,485	(273,591)	27,383,894

Seko Girls High School
Annual Report and Financial Statements For the year ended 30th June 2025

5 Miscellaneous Incomes

Description	2024-2025	2023-2024
	Kshs	Kshs
Tender	57,660	122,000
Bus hire	308,800	67,600
Rent	50,775	31,501
Uniform	-	27,000
Gratuity op	-	51,300
PA Development	2,059,418	4,309,372
Bakery	3,075,699	-
Income from music festivals	2,573,845	-
Total	8,126,197	4,608,773

6 Tuition

Description	2024-2025	2023-2024
	Kshs	Kshs
Exercise Books	301,600	544,320
Laboratory Equipment and Chemicals	1,637,931	831,178
Teaching / learning materials	20,000	218,550
Library/reference materials	258,500	212,800
Internal Exams	153,000	57,837
Bank charges	2,767	-
Exam revision materials	105,505	-
Total	2,479,303	1,864,685

6 (a) Reconciliation of spending in Statement of Financial Performance and the Cash Flow

Description	Amount as per statement of financial performance	Adjustments for accruals	Amount as per the statement of cash flows
	Kshs.	Kshs.	Kshs.
Exercise Books	301,600	(205,000)	96,600
Laboratory Equipment and Chemicals	1,637,931	(1,004,007)	633,924
Teaching / learning materials	20,000	-	20,000
Library/reference materials	258,500	-	258,500
Internal Exams	153,000	-	153,000
Bank charges	2,767	-	2,767
School fund	105,505	-	105,505
Creditors paid		730,765	730,765
Total	2,479,303	(478,242)	2,001,061

7 Operations

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel emoluments	2,337,847	2,242,509
Administration Cost	841,140	2,215,035
Maintenance & improvements	3,259,150	20,000
Local transport / travelling	284,800	1,339,082
Electricity and water	516,650	516,940
Medical	-	3,150
Activity Expenses	125,650	434,035
Bank Charges	2,857	-
Newspapers	202,500	-
SMASSE	532,550	-
Total	8,103,144	6,770,751

7 (a) Reconciliation of Expenditure in the Statement of Financial Performance and the Statement of Cash Flow

Description	<i>Amount as per statement of financial performance</i>	<i>Adjustments for receivables & Prepayments</i>	<i>Amount as per the statement of cash flows</i>
	Kshs.	Kshs.	Kshs
Personnel emoluments	2,337,847	-	2,337,847
Administration Cost	841,140	(394,050)	447,090
Maintenance & improvements	3,259,150	-	3,259,150
Local transport / travelling	284,800	-	284,800
Electricity and water	516,650	-	516,650
Activity Expenses	125,650	-	125,650
Bank Charges	2,856	-	2,856
Newspapers	202,500	-	202,500
School fund	532,550	-	532,550
Creditors		95,000	95,000
Total	8,103,143	1,925,245	7,804,093

8 Infrastructure

Description	2024-2025	2023-2024
	Kshs	Kshs
Renovation of Dormitory and Sanitation Block	-	2,153,956
Bank Charges	4,280	3,291
Construction of Main Gate	634,403	1,452,357
Elevated water tank	3,723,241	-
School Fund	2,059,418	-
Sanitation block	1,707,010	-
Dormitory security	787,060	-
NG-CDF	910,759	-
Total	9,826,171	3,609,604

8(a) Reconciliation for items Statement of Financial Performance and Cash Flow

Description	Amount as per statement of financial performance	Adjustments for receivables & Prepayments	Amount as per the statement of cash flows
	Kshs	Kshs	Kshs
Construction of Main Gate	2,693,821		2,693,821
Elevated water tank	3,723,241	745,150	2,978,091
Sanitation block CDF	1,707,010	-	1,707,010
Dormitory security	787,060	-	787,060
NG-CDF	910,759	-	910,759
Bank Charges	4,280	-	4,280
Creditors		214,820	214,820
Total	9,826,171	959,970	9,295,841

9 Boarding And School Fund

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel emoluments	1,962,028	3,225,803
Maintenance & Improvements	1,808,480	-
Local transport / travelling	2,000,420	2,002,379
Electricity and water	1,043,761.00	1,753,401
Posho mill expenses	8,149	-
Administration costs	1,713,805	2,304,700
Uniform	55,000	-
Fee on Boarding Equipment and Stores	14,334,173	18,772,365
Activity Expenses	993,260	913,390
Newspapers	130,300	-
Tender	95,000	140,000
Bus hire	98,318	98,075
Rent	42,000	58,500
Academic support	-	2,936,311
Tuition	-	400,000
Bank charges	15,246	13,488
Operations	70,000	373
Bakery expenses	949,691	-
Baking equipment	2,000,000	-
Music festivals expenses	2,219,480	-
Total	29,539,111	32,618,785

9(a) Reconciliation of Expenditure in Statement of Financial Performance and the Cash Flow

Description	Amount as per statement of financial performance	Adjustments for receivables & Prepayments	Adjustments for receivables & Prepayments
	Kshs.	Kshs.	Kshs.
Personnel emoluments	2,762,953	-	2,762,953
Maintenance & Improvements	1,808,480	-	1,808,480
Local transport / travelling	2,000,420	-	2,000,420
Electricity and water	2,043,761	-	2,043,761
Posho mill expenses	8,149	-	8,149
Administration costs	2,713,805	(455,842)	2,257,963
Uniform	55,000	-	55,000
Fee on Boarding Equipment and Stores	16,334,173	(1,568,000)	14,766,173
Activity Expenses	993,260	-	993,260
Newspapers	130,300	-	130,300
Tender	95,000	-	95,000
Bus hire	98,318	-	98,318
Rent	42,000	-	42,000
Creditors		2,406,055	2,406,055
Bank charges	15,246	-	15,246
None teaching staff retreat	70,000	-	70,000
Bakery expenses	1,469,690	-	1,469,690
Baking equipment	2,000,000	-	2,000,000
Music festivals expenses	2,219,480	-	2,219,480
Total	34,860,035	382,213	35,242,248

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2024-2025	2023-2024
	Active/Dorma nt		Kshs	Kshs
Tuition Account	Active	1103488716	23,859	534,409
Operations Account	Active	102817663900	720	3,473,444

Seko Girls High School

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

School Fund Account/Boarding	Active	102017663900	2,910,893	2,642,186
Savings Account-Gratuity	Active	1281762113	480,776	480,776
Parent Association Development Account	Active	1111254931	3,366,395	3,366,395
CDF	Active	1284017044	1,165,077	1,075,836
Infrastructural Account	Active	1103488716	1,975,849	3,491,486
Total			9,923,568	15,064,532

11 Cash In Hand

Description	2024-2025	2023-2024
	Kshs	Kshs
Notes and Coins	1,541	1,785
Total	1,541	1,785

12 Short Term Investments

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

13 Accounts Receivable

Description	2024-2025	2023-2024
	Kshs	Kshs
Fees Arrears	15,734,413	15,162,205
Other Non-Fees Receivables	-	-
Salary Advances	-	-
Imprest	-	-
Total	15,734,413	15,162,205

13 b) Ageing Analysis of Accounts Receivable

Description	2024-2025		2023-2024	
	Kshs	% of the total	Kshs	% of the total
Less than 1 year	12,206,737	78%	12,206,737	81%
Between 1- 2 years	2,139,079	14%	2,139,079	14%
Between 2-3 years	1,110,897	7%	591,389	4%
Over 3 years	277,720	1%	225,000	1%
Total	15,734,413	100%	15,162,205	100%

14 Accounts Payable

Description	2024-2025	2023-2024
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	4,261,145	7,734,698
Prepaid Fees		623,345
Retention Monies		-
Total	4,261,145	8,358,043

14a. Ageing Analysis of Accounts Payable

Description	2024-2025		2023-2024	
	Kshs	% of the total	Kshs	% of the total
Less than 1 year	4,261,145	100%	4,750,132	56%
Between 1- 2 years	-	-	3,607,911	44%
Between 2-3 years	-	-	-	-
Total	4,261,145	100%	8,358,043	100%

15 Fund Balance Brought Forward

Description	2024-2025	2023-2024
	Kshs	Kshs
Bank Balances	15,064,531	14,427,449
Cash Balances	1,785	9,770
Receivables	15,162,205	8,359,100
Payables	(8,358,043)	(8,247,700)
Total	21,870,478	14,548,619

Seko Girls High School
Annual Report and Financial Statements For the year ended 30th June 2025

Other important disclosure notes

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

16 Non-current Liabilities Summary

Description	2024-2025	2023-2024
	Kshs	Kshs
Bank Loans	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Others (specify)	-	-
Total	-	-

17 Biological assets

Description	Numbers	2024-2025	2023-2024
		Kshs	Kshs
Cattle		-	-
Goats		-	-
Trees		-	-
Coffee Or Tea Plantation		-	-
Poultry		-	-
Others (specify)		-	-
Total		-	-

18 Borrowings

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

Other important disclosure notes

19 Stock/ Inventory

Description	2024-2025	2023-2024
	Kshs	Kshs
Food stuffs	816,000	650,000-
Lab consumables	870,000	760,000
Farm produce	-	-
Medication	40,000	28,500
Construction Materials	50,000	30,000
Others (specify)	-	-
Total	1,776,000	1,468,500

In line with National Treasury Circular No. 03/2025 and the Cash-to-Accrual Accounting Transition Roadmap, the school has identified and disclosed inventories held during the year. These include consumables, boarding supplies, and other operational items. In accordance with IPSAS 33 transitional provisions, these inventories are disclosed for transparency but are not yet recognized in the financial statements for FY 2024/2025. Recognition of inventories in the Statement of Financial Position will begin in FY 2025/2026, as part of the transition to full accrual accounting

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	Timeframe
A. Report on the Financial Statements – Basis for Qualified Opinion				
1	Variances in the Financial Statements – The Auditor noted several inconsistencies between the figures reported in the financial statements and those in supporting schedules. These variances affected payables, receivables, grants, infrastructure, accumulated funds, and budget figures.	Management acknowledges the variances, which arose from consolidation errors, and will reconcile all schedules with the financial statements.	Not Resolved	30-Sep-2026
2	Irregular Transfer of Funds to Kenya Secondary Schools Heads Association – A payment of Kshs.515,200 was transferred to KESSHA, a private entity not governed by the Public Finance Management Act, 2012. This casts doubt on the propriety of the expenditure.	Management notes the transfer was for co-curricular activities but will seek Ministry guidance to ensure future compliance.	Not Resolved	30-Sep-2026
3	Unsupported Accounts Payables Balance – Prepaid Fees – Prepaid fees of Kshs.1,471,378 were included in accounts payables, but no ledgers, schedules, or age analysis were provided to support the balance.	Management will prepare detailed ledgers and age analysis to support prepaid balances.	Not Resolved	30-Sep-2026

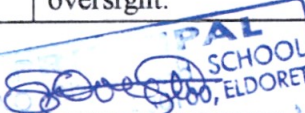
Ref No.	Issue / Observations from Auditor	Management Comments	Status	Timeframe
4	Unsupported Accounts Receivables Balance – Receivables totaling Kshs.5,551,617 were reported, but no supporting schedules, age analysis, or ledger details were provided, limiting assurance on accuracy.	Management will reconcile receivables and prepare supporting documentation.	Not Resolved	30-Sep-2026
5	Unsupported Cash and Cash Equivalents – Cash and cash equivalents of Kshs.14,413,460 were reported, but omissions of Kshs.752,203 and unsupported balances of Kshs.1,483 were noted. Bank reconciliations were also not provided.	Management will prepare bank reconciliations and board of survey reports to support balances.	Not Resolved	30-Sep-2026
6	Unsupported Expenditure – Expenditure on tuition (Kshs.3,728,170) and boarding/school fund operations (Kshs.28,755,493) lacked procurement support documents such as quotations, inspection reports, and professional opinions. The total unsupported expenditure was Kshs.32,481,557.	Management will strengthen procurement documentation and ensure compliance with PPDA requirements.	Not Resolved	30-Sep-2026
B. Report on Lawfulness and Effectiveness in Use of Public Resources – Basis for Conclusion				
1	Irregular Recruitment of Staff – Two Board of Management teachers and two non-teaching staff were recruited without evidence of a competitive process, and the	Management will seek approval for staff establishment and ensure future recruitments follow HR Manual requirements.	Not Resolved	30-Sep-2026

Seko Girls High School
Annual Report and Financial Statements For the year ended 30th June 2025

Ref No.	Issue / Observations from Auditor	Management Comments	Status	Timeframe
	school lacked an approved staff establishment.			
2	Irregular Procurement of Goods – Administration Costs – Administration costs amounting to Kshs.1,510,412 were incurred without professional opinions, inspection reports, or goods received notes to confirm value for money.	Management will ensure professional opinions and inspection reports are documented for all procurements.	Not Resolved	30-Sep-2026
3	Failure to Maintain Updated Fixed Assets Register – Assets valued at Kshs.361,004,593 were not fully recorded in the fixed asset register, and the school's motor vehicle logbook had not been transferred.	Management will update the fixed asset register and transfer the motor vehicle logbook to the school.	Not Resolved	30-Sep-2026
4	Irregular Procurement of Works for Construction of Science Laboratory – The procurement process was irregular. Tender evaluation was incomplete, professional opinions were not properly signed, and contract negotiations lacked documented minutes.	Management will review procurement processes and ensure future tenders comply fully with PPDA.	Not Resolved	30-Sep-2026
5	Lack of Risk Assessment Policy and Disaster Recovery Plan – The school had not developed a risk assessment policy or disaster recovery plan, contrary to PFM Regulations. This exposes	Management will develop a risk management framework and disaster recovery plan.	Not Resolved	30-Sep-2026

Seko Girls High School
Annual Report and Financial Statements For the year ended 30th June 2025

Ref No.	Issue / Observations from Auditor	Management Comments	Status	Timeframe
	operations to unmanaged risks and potential service disruption.			
C. Report On Effectiveness Of Internal Controls, Risk Management And Governance – Basis for Conclusion				
1	Weaknesses in Information Communication Technology (ICT) Environment – The school lacked ICT policies on security, access, continuity, and disaster recovery. There were no IT committees or periodic reports, and finance/accounting functions remained largely manual. This undermines data security, efficiency, and governance oversight.	Management will develop ICT policies, establish IT committees. Finance functions were automated from 2023-2023 financial year.	Not Resolved	30-Sep-2026


 PAL SCHOOL
 ELDORET
 Sign and Date
 Principal

Seko Girls High School
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	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Supply Of Goods						
1. Kindo Lab		30/6/2025		359,850	1,168,722	
2. Zenith Lab		30/6/2025		774,157		
3. Compliant inland Business		30/6/2025		75,000		
4. Mashuhuri Engineers-July 2024		30/6/2025		960,600		
5. Yemit Welders		30/6/2025		189,000		
6. Notion Enterprises		30/6/2025		24,840	300,614	
7. Margaret Tanui		30/6/2025		202,900		
8. Nafuu Exhausters		30/6/2025		153,000		
9. Inland Electrical Enterprises		30/6/2025		120,200		
10. Charles Gakinya		30/6/2025		48,600		
11. Daily Supplies		30/6/2025		213,798		
12. Winsor Technologies		30/6/2025		215,000		
13. Lindum Systems		30/6/2025		45,000		

Seko Girls High School
Annual Report and Financial Statements For the year ended 30th June 2025

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
14. Spearhead Enterprises		30/6/2025		41,000		
15. Sunpride Textiles		30/6/2025		93,050		
16. Kamolol Hardware		30/6/20205		416,150	131,028	
17. Lindum Systems		30/6/2025		329,000		
18. Eldupez					264,106	
19. Yokohama					215,199	
20. Talent accessories					173,942	
21. Eldoline					104,310	
22. City press					23,424	
23. Jamboni					128,100	
24. Kashev					137,543	
25. Catherine Atemo					50,325	
26. Mfi					137,250	
27. Shanir					324,514	
28. Scenic					170,190	
29. Juliana Chepcheng					91,500	
30. Lucy Sugut					694,670	
31. Nickson Rutto					887,074	
32. Gatamo					622,200	

Seko Girls High School
Annual Report and Financial Statements For the year ended 30th June 2025

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
33. William Serem					164,700	
34. Lifecare					21,530	
35. Patcom					1,417,227	
36. Jostel					36,600	
37. Catherine					5,490	
38. Gedgen					198,373	
39. Rainhard					131,888	
40. Aturo eng ltd					50,966	
Grand Total				4,261,145	7,734,698	

Seko Girls High School
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) 1st July 2024	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2025
Land	40,000,000			40,000,000
Buildings and Structures	305,299,625	9,826,171		315,125,796
Motor Vehicles	8,000,000			8,000,000
Office Equipment, Furniture and Fittings	2,161,949			2,161,949
Textbooks	3,543,710			3,543,710
ICT Equipment	3,033,204			3,033,204
Tools and Apparatus	1,708,730			1,708,730
Other Machinery and Equipment	1,717,000			1,717,000
Heritage and Cultural Assets				-
Intangible Assets – Software	300,000			300,000
Total	365,764,218	9,826,171	-	375,590,389

In line with National Treasury Circular No. 03/2025 and the phased transition from cash to accrual accounting, the school has identified and disclosed its Property, Plant and Equipment (PPE). These assets comprise land, buildings, motor vehicles, office equipment, textbooks, ICT equipment, tools and apparatus, other machinery, and software. As at 30 June 2025, the total value of PPE recorded at historical cost. In accordance with the transitional provisions of IPSAS 33 – First-time Adoption of Accrual Basis IPSAS, these assets have been disclosed for transparency purposes but have not yet been recognized in the financial statements. The recognition and depreciation of PPE will commence in FY 2026/2027, when the school fully transitions to accrual-based accounting.