

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 17 JUN 2026

DAY.

wed

OF

TABLED
BY:

Hon. Naomi Wago, MP
Deputy Majority Whip

CLERK-AT
THE-TABLE:

Mado Atabo

THE AUDITOR-GENERAL

ON

PARLIAMENT
OF KENYA
LIBRARY

ST. CHARLES LWANGA OTIMONG
SECONDARY SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2025

BUSIA COUNTY

1911
The following is a list of the
names of the persons who
were present at the
meeting of the
Board of Directors
of the
City of
New York
on the
10th day of
January, 1911.



ST. CHARLES LWANGA OTIMONG SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025**

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

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1. Acronyms and Glossary of Terms

Provide a list of all applicable acronyms and glossary of terms e.g.

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

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 BUSIA County, TESO-SOUTH Sub-County.

The school was registered in 2007 under registration number 40S300000118 and is currently categorized as a sub county public school established, owned or operated by the Government.

The school is a day school and had 540 numbers of students as at 30th June 2025. It has 20 streams and 29 teachers of which 9 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	Mr Ochola Alex	Chairman	2022
2	Mr Odhiambo O. Joseph	Secretary – Principal	2022
3	Mrs Oswaat Everlyne	Member	2022
4	Mrs Atima Colleta	Member	2022
5	Mr Omunyo Charles	Member	2022
6	Mr Emasa Antony	Member	2022
7	Mrs Aato Beatrice	Member	2022
8	Mr. Ikagala Geoffrey	Member Rep Teachers	2022
9	Mr Okumu John	Vice -chairman	2022
10	Mr Ohodo Francis	Member Special Needs	2022
11	Ms Ouma Wilkister	Rep Students	2022

The functions of the School Board of Management are to:

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

(c) Committees of the Board

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

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	-Mr Ochola Alex -Mr Odhiambo Joseph -Mrs Oswaat Everlyne -Mrs Atima Colleta	Bom Chairperson Principal Member Member	3 out of 3
2	Audit Committee	-Mr Ochola Alex - Mr Odhiambo Joseph -Mrs Oswaat Everlyne -Mrs Atima Colleta	Bom Chairperson Principal Member Member	3 out of 3
3	Finance, procurement and general purposes Committee	-Mr Ochola Alex - Mr Odhiambo Joseph - Mr Emasa Antony	Bom Chairperson Principal Member	3 out of 3
4	Academic Committee	- Mr Ohodo Francis -Mr Ojenge Edward -Mrs Atima Colletta	Special needs Member Member	3 out of 3

5	Development Committee	-Mr Ochola Alex -Mr.Odhiambo Joseph -Mrs Oswaat Everlyne -Mrs Atima Colleta -REV.FR.Oyoma	Bom Chairperson Principal Member Member Sponsor	3 out of 3
6	Discipline and welfare Committee	-Mr Ochola Alex - Mr odhiambo Joseph -Mrs Oswaat Everlyne -Mrs Atima Colleta	Bom Chairperson Principal Member Member	
7	Adhoc Committee (if any during the year)			

(d) School operation Management

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

Ref:	Designation	Name	Identification
1	Principal	Mr Odhiambo O. Joseph	215688
2	Deputy Principal	Mr Magero Peter	392449
3	School Bursar	Mrs Nyongesa Topister	23366936
4	Other (specify)		

(e) Schools contacts

Post Office Box: 968-50400 BUSIA (K)

Telephone: 0722512102

E-mail:

Website:

Facebook:

Twitter:

(f) School Bank Accounts

- Name of Bank: NBK
Branch: BUSIA
Account Number: 01242037174500
- Name of Bank: NBK
Branch: BUSIA
Account Number: 01242037174501
- Name of Bank: NBK
Branch: BUSIA
Account Number: 01025037174500
- Name of Bank: NBK
Branch: BUSIA
Account Number: 01047037174500

5. MPESA Pay Bill No. 4120823 attached to NBK 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

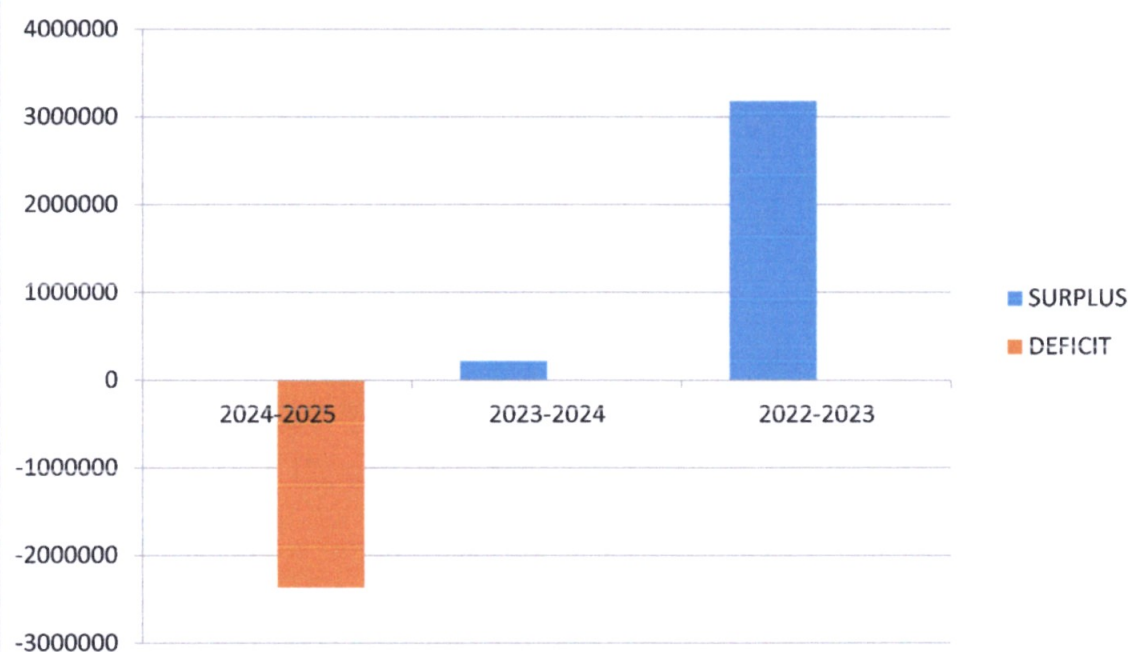
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) Financial performance:

(Under this section, the following information should be given:

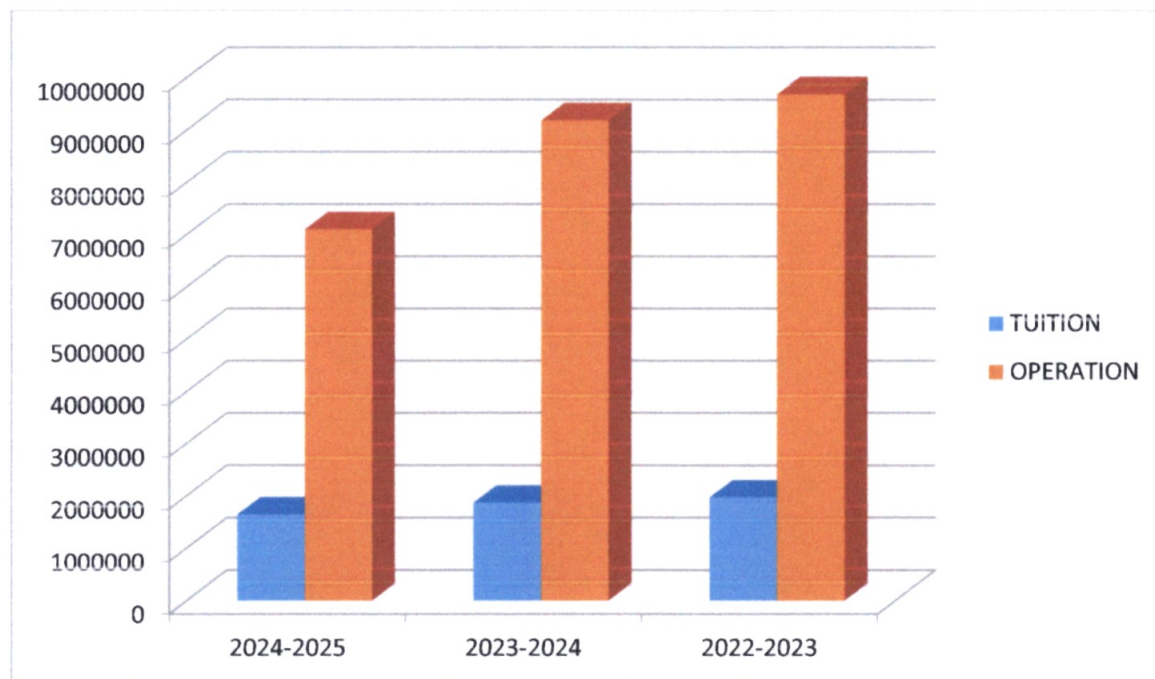
- *Surplus/ deficit for the year and a comparison of the same for the last three years*

YEAR	2024-2025	2023-2024	2022-2023
Surplus		217,849	3,182,124
Deficit	(2,364,563)		



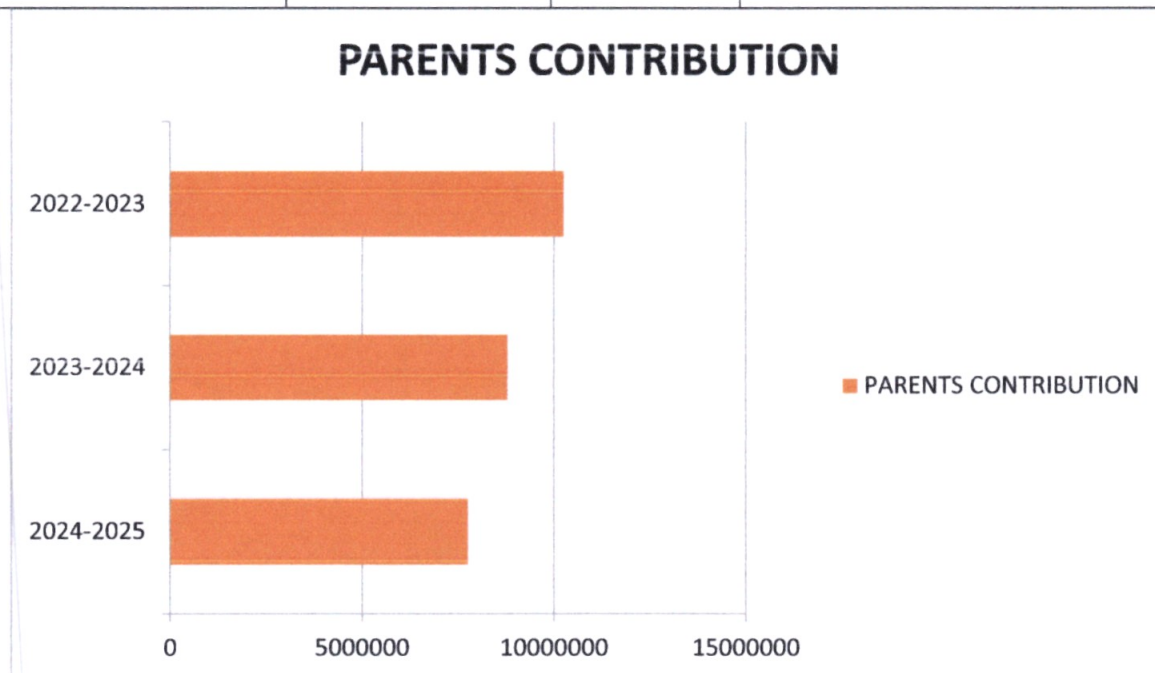
- *Capitation grants from the Ministry of Education for the last three years*

YEAR	2024-2025	2023-2024	2022-2023
TUITION	1,645,798	1,870,824	1,974,834
OPERATION	7,103,117	9,192,362	9,694,022



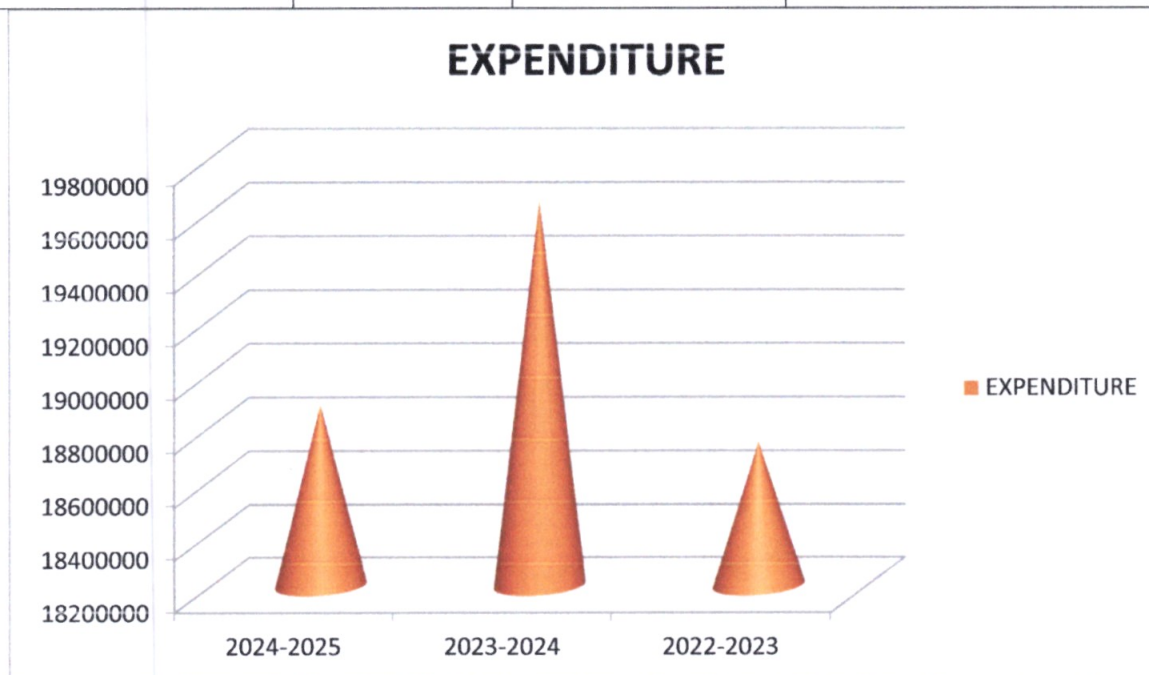
A three-year overview of growth of other income(s) earned by the school.

YEAR	2024-2025	2023-2024	2022-2023
PARENTS CONTRIBUTION	7,766,880	8,795,407	10,253,914



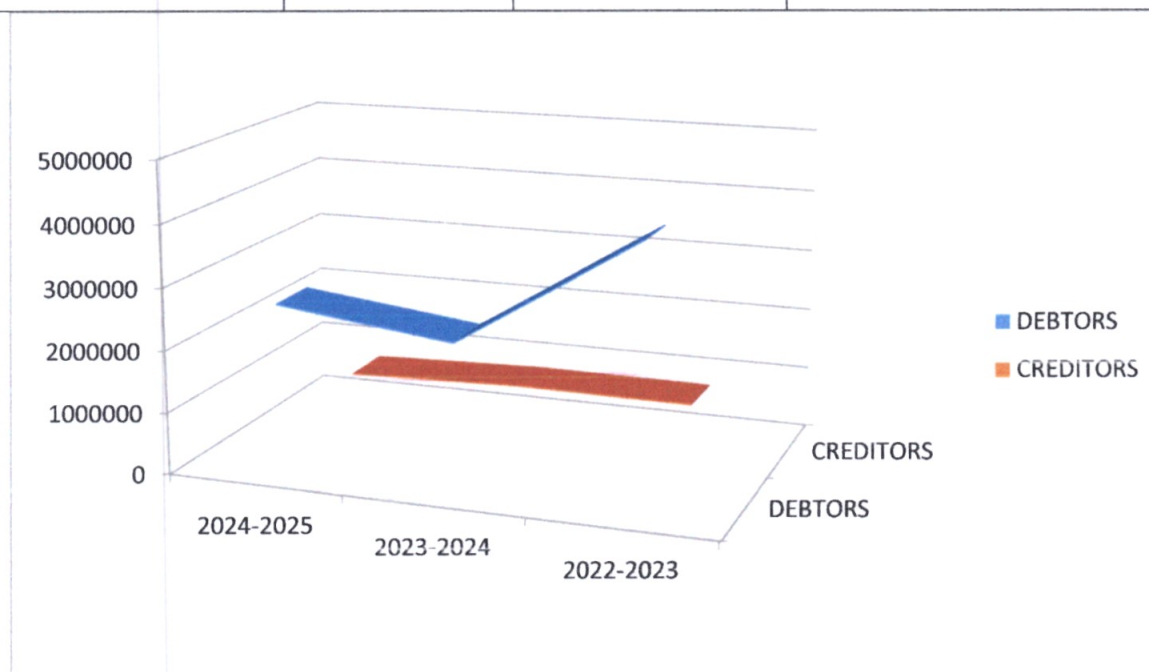
- A three-year overview of growth in expenditure of the school

YEAR	2024-2025	2023-2024	2022-2023
EXPENDITURE	18,880,358	19,640,745	18,740,646



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

YEAR	2024-2025	2023-2024	2022-2023
DEBTORS	2,654,765	2,301,002	4,110,336
CREDITORS	730,820	809,420	787,760



b) Teacher Student ratio:

<i>Teachers employed by TSC</i>	20
<i>Teachers employed by BOM</i>	9
<i>Teachers retired</i>	00
<i>Teachers posted</i>	02
<i>Teachers Transferred</i>	01
<i>Teachers to student ratio</i>	29:1

c) Mean score in the 2024KCSE:

<i>YEAR</i>	<i>ENTRY</i>	<i>MEAN SCORE</i>
2024	183	2.8907
2023	187	3.1237
2022	152	3.0197

d) Number of Candidates in the 2024 KCSE:

<i>YEAR</i>	<i>CANDIDATES</i>
2024	183
2023	187
2022	152

e) Capacity of the school:

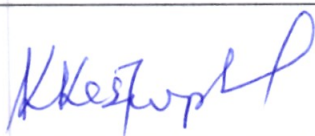
		<i>REQUIRED</i>	
<i>DINNING HALL</i>		1	
<i>LAB</i>	02	04	

CLASSROOM	20		
TOILETS	30 Doors		
KITCHEN	01		
STAFFROOM	01		

f) Development projects carried out by the school:

(Development projects carried out in the year and on-going projects including a disclosure of project fund sources in a tabular format).

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
(1) COMPLETION OF TWO CLASSES/TWO OFFICES	MI	COMPLETE	1200,000	1,184,300	2025/2026
(2) RENOVATION OF 3 CLASSES			640,000	632,800	
(3) RENOVATION OF SEQUIP LAB			1,368,920	1,334,672	



.....
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 be keep all proper books and records of accounts of the income, expenditure and assets of the institution.

The Board of Management of *ST. CHARLES LWANGA SECONDARY 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: ALEX O. OCHOLA

Designation: Chairman, School Board of Management

Date:



Name: JOSEPH O. ODHIAMBO

Designation: School Principal & Secretary to Board of Management

Date: 19/3/2026



Name: TOPISTER A. NTONGESA

Designation: Bursar/ Finance Officer

Date: 19/3/2026



REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: 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 ST. CHARLES LWANGA OTIMONG SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2025 – BUSIA COUNTY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of St. Charles Lwanga Otimong Secondary School set out on pages 1 to 22, which comprise the

Report of the Auditor-General on St. Charles Lwanga Otimong Secondary School for the year ended 30 June, 2025 – Busia County

statement of assets and liabilities as at 30 June, 2025 and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of St. Charles Lwanga Otimong Secondary School 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 and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

Unconfirmed Accounts Receivables

The statement of assets and liabilities reflects accounts receivables balance of Kshs.17,938,080 as disclosed in Note 13 to the financial statements. Included in the receivables is a balance of Kshs.12,675,342 which had been outstanding for more than three (3) years. However, there were no supporting documents provided to confirm the debtors. Further, no policy on the impairment of long outstanding fees arrears was in place casting doubt on full recoverability of the accounts receivables balance.

In the circumstances, the accuracy and completeness of the accounts receivables balance of Kshs.17,938,080 could not be confirmed.

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

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 matter described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Information

The Management is responsible for the Other Information set out on page iii to xiii 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 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 Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 06 March, 2026 instead of the statutory deadline of 31 August, 2025. This was contrary to The National Treasury and Economic Planning Circular AG.3/88 Vol. VII (41) dated 04 December, 2024 which required that the Schools' financial statement should be ready by 31 August, 2025 and should be submitted to the Auditor-General within that time.

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

2. Failure to Develop School Improvement Plan

During the year under review, the School did not have an Approved School Improvement Plan. This was contrary to Section 2.2 of the Ministry of Education Operation Manual for Utilization of Learner Capitation Grant and Other School Funds, which requires schools to identify in every three-year school improvement planning cycle, one priority area in each of the four key areas which include curriculum implementation foundational literacy and numeracy outcomes, an enabling environment for learning and parental involvement and community engagement for implementation.

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

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

The statement of receipts and payments reflects capitation grants for infrastructure amounting to Kshs.2,003,200, as disclosed in Note 3 to the financial statements, received from the Ministry of Education and credited to the operations bank account. However, review of the bank statements and cashbooks for the infrastructure account revealed that an amount of Kshs.2,003,000 was transferred to the infrastructure account. However, an amount of Kshs.140,000 was transferred back from infrastructure account to operations account without prior approval.

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

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

The statement of receipts and payments and Note 7 to the financial statements reflects payments for operations of Kshs.6,582,035. Included in the expenditure is an amount of Kshs.193,385 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, the value for money transferred to KESSHA amounting to Kshs.193,385 could not be confirmed.

5. Lack of a Procurement Plan

The statement of receipts and payments reflects amounts of Kshs.16,515,795 and Kshs.18,880,358 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.

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

6. Unutilized Classrooms

Physical inspection carried out in March 2026 revealed that seven (7) classrooms were not in use. Interviews with the School Management indicated that the School had adequate classrooms for its student population since it did not have a grade 9 in School to replace the then form one.

In the circumstances, the value for money for the unutilized classrooms could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the 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. Weakness in Management of Assets

Annex 2 to the financial statements on summary of fixed assets register reflects historical assets total value of Kshs.26,397,310. However, the School did not maintained assets register during the year under review.

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

2. Weakness in Management of Text Books

During the year under review, store records indicated that 270 text books were unaccounted for. However, Management did not provide an explanation of the measures put in place to recover the lost text books or evidence of the development and implementation of a policy for the management of text books aimed at minimizing such losses.

Further, a review of textbook distribution records for Forms 2, 3 and 4 revealed that the School did not maintain the recommended textbook-to-student ratio of 1:1 in some subjects. Notably, shortages were observed in Form 3 Mathematics (1:2), Form 3 Chemistry (1:2), Form 4 Chemistry (1:3) and Form 4 Biology (1:8). This was an indication that several students were required to share a single text book.

In the circumstances, the effectiveness in the management of text books could not be confirmed.

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gatundu, CBS
AUDITOR-GENERAL

Nairobi

15 May, 2026

ST. CHARLES LWANGA OTIMONG SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2025

6. Statement of Receipts and Payment for the Year Ended 30th June 2025

Description Of Vote Head	Note	2024-2025	2023-2024
		Kshs	Kshs
Receipts			
Government grants for tuition	1	1,645,798	1,870,824
Government grants for operations	2	4,943,867	6,291,183
Government Grants for infrastructure	3	2,003,200	2,235,400
School fund income- parents' contributions	4	7,766,880	9,461,187
Miscellaneous incomes	5	-	-
Total Receipts		16,515,795	19,858,594
Payments			
Tuition	6	1,694,432	1,837,420
Operations	7	6,582,035	6,248,793
Infrastructure	8	3,416,932	2,374,351
Boarding and school fund	9	6,692,611	9,180,181
Total Payments		18,880,358	19,640,745
Surplus/Deficit		(2,364,563)	217,849

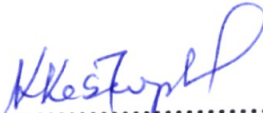
The school financial statements were approved on _____ 2025 and signed by:



Name: **ALEX O. OCHOUA**

Chair BOM

Date: **19/3/2026**



Name: **JOSEPH O. ODHIAMBO**
 School Principal/ Secretary to
 BOM

Date: **19/3/2026**



Name: **PROSPER A. NYONGESA**

Bursar/ Finance Officer

Date: **19/3/2026**



ST. CHARLES LWANGA OTIMONG SECONDARY 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	695,056	3,642,372
Cash balances	11	745	9,501
Short term investments	12	-	-
Total cash and cash equivalent		695,801	3,651,873
Account's receivables	13	17,938,080	17,099,186
Total financial assets		18,633,881	20,751,059
Financial liabilities			
Accounts payables	14	1,418,601	1,171,216
Net financial assets		17,215,280	19,579,843
Represented by			
Accumulated fund b/fwd.	15	19,579,843	19,361,994
Surplus/deficit for the year		(2,364,563)	217,849
Net financial position		17,215,280	19,579,843

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

Alex O. Ochola

Name: ALEX O. OCHOLA

Chair BOM

Date: 19/3/2026

Joseph O. Odhiambo

Name: JOSEPH O. ODHIAMBO

School Principal/ Secretary to BOM

Date: 19/3/2026

Topisier A. Nyongesa

Name: TOPISIER A. NYONGESA

Bursar/ Finance Officer

Date: 19/3/2026



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	1,645,798	1,870,824
Government grants for operations	2	5,523,660	6,291,183
Government grants for infrastructure	3	2,159,250	2,235,400
School fund income- parents contributions/ fees	4	7,008,121	9,461,187
Other income	5	-	-
Total receipts		16,336,829	19,858,594
Payments			
Cash outflows for tuition	6	1,747,532	1,837,420
Cash outflows for operations	7	7,106,586	6,248,793
Cash outflows Boarding/lunch and school fund payments	9	7,021,852	9,180,181
Total payments		15,875,970	17,266,394
Net cash inflow/outflow from operating activities		460,859	2,592,200
Cash flow from investing activities			
Acquisition of assets		3,416,932	2,374,351
Proceeds from sale of Assets			
Proceeds from investments			
Purchase of investments			
Net cash inflow/outflows from investing activities		-2,956,073	217,849
Cashflow from Financing activities			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
Net cash inflow/outflow from financing activities			
Net increase/decrease in cash and cash equivalents		-2,956,073	217,849
Cash and cash equivalent at beginning of the year		3,651,873	3,434,024
Cash and cash equivalent at end of the year		695,800	3,651,873

Note: Cash and Cash Equivalent is the summation of Note 10, 11 and 12.

(The above presentation of cash flow statement uses the direct method of cash flow presentation which is encouraged under IPSAS. Schools should therefore adopt the direct method of cash flow as recommended by PSASB).

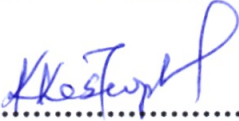
The school's financial statements were approved on _____ 2025 and signed by:


.....

Name: ALEX O. OCHOLA

Chair BOM

Date: 19/3/2026


.....

Name: JOSEPH O. ODHIAMBO

School Principal/ Secretary to
BOM

Date: 19/3/2026


.....

Name: TOPISTER A. NYONGESA

Bursar/ Finance Officer

Date: 19/3/2026.



ST. CHARLES LWANGA OTIMONG SECONDARY SCHOOL
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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					
<i>(1) Capitation Grant on Tuition</i>					
Exercise books					
Teaching / learning materials	1,399,750	-	1399750	1,645,798	117%
Chalks					
Lab					
reference/Library					
Sub total	1,399,750	-	1,399,750	1,645,798	117%
<i>(2) Capitation Grant on Operations</i>					
Personnel emoluments	1,540,000		1,540,000	1,540,403	100%
Local transport / travelling	715,000		715,000	701,700	98%
Electricity and water	622,600		622,600	755,377	121%
Administration costs	896,500		896,500	936,001	104%
Activity	456,500		456,500	402,885	88%
Medical & insurance	607,750		607,750	607,501	99%
Sub total	4,838,350	-	4,838,350	4,943,867	102%
<i>3) FDSE for infrastructure</i>					

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
M &I MOE	2,117,500	-	2,117,500	2,159,250	57%
PTA					
Development fee					
Economic stimulus grants					
Sub total	2117500	-	2117500	2,159,250	57%
<i>(4) Fees Charged on Parents</i>					
Lunch					
RMI					
Local transport / travelling					
Electricity and water					
Activity					
Arrears recovered					
Prepaid					
Lunch	8,250,000	-	8,250,000	5,112,115	61%
Refund					
Administration costs					
Sub total	8,250,000	-	8,250,000	5,112,115	61%
<i>5) Miscellaneous Income</i>					
Home science					
KNEC					

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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
Computer fees					
Income from Bus Hire					
Bakery					
Tender					
Sub total					
Total Income	15,205,850	-	15,205,850	13,861,030	91%
(6) Expenditure For Tuition					
Textbooks					
Exercise books					
Internal exams					
Teaching / learning materials	1,399,750	-	1,399,750	1,512,012	108%
Lab					
Payables					
Bank charges					
Sub total	1,399,750	-	1,399,750	1,512,012	108%
(7) Expenditure For Operations					
Personnel emoluments	1,540,000		1,540,000	4,349,538	282%
Local transport / travelling	715,000		715,000	428,200	59%
Electricity and water	622,600		622,600	89,600	14%

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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
Administration costs	896,500		896,500	1,415,760	157%
Recoveries					
Activity	456,500		456,500	271,315	59%
Medical & insurance	607750		607750		
Payables					
Bank charges					
Sub total					
(8) Expenditure For infrastructure					
Class completion, lab and renovation of class	2,117,500	-	2,117,500	3,404,465	160%
Construction of dormitory					
Toilet					
Bank charges					
Sub total	2,117,500	-	2,117,500	3,404,465	160%
(9) Expenditure For school fund/lunch/boarding					
Personnel emoluments					
MI					
Local transport / travelling					
Electricity and water					
Activity					
Lunch	8,250,000	-	8,250,000	6,405,311	78%
Administration costs					

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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
Recoveries					
KNEC					
Bank charges					
Sub total	8,250,000	-	8,250,000	6,405,311	78%
Totals expenditure	15,205,850	-	15,205,850	17,876,201	117%

i. Under capitation grants from MOE most vote heads were below 90% due to under funding from the ministry.

10. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which

are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various financial institutions at the end of the financial year.

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

ST. CHARLES LWANGA OTIMONG SECONDARY SCHOOL
Annual Report and 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		
Laboratory Equipment		
Internal exams		
Teaching / learning materials	1,645,798	1,870,824
Chalk		
Total	1,645,798	1,870,824

**Include others as per MOE circulars*

2 Government Grants for Operations

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel emoluments	1,540,403	2,089,774
Local transport / travelling	701,700	873,591
Electricity and water	755,377	723,408
Admin cost	936,001	1,214,183
Medical/Insurance	607,501	802,544
Recoveries (NSSF & NHIF)		
Activity	402,885	587,684
Total	4,943,867	6,291,183

**Include others as per MOE circulars*

3 Government Grants for infrastructure

Description	2024-2025	2023-2024
	Kshs	Kshs
Maintenance & improvement MOE	2,003,200	2,235,400
PTA		
Development fee		
Economic stimulus grants		
Total	2,003,200	2,235,400

4 School Fund Income -Parents Contribution/Fees

Description	2024-2025	2023-2024
	Kshs	Kshs
P.E		
Lunch	7,766,880	9,461,187
RMI		
Local transport / travelling		
Electricity and water		
Arrears recovered		
Surcharge		
Refund		
Prepaid		
Administration costs		
Activity		
Dorm Damages		
Total	7,766,880	9,461,187

**Includes all levies charged by the school outside the fees structure but by mutual agreement with the parents.*

5 Miscellaneous Incomes

Description	2024-2025	2023-2024
	Kshs	Kshs
Rent income	-	-
KNEC		
Lost books		
Computer fees		
Income from Bus Hire		
Fee for hire of ground and equipment		
Income from grants and donations*		
Tender fees		
Total	-	-

ST. CHARLES LWANGA OTIMONG SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2025

Notes to the Financial Statements (continued)

6 Tuition

Description	2024-2025	2023-2024
	Kshs	Kshs
Exercise Books	1,694,202	
Chalk		
Reference materials		
Internal exams		
Teaching / learning materials		1,837,190
Payables		
Lab		
Bank Charges	230	230
Total	1,694,432	1,837,420

7 Operations

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel emoluments	4,349,538	4,041,460
Administration Cost	1,441,760	1,312,003
RMI		
Local transport / travelling	428,200	224,800
Electricity and water	89,600	239,000
Payables		352,000
Activity Expenses	271,315	75,200
Medical		
Bank Charges	1,622	4,330
Total	6,582,035	6,248,793

ST. CHARLES LWANGA OTIMONG SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2025

Notes to the Financial Statements (continued)

8 Infrastructure

Description	2024-2025	2023-2024
	Kshs	Kshs
Class completion, lab and class rennovation	3,404,465	
Construction of 2 classrooms		2,364,852
Bank Charges	12,467	9,499
Total	3,416,932	2,374,351

9 Boarding and School Fund

Description	2024-2025	2023-2024
	Kshs	Kshs
Lunch	6,433,651	8,324,963
RMI		
Local transport / travelling		
Electricity and water		
Payables		435,760
PE	258,780	409,340
Recoveries		6,885
Bank Charges	180	3,233
Total	6,692,611	9,180,181

ST. CHARLES LWANGA OTIMONG SECONDARY SCHOOL
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Notes to the Financial Statements (continued)

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2024-2025	2023-2024
	Active/Dormant		Kshs	Kshs
Tuition Account	ACTIVE	01025037174500	37,515	139,249
Operations Account	ACTIVE	01242037174501	342,678	1,763,489
School Fund Account/Boarding	ACTIVE	01242037174500	303,010	314,049
Canteen				
Saving account				
Income Generating Activities Account				
Infrastructural Account	ACTIVE	01047037174500	11,853	1,425,585
Total			695,056	3,642,372

11 Cash In Hand

Description	2024-2025	2023-2024
	Kshs	Kshs
Notes and Coins	745	9,501
Total	745	9,501

12 Short Term Investments

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

Notes to the Financial Statements (continued)

13 Accounts Receivable

Description	2024-2025	2023-2024
	Kshs	Kshs
Fees Arrears	17,936,580	17,099,186
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)		
Imprest (list/schedule attached)		
Recoveries		
Refund	1,500	
Total	17,938,080	17,099,186

13 b Ageing Analysis of Accounts Receivable

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	2,654,765	14%	2,301,002	13%
Between 1- 2 years	408,496	2%	2,115,956	11%
Between 2-3 years	2,197,977	11%		
Over 3 years	12,675,342	73%	12,682,228	76%
Total (should tie to note 13 a)	17,936,580	100%	17,099,186	100%

14 Accounts Payable

Description	2024-2025	2023-2024
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	1,062,450	809,420
Prepaid Fees	300,651	276,017
Retention Monies		
Unpaid salaries and statutory deductions		
Recoveries (SHA, NSSF & Advance)	55,500	85779
Total	1,418,601	1,171,216

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

Notes to the Financial Statements (continued)

14a. Ageing Analysis of Accounts Payable

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	730,820	69%	809,420	100%
Between 1- 2 years	331,630	31%		
Between 2-3 years				
Over 3 years				
Total (should tie to note 14)	1,062,450	100%	809,420	100%

15 Fund Balance Brought Forward

Description	2024-2025	2023-2024
	Kshs	Kshs
Bank Balances	3,642,372	3,425,301
Cash Balances	9,501	8,723
Short Term Investments		
Receivables	17,099,186	17,353,117
Payables	(1,171,216)	(1,425,148)
Total	19,579,843	19,361,994

ST. CHARLES LWANGA OTIMONG SECONDARY SCHOOL
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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
Piglet			
Pigs			
Trees	58	69,600	69,600
Coffee Or Tea Plantation			
Poultry			
Total	58	69,600	69,600

18 Borrowings

Description	2024-2025	2023-2024
	Kshs	Kshs
Borrowings at beginning of the year	-	-
Borrowings during the year	-	-
Repayments during the year	-	-
Balance at the end of the year	-	-

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Other important disclosure notes

19 Stock/ Inventory

Description	2024-2025	2023-2024
	Kshs	Kshs
Food stuffs	159,250	217,849
Lab consumables		74,351
Farm produce		N/A
Medication		14000
Construction Materials		N/A
Others (specify)		N/A
Total	159,250	306,200

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)

Sign and Date
Principal



ST. CHARLES LWANGA OTIMONG SECONDARY 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	
Construction Of Buildings						
Sub-Total						
Supply Of Goods						
1. LABOTECH ENTERPRISE LTD	129,630	2024/2025	129,630	-	-	
2. BENOX ENTERPRISES	40,000	2024/2025	40,000	-	-	
3. DEEDEE MERCHANTS	141,350	2024/2025	141,350	-	-	
4. SALARIES	391,500	2024/2025	391,500	-	-	
5. KENYA POWER	41,000	2024/2025	41,000	-	-	
6. RASMOS IKILENG	16,640	2024/2025	16,640	-	-	
7. PHILIP ODONGO	8100	2024/2025	8,100	-	-	
8. NAMBIA INVESTMENT	3600	2024/2025	3,600	-	-	
9.DAVID OWIRE	20,000		-	20000	20000	
Supply Of Services						
GRAND TOTAL	791,820		791,820	20,000	20,000	

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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 1	540,000	00	00	540,000
Buildings And Structures	13,400,000	3,421,615	00	15,900,000
Motor Vehicles (Isuzu& lorry)				
Office Equipment, Furniture And Fittings	3690000	200,000	00	3,890,000
ICT Equipment, And Other ICT Assets	1,412,200	600,000	00	2,012,200
Tools And Apparatus	2468495	180000	00	2648495
Textbooks	450000	35000	00	485000
Other machinery and equipment (electronics)				
Grinding mill				
Intangible Assets- Soft Ware				
Total	21,960,695	4,436,615		26,397,310

N.B. The figures above are just estimates pending valuation of assets.