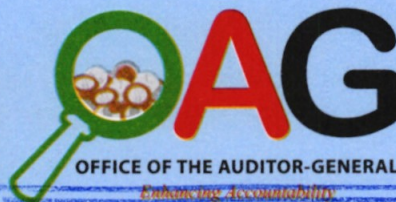


REPUBLIC OF KENYA



REPORT: 01 JUL 2026

DAY.
WEDNESDAY

TABLED
BY:

HON. DWEN BAYA, M.P.

CLERK-AT
TABLE:
OF

CHRISTINE NDIRITU

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

ITUGURURU HIGH SCHOOL

**FOR THE YEAR ENDED
30 JUNE, 2022**

THARAKA NITHI COUNTY



ITUGURURU HIGH SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2022

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

ITUGURURU HIGH SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2022

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I. KEY SCHOOL INFORMATION AND MANAGEMENT

[Customise the details in this section to suit your School]

(a) Background information

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013, It is located in Tharaka Nithi County, Igambang'ombe Sub-County

The school was registered in 02\2012 under registration number PU/S/2/2842/12 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 832 number of students as at 30th June 2022 . It has 6 streams and 29 teachers of which 7 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	Jasper Gitonga	Chairman	26/03/2019
2	JEAN NYAWIRA MURIGU	Secretary - Principal	5/08/2021
3	Beatrice Murugi	Member	26/03/2019
4	Geofrey Nyaga Njue	Member	26/03/2019
5	Justin Wamurithi	Member	26/03/2019
6	Anderson Murithi	Member	26/03/2019
7	Silvestre Rugendo	Member	26/03/2019
8	Amos Mbaka	Member – Rep CEB	26/03/2019
9	Stellah Murithi	Member Rep Teachers	26/03/2019
10	Letton Mugo	Members - Sponsor	26/03/2019
	Erick Kirimi		
	Joselyne Wanja		
11	Fredrick Kimemia	Member - Community	26/03/2019
12	Janice Kainda	MemberSpecial Needs	26/03/2019
13	Charles Mbogo	Rep Students	26/03/2019

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The function of the School Board of Management includes:

- 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 pupil's discipline and make reports to the CEB
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB
- Administer and manage the resources of the School
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule para 21 and 23 of the Basic Education Act, 2013.

(c) Committees of the Board

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

Ref	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1. JEAN NYAWIRA 2. Letton Mugo 3. Justin Wamurithi 4. Beatrice Murugi 5. Silvestre Rugendo		3
2	Finance, procurement and general purposes Committee	1. Jasper Gitonga 2. JEAN NYAWIRA 3. Justine Wamurithi 4. Letton Mugo 5. Beatrice Murugi	Chairman Principal PA Chair Member member	2
3	Development Committee	1. Jasper Gitonga 2. JEAN NYAWIRA 3. Justine Wamurithi 4. Letton Mugo 5. Beatrice Murugi	Chairman Secretary Member Member Member	3
		1.		1

(d) School operation Management

For the financial year ended 30th June 2022 the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	JEAN NYAWIRA MURIGU	323416
2	Deputy Principal	Linus Mugo Mugendi	359443
3	School Bursar	Stephen Mwiathi Mbuba	ID. 22491705

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)**(e) Schools contacts**

Post Office Box: 97-60403
 Telephone: 0798579975/ 0748475774
 E-mail: itugururu2021@gmail.com

(f) School Bankers

The following school operated 6 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

SCHOOL FUND ACCOUNT

- Name of Bank: Equity Bank
 Branch: Chuka
 Account Number: 0210296383549
 M-Pesa Pay bill No
 B/S NO. 247247
 A/C NO. 500604#
- Name of Bank: Cooperative Bank
 Branch: Chuka
 Account Number: 01129057858300
 M-Pesa Pay bill NO
 B/S NO. 400222
 669#

TUTION ACCOUNT

- Name of Bank: Equity Bank
 Branch: Chuka
 Account Number: 0210291342857

OPERATIONS ACCOUNT

- Name of Bank: Equity Bank
 Branch: Chuka
 Account Number: 0210291771448

INFRASTRUCTURE ACCOUNT

5. Name of Bank: Equity Bank
Branch: Chuka
Account Number: 0210275486204

CDF ACCOUNT

6. Name of Bank: Sidian Bank
Branch: Chuka
Account Number: 01016030000492

(g) Independent Auditors

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

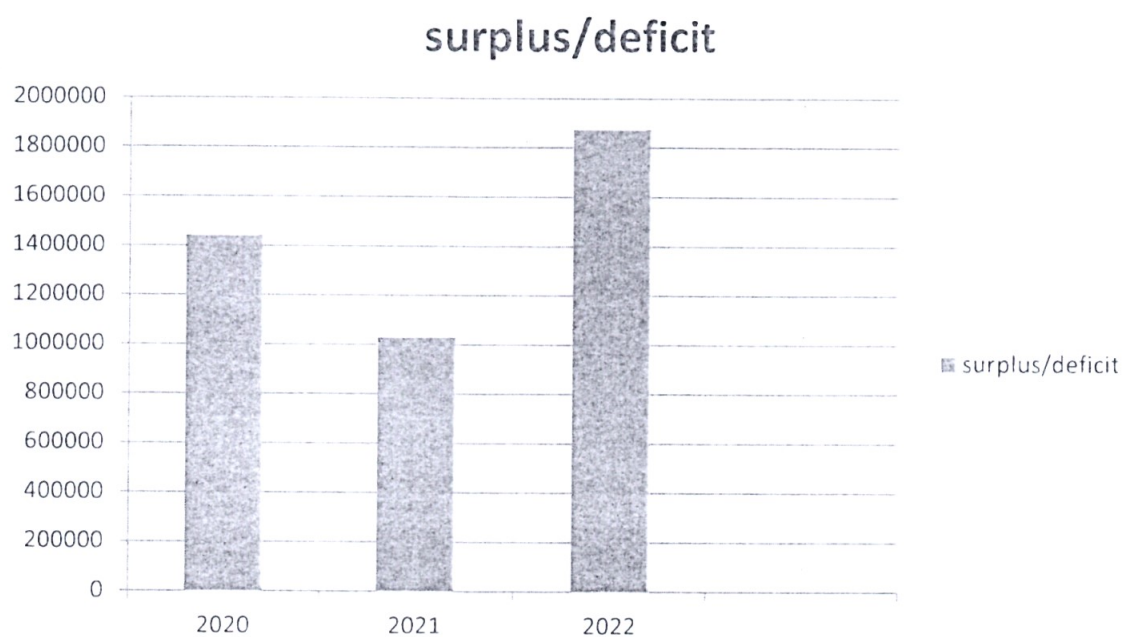
II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

a) Financial performance:

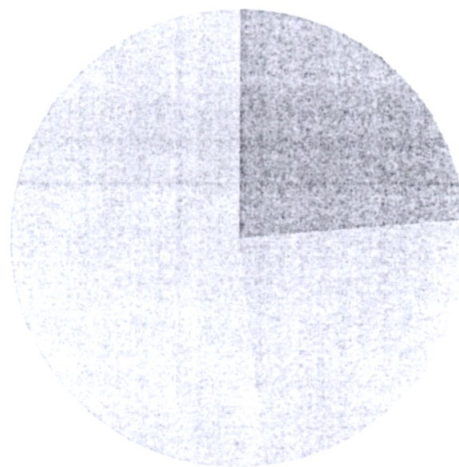
A. SURPLUS/DEFICIT

YEAR	SURPLUS/DEFICIT
2020	1,439,022.97
2021	1,027,680.75
2022	893,780.90



B. CAPITATION GRANTS

YEAR	TOTAL
2020	4,410,360.00
2021	4,562,706.75
2022	9,726,580.80

capitation grants

■ 2020

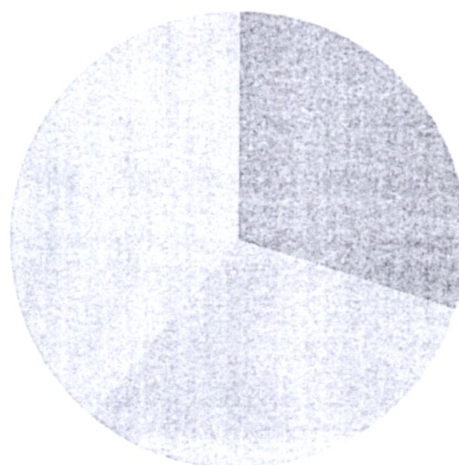
■ 2021

■ 2022

C. RATIO OF CAPITATION PER STUDENT

YEAR	RATIO
2020	1:9000
2021	1:9400
2022	1:11800

Ratio capitation per student

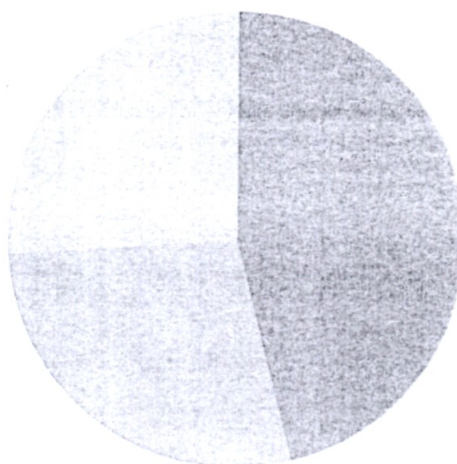


■ 2020
■ 2021
■ 2022

D] GROWTH OF INCOME OVER THE LAST THREE YEARS

YEAR	GROWTH OF INCOME
2020	283.083.89
2021	170.900.00
2022	160.000.00

GROWTH OF INCOME

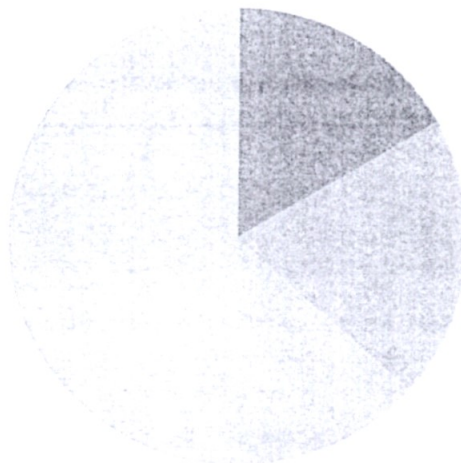


■ 2020
■ 2021
■ 2022

E] GROWTH IN EXPENDITURE OVER THE LAST THREE YEARS

YEAR	GROWTH OF EXPENDITURE
2020	11,218,045.03
2021	13,701,597.00
2022	43,302,557.40

GROWTH IN EXPENDITURE



■ 2020

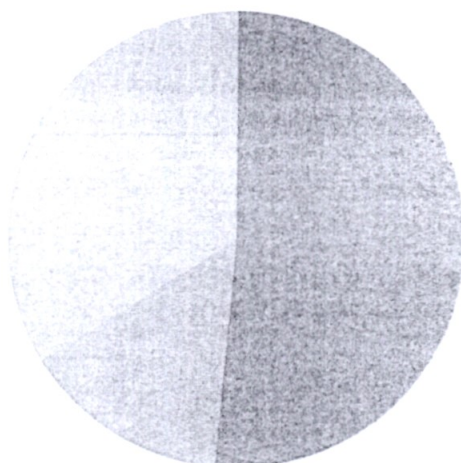
■ 2021

■ 2022

F] MOVEMENT OF DEBTORS OVER THE LAST THREE YEARS

YEAR	DEBTORS
2020	3,648,789.30
2021	443,845.00
2022	2,415,200.00

DEBTORS

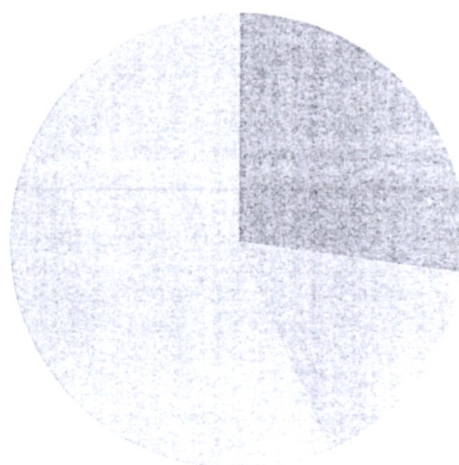


■ 2020
■ 2021
■ 2022

G] MOVEMENT OF CREDITORS OVER THE LAST YEAR

YEAR	CREDITORS
2020	827,380.00
2021	493,545.00
2022	1,724,822.00

CREDITORS

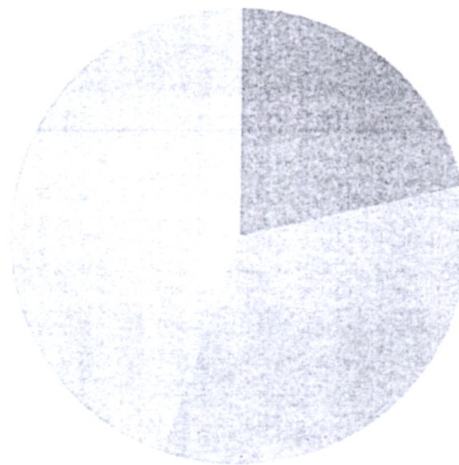


■ 2020
 ■ 2021
 ■ 2022

H|MOVEMENT OF CASH IN HAND AND BANK BALANCES

YEAR	CASH AND BANK BALANCES
2020	1,724,330.57
2021	2,738,679.96
2022	3,632,460.86

CASH AND BANK BALANCES



■ 2020
■ 2021
■ 2022

B] TEACHER STUDENT RATIO

TOTAL NO OF STUDENTS 832

APPROXIMATE TEACHERS EXPECTED IN THE SCHOOL FOR 832

STUDENTS.....[CBE NUMBER]

NO	NAME	SUBJECT COMBINATIONS	TSC/BOM
1	JEAN NYAWIRA MURIGU	HIST /CRE	TSC
2	LINUS MUGO MUGENDI	ENG/LIT	TSC
3	MARTIN WACHIRA GERALD	BIO/AGR	TSC
4	FRANKLINE NKOI MUTEGI	KISW/GEO	TSC
5	BARASA PAUL SAFINA	MATH/PHY	TSC
6	ALEX MUSANGI	KISW/GEO	TSC
7	BONFICE MUKUNDI	HIST/CRE	TSC
8	STELLA KANINI MATI	ENG/LIT	TSC
9	PAUL KIMATHI MUGIRA	KISW/HIST	TSC
10	MIKE KIRIMI NYAGA	KISW/GEO	TSC
11	KIMINGI JULIUS IRUNGU	MATH/CHEM.	TSC
12	JOSEPH MURAGE	MATH/CRE	TSC
13	JOHN MAUNDU MUTUA	MATH /B/S	TSC
14	DILLON MUGENDI MUGO	MATHS /CHEM.	TSC
15	LISPER GAKII KITHAKA	ENG /LIT	TSC
16	DENIS GITONGA	BIO /CHEM	TSC
17	DICKSON KIMATHI	KISW CRE	TSC
18	ANNASTACIA JEMUTAI	MATH CHEM	TSC
19	PURITY KATHOMI	BIO/AGRI	TSC
20	EVELYN MINOO	MATH /B/S	TSC [TRANSFERRED]
21	FAITHJOY KINYUA KIRAITHE	KISW/ CRE	BOM
22	KAUMBUTHU KELVIN	ENG/ LIT	BOM
23	NYAKWARI CONJENUS MOSOTA	BIO/AGRI	BOM
24	ELIZABETH WAMBUI NDARU	MATHS/BS	BOM
25	HILLARY KULEI	MATH/PHY	BOM
26	GRACE AWINO OMOLLO	MATH/PHY	BOM
27	GLADYS MAKANDI	ENG/LIT	BOM
28	NANCY MUTHONI	KISW/HIST	BOM (TRANSFERRED)
29	LUCYLINE NYAWIRA	HIST/ CRE	BOM (TRANSFERRED)
30	THOMAS NTHIA	BIO/AGRI	BOM (TRANSFERRED)
31	VICTORIA KARIMI KINYUA	KISW/CRE	TSC (JOINED)

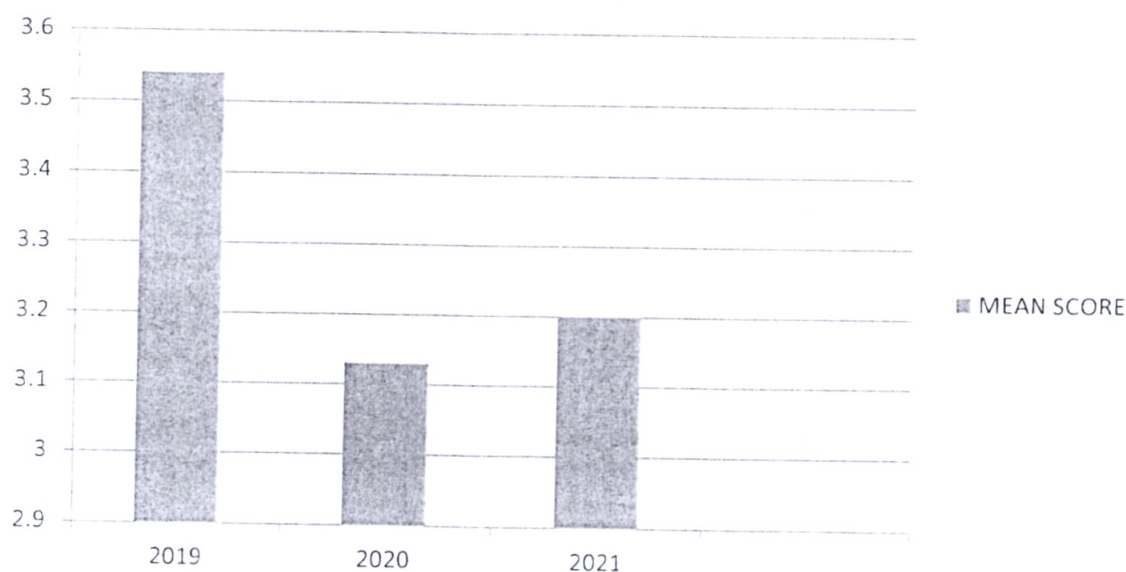
ITUGURURU HIGH SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2022

32	ASHFORD KABURU	KISW/HIST	TSC (JOINED)
33	SAMUEL MUTEKI	KISW/HIST	TSC (JOINED)

b) Mean score in the 2020 KCSE:

Year	Means score	Number of students	No of students Transitioned to higher learning	Comment
2019	3.54	83	4	Positive deviation
2020	3.132	110	4	Negative deviation
2021	3.231	43	1	Positive deviation

MEAN SCORE



c) Number of Candidates in the 2021 KCSE:

Tabulate the number of candidates sitting for KCSE over the last three years.

Year	Number of students
2019	83
2020	110
2021	43

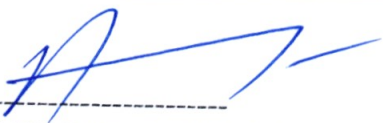
ITUGURURU HIGH SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2022

d) Capacity of the school:

s/n	No of students	Structure	Capacity
1	832	1 Dinning hall	480 student
2	832	6 dormitories	832 students
3	832	2 laboratories	110 students
4	832	18 classes rooms	832 students
5	832	40 toilets	20 students one toilet
6	832	1 Staffroom	33 teachers
7	832	4 staff houses	4 teachers

E] Development projects carried out by the school:

<i>PROJECT</i>	<i>SOURCE OF FUNDS</i>	<i>STATUS</i>
<i>Boys Dormitory</i>	<i>RMI</i>	<i>IN USE</i>
<i>Library Block</i>	<i>CDF</i>	<i>IN USE</i>

Sign 
JEAN NYAWIRA MURIGU
School Principal

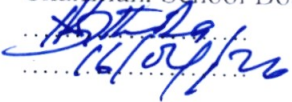
III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

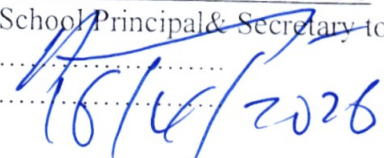
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant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

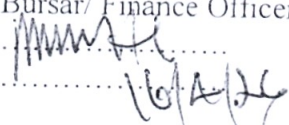
Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to keep all proper books and records of accounts of the income, expenditure and assets of the institution.

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

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2021, and of the school's financial position as at that date.

Name: FELIX NTHIA
Designation: Chairman, School Board of Management
Sign: 
Date: 16/09/2020

Name: JEAN NYAWIRA MURIGU
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 16/06/2020

Name: STEPHEN MWIATHI MBUBA
Designation: Bursar/ Finance Officer
Sign: 
Date: 16/06/2020

REPUBLIC OF KENYA

Phone: +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 ITUGURURU HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 – THARAKA NITHI 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 financial statements of Itugururu High School set out on pages 18 to 38, which comprise of the statement of financial Assets and Liabilities as at 30 June, 2022 and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amount for the year ended, and summary of significant accounting policies and other explanatory information in accordance to the

provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Itugururu High School as at 30 June, 2022 and of its financial performance for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Review of the financial statements revealed the following misstatements;

1.1. Variances Between Statements of Receipts and Payments and Statement of Budgeted Versus Actual

Item	Statements of Receipts and Payments (Kshs.)	Statement of Budgeted Versus Actual (Kshs.)	Unreconciled Variance (Kshs.)
Total Receipts	42,965,061	45,175,261	2,210,200
Total Payments	42,071,280	43,302,557	1,231,277

1.2. Inaccuracies in Infrastructure Account

Item	Statements of Receipts and Payments (Kshs.)	Statement of Budgeted and Actual (Kshs.)	Unreconciled Variance (Kshs.)
Total Receipts	2,691,000	Nil	2,691,000
Total Payments	2,969,114	Nil	2,969,114

In the circumstances, the classification, accuracy, completeness, presentation, and disclosure of the financial statements could not be confirmed.

2. Unsupported Biological Assets and Stock/Inventory

The other disclosures reflect a balance of Kshs.327,500 and Kshs.258,200 for biological assets and inventory as disclosed in Notes 16 and 18, respectively, to the financial statements. However, the ledgers, asset register, and stock take reports were not provided with audit verification.

In the circumstances, the accuracy, existence, and completeness of other disclosures (biological assets and inventory) balances of Kshs.327,500 and Kshs.258,200, respectively, could not be confirmed.

3. Inaccuracies in Capitation Grants

The statement of receipts and payments, as disclosed in Notes 1 and 2 to the financial statements, reflects capitation grants for tuition and operations amounting to Kshs.1,787,001 and Kshs.7,939,580. However, review of National Education Management and information System (NEMIS) capitation disbursement records and corresponding bank statements confirmed amounts of Kshs.1,786,941 for tuition and Kshs.7,573,579 for operations. This resulted in unexplained variances of Kshs.366,001 for operations.

In the circumstances, the accuracy of capitation grants for operations amounting to Kshs.7,989,580 could not be confirmed.

4. Long Outstanding and Unsupported Trade Receivables

The statement of assets and liabilities, as disclosed in Note 10 to the financial statements, reflects accounts receivable from fees, and an arrears balance of Kshs.1,436,277. However, the balance was not supported by the general ledger balance. Further, detailed ageing analysis of the balance, including the names of students, admission numbers, and amounts of unpaid fees per student were not provided for audit verification. In addition, the School has no approved policy on provision for bad and doubtful debts while the balance was not impaired for bad and unrecoverable debts.

In the circumstances, the accuracy and completeness of the trade receivables balance of Kshs.1,436,277 could not be confirmed.

5. Unsupported Revenue – Parents' Contributions/Fees

The statement of receipts and payments reflects school fund income from parents' contributions amounting to Kshs.30,387,481 as disclosed under Note 3 to the financial statements. However, the balance was not supported by detailed school fees ledgers. Further, review of cashbook records indicated collections amounting to Kshs.30,489,381 resulting in an unexplained variance of Kshs.101,900.

In the circumstances, the accuracy and completeness of the reported revenue from School fees of Kshs.30,387,481 could not be confirmed.

6. Unsupported Miscellaneous Income

The statement of receipts and payments, as disclosed in the Notes to the financial statements, reflects revenue from other income amounting to Kshs.160,000. However, the balance was not supported by official receipts, bank deposit slips, bank statements, approved bus hire rates, ledgers, contract agreements, or other relevant supporting documents.

In the circumstances, the regularity, accuracy, and completeness of revenue amounting to Kshs.160,000 could not be confirmed.

7. Unsupported Procurement

The statement of receipts and payments, as disclosed in Note 6 to the financial statements, reflects an amount of Kshs.7,917,818 in respect of operations payments.

Included in the balance are expenditures of Kshs.1,419, 500 for the purchase of various operational equipment within the School. However, the following anomalies were noted;

- i) There was no user requisition, and approval from the Ministry of ICT regarding the computers being purchased.
- ii) There were no advertisements for the tenders or requests for quotations issued, and the number of bidders who responded.
- iii) There was no tender register available for all the tenders advertised by the school for audit confirmation.
- iv) Appointment letters for the tender opening committee and inspection and acceptance committee were not provided contrary to Section 78(1),46(1) and 48(1) of the Public Procurement and Asset Disposal Act, 2015, which requires that the accounting officer shall appoint the ad hoc committees specifically for the procurement in accordance with the requirements of the law.
- v) There were no notifications for award and regret letters presented for audit review.
- vi) It was noted that the payment was made via cash payment, raising concerns about the authenticity of the expenditure.
- vii) The school did not issue Local Service Orders (LSOs) and Local Purchase Orders (LPOS) to the service or goods provider.
- viii) No evidence was provided to show that the tenders/quotations invitation was done in accordance with Section 96(1) of the Public Procurement and Asset Disposal Act, 2015.
- ix) Tender opening minutes were not provided for review; hence, it was not possible to confirm when the quotations were opened and the bidders who responded.
- x) There was no evidence that the procurement officer submitted his recommendations for the award to the accounting officer through issuing a professional opinion, and whether the accounting officer approved the award of the contract to the successful bidder, which is contrary to Section 84 of the Public Procurement and Asset Disposal Act, 2015.
- xi) Evidence that the successful bidders accepted the awards by writing as required, and notification of award and information to unsuccessful bidders indicating the successful bidders and reasons for being unsuccessful as required were not provided for audit verification.
- xii) Further, it was not possible to confirm that the services were received and taken on charge as required under Section 162(1) of the Public Procurement and Disposal Act, 2015, since key documents such as Counter Receipt Voucher (S13) were not available for audit verification.
- xiii) Review of payment vouchers revealed that an amount of Kshs.1,419,000 was paid to the service provider. However, they were not supported by any supporting

document to support the payment, hence making the payments doubtful; also, the service provider was not among the list of prequalified suppliers.

- xiv) Further, the goods were received within the school; however, there was no evidence of the inspection committee appointed by the accounting officer to confirm the goods supplied to the school.

In the circumstances, the accuracy of the expenditure totaling Kshs.1,419,500 could not be ascertained.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual receipts on a comparable basis of Kshs.65,886,850 and Kshs.45,175,261, respectively, resulting in an under-funding of Kshs.20,711,589 or 31% of the budget.

Underfunding affected the planned activities and may have negatively impacted public service delivery.

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 Information

The Management is responsible for the Other Information set out on page 3 to 16 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 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 effectively.

Basis for Conclusion

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

Review of the annual report and financial statements submitted for audit revealed that the financial statements did not comply with the financial reporting format issued by the Public Sector Accounting Standards Board in the following areas:

- i) The cover page of the financial statements reflects the caption "Revised 30 June 2022" which ought to have been omitted since it was an illustration and not part of the reporting entity's information.
- ii) The financial statements were printed single-sided instead of double-sided.
- iii) The cover reflects a public secondary school, which ought to have been omitted since it was an illustration and not part of the reporting entity's information.
- iv) Some balances in the financial statements are presented in hyphens, whereas others are left blank.
- v) Page 2) reflects different fonts instead of a uniform font and the phrase "customize the details in this section to suit your school," which ought to have been omitted since it was an illustration and not part of the reporting entity's information.
- vi) Some balances in the financial statements are presented in shillings hyphen, whereas others are presented in cents.
- vii) Table of contents page omitted page references.

2. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 17 March, 2023 instead of the statutory deadline of 30 September,

2022. This was contrary to the Ministry of Education Circular Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021, which stated that the school's financial statements should be ready by 30 September 2021, in accordance with Section 81 of the Public Finance Management Act, 2012 on the preparation of the financial statements.

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

3. Irregularities in Accounting for Capitation Grants

The statement of receipts and payments and as disclosed in Notes 1 and 2, reflects capitation grant for tuition amounting to Kshs.1,787,001 and a capitation grant for operations of Kshs.7,939,580. However, the school did not acknowledge receipt of capitation grants for tuition and operations as directed by the Ministry of Education by submitting details of allocation of funds to the County Director of Education through the Sub-County Director of Education. Further, there was no evidence that official receipts were issued to individual students, and a schedule showing allocation of funds per student was not provided for audit verification. It was also noted that the capitation grant was not displayed on the notice board.

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

4. Late Transfer of Infrastructure Funds from Operations Bank Account

The statement of receipts and payments, as disclosed in Note 2 to the financial statements, reflects operations grants amounting to Kshs.7,939,580 being funds from the Ministry of Education credited in the operations bank account. Included in this amount is Kshs.2,619,000 in respect of infrastructure grants that were to be transferred to the infrastructure bank account for maintenance and improvement of the school's facilities.

However, review of bank statements revealed that the whole amount was transferred to the infrastructure account but beyond the stipulated fifteen (15) days. This was contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

In the circumstances, Management did not comply with the Ministry of Education guidelines on the management of capitation grants.

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

The statement of receipts and payments, as disclosed in Note 6 to the financial statements, reflects the operations payment amount of Kshs.7,917,818. Included in the expenditure is an amount of Kshs.660,640 transferred to the Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from school Principals only. The organization is not defined in the Government Funding system, and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, the value for money transferred to KESSHA amounts to Kshs.666,640 could not be confirmed.

6. Misappropriation of Funds

The statement of receipts and payments, as disclosed in the Notes to the financial statements, reflects a balance of Kshs.2,969,114.40 for infrastructure payments. Included in the balance are expenditures of Kshs.1,997,914 for the completion works of a stalled dormitory block as phase 1. However, the following anomalies were observed;

- i) There were no advertisements for the tenders or requests for quotations issued, nor was there a record of the number of bidders who responded.
- ii) There was no tender register available for all the tenders advertised by the School for audit confirmation.
- iii) No evidence was provided to show that the tenders/quotations invitation was done in accordance with Section 96(1) of the Public Procurement and Asset Disposal Act, 2015.
- iv) Tender opening minutes were not provided for review; hence, it was not possible to confirm when the quotations were opened and the bidders who responded.
- v) Appointment letters for the tender opening committee and inspection and acceptance committee were not provided contrary to Section 78(1), 46(1) and 48(1) of the Public Procurement and Asset Disposal Act, 2015, which requires that the accounting officer shall appoint the ad hoc committees specifically for the procurement in accordance with the requirements of the law.
- vi) There was no evidence that the successful bidder accepted the awards by writing as required, and notification of award and information to unsuccessful bidders indicating the successful bidders and reasons for being unsuccessful, as required, were not provided for audit verification.
- vii) There was no evidence that the procurement officer submitted his recommendations for the award to the Accounting Officer through issuing a professional opinion, and whether the Accounting Officer approved the award of the contract to the successful bidder, which is contrary to Section 84 of the Public Procurement and Asset Disposal Act, 2015.
- viii) There was no evidence that the retention amount was deducted and withheld by the School
- ix) No evidence of the SIC committee minutes, no oversight roles for the construction of the dormitory, despite incurring an expenditure of Kshs.95,000.
- x) Site verification done on 19 March, 2026 revealed that: poor workmanship was evidenced across the dormitory, the value of the money spent after the dormitory versus the works done could not match, hence, no value for money.

In the circumstances, it was not possible to confirm whether there was value for money in the completion of the dormitory, worth Kshs.1,997,914

7. Lack of a Procurement Plan and list of Prequalified Suppliers

During the financial year under review, the School operated without an approved procurement plan and validated list of registered suppliers. In the absence of a list of registered, pre-qualified suppliers, the School risks engaging with incompetent or financially unstable vendors, leading to frequent delivery delays, quality failures, and contractual disputes. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020, which states that 'a procuring entity prepares a procurement plan for each financial year as part of the annual budget preparation process'. Further, Section 57(1) and 71(1) of the Public Procurement and Asset Disposal Act, 2015 which provides that the head of the procurement function of a procuring entity shall maintain and update lists of registered suppliers, contractors and consultants in the categories of goods, works or services according to its procurement needs.

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

8. Irregularities in Procurement Processes

Review of the School's procurement processes revealed the following irregularities;

a) Unstructured Procurement Processes

Review of procurement of infrastructure projects, school fund expenses, and operations revealed the absence of budgets, need analysis reports, procurement plans, failure to advertise, wrong choice of procurement methods, and failure to comply with evaluation regulations.

b) Lack of a Functional Procurement Unit

The School 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. Procurement activities were undertaken by individuals lacking the requisite qualifications.

c) Unstructured Procurement Processes

Review of procurement of infrastructure projects revealed absence of budgets, need analysis reports, procurement plans, failure to advertise, wrong choice of procurement methods and failure to comply with evaluation regulations.

d) Weaknesses in Record Keeping

During the year, the School failed to maintain complete procurement records, including tender documents, tender advertisements, bid evaluation reports, correspondences with

supplier, contract documents, payment certificates and contract performance monitoring reports. This was contrary to Section 68 of the Public Procurement and Asset Disposal Act, 2015 and limits audit trail and transparency.

e) Irregular Procurement

During the year under review, the School lacked an operational strategic plan, and it is unclear on what basis budget preparation and internal audit planning were undertaken, thus contravening Section 68(2)(g) of the Public Finance Management Act, 2012. This section mandates Accounting Officers to prepare a strategic plan for the entity in alignment with the medium-term fiscal framework and financial objectives of the National Government.

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

9. Lack of an Approved Strategic Plan

During the year under review, the School lacked an operational strategic plan, and it is unclear on what basis budget preparation and internal audit planning were conducted, thus contravening Section 68(2)(g) of the Public Finance Management Act, 2012. This section mandates accounting officers to prepare a strategic plan for the entity in alignment with the medium-term fiscal framework and financial objectives of the national government.

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

10. Failure to Prepare School Improvement Plan

During the year under review, the School did not have an approved School Improvement Plan, contrary to Section 2.2 of the Ministry of Education Operation Manual for Utilization of Learner Capitation Grant and Other School Funds, which requires schools to identify in every three-year school improvement planning cycle, 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.

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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT, AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on the 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. Lack of Inventory Systems

During the financial year under review, the School did not maintain inventory records for its goods procured and issued. However, the audit revealed significant inaccuracies in financial reporting regarding the management of inventory at the stores of the School, where they were using the store's ledger, which is contrary to Regulation 140(1) of the Public Finance Management Act 2015, which assigns the Accounting Officer the responsibility for the proper custody, care, and utilization of government inventories under their control. Additionally, there was no system in place to track the receipt and issuance of goods to the respective user department.

In the circumstances, the effectiveness of controls over the management of inventories could not be confirmed.

2. Board of Management

Review of the Board of Management files indicated the Board had fifteen Members representing all areas as stipulated in the Basic Education Act, 2013 regarding the appointment of the Board Members. However, the Management did not provide any appointment letters for the fifteen Board of Management (BOM) Members. Further, a review of BOM files revealed that the management had not established Board committees as required in Section 61(2) of the Basic Education Act, 2013. In addition, there was no evidence of the audit committee, discipline and integrity committee, human rights and student welfare committee, academic standards, quality and environment committees sitting during the year. Further, the Management did not obtain the annual report from the committee on the review of the independence, performance, and competency of the internal audit.

In the circumstances, the effectiveness of the governance mechanism at the school could not be confirmed.

3. Ineffective Sub Committees

During the year under review, the School Board of Management established an ad hoc committee comprising five members. However, there were no minutes from the ad hoc committees discussed and presented to the full board for adoption. Minutes, reports, or recommendations from the discussion to the secretary for action were not provided.

In the circumstances, the effectiveness of the sub-committees in supporting the Board's oversight function could not be confirmed.

4. Lack of Approved ICT Policy

The examination of the school's ICT infrastructure uncovered several deficiencies. Firstly, the absence of an approved ICT policy was noted. Additionally, the lack of a data security and disaster recovery plan increases the vulnerability of the school's operations to disruptions or outages in ICT systems. Moreover, the School's inability to recover or restore critical infrastructure services and systems, as mandated by Section 68(2)(c) of the Public Finance Management Act, 2012 poses a significant risk to all operations dependent on ICT systems.

Given these circumstances, the assurance regarding the security and reliability of the school's management information system and data remains uncertain. Further, the school uses the Zerk system in managing its exam records. No contract agreement between the management of the school and Zerk management was provided for audit confirmation.

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

5. Lack of Risk Management Policy

Throughout the reviewed period, the School did not establish a risk management policy or document strategies for identifying potential risks that could impact the school's operations.

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

6. Weaknesses in the Management of Textbooks

During the year under review, the Ministry of Education distributed textbooks to public secondary schools through the Kenya Institute of Curriculum Development (KICD). Examination of records revealed these anomalies

- i) There was no stock report of textbooks as of 30 June, 2022.
- ii) Stores records were not properly updated in the stores receipt and Issues ledgers, resulting in a lack of accurate tracking of textbooks received, issued, returned, and the running balances, thereby making it difficult to determine the number of books in store or those unreturned.
- iii) Management had not established adequate internal control measures to minimize the risk of loss of textbooks.

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

7. Weaknesses in the Management of Assets

Annex 2 to the financial statements reflects a summary of the fixed assets register comprising property, plant, and equipment balance of Kshs. 96,802,700. However, Management did not prepare an updated fixed assets register, and assets at the school were not tagged.

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

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal 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.


FCRA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

24 April, 2026

ITUGURURU HIGH SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2022

V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2022

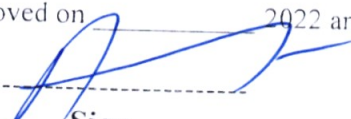
DESCRIPTION OF VOTE HEAD	Note	2021/2022	2020-2021
			Kshs
RECEIPTS			
Capitation grants for tuition	1	1,787,001.00	626,465.00
Capitation grants for operations	2	7,939,579.80	3,936,241.75
School Fund Income- Parents' Contributions	3	30,387,480.50	7,385,671.00
Infrastructure Account	4	2,691,000.00	2,610,000.00
Other receipts	5	160,000	170,900.00
TOTAL RECEIPTS		42,965,061.30	14,729,277.75
PAYMENTS			
Payments for Tuition	6	1,496,520.00	626,310.00
Payments for operations	7	7,917,818.00	3,943,915.00
Boarding and school fund payments	8	29,687,828.00	7,494,512.00
Infrastructure account	9	2,969,114.40	1,636,760.00
TOTAL PAYMENTS		42,071,280.40	13,701,597.00.00
SURPLUS		893,780.90	1,027,680.75

The school financial statements were approved on 16/4/2022 and signed by:


Sign:

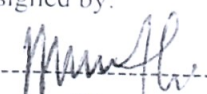
Name
FELIX MURITHI
Chair BOM

Date 16/4/2022


Sign

Name
JEAN NYAWIRA MURIGU
School Principal/
Secretary to BOM

Date 16/4/2022


Sign

Name
STEPHEN M
Bursar/
Finance Officer

Date 16-4-2022

ITUGURURU HIGH SCHOOL

Annual Report and Financial Statements

For the year ended 30th June 2022

VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30TH JUNE 2021

	Note	2021-2022	2020-2021
			Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	10	3,489,690.80	2,733,729.9
Cash Balances	11	142770.06	4,950.06
Short term Investment	12		--
Total Cash and cash equivalent		3,632,460.86	2,738,679.96
Account's receivables	13	1,436,277.00	443,845.00
TOTAL FINANCIAL ASSETS		5,068,737.86	3,182,524.96
FINANCIAL LIABILITIES			
Accounts Payables	14	(1,724,822.00)	[493,545.00]
NET FINANCIAL ASSETS		3,343,915.86	2,688,979.96
REPRESENTED BY			
Accumulated Fund b/fwd	15	2,450,134.96	1,661,299.21
Surplus/Deficit for the year		893,780.90	1,027,680.75
NET FINANCIAL POSSITION		3,343,915.86	2,688,979.96

The School's financial statements were approved on _____ 2022 and signed by:

Name: FELIX MURITHI
Chairman, BoM

Sign: 

Date: 16/04/2026

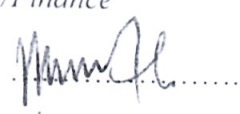
Name: JEAN NYAWIRA
MURIGU

School Principal/Secretary
to BoM

Sign: 

Date: 16/04/2026

Name: STEPHEN
MWIATHI MBUBA
Bursar/Finance

Sign: 

Date: 16/04/2026

VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2021

		2021-2022	2020-2021
			Kshs
Receipts for operating income			
Capitation grants for tuition	1	1,787,001.00	626,465
Capitation grants for operations	2	7,939,579.80	3,936,241.75
School fund income- Parents contributions/ fees	3	30,547,480.50	7,556,571
Infrastructure account	4	2,691,000.00	2,610,000
Total receipts		42,965,061.30	14,729,277.75
Payments			
Payments for Tuition		1,496,520.00	626,310
Payments for operations		7,917,818.00	3,943,915
Boarding and school fund payments		29,687,828.00	7,494,612
Infrastructure account		2,969,944.40	1,636,760
Total payments		42,071,280.40	13,701,597
Net cash flow from operating activities		893,780.90	1,027,680.75
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets			--
Acquisition of Assets			--
Proceeds from investments			--
Purchase of investments			--
Net cash flows from Investing Activities			--
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans			--
Repayment of principal borrowings			--
Net cash flow from financing activities			--
NET INCREASE IN CASH AND CASH EQUIVALENTS		893,780.90	1,027,680.75
Cash and cash equivalent at BEGINNING of the year		2,738,679.96	1,710,999.21
Cash and cash equivalent at END of the year		3,632,460.86	2,738,679.96

VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2022

Receipt/expenses Item	Original Budget	Adjustment s	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Textbooks and reference materials	944,010.00		944,010.00	393,468.00	550,542.00	41
Exercise books	708,000.00		708,000.00	232,203.00	475,797.00	32
Laboratory equipment	1,180,013.00		1,180,013.00	375,270.00	804,743.00	31
Internal exams	330,404.00		330,404.00	107,000.00	223,404	32
Teaching / learning materials	660,807.00		660,807.00	303,790.00	357,017.00	46
Chalks				---	---	
Exams and assessment	566,412.00		566,412.00	196,750.00	369,842.00	34
Teachers guides	330,404.00		330,404.00	178,700.00	151,704.00	54
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	2,198,950.00		2,198,950.00	4,406,672.00	(2,207,722.00)	200
Repairs and maintenance	5,636,350.00		5,636,350.00	---	5,636,350.00	0
Local transport / travelling	3,060,000.00		3,060,000.00	453,207.80	2,606,793.00	15
Electricity and water	2,317,950.00		2,317,950.00	1,101,700.00	1,216,250.00	48
Medical	2,266,950.00		2,266,950.00	---	266,950.00	0
Administration costs	3,060,000.00		3,060,000.00	467,500.00	2,592,500.00	15
Activity	1,717,850.00		1,717,850.00	---	171,785	0
infrastructure	---		---	1,510,500	---	---
SMASSE	233,750.00		233,750.00	---	233,750	0
(3) FEES CHARGED ON PARENTS						
Personnel	3,485,000.00		3,485,000.00	6,318,172.00	(2833172.50)	181

ITUGURURU HIGH SCHOOL

Annual Report and Financial Statements

For the year ended 30th June 2022

Receipt/expenses Item	Original Budget a	Adjustment s b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
	Kshs	Kshs			Kshs	Kshs
Emoluments						
Repairs and maintenance	2,125,000		2,125,000.00	2,165,045.00	(40,045)	101
Local transport / travelling	1,360,000.00		1,360,000.00	604,564.00	755,436	44
Electricity and water	5,270,000.00		5,270,000.00	2,024,973.00	3,040,027	42
Medical	-----		-----	---	---	--
Administration costs	3,145,000.00		3,145,000.00	3,629,973.00	(484,973)	115
Activity	850,000.00		850,000.00	326,000	524,000	38
SMASSE	-----		-----	---	---	---
Fee on Boarding Equipment and Stores	23,630,000.00		23,630,000.00	1,752,953	8,516,247	64
OTHER INCOME						
Rent income	---		---	---	---	---
Income from farming activities	140,000.00		140,000.00	75,000	65,000	54
Insurance compensation	---		---	---	---	---
Income from Posho mill	---		---	---	---	---
Income from Bus Hire	670,000		670,000	85,000	585,000	12
Fee for hire of ground and equipment	---		---	---	---	---
Interest income	---		---	---	---	0
Income from any other investment	---		---	---	---	0
TOTAL INCOME	65,886,850		65,886,850	45,175,261.30	20,711,588.87	59
(I) EXPENDITURE FOR TUITION						
Textbooks and reference materials	944,010		944,010	293,410	650,600	31
Exercise books	708,000		708,000	231,100	154,250	31
Laboratory equipment	1,180,013		1,180,013	375,170	804,843	32
Internal exams	330,404		330,404	106,300	224,104	32
Teaching / learning materials	660,807		660,807	203,900	429,907	31
Chalks	-		-	-	429,907	31
Exams and	566,412		566,412	184,780	318,632	33

ITUGURURU HIGH SCHOOL

Annual Report and Financial Statements

For the year ended 30th June 2022

Receipt/expenses Item	Original Budget	Adjustment s	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
assessment						
Teachers guides	326,904		326,904	100,000	226,904	31
Administration costs				---		0
Bank Charges	3500		3500	1860	1640	53
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	2,198,950		2,198,950	2,505,413	(306,463)	113
Repairs, maintenance & improvements	5,636,350		5,636,350	2,762,405		
Local transport / travelling	3,060,000		3,060,000	293,800	2,873,945	49
Electricity, water and conservancy	2,317,950		2,317,950	614,240	2,766,200	9
Medical	2,266,950		2,266,950	---	1,703,710	26
Administration costs	3,060,000		3,060,000	240,760	2,266,900	0
Activity Expenses	1,717,850		1,717,850	---	2,819,240	8
infrastructure	---		---	1,491,000	1,717,800	0
SMASSE	233,750		233,750	---	---	0
Bank charges				10,200	233,750	0
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel emoluments	3,485,000		3,485,000	1,271,100	2,213,900	36
Repairs, maintenance and improvements	2,125,000		2,125,000	6,924,613	(3,931,738)	285
Local transport / travelling	1,360,000		1,360,000	1,118,290	241,710	82
Electricity, water and conservancy	5,270,000		5,270,000	2,844,159	2,425,841	54

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Receipt/expenses Item	Original Budget	Adjustment s	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Medical Expenses	-		-	---		0
Administration costs	3,145,000		3,145,000	6,481,576	3,336,576	206
Activity	850,500		850,500	378,650	471,350	45
Gratuity	---		---	---	---	0
Lunch program	---		---	---	---	0
Boarding Equipment and Stores	23,630,000		23,630,000	11,687,402.00	12,799,545	45
Expenditure for Income Generating Activity	550,500		550,500	213,315.00	337,189	39
Insurance costs	---		---	---	---	---
Other expenses on investments	---		---	---	---	---
Rent Expenses	---		---	---	---	---
Bank Charges	---		---	---	---	---
Loan Interest Repayment	---		---	---	---	---
Loan Principal Repayment	---		---	---	---	---
Acquisition of Assets	---		---	---	---	---
infrastructure				2,969,114.40		
TOTALS	65,627,350		65,627,350	43,302,557.40	36,753,207.40	

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

IX. 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 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*.

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.

ITUGURURU HIGH SCHOOL

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For the year ended 30th June 2022

Bank account balances include amounts held at various financial institutions at the end of the financial year.

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SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. This is in recognition of the government practice where the imprest payments are recognized as expenditure when fully accounted for by the imprest or AIE holders. 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. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements. Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years.

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 2021.

X. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2021-2022	2020-2021
	Kshs	Kshs
Textbooks and reference materials	393,468	135,000.00
Exercise books	232,203	80,100.00
Laboratory equipment	375,270	133,520.00
Internal exams	107,000	38,000.00
Teaching / learning materials	303,790	106,305.00
Exams and assessment	196,570	66,600.00
Teachers guides	178,700	66,940.00
Total	1,787,001	626,465.00

2 CAPITATION GRANT FOR OPERATIONS

	2021-2022	2020-2021
		Kshs
Infrastructure	1,510,500	1,731,500.00
Repairs and maintenance	-	--
Electricity and water	1,101,700	28,200.00--
Medical	-	--
Administration costs	467,500	913,941.75
Activity	-	--
Personal emolument	4,406,672	942,300.00
Local travelling & transport	453,207.80	320,300.00
Total	7,939,579.80	3,936,241.75

3 PARENTS CONTRIBUTION/FEEs - SCHOOL FUND ACCOUNT

	2021-2022	2020-2021
		Kshs
Personnel emoluments	6,318,172.50	1,240,660.00
Repairs and maintenance	2,165,045	807,855.00
Local transport / travelling	604,564	262,485.00
Electricity and water	2,024,973	187,200.00
Fee on Boarding Equipment and Stores	15,478,753	3,077,480.00
Administration costs	3,629,973	1,439,911.00
Activity	326,000	370,080
Total	30,547,480.50	7,385,671.00

ITUGURURU HIGH SCHOOL**Annual Report and Financial Statements**For the year ended 30th June 2022**4. CAPITATION GRANT FOR INFRASTRUCTURE ACCOUNT**

NAME		TOTAL
	2021-2022	2020-2021
Infrastructure	2,691,000.00	2,610,000.00
Total	2,691,000.00	2,610,000.00

5 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2021-2022	2020-2021
		Kshs
income from farming	75000	80,900.00
Income from Bus Hire	85000	90,000.00
Total	160,000	170,900.00.00

6 PAYMENTS FOR TUITION

	2021-2022	2020-2021
		Kshs
Textbooks and reference materials	293,410.00	125,807.00
Exercise books	231,100.00	79,907.00
Laboratory equipment	375,170.00	133,327.00
Internal exams	106,300.00	37,809.00
Teaching / learning materials	203,900.00	106,112.00
Chalks		---
Exams and assessment	184,780.00	66,407.00
Teachers guides	100,000.00	75,741.00
Administration Costs		---
Bank Charges	1,860.00	1,200.00
Total	1,496,520.00	626,310.00

7. PAYMENT FOR OPERATIONS

		2020-2021
		Kshs
Personnel emoluments	2,505,413.00	742,900.00
Service Gratuity		---
Administration Cost		---
Repairs and maintenance & improvements	2,762,405.00	597,300.00
Local transport / travelling	293,800.00	205,000.00
Electricity and water	614,240.00	92,825.00
Infrastructure	1,491,000.00	2,220,000.00
Activity Expenses	-	---
SMASSE	-	---
Administration Cost	240,760.00	76,690.00
Bank Charges	1,0200.00	9,200.00
Acquisition of Assets		---
TOTAL	7,917,818.00	3,943,915.00

8 BOARDING AND SCHOOL FUND PAYMENTS

	2021-2022	2020-2021
		Kshs
Personnel emoluments	1,271,100.00	249,900.00
Activities	378,650.00	242,650.00
Repairs and maintenance & Improvements	6,924,613.00	994,220.00
Local transport / travelling	1,118,290.00	250,400.00
Electricity and water	2,844,159.00	130,520.00
Administration costs	6,481,576.00	1,172,214.00
Bank Charges		1,630.00
Expenses on Income Generating Activities	213,315.00	131,690.00
Fee on Boarding Equipment and Stores	10,456,125.00	4,309,933.00
Infrastructure account		305,000.00
TOTAL	29,687,828.00	7,788,157.00

9 PAYMENT FOR INFRASTRUCTURE ACCOUNT

	2021-2022	2020-2021
Infrastructure account	2,967,914.40	1,635,920.00
Bank charges	1,200.00	840.00
Total	2,969,114.40	1,636,760.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)
10 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2021-2022	2020-2021
Tuition Account		291,973.42	1,492.42
Operations Account		25,514.95	3,753.15
School fund Account/Boarding		902,396.95	180,564.33
Infrastructure account		2,269,805.60	2,547,920.00
Parent Association Development Account			---
Income generating activities Account			---
Infrastructure Account			
Total		3,489,690.80	2,733,729.90

11. CASH IN HAND

Description	2021-2022	2020-2021
Tuition Account		Kshs
Operation Account		---
School Fund account	142,770.06	4,950.06
Infrastructure ACCOUNT		
Total	142,770.06	4,950.06

12. SHORT TERM INVESTMENTS

Investment	2021-2022	2020-2021
Cooperative shares	---	---
Treasury Bills	---	---
Fixed deposit	---	---
Equity stock	---	---
Other investments	---	---
Total	---	---

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. ACCOUNTS RECEIVABLE

Description	2021--2022		2020-2021
			Kshs
Fees arrears	2,415,200	205,000	443,845.00
Other non-fees receivables			----
Salary advances			----
Imprest			----
Total	2,415,200	205,000	443,845.00

[Include an ageing of the fees / non-fees arrears below]

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees arrears for current year		
Fees arrears for the previous year		
Fees arrears for prior periods (over two years)		
Total		

14 ACCOUNTS PAYABLE

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	1,724,822.00	493,545
Prepaid fees		
Retention monies	----	
Total	1,724,822.00	493,545

[Include an ageing of the creditor's arrears below]

Description	2021-2022	2020-2021	2019-2020
		Kshs	Kshs
Trade creditors for current year			
Trade creditors for the previous year			
Trade creditors for prior periods (over two years)			
Total			

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15 FUND BALANCE BROUGHT FORWARD

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank balances	2,733,729.90	1,709,991.15
Cash balances	4,950.06	1,008.06
Short Term Investments		---
Receivables	205,000	150,300.00
Payables	(493,545)	200,000.00
Total	2,450,134.96	1,661,299.21

Other important disclosure notes

IPSAS 1 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	2021-2022	2020-2021
	Kshs	Kshs
Bank loan(s)	---	
Outstanding Leases	---	
Hire purchase	---	
Gratuity and leave provision	---	
Total	----	

17 Biological assets

Description	Numbers	2021-2022	Numbers	2020-2021	
				Kshs	
Cattle				----	
PIGS	10	80,000	9	76,000	
Trees	300	240,000	257	202,600	
Coffee or tea plantation				----	
Poultry	15	7,500	7	3,600	
Total		327,500		282,200	

18 Borrowings

Description	2020-2021	2019-2020
	KShs	KShs
a) Borrowings		
Borrowing at beginning of the year	----	
Borrowings during the year	----	
Repayments of during the year	----	
Balance at end of the year	----	

Other important disclosure notes

19 Stock/ Inventory

Description	2021-2022	2020-2021	2019-2020
	Kshs	KShs	KShs
b) Borrowings			
Stock/ inventory at beginning of the year	75,000	46,000	
Stock/ inventory purchased during the year	4,500,000	842,500	
Stock/ inventory issued during the year	4,316,800	660,000	
Balance at end of the year	258,200	228,500	

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)	Final Status (Put a date when you expect the issue to be resolved)

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2019-2020	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Supply of goods						
1. Christine Kanini Njue	250,800	10/5/2022		250,800	2. Christine Kanini Njue	250,800
3. Image Clapia Designers	523,000	4/4/2022		523,000	4. Image Clapia Designers	523,000
5. Gewawa Fabricators & General supply					6. Gewawa Fabricators & General supply	
7. D & L Festive	282,147	30/5/2022		282,147	8. D & L Festive	282,147
9. Ayub Mwongera	324,000	5/5/2022		324,000	10. Ayub Mwongera	324,000
Sub-Total	1,724,822			1,724,822		1,724,822
Supply of services						
4.						
5.						
6.						
11.						
12.						
13.						
14.						
15.						

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f 30 th June 2022 (Kshs)
Land 1	05-01-2003	ITUGURURU	12,000,000			12,000,000
Land 2	--	--	---	---	--	---
Buildings and structures			65,700,000	--	---	65,700,000
Motor vehicles			2,000,000	-	-	2,000,000
Office equipment, furniture and fittings			13,610,000			13,610,000
Tools and apparatus			407,000			407,000
Textbooks			2,985,700			2,985,700
Other Machinery and Equipment						
Heritage and cultural assets						
Intangible assets- soft ware			100,000			100,000
Total			96,802,700			96,802,700

(The School should ensure that a detailed fixed assets register is maintained).