REPUBLIC OF KENYA

REPUBLIC OF KENYA

OAG
OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

IGWANJAU HIGH SCHOOL

FOR THE SIX (6) MONTHS PERIOD ENDED 30 JUNE, 2021

THARAKA NITHI COUNTY

IGWANJAU HIGH SCHOOL
PUBLIC SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE SIX (6) MONTHS PERIOD ENDED
30th June 2021

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

IGWANJAU HIGH SCHOOL
Annual Report and Financial Statements For the Six (6) Months Period ended 30th June 2021

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I. 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 located in Tharaka Nithi County, Maara Sub-County

The school was registered in 29/08/2006 under registration number GP/A/3943/2006 and is currently categorized as an Extra County public secondary school established, owned or operated by the Government.

The school is a boarding school and had 379 number of students as at 30th June 2021.It has3 streams and 28 teachers of which 5 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	Ambrose Nyaga	Chairman	2017
2	David Gichovi	Secretary- Principal	2017
3	Alice Murungi	Member	2017
4	George Murithi	Member	2017
5	Erick Kiraithe Nyaga	Member	2017
6	Jasper Mugo	Member	2017
7	Sospeter Kimathi	Member	2017
8	Prof. Lucy Gitonga	Member – Rep CEB	2017
9	Justin Murangiri	Member Rep Teachers	2017
10	Silas Majau	3 Members - Sponsor	2017
11	Fredrick Nzivo	PTA Chairperson	2017
12	Dickson Kithinji	Vice Chairperson	2017
13	Jeremy Mbae	Member	2017
14	Chief Collins Ntwiga	Member - Community	2017
15	Idah Nkirote	Member	2017
16	Mr. Rewa	MemberSpecial Needs	2017
17	Lenah Mukwanjagi	Member	2017
18	Peterson Kimathi	Member	2017
19	Lucy Kaari	Member	2017
20	Rose Kiriungi	Rep student	2017

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

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

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Ambrose S. Nyaga	Chairperson	3
		David Gichovi	Secretary/Principal	3
		Dickson Kithinji	Vice Chairperson	3
		Alice K. Murungi	Member	3
		Fredrick Nzivo	PTA Chairperson	3
2	Audit Committee	Dickson Kithinji	Chairperson	1
		Ambrose Nyaga	Vice Chairperson	1
		Prof. Lucy Gitonga	Member	1
		Lucy Kaari	Member	1
3	Finance,procurement and general purposes Committee	George Murithi	Member	1
		Eric Nyaga	Member	1
		Idah nkirote	Member	1
		Rev. Silas Majau	Sponsor	1
4	Academic Committee	Prof. Lucy Gitonga	Member rep CEB	1
		Alice K. Murungi	Member	1
		Sospeter Kimathi	Member	1
5	Development Committee	Jeremy Mbae	Member	1
6	Discipline and welfare Committee	Lucy Kanga	Member	1
		Idah Nkirote	Member	1
		Alice K. Murungi	Member	1
		Peterson Kimathi	Member	1

(d) School operation Management

For the financial year ended 30th June 2021 the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	David Gichovi	335185
2	Deputy Principal	Ann K. Mukindia	3513353
3	School Bursar	Purity Kathambi	ICPAK. NO: 19312

(e) Schools contacts

Post Office Box: 10 – 60401, Chogoria
Telephone:
E-mail: igwanjauschool@gmail.com
Website:
Facebook:
Twitter:

(f) School Bankers

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

1. Name of Bank: KCB - SCHOOL FUND ACCOUNT
   Branch: CHOGORIA
   Account Number: 1103764543

2. Name of Bank: KCB - OPERATIONS ACCOUNT
   Branch: CHOGORIA
   Account Number: 1103764675

3. Name of Bank: KCB - TUITION ACCOUNT
   Branch: CHOGORIA
   Account Number: 1103764977

4. Name of Bank: SOUTHERN STAR - ACCOUNT
   Branch: CHOGORIA
   Account Number: 502004470300

MPESA PayBill Business No. 522123 Account No. 30879K attached to 1103764543 KCB bank account (SCHOOL FUND)

(g) Independent Auditors

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

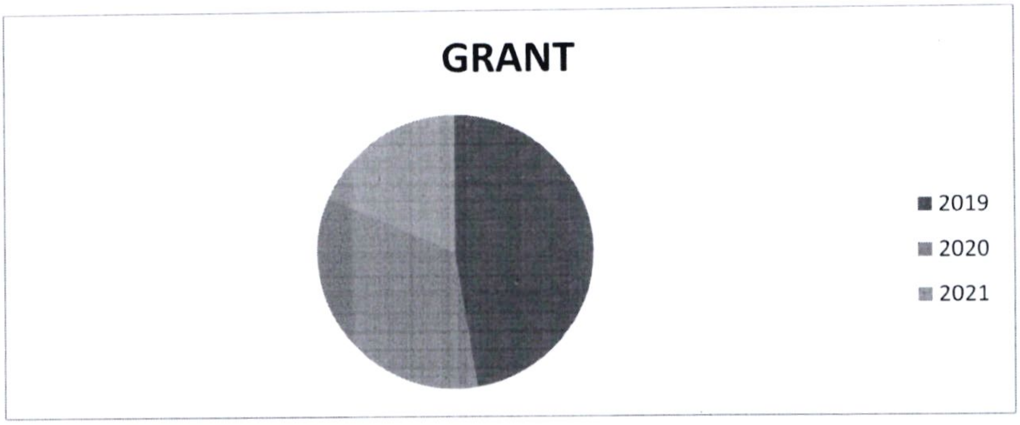
II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

a) **Financial performance**:

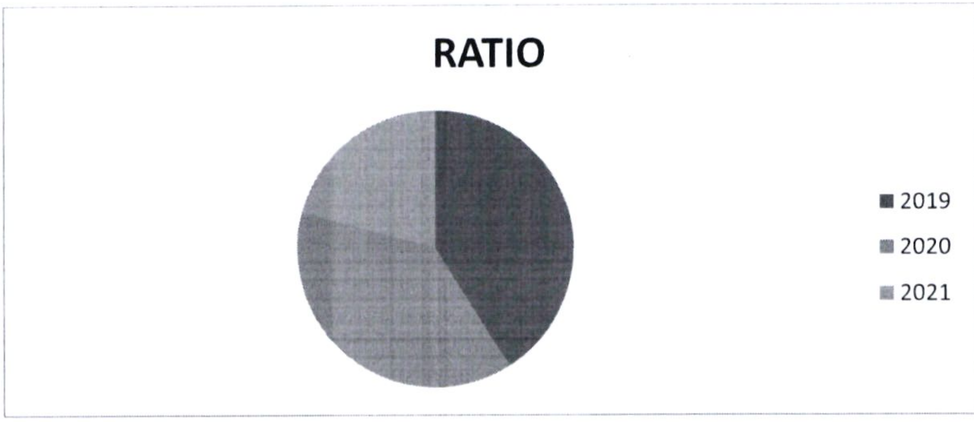
i) Capitation grant from ministry of education for the last three years

YEAR	GRANT
2019	9,205,812
2020	6,621,904
2021	3,588,485



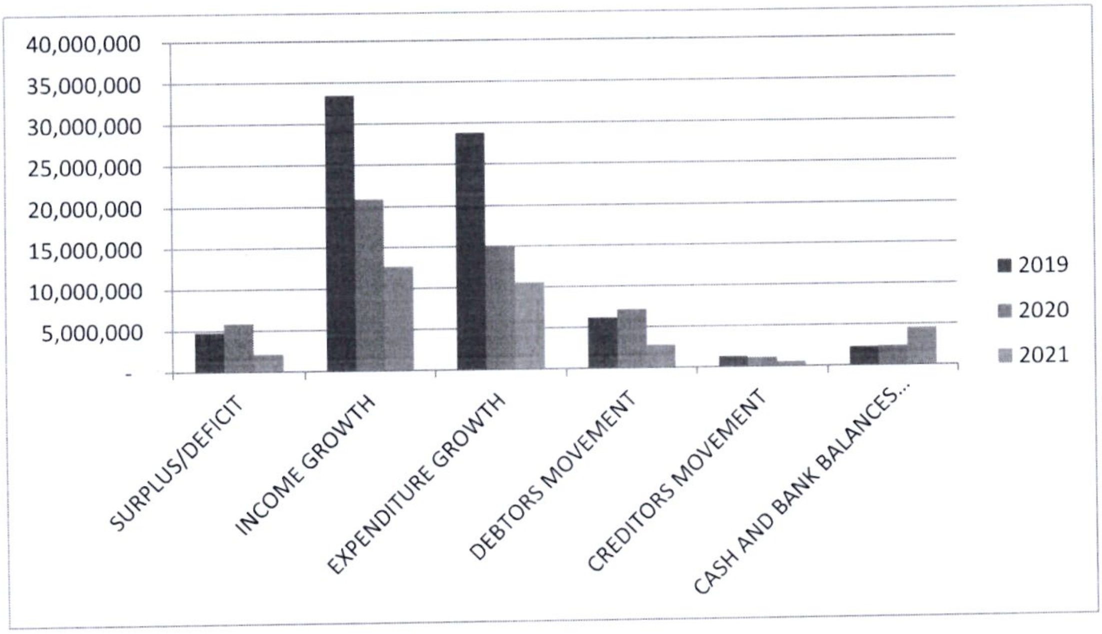
ii) Capitation ratios for the last three years

YEAR	RATIO (grant per student)
2019	1:18,673
2020	1:17,472
2021	1:9,468



iii) Table summary for surplus, deficit, expenditure, debtors, creditors, cash and bank and income for the last three years

YEAR	**2019**	**2020**	**2021**
DESCRIPTION			
SURPLUS/DEFICIT	4,728,337	5,820,079	*2,093,052*
INCOME GROWTH	33,516,490	20,894,539	*12,678,875*
EXPENDITURE GROWTH	28,788,153	15,074,460	10,585,823
DEBTORS MOVEMENT	6,166,402	7,147,789	2,773,481
CREDITORS MOVEMENT	1,230,244	1,028,321	498,225.00
CASH AND BANK BALANCES MOVEMENT	2,227,684	2,304,798	4,498,537



b) **Teacher Student ratio**:

Teacher	**Ratio**
1	14

c) **Mean score in the *2019 - 2021* KCSE:**

YEAR	NO. OF CANDIDATES	MEAN SCORE	DEVIATION	UNIVERSITY ENTRIES
2019	114	4.11	+0.07	12
2020	87	4.23	+0.12	7
2021	135	3.34	-0.89	2

d) **Number of Candidates in the 2019 - 2021 KCSE:**

YEAR	NO. OF CANDIDATES
2019	114
2020	87
2021	135

e) **Capacity of the school:**

The school had a capacity of 379 students in the year 2021.

DESCRIPTION	NO. OF FACILITIES	CAPACITY	REMARKS
DORMS	9	70	SUFFICIENT
LABORATORIES	5	40	INSUFFICIENT
TOILETS	35	35	SUFFICIENT
CLASSROOMS	12	44	SUFFICIENT
DINING HALLS	1	450	SUFFICIENT
LIBRARY	1	40	INSUFFICIENT
STAFFROOM	1	20	INSUFFICIENT
COMPUTER LAB	1	20	INSUFFICIENT
BOARD ROOM	1	6	INSUFFICIENT
OFFICES	13	13	INSUFFICIENT
KITCHEN	1	4	SUFFICIENT

f) **Development projects carried out by the school:**

NONE

PRINCIPAL
IGWANJAU SENIOR SCHOOL
P.O. Box 10 - 60400 CHOGORIA

Sign

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

The Board of Management of ***Igwanjau 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: MIRITI G. JULIUS
Designation: Chairman, School Board of Management
Sign: ....
Date: 02/04/2026

Name: JAMES KIMATHI
Designation: School Principal& Secretary to Board of Management
Sign: ....
Date: ....

IGWANJAU SENIOR SCHOOL
02 APR 2026
SIGN:..................
P.O. Box 10 - 60401, CHOGORIA

Name: CPA PURITY K.
Designation: Bursar/ Finance Officer
Sign: ....
Date: 02/04/2026

REPUBLIC OF KENYA

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

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

REPORT OF THE AUDITOR-GENERAL ON IGWANJAU HIGH SCHOOL FOR THE SIX (6) MONTHS PERIOD ENDED 30 JUNE, 2021 - 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 Igwanjau High School set out on pages 10 to 21, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts, for the period then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, financial statements present fairly, in all material respects, the financial position of Igwanjau High School as at 30 June, 2021, and of its financial performance and its cash flows for the period 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. Unsupported Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.27,035,350 as disclosed in Note 11 to the financial statements. However, the supporting student detailed schedules were not provided for audit review. Further, it was noted that accounts receivables of over two (2) years amounting to Kshs.17,114,081 was still outstanding.

In the circumstances, the accuracy and recoverability of the accounts receivable balance of Kshs.27,035,350 could not be confirmed.

2. Unsupported Payments

The statement of receipts and payments reflects total expenditure amount of Kshs.10,585,823. However, review of payment vouchers amounting to Kshs.485,100 revealed that Management made payments without proper support documents such as requisitions, local purchase orders, delivery notes, inspection reports and goods received notes.

In the circumstances, the accuracy, and completeness of the expenditure amount of Kshs.485,100 could not be confirmed.

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

Emphasis of Matter

1. Unaudited Comparative Balances

I draw your attention to the fact that prior to the 2020/2021 financial year, schools were not preparing financial statements for audit pursuant to Article 229(5) of the Constitution.

The Article mandates the Auditor-General to audit and report on the accounts of any entity that is funded from public funds. Although the financial statements presented for audit include comparative balances for the year ended 30 June, 2020, the 2020/2021 financial year is considered as the first year of audit for schools. Therefore, the audit procedures undertaken did not extend to confirm the opening balances or the comparative information for the prior-year.

2. Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final revenue budget and actual on a comparable basis of Kshs.17,783,780 and Kshs.12,678,875 respectively, resulting in an under-funding of Kshs.5,104,905 or 29% of the budget. However, the School spent an amount of Kshs.10,585,823 against actual receipts of Kshs.12,678,875 resulting in an under-utilization of Kshs.2,093,052 or 17% of the actual receipts.

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

My opinion is not modified in respect of these matters.

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

Management is responsible for the Other Information set out on page 2 to 9 which comprise of the School's Information and Overall Performance, Statement of Performance against the School's Predetermined Objectives, Environmental and Sustainability Reporting and the Statement of School's Management Responsibilities. 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 and 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 effects of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Underfunding of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and operations amount of Kshs.493,742 and Kshs.3,094,743 respectively, as disclosed in Notes 1 and 2 to the financial statements. During the period under review, NEMIS reported a total number of seven hundred and fifty-eight (758) students while the enrolment records provided by the School indicated a total number of eight hundred and ninety-seven (897) students, resulting in an unexplained variance of one hundred and thirty- nine (139) students. As a result of the variances, the School was underfunded by an amount of Kshs.3,091,916 using a rate of Kshs.22,244 per student.

In the circumstances, the underfunding of the School may have affected service delivery to the students.

2. Unconfirmed Students Enrolment Data

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations totalling Kshs.3,588,485. Comparison of data from National Education Management and information System (NEMIS) with records from the County Director of Education revealed that during the period, NEMIS reflected seven hundred and fifty-eight (758) students while records from the County Director of Education had eight hundred and ninety-seven (897) students, resulting in an unexplained variance of one hundred and thirty- nine (139) students. As a result of the variances, the school was under-funded by an amount of Kshs.3,091,916. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 dated 16 June, 2021 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

In the circumstances, the accuracy of the school enrolment data could not be confirmed.

3. Excess Supply of Textbooks

During the six months period under review, it was noted that the School had not received any textbook distributions from the Ministry of Education through the Kenya Institute of Curriculum Development (KICD) since the year 2020. Further review of stores records and stock registers revealed that textbooks were issued to all students during the 2021/2022 financial year but excess textbooks were still held in the school store at the time of audit in March, 2026. The textbooks were confirmed to be obsolete and no longer in use following curriculum changes in set books.

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

4. Failure to Prepare School Improvement Plan (SIP)

During the six months period 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.

5. Lack of a Procurement Plan

The statement of receipts and payments reflects total expenditure amounts of Kshs.10,585,825. However, during the period under review 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. 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.

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

7. Late Submission of Financial Statements for Audit

During the period under review, Management submitted the financial statements to the Auditor-General on 17 March, 2023, one and a half years late, instead of the statutory deadline of 30 September, 2021. This was contrary to Section 81 of the Public Finance Management Act, 2012 on preparation and submission of the financial statements by 30 September of every year.

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

8. Unbalanced Budget

The statement of budget versus actual amounts reflects approved final revenue budget amount of Kshs.17,783,780 against an expenditure budget amount of Kshs.17,704,980 leading to a budget surplus of Kshs.78,000. Having a surplus budget is a violation of Regulation 33(c) of the Public Finance Management (National Government) Regulations, 2015 which provides that budget revenue and expenditure appropriations shall be balanced.

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

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

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.8,182,102 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.184,500 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money on amount transferred to KESSHA amounting to Kshs.184,500 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 effect(s) of the matter(s) described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of Internal Audit Function and Audit Committee

During the six months period under review, the School had not constituted an audit committee and an internal audit unit as required by Regulation 166 (1) and (2) of the Public Finance Management (National Government), 2015 which states that, the internal audit unit of a National Government entity to assess effectiveness of the school through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury.

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

2. Weaknesses in the Board of Management

Review of the minutes of the Executive Board of Management meetings revealed that the minutes of the Board of Management meetings were not signed by the secretary, the chairperson and were not supported by attendance register of the members; the audit committee, Finance and procurement committee, did not hold any meeting for the entire period ended June 2021.

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

3. Weaknesses in Management of Assets

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.73,628,000 which includes land with a balance of Kshs.28,000,000. However, the land on which the School is situated lacks title deed in its name. No explanation has been provided why the Management has not obtained title deed for the school land. Further, the School bus logbook is jointly registered with a local bank. No explanation was provided since the school had already cleared the bank loan. Additionally, the School Management did not prepare an updated fixed asset 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 the Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 May, 2026

V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2021

DESCRIPTION OF VOTE HEAD	Note	JAN2021-JUNE2021 Kshs	2020 Kshs
RECEIPTS			
Capitation grants for tuition	1	493,742	906,879
Capitation grants for operations	2	3,094,743	5,715,025
School Fund Income- Parents' Contributions	3	8,712,977	13,795,694
School Fund Income- Other receipts	4	377,323	476,941
TOTAL RECEIPTS		**12,678,875**	**20,894,539**
PAYMENTS			
Payments for Tuition	5	451,540	800,886
Payments for operations	6	1,952,180	5,724,468
Boarding and school fund payments	7	8,182,102	8,549,106
TOTAL PAYMENTS		**10,585,823**	**15,074,460**
SURPLUS/DEFICIT		**2,093,052**	**5,820,079**

The school financial statements were approved on 02/04/ 2026 and signed by:

Sign:............... **Sign**................... **Sign**...................

Name MIRITI G. JULIUS **Name** JAMES KIMATHI **Name** CPA PURITY K.

Chair BOM **School Principal/ Secretary to BOM** **Bursar/ Finance Officer**

Date 02/04/2026 **Date** 2/4/26 **Date** 02/04/2026

IGWANJAU SENIOR SCHOOL
02 APR 2026
SIGN:..................
P.O. Box 10 - 60401, CHOGORIA

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

	Note	JAN2021-JUNE2021 Kshs	2020 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	4,498,492	2,010,720
Cash Balances	9	45	622
Short term Investment	10		293,456
Total Cash and cash equivalent		**4,498,537**	**2,304,798**
Account's receivables	11	27,035,350	28,001,673
TOTAL FINANCIAL ASSETS		**31,533,887**	**30,306,471**
FINANCIAL LIABILITIES			
Accounts Payables	12	1,186,649	2,052,286
NET FINANCIAL ASSETS		**30,347,238**	**28,254,185**
REPRESENTED BY			
Accumulated Fund b/fwd	13	28,254,185	22,434,106
Surplus/Deficit for the year		2,093,053	5,820,079
NET FINANCIAL POSSITION		**3,0347,238**	**28,254,185**

The School's financial statements were approved on 02/04/2026 and signed by:

Sign:................	**Sign**......................	**Sign**........................
Name MIRITI G. JULIUS	**Name** JAMES KIMATHI	**Name** CPA PURITY K.
Chair BOM	**School Principal/ Secretary to BOM**	**Bursar/ Finance Officer**
Date 02/04/2026	**Date** 2/4/26	**Date** 02/04/2026

IGWANJAU HIGH SCHOOL
0 2 APR 2026
SIGN:..................
P.O. Box 10 - 60401, CHOGORIA

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

		JAN2021-JUNE2021 Kshs	2020 Kshs
Receipts for operating income			
Capitation grants for tuition	1	493,742	906,879
Capitation grants for operations	2	3,094,743	5,715,025
School fund income- Parents contributions/ fees	3	8,712,977	7,470,647
School fund income- other receipts	4	377,323	476,941
Total receipts		**12,678,875**	**14,569,492**
Payments			
Payments for Tuition	5	451,540	998,646
Payments for operations	6	1,952,180	5,697,198
Boarding and school fund payments	7	8,182,103	8,392,115
Total payments		**10,585,823**	**15,087,959**
Net cash flow from operating activities		**2,093,052**	**(518,467)**
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			
Overdraft			302,125
Net cash flow from financing activities			**302,125**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**2,093,052**	**(216,342)**
Cash and cash equivalent at BEGINNING of the year		**2,405,484**	**2,521,141**
Cash and cash equivalent at END of the year		**4,498,536**	**2,304,798**

The school financial statements were approved on 02/04/ 2026 and signed by:

Sign: ....
Name MIRITI G. JULIUS
Chair BOM
Date 02/04/2026

Sign................
Name JAMES KIMATHI
School Principal/ Secretary to BOM
Date 02 APR 2026

Sign................
Name CPA PURITY K.
Bursar/ Finance Officer
Date 02/04/2026

IGWANJAU SENIOR SCHOOL 02 APR 2026 SIGN:.................. P.O. Box 10-60401, CHOGORIA

VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2021

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Textbooks and reference materials	167,184		167,184	69,195	97,987	41
Exercise books	278,640		278,640	91,983	186,657	33
Laboratory equipment	6,688,736		6,688,736	332,565	6,356172	5
	7,134,560		7,134,560	493,743	6,640,818	7
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	1,280,400		1,280,400	1,115,575	164,825	87
Repairs and maintenance	1,440,000		1,440,000	1,421,250	18,750	99
Local transport / travelling	303,360		303,360	120,283	183,077	40
Electricity and water	170,640		170,640	309,094	(138,454)	181
Administration costs	189,600		189,600	67,144	122,456	35
Activity	360,000		360,000	76,399	283,601	21
Medical	480,000		480,000		480,000	
	4,224,000		**4,224,000**	**3,109,745**	**1,114,254**	
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	744,000		744,000	1,151,431	(407,431)	155

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Repairs and maintenance	576,000		576,000	263,065	312,935	46
Local transport / travelling	156,000		156,000	658,777	(502,777)	422
Electricity and water	1,176,000		1,176,000	186,856	989,144	16
Medical				12,934	12,934	#DIV/0!
Administration costs	444,000		444,000	545,004	(101,004)	123
Activity	36,000		36,000	58,550	(22,550)	162
H/SCIENCE	45,000		45,000	86,500	(41,500)	192
Fee on Boarding Equipment and Stores	6,088,500		6,088,500	7,835,060	(1,746,560)	129
	9,265,500		**9,265,500**	**10,798,177**	**(1,532,677)**	
OTHER INCOME						
Rent income	57,000		57,000	9,800	47,200	17
BUS FUND	485,000		485,000		485,000	
FARM	490,000		490,000	367,523	122,477	75
BURSARY	600,000		600,000		600,000	
ARREARS	7,147,789		7,147,789		7,147,789	
Savings Account Investment	290,000		290,000		290,000	
Interest income						
Income from any other investment						
TOTAL INCOME	**9,069,789**		**9,069,789**	**377,323**	**8,692,466**	
(I) EXPENDITURE FOR TUITION						
Teaching / learning materials	167,184		167,184		167,184	
Exercise books	278,640		278,640		278,640	
Laboratory equipment	668,736		668,736		668,736	
	1,114,560		**1,114,560**		**1,114,560**	

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	1,280,400		1,280,000	667,877	612,523	52
Repairs, maintenance & improvements	303,360		303,360	151,053	152,307	50
Local transport / travelling	170,640		170,640	119,400	51,240	70
Electricity, water and conservancy	480,000		480,000	295,503	184,497	62
Medical	189,600		189,600		189,600	
Administration costs	1,440,000		1,440,000	323,750	1,116,250	22
Activity Expenses	360,000		360,000	181,000	179,000	50
	4,224,000		**4,224,000**	**1,738,583**	**2,485,417**	
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel emoluments	744,000		744,000	1,261,767	(517,767)	170
Repairs, maintenance and improvements	576,000		576,000	313,270	262,730	54
Local transport / travelling	156,000		156,000	608,280	(452,280)	390
Electricity, water and conservancy	1,176,000		1,176,000	388,457	787,543	33
Medical Expenses				12,934	(12,934)	
Administration costs	444,000		444,000	509,634	(65,634)	115
Activity	36,000		36,000	70,000	(34,000)	194
Farm	227,000		227,000	351,489	(24,489)	155
Bus Fund	460,000		460,000	49,840	410,160	11
Boarding Equipment and Stores	5,640,000		5,640,000	4,541,771	1,098,229	81
Rent	57,000		57,000		57,000	
TOTALS	**9,516,000**		**9,516,000**	**8,137,992**	**1,378,008**	

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

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

	JAN2021-JUNE2021	2020
	Kshs	Kshs
Exercise books	91,983	-
Laboratory equipment	332,564	-
Teaching / learning materials	69,195	906,879
Total	**493,742**	**906,879**

2 CAPITATION GRANT FOR OPERATIONS

	JAN2021-JUNE2021	2020
	Kshs	Kshs
Personnel emoluments	1,100,573	1,850,500
Repairs and maintenance	1,421,250	2,149,500
Local transport / travelling	120,283	500,060
Electricity and water	309,094	268,800
Medical		
Administration costs	67,144	750,165
Activity	76,399	196,000
Total	**3,094,743**	**5,715,025**

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	JAN2021-JUNE2021	2020
	Kshs	Kshs
BES	5,888,980	9,311,626
Personnel emoluments	1,151,431	1,267,417
Repairs and maintenance	263,065	338,643
Local transport / travelling	658,777	986,037
Electricity and water	186,856	988,685
Medical	12934	3,250
Administration costs	545,004	695,760
Activity	58,550	104,330
H/SCIENCE	86,500	99,946
Total	**8,712,977**	**13,795,694**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	JAN2021-JUNE2021 Kshs	2020 Kshs
KNEC EXAM		41,100
Income from Bus Hire		95,000
Fee for hire of ground and equipment		
Income from farm	367,523	327,141
Income from rent	9,800	13,700
Interest income		
Dividends income		
Total	**377,323**	**476,941**

5 PAYMENTS FOR TUITION

	JAN2021-JUNE2021 Kshs	2020 Kshs
T&LM		459,310
Exercise books		340,000
Sundry Creditors	451,180	
Bank Charges	360	1,576
Total	**451,540**	**800,886**

6 PAYMENTS FOR OPERATIONS

	JAN2021-JUNE2021 Kshs	2020 Kshs
Personnel emoluments	667,877	2,328,772
Activity	181,000	483,050
Administration Cost	323,750	1,054,110
Repairs and maintenance & improvements	151,053	612,822
Local transport / travelling	119,400	249,300
Electricity and water	295,503	996414
Sundry Creditors	213,597	
TOTAL	**1,952,180**	**5,724,468**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 BOARDING AND SCHOOL FUND PAYMENTS

	JAN2021-JUNE2021 Kshs	2020 Kshs
Personnel emoluments	1,261,767	813,439
Activity	70,000	45,305
Repairs and maintenance & Improvements	313,270	872,145
Local transport / travelling	608,280	488,750
Electricity and water	388,457	321,587
Medical Expenses	12,934	3,250
Administration costs	509,634	505,961
H/science	30,550	
Farm	351,489	341,739
Bus Fund	49,840	257,800
Fee on Boarding Equipment and Stores	4,541,771	4,858,030
KNEC EXAM		41,100
Sundry Creditors	44,110	
TOTAL	**8,182,102**	**8,549,106**

8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	JAN2021-JUNE2021 Kshs	2020 Kshs
Tuition Account	1103764977	43,975	1,773
Operations Account	1103764675	3,123,446	1,927,740
School Fund Account/Boarding	1103764543	1,203,197	81,207
Savings Account	502004470300	127,873	
Parent Association Development Account			
Income generating activities Account			
Infrastructural Account	1289295565	-	-
Total		**4,498,491**	**2,010,720**

9 CASH IN HAND

Description	JAN2021-JUNE2021 Kshs	2020 Kshs
Tuition Account		
Operation Account	10	410
School Fund account	35	212
Total	**45**	**622**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10 SHORT TERM INVESTMENTS

Description	JAN2021-JUNE2021 Kshs	2020 Kshs
Short term Investments	-	-
Total	-	-

11 ACCOUNTS RECEIVABLE

Description	JAN2021-JUNE2021 Kshs	2020 Kshs
School fund fees debtors	27,035,350	28,001,673
Other non-fees receivables		
Total	**27,035,350**	**28,001,673**

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

Description	JAN2021-JUNE2021 Kshs	2020 Kshs
Fees arrears for current year	2,773,480	7,147,789
Fees arrears for the previous year	7,147,789	6,166,402
Fees arrears for prior periods (over two years)	17,114,081	14,687,482
Total	**27,035,350**	**28,001,673**

12 ACCOUNTS PAYABLE

Description	JAN2021-JUNE2021 Kshs	2020 Kshs
Trade creditors School Fund	546,000	482,475
Trade Creditors Operations		175,857
Trade Creditors Tuition	640,649	1,091,829
Bank Overdrawings		302,125
Total	**1,186,649**	**2,052,286**

13 FUND BALANCE BROUGHT FORWARD

Description	JAN2021-JUNE2021 Kshs	2020 Kshs
Bank balances	2,304,177	2,227,066
Cash balances	622	618
Short Term Investments		293,456
Receivables	27,698,547	20,261,325
Payables	(1,750,161)	(1,763,660)
Total	**28,254,185**	**21,018,806**

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.

14 Non-current Liabilities Summary

Description	JAN2021-JUNE2021 Kshs	2020 Kshs
Bank Loan(S)	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Total	-	-

15 Biological assets

Description	Numbers	JAN2021-JUNE2021 Kshs	2020 Kshs
Cattle	13	780,000	780,000
Sheep	11	55,000	35,000
Trees	100	500,000	520,000
Banana plantation	30	15,000	7,000
Pigs	20	140,000	120,000
Total		**1,490,000**	**1,462,000**

16 Stock/ Inventory

Description	JAN2021-JUNE2021 Kshs	2020 Kshs
a) Borrowings		
Stock/ inventory at beginning of the year	252,000	358,461
Stock/ inventory purchased during the year	4,751,150	3,783,291
Stock/ inventory issued during the year	(4,880,633)	(3,889,752)
Balance at end of the year	**122,517**	**252,000**

17 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Ref No.	Issue / Observations from Auditor	Management comments	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*

PRINCIPAL
IGWANJAU SENIOR SCHOOL
P. O. Box 10 - 60401, CHOGORIA
DATE .... SIGN: ....

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 20XX	Outstanding Balance 20XX-1	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1.						
Sub-Total						
Supply of goods						
SCHOOL PRIDE	286,086	2011		286,086		NO CLAIMS
PYRAMID CONSULTANTS	57,000	2015		57,000		NO CLAIMS
BETTY K. MUGO	498,225	2018		498,225		TO PAY ONCE FUNDS ARE AVAILABLE
CHUKA LAB EQUIOMENTS	458,390	2019	448,390	10,000		TO PAY ONCE FUNDS ARE AVAILABLE
NDOSHA SACCO	70,775	2019	23,000	47,775		TO PAY ONCE FUNDS ARE AVAILABLE
ONE PLANET PUBLISHERS	47,563	2019		47,563		NO CLAIMS
GICHIMBO ENTERPRISES	340,000	2020	100,000	240,000		TO PAY ONCE FUNDS ARE AVAILABLE
Sub-Total	**1,758,039**		**571,390**	**1,186,649**		
Supply of services						
Sub-Total						
Grand Total	**1,758,039**		**571,390**	**1,186,649**		

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Historical Cost b/f (Kshs) 1st Jan 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2021
Land 1	28,000,000			28,000,000
Land 2				
Buildings and structures	35,750,000			35,750,000
Motor vehicles	1,700,000			1,700,000
Office equipment, furniture and fittings	3,200,000			1,200,000
ICT Equipment, and Other ICT Assets	1,950,000			1,950,000
Tools and apparatus	3,800,000			3,800,000
Textbooks	488,000			488,000
Other Machinery and Equipment	380,000			380,000
Heritage and cultural assets				
Intangible assets- soft ware	360,000			360,000
Total	75,628,000			73,628,000