REPUBLIC OF KENYA

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

IGWANJAU HIGH SCHOOL

FOR THE YEAR ENDED 30 JUNE, 2022

THARAKA NITHI COUNTY

HARAMBEE

IGWANJAU HIGH SCHOOL
PUBLIC SECONDARY 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)

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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 28/09/2006 under registration number GP/A/3943/2006 and is currently categorized as an Extra County public school established, owned or operated by the Government.

The school is a day/boarding school and had 429 number of students as at 30th June 2022. It has 3 streams and 32 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	Miriti Julius	Chairman	JULY 2022
2	David Gichovi	Secretary- Principal	JULY 2022
3	Idah Nkirote	Member	JULY 2022
4	Jeremy Mbae Kirigia	Member	JULY 2022
5	Eustace Mugambi	Member	JULY 2022
6	Lucy Kaari	Member	JULY 2022
7	Catherine Wanja	Member	JULY 2022
8	Prof. Lucy Gitonga	Member – Rep CEB	JULY 2022
9	Justin Murangiri	Member Rep Teachers	JULY 2022
10	Rev. Nicholus Miriti	Sponsor	JULY 2022
11	Fredrick Nzivo	PTA Chairperson	JULY 2022
12	Dr. Agnes Wanja	Member - Community	JULY 2022
13	Rose Kathambi	Member	JULY 2022
14	Mr. David Murithi	MemberSpecial Needs	JULY 2022
15	Martin Mugendi	Rep student	JULY 2022

Key School Information and Management (Continued)

The function of the School Board of Management include:

- 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**	Julius Miriti	Chairperson	3
		David Gichovi	Secretary/Principal	3
		Prof. Lucy Gitonga	Vice Chairperson	3
		Mbae Kirigia	Member	3
		Fredrick Nzivu	PTA Chairperson	3
2	**Academic Committee**	Prof. Lucy Gitonga	Chairlady	1
		Dr. Agnes Wanja	Member	1
		Mbae Kirigia	Member	1
		Rose Kthambi	member	1
3	**Development Committee**	Rev. Nicholus Miriti	chairman	1
		Miriti Julius	BOM Chairperson	1
		Lucy Kaari	member	1
		Fredrick Nzivu	PTA Chairperson	1
		Gichovi D.M	Principal	1
		Mrs Ann Kaunda	D/P Secretary	1
4	**Discipline and welfare Committee**	Idah Nkirote	Chairlady	3
		Eustace Mugambi	Member	
		Catherine Wanja	Member	3
		David Muriithi	Member	

(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	David Gichovi	335185
2	Deputy Principal	Ann K. Mukindia	351353
3	School Bursar	Purity Kathambi	ID. NO. 13620435

(e) Schools contacts

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

(f) School Bankers

The following school operated 5 number of bank accounts in the following banks:

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: KCB - INFRASTRUCTURE ACCOUNT
   Branch: CHOGORIA
   Account: 1289295565

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

MPESA Pay Bill Business No. 522123 Account No. 30879K attached to 1103764543 KCB bank account

(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 grants from the Ministry of Education for the last three years

YEAR	GRANT
2020	6,621,904.00
2021	3,603,487.70
2022	7,470,243.40

ii) Ratio of capitation grant per student over the last three years

YEAR	RATIO (grant per student)
2020	1:17,472.05
2021	1:9,507.89
2022	1:17,413.16

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

YEAR	2020	2021	2022
DESCRIPTION			
SURPLUS/DEFICIT	5,820,079	4,902,053	(842,887)
INCOME GOWTH	20,894,539	14,778,988	32,168,034
EXPENDITURE GROWTH	15,074,460	9,876,935	33,010,922
DEBTORS MOVEMENT	7,147,789	2,773,481	3,318,169
CREDITORS MOVEMENT	1,028,321	498,225	
CASH AND BANK BALANCES MOVEMENT	2,304,798	4,664,119	2,405,931

b) **Teacher Student ratio**:

TEACHERS	STUDENTS
1	13
34	429

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

YEAR	MEAN SCORE	DEVIATION	UNIVERSITY ENTRIES
2019	4.11	+0.07	12
2020	4.23	+0.12	7
2021	3.34	-0.89	2

d) Number of Candidates in the 2021 KCSE:

YEAR	NO. OF CANDIDATES
2019	114
2020	87
2021	135

e) Capacity of the school:

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 171 - 60401, CHOGORIA

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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 (PSASB) of Kenya from time to time.

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

The Board of Management of **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, 2022, and of the school's financial position as at that date.

....

Name: MIRITI G. JULIUS
Designation: Chairman, School Board of Management
Date: 02/04/2026

....

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

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

....

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

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E[illegible]: info@oagkenya.go.ke
Website: www.oagkenya.go.ke

REPUBLIC OF KENYA

OAG
OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON IGWANJAU 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 Igwanjau High School set out on pages 1 to 13, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts, for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the 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 Igwanjau High School as at 30 June, 2022, and of its financial performance and its cash flows 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. Unsupported Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.26,785,351 as disclosed in Note 10 to the financial statements. However, the supporting student detailed schedules were not provided for audit review. Further, it was noted that accounts receivables over two (2) years amounting to Kshs.22,846,569 was still outstanding.

In the circumstances, the accuracy and recoverability of the accounts receivable balance of Kshs. 26,785,351 could not be confirmed.

2. Unsupported Payments

The statement of receipts and payments reflects total expenditure amount of Kshs.32,846,576. However, review of payment vouchers amounting to Kshs.1,585,230 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 regularity, accuracy and completeness of the amount of Kshs.1,585,230 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

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final revenue budget and actual on a comparable basis of Kshs.29,405,120 and Kshs.30,803,798 respectively, resulting in an overfunding of Kshs.1,398,678 or 5% of the budget revenue. However, the

School spent an amount of Kshs.32,846,576 against a budget of Kshs.29,405,120, resulting in an over-utilization of Kshs.3,441,456 or 12% of the budget. The approval for the over-utilization was not provided for audit review.

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

Management is responsible for the Other Information set out on page iii to ix 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.1,427,296 and Kshs.6,042,947 respectively as disclosed in Notes 1 and 2 to the financial statements. During the year under review, NEMIS reported a total number of one thousand five hundred and fifty- seven (1,557) students while the enrolment records provided by the School indicated a total number of one thousand six hundred and fifty-eight (1,658) students, resulting in an unexplained variance of one hundred and one (101) students. As a result of the variances, the School was under-funded by an amount of Kshs.2,246,644 using a rate of Kshs.22,244 per student.

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

2. Unconfirmed Students Enrolment Data

The statement of financial performance reflects capitation grants for tuition and operations grants totalling Kshs.7,470,243. Comparison of data from National Education Management and information System (NEMIS) with records from the County Director of Education revealed that during the financial year 2021/2022, NEMIS reflected one thousand five hundred and fifty- seven (1,557) students while records from the County Director of Education had one thousand six hundred and fifty-eight (1,658) students, resulting in an unexplained variance of one hundred and one (101) students. As a result of the variances, the School was under-funded by an amount of Kshs.2,246,644. 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 students enrolment data could not be confirmed.

3. Excess Supply of Textbooks

During the year 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 2022.Further examination of stores records and stock registers revealed that textbooks were issued to all students during the 2021/2022 financial year and still excess textbooks were still held in the School store at the time of audit. 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 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.

5. Lack of a Procurement Plan

The statement of receipts and payments reflects total expenditure amounts of Kshs.32,846,576. However, during the year School 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 year under review, Management submitted the financial statements to the Auditor-General on 17 March, 2023, six months late, instead of the statutory deadline of 30 September, 2022. This was contrary to Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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.29,405,120 against an expenditure budget amount of Kshs. 29,209,120 leading to a budget surplus of Kshs.196,000 contrary to 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.22,242,568 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.411,500 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.411,500 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 year 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 year ended June 2022.

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.48,628,00 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 was 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

12 May, 2026

V. Statement Of Receipts And Payments Period To 30th June 2022

Description Of Vote Head	Note	2021-2022 Kshs	2020-2021 Kshs
Receipts			
Capitation grants for tuition	1	1,427,296	493,742
Capitation grants for operations	2	6,042,947	3,094,743
School fund income- parents' contributions	3	22,309,877	8,712,977
School fund income- other receipts	4	1,023,678	377,323
Total Receipts		**30,803,798**	**12,678,875**
Payments			
Payments for tuition	5	1,466,975	451,540
Payments for operations	6	9,137,033	1,952,180
Boarding and school fund payments	7	22,242,568	8,182,102
Total Payments		**32,846,576**	**10,585,823**
Surplus/Deficit		**(2,042,778)**	**2,093,052**

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

…………………………………	…………………………………	…………………………………
Name: MIRITI G. JULIUS	**Name:** [illegible]	**Name:** CPA PURITY K
Chair BOM	**School Principal/ Secretary to BOM**	**Bursar/ Finance Officer**
Date: 02/04/2026	**Date:**	**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 2022

Description	Note	2021-2022 Kshs	2020-2021 Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	8	2,455,686	4,498,492
Cash balances	9	72	45
Short term investment	10		
Total cash and cash equivalent		**2,455,758**	**4,498,537**
Account's receivables	10	26,785,351	27,035,350
Total financial assets		**29,241,109**	**31,533,887**
Financial liabilities			
Accounts payables	11	936,649	1,186,649
Net financial assets		**28,304,460**	**30,347,238**
Represented by			
Accumulated fund b/fwd	12	30,347,238	28,254,185
Surplus/deficit for the year		(2,042,778)	2,093,053
Net financial position		**28,304,460**	**30347238**

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

………………………………	………………………………	………………………………
Name: MIRITI G. JULIUS	**Name:** JAMES KARATINA	**Name:** CPA PURITY K
Chair BOM	**School Principal/ Secretary to BOM**	**Bursar/ Finance Officer**
Date: 02/04/2026	**Date:**	**Date:** 02/04/2026.

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

VII. Statement of Cash Flows for The Period Ended 30th June 2022

Description	Notes	2021-2022 Kshs	2020-2021 Kshs
Operating activities			
Receipts			
Capitation grants for tuition	1	1,427,296	493,742
Capitation grants for operations	2	6,042,947	3,094,743
School fund income- parents contributions/ fees	3	22,309,877	8,712,977
School fund income- other receipts	4	1,023,678	377,323
Total receipts		**30,803,798**	**12,678,875**
Payments			
Payments for tuition	5	1,466,975	451,540
Payments for operations	6	9,137,033	1,952,180
Boarding and school fund payments	7	22,242,568	8,182,103
Total payments		**32,846,576**	**10,585,823**
Net cash flow from operating activities		**(2,042,778)**	**2,093,052**
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		**(2,042,778)**	**2,093,052**
Cash and cash equivalent at beginning of the year		**4,498,536**	**2,405,484**
Cash and cash equivalent at end of the year		**2,455,758**	**4,498,536**

MIRITI G JULIUS
CHAIR BOM
02/04/2026

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

CPA PURITY K.
BURSAR
02/04/2026

JAMES KIMATHI
PRINCIPAL / B.O.M SECRETARY
2/4/2026

VIII. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2022

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

Receipt/expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
T&LM	684,300		684,300	142,030	542,271	21
EXER BOOKS	627,200		627,200	490,377	136,824	78
LAB. EQUIPMENTS	352,720		352,720	710,149	(357,429)	201
REVISION MATERIALS	564,900		564,900	77,742	487,158	14
SCHOOL FUND			-	7,000	(7,00)	!
	2,229,120		2,229,120	1,427,29	801,824	64
(2) CAPITATION GRANT ON OPERATIONS			-			
PEMOL	2,464,800		2,464,800	2,099,974	364,826	85
LT&T	806,720		806,720	807,577	(857)	100
EW&C	641,280		641,280	600,113	41,167	94
ADM COSTS	479,200		479,200	587,349	(108,149)	123
RMI	2,880,000		2,880,000	1,843,000	1,037,000	64

ACTIVITY	720,000		720,000	104,934.00	615,066.00	14.57
MEDICAL/INSURANCE	360,000		360,000	-	360,000.00	-
	8,352,000		8,352,000	**6,042,947.20**	**2,309,052.80**	
(3) FEES CHARGED ON PARENTS			-			
BES	11,496,000		11,496,000	13,754,648	(2,258,648)	120
EW&C	720,000		720,000	932,288	(212,287)	129
ACTIVITY	168,000		168,000	252,705	(84,705)	150
ADM COSTS	816,000		816,000	1,123,939	(307,939)	138
PEMOL	1,776,000		1,776,000	2,124,076	(348,076)	120
LT&T	1,296,000		1,296,000	1,569,188	(273,188)	121
RMI	528,000		528,000	756,540	(228,540)	143
H/SCIENCE	150,000		150,000	266,254	(116,254)	178
UNIFORM	2,100,000		2,100,00	853,930	1,246,070	41
MEDICAL	-		-	39,946	(39,946)	
BANK CHARGES	-		-	600	(600)	
	19,050,000		19,050,000	**21,674,114**	**(2,624,114)**	
School Fund -OTHER INCOME			-			
FARM	980,000.		980,000	710,178	269,823	72
BUS FUND	930,000		930,000	244,000	686,000	26
RENT	114,000		114,000	33,700	80,300	30

KNEC EXAM	-		-	35,800	(35,800)	
INFRASTRUCTURE INCOME				2,000,000	(2,000,000)	
TOTAL INCOME	**2,024,000**		2,024,000	**1,023,678**	**1,000,323**	
(1) EXPENDITURE FOR TUITION			-			
T&LM	684,300		684,300	87,000	597,300	13
EXER BOOKS	627,200		627,200	468,990	158,210	75
LAB. EQUIPMENTS	352,720		352,720	576,440	(223,720)	163
REVISION MATERIALS	564,900		564,900	76,105	488,795	13
SCHOOL FUND	-		-	7,000	(7,000)	
BANK CHARGES	-		-	1,440	(1,440)	
S. CREDITORS	-		-	250,000	(250,000)	
	2,229,120		2,229,120	**1,466,975**	**762,145**	
(2) EXPENDITURE FOR			-			
OPERATIONS			-			
PEMOL	2,464,800		2,464,800	2,607,142	(142,342)	106
LT&T	806,720		806,720	856,524	(49,804)	106
EW&C	641,280		641,280	1,187,527	(546,247)	185
ADM COSTS	479,200		479,200	1,683,233	(1,204,033)	351
RMI	2,880,000		2,880,000	260,462	2,619,538	9
ACTIVITY	720,000		720,000	542,145	177,855	75

MEDICAL/INSURANCE	360,000.		360,000	-	360,000	-
	8,352,000		8,352,000	**7,137,033**	**1,214,967**	
(3) EXPENDITURE FOR			-			
SCHOOL FUND			-			
BES	11,496,000		11,496,000	12,915,184	(1,419,184)	112
EW&C	720,000		720,000	651,262	68,738	90
ACTIVITY	168,000		168,000	204,750	(36,750)	122
ADM COSTS	816,000		816,000	1,908,195	(1,092,195)	234
PEMOL	1,776,000		1,776,000	1,890,543	(114,543)	106
LT&T	1,296,000		1,296,000	1,458,885	(162,885)	113
RMI	528,000		528,000	766,267	(238,267)	145
H/SCIENCE	150,000		150,000	111,128	38,872	74
UNIFORM	2,100,000		2,100,000	1,136,380	963,620	54
MEDICAL	-		-	49,556	(49,556)	
FARM	908,000		908,000	829,645	78,355	91
BUS FUND	920,000		920,000	507,929	412,071	55
KNEC EXAM	-		-	35,800	(35,800)	
TOTAL School fund Payments	**20,878,000**		20,878,000	**22,473,880**	**(1,595,880)**	

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 2022.

X. Notes To The Financial Statements

1 Capitation Grant for Tuition

Description	2021-2022 Kshs	2020-2021 Kshs
Revision Materials	77,742	
Exercise Books	490,375	91,983
Laboratory Equipment	710,179	332,564
School Fund	7,000	
Teaching / Learning Materials	142,030	69,195
Total	**1,427,296**	**493,742**

2 Capitation Grant for Operations

Description	2021-2022 Kshs	2020-2021 Kshs
Personnel Emoluments	2,099,974	1,100,573
Repairs And Maintenance	1,843,000	1,421,250
Local Transport / Travelling	807,577	120,283
Electricity And Water	600,113	309,094
Medical		
Administration Costs	587,349	67,144
Activity	104,934	76,399
Total	**6,042,947**	**3,094,743**

3 Parents Contribution/Fees - School Fund Account

Description	2021-2022 Kshs	2020-2021 Kshs
Bes	15,244,341	5,888,980
Personnel emoluments	2,124,076	1,151,431
Repairs and maintenance	756,540	263,065
Local transport / travelling	1,569,188	658,777
Electricity and water	932,288	186,856
Medical	39,946	12934
Home science	266,254	86,500
Bank Charges	600	
Administration costs	1,123,939	545,004
Activity	252,705	58,550
Total	**22,309,877**	**8,712,977**

Notes To The Financial Statements (Continued)

4 Other Receipts – School Fund Account

Description	2021-2022 Kshs	2020-2021 Kshs
KNEC Exam	38,800	
Rent Income	33,700	9,800
Income From Farming Activities	710,178	367,523
Insurance Compensation		
Income From Posho Mill		
Income From Bus Hire	244,000	
Fee For Hire of Ground and Equipment		
Income From Grants and Donations*		
Interest Income		
Dividends Income		
Total	**1,023,678**	**377,323**

5 Payments For Tuition

Description	2021-2022 Kshs	2020-2021 Kshs
Revision Materials	76,105	
Exercise Books	468,990	
Laboratory Equipment	576,440	
School Fund	7,000	
Teaching / Learning Materials	87,000	
Sundry Creditors	250,000	451,180
Exams And Assessment		
Administration Costs		
Bank Charges	1,440	360
Total	**1,466,975**	451,540

Notes To The Financial Statements (Continued)

6 Payments For Operations

Description	2021-2022 Kshs	2020-2021 Kshs
Personnel Emoluments	2,607,142	667,877
Infrastructure A/c	2,000,000	xxx
Administration Cost	1,683,233	323,750
Repairs And Maintenance & Improvements	260,462	151,053
Local Transport / Travelling	856,524	119,400
Electricity And Water	1,187,527	295,503
Medical		
Activity Expenses	542,145	181,000
Sundry Creditors		213,597
Total	**9,137,033**	**1,952,180**

7 Boarding And School Fund Payments

Description	2021-2022 Kshs	2020-2021 Kshs
Personnel Emoluments	1,890,543	1,261,767
Activity	204,750	70,000
Repairs And Maintenance & Improvements	766,267	313,270
Local Transport / Travelling	1,458,885	608,280
Electricity And Water	651,262	388,457
Medical Expenses	49,556	12,934
Administration Costs	1,915,951	509,634
Home Science	111,128	30,550
Bank Charges	600	
Knec Exam	35,800	
Fee On Boarding Equipment and Stores	13,820,252	4,541,771
Bus Fund	507,929	49,840
Insurance Cost (*Life Property*)		
Farm	829,645	351,489
Sundry Creditors		44,110
Acquisition Of Assets		
Total	**22,242,568**	**8,182,102**

Notes To The Financial Statements (Continued)

8 Bank Accounts

Name Of Bank, Account No. & Currency	Bank Account Number	2021-2022 Kshs	2020-2021 Kshs
Tuition Account	1103764977	4,297	43,975
Operations Account	1103764675	29,320	3,123,446
School Fund Account/Boarding	1103764543	78,787	1,203,197
Savings Account	502004470300	343,282	127,873
Parent Association Development Account			
Income Generating Activities Account			
Infrastructural Account	1289295565	2,000,000	
Total		**2,455,685**	**4,498,491**

9 Cash In Hand

Description	2021-2022 Kshs	2020-2021 Kshs
Tuition Account		
Operation Account	50	10
School Fund account	22	35
Total	**72**	**45**

10 Short Term Investments

Description	2021-2022 Kshs	2020-2021 Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit	-	-
Equity Stock	-	-
Other Investments	-	-
Total	-	-

Notes To The Financial Statements (Continued)

11 Accounts Receivable

Description	2021-2022 Kshs	2020-2021 Kshs
Fees Arrears	26,785,351	27,035,350
Other Non-Fees Receivables	-	-
Salary Advances	-	-
Imprest	-	-
Total	**26,785,351**	**27,035,350**

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

Description	2021-2022 Kshs	2020-2021 Kshs
Fees Arrears For Current Year	3,318,165	2,773,480
Fees Arreas Recovered during the year	(2,152,868)	
Fees Arrears For The Previous Year	2,773,481	7,147,789
Fees Arrears For Prior Periods (Over Two Years)	22,846,569	17,114,081
Total	**26,785,351**	**27,035,350**

12 Accounts Payable

Description	2021-2022 Kshs	2020-2021 Kshs
Trade Creditors (See Ageing Below and Appendix 1)	936,649	546,000
Prepaid Fees		
Trade creditors tuition		640,649
Total	**936,649**	**1,186,649**

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

Description	2021-2022 Kshs	2020-2021 Kshs
Trade Creditors for Current Year		
Trade Creditors for The Previous Year	936,649	
Trade Creditors for Prior Periods (Over Two Years)		
Total	**936,649**	

Notes To The Financial Statements (Continued)

13 Fund Balance Brought Forward

Description	2021-2022 Kshs	2020-2021 Kshs
Bank Balances	4,498,492	2,304,177
Cash Balances	45	622
Short Term Investments		
Receivables	27,035,350	27,698,547
Payables	(1,186,649)	(1,750,161)
Total	**30,347,238**	**28,254,185**

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	2021-2022 Kshs	2020-2021 Kshs
Bank Loan(S)	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Total	-	-

15 Biological assets

Description	Numbers	2021-2022 Kshs	2021 Kshs
Cattle	10	700,000	780,000
Sheep	9	45,000	55,000
Trees	100	500,000	500,000
Banana plantation	28	14,000	15,000
Pigs	15	105,000	140,000
Total		**1,364,000**	**1,490,000**

16 **Borrowings**

Description	2021-2022 Kshs	2020-2021 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

17 Stock/ Inventory

Description	2021-2022 KShs	2021-2021 KShs
b) Inventory		
Stock/ inventory at beginning of the year	122,517	252,000
Stock/ inventory purchased during the year	19,325,025	4,751,150
Stock/ inventory issued during the year	(18,259,725)	(4,880,633)
Balance at end of the year	**1,187,817**	**122,517**

18 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 ....

Sign and Date
Principal

Annex 1 - Analysis Of Pending Accounts Payable

Supplier of Goods or Services	Original Amount	Date Contracted	Amount paid To-Date	Outstanding Balance 2021-2022	Outstanding Balance 2022	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1						
2						
3						
Sub-Total						
Supply of goods						
SCHOOL PRIDE	286,086	2011		286,086	286,086	No claims
PYRAMID CONSULTANTS	57,000	2015		57,000	57,000	No claims
BETTY K. MUGO	498,225	2018		498,225	498,225	To pay once funds available
NDOSHA SACCO	70,775	2019	23,000	47,775	47,775	To pay once funds available
ONE PLANET PUBLISHERS	47,563	2019		47,563	47,563	No claims
Grand Total	**959,649**	-	**23,000**	**936,647**	**936,649**	

Annex 2 – Summary Of Fixed Assets Register

Asset class	Historical Cost b/f (Kshs) 1st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2022
Land 1	**28,000,000**			**28,000,0000**
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	**360,0000**			**360,000**
Total	**75,628,000**			**75,628,000**