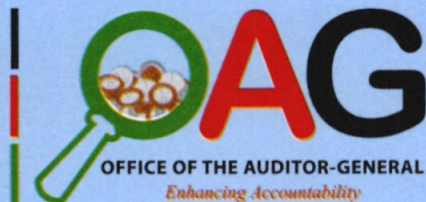
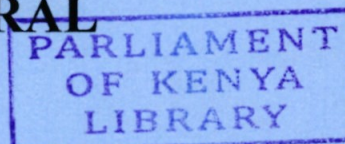


REPUBLIC OF KENYA



 THE NATIONAL ASSEMBLY REPORT PAPERS LAID	
DATE: 01 JUL 2026	
DAY: WEDNESDAY	
TABLED BY:	HON. OWEN BAYA, M.P.
CLERK AT THE TABLE:	CHRISTINE NDIRITU

THE AUDITOR-GENERAL

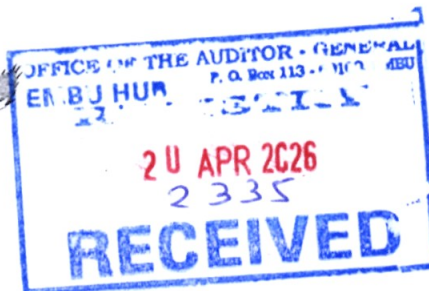


ON

ITUGURURU HIGH SCHOOL

**FOR THE YEAR ENDED
30 JUNE, 2021**

THARAKA NITHI COUNTY



ITUGURURU HIGH SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th June 2021

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

Annual Report and Financial Statements
For the year 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, Igambang'ombe Sub-County

The school was registered in 02\2012 under registration number PU/S/2/2842/12 and is currently categorized as an Extra County, public school established, owned or operated by the Government.

The school is a boarding school and had 375 number of students as at 30th June 2021. It has 4 streams and 21 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	Jasper Gitonga	Chairman	26/03/2019
2	Esther Wangui Kariuki	Secretary - Principal	26/03/2019
3	Beatrice Murugi	Member	26/03/2019
4	Geoffrey Nyaga Njue	Member	26/03/2019
5	Justin Wamurithi	Member	26/03/2019
6	Anderson Murithi	Member	26/03/2019
7	Silvestre Rugendo	Member	26/03/2019
8	Amos Mbaka	Member - Rep CEB	26/03/2019
9	Stellah Murithi	Member Rep Teachers	26/03/2019
10	Letton Mugo	Members - Sponsor	26/03/2019
	Erick Kiriimi		
	Joselyne Wanjia		
	Fredrick Kimemia		
11	Janice Kainda	Member - Community	26/03/2019
12	Charles Mbogo	Members Special Needs	26/03/2019
13		Rep Students	26/03/2019

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The function of the School Board of Management includes:

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

(c) Committees of the Board

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

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

ITUGURURU HIGH SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

(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	Esther W. Kariuki	305559
2	Deputy Principal	Linus Mugo Mugendi	359443
3	School Bursar	Stephen Mwiathi Mbuba	ID. 22491705

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

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

(f) School Bankers

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

SCHOOL FUND ACCOUNT

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

TUTION ACCOUNT

3. Name of Bank: Equity Bank
Branch: Chuka
Account Number: 0210291342857

OPERATIONS ACCOUNT

4. Name of Bank: Equity Bank
Branch: Chuka
Account Number: 0210291771448

INFRASTRUCTURE ACCOUNT

ITUGURURU HIGH SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

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

CDF ACCOUNT

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

(g) Independent Auditors

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

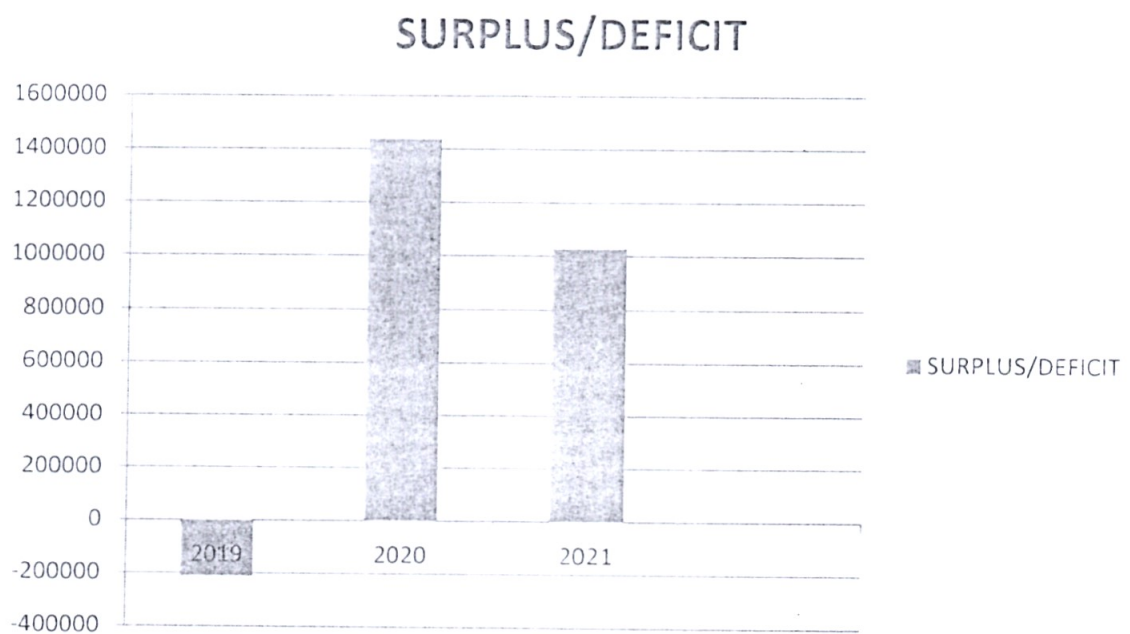
II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

a) Financial performance:

A]SURPLUS/DEFICIT

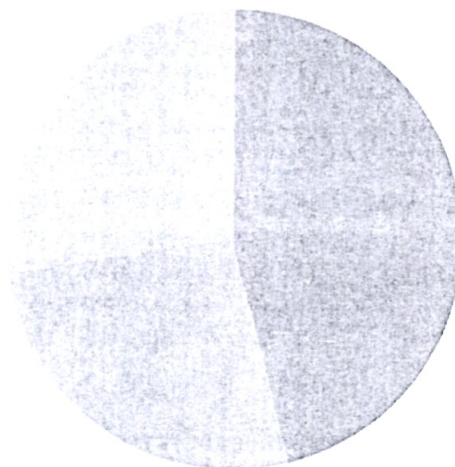
YEAR	SURPLUS/DEFICIT
2019	[211,872.77]
2020	1,439,022.97
2021	1,027,680.75



B]CAPITATION GRANTS

YEAR	TOTAL
2019	7,649,871.14
2020	4,410.360
2021	4,562,706.75

CAPITATION GRANTS

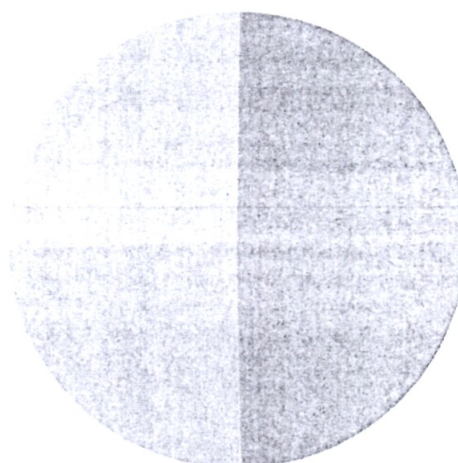


■ 2019
■ 2020
■ 2021

C.RATIO OF CAPITATION PER STUDENT

YEAR	RATIO
2019	1:18000
2020	1:9000
2021	1:9400

RATIO CAPITATION PER STUDENT

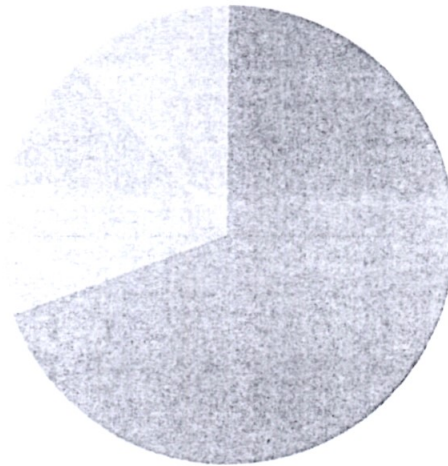


■ 2019
■ 2020
■ 2021

D. THREE OVER VIEW OF GROWTH OF INCOME

YEAR	GROWTH OF INCOME
2019	1,023,826.11
2020	283,083.89
2021	170,900.00

GROWTH OF INCOME

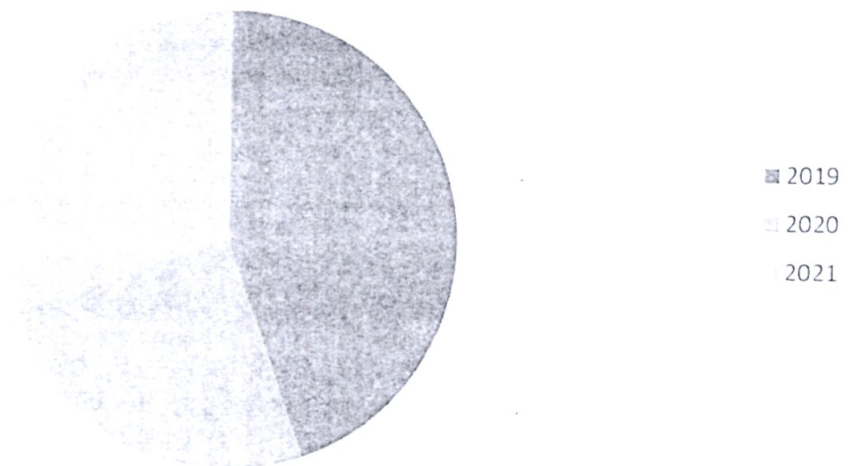


■ 2019
■ 2020
■ 2021

E. THREE YEAR OVER VIEW OF GROWTH IN EXPENDITURE

YEAR	GROWTH OF EXPENDITURE
2019	19,998,967.91
2020	11,218,045.03
2021	13,701,597.00

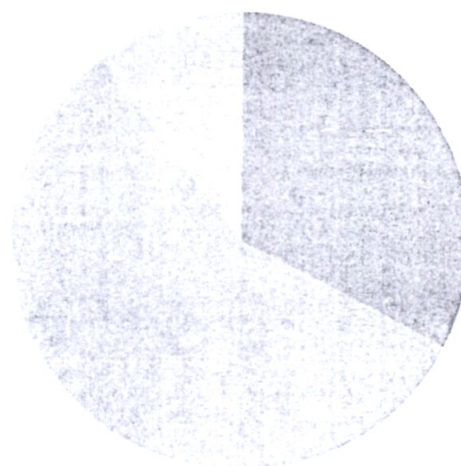
GROWTH OF EXPENDITURE



F MOVEMENT OF DEBTORS FOR THE LAST THREE YEARS

YEAR	DEBTORS
2019	3,214,514.30
2020	3,648,789.30
2021	443,845.00

DEBTORS



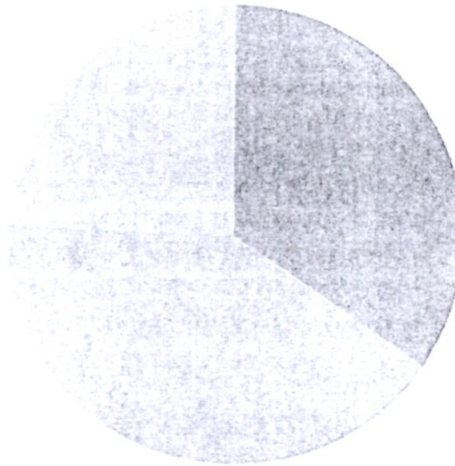
■ 2019
■ 2020
■ 2021

ITUGURURU HIGH SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

F. MOVEMENT OF CREDITORS FOR THE LAST THREE YEARS

YEAR	CREDITORS
2019	699,219.00
2020	827,380.00
2021	493,545.00

CREDITORS

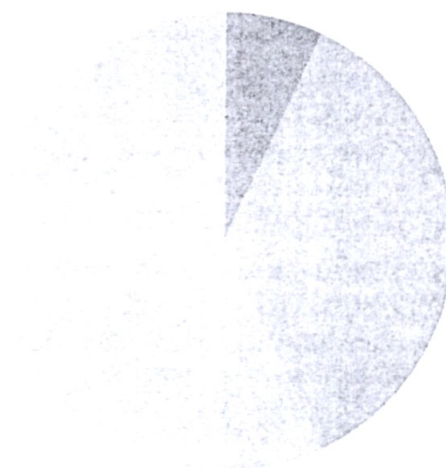


■ 2019
■ 2020
■ 2021

H MOVEMENT OF CASH AND BANK BALANCES OVER THREE YEARS

YEAR	CASH AND BANK BALANCES
2019	330,470.15
2020	1,724,330.57
2021	2,738,679.96

CASH AND BANK BALANCES



■ 2019
■ 2020
■ 2021

ITUGURURU HIGH SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

·B|TEACHER STUDENT RATIO

TOTAL NO OF STUDENTS 485

APPROXIMATE TEACHERS EXPECTED IN THE SCHOOL FOR 485

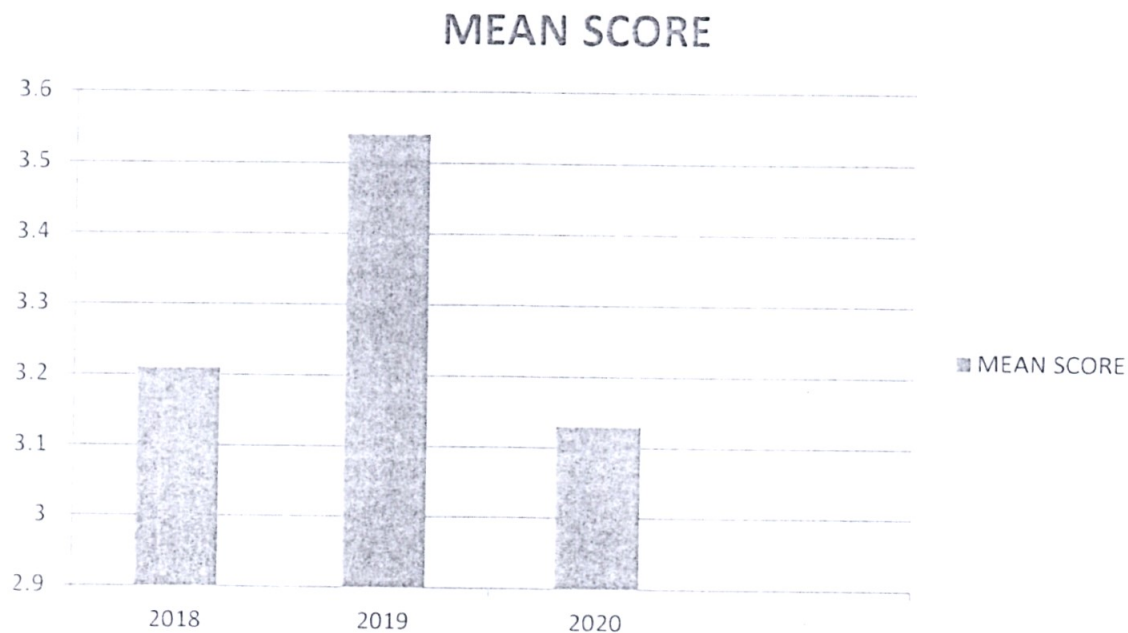
STUDENTS.....[CBE NUMBER]

NO	NAME	SUBJECT COMBINATIONS	TSC/BOM
1	ESTHER WANGUI KARIUKI	HIST /CRE	TSC
2	BENSON IRINGO	B/S	TSC[TRANSFERED]
3	MARTIN WACHIRA GERALD	BIO/AGR	TSC
4	FRANKLINE NKOU MUTEGI	KISW/GEO	TSC
5	BARASA PAUL SAFINA	MATH/PHY	TSC
6	VERONICAH WANJIKU KAGERA	KISW/HIST	TSC[TRANSFERRED]
7	BONFICE MUKUNDI	HIST/CRE	TSC
8	STELLA KANINI MATI	ENG/LIT	TSC
9	PAUL KIMATHI MUGIIRA	KISW/HIST	TSC
10	MIKE KIRIMI NYAGA	KISW/GEO	TSC
11	KIMINGI JULIUS IRUNGU	MATH/CHEM.	TSC
12	JOSEPH MURAGE	MATH/CRE	TSC
13	JOHN MAUNDU MUTUA	MATH /B/S	TSC
14	DILLON MUGENDI MUGO	MATHS /CHEM.	TSC
15	JUSTUS MUTHOKA	ENG /LIT	TSC
16	DENIS GITONGA	BIO /CHEM	TSC
17	DICKSON KIMATHI	KISW CRE	TSC
18	ANNASTACIA JEMTAI	MATH CHEM	TSC[POSTED TO OUR SCHOOL]
19	PURITY KATHOMI	BIO/AGRI	TSC
20	EVELYN MINOO	MATH /B/S	TSC
21	FAITHJOY KINYUA KIRAITHE	KISW/ CRE	BOM
22	TR WINJOY	PHY MATH	BOM
23	DENNIS MURIMI	ENG /CRE	BOM

ITUGURURU HIGH SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

b) Mean score in the 2020 KCSE:

Year	Means score	Number of students	No of students Transitioned to higher learning	Comment
2018	3.206	59	5	Positive deviation
2019	3.54	83	4	Positive deviation
2020	3.132	110	4	Negative deviation



c) Number of Candidates in the 2021 KCSE:

Year	Number of students
2018	59
2019	83
2020	110

ITUGURURU HIGH SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

d) Capacity of the school:

s/n	No of students	Structure	Capacity
1	485	1 Dining hall	480 student
2	485	5 dormitories	500 students
3	485	2 laboratories	110 students
4	485	15 classes rooms	525 students
5	485	40 toilets	12 students one toilet
6	485	1 Staffroom	35 teachers
7	485	4 staff houses	4 teachers

E] Development projects carried out by the school:

PROJECT	SOURCE OF FUNDS	STATUS
Book Store	C.D.F	IN USE

Sign _____
JEAN NYAWIRA MURIGU
School Principal

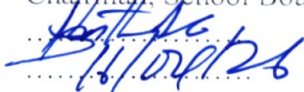
III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

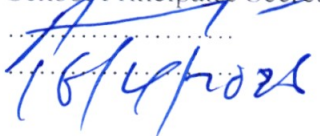
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant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

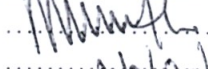
Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to keep all proper books and records of accounts of the income, expenditure and assets of the institution.

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

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

Name: JASPER GITONGA
Designation: Chairman, School Board of Management
Sign: 
Date: 16/4/2021

Name: JEAN NYAWIRA MURIGU
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 16/4/2021

Name: STEPHEN MWIATHI MBUBA
Designation: Bursar/ Finance Officer
Sign: 
Date: 16/4/2021

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON ITUGURURU HIGH SCHOOL FOR THE YEAR 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 Itugururu High School set out on pages 18 to 36, which comprise of statement of financial assets and financial liabilities for the year ended 30 June, 2021, the statement of receipts and payments, statement of

Report of the Auditor-General on Itugururu High School for the year ended 30 June, 2021 - Tharaka Nithi County

cashflows 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 Itugururu High School as at 30 June, 2021 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. Inaccuracies in the Financial Statements

Review of the financial statements revealed the following misstatements;

1.1 Variances Between Statements of Receipts and Payments and Statement of Cashflows

Item	Statements of Receipts and Payments (Kshs.)	Statement of Cashflows (Kshs.)	Unreconciled Variance (Kshs.)
Total Receipts	15,616,577	14,729,277	887,300
Total Payments	13,995,142	13,701,597	239,545

1.2 Variances Between Statements of Receipts and Payments and Statement of Budgeted Versus Actual

Item	Statements of Receipts and Payments (Kshs.)	Statement of Budgeted and Actual (Kshs.)	Unreconciled Variance (Kshs.)
Total Receipts	15,616,577	7,726,140	7,890,437
Total Payments	13,995,142	6,304,312	7,690,830
Infra-Structure Receipts	2,610,000	Nil	2,610,000
Infra-Structure Payments	1,636,760	Nil	1,636,760

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

2. Unsupported Accounts Receivable

The statement of assets and liabilities reflects accounts receivable balance of Kshs.1,037,600 as disclosed in Note 12 but rereferred to as Note 10 to the financial statements. However, the balance was not supported by the general ledger. In addition, detailed ageing analysis of the balance, including names of students, admission numbers and amounts of unpaid fees per student were not provided for audit review. Further, the School has no approved policy on provision for bad and doubtful debts, and the balance was not assessed for impairment.

In the circumstances, the accuracy and completeness of the accounts receivable balance of Kshs.1,037,600 could not be confirmed.

3. Unsupported Miscellaneous Income

The statement of receipts and payments and as disclosed in Note 5 but not referenced to the financial statements reflects revenue from miscellaneous sources amounting to Kshs.170,900. However, examination of revenue records revealed that Management did not provide adequate supporting documentation such as official receipts, bank deposit slips, bank statements, approved bus hire rates, ledgers, contract agreements, or other relevant supporting documents to substantiate the amounts reported.

In the circumstances, the accuracy, and completeness of revenue amounting to Kshs.170,900 could not be confirmed.

4. Unsupported Biological Assets and Inventory

The financial statements reflect biological assets and inventory balances of Kshs.282,200 and Kshs.228,500 respectively, as disclosed in Notes 16 and 18 to the financial statements. However, supporting documents such as asset registers, ledgers and stock take reports were not provided for audit verification.

In the circumstances, the accuracy, completeness and existence of the biological assets and inventory balances of Kshs.282,200 and Kshs.228,500 respectively could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual receipts on a comparable basis of Kshs.14,816,500 and Kshs.6,904,860 respectively, resulting in an under-funding of Kshs.7,911,640 or 53% of the budget. The under-funding affected the planned activities and may have impacted negatively on service delivery to the public.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unaudited Nil Comparative Balances

I draw attention to the fact that prior to the 2020/2021 financial year, Public Secondary Schools in Kenya did not prepare financial statements for audit. Consequently, the Public Sector Accounting Standards Board prescribed 30 June, 2021 as the first-time adoption of the International Public Sector Accounting Standards (IPSAS) – Cash Basis of Accounting by Public Secondary Schools.

The financial statements for the year ended 30 June, 2021 did not include comparative information. However, the comparative figures were based on unaudited figures. My audit procedures were, therefore, limited to the extent that comparative information does not contain misstatements that materially affect the current period's financial statements. Accordingly, I do not express an opinion or any form of assurance on the comparative information.

My audit opinion on the current period financial statements is not modified in respect of this matter.

Other Information

The Management is responsible for the Other Information set out on page 3 to 15 which comprise of Key School Information and Management, Summary Report of Performance of the School and Statement of School Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

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

- i) The Management presented the annual report and financial statements covering one year from July, 2020 to June, 2021 contrary to the Public Sector Accounting Standards Board (PSASB) Guidelines on Implementation of International Public Sector Accounting Standards (IPSAS) by Secondary Schools in Kenya, dated 20 August, 2021 which requires the first financial statements after adoption of IPSAS to be presented for eighteen (18) months from 1 January, 2020 to 30 June, 2021. Further, no disclosure was made on the change in the preparation of financial statements from calendar year to government fiscal year or on the lack of comparability due to longer period covered by the current financial period.
- ii) The cover page of the financial statements reflects the caption "Revised 30 June 2021" which ought to have been omitted since it was an illustration and not part of the reporting entity's information.
- iii) The financial statements were printed single-sided instead of double-sided.

- iv) The cover reflects public secondary school which ought to have been omitted since it was an illustration and not part of the reporting entity's information.
- v) Some balances in the financial statements are presented in hyphen whereas others are left blanks.
- vi) Page 2 reflects different fonts instead of uniform font and phrase "customise the details in this section to suit your school" which ought to have been omitted since it was an illustration and not part of the reporting entity's information.
- vii) Some balances in the financial statements are presented in shillings hyphen whereas others are presented in cents.
- viii) Table of contents page omitted page references.
- ix) Statement of budgeted and actual omitted explanatory notes relating to utilization.

This was contrary to Section 81(3) of Public Financial Management Act, 2012 which states that the Accounting Officer shall prepare the financial statements in a form that complies with the relevant accounting standards prescribed and published by the Public Sector Accounting Standards Board.

In the circumstances, the financial statements did not comply with the financial reporting templates issued by the Public Sector Accounting Standards Board.

2. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 17 March, 2023 instead of the statutory deadline of 30 September, 2021. This was contrary to the Ministry of Education Circular Ref. MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the school's financial statements should be ready by 30 September, 2021 and Section 81 of the Public Finance Management Act, 2012 on preparation and submission of financial statements.

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

3. Failure and Late Transfer of Infrastructure Funds from Operations Bank Account

The statement of receipts and payments and as disclosed in Note 2 to the financial statements reflects operations grants amounting to Kshs.3,936,242 being amount from the Ministry of Education credited to the operations bank account. Included in this amount is Kshs.1,930,500 in respect of infrastructure grants that was to be transferred to the infrastructure bank account for maintenance and improvement of the school's facilities.

However, review of bank statements revealed that the Kshs.1,207,500 was transferred to the infrastructure account beyond the stipulated fifteen (15) days while Kshs.723,000 had not been transferred by 30 June, 2022. This was contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

4. Irregularities in Accounting for Capitation Grants

The statement of receipts and payments reflects capitation grant for tuition amount of Kshs.626,465 and capitation grant for operation Kshs.3,936,242 as disclosed in Note 1 and Note 2 to the financial statements. However, the School did not acknowledge receipt of capitation grants for tuition and operations as directed by the Ministry of Education by submitting details of allocation of funds to the County Director of Education through the Sub-County Director of Education. Further, there was no evidence that official receipts were issued to individual students and a schedule showing allocation of funds per student was not provided for audit verification. It was also noted that the Capitation grant was not displayed on the notice board.

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

5. Lack of School Improvement Plan and Strategic Plan

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

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

6. Lack of a Procurement Plan

Throughout the reviewed year, the School operated without an approved procurement plan, raising questions regarding the criteria used for procurement activities, this being a violation of Regulation 40(1) of the Public Procurement and Asset Disposal Regulations, 2020. This regulation mandates procuring entities to develop 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.

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

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

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

8. Irregularities in Procurement Processes

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

8.1 Unstructured Procurement Processes

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

8.2 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.

8.3 Unstructured Procurement Processes

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

8.4 Weaknesses in Record Keeping

During the year, the School failed to maintain complete procurement records, including tender documents, tender advertisements, bid evaluation reports, correspondences with supplier, contract documents, payment certificates and contract performance monitoring reports. This was contrary to Section 68 of the Public Procurement and Asset Disposal Act, 2015 and limits audit trail and transparency.

8.5 Irregular Procurement

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

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

9. Lack of an Approved Strategic Plan

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

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Board of Management

1.1 Weaknesses in the Board of Management

The School Board of Management is constituted by fifteen (15) Members as stipulated in the Basic Education Act, 2013. However, appointment letters for the Board Members were not provided for audit verification. Further, review of Board records revealed that

Board committees required under Section 61(2) of the Act had not been established. In addition, there was no evidence of meetings held by key committees such as the audit committee, discipline and integrity committee, human rights and student welfare committee, and academic standards committee during the year under review. Further, no annual report on the review of the independence, performance, and competency of the internal audit function was provided as required under Regulation 166(2) of the Public Finance Management (National Government) Regulations, 2015.

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

1.2 Ineffective Sub-Committees

During the year under review, the Board of Management established an ad hoc committee comprising five (5) members. However, minutes, reports, or recommendations from the committee deliberations were not provided for audit verification. In addition, there was no evidence that the outcomes of the committee meetings were presented to the full Board for adoption and action. This is contrary to Regulation 179(1) of the Public Finance Management (National Government) Regulations, 2015 which requires audit committees to meet at least once every three months and effectively discharge their responsibilities.

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

2. Lack of Inventory Systems

During the financial year under review, the School did not maintain proper inventory records for goods procured and issued. It was noted that inventory management relied on store ledgers, and comprehensive inventory records were not maintained. This is contrary to Regulation 140(1) of the Public Finance Management Regulations, 2015, which assigns the Accounting Officer the responsibility for the proper custody, care, and utilization of government inventories under their control. Additionally, there was no system in place to track the receipt and issuance of goods to the respective user departments.

In the circumstances, the institution may be exposed to risks relating to ineffective inventory control and possible loss or misuse of stores.

3. Weaknesses in Management of Assets

Annex 2 to the financial statements reflects summary of fixed assets register disclosing property, plant and equipment balance of Kshs.91,582,700. However, Management did not prepare an updated fixed assets register and assets at the school were not tagged.

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

4. Weaknesses in Management of Textbooks

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

- i) There was no stocking report of text books as 30 June, 2021.
- ii) Stores records were not properly updated in the stores receipt and Issues ledgers resulting into lack of accurate tracking of textbooks received, issued, returned, and the running balances, thereby making it difficult to determine the number of books in store or those unreturned.
- iii) Management had not established adequate internal control measures to minimize the risk of loss of textbooks.

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

5. Lack ICT Policy, Disaster Recovery Plan and Risk Management Policy

Review of the School's ICT environment revealed lack of ICT Policy which is required to provide guidance on Information Technology governance, security management, program change management, physical access controls, environmental controls, IT service continuity and logical access control. Further, there was no Data Security Policy and Disaster Recovery Plans. In addition, the School did not have a risk management policy frame work to mitigate operational, legal and financial risks.

In the circumstances, the effectiveness of the risk management process and ICT internal controls could not be confirmed.

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

Responsibilities of the Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the School's ability to continue as a going concern, disclosing, as applicable, matters related

to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

Those charged with governance are responsible for overseeing the school'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

23 April, 2026

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

DESCRIPTION OF VOTE HEAD	Vote	2020-2021 KShs
RECEIPTS		
Capitation grants for tuition	1	626,465.00
Capitation grants for operations	2	3,936,241.75
School Fund Income- Parents' Contributions	3	7,385,671.00
Infrastructure Account	4	2,610,000.00
Other receipts	5	170,900.00
TOTAL RECEIPTS		14,729,277.75
PAYMENTS		
Payments for Tuition	6	626,310.00
Payments for operations	7	3,943,915.00
Boarding and school fund payments	8	7,494,612.00
Infrastructure account	9	1,636,760.00
TOTAL PAYMENTS		13,701,597.00
SURPLUS		1,027,680.75

The school financial statements were approved on _____ 2021 and signed by:

Sign: 

Name
JASPER GITONGA
MBUBA
 Chair BOM

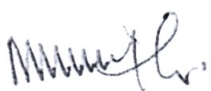
Date 

Sign 

Name
JEAN NYAWIRA MURIGU

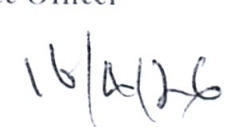
School Principal/
 Secretary to BOM

Date 

Sign 

Name
STEPHEN MWIATHI

Bursar/
 Finance Officer

Date 

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

	Note	2020-2021 Kshs
FINANCIAL ASSETS		
Cash and Cash Equivalents		
Bank Balances	10	2,733,729.9
Cash Balances	11	4,950.06
Short term Investment	12	--
Total Cash and cash equivalent		2,738,679.96
Account's receivables	13	443,845.00
TOTAL FINANCIAL ASSETS		3,182,524.96
FINANCIAL LIABILITIES		
Accounts Payables	14	[493,545.00]
NET FINANCIAL ASSETS		2,688,979.96
REPRESENTED BY		
Accumulated Fund b/fwd	15	1,661,299.21
Surplus/Deficit for the year		1,027,680.75
NET FINANCIAL POSSITION		2,688,979.96

The School's financial statements were approved on _____ 2021 and signed by:

Name: JASPER GITONGA
Chairman, BoM

Sign: 

Date: 16/06/2021

School Principal/Secretary
to BoM

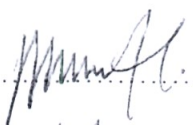
Sign: 

Date: 16/06/2021

Name: STEPHEN

MWIATHI MBUBA

Bursar/Finance

Sign: 

Date: 16/06/2021

Name: JEAN NYAWIRA
MURIGU

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

		2020-2021
		Kshs
Receipts for operating income		
Capitation grants for tuition	1	626,465.00
Capitation grants for operations	2	3,936,241.75
School fund income- Parents contributions/ fees	3	7,556,571.00
Infrastructure account	4	2,610,000.00
Total receipts		14,729,277.75
Payments		
Payments for Tuition		626,310.00
Payments for operations		3,943,915.00
Boarding and school fund payments		7,494,612.00
Infrastructure account		1,636,760.00
Total payments		13,701,597.00
Net cash flow from operating activities		1,027,680.75
CASHFLOW FROM INVESTING ACTIVITIES		
Proceeds from Sale of Assets		--
Acquisition of Assets		--
Proceeds from investments		--
Purchase of investments		--
Net cash flows from Investing Activities		--
CASHFLOW FROM BORROWING ACTIVITIES		
Proceeds from borrowings/ loans		--
Repayment of principal borrowings		--
Net cash flow from financing activities		--
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,027,680.75
Cash and cash equivalent at BEGINNING of the year		1,710,999.21
Cash and cash equivalent at END of the year		2,738,679.96
		1,027,680.75

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

Receipt/expenditure Item	Original Budget a	Adjustments b	Final Budget c = a + b	Actual on Comparable Basis d	Budget Utilization Difference e = d - c	% of Utilization f = d / c
	Kshs	Kshs			Kshs	Per cent
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Textbooks and reference materials	610,830.00		610,830.00	135,000	475,830.00	22
Exercise books	444,240.00		444,240.00	80,100.00	364,140.00	18
Laboratory equipment	749,655.00		749,655.00	133,520.00	616,135.00	17
Internal exams	222,120.00		222,120.00	38,000.00	184,120.00	17
Teaching / learning materials	416,475.00		416,475.00	106,305.00	310,170.00	25
Chalks				---		
Exams and assessment	220,180.00		220,180.00	66,600.00	153,580.00	30
Teachers guides	113,000.00		113,000.00	66,940	46,060.00	59
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	1,558,310.00		1,558,310	942,300	616,010.00	60
Repairs and maintenance	1,399,650.00		1,399,650	1,731,500	-331850	123
Local transport / travelling	238,000.00		238,000	320,000	-82000	134
Electricity and water	193,365.00		193,365	28,200.00	165,165.00	110
Medical	146,685.00		146,685		146,685.00	0
Administration costs	236,000.00		236,000	913,941.75.00	-677,941.75	14
Activity	94,760.00		94,760		94760.00	0

SMASSE	137,500.00		137,500		137,500.00	---

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Record/Expense Item	Original Budget	Adjusted	Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
(3) FEES CHARGED ON PARENTS						
Personnel	4,435,190.00	4,435,190	1,240,660.00		3,194,530.00	28
Repairs and maintenance	3,265,850.00	3,265,850	807,855.00		2,457,995.00	25
Local transport / travelling	2,737,000.00	2,737,000	262,485.00		2,474,515	9
Electricity and water	1,955,135.00	1,955,135	187,200.00		1,767,935.00	9
Medical	1,186,815.00	1,186,815	---		1,186,815.00	0
Administration costs	2,714,000.00	2,714,000	1,439,911.00		1,274,089.00	53
Activity	1,089,740.00	1,089,740	370,080.00		719,660.00	34
SMASSE	137,500.00	137,500.00	---		137,500.00	0
Fee on Boarding and Equipment and Stores	16,890,000.00		16,890,000	3,077,480.00	13,812,520.00	18
OTHER INCOME						
Rent income	---	---	---			
Income from farming activities	140,000.00	140,000.00				
Insurance compensation	---	---	---			0
Income from Posho mill	---	---	---			0
Income from Bus Hire	670,000.0	670,000				0
Fee for hire of ground and equipment	---	---	---			0
Interest income	---	---	---			0
Income from any other investment	---	---	---			0
TOTAL INCOME	41,864,500.00	41,864,500	12,119,177.75		29,745,322.25	29
EXPENDITURE FOR TUITION						

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Receipt/expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
	Kshs	Kshs			Kshs	Kshs
Textbooks and reference materials	610,830.00		610,830.00	125,807.00	485,023.00	20
Exercise books	444,240.00		444,240.00	79,907.00	364,333.00	18
Laboratory equipment	749,655.00		749,655.00	133,327.00	616,328.00	18
Internal exams	222,120.00		222,120.00	37,809.00	184,311.00	17
Teaching / learning materials	416,479.00		416,479.00	106,112.00	310,367.00	25
Chalks				---		0
Exams and assessment	333,180.00		333,180.00	66,407.00	266,773.00	20
Teachers guides				75,741.00		
Administration costs				---		0
Bank Charges	2,000		2,000	1,200.00		0
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	1,558,310.00		1,558,310	742,900.00	815,410.00	180
Repairs, maintenance & improvements	1,399,650.00		1,399,650	2,817,300.00	-1,417,650.00	42
Local transport / travelling	238,000.00		238,000.00	205,000.00	33,000.00	86
Electricity, water and conservancy	193,365.00		193,365.00	92,825.00	100,540.00	48
Medical	146,685.00		146,685.00	---	146,685.00	0
Administration costs	236,000.00		236,000.00	76,690.00	159,310.00	32
Activity Expenses	94,760.00		94,760.00	---	94,760.00	0
						0
Bank charges				9,200.00		0
(3) EXPENDITURE FOR SCHOOL						

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Receipt/Expenses Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=c/e %
	Kshs	Kshs			Kshs	Kshs
FUND						
Personnel emoluments	4,435,190.00		4,435,190.00	249,900.00 ---	4,185,290.00	5
Repairs, maintenance and improvements	3,265,850.00		3,265,850.00	994,220.00	2,271,630.00	30
Local transport / travelling	2,737,000.00		2,737,000.00	250,400.00	2,486,600.00	9
Electricity, water and conservancy	1,955,135.00		1,955,135	130,520.00	1,824,615.00	6
Medical Expenses	1,186,815.00		1,186,815	---	1,186,815.00	0
Administration costs	2,714,000		2,714,000	1,172,214.00	1,541,786.00	43
Activity	1,089,740		1,089,740	242,650.00	847,090.00	22
Gratuity	---		---	---		0
Lunch program	---		---	---		0
Boarding Equipment and Stores	16,890,000		16,890,000	4,309,933.00	12,580,067.00	25
Expenditure for Income Generating Activity						153
infrastructure	---		---			---
Other expenses on investments	---		---	---	---	---
Rent Expenses	---		---	---	---	---
Bank Charges	---		---		---	---
Loan Interest Repayment	---		---	---	---	---
Loan Principal Repayment	---		---	---	---	---
Acquisition of Assets	---		---	---	---	---
TOTALS	41,864,500		41,864,500	13,701,597.00		32

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

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For the year ended 30th June 2021

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

	2020-2021
	Kshs
Textbooks and reference materials	135,000.00
Exercise books	80,100.00
Laboratory equipment	133,520.00
Internal exams	38,000.00
Teaching / learning materials	106,305.00
Exams and assessment	66,600.00
Teachers guides	66,940.00
Total	626,465.00

2 CAPITATION GRANT FOR OPERATIONS

	2020-2021
	Kshs
Infrastructure	1,731,500.00
Repairs and maintenance	--
Electricity and water	28,200.00--
Medical	--
Administration costs	913,941.75
Activity	--
Personal emolument	942,300.00
Local travelling&transport	320,300.00
Total	3,936,241.75

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3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2020-2021
	Kshs
Personnel emoluments	1,240,660.00
Repairs and maintenance	807,855.00
Local transport / travelling	262,485.00
Electricity and water	187,200.00
Fee on Boarding Equipment and Stores	3,077,480.00
Administration costs	1,439,911.00
Activity	370,080.00
Total	7,385,671.00

4. CAPITATION GRANT FOR INFRASTRUCTURE ACCOUNT

NAME	TOTAL
Infrastructure	2,610,000.00
Total	2,610,000.00

5. OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2020-2021
	Kshs
income from farming	80,900.00
Income from Bus Hire	90,000.00
Total	170,900.00.00

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6. PAYMENTS FOR TUITION

	2020-2021
	Kshs
Textbooks and reference materials	125,807.00
Exercise books	79,907.00
Laboratory equipment	133,327.00
Internal exams	37,809.00
Teaching / learning materials	106,112.00
Chalks	---
Exams and assessment	66,407.00
Teachers guides	75,741.00
Administration Costs	---
Bank Charges	1,200.00
Total	626,310.00

7. PAYMENTS FOR OPERATIONS

	2020-2021
	Kshs
Personnel emoluments	742,900.00
Service Gratuity	---
Administration Cost	---
Repairs and maintenance & improvements	597,300.00
Local transport / travelling	205,000.00
Electricity and water	92,825.00
Infrastructure	2,220,000.00
Activity Expenses	---
SMASSE	---
Administration Cost	76,690.00
Bank Charges	9,200.00
Acquisition of Assets	---
TOTAL	3,943,915.00

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8. BOARDING AND SCHOOL FUND PAYMENTS

	2020-2021
	Kshs
Personnel emoluments	249,900.00
Activities	242,650.00
Repairs and maintenance & Improvements	994,220.00
Local transport / travelling	250,400.00
Electricity and water	130,520.00
Administration costs	1,172,214.00
Bank Charges	1,630.00
Expenses on Income Generating Activities	131,690.00
Fee on Boarding Equipment and Stores	4,016,388.00
Infrastructure account	305,000.00
TOTAL	7,494,612.00

9 PAYMENT FOR INFRASTRUCTURE ACCOUNT

Infrastructure account	1,635,920.00
Bank charges	840.00
Total	1,636,760.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2020-2021 Kshs
Tuition Account		1,492.42
Operations Account		3,753.15
School fund Account/Boarding		180,564.33
Infrastructure account		2,547,920.00
Parent Association Development Account		---
Income generating activities Account		---
Infrastructural Account		
Total		2,733,729.90

11 CASH IN HAND

Description	2020-2021 Kshs
Tuition Account	---
Operation Account	---
School Fund account	4950.06
Infrastructure ACCOUNT	
Total	4950.06

12 SHORT TERM INVESTMENTS

Description	2020-2021 Kshs	2019-2020 Kshs
Cooperative shares		
Treasury Bills		
Fixed deposit		
Equity stock		
Other investments		
Total		

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 ACCOUNTS RECEIVABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears	443,845.00	150,300.00
Other non-fees receivables	----	
Salary advances	----	
Imprest	----	
Total	443,845.00	150,300.00

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

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears for current year		
Fees arrears for the previous year		
Fees arrears for prior periods (over two years)		
Total		

14 ACCOUNTS PAYABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	493,545.00	200,000.00
Prepaid fees		
Retention monies	----	
Total	493,545.00	200,000.00

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15 FUND BALANCE BROUGHT FORWARD

Description	2020-2021 Kshs
Bank balances	1,709,991.15
Cash balances	1,008.06
Short Term Investments	---
Receivables	150,300.00
Payables	200,000.00
Total	1,661,299.21

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Other important disclosure notes

IPSAS 1 encourages an entity to disclose accrual related information in relation to an entity's assets and liabilities. The notes outlined below are disclosure notes in relation to the school's non- financial assets and liabilities.

16 Non-current Liabilities Summary

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank loan(s)		
Outstanding Leases		
Hire purchase		
Gratuity and leave provision		
Total		

17 Biological assets

Description	Numbers	2020-2021	2019-2020
		Kshs	Kshs
Cattle		----	
PIGS	9	76000	
Trees	257	202600	
Coffee or tea plantation		----	
Poultry	7	3600	
Total		282200	

18 Borrowings

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

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Other important disclosure notes

19 Stock/ Inventory

Description	2020-2021	2019-2020
	KShs	KShs
b) Borrowings		
Stock/ inventory at beginning of the year	46,000.00	
Stock/ inventory purchased during the year	842,500.00	
Stock/ inventory issued during the year	660,000.00	
Balance at end of the year	228,500.00	

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20 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

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

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To Date	Outstanding Balance 2021	Outstanding Balance 2020-2021	Comments
	a	b	c	d	e	
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Supply of goods						
4. David Kinyua	281,485	5/5/2021	-	281,485		
5. DPL Festive	93,360	5/5/2021	-	93,360		
6.						
Sub-Total				374,845		
Supply of services						
7. EUDICUS RUGENDO	118,700	1/4/2021		118,700		
8.						
9.						
Sub-Total						
Grand Total	493,545			493,545		

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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost/HA (Kshs) as at 30 th June 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost/HA (Kshs) as at 30 th June 2021
Land 1	05-01-2003	ITUGURURU	12,000,000.00			12,000,000.00
Land 2	--	--	---	---	--	--
Buildings and structures			62,700,000.00	--	---	62,700,000.00
Motor vehicles			2,000,000.00	-	-	2,000,000.00
Office equipment, furniture and fittings			11,440,000.00			11,440,000.00
Tools and apparatus			407,000.00			407,000.00
Textbooks			2,985,700.00			2,985,700.00
Other Machinery and Equipment						
Heritage and cultural assets						
Intangible assets- soft ware			50,000.00			50,000.00
Total			91,582,700.00			91,582,700.00

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