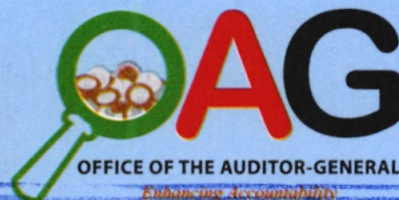


REPUBLIC OF KENYA



REPORT

01 JUL 2026

DAY.

WEDNESDAY

TABLED
BY:

HON. OWEN BAYA, M.P.

CLERK-AT
THE TABLE:

CHRISTINE NDIRITU

THE AUDITOR-GENERAL

ON

PARLIAMENT
OF KENYA
LIBRARY

ITUGURURU HIGH SCHOOL

**FOR THE YEAR ENDED
30 JUNE, 2023**

THARAKA NITHI COUNTY



ITUGURURU HIGH SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th June 2023

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

(Indicate actual name of the school)

Annual Report and Financial Statements For the year ended 30th June 20XX

Annual Report and Financial Statements

For the year ended 30th June 2023

Table of Contents

Page

1. Acronyms and Glossary of Terms.....	2
2. Key School Information and Management.....	4
3. Summary Report of Performance of The School	8
4. Statement of School Management Responsibility.....	Error! Bookmark not defined.7
5. Report Of The Independent Auditors (<i>To be attached</i>).....	18
6. Statement Of Receipts and Payments For the Year Ended 30 th June 2023.....	Error! Bookmark not defined.9
7. Statement of Assets and Liabilities As At 30 th June 2023.....	20
8. Statement of Cash Flows for the Year Ended 30 th June 2023.....	21
9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30 th June 2023	22
10. Significant Accounting Policies	26
11. Notes To The Financial Statements.....	28
12. Annexes.....	38

1. Acronyms and Glossary of Terms

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

BOM	Board of Management
CEB	County Education Board
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
FY	Financial Year
FDSE	

2. KEY SCHOOL INFORMATION AND MANAGEMENT

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

(a) Background information

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

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

The school is a boarding school and had 814 number of students as at 30th June 2023 . It has 6 streams and 27 teachers of which 2 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	Nthia felix njagi	Chairman	1/8/2022
2	Jean nyawira murigu	Secretary - Principal	1/8/2022
3	Eugene muchai	Member	1/8/2022
4	Pauline karimi maragwa	Member	1/8/2022
5	Doreen kagendo murangiri	Member	1/8/2022
6	Ian karanja njue	Member	1/8/2022
7	Morris muthomi njeru	Member	1/8/2022
8	Karen muthoni	Member	1/8/2022
9	Antony mutwiri	Member – Rep CEB	1/8/2022
10	Purity kathomi kangangi	Member Rep Teachers	1/8/2022
11	Letton Mugo	Members - Sponsor	1/8/2022
	Hemmis kadogo		
	Gilbert kinyua kiura		
12	Fredrick Kimemia	Member - Community	1/8/2022
13	Keneth murithi	MemberSpecial Needs	1/8/2022
14	Samuel mumo	Rep Students	1/8/2022

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:

Sl. No.	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1. Nthia Felix Njagi 2. Jean Nyawira Murigu 3. Letton Mugo 4. Pauline Kairimi 5. Eugene Muchai	Chairman Principal PA Chair Member member	3
2	Finance, procurement and general purposes Committee	1. Nthia Felix Njagi 2. Jean Nyawira Murigu 3. Letton Mugo 4. Pauline Kairimi	Chairman Principal PA Chair Member member	2
3	Development Committee	1. Letton Mugo 2. Jean Nyawira Murigu 3. Nthia Felix Njagi 4. Pauline Kairimi 5. Eugene Muchai	Chairman Principal member Member member	2
4	Discipline and welfare committee	1. Jean nyawira murigu 2. Karen muthoni 3. Letton mugo 4. Doreen kagendo 5. Kenneth murithi	Secretary Member Chairperson Member Member	1
5	Adhoc committee(if any during the year)	1. Nthia Felix Njagi 2. Jean Nyawira Murigu	Chairman Secretary	2

Annual Report and Financial Statements
For the year ended 30th June 2023

		3. Letton Mugo	Member	
		4. Pauline Kairimi	Member	
		5. Eugene Muchai	Member	

(d) School operation Management

For the financial year ended 30th June 2023 the School day-to-day management was under the following persons:

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

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

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

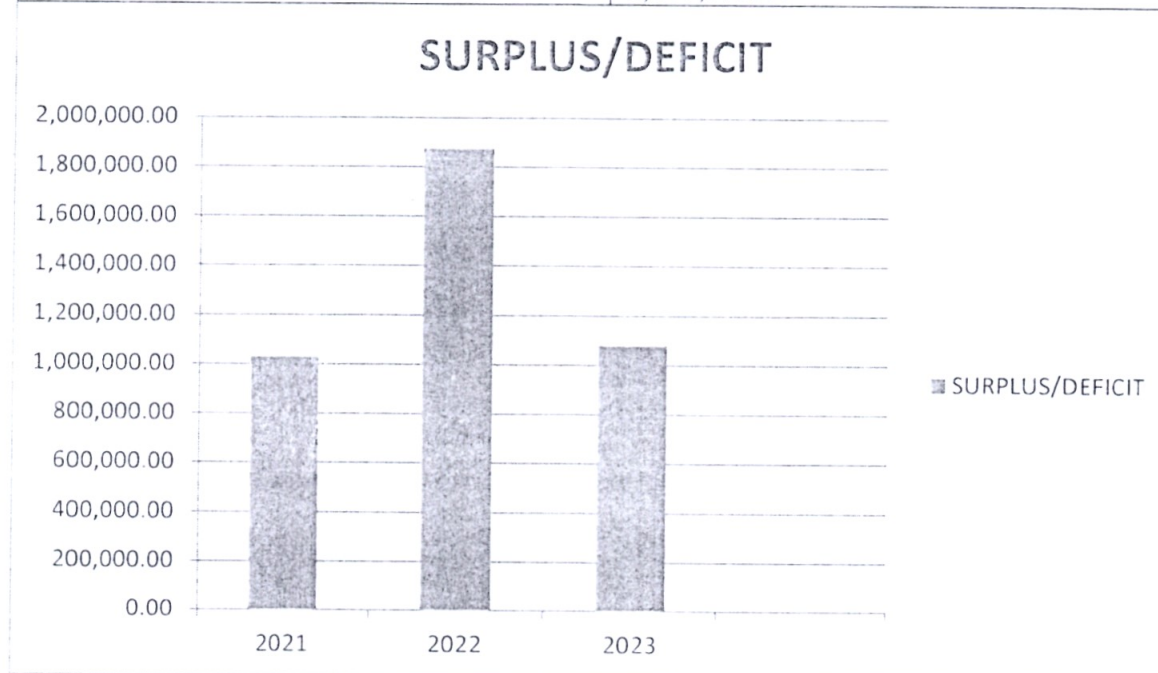
3. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

a) **Financial performance:**

A]SURPLUS/DEFICIT

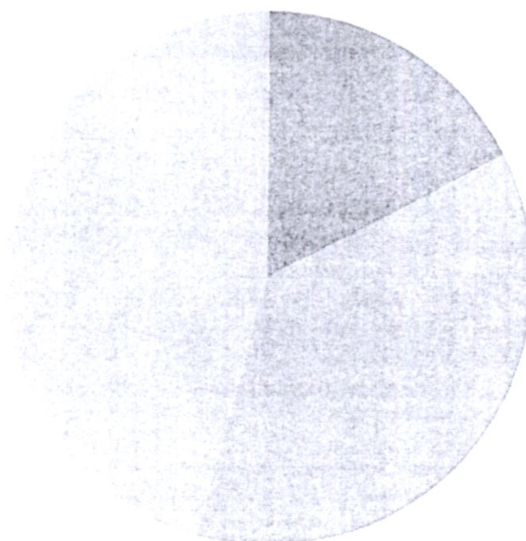
YEAR	SURPLUS/DEFICIT
2021	1,027,680.75
2022	893,780.90
2023	1,077,976.47



B]CAPITATION GRANTS

YEAR	TOTAL
2021	4,562,706.75
2022	9,726,580.80
2023	12,164,246.00

CAPITATION GRANTS

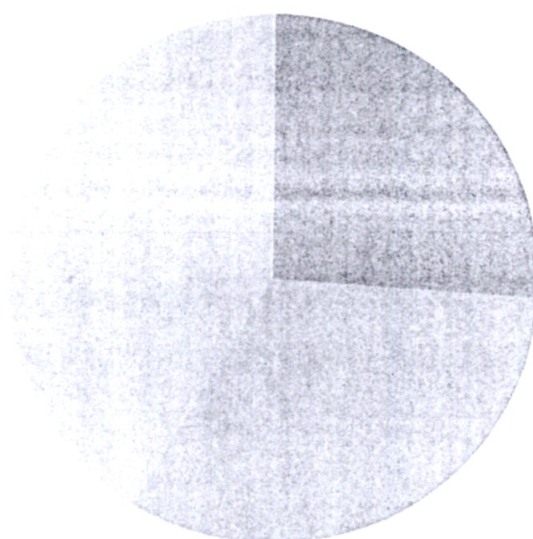


■ 2021
■ 2022
■ 2023

CJ RATIO OF CAPITATION PER STUDENT

YEAR	RATIO
2021	1:9400
2022	1:11800
2023	1:14940

RATIO OF CAPITATION PER STUDENT



■ 2021
■ 2022
■ 2023

DJ GROWTH OF INCOME

YEAR	GROWTH OF INCOME
2021	170,900.00

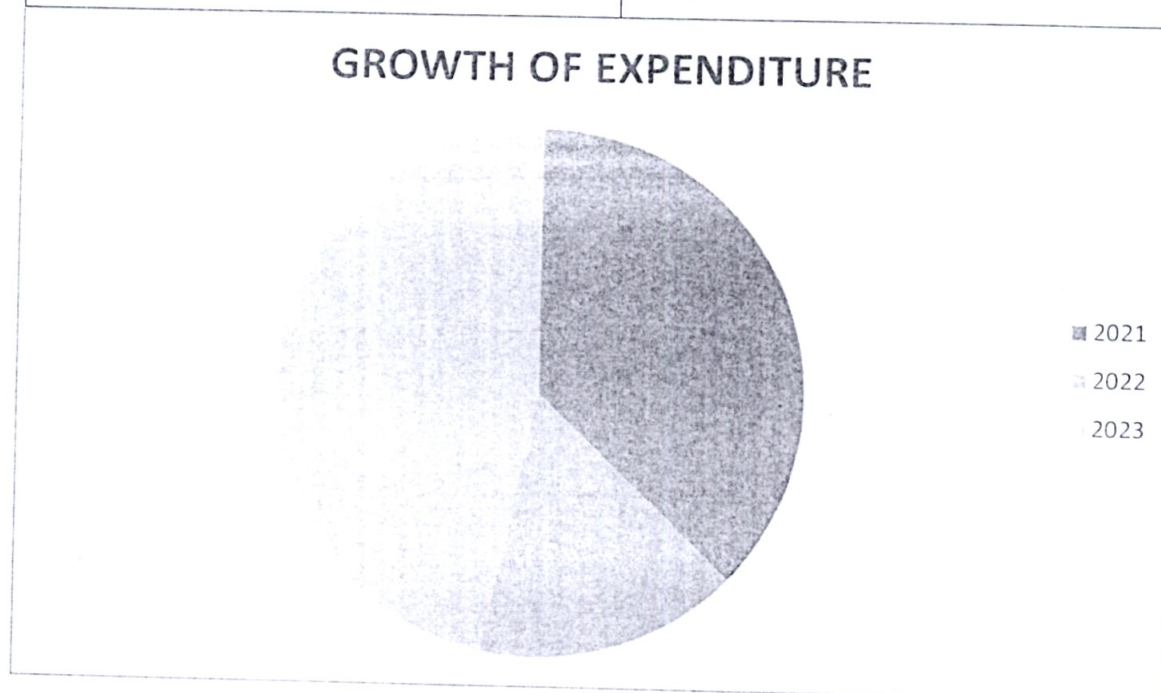
Annual Report and Financial Statements
For the year ended 30th June 2023

2022	160,000.00
2023	401,500.00



E] GROWTH IN EXPENDITURE

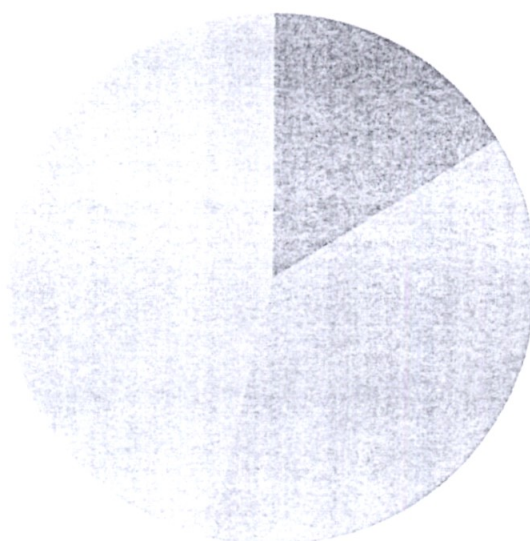
YEAR	GROWTH OF EXPENDITURE
2021	701,597.00
2022	302,557.40
2023	885,340.00



F] DEBTORS

YEAR	DEBTORS
2021	443,845.00
2022	1,436,271.00
2023	2,113,978.00

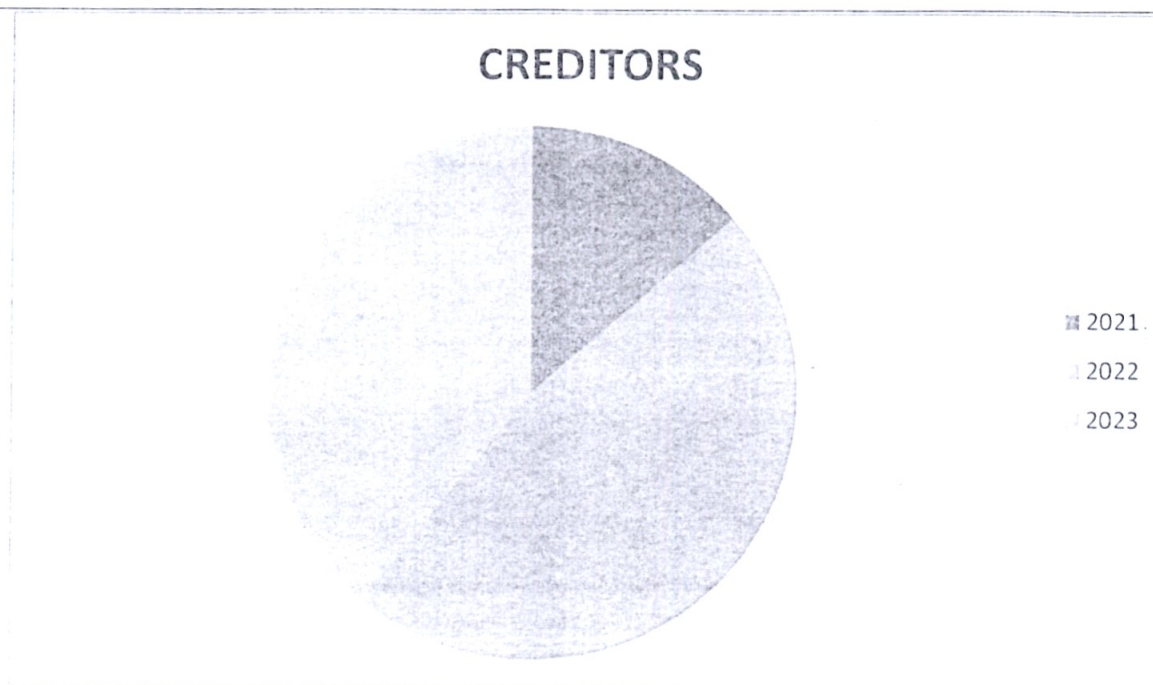
DEBTORS



■ 2021
■ 2022
■ 2023

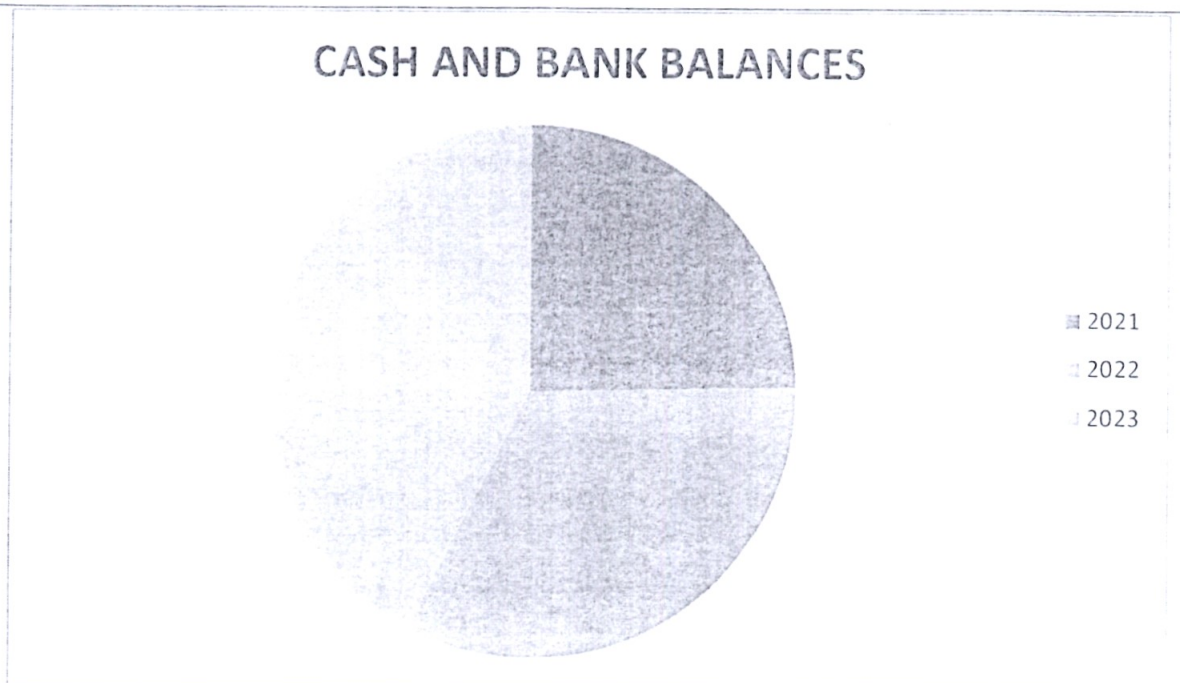
G] CREDITORS

YEAR	CREDITORS
2021	493,545.00
2022	1,724,822.00
2023	1,423,600.00



H] CASH IN HAND AND BANK BALANCES

YEAR	CASH AND BANK BALANCES
2021	2,738,679.96
2022	3,632,460.86
2023	4,710,437.33



b) TEACHER STUDENT RATIO

TOTAL NO OF STUDENTS 832

APPROXIMATE TEACHERS EXPECTED IN THE SCHOOL FOR 832

STUDENTS.....[CBE NUMBER]

NO	NAME	SUBJECT COMBINATI ONS	TSC/BOM
1	JEAN NYAWIRA MURIGU	HIST /CRE	TSC
2	LINUS MUGO MUGENDI	ENG/ LIT	TSC
3	MARTIN WACHIRA GERALD	BIO/AGR	TSC
4	FRANKLINE NKOI MUTEGI	KISW/GEO	TSC
5	BARASA PAUL SAFINA	MATH/PHY	TSC
6	ALEX MUCHANGI	KISW /GEO	TSC
7	BONFICE MUKUNDI	HIST/CRE	TSC
8	STELLA KANINI MATI	ENG/LIT	TSC
9	PAUL KIMATHI MUGIRA	KISW/HIST	TSC
10	MIKE KIRIMI NYAGA	KISW/GEO	TSC
11	KIMINGI JULIUS IRUNGU	MATH/CHEM.	TSC(TRANSFERRED)
12	JOSEPH MURAGE	MATH/CRE	TSC
13	JOHN MAUNDU MUTUA	MATH /B/S	TSC
14	DILLON MUGENDI MUGO	MATHS /CHEM.	TSC

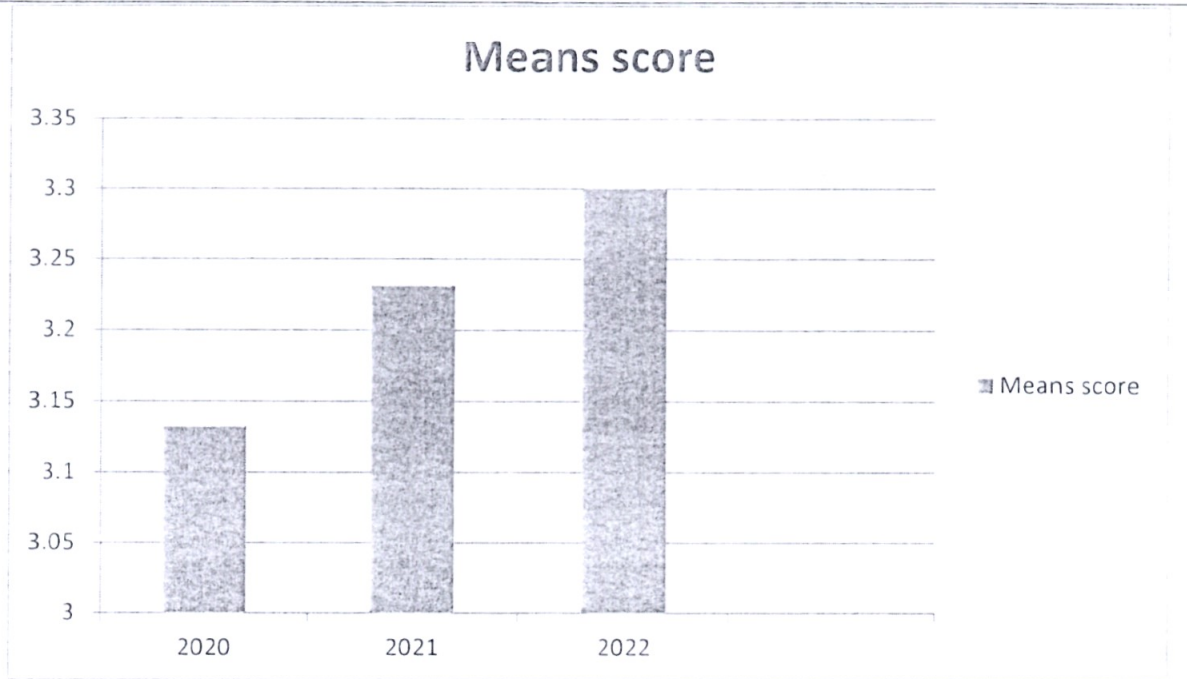
• Annual Report and Financial Statements
For the year ended 30th June 2023

15	LISPER GAKII KITHAKA	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	FAITHJOY KINYUA KIRAITHE	KISW/ CRE	BOM(TRANSFERRED)
21	KAUMBUTHU KELVIN	ENG /LIT	BOM(TRANSFERRED)
22	NYAKWARI CONJENUS MOSOTA	BIO /AGRI	BOM(TRANSFERRED)
23	ELIZABETH WAMBUI NDARU	MATH/B/S	BOM (TRANSFERRED)
24	HILLARY KULEI	MATH /PHY	BOM
25	GRACE AWINO OMOLLO	MATH /PHY	BOM (TRANSFERRED)
26	GLADYS MAKANDI	ENG /LIT	BOM(TRANSFERRED)
27	VICTORIA KARIMI KINYUA	KISW /CRE	TSC (TRANSFERRED)
28	ASHFORD KABURU TSC	KISW /HIST	TSC
29	SAMUEL MUTEKI	KISW /HIST	TSC
30	DOREEN MWENDE	ENG /LIT	TSC (JOINED)
31	PHENEUS MAUKI KAMWARA	KISW/ CRE	TSC (JOINED)
32	MARTIN BUNDI	CRE/HIST	TSC (JOINED)
33	FESTUS KIMANTHI RUGENDO	CRE /HIST	TSC (JOINED)
34	KENNETH MUTWIRI	BIO/AGRI	BOM(JOINED)
35	JOSPHAT MAINA	MATH /PHY	BOM (JOINED)
36	SHARON JEROP	ENG /LIT	BOM (JOINED)

c)Mean score in the 2020 KCSE:

Give performance of the school for each over the last three years. Include the number of students that have since transitioned to institutions of higher learning. Include the mean score and comment on improvement or otherwise as compared to the school's set score.

Year	Means score	Number of students	No of students Transitioned to higher learning	Comment
2020	3.132	110	1	Positive deviation
2021	3.231	43	0	Positive deviation
2022	3.300	67	0	Positive deviation



d) Number of Candidates in the 2022 KCSE:

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

Year	Number of students
2020	110
2021	43
2022	67

e) Capacity of the school:

Indicate the number of students in the school vis a vie the facilities like the dormitories, the dining hall, the laboratories, toilets and other amenities. This information will provide useful details for the Ministry of Education.

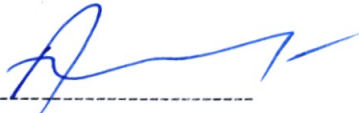
s/n	No of students	Structure	Capacity
1	814	1 Dinning hall	480 student
2	814	6 dormitories	832 students
3	814	2 laboratories	110 students
4	814	18 classes rooms	832 students
5	814	40 toilets	20 students one toilet
6	33	1 Staffroom	33 teachers
7	33	4 staff houses	4 teachers

• Annual Report and Financial Statements
• For the year ended 30th June 2023

f) Development projects carried out by the school:

Development projects carried out in the year and ongoing projects including a disclosure of project fund sources in a tabular format

<i>PROJECT</i>	<i>SOURCE OF FUNDS</i>	<i>STATUS</i>
<i>computer classroom</i>	<i>CDF</i>	<i>IN USE</i>

Sign 
JEAN NYAWIRA MURIGU
School Principal

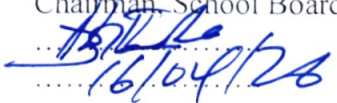
4. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

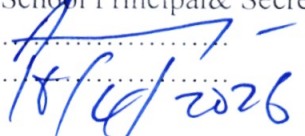
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant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

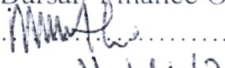
Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to keep all proper books and records of accounts of the income, expenditure and assets of the institution.

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, 2023, and of the school's financial position as at that date.

Name: FELIX NTHIA
Designation: Chairman, School Board of Management
Sign: 
Date: 16/04/2026

Name: JEAN NYAWIRA MURIGU
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 18/04/2026

Name: STEPHEN MWIATHI MBUBA
Designation: Bursar/ Finance Officer
Sign: 
Date: 16/04/2026

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
site: 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, 2023 – 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 19 to 29, which comprise of the statement of Assets and Liabilities as at 30 June, 2023, 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 that, to the best of my knowledge and belief, were necessary for 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, 2023 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 misstatements affecting the statement of financial performance, statement of financial position, and statement of cashflows as follows;

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

Item	Statements of Receipts and Payments (Kshs.)	Statement of Cashflows (Kshs.)	Variance (Kshs.)
Total Receipts	42,373,588	41,799,588	574,000
Total Payments	40,420,390	40,721,612	301,222

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 Versus Actual (Kshs.)	Unreconciled Variance (Kshs.)
Total Receipts	42,373,588	29,924,085	12,924,085
Total Payments	40,420,390	36,763,544	3,656,846

1.3 Variances Between Financial Statements and Ledgers

Items	Financial Statement (Kshs.)	Ledgers (Kshs.)	Variance (Kshs.)
Accounts Receivables	2,989,200	Nil	2,989,200
Accounts Payables	1,423,600	Nil	1,423,600
Biological Assets	327,500	Nil	327,500
Inventory	400,000	Nil	400,000

1.4 The statement of receipts and payments reflects infrastructure payments of Kshs.2,167,316, whereas the statement of budgeted versus actual reflects Kshs.2,499,000 resulting in an unreconciled variance of Kshs.331,684.

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

2. Long Outstanding and Unsupported Accounts Receivables

The statement of assets and liabilities, as disclosed in Note 13 to the financial statements reflects accounts receivable balance of Kshs.2,989,200. However, the balance was not supported by general ledger balances. Further, a detailed ageing analysis of the balance, including students' names, admission numbers, and unpaid fees per student, was not provided for audit verification. In addition, the School has no approved policy on provision for bad and doubtful debts and the balance was not impaired for bad and unrecoverable debts.

In the circumstances, the accuracy and completeness of the accounts receivable balance of Kshs.2,989,200 and existence of effective mechanisms for debt management could not be confirmed.

3. Unsupported Biological Assets and Stock

Notes 17 and 19 to the financial statements disclosed biological assets and inventory balances of Kshs.325,000 and Kshs.400,000 respectively. However, the ledgers, asset register, valuation reports and stock take reports were not provided for audit verification.

In the circumstances, the accuracy, existence, and completeness of biological assets and inventory balances of Kshs.325,000 and Kshs.400,000 respectively could not be confirmed.

4. Unsupported Miscellaneous Income

The statement of receipts and payments and as disclosed in Note 5 to the financial statements, reflects miscellaneous incomes amount of Kshs.401,500. However, official receipts, bank deposit slips, bank statements, approved bus hire rates, ledgers, contract agreements, or other relevant supporting documents to substantiate the amounts reported, were not provided for audit review.

In the circumstances, the accuracy, and completeness of miscellaneous incomes amount of Kshs.401,500 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 the final receipts budget and actual receipts on a comparable basis of Kshs.65,886,850 and Kshs.29,924,085, respectively, resulting in an under-funding of Kshs.35,962,765 or 55% of the budget. However, the school spent Kshs.36,763,544 against actual receipts amounting to Kshs.29,924,025, resulting in an over-utilization of Kshs.6,839,519 or 23% of actual receipts.

Underfunding affected the planned activities and may have negatively impacted 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 Information

The Management is responsible for the Other Information set out on page 3 to 17 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 effectively.

Basis for Conclusion

1. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 30 September, 2024 instead of the statutory deadline of 30 September, 2023. This was contrary to the Ministry of Education Circular Ref. MOE/DSAS/FIN/17/1/17 dated 19 August, 2021, which stated that the School's financial statements should be ready by 30 September, 2021, in accordance with Section 81 of the Public Finance Management Act, 2012, on preparation of the financial statements.

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

2. Irregularities in Accounting for Capitation Grants

The statement of receipts and payments, as disclosed in Notes 1 and 2 to the financial statements, reflects a capitation grant for tuition of Kshs.2,261,317 and a capitation grant for operations of Kshs.9,902,928. However, the School did not acknowledge receipt of capitation grants for tuition and operations as directed by the Ministry of Education by submitting details of allocation of funds to the County Director of Education through the Sub-County Director of Education. Further, there was no evidence that official receipts were issued to individual students, and a schedule showing allocation of funds per student was not provided for audit verification. It was also noted that the capitation grant was not displayed on the notice board.

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

3. Late Transfer of Infrastructure Funds from Operations Bank Account

The statement of receipts and payments, as disclosed in Note 2 to the financial statements, reflects operations grants amounting to Kshs.9,902,928 credited to the operations bank account. Included in this amount is Kshs.3,307,000 in respect of infrastructure grants, which were to be transferred to the infrastructure bank account for maintenance and improvement of the school's facilities.

However, review of bank statements revealed that only Kshs.2,499,000 was transferred to the infrastructure account, and beyond the stipulated fifteen (15) days, the balance of Kshs.808,000 had not been transferred as at 30 June, 2023. This was contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

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

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

- i) The cover page of the financial statements reflects the caption “Revised 30 June 2023,” which ought to have been omitted since it was an illustration and not part of the reporting entity’s information.
- ii) The financial statements were printed single-sided instead of double-sided.
- iii) The cover reflects a public secondary school, which ought to have been omitted since it was an illustration and not part of the reporting entity’s information.
- iv) The page zero reflects the phrase ‘leave this page blank’ 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 hyphens, whereas others are presented as xx.
- vi) Page 1) reflects different fonts/colours and page references erroneously read error! bookmark not defined.’
- vii) In addition, the statement of receipts and payments reflects the total payment amount of Kshs.28,796,903, whereas the statement of budgeted and actual reflects the total payment amount of Kshs.46,632,584, respectively, indicating an unexplained over-expenditure of Kshs.17,835,681.
- viii) Approval dates on pages 19 and 20 were omitted
- ix) The table of contents omitted page number references.

In the circumstances, Management did not comply with the PSASB guidelines.

5. 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.

6. Irregularities in Procurement Processes

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

6.1. 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.

6.2. 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.

6.3. 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.

6.4. 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.

7. 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.

8. Failure to Prepare School Improvement Plan

During the year under review, the School did not have an approved School Improvement Plan, contrary to Section 2.2 of the Ministry of Education Operation Manual for Utilization

of Learner Capitation Grant and Other School Funds, which requires schools to identify in every three-year school improvement planning cycle, one priority area in each of the four key areas which include curriculum implementation, foundational literacy and numeracy outcomes, an enabling environment for learning and parental involvement and community engagement for implementation.

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

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

REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT, AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, 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. Ineffective Sub Committees

During the year under review, the School Board of Management established an audit committee comprising five members, which included the School principal, who was irregularly appointed. Further, no work plan, appointment letters, committee sitting minutes, reports, or recommendations were provided for audit.

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

2. Board of Management

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

the committee on the review of the independence, performance, and competency of the internal audit.

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

3. Lack of Approved ICT Policy

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

Given these circumstances, the assurance regarding the security and reliability of the school's management information system and data remains uncertain.

4. Lack of Risk Management Policy

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

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

5. Lack of Inventory Systems

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

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

6. Weaknesses in the Management of Assets

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

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

7. Weaknesses in the Management of Textbooks

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

Examination of records revealed these anomalies;

- i) There was no stock report of textbooks as of 30 June, 2023.
- ii) Stores records were not properly updated in the Stores Receipt and Issues ledgers, resulting in a lack of accurate tracking of textbooks received, issued, returned, and the running balances, thereby making it difficult to determine the number of books in store or those unreturned.
- iii) Management had not established adequate internal control measures to minimize the risk of loss of textbooks.

In the circumstances, the existence of effective controls in the management of text books could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance that 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.

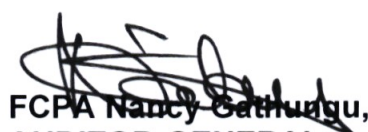
Auditor-General's Responsibilities for the Audit

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

27 April, 2026

- Annual Report and Financial Statements
- For the year ended 30th June 2023

6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2023

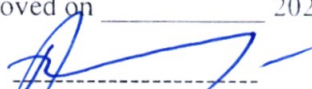
DESCRIPTION OF VOTE HEAD	Note	2022/2023	2021/2022
RECEIPTS			
Government grants for tuition	1	2,261,317.25	1,787,001.00
Government grants for operations	2	9,902,928.42	7,939,579.80
Government grant for Infrastructure	3	2,499,000.00	2,691,000.00
School Fund Income- Parents' Contributions	4	26,734,842.80	30,547,480.50
Miscellaneous incomes	5	401,500.00	
TOTAL RECEIPTS		41,799,588.47	42,965,061.30
PAYMENTS			
Tuition	6	2,272,549.00	1,496,520.00
operations	7	8,473,136.00	7,917,818.00
Infrastructure	8	2,167,316.00	2,969,114.40
Boarding and school fund	9	27,808,611.00	29,687,626.00
TOTAL PAYMENTS		40,721,612.00	42,071,280.40
Surplus/ deficit		1,077,976.47	893,780.90

The school financial statements were approved on _____ 2023 and signed by:


Sign:

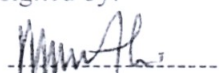
Name
FELIX NTHIA
Chair BOM

Date: 16/6/2023


Sign

Name
JEAN NYAWIRA MURIGU
School Principal/
Secretary to BOM

Date: 16/6/2023


Sign

Name
STEPHEN MWIATHI
Bursar/
Finance Officer

Date: 16/6/2023

7. STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE 2023

Description	Note	2022/2023	2021-2022
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	10	4,707,798.27	3,489,690.80
Cash Balances	11	2,639.06	142770.06
Short term Investment	12		
Total Cash and cash equivalent		<u>4,710,437.33</u>	<u>3,632,460.86</u>
Account's receivables	13	2,113,978.00	1,436,277.00
TOTAL FINANCIAL ASSETS		6,824,415.33	5,068,737.86
FINANCIAL LIABILITIES			
Accounts Payables	14	[1,423,600.00]	(1,724,822.00)
NET FINANCIAL ASSETS		5,400,815.33	3,343,915.86
REPRESENTED BY			
Accumulated Fund b/fwd	15	4,322,838.86	2,450,134.96
Surplus/Deficit for the year		1,077,976.47	893,780.90
NET FINANCIAL POSSITION		5,400,815.33	3,343,915.86

The School's financial statements were approved on _____ 2023 and signed by:


Sign:

Name
FELIX NTHIA
Chair BOM

Date: 16/04/2026


Sign

Name
JEAN NYAWIRA MURIGU
School Principal/
Secretary to BOM

Date: 16/04/2026


Sign

Name
STEPHEN MWIATHI
Bursar/
Finance Officer

Date: 16/04/2026

8. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2023

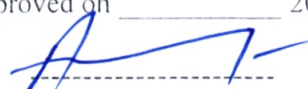
Description		2022-2023	2021-2022
cash from operating activities			
Receipts			
Government grants for tuition	1	2,261,317.25	1,787,001.00
Government grants for operations	2	9,902,928.42	7,939,579.80
Government grants for Infrastructure	4	2,499,000.00	2,691,000.00
School fund income- Parents contributions/ fees	3	26,734,842.80	30,547,480.50
Other income		401,500.00	
Total receipts		41,799,588.47	42,965,061.30
Payments			
Cash out flows for Tuition		2,272,549.00	1,496,520.00
Cash out flows for operations		8,473,136.00	7,917,818.00
Cash out flows for infrastructure		2,167,316.00	2,969,944.40
Cash out flows Boarding/lunch and school fund payments		27,808,611.00	29,687,828.00
Total payments		40,721,612.00	42,071,280.40
Net cash inflow/outflows from operating activities		1,077,976.47	893,780.90
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets			
Proceeds from Sale of Assets			
Proceeds from investments			
Purchase of investments			
Net cash inflow/outflow from Investing Activities			
CASHFLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
Net cash inflow/outflow from financing activities			
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		1,077,976.47	893,780.90
Cash and cash equivalent at BEGINNING of the FY		3,632,460.86	2,738,679.96
Cash and cash equivalent at END of the FY		4,710,437.33	3,632,460.86

The school financial statements were approved on _____ 2023 and signed by:


Sign:

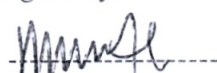
Name
FELIX NTHIA
Chair BOM

16/04/2026


Sign

Name
JEAN NYAWIRA MURIGU
School Principal/
Secretary to BOM

16/4/2026
22


Sign

Name
STEPHEN MWIATHI
Bursar/
Finance Officer

16/4/2026

Annual Report and Financial Statements
For the year ended 30th June 2023

Date

Date

Date

STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED
30TH JUNE 2023

Receipt/expenses Item	Original Budget	Adjustment s	Final Budget	Actual on Comparable Basis	% of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs			Kshs
RECEIPTS					
<i>(1) CAPITATION GRANT ON TUITION</i>					
Reference materials	944,010.00	-	944,010.00	222,300.00	23
Exercise books	708,000.00	-	708,000.00	99,250.00	14
Laboratory equipment	1,180,013.00	-	1,180,013.00	165,400.00	14
Internal exams	330,404.00	-	330,404.00	46,300.00	14
Teaching / learning materials	660,807.00	-	660,807.00	1,602,234.25	242
Exams and assessment	566,412.00	-	566,412.00	79,400.00	14
Teaching guide		-		46,433.00	
<i>(2) CAPITATION GRANT ON OPERATIONS</i>		-			
Personnel emoluments	2,198,950.00	-	2,198,950.00	3,796,085.00	172
Repairs and maintenance	5,636,350.00	-	5,636,350.00	3,306,000.00	58
Local transport / travelling	3,060,000.00	-	3,060,000.00	601,236.00	19
Electricity and water	2,317,950.00	-	2,317,950.00	1,008,864.00	44
Medical	2,266,950.00	-	2,266,950.00	167,000.00	7
Administration costs	3,060,000.00	-	3,060,000.00	555,866.70	18
Activity	1,717,850.00	-	1,717,850.00	467,876.72	27
Gratuity		-		---	---
<i>(3) FDSE FOR INFRASTRUCTURE</i>		-			
Maintenance & improvement MOE		-			
M&I parents' contribution		-			
Economic stimulus programs		-			
Transition infrastructure grants		-			
Administration block		-			
<i>(4) FEES CHARGED ON PARENTS</i>		-			
Personnel emoluments	3,485,000.00	-	3,485,000.00	2,390,539.00	69
Repairs and maintenance	2,125,000	-	2,125,000.00	2,335,250.00	110
Local transport / travelling	1,360,000.00	-	1,360,000.00	2,451,503.00	180

Annual Report and Financial Statements
For the year ended 30th June 2023

Receipt/expenses Item	Original Budget	Adjustment s	Final Budget	Actual on Comparable Basis	% of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs			Kshs
Electricity and water	5,270,000.00	-	5,270,000.00	2,475,660.00	47
Medical	-----	-	-----	---	--
Administration costs	3,145,000.00	-	3,145,000.00	5,159,647.30	164
Activity	850,000.00	-	850,000.00	106,700.00	12
SMASSE	-----	-	-----	---	---
Fee on Boarding Equipment and Stores	23,630,000.00	-	23,630,000.00	11,815,543.00	50
<i>(5) miscellaneous</i>		-			
Loans / borrowing		-			
Rent income	---	-	---	---	---
Income from farming activities	140,000.00	-	140,000.00	191,500.00	136
Insurance compensation	---	-	---	---	
Income from Posho mill	---	-	---	---	
Income from Bus Hire	670,000	-	670,000	210,000.00	31
Fee for hire of ground and equipment	---	-	---	---	0
Interest income	---	-	---	---	0
Income from any other investment	---	-	---	---	0
TOTAL INCOME	65,886,850	-	65,886,850	41,799,588.47	63
<i>(6) EXPENDITURE FOR TUITION</i>		-			
Textbooks	944,010	-	944,010		0
Reference materials		-			
Exercise books	708,000	-	708,000	170,100.00	24
Laboratory equipment	1,180,013	-	1,180,013	39,904.00	3
Internal exams	330,404	-	330,404	0	0
Teaching / learning materials	660,807	-	660,807	1,997,945.00	302
Chalks	-	-	-	-	
Exams and assessment	566,412	-	566,412	62,500.00	11
Teachers guides	326,904	-	326,904	0	0
Administration costs		-		---	0
Bank Charges	3500	-	3500	2100.00	60
		-			
<i>(7) EXPENDITURE FOR OPERATIONS</i>		-			

Annual Report and Financial Statements
For the year ended 30th June 2023

Receipt/expenses Item	Original Budget	Adjustment s	Final Budget	Actual on Comparable Basis	% of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs			Kshs
Personnel emoluments	2,198,950	-	2,198,950	2,410,790.00	109
Repairs, maintenance & improvements	5,636,350	-	5,636,350	3,168,266.00	56
Local transport / travelling	3,060,000	-	3,060,000	0	0
Electricity, water and conservancy	2,317,950	-	2,317,950	490,500.00	21
Medical	2,266,950	-	2,266,950	---	0
Administration costs	3,060,000	-	3,060,000	943,920.00	31
Activity Expenses	1,717,850	-	1,717,850	1,459,660.00	84
Gratuity	---	-	---	---	0
SMASSE	233,750	-	233,750	---	0
(8) expenditure for infrastructure		-			
Construction of classrooms		-			
Construction of LAB		-			
Constructions of DORMS		-			
Purchase of furniture		-			
Purchase of equipment's		-			
Purchase of machinery		-			
		-			
(9) EXPENDITURE FOR SCHOOL FUND/ LUNCH / BOARDING		-			
Personnel emoluments	3,485,000	-	3,485,000	1,304,167.00	37
Repairs, maintenance and improvements	2,125,000	-	2,125,000	3,548,045.00	167
				1,213,620.00	
Local transport / travelling	1,360,000		1,360,000		89
Electricity, water and conservancy	5,270,000	-	5,270,000	864,660.00	16
Medical Expenses	-	-	-	---	0
Administration costs	3,145,000	-	3,145,000	4,780,528.00	152
Activity	850,500	-	850,500	1,834,710.00	215
Gratuity	---	-	---	---	0
Lunch program	---	-	---	---	0

Annual Report and Financial Statements
For the year ended 30th June 2023

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs			Kshs
Boarding Equipment and Stores	23,630,000	-	23,630,000	14,262,881.00	60
Expenditure for Income Generating Activity	550,500	-	550,500		
Insurance costs	---	-	---	---	---
Other expenses on investments	---	-	---	---	---
Rent Expenses	---	-	---	---	---
Bank Charges	---	-	---	---	---
Loan Interest Repayment	---	-	---	---	---
Loan Principal Repayment	---	-	---	---	---
Acquisition of Assets	---	-	---	---	---
TOTALS	65,627,350	-	65,627,350	40,721,612.00	62

10 SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various financial institutions at the end of the financial year.

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2023.

11 NOTES TO THE FINANCIAL STATEMENTS

1 GOVERNMENT GRANT FOR TUITION

Description	2022-2023	2021-2022
		Kshs
Reference materials	222,300.00	
Exercise books	99,250.00	232,203
Laboratory equipment	165,400.00	375,270
Internal exams	46,300.00	107,000
Teaching / learning materials	1,602,234.25	303,790
EXAM ASSESSMENT	79,400.00	
TEACHING GUIDE	46,433.00	
Total	2,261,317.25	1,787,001

*Include others as per MOE circulars

2 GOVERNMENT GRANT FOR OPERATIONS

Description	2022-2023	2021-2022
Personnel emoluments	3,796,085.00	4,406,672
Repairs and maintenance	3,306,000.00	-
Local travelling & transport	601,236.00	453,207.80
Electricity and water	1,008,864.00	1,101,700
Medical	167,000.00	-
Administration costs	555,866.70	467,500
Activity	467,876.72	-
Other vote heads (specify)*		
Total	9,902,928.42	7,939,579.80

3 GOVERNMENT GRANTS FOR INFRASTRUCTURE

Description	2022-2023	2021-2022
	Kshs	Kshs
maintenance & improvement	2,499,000.00	2,691,000.00
Transition infrastructure grants		
Administration block		
Economic stimulus grants		
Others (specify)(NGCDF and county govt)		
Total	2,499,000.00	2,691,000.00

4 SCHOOL FUND INCOME - PARENTS CONTRIBUTION/FEES

Description	2022-2023	2021-2022
Personnel emoluments	2,390,539.00	6,318,172.50
Repairs and maintenance	2,335,250.50	2,165,045
Local transport / travelling	2,451,503.00	604,564
Electricity and water	2,475,660.00	2,024,973
Medical		
Administration costs	5,159,647.30	3,629,973
Activity	106,700.00	326,000
Fee on Boarding Equipment and Stores	11,815,543.00	1,752,953
PA levies *		
Others (specify)		
Total	26,734,842.80	32,597,680.50

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

5. MISCELLANEOUS INCOMES

Description	2022-2023	2021-2022
	Ksh	Ksh
Rent income		
Income from farming activities	191,500.00	75,000.00
Insurance compensation		
Income from posho mill		
Income from bus hire	210,000.00	85,0000.00
Fee for hire of ground and equipment's		
Income from grants and donations *		
Interest income		
Dividends income		
Loans /borrowings *		
Other income (specify)*		
Total	401,500.00	160,000.00

6. TUITION

Description	2022-2023	2021-2022
	Kshs	Kshs
Exercise books	170,100.00	231,100
Textbooks		293,410
Reference materials		
Laboratory equipment	39,904.00	375,170
Teaching / learning materials	1,997,945.00	203,900
Exams and assessment	62,500.00	184,780
Teachers guides		100,000
Bank Charges	2,100.00	1,860
Others (specify)		106,300
Total	2,272,549.00	1,496,520

7. OPERATIONS

Description	2022-2023	2021-2022
	Ksh	ksh
Personnel emoluments	2,410,790.00	2,505,413
Service Gratuity		
Administration Cost	943,920.00	
Repairs and maintenance & improvements	3,168,266.00	2,762,405
Local transport / travelling		293,800
Electricity and water	490,500.00	61,4240
Medical		
Activity Expenses	1,459,660.00	-
Insurance cost		
Others (specify)		
TOTAL	8,473,136.00	7,917,818

8. INFRASTRUCTURE

Description	2022-2023	2021-2022
	kshs	Kshs
Construction of classrooms	2,167,316.00	
Construction of laboratory		
Construction of dormitory		
Purchase of furniture		
Purchase of equipment's		
Purchase of apparatus		
Drilling of boreholes		

Annual Report and Financial Statements
For the year ended 30th June 2023

Others (specify)		2,969,114.40
Total	2,167,316.00	2,969,114.40

9. BOARDING AND SCHOOL FUND

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	1,304,167.00	1,271,100
Service gratuity		
Repairs and maintenance & Improvements	3,548,045.00	6,924,613
Local transport / travelling	1,213,620.00	1,118,290
Electricity and water	864,660.00	2,844,159
Activity	1,834,710.00	
Administration costs	4,780,528.00	6,481,576
Lunch programme		
Bank Charges		
Expenses on Income Generating Activities**		213,315.00
Fee on Boarding Equipment and Stores	14,262,881.00	11,687,402
Rent expenses		
Insurance costs (life property)		
Loans principal repayment		
Loan interest repayment		
Acquisition of assets		
PA expenses		
Others (specify)		
TOTAL	27,808,611.00	30,919,105

*Expenses on income generating activities** should include all costs relating to the school earnings on miscellaneous receipts as recorded in note 5. These costs should include farm maintenance, posho mill maintenance, ground maintenance and costs incurred during hire of school bus among others.*

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. BANK ACCOUNTS

Account Name & currency	Status	Bank Account Number	2022-2023	2021-2022
	Active / dormant			Ksh
Tuition Account		0210291342857	280,741.67	291,973.4
Operations Account		0210291771448	1,455,307.37	25,514.9
School fund Account/Boarding		01129057858300	370,259.63	902,396.9
Savings account				
Parent Association Development Account				
Income generating activities Account				
Infrastructural account		0210275486204	2,601,489.60	2,269,805.6
Total			4,707,798.27	3,489,690.8

11. CASH IN HAND

Description	2022-2023	2021-2022
		Kshs
Notes and coins	2,639.06	142,770.06
Total	2,639.06	142,770.06

12. SHORT TERM INVESTMENTS

Description	2021-2022	2020-2021
	Kshs	Kshs
Cooperative shares	---	---
Treasury Bills	---	---
Fixed deposit accounts	---	---
Other investments	---	---
Total	---	---

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. ACCOUNTS RECEIVABLE

Description	2022-2023	2021-2022
Fees arrears	2,989,200.00	2,415,200
Other non-fees receivables		
Salary advances(list / schedule attached)		
Imprest (list / schedule attached)		
Rent arrears (list / schedule attached)		
Total	2,989,200.00	2,415,200

13.b AGEING ANALYSIS OF ACCOUNT RECEIVABLES

Description	2022-2023		2021-2022	
	Current FY	% of the total	Current FY	% of the total
Less than 1 year	xx	2,113,978.00		2,415,200
Between 1-2 years	xx			
Between 2-3 years	xx			
Over 3 years				
Total(should tie to note 13 a)	xx	2,113,978.00		2,415,200

14. ACCOUNTS PAYABLE

Description	2022-2023	2021-2022
Trade creditors (See ageing below and appendix 1)	1,423,600.00	1,724,822.00
Prepaid fees		
Retention monies		----
Unpaid salaries and statutory deductions		
Caution money		
Other payables (<i>specify</i>)		
Total	1,423,600.00	1,724,822.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14.a AGEING ANALYSIS OF ACCOUNT PAYABLES

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	Current FY	% of the total	Current FY	% of the total
Less than 1 year	xx	2,113,978.00		1,724,822.00
Between 1-2 years	xx			
Between 2-3 years	xx			
Over 3 years				
Total(should tie to note 14)	xx	2,113,978.00		1,724,822.00

15. FUND BALANCE BROUGHT FORWARD

Description	2022-2023	2021-2022
		Kshs
Bank balances	3,489,690.80	2,733,729.90
Cash balances	142,770.06	4,950.06
Short Term Investments		
Receivables	2,415,200.00	205,000
Payables	[1,724,822.00]	(493,545)
Total	4,322,838.86	2,450,134.96

Other important disclosure notes

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

16. Non-current Liabilities Summary

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank loan(s)	---	xxx
Outstanding Leases	---	xxx
Hire purchase	---	xxx
Gratuity and leave provision	---	xxx
Others (specify)		
Total	----	xxx

17. Biological assets

Description	Numbers	2022-2023	2021-2022
		Kshs	Kshs
Cattle			
Goats			
Trees	300	240,000	240,000
Coffee or tea plantation			
Poultry	15	7,500	7,500
Others(specify)			
Total		327,500	327,500

18. Borrowings

Description	2022-2023	2021-2022
	KShs	KShs
Borrowing at beginning of the year	----	----
Borrowings during the year	----	----
Repayments of during the year	----	----
Balance at end of the year	----	----

Other important disclosure notes

19. Stock/ Inventory

Description	2022-2023	2021-2022
	Kshs	KShs
Food stuffs	250,000	
Lab consumables	150,000	
Farm produce		
medication		
Construction materials		
Others(specify)		
	400,000	

Stock to be measured at lower of cost and net realisable value . net realisable value is the difference between selling cost less costs to sell)

Annual Report and Financial Statements

For the year ended 30th June 2023

20. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

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

.....
Sign and date
Principal

Annual Report and Financial Statements
For the year ended 30th June 2023

21 ANNEX

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance current FY 2022-2023	Outstanding Balance comparative FY 2021-2022	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Supply of goods						
1. CHRISTINE KANINI	463,300	10/5/2023		463,300		
2. Ayub Mwongera	960,300	5/5/2023		960,300		
Sub-Total	1,423,600			1,423,600		
Supply of services						
10						
11						
12						
13						
Sub -total						
Grand total	1,423,600			1,423,600		

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

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

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