

REPUBLIC OF KENYA

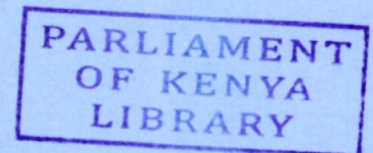


REPORT

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 24 JUN 2026	DAY. WEDNESDAY
TABLED BY:	HON. OWEN BATA, MP DEPUTY LEADER OF MAJORITY
CLERK-AT THE-TABLE:	ROSEMARY AGONYO

THE AUDITOR-GENERAL

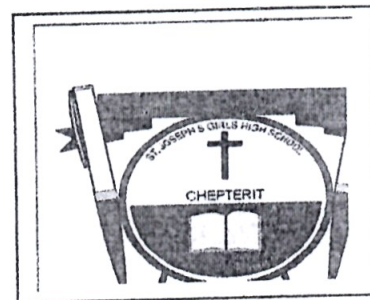
ON



ST. JOSEPH'S GIRLS HIGH
SCHOOL CHEPTERIT

FOR THE YEAR ENDED
30 JUNE, 2025

NANDI COUNTY



ST. JOSEPH'S GIRLS HIGH SCHOOL - CHEPTERIT

High School

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025**

Transitional Financial Statements Prepared under the International Public Sector Accounting Standards (IPSAS)

Table of Contents	Page
1. Acronyms and Definition of Key Terms.....	ii
2. Key School Information and Management	iii
3. Summary Report of Performance of The School	viii
4. Statement of School Management Responsibility.....	xii
5. Report Of The Independent Auditors (<i>To be attached</i>)	xiii
6. Statement Of Financial Performance for the Year Ended 30 th June 2025	1
7. Statement of Assets and Liabilities As At 30 th June 2025.....	2
8. Statement of Cash Flows for the Year Ended 30 th June 2025.....	3
9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30 th June 2025	5
10. Significant Accounting Policies.....	11
11. Notes To the Financial Statements	13
12. Annex 1 : Analysis of pending Accounts Payables	24
13. Annex 2: Fixed Asset Summary	26

1. Acronyms and Definition of Key Terms

A. Acronyms.

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	Free Day Secondary Education
TSC	Teachers Service Commission
SMASSE	Strengthening of Mathematics and Science in Secondary Education

B. Definition of Key Terms

Comparative Year- Means the prior period.

(This list is an indication of the common acronyms and abbreviations; the Entity should include all from the annual report and financial statements prepared)

2. 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 in **Nandi County, Chesumei Sub-County**.

The school was registered in **February/2021** under registration number **29S003000261** and is currently categorized as a **National** public school established, owned or operated by the Government.

The school is a **boarding school** and had **1388** number of students as at **30th June 2025**. It has **11** streams and **76** teachers of which **24** 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	Rt. Rev. Dominic Kimengich	Chairman	20 th May 2022
2	Francesca Chepkwony	Secretary – Chief Principal	30 th May 2022
3	Rutto Philip Kipkoech	Member	30 th May 2022
4	Thomas Serrem	Member	30 th May 2022
5	Mr. David Maiyo	Member	30 th May 2022
6	Mr. David Sasaka	Member	30 th May 2022
7	Mrs. Rosemary Wanaswa	Member	30 th May 2022
8	Prof. Rose Ruto Korir	Member – Rep CEB	30 th May 2022
9	Mrs Kipkemboi Anne	Member Rep Teachers	30 th May 2022
10	Tiony Benadette Cheptoo	3 Members - Sponsor	30 th May 2022
11	Fr. Toror Leonard	3 Members - Sponsor	30 th May 2022
12	Sr. Rosbella Kendagor	3 Members - Sponsor	(co-opted)
13	Dr. Lilian Apadet	Member - Community	30 th May 2022
14	Mr. Philip Kipsang Towet	Member Special Needs	30 th May 2022
15	Stella Jeruto Maritim	Rep Students	30 th May 2022
16	Paul Lagat	Co-opted	9th june 2025
17	Sammy Maswai	Co-opted (P.A Chairperson)	

The functions of the School Board of Management are to:

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

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Rt. Rev. Dominic Kimengich Mrs. Francesca Chepkwony Fr. Toror Leonard Prof. Rose Korir Mr. Sammy Maswai Mr. Philip Towet Mr. David Sasaka	Chairperson BOM Secretary Member Member Member Member Member	5 out of 5 5 out of 5 5 out of 5 0 out of 5 4 out of 5 5 out of 5 4 out of 5
2	Audit Committee	Mr. Lagat Paul Mrs. Francesca Chepkwony Dr. Thomas Serrem Mr. Sammy Maswai Mrs Rosemary Wanaswa Sr. Rosbella Kendagor	Chairperson BOM Secretary Member Member Member Member	1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1
3	Finance, procurement and general purposes Committee	Mr. David Maiyo Dr. Benadette Tiony Dr. David Sasaka Mrs. Francesca Chepkwony Fr. Toror Leonard Mr. Paul Lagat	Chairperson Member Member BOM Secretary Member Member	1 out of 4 0 out of 4 4 out of 4 4 out of 4 4 out of 4 4 out of 4

4	Academic Committee	Prof Rose Korir Mrs. Francesca Chepkwony Mr. Towet Philip Dr. David Sasaka Mrs. Rosemary Wanaswa Dr. Lilian Apadet Mr. David Maiyo	Chairperson BOM Secretary Member Member Member Member Member	1 out of 3 3 out of 3 3 out of 3 3 out of 3 2 out of 3 2 out of 3 1 out of 3
5	Development Committee	Dr. Serrem Thomas Dr. Benadette Tiony Mrs. Francesca Chepkwony Dr. Lilian Apadet Mr. David Maiyo Fr. Toror Leonard Dr. David Sasaka Mr. Towet Philip	Chairperson Member BOM Secretary Member Member Member Member Member	5 out of 5 0 out of 5 5 out of 5 0 out of 5 0 out of 5 5 out of 5 5 out of 5 5 out of 5
6	Discipline and welfare Committee	Mr. Towet Philip Sr. Kendagor Rosbella Mrs. Francesca Chepkwony Dr. Serrem Thomas Dr. Benadette Tiony Fr. Toror Leonard Mrs Anne Kipkemboi Dr. David Sasaka	Chairperson Member BOM Secretary Member Member Member Member Member	6 out of 6 5 out of 6 6 out of 6 3 out of 6 2 out of 6 5 out of 6 5 out of 6 5 out of 6
7	Adhoc Committee (if any during the year)	Mr. Paul Lagat Mrs. Francesca Chepkwony Dr. David Sasaka Mr. Towet Philip Fr. Toror Leonard Mrs Anne Kipkemboi Sr. Kendagor Rosbella	Chairperson BOM Secretary Member Member Member Member Member	0 out of 0 2 out of 2 2 out of 2 2 out of 2 2 out of 2 2 out of 2 2 out of 2

St Joseph's Girls High School- Chepterit
Annual Report and Financial Statements For the year ended 30th June 2025

(d) School operation Management

For the financial year ended 30th June, 2025 the School's day-to-day management was under the following persons:

Ref:	Designation	Name	Identification
1.	Principal	Mrs Francesca Chepkwony	352041
2.	Deputy Principal	Mrs Ann Kipkemboi	257076
3.	Deputy Principal	Josphat Kisang	456313
4.	Deputy Principal	Mrs. Ketter Edna	490957
5.	School Bursar	Jelagat Kezia	27588176

(e) Schools contacts

Post Office Box: 51, KAPSABET
 Telephone: 0736-027920
 E-mail: *chepteritgirls@gmail.com*
 Website: N/A

(f) School Bankers

Provide details of the school bankers.

- | | |
|---|---|
| 1. Bank Name: National Bank
Branch: Kapsabet | Type: Operations
Account no: 01025055501201 |
| 2. Bank Name: National Bank
Branch: Kapsabet | Type: Tuition
Account no: 01025055501200 |
| 3. Bank Name: National Bank
Branch: Kapsabet | Type: TIG
Account no: 01025055501202 |
| 4. Bank Name: National Bank
Branch: Kapsabet | Type: M&I
Account no: 01022055501200 |
| 5. Bank Name: National Bank
Branch: Kapsabet | Type: School fund
Account no: 01021055501200 |
| 6. Bank Name: Equity Bank
Branch: Kapsabet | Type: School fund
Account no: 0490263296969 |
| 7. Bank Name: KCB
Branch: Kapsabet | Type: School fund
Account no: 1330017226 |
| 8. Bank Name: KCB
Branch: Kapsabet | Type: Farm account
Account no: 1324183624 |

St Joseph's Girls High School- Chepterit
Annual Report and Financial Statements For the year ended 30th June 2025

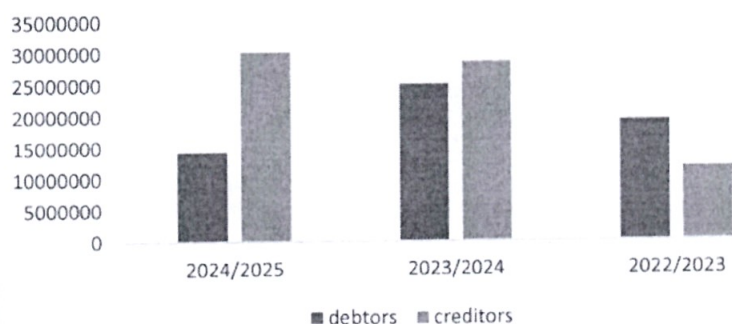
3. Summary Report of Performance of The School

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

a) Financial performance:

S/NO	Item	2024/2025	2023/2024	2022/2023
1	Surplus/deficit	(13,938,268)	-37,600,299	33,127,080
2	Capitation grant	17,311,493	24,946,562	20,384,306
3	Ratio of capitation	1:15,671	1:13,319	1:12,901
4	Other income	803,957	2,594,243	1,436,250
5	Expenditure	143,313,934	213,741,018	156,340,644
6	Debtors	14,282,606	25,405,261	19,253,272
7	Creditors	30,055,094	28,540,903	11,743,391

MOVEMENT OF DEBTORS AND CREDITORS



ratio of capitation



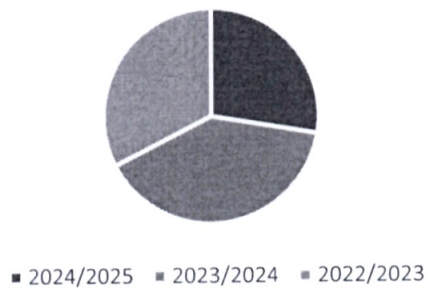
■ 2024/2025 ■ 2023/2024 ■ 2022/2023

St Joseph's Girls High School- Chepterit
Annual Report and Financial Statements For the year ended 30th June 2025

(g) Independent Auditors

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

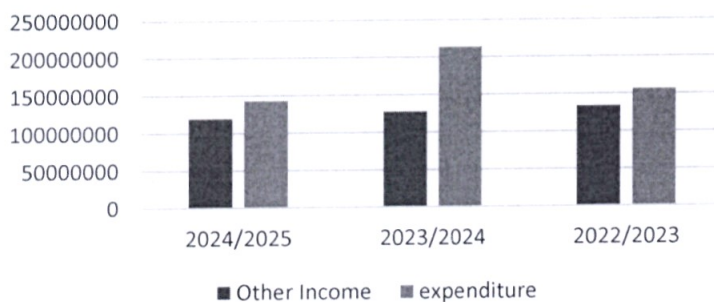
Capitation grants



SURPLUS/DEFICIT



Growth of expenditure and other income



b) Teacher Student ratio:

SUBJECT	MATH	ENG	KISW	BIO	CHEM	PHY	GEO	CRE	HIST	AGR	COMP	B/S	H/SCI	FRE.
TSC TRS	7	9	6	7	4	4	2	4	4	1	1	1	2	0
DOM TRS	2	2	2	0	3	5	2	2	2	0	1	2	0	1
F/Y		TSC TRS RECRUITED		TEACHERS TRANSFERED			TSC EMPLOYED TEACHERS		BOM EMPLOYED TEACHERS		SHORTAGE			
2024/2025		1		4			52		24		29			

St Joseph's Girls High School- Chepterit
Annual Report and Financial Statements For the year ended 30th June 2025

c) The mean score in the 2024 KCSE:

<i>YEAR</i>	<i>2024</i>	<i>2023</i>	<i>2022</i>
<i>MEAN SCORE</i>	<i>7.5</i>	<i>8.507</i>	<i>7.339</i>
<i>SET SCORE</i>	<i>10.0</i>	<i>10.0</i>	<i>9.8</i>
<i>COMMENTS</i>			

d) Number of Candidates in the 2024 KCSE:

<i>YEAR</i>	<i>2024</i>	<i>2023</i>	<i>2022</i>
<i>ENTRY</i>	<i>444</i>	<i>443</i>	<i>360</i>

e) The capacity of the school:

<i>NO OF STUDENTS</i>	<i>DORMITORIES</i>	<i>LAB</i>	<i>DINING HALL</i>	<i>TOILETS</i>	<i>CLASSES</i>	<i>LIBRARY</i>	<i>BATHROOMS</i>
	1762 CAPACITY						
<i>1388</i>	<i>27</i>	<i>6</i>	<i>1</i>	<i>109</i>	<i>32</i>	<i>1</i>	<i>65</i>

f) Development projects carried out by the school:

CONSTRUCTION OF THE DORMITORY	MOE & PARENTS	Ongoing	72,093,344	18,741,801	62,986,754	June 2026



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 St Joseph's High School – Chepterit 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).

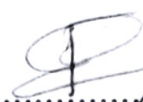
The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2025, and of the school's financial position as at that date.


.....

Name: Bishop Dominic Kimengich

Designation: Chairman, School Board of Management

Date: 11/03/2026


.....
Name: Francesca Chopkwony

Designation: School Principal & Secretary to Board of Management

Date: 10/03/2026




.....
Name: Jelagat Kezia

Designation: Bursar/ Finance Officer

Date: 9/3/2026

REPUBLIC OF KENYA

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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 ST. JOSEPH'S GIRLS HIGH SCHOOL CHEPTERIT FOR THE YEAR ENDED 30 JUNE, 2025 - NANDI 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 transitional IPSAS financial statements of St. Joseph's Girls High School Chepterit - Nandi County set out on pages 1 to 26, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of cash flows, statement of comparison of budget and actual

Report of the Auditor-General on St Joseph's Girls High School Chepterit for the year ended 30 June, 2025 - Nandi County

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 effects of the matter described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of St Joseph's Girls High School Chepterit as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis (including the transitional provisions permitted under IPSAS 33) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

Inaccuracies in the Financial Statements

Review of financial statements submitted for audit revealed the following inaccuracies;

- (i) The statement of cashflows reflected receipts from school fund income – parents contributions of Kshs.105,181,774. However, examination of schedules of individual receipts provided for audit revealed that total collections from parents for the period amounted to Kshs.117,403,808, resulting in unreconciled variance of Kshs.12,222,034.
- (ii) The statement of assets and liabilities reflects accounts receivable balance of Kshs.14,282,606 as disclosed in Note 13 to the financial statements. Included in the balance is Kshs.13,903,706 in respect of fees arrears. However, review of accounts receivable records revealed that the opening fees arrears balance on 1 July, 2024 was Kshs.24,998,336 while statement of financial performance reflects an amount of Kshs.89,434,143 as amount invoiced during the year in relation to the School fees and the statement of cashflows reflects receipts of Kshs.105,181,774 in respect of the fees received resulting in accounts receivable balance at close of the year of Kshs.9,250,705. The resultant variance of Kshs.4,653,001 has not been reconciled.
- (iii) The statement of budgeted versus actual amounts reflects total actual receipts on a comparable basis, of Kshs.142,057,499. However, the statement indicates a total expenditure on a comparable basis of Kshs.143,358,921, leaving unreconciled variance of Kshs.1,301,422. No explanation was provided on how the School incurred an actual expenditure in excess of the total amounts received.

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

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the St Joseph's Girls High School – Chepterit 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.

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

1. Significant Exemptions by PSASB in the Financial Reporting Template

The financial statements have been prepared using the FY 2024/25 reporting template issued by the Public Sector Accounting Standards Board (PSASB). As communicated by PSASB on 25 February 2026, the template was designed to facilitate a phased transition to accrual-based IPSAS for public secondary schools and, therefore, does not include certain statements and disclosures required under the full IPSAS transition. These omissions include the Opening Statement of Financial Position, the Statement of Changes in Net Assets/Equity, detailed disclosures of transitional provisions under IPSAS 33, and a reconciliation of budgeted amounts to actual accrual amounts. The absence of these elements arises from limitations inherent in the prescribed template and does not constitute non-compliance on the part of the School.

2. Unresolved prior year Matters

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance, respectively that remained unresolved as at 30 June, 2025 detailed below:

S/No.	Audit Issue
2023/2024	1. Inaccuracies in the financial statements 2. Long outstanding fee arrears 3. Underfunding of capitation funds 4. Irregular transfer of funds to Kenya Secondary School Heads Association 5. Discrepancies in student enrollment data 6. Long outstanding payables 7. Failure to prepare school improvement plan 8. Failure to implement the procurement plan as per the approved budget 9. Late submission of financial statements for audit 10. Lack of adequate facilities in the school

Other Information

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

In connection with my audit on the Schools' 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. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

The statement of financial performance reflects an amount of Kshs.94,812,541 in respect of boarding and school fund as disclosed in Note 9 to the financial statements. Included in the expenditure is an amount of Kshs.910,000 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by Schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.910,000 could not be confirmed.

2. Unconfirmed Students Enrolment Data

The statement of financial performance reflects Government grants for tuition, Government grants for operations and Government Grants for infrastructure of Kshs.4,309,979, Kshs.13,001,514 and Kshs.18,732,250 respectively as disclosed in Notes 1, 2 and 3 to the financial statements. Comparison of data from National Education

Management and information System (NEMIS) with records from the class registers revealed that during the financial year 2024/2025, NEMIS reflected cumulative number of students of four thousand, six hundred and ninety seven (4,697) while the class registers indicated four thousand, six hundred and thirty four students (4,634) resulting in unexplained student variances of sixty three (63). This is contrary to the Ministry of Education Circular MOE.HQS/3/13/3 of 16 June, 2021 which requires all learners be registered in NEMIS and principals to ensure that their records are accurate.

In the circumstances, the unreconciled variance may have resulted in excess funding and value for money on excess capitation.

3. Unapproved Fees on Parents Association Support Programme

The statement of financial performance reflects school fund income - parents contributions amount of Kshs.89,434,143 as disclosed in Note 4 to the financial statements. Examination of the records revealed that the school charged an amount of Kshs.15,000 per student as part of fees which had not been approved by the Ministry of Education through the County Education Board. This was contrary to Government Circular No. MOE.HQS/3/13/3 dated 16 June, 2021 on guidelines on implementation of Free Day and Secondary Education programme which stipulates that a parent will only pay for school uniforms, boarding related costs as reflected in the boarding fee structure and lunch for the day scholars. A letter dated 23 November 2022 from the Ministry of Education indicated that the school was authorized to charge parents an extra levy of Kshs.15,000 per student, to be collected in three instalments of Kshs.5,000 per term for the year ending December 2023.

However, a subsequent request by the School dated 18 April, 2024 to continue charging the same levy for 2024 was not supported by evidence of approval from the Ministry. Despite this, the Board-approved fee structure which at the time of audit shows that the school charged the extra levy of Kshs.15,000 per student to an average enrolment of 1,544 students, generating Kshs.23,160,000, without documented Ministry authorization.

In the circumstances, Management was in breach of the law

4. Non-Deduction of Capacity Building Levy

The statement of financial performance reflects infrastructure expenditure of Kshs.23,324,591 as disclosed in Note 8 to the financial statements, which includes an amount of Kshs.23,092,286 in respect of procurement contracts signed with the school's suppliers. Review of payments for goods and services revealed that there was no deduction of the public procurement capacity building levy of 0.03% on the contracts, contrary to the Levy Order 2023 issued by the Public Procurement Regulatory Authority.

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

5. Late Transfer of Capitation Grants to Infrastructure Account

The statement of financial performance reflects infrastructure grants from the Ministry of Education amounting to Kshs.18,732,250, as disclosed in Note 3 to the financial statements. The amount includes capitation grant of Kshs.4,759,180 which was received

in the operations account, necessitating the transfer of Kshs.1,410,000 to the infrastructure account. However, only Kshs.600,000 was transferred within the stipulated fifteen (15) days, resulting in a delayed transfer of Kshs.810,000. Subsequently, Kshs.1,700,000 was transferred on 26 February, 2026, which included the delayed amount of Kshs.810,000 transferred twenty-six (26) days after receipt of the funds. Further, capitation grant of Kshs.3,628,778 was received in the operations account, requiring a transfer of Kshs.1,053,000 to the infrastructure account. However, review of the bank statements indicated that no transfer was made. In addition, the School did not issue an acknowledgement receipt to the Ministry of Education for the first disbursement of capitation grants for operations amounting to Kshs.5,066,625, in contravention of paragraph 4(e) of the same Circular. The delayed transfer 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 be transferred to the school infrastructure account within fifteen (15) days upon receipt of the funds in the operations account.

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

6. Failure to Prepare School Improvement Plan

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

The School has been operating under an outdated School Improvement Plan for the period 2015–2016. During the year, it implemented several development projects, including construction of a 460-capacity dormitory, a classroom in a storeyed building, and a solar installation project; however, these projects were not included in either the School Improvement Plan or the Strategic Plan. In addition, the school had two Strategic Plans in place—one covering 2023–2027 and another 2024–2026—making it unclear which plan was guiding its operations and development activities, thereby indicating weaknesses in planning, coordination, and alignment of projects to approved strategic frameworks.

In the circumstances, Management was in breach of the Ministry of Education guidelines.

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. Long Outstanding Accounts Receivables Balance

The statement of financial position reflects accounts receivables amounting to Kshs.14,282,606 as disclosed in Note 13 to the financial statements. The balance comprises of fees arrears and rent arrears amounting to Kshs.13,903,706 and Kshs.378,900 respectively. Included in the fee's arrears is Kshs.8,741,396 representing sixty-three (63%) percent of the total arrears which has been outstanding for more than one year with some balances linked to students who have left the school hence raising concern over their recoverability.

Review of the rent arrears revealed that the outstanding balances date back to 2018 and relate to current staff members. However, no evidence was provided that demand letters or any other recovery actions have been initiated to collect the amounts due. Further, adequate supporting documentation was not provided to clearly substantiate the amounts outstanding or to indicate the specific dates on which the arrears were settled. In addition, neither a tenancy agreement was not signed nor was there a policy on rates applicable for the different units including exemption for some staff.

In the circumstances, the existence of effective mechanisms for debt management could not be confirmed.

2. Security Breaches at the School Occasioning Losses

Review of the Board of Management (BOM) minutes revealed multiple security breaches at the school. In December 2024, a dormitory was broken into and students' belongings stolen, with losses estimated at Kshs.1,000,000 during the Executive BOM meeting of 13 January, 2025. A subsequent Adhoc Committee report dated 22 January, 2025 indicated that the administration block was also broken into, resulting in a further loss of Kshs.583,580. There were no indication investigations, culpability and furthermore the losses have not been disclosed in the financial statements.

In the circumstances, the management effectiveness in the security and well-being of the students could not be determined.

3. Weaknesses in Management of Assets

Annex 2 to the financial statements presents a summary of the fixed assets register. However, the assets listed do not have assigned monetary values other than addition for land during the year of Kshs.18,741,801. In addition, the detailed fixed asset register

provided for audit review did not disclose any intangible assets, while the summary of the fixed assets register in the financial statements indicates the existence of four software assets.

Further, the fixed asset register provided lacked essential information, including the date of acquisition, source of funding, purchase cost, accumulated depreciation, and net book value, contrary to the requirements of appendix 6 of the National Treasury Guidelines on Asset and Liability management in the public sector. It was also observed that the assets had not been tagged to enable proper identification and tracking, and no valuation exercise had been conducted to determine their current fair values.

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

4. Lack of Data Recovery Mechanisms

Review of the school's information technology internal control environment indicated that the school had four systems in use. However, there was no approved contingency plans that included data backup and disaster recovery. In addition, there were no servers or other data storage mechanisms for the systems. It was also noted that the CCTV system did not have a storage for recordings.

In the circumstances, the effectiveness of Management in data security and controls could not be confirmed.

5. Weaknesses in The Board of Management

Review of the Board of management records revealed the following weaknesses;

- (i) The Board committee meeting minutes for the year under review, including full Board meetings held on 3 July, 2024, 13 January, 2025, and 13 May, 2025 had not been signed at the time of audit. This limits confirmation of the authenticity, occurrence, and validity of the recorded deliberations and decisions.
- (ii) Review of the Board appointment letters presented for audit indicated that the Board comprises 18 members, exceeding the recommended maximum of 17 as detailed in the attached list. The members were appointed on 9 June, 2025 with a mandate to make resolutions on behalf of the school for the next three years.
- (iii) The Board of Management did not provide evidence that a governance report to the Director of Basic Education had been submitted as required by Section 60 of the Basic Education Act 2013.
- (iv) Failure by the Board to ensure proper employment terms for staff under their employ. Review of the appointment letters for a number of teachers indicated that their employment was on one-year, renewable contracts requiring formal application and approval by the Board Secretary. However, no renewal confirmation letters detailing the approved continuation and revised terms of engagement were presented for audit though the teachers are still on payroll. In addition, appointment letters for essential staff presented for audit does not show employee remuneration.

- (v) Failure by Board to ensure there is a School staff establishment taking cognizance of the needs of the schools and approving the same over the years.

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

6. Ineffective Audit Committee

During the period under review, the Audit Committee met once during the year. However, meeting minutes or attendance register were not provided to verify that the meeting actually took place. This lack of proper record keeping raises concerns about transparency, accountability and the effectiveness of oversight functions within the Board.

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

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual 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 Schools 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

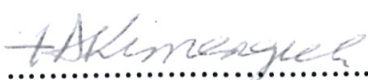
22 May, 2026

St Joseph's Girls High School- Chepterit
Annual Report and Financial Statements For the year ended 30th June 2025

6. Statement Of Financial Performance for the Year Ended 30th June 2025

Description Of Vote Head	Note	2024/2025	2023/2024
		Kshs	Kshs
Revenue			
Government grants for tuition	1	4,309,979	4,134,476
Government grants for operations	2	13,001,514	20,812,086
Government Grants for infrastructure	3	18,732,250	26,935,000
School fund income- parents' contributions	4	89,434,143	121,664,914
Miscellaneous incomes	5	803,957	2,594,243
Total Revenue		126,281,843	176,140,719
Expenditure			
Tuition	6	6,284,845	6,567,926
Operations	7	15,798,134	18,282,238
Infrastructure	8	23,324,591	68,666,980
Boarding and school fund	9	94,812,541	120,223,874
Total Expenditure		140,220,111	213,741,018
Surplus/Deficit		(13,938,268)	(37,600,299)

The school financial statements were approved on 20/5/2025 and signed by:



Name: B. Dominic
Kimengich

Chair BOM

Date: 11/3/2026


Name: Francesca Chepkwony
School Principal/ Secretary to
BOM

Date: 10/3/2026



Name: Jelagat Kezia

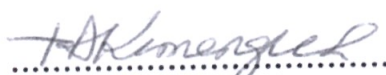
Bursar/ Finance Officer

Date: 9/3/2026

7. Statement of Assets and Liabilities As At 30th June 2025

Description	Note	2024/2025 Kshs	2023/2024 Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	3,338,893	4,651,416
Cash balances	11	13,453	2,352
Short term investments	12	-	-
Total cash and cash equivalent		3,352,346	4,653,768
Account's receivables	13	14,282,606	25,405,261
Total financial assets (a)		17,634,952	30,059,029
Financial liabilities			
Accounts payables	14	30,055,094	28,540,903
Total Financial Liabilities (b)		30,055,094	28,540,903
Net financial assets (a-b)		(12,420,142)	1,518,126
Represented by			
Accumulated fund b/fwd	15	1,518,126	39,118,425
Surplus/deficit for the year		(13,938,268)	(37,600,299)
Net Assets		(12,420,142)	1,518,126

The school's financial statements were approved by the B.O.M. 2025 and signed by:



Name: B. Dominic
Kimengich

Chair BOM

Date: 11/3/2026



Name: Francesca Chepkwony
School Principal/ Secretary to
BOM

Date: 10/3/2026



Name: Jelagat Kezia

Bursar/ Finance Officer

Date: 9/3/2026.

St Joseph's Girls High School- Chepterit
Annual Report and Financial Statements For the year ended 30th June 2025

8. Statement of Cash Flows for the Year Ended 30th June 2025

Description	Note	2024/2025 Kshs	2023/2024 Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition		4,309,979	4,134,476
Government grants for operations		13,001,514	20,812,086
Government grants for infrastructure		18,732,250	26,935,000
School fund income- parents contributions/ fees		105,181,774	125,017,791
Other income		831,982	2,662,076
Total receipts		142,057,499	179,561,429
Payments			
Cash outflows for tuition		5,735,862	2,973,618
Cash outflows for operations		14,256,578	18,282,238
Cash outflows Boarding/lunch and school fund payments		104,624,680	128,081,518
Total payments		124,617,120	(149,337,374)
Net cash inflow/outflow from operating activities		17,440,379	30,224,225
Cash flow from investing activities			
Acquisition of assets		(18,741,801)	(57,179,000)
Proceeds from sale of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		(-)	-
Net cash inflow/outflows from investing activities		(1,301,422)	(26,954,775)
Cash flow from Financing activities			
Proceeds from borrowings/ loans	18	-	-
Repayment of principal borrowings		(-)	-
Net cash inflow/outflow from financing activities		-	-
Net increase/decrease in cash and cash equivalents		(1,301,422)	(26,954,775)
Cash and cash equivalent at beginning of the FY		4,653,768	31,608,543
Cash and cash equivalent at end of the FY		3,352,346	4,653,768

The school's financial statements were approved on 2025 and signed by:



Name: B. Dominic
Kimengich

Chair BOM

Date: 11/3/2026



Name: Francesca Chepkwony
School Principal/ Secretary to
BOM

Date: 11/3/2026



Name: Jelagat Kezia

Bursar/ Finance Officer

Date: 9/3/2026

St Joseph's Girls High School- Chepterit
Annual Report and Financial Statements For the year ended 30th June 2025

9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2025

Receipts/Expenditure Item	Original Budget		Adjustments		Final Budget		Actual On Comparable Basis		% Of Utilization	
	A	Kshs	B	Kshs	C=A+B	Kshs	D	Kshs	E=D/A	%
Receipts										
(1) Capitation Grant on Tuition										
Reference Materials	-		-		-		-		-	
Exercise Books	-		-		-		-		-	
Laboratory Equipment	-		-		-		-		-	
Internal Exams	-		-		-		-		-	
Teaching / Learning Materials	4,681,805		-		4,681,805		4,309,979		92%	
Exams And Assessment							-		-	
(2) Capitation Grant on Operations										
Personnel Emoluments	9,804,000		-		9,804,000		5,301,619		54%	
Repairs And Maintenance	-		-		-		73,000			
Local Transport / Travelling	1,634,000		-		1,634,000		1,386,969		85%	
Electricity And Water	1,634,000		-		1,634,000		1,634,809		100%	
Medical	1,340,200		-		1,340,200		1,584,740		118%	
Administration Costs	2,287,600		-		2,287,600		1,974,927		86%	
Activity	1,551,000		-		1,551,000		1,045,450		67%	
Gratuity	-		-		-				-	
3) FDSE for infrastructure							-		-	

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	Kshs	Kshs
Maintenance &Improvement MoE	8,170,000	-	8,170,000	5,212,250	64%
M&I parents' contribution	27,278,000	-	27,278,000	13,520,000	49%
Economic Stimulus Programs	-	--	-	-	-
Transition Infrastructure Grants	-	-	-	-	-
Administration Block	-	-	-	-	-
Sub total	35,448,000		35,448,000	18,732,250	
<i>(4) Fees Charged on Parents</i>					
Personnel Emoluments	11,438,000	-	11,438,000	12,575,287	110%
Repairs And Maintenance	500,000	-	500,000	256,557	-
Maintenance and Improvement				11,533,734	-
Local Transport / Travelling	4,085,000	-	4,085,000	4,129,601	101%
Electricity And Water	7,353,000	-	7,353,000	5,810,269	79%
Medical		-		695,168	-
Administration Costs	5,232,068	-	5,232,068	4,156,406	79%
Activity	1,303,932	-	1,303,932	1,230,540	94%
TLM	1,634,000	-	1,634,000	1,416,740	87%
Fee On Boarding Equipment and Stores	53,193,295	-	53,193,295	42,467,531	80%
Arrears	-	-	-	16,256,940	-
Prepaid fee				4,653,001	
Sub Total	84,739,295		84,739,295	105,181,774 ✓	
<i>5) Miscellaneous Income</i>					
Loans / Borrowing	-		-	-	-

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	Kshs	Kshs
Rent income	-		-	27,355	-
Income From Farming Activities	-		-	686,952	-
Insurance Compensation	-		-	-	-
Income From Posho Mill	-		-	-	-
Income From Bus Hire		-		-	-
Fee For Hire of Ground and Equipment		-		-	-
Interest Income		-		-	-
Income From Any Other Investment		-		-	-
Rent in arrears	-	-	-	117,675	-
				831,982	
Total Income	143,119,900		143,119,900	142,057,499	84%
(6) Expenditure For Tuition				-	-
Textbooks	-	-	-	-	-
Reference Materials	-	-	-	-	-
Exercise Books	-	-	-	-	-
Laboratory Equipment	-	-	-	-	-
Internal Exams	-	-	-	-	-
Teaching / Learning Materials	4,681,805	-	4,681,805	2,141,324	45%
Chalks	-	-	-	-	-
Exams And Assessment	-	-	-	-	-
Teachers Guides	-	-	-	-	-
Administration Costs	-	-	-	-	-

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	Kshs	Kshs
Bank Charges	-	-	-	230	-
Creditors	-	-	-	3,594,308	-
Sub total	4,681,805	-	4,681,805	2,141,324	45%
(7) Expenditure For Operations				-	-
Personnel Emoluments	9,804,000	-	9,804,000	7,767,363	79%
Repairs, Maintenance & Improvements	-	-	-	-	-
Local Transport / Travelling	1,634,000	-	1,634,000	1,260,155	77%
Electricity, Water and Conservancy	1,634,000	-	1,634,000	1,547,843	95%
Medical	1,340,200	-	1,340,200	806,325	60%
Administration Costs	2,287,600	-	2,287,600	1,883,742	82%
Activity Expenses	1,551,000	-	1,551,000	991,150	64%
Gratuity	-	-	-	-	-
SMASSE	-	-	-	-	-
Sub total	18,250,800	-	18,250,800	14,256,578	-
(8) Expenditure For infrastructure				-	-
Construction of classrooms	-	-	-	-	-
Construction of LAB	-	-	-	-	-
Construction of DORMS	35,448,000	-	35,448,000	7,252,501	20%
Purchase of furniture	-	-	-	-	-
Purchase of equipment	-	-	-	-	-
Creditors for MI	-	-	-	11,488,100	-

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	Kshs	Kshs
Bank charges	-	-	-	1,200	-
Sub total	35,448,000	-	35,448,000	18,741,801	53%
<i>(9) Expenditure For school fund/lunch/boarding</i>		-		-	-
Personnel Emoluments	11,438,000	-	11,438,000	10,693,915	93%
Repairs, Maintenance and Improvements	500,000	-	500,000	295,165	59%
Local Transport / Travelling	4,085,000	-	4,085,000	5,586,916	136%
Electricity, Water and Conservancy	7,353,000	-	7,353,000	8,247,850	112%
Medical Expenses	-	-	-	241,399	-
Administration Costs	5,232,068	-	5,232,068	6,303,426	120%
Activity	1,303,932	-	1,303,932	2,403,160	184%
Gratuity	-	-	-	-	-
Lunch Programme	-	-	-	-	-
Boarding Equipment and Stores	53,193,295	-	53,193,295	52,976,302	99%
Expenditure For Income Generating Activity		-		1,630,000	-
Insurance Costs		-		-	-
TLM	1,634,000	-	1,634,000	2,434,764	149%
Rent Expenses	-	-	-	350,000	-
Bank Charges	-	-	-	3,288	-
CREDITORS	-		-	7,517,917	-
PREPAID FEE	-		-	5,940,578	-

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	Kshs	Kshs
Loan Interest Repayment	-	-	-	-	-
Loan Principal Repayment	-	-	-	-	-
Acquisition Of Assets	-	-	-	-	-
Sub total	84,739,295		84,739,295	104,624,680	
Totals	143,119,900		143,119,900	143,358,921	101%

1. Underfunding from government for PE, Activity and MI leading to underutilization of 46%, 33% and 36% respectively. There was also overfunding for medical vote head by 18%. This also had an effect on spending on operations account
 - i. Poor fee collection in school fund account led to underutilization in MI, EWC, ADM COST and BES of 51%, 21%, 21% & 22% respectively
 - ii. The 55% underutilization in expenditure for tuition was because of the payment for creditors
 - iii. The need for revision materials for form fours during the year 2024 increased the overutilization in the TLM vote
 - iv. Minimum allocation by the ministry circular on the activity vote that cannot cover all student activities in both the accounts
 - v. Numerous activities that involved LTT vote that had been underestimated in budget preparation
 - vi. Infrastructure expenditure underutilization because funds were used to pay creditors

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

Statement of Compliance

The financial statements have been prepared in accordance with the PFM Act and International Public Sector Accounting Standards (IPSAS). The entity has taken advantage of the transitional provisions under IPSAS 33, and therefore, these first/second/third/year financial statements are transitional financial statements.

Basis of Preparation

These financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period on an accrual basis unless otherwise specified (for example, statement of cash flow). Under an accrual basis, revenues are recognized when rights to assets are earned or levied rather than when cash is received, and expenses are recognized when obligations are incurred rather than when they are settled. The financial statements have been prepared and presented in Kenya Shillings to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

2. Recognition of revenue and expenditure

The school recognizes all revenue from various sources when earned and all expenses when incurred.

The capitation grants include recurrent and development grants. Recurrent capitation are recognised in the statement of financial performance while development grants are recognised in the statement of financial position after meeting the revenue recognition criteria. The conditional grants will be recognised as revenue upon fulfilment of the set conditions.

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 financial performance both as revenue and as expenditure 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 an 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. Accounts 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 the fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Payables also include expenditures incurred for the purchase of goods, works and services that have been rendered and not settled. This is an enhancement to the cash accounting policy adopted for 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 2025

St Joseph's Girls High School- Chepterit
Annual Report and Financial Statements For the year ended 30th June 2025

11. Notes To the Financial Statements

1 Government Grants for Tuition

Description	2024/2025	2023/2024
	Kshs	Kshs
Reference Materials	-	-
Exercise Books	-	-
Laboratory Equipment	-	-
Internal Exams	-	-
Teaching / Learning Materials	4,309,979	4,134,476
Others (<i>specify</i>)*	-	-
Total	4,309,979	4,134,476

**Include others as per MOE circulars*

2 Government Grants for Operations

Description	2024/2025	2023/2024
	Kshs	Kshs
Personnel Emoluments	5,301,619	4,944,190
Repairs And Maintenance	73,000	6,525,500
Local Transport / Travelling	1,386,969	1,519,500
Electricity And Water	1,634,809	2,850,000
Medical	1,584,740	1,333,875
Administration Costs	1,974,927	1,519,500
Activity	1,045,450	1,330,981
Other Vote Heads -CBC	-	788,040
Total	13,001,514	20,812,086

**Include others as per MOE circulars*

3 Government Grants for infrastructure

Description	2024/2025	2023/2024
	Kshs	Kshs
Maintenance & Improvement	18,732,250	17,545,000
Transition infrastructure grants	-	-
Administration Block	-	9,390,000
Economic stimulus grants	-	-
Other (<i>specify</i>)(NGCDF and County govt.	-	-
Total	18,732,250	26,935,000

4 School Fund Income - Parents Contribution/Fees

Description	2024/2025	2023/2024
	Kshs	Kshs
Personnel emoluments	12,575,287	13,747,630
Repairs and maintenance	256,557	1,174,254
Local transport / travelling	4,129,601	5,194,883
Electricity and water	6,547,769	7,510,471
Medical	695,168	726,724
Administration costs	4,756,406	5,581,848
Activity	1,230,540	2,751,718
Teaching and learning materials	1,479,240	1,778,708
Maintenance and Improvement	12,133,734	27,831,641
Farm	-	1,369,212
Fee on Boarding Equipment and stores	45,629,841	53,590,235
Tuition ac- stray deposits	-	99,278
Operation ac- stray deposits	-	13,554
Farm ac – stray deposits	-	474,758
Total	89,434,143	121,664,914

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

5 Miscellaneous Incomes

Description	2024/2025	2023/2024
	Kshs	Kshs
Rent Income	117,005	489,375
Income From Farming Activities	686,952	2,104,868
Insurance Compensation	-	-
Income From Posho Mill	-	-
Income From Bus Hire	-	-
Fee For Hire of Ground and Equipment	-	-
Income From Grants and Donations*	-	-
Interest Income	-	-
Dividends Income	-	-
Loans/Borrowings*	-	-
Other Income (specify)*	-	-
Total	803,957	2,594,243

(Include an explanation on the kind and source of grants/ donations received by the school.)

**Ensure proper authorization from MOE before obtaining loans/borrowings.*

**Indicate what other income relates to including income arising from writebacks if any.*

St Joseph's Girls High School- Chepterit
Annual Report and Financial Statements For the year ended 30th June 2025

6 Tuition

Description	2024/2025	2023/2024
	Kshs	Kshs
Exercise Books		-
Textbooks		-
Reference materials		-
Laboratory Equipment		-
Teaching / Learning Materials	6,284,615	6,567,926
Exams And Assessment		-
Teachers Guides		-
Bank Charges	230	-
Others (<i>specify</i>)		-
Total	6,284,845	6,567,926

7 Operations

Description	2024/2025	2023/2024
	Kshs	Kshs
Personnel Emoluments	9,308,919	5,307,399
CBC CLASS	-	714,834
Administration Cost	1,883,742	679,554
Repairs And Maintenance & Improvements	-	9,390,000
Local Transport / Travelling	1,260,155	261,130
Electricity And Water	1,547,843	1,579,321
Medical	806,325	
Activity Expenses	991,150	350,000
Insurance Cost	-	
Others (<i>specify</i>)	-	
Total	15,798,134	18,282,238

8 Infrastructure

Description	2024/2025	2023/2024
	Kshs	Kshs
Construction of classrooms	-	19,874,194
Construction of laboratory	-	-
Construction of dormitory	23,323,391	48,792,786
Purchase of furniture	-	-
Purchase of equipment	-	-
Purchase of apparatus	-	-
Drilling of boreholes	-	-
Bank charges	1,200	-
Total	23,324,591	68,666,980

9 Boarding And School Fund

Description	2024/2025	2023/2024
	Kshs	Kshs
Personnel Emoluments	10,693,915	9,753,460
Service Gratuity		
Repairs	295,165	1,305,850
Maintenance & Improvements	-	17,540,000
Local Transport/ Travelling	5,586,916	5,653,283
Electricity And Water	9,160,310	8,426,319
Medical Expenses	241,399	253,136
Administration Costs	6,995,336	5,645,489
Activity expense	2,403,160	3,815,718
Teaching and learning materials	2,434,764	1,810,897
Expenses On Income Generating Activities**	1,630,000	4,147,137
Fee On Boarding Equipment and Stores	55,018,288	61,872,585
Rent Expenses	350,000	-
Insurance Cost (<i>Life Property</i>)	-	-
Loan Principal Repayment	-	-
Loan Interest Repayment	-	-
Acquisition Of Assets	-	-
PA expenses	-	-
Bank charges	3,288	-
Total	94,812,541	120,223,874

(Expenses on income generating activities** should include all costs relating to the school earnings on miscellaneous revenue 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).

St Joseph's Girls High School- Chepterit
Annual Report and Financial Statements For the year ended 30th June 2025

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2024/2025	2023/2024
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	01025055501200	80,305	1,496,988
Operations Account	Active	01025055501201	1,806,333	3,061,520
School Fund Account/Boarding KCB	Active	1330017226	1,192,431	.000
School Fund Account/Boarding NBK	Active	01021055501200	28,473	(1,298,486)
School Fund Account EQTY	Active	049026296969	14,019	14,976
Income generating activities-KCB	Active	1324183624	15,816	915,351
TIG	Active	01025055501202	57,503	167,533
Infrastructural Account	Active	01022055501200	144,013	293,534
Total			3,338,893	4,651,416

11 Cash In Hand

Description	2024/2025	2023/2024
	Kshs	Kshs
Notes and Coins	13,453	2,352
Total	13,453	2,352

12 Short Term Investments

Description	2024/2025	2023/2024
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit accounts	-	-
Other Investments	-	-
Total	-	-

13 Accounts Receivable

Description	2024/2025	2023/2024
	Kshs	Kshs
Fees Arrears	13,903,706	24,998,336
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)		
Imprest (list/schedule attached)		
Rent arrears (list/schedule attached)	378,900	406,925
Total	14,282,606	25,405,261

13 b) Ageing Analysis of Accounts Receivable

Description	2024/2025		2023/2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	5,162,310	37%	17,938,301	70%
Between 1- 2 years	4,000,361	29%	6,814,734	29%
Between 2-3 years	4,500,734	32%	245,301	1%
Over 3 years	240,301	2%		%
Total (should tie to note 13 a)	13,903,706	100%	24,998,336	100%

14 Accounts Payable

Description	2024/2025	2023/2024
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	23,860,537	22,600,325
Prepaid Fees	4,653,001	5,940,578
Retention Monies	-	-
Unpaid salaries and statutory deductions	1,541,556	-
Caution money	-	-
Other payables (<i>specify</i>)	-	-
Total	30,055,094	28,540,903

St Joseph's Girls High School- Chepterit
Annual Report and Financial Statements For the year ended 30th June 2025

14a. Ageing Analysis of Accounts Payable

Description	2024/2025		2023/2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	25,402,093	100%	20,127,134	89%
Between 1- 2 years	-	%	2,473,191	11%
Between 2-3 years	-	%		%
Over 3 years	-	%		%
Total (should tie to note 14)	25,402,093	100%	22,600,325	100%

15 Fund Balance Brought Forward

Description	2024/2025	2023/2024
	Kshs	Kshs
Bank Balances	4,651,416	31,606,163
Cash Balances	2,352	2,381
Short Term Investments	-	-
Receivables	25,405,261	19,253,272
Payables	(28,540,903)	(11,743,391)
Total	1,518,126	39,118,424

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	2024/2025	2023/2024
	Kshs	Kshs
Bank Loans	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Others (specify)	-	-
Total	-	-

17 Biological assets

Description	Numbers	2024/2025	2023/2024
		Kshs	Kshs
Cattle		805,000	420,000
Goats		-	
Trees		1,370,000	1,000,000
Coffee Or Tea Plantation		-	
Poultry		-	
Others (specify)		-	
Total		2,175,000	1,420,000

18 Borrowings

Description	Kshs	Kshs
Borrowings at beginning of the year	-	-
Borrowings during the year	-	-
Repayments during the year	-	-
Balance at the end of the year	-	-

St Joseph's Girls High School- Chepterit
Annual Report and Financial Statements For the year ended 30th June 2025

Other important disclosure notes

19 Stock/ Inventory

Description	2024/2025	2023/2024
	Kshs	Kshs
Food stuffs	5,772,930.00	3,440,390
Lab consumables	404,221.25	430,997
Farm produce	87,370.00	-
Medication	48,074.00	186,515
Construction Materials	606,150.00	1,019,315
Stationeries	833,123.00	980,883
Boarding	87,870.00	
	7,839,738.25	6,058,100

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

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)
1.	Variance between the statement of cashflows and statement of budgeted vs actual amounts	The matter will be resolved before June 2026	Not resolved	June 2026
2.	Long outstanding fee arrears.	We are working on the best way to resolve the matter addressed	Not Resolved	June 2026
3.	Late Submission of Financial Statements for Audit	This year's template to be submitted within the timelines	Resolved	
4.	Underfunding of capitation grants	The issue to be addressed by the ministry	Not resolved	June 2026
5.	Irregular transfer of funds to KESSHA	To be addressed by the ministry	Not resolved	June 2026
6.	Discrepancy in student enrolment data	We are working on ensuring our IT personnel are well trained within the shortest time possible	Not resolved	June 2026
7.	Excess supply of books	To be addressed from the ministry	Not resolved	June 2026
8.	Long outstanding payables	It has been addressed	resolved	
9.	Failure to prepare school improvement plan	We are in the process of preparing it	Not resolved	April 2026
10.	Failure to implement school improvement plan as per the approved budget	It has been addressed	Resolved	
11.	Lack of data recovery measures	We are in the process of engaging the necessary consultants	Not resolved	June 2026
12	Lack of adequate facilities in the school	The management is keen on addressing the matter	Not resolved	June 2026

St Joseph's Girls High School- Chepterit

Annual Report and Financial Statements For the year ended 30th June 2025



12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2024/2025	Outstanding Balance 2023/2024	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1. Creative Mesh International	1,780,136	15/5/24	1,250,420	529,716.00		
2. Teyana Ltd	27,846,826	13/10/22	14,163,046	13,683,780		
3. Teyana Ltd	840,310	13/10/24		840,310		
4. Mashreeq Agro farm	7,542,969	20/12/23	5,685,575	1,857,394		
Sub-Total				16,911,200		
Supply Of Goods						
5. Spearhead enterprises	3,768,370	24/3/25	2,350,000	1,418,370.00		
6. Zenith lab and sport equipment	2,154,661	28/10/24	1,111,240	1,043,421.00		
7. Nyalvo agencies	860,000	7/1/25	200,000	660,000.00		
8. Qontrac consultants	1,021,000	28/1/25		1,021,500.00		
9. Sauti furniture ltd	2,574,286	8/1/25	1,950,000	624,286		
10. Madijah Uniforms	116,800	17/6/25		116,800		
11. Mama Watoto investment	752,500	17/6/25		752,500.00		
12. Sally J. Malakwen	1,102,500	6/2/25	602,500	500,000.00		
13. Cheptil electricals	1,839,200	21/3/25	1,579,660	259,540.00		

St Joseph's Girls High School- Chepterit
Annual Report and Financial Statements For the year ended 30th June 2025

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2024/2025	Outstanding Balance 2023/2024	Comments
14. Pennyiel electricals and plumbing	1,147,220	1/7/24	843,000	304,220.00		
Sub-Total				6,700,637		
Supply Of Services						
15. Starson safety supplies	1,272,500	1/7/24	1,023,800	248,700.00		
Sub-Total				248,700.00		
Grand Total	54,619,778		30,759,241	23,860,537		

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1st July 2024	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost e/f (Kshs) 30th June 2025
Land	20 acres	18,741,801		
Buildings And Structures	703rooms		-	
Motor Vehicles	2			
Office Equipment, Furniture and Fittings	159			
Textbooks	14516			
ICT Equipment	180			
Tools And Apparatus	650			
Other Machinery and Equipment	3			
Heritage And Cultural Assets	0			
Intangible Assets- Soft Ware	4			
Total	20 acres			

