

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

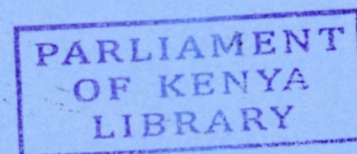
REPORT

OF

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 01 JUL 2026	DAY: WEDNESDAY
TABLED BY:	HON. OWEN BOYA, MP
CLERK-AT THE TABLE:	CHRISTINE NDIRITU

THE AUDITOR-GENERAL

ON



ITUGURURU HIGH SCHOOL

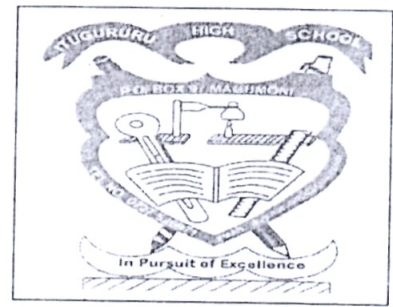
**FOR THE YEAR ENDED
30 JUNE, 2025**

THARAKA NITHI COUNTY



1000

(leave this page blank)



ITUGURURU 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. <u>Acronyms and Definition of Key Terms</u>	5
2. <u>Key School Information and Management</u>	6
3. <u>Summary Report of Performance of The School</u>	Error! Bookmark not defined.0
4. <u>Statement of School Management Responsibility</u>	21
5. <u>Report Of The Independent Auditors (To be attached)</u>	22
6. <u>Statement Of Financial Performance for the Year Ended 30th June 2025</u>	23
7. <u>Statement of Assets and Liabilities As At 30th June 2025</u>	Error! Bookmark not defined.4
8. <u>Statement of Cash Flows for the Year Ended 30th June 2025</u>	2Error! Bookmark not defined.5
9. <u>Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2025</u>	26
10. <u>Significant Accounting Policies</u>	30
11. <u>Notes To the Financial Statements</u>	Error! Bookmark not defined.
12. <u>Annexes</u>	43

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)

1. KEY SCHOOL INFORMATION AND MANAGEMENT**(a) Background information**

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

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

The school is a boarding school and had 814 number of students as at 30th June 2025 . It has 6 streams and 27 teachers of which 3 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	Ainsworth Kithinji	Secretary - Principal	1/8/2025
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 kathomu kangangi	Member Rep Teachers	1/8/2022
	Letton Mugo	Members - Sponsor	1/8/2022
	Hemmis kadogo		
11	Gilbert kinyua kiura		
12	Fredrick Kimemia	Member - Community	1/8/2022
13	Keneth murithi	MemberSpecial Needs	1/8/2022
14	Simon murimi	Rep Students	1/8/2024

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

Ref	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1. Nthia Felix Njagi 2. Ainsworth kithinji 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. Ainsworth kithinji 3. Letton Mugo 4. Pauline Kairimi	Chairman Principal PA Chair Member member	2
3	Development Committee	1. Letton Mugo 2. Ainsworth kithinji 3. Nthia Felix Njagi 4. Pauline Kairimi 5. Eugene Muchai	Chairman Principal member Member member	2
4	Discipline and welfare committee	1. Ainsworth kithinji 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. Ainsworth kithinji 3. Letton Mugo 4. Pauline Kairimi 5. Eugene Muchai	Chairman Secretary Member Member Member	2

(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	Ainsworth kithinji	350007
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

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

TUTION ACCOUNT

- Name of Bank: Equity Bank
 Branch: Chuka
 Account Number: 0210291342857

OPERATIONS ACCOUNT

- Name of Bank: Equity Bank
 Branch: Chuka
 Account Number: 0210291771448

INFRASTRUCTURE ACCOUNT

- 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

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

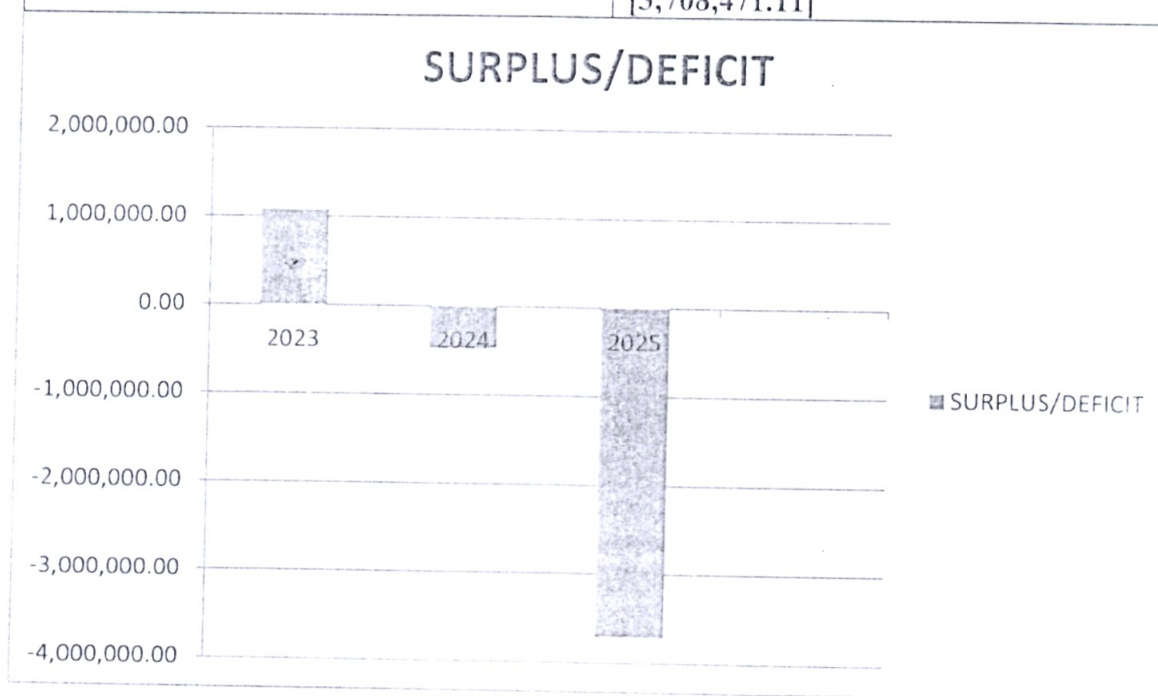
2. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

a) Financial performance:

A) SURPLUS/DEFICIT OVER VIEW OF LAST THREE YEARS

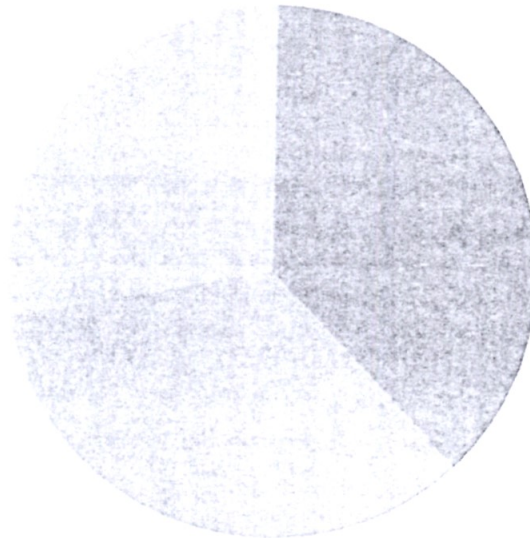
YEAR	SURPLUS/DEFICIT
2023	1,077,976.47
2024	[473,113.00]
2025	[3,708,471.11]



BJCAPITATION GRANTS OVER VIEW OF LAST THREE YEARS

YEAR	TOTAL
2023	12,164,246.00
2024	11,062,793.00
2025	8,994,819.00

CAPITATION GRANTS

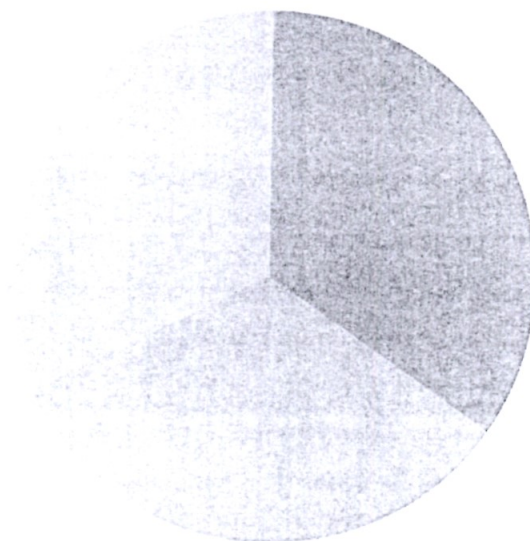


■ 2023
■ 2024
■ 2025

C] RATIO OF CAPITATION PER STUDENT

YEAR	RATIO
2023	1:14,940
2024	1:14,311
2025	1:13,838

RATIO OF CAPITATION PER STUDENT



■ 2023

■ 2024

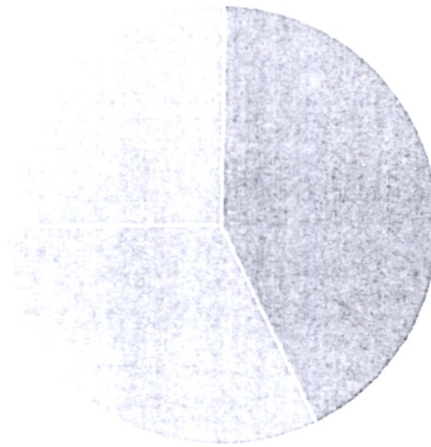
■ 2025

D] GROWTH OF INCOME

YEAR	GROWTH OF INCOME
2023	41,799,588.47
2024	31,527,038.48
2025	24,764,337.64

GROWTH OF INCOME

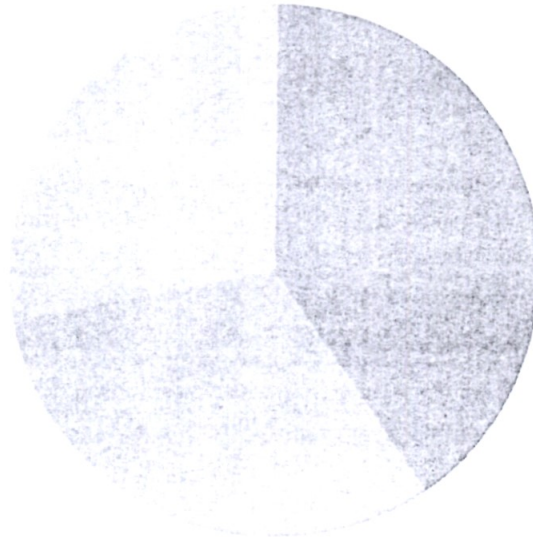
■ 2023 ■ 2024 ■ 2025



EJ GROWTH IN EXPENDITURE OVER VIEW OF THREE YEARS

YEAR	GROWTH OF EXPENDITURE
2023	40,721,612.00
2024	32,000,151.48
2025	28,472,808.75

GROWTH OF EXPENDITURE



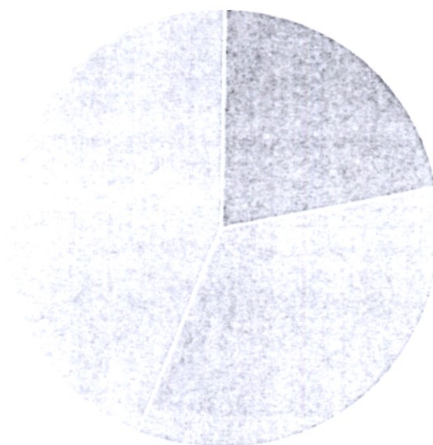
■ 2023
■ 2024
■ 2025

FJ MOVEMENT OF DEBTORS OVER THREE YEARS

YEAR	DEBTORS
2023	2,989,200.00
2024	4,668,000.00
2025	6,058,694.00

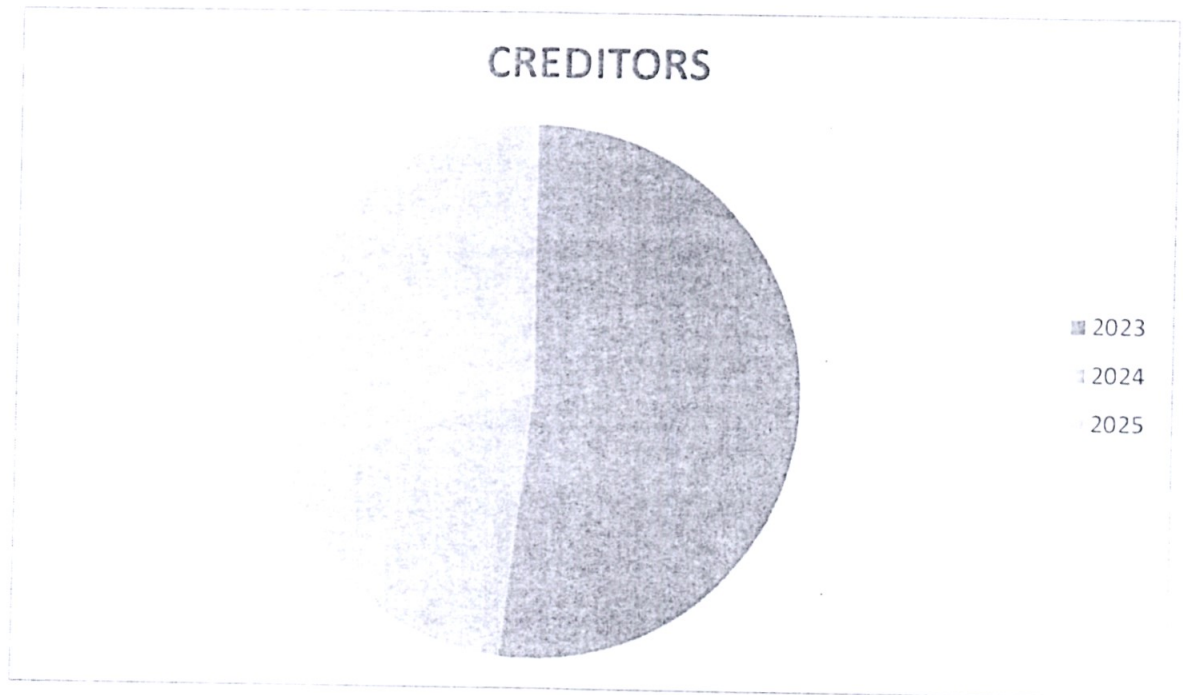
DEBTORS

■ 2023 ■ 2024 ■ 2025



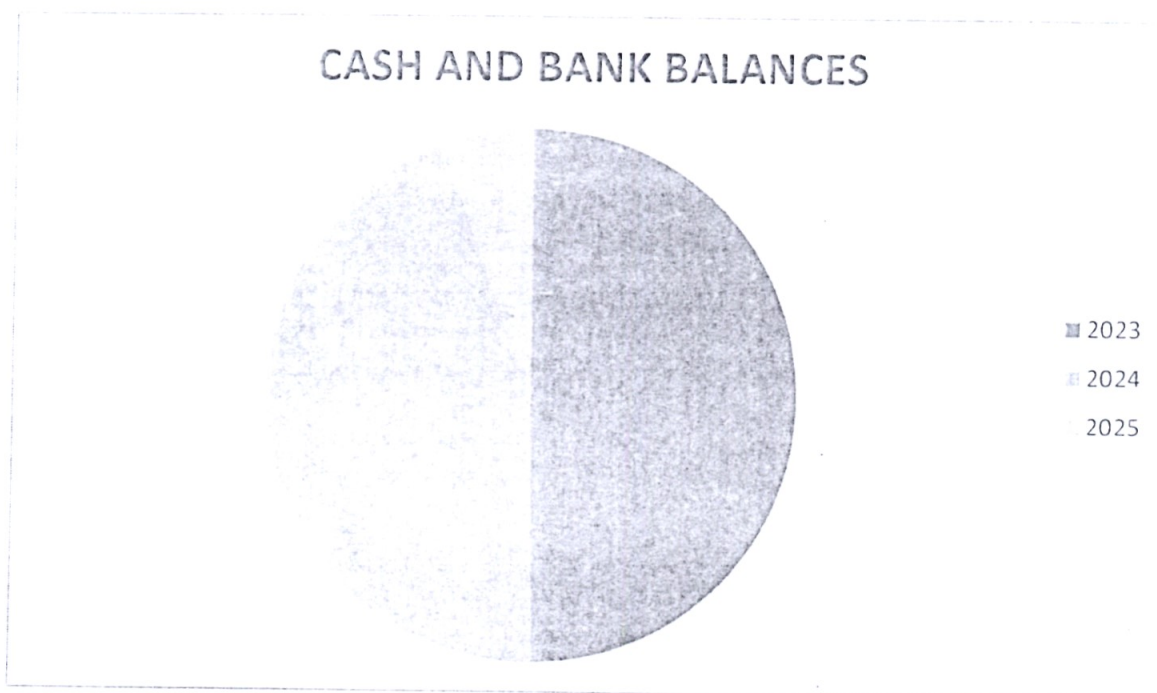
GJ MOVEMENT OF CREDITORS OVER THREE YEARS

YEAR	CREDITORS
2023	1,423,600.00
2024	500,000.00
2025	824,095.00



HJ MOVEMENT OF CASH IN HAND AND BANK BALANCES OVER THREE YEARS

YEAR	CASH AND BANK BALANCES
2023	4,710,437.33
2024	4,237,324.33
2025	528,853.57



bJ TEACHER STUDENT RATIO

TOTAL NO OF STUDENTS 437

APPROXIMATE TEACHERS EXPECTED IN THE SCHOOL FOR 437

STUDENTS.....27 teachers [CBE NUMBER]

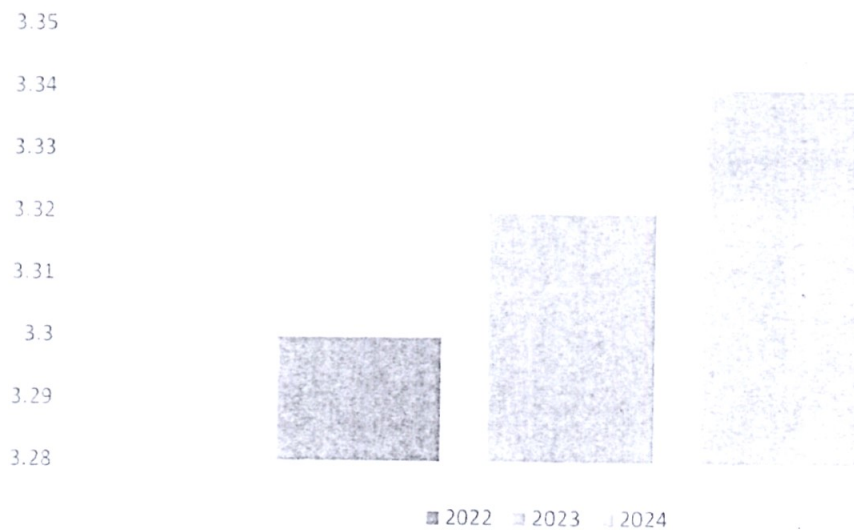
NO	NAME	SUBJECT COMBINATI ONS	TSC/BOM
1.	AINSWORTH KITHINJI	MATHS/CHEM	TSC
2.	MARTIN WACHIRA GERALD	BIO/AGR	TSC
3.	FRANKLINE NKOI MUTEGI	KISW/GEO	TSC
4.	BARASA PAUL SAFINA	MATH/PHY	TSC
5.	ALEX MUCHANGI	KISW /GEO	TSC
6.	BONFICE MUKUNDI	HIST/CRE	TSC[TRANSFERRED]
7.	STELLA KANINI MATI	ENG/LIT	TSC

8.	PAUL KIMATHI MUGIIRA	KISW/HIST	TSC
9.	JOSEPH MURAGE	MATH/CRE	TSC
10.	JOHN MAUNDU MUTUA	MATH /B/S	TSC
11.	DILLON MUGENDI MUGO	MATHS /CHEM.	TSC
12.	LISPER GAKII KITHAKA	ENG /LIT	TSC
13.	DENIS GITONGA	BIO /CHEM	TSC
14.	DICKSON KIMATHI	KISW CRE	TSC
15.	ANNASTACIA JEMTAI	MATH CHEM	TSC
16.	PURITY KATHOMI	BIO/AGRI	TSC
17.	SAMUEL MUTEGI	KISW /HIST	TSC
18.	DOREEN MWENDE	ENG /LIT	TSC
19.	PHENEUS MAUKI KAMWARA	KISW/ CRE	TSC
20.	FESTUS KIMANTHI RUGENDO	CRE /HIST	TSC [TRANSFERRED]
21.	DICKSON MURITHI NYAGA	CHEM/MATH	TSC
22.	MAUREEN MURUGI	KISW/GEO	TSC
23.	MTAKA JUSTIN KARITHI	KISW/HIST	TSC
24.	KELVIN MUTHOMI MICHEU	CRE/HIST	TSC
25.			
26.			
27.			

c) Mean score in the 2024 KCSE:

Year	Means score	Number of students	No of students Transitioned to higher learning	Comment
2022	3.300	67	0	Positive deviation
2023	3.32	125	3	positive deviation
2024	3.34	165	6	positive deviation

MEAN SCORE



d) Number of Candidates in the 2024 KCSE:

Year	Number of students
2022	67
2023	125
2024	165

E/Capacity of the school:

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

e) Development projects carried out by the school:

<i>PROJECT</i>	<i>SOURCE OF FUNDS</i>	<i>STATUS</i>
<i>Staff house and staff toilets</i>	<i>R.M.I</i>	<i>IN USE</i>

Sign -----

AINSWORTH KITHINJI

School Principal

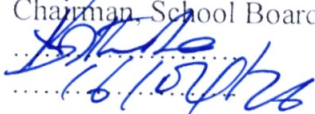
3. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

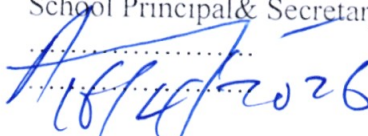
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant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

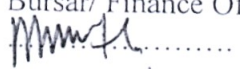
Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to be keep all proper books and records of accounts of the income, expenditure and assets of the institution.

The Board of Management of *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, 2025, and of the school's financial position as at that date.

Name: FELIX NTHIA.....
Designation: Chairman, School Board of Management
Sign: 
Date: 16/4/2026

Name: AINSWORTH KITHINJI
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 16/4/2026

Name: STEPHEN MWIATHI MBUBA
Designation: Bursar/ Finance Officer
Sign: 
Date: 16/4/2026

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON ITUGURURU HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2025 – 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 transitional IPSAS financial statements of Itugururu High School set out on pages 19 to 27, which comprise of the statement of assets and liabilities as at 30 June, 2025, 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, Basic Education Act, 2013 and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of Itugururu Secondary School 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, the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Unsupported Accounts Receivable

The statement of assets and liabilities and as disclosed in Note 13 to the financial statements reflects accounts receivables balance of Kshs.6,058,694. The balance includes fees arrears of Kshs.4,172,300 which had been outstanding for more than one (1) year. Further, general ledger and detailed ageing analysis of the balance including the names of students, admission numbers and amounts of unpaid fees per student were not provided for audit verification. In addition, the School had no approved policy on provision for bad and doubtful debts hence the balance was not impaired for bad and unrecoverable debts.

In the circumstances, the accuracy, completeness and recoverability of accounts payables amounting to Kshs.6,058,694 could not be confirmed.

2. Inaccuracies in the Financial Statements

2.1 Variance Between Financial Statements and the Supporting Schedule

The statement of receipts and payments and as disclosed in Notes 6, 7,8 and 9 reflects a balance of Kshs.1,460,021, Kshs.9,282,710, Kshs.4,782,459 and Kshs.13,271,714 for tuition, operation, payments for infrastructure, and payment for boarding and school fund respectively. However, the ledgers presented for audit revealed the following amounts: Kshs.1,459,741, Kshs.9,229,557 Kshs.4,780,933, and Kshs.17,820,090, resulting in unreconciled and unexplained variances of Kshs.280, Kshs.53,153, Kshs.1,526 and Kshs.4,548,386 respectively.

In these circumstances, the accuracy of the respective amounts could not be confirmed.

2.2 Inaccuracies in Capitation Grant

The statement of receipts and payments reflects capitation grants for tuition, operations, and infrastructure amounting to Kshs.1,582,715, Kshs.7,142,102, and Kshs.2,791,200 as

disclosed in Notes 1, 2, and 3 to the financial statements respectively. However, review of National Education Management Information System (NEMIS) capitation disbursement records and corresponding bank statements confirmed amounts of Kshs.1,582,715 for tuition, Kshs.6,715,102 for operations, and no disbursement for Infrastructure. This resulted in variances of Kshs.427,000 for operations, and Kshs.2,791,200 for infrastructure.

In the circumstances, the accuracy and completeness of capitation grants for operations and infrastructure amounting to Kshs.7,142,102, and Kshs.2,791,200 respectively could not be confirmed.

2.3 Inaccuracies in Cashflows

The statement of cashflows reflects total receipts amount of Kshs.24,764,337 while the statement of budgeted versus actual reflects actual total receipts of Kshs.18,169,717 resulting in unexplained variance of Kshs.6,594,620. Further, statement of receipts and payments reflects infra-structure receipts and payments of Kshs.2,791,200 and Kshs.4,782,458 respectively whereas statement of budgeted versus actual reflect infra-structure receipts and payments of Nil and Kshs.800,000 resulting into unexplained variances of Kshs.2,791,200 and Kshs.3,982,458 respectively.

In addition, the statement of receipts and payments reflects total payments amount of Kshs.28,796,903 whereas statement of budgeted versus actual reflect total payments amount of Kshs.46,632,584 respectively indicating an unexplained over-expenditure of Kshs.17,835,681.

In the circumstances, the accuracy of the statement of cashflows could not be confirmed.

3. Unsupported Miscellaneous Income

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects miscellaneous income amount of Kshs.390,000. However, this balance was not supported by official receipts, bank deposit slips, bank statements, approved bus hire rates, Ledgers, contract agreements, or other relevant supporting documents.

In the circumstances, the accuracy, and completeness of miscellaneous income amount of Kshs.390,000 could not be confirmed.

4. Unsupported Biological Assets

Note 15 to the financial statements discloses biological assets balance of Kshs.325,000. However, the ledgers, asset register and valuation reports were not provided for audit verification.

In the circumstances, the accuracy and completeness of biological assets balance of Kshs.325,000 could not be confirmed.

5. Unsupported School Fund Income - Parents Contributions

The statement of receipts and payments and as disclosed in Note 4 to the financial statements reflects school fund income - parents' contributions amount of Kshs.13,979,014. However, this amount was not supported by a detailed School fees ledger. Further, income revenue was recognized on a cash basis instead of accrual basis as required by the reporting template. In addition, review of cashbook records indicated collections amounting to Kshs.12,703,928, resulting in an unexplained variance of Kshs.1,275,086.

In the circumstances, the accuracy and completeness of school fund income - parents' contributions amount of Kshs.13,979,014 could not be confirmed.

6. Unsupported Expenditure

The statement of receipts and payments and as disclosed in Note 9 to the financial statements reflects boarding and school fund payments of Kshs.13,271,714. This amount includes Kshs.3,918,564 paid to individual staff officers towards various activities across the Institution. However, the payment vouchers presented were not supported by user requisition and approval, relevant invitation to seminars or activity, bus tickets, or work tickets to the destination and a schedule of the beneficiary with acknowledgement of receipt of funds.

In the circumstances, the accuracy and completeness of boarding and school fund payments of Kshs.3,918,564 could not be confirmed.

7. Unsupported Cash Expenditure

The statement of receipts and payments reflects Kshs.13,271,714 being payment for boarding and school fund, which includes Kshs.1,240,000 in respect to cash withdrawal as petty cash. However, Management did not support the petty cash voucher with any expenditure returns carried out using the petty cash or the expenditure summary with clear details of the expenditure.

In the circumstances, the accuracy and completeness of the boarding and school fund of Kshs.1,240,000 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual receipts on a comparable basis of Kshs.65,886,850 and Kshs.18,169,718 respectively, resulting in an under-funding of Kshs.47,717,132 or 72% of the budget. However, the School spent Kshs.46,632,585 against actual receipts amounting to Kshs.18,169,718, resulting in an over-utilization of Kshs.28,462,867 or 157% of actual receipts.

The under-funding and over-utilization 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 key audit matters to report in the year under review.

Other Matter

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.

My opinion is not modified in respect of this matter.

Other Information

The Management is responsible for the Other Information set out on pages 3 to 17, which comprises Key School Information and Management, Summary Report of Performance of the School and Statement of School Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 19 February, 2026 instead of the statutory deadline of 31 August, 2025. This was contrary to the Ministry of Education Circular Ref. MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which states that the school's financial statements should be ready by 30 September, 2021 or 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. Wasteful Expenditure

The statement of receipts and payments and as disclosed in Note 8 to the financial statement reflects Kshs.4,782,459 in respect of payments towards infrastructure, which includes an expenditure of Kshs.1,719,089 being payment towards the construction of a staff toilet at the School. However, the available documents presented for audit review revealed the following anomalies:

- i) No advertisement was provided for audit review regarding the tender for the construction of the staff toilet. Despite the bills of quantities provided, the

architectural designs were not provided for audit review. Audit review therefore could not confirm the execution of the contract.

- ii) The tender register was not provided for audit review to confirm how many bidders bid for the tender.
- iii) There were no tender documents issued by the School setting the criteria to be used for the evaluation of tenders, and no guidelines were provided on how bids received from potential bidders were to be evaluated. In the absence of proper communication of the criteria to the bidders, the criteria was not complied with as Section 80(2) of the Public Procurement and Disposal Act 2015, states that evaluation and comparison shall be done using the procedures and criteria set out in the tender documents. The tenders were therefore evaluated without clear criteria.
- iv) The approval by the Ministry of Public Works provided for audit indicated that a provisional sum of Kshs.180,000 and 16% VAT of Kshs.237,115 was set aside. However, the expenditure returns for the same were not provided for audit confirmation.
- v) Evidence of the 10% retention money from the contract was not provided for audit confirmation.
- vi) Minutes of the School Inspection Committee provided were not signed, hence we could not confirm the authenticity. Further, the respective appointment of the SIC members could not be confirmed.
- vii) The contract was awarded to a construction company limited at a contract sum of Kshs.1,719,088.68. However, the statement of payment under certificate number 1. Indicated that the contract sum was Kshs.1,615,816 resulting in a variance of Kshs.103,272. Audit, therefore, could not ascertain the award amount of the contract.
- viii) Project physical inspection carried out in March, 2026, revealed that the contractor completed the toilet and one year down the line the toilet is not in use. Secondly, the value of the toilet and the work done were high compared with the work done; hence, one could not confirm the value for money for the expenditure incurred on the construction of the staff toilet.

In the circumstances, the value for money in the expenditure totalling Kshs.1,719,088.68 could not be confirmed.

3. Non-Compliance with Reporting Template

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 2025” 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 IPSAS cash basis instead of IPSAS accrual as the basis for preparation.
- iv) The cover reflects public secondary school which ought to have been omitted since it was an illustration and not part of the reporting entity’s information.
- v) The second page reflects 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.
- vi) Some balances in the financial statements are presented in hyphen whereas others are presented as xx.
- vii) Page 1) reflects different fonts/colours and page references erroneously reads “error! bookmark not defined”
- viii) Page 19 reflects statement of receipts and payments instead of statement of financial position.
- ix) Statement of compliance and basis of preparation on page 19 erroneously reflects IPSAS cash instead of IPSAS accrual.
- x) The statement of budgeted and actual did not reflect any explanatory notes.
- xi) Approval dates on page 19 and 20 were missing.
- xii) The table of contents omitted page number references.
- xiii) Some balances in the financial statements are presented in shillings hyphen whereas others are presented in cents.

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

In the circumstances, the financial statements as prepared and presented are not in compliance with IPSAS reporting framework.

4. Non-Deduction of Capacity Building Levy

The statement of Financial Performance reflects total payments 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. This was contrary to paragraph 3(1) of the Public Procurement

Capacity Building Levy, Order 2023 which states that there shall be paid a levy by a supplier on all procurement contracts signed between the supplier and a procuring entity, at the rate of zero point zero three per centum (0.03%) of the value of the signed contract, exclusive of applicable taxes. In addition, Public Procurement Regulatory Authority (PPRA) circular No. 01/2024 dated 30 August, 2024 which requires procurement entities to remit the levy to the Authority through the e-Citizen payment platform by the 20th day of the subsequent month and also file monthly returns.

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

5. Irregularities in Accounting for Capitation Grants

The statement of receipts and payments and as disclosed in Notes 1 and 2 to the financial statements reflects capitation grant for tuition amount of Kshs.1,582,715 and capitation grant for operations Kshs.7,412,102. 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, it was not possible to confirm the actual number of students funded during the year under review and Management was in breach of the Ministry guidelines.

6. Late Transfer of Infrastructure Funds from Operations Bank Account

The statement of receipts and payments and as disclosed in Note 2 to the financial statements reflects operations grants from the ministry of Education amounting to Kshs.7,412,102, being amount credited to the operations bank account. Included in this amount is Kshs.1,505,750 in respect of infrastructure grants which was required 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.1,016,750 was transferred to the infrastructure account within the stipulated fifteen (15) days, while the balance of Kshs.489,000 was transferred after the expiry of the required fifteen (15) days from the date of receipt of the funds. This was contrary to the Ministry of Education guidelines on the management of capitation grants which require such transfers to be effected within fifteen (15) days.

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

7. Irregular Transfer of Funds to the Kenya Secondary Schools Heads Association

The statement of receipts and payments and as disclosed in Note 9 to the financial statements reflects boarding and school fund amount of Kshs.13,271,713.50. Included

in the expenditure is an amount of Kshs.917,873 transferred to the 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 the 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, the value for money transferred to KESSHA of Kshs.917,873, could not be confirmed.

8. Irregular Diversion of Infrastructure Funds

The statement of receipts and payments and as disclosed in Note 8 to the financial statements reflects an amount of Kshs.4,782,458.85 being payment for infrastructure, which includes Kshs.895,000 as money transferred from the infrastructure to the operations account. Audit review of the transfer revealed that there was no approval from the respective authorities to transfer the funds to the operations account, and no evidence was provided to confirm whether the funds were returned to the infrastructure account. In the circumstances, we could not confirm the value for money for Kshs.895,000 transferred to the operations account.

9. Idle Master House

The statement of receipts and payments and as disclosed in Note 8 to the financial statement reflects Kshs.4,782,458.85 with respect to payments towards infrastructure, which includes an expenditure of Kshs.1,719,089 being payment towards the construction of staff toilet at the School. However, the available documents presented for audit review revealed the following anomalies:

- i) No advertisement was provided for audit review regarding the tender for the construction of the master house.
- ii) Approval from the Ministry of Works dated 30 September, 2024 indicated that the construction would cost Kshs.1,719,088.68, while the breakdown indicated Kshs.1,459,742.84, resulting in a variance of Kshs.259,345.84, hence the authenticity of the approval could not be ascertained.
- iii) No tender documents were issued by the School that set the criteria to be used for the evaluation of tenders, and no guidelines were provided on how bids received from potential bidders were to be evaluated. In the absence of proper communication of the criteria to the bidders, the criteria were not complied with as Section 80(2) of the Public Procurement and Disposal Act 2015, states that evaluation and comparison shall be done using the procedures and criteria set out in the tender documents. The tenders were therefore evaluated without clear criteria.
- iv) The approval by the Ministry of Public Works provided for audit indicated that a provisional sum of Kshs.200,000 and 16% VAT of Kshs.201,343.84 set aside;

however, the expenditure returns for the same were not provided for audit confirmation.

- v) Evidence of the 10% percent retention money from the contract was not provided for audit confirmation.
- vi) Project physical inspection carried out on 17 March, 2026, revealed that the ceilings had poor workmanship, hence were not properly done. Secondly, the value of the house and the work done were high compared with the work done. Hence, one could not ascertain the value for money for the expenditure incurred in the construction of the staff house.

In the circumstances, the value for money in the expenditure totaling Kshs.1,719,089 could not be confirmed.

10. Lack of 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.

11. 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.

12. Irregularities in Procurement Processes

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

a) 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.

b) 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.

c) 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.

d) 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.

e) Irregular Procurement

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

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

13. Lack of an Approved Strategic Plan

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

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

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

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

2. Weaknesses in Management of Assets

Annex 2 to the financial statements reflects summary of fixed assets register disclosing property, plant and equipment balance of Kshs.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.

3. Weaknesses in Management of Textbooks

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

Examination of records revealed these anomalies;

- i) There was no stock take report on text books as 30 June, 2025.
- ii) The stores records were not updated with all delivery notes and issuing out of textbooks.
- iii) The total number of textbooks issued out to teachers for distribution to students was not supported by properly updated register of student beneficiaries.
- iv) The number of books returned to the stores was less than issued in several cases resulting to unreconciled /lost textbooks.
- v) There were no internal control measures put in place by management to minimize the loss.

In the circumstances, inaccurate inventory records/unreliable stock balances may affect planning and budgeting for future textbook requirements.

4. Ineffective Sub Committees

During the year under review, the School Board of Management established an ad hoc committee comprising five members. However, there were no minutes from the ad hoc committees discussed and presented to the full board for adoption. Minutes, reports, or recommendations from the discussion to the secretary for action were not provided for audit review.

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

5. Board of Management

Review of the Board of Management files indicated the Board had sixteen Members representing all areas as stipulated in the Basic Education Act, 2013 regarding the appointment of the Board Members. However, Management did not provide appointment letters for the sixteen Board of Management (BOM) members for audit confirmation. Further, a review of BOM files revealed that the Management had not established Board Committees as required by Section 61(2) of the Basic Education Act, 2013. In addition, there was no evidence of existence of audit committee, discipline and integrity committee, human rights and student welfare committee, academic standards, quality and environment committees sitting during the year. Further, 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 effectiveness of the governance mechanism at the School could not be confirmed.

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



processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and those Charged with Governance

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

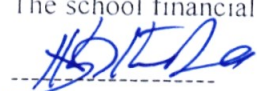
Nairobi

29 April, 2026

5. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2025

DESCRIPTION OF VOTE HEAD	Note	2024/2025	2023/2024
RECEIPTS			
Government grants for tuition	1	1,582,715.30	1,979,445.60
Government grants for operations	2	7,412,102.34	9,083,347.03
Government grant for Infrastructure	3	2,791,200.00	2,116,538.00
School Fund Income- Parents' Contributions	4	13,979,014.00	18,347,707.85
Miscellaneous incomes	5	390,000.00	
TOTAL RECEIPTS		26,155,031.64	31,527,038.48
PAYMENTS			
Tuition	6	1,460,021.40	2,163,419.50
operations	7	9,282,710.00	8,483,218.48
Infrastructure	8	4,782,458.85	2,723,076.00
Boarding and school fund	9	13,271,713.50	16,776,425.00
TOTAL PAYMENTS		28,796,903.50	30,146,139.48
Surplus/ deficit		[2,641,872.11]	1,380,899.00

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


Sign: _____

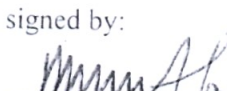
Name
FELIX NTHIA
Chair BOM

Date: 16/07/2026


Sign: _____

Name
AINSWORTH KITHINJI
School Principal/
Secretary to BOM

Date: 16/07/2026


Sign: _____

Name
STEPHEN MWIATHI
Bursar/
Finance Officer

Date: 16/07/2026

6. STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE 2025

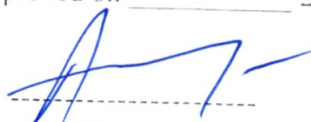
Description	Note	2024/2025	2023/2024
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	10	525,291.51	4,235,676.02
Cash Balances	11	3,562.06	1,648.05
Short term Investment	12		
Total Cash and cash equivalent		<u>528,853.57</u>	4,237,324.08
Account's receivables	13	6,058,694.00	4,668,000.00
TOTAL FINANCIAL ASSETS		6,587,547.57	8,905,324.08
FINANCIAL LIABILITIES			
Accounts Payables	14	[824,095.00]	[500,000.00]
NET FINANCIAL ASSETS		5,763,452.57	7,656,936.33
REPRESENTED BY			
Accumulated Fund b/fwd	15	8,405,324.68	6,276,037.33
Surplus/Deficit for the year		[2,641,872.11]	1,380,899.00
NET FINANCIAL POSSITION		5,763,452.57	7,656,936.33

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


Sign:

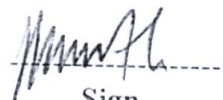
Name
FELIX NTHIA
Chair BOM

Date: 16/04/2026


Sign

Name
AINSWORTH KITHINJI
School Principal/
Secretary to BOM

Date: 16/4/2026


Sign

Name
STEPHEN MWIATHI
Bursar/
Finance Officer

Date: 16/4/2026

8.STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2025

Description		2024-2025	2023-2024
cash from operating activities			
Receipts			
Government grants for tuition	1	1,582,715.30	1,979,445.60
Government grants for operations	2	7,412,102.34	9,083,347.03
Government grants for Infrastructure	4	2,791,200.00	2,116,538.00
School fund income- Parents contributions/ fees	3	12,588,320.00	18,347,707.85
Other income		390,000.00	
Total receipts		24,764,337.64	31,527,038.48
Payments			
Cash out flows for Tuition		1,460,021.40	2,163,419.50
Cash out flows for operations		9,282,710.00	8,483,218.48
Cash out flows for infrastructure		4,782,458.85	2,723,076.00
Cash out flows Boarding/lunch and school fund payments		12,947,618.50	18,630,437.50
Total payments		28,472,808.75	32,000,151.48
Net cash inflow/outflows from operating activities		[3,708,471.11]	[473,113.00]
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		[3,708,470.61]	[473,113.00]
Cash and cash equivalent at BEGINNING of the FY		4,237,324.68	4,710,437.33
Cash and cash equivalent at END of the FY		528,853.57	4,237,324.33

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

Sign:

Name

FELIX NTHIA

Chair BOM

Sign

Name

AINSWORTH KITHINJI

School Principal/
Secretary to BOM

Sign

Name

STEPHEN MWIATHI

Bursar/
Finance Officer

Date

16/04/26

Date

16/4/2026

Date

16-4-2026

7. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2025

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
RECEIPTS					
(1) CAPITATION GRANT ON TUITION					
Reference materials	944,010.00	-	944,010.00		0
Exercise books	708,000.00	-	708,000.00	250,242.50	35
Laboratory equipment	1,180,013.00	-	1,180,013.00	282,987.00	24
Internal exams	330,404.00	-	330,404.00	128,972.00	39
Teaching / learning materials	660,807.00	-	660,807.00	814,311.50	123
Exams and assessment	566,412.00	-	566,412.00	15,537.30	3
Teachers guide		-		90,845.00	0
(2) CAPITATION GRANT ON OPERATIONS		-			
Personnel emoluments	2,198,950.00	-	2,198,950.00	2,107,528.56	95
Repairs and maintenance	5,636,350.00	-	5,636,350.00	1,942,000.00	34
Local transport / travelling	3,060,000.00	-	3,060,000.00	612,807.00	20
Electricity and water	2,317,950.00	-	2,317,950.00	612,807.00	26
Medical	2,266,950.00	-	2,266,950.00	544,190.00	24
Administration costs	3,060,000.00	-	3,060,000.00	1,189,405.78	39
Activity	1,717,850.00	-	1,717,850.00	403,364.00	23
Gratuity		-		---	---
(3) FDSE FOR INFRASTRUCTURE		-			
Maintenance & improvement MOE		-			
M&I parents' contribution		-			
Economic stimulus programs		-			
Transition infrastructure grants		-			
Administration block		-			
(4) FEES CHARGED ON PARENTS		-			
Personnel emoluments	3,485,000.00	-	3,485,000.00	3,115,629.00	89

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
Repairs and maintenance	2,125,000	-	2,125,000.00	659,055.00	31
Local transport / travelling	1,360,000.00	-	1,360,000.00	73,695.00	5
Electricity and water	5,270,000.00	-	5,270,000.00	861,988.00	16
Medical	-----	-	-----		
Administration costs	3,145,000.00	-	3,145,000.00	1,120,804.00	35
Activity	850,000.00	-	850,000.00	161,000.00	19
SMASSE	-----	-	-----		
Fee on Boarding Equipment and Stores	23,630,000.00	-	23,630,000.00	7,896,843.00	33
<i>(5) miscellaneous</i>		-			
Loans / borrowing		-			
Rent income	---	-	---	---	
Income from farming activities	140,000.00	-	140,000.00	305,000.00	217
Insurance compensation	---	-	---	---	
Income from Posho mill	---	-	---	---	
Income from Bus Hire	670,000	-	670,000	85,000.00	12
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	23,363,831.64	35
(6) EXPENDITURE FOR TUITION		-			
Textbooks	944,010	-	944,010		0
Reference materials		-			
Exercise books	708,000	-	708,000		0
Laboratory equipment	1,180,013	-	1,180,013	888,268.40	75
Internal exams	330,404	-	330,404		0
Teaching / learning materials	660,807	-	660,807	570,473.00	86
Chalks	-	-	-		
Exams and assessment	566,412	-	566,412		0
Teachers guides	326,904	-	326,904		0
Administration costs		-		---	0

Receipt/Expenses Item	a Original Budget	b Adjustments	c=a+b Final Budget	d Actual on Comparable Basis	e=d/c % % of Utilization
Bank Charges	3500	-	3500	1,280	36
(7) EXPENDITURE FOR OPERATIONS	-	-	-	-	-
Personnel emoluments	2,198,950	-	2,198,950	2,287,441.00	104
Repairs, maintenance & improvements	5,636,350	-	5,636,350	3,401,775.00	60
Local transport / travelling	3,060,000	-	3,060,000	256,600.00	0
Electricity, water and conservancy	2,317,950	-	2,317,950	256,600.00	11
Medical	2,266,950	-	2,266,950	-	0
Administration costs	3,060,000	-	3,060,000	2,376,646.00	77
Activity Expenses	1,717,850	-	1,717,850	960,248.00	56
Gratuity	---	-	---	-	-
SMASSE	233,750	-	233,750	-	0
(8) expenditure for infrastructure	-	-	-	-	-
Construction of 6 door toilet	-	-	-	-	-
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	534,807.00	15
Repairs, maintenance and improvements	2,125,000	-	2,125,000	1,058,710.00	49
Local transport / travelling	1,360,000	-	1,360,000	1,552,300.00	114
Electricity, water and conservancy	5,270,000	-	5,270,000	702,884.00	13

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
Medical Expenses	-	-	-	---	0
Administration costs	3,145,000	-	3,145,000	1,439,571.50	45
Activity	850,500	-	850,500	372,850.00	43
Gratuity	---	-	---	---	0
Lunch program	---	-	---	---	0
Boarding Equipment and Stores	23,630,000	-	23,630,000	6,764,386.00	28
Expenditure for Income Generating Activity	850,500	-	850,500	846,205.00	99
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	24,014,444.90	36

i.

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 2025.

II NOTES TO THE FINANCIAL STATEMENTS

I GOVERNMENT GRANT FOR TUITION

Description	2024-2025	2023-2024
Reference materials	-	225,000.00
Exercise books	250,242.50	350,000.00
Laboratory equipment	282,987.00	380,000.00
Internal exams	128,792.00	150,000.00
Teaching / learning materials	814,311.50	779,445.60
EXAM ASSESSMENT	15,537.30	95,000.00
TEACHING GUIDE	90,845.00	-
Total	1,582,715.30	1,979,445.60

**Include others as per MOE circulars*

2 GOVERNMENT GRANT FOR OPERATIONS

Description	2024-2025	2023-2024
Personnel emoluments	2,107,528.56	2,097,277.90
Repairs and maintenance	1,942,000.00	2,471,200.00
Local travelling & transport	612,807.00	360,319.00
Electricity and water	612,807.00	1,208,421.00
Medical	544,190.00	672,900.00
Administration costs	1,189,405.78	1,382,181.85
Activity	403,364.00	891,047.28
Other vote heads (specify) *		
Total	7,412,102.34	9,083,347.03

**Include others as per MOE circulars*

3 GOVERNMENT GRANTS FOR INFRASTRUCTURE

Description	2024-2025	2023-2024
Kshs		
Kshs		
maintenance & improvement	2,791,200.00	2,116,538.00
Transition infrastructure grants		
Administration block		
Economic stimulus grants		
Others (specify) (NGCDF and county govt)		
Total	2,791,200.00	2,116,538.00

4 SCHOOL FUND INCOME - PARENTS CONTRIBUTION/FEES

Description	2024-2025	2023-2024
Personnel emoluments	3,115,629.00	3,832,250.85
Repairs and maintenance	659,055.00	1,839,444.85
Local transport / travelling	73,695.00	817,931.00
Electricity and water	861,988.00	1,315,747.00
Medical		
Administration costs	1,120,804.00	2,543,683.15
Activity	161,000.00	566,030.00
Fee on Boarding Equipment and Stores	7,986,843.00	7,432,620.00
PA levies *		
Others (specify)		
Total	13,979,014.00	19,262,508.20

*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
	Ksh	Ksh
Rent income		
Income from farming activities	305,000.00	326,000.00
Insurance compensation		
Income from posho mill		
Income from bus hire	85,000.00	260,000.00
Fee for hire of ground and equipment's		
Income from grants and donations *		
Interest income		
Dividends income		
Loans /borrowings *		
Other income (specify)*		
Total	390,000.00	586,000.00

6. TUITION

Description	2024-2025	2023-2024
Exercise books	Kshs	Kshs
Textbooks		300,000.00
Reference materials		151,750.00
Laboratory equipment	888,268.40	250,000.00
Teaching / learning materials	570,473.00	1,300,182.00
Exams and assessment		80,000.00
Teachers guides		
Bank Charges	1,280.00	3,987.50
Others (specify)		
Total	1,460,021.40	2,163,419.50

7 OPERATIONS

Description	2024-2025	2023-2024
Personnel emoluments	2,287,441.00	1,614,372.00
Service Gratuity		
Administration Cost	2,376,646.00	1,282,181.00
Repairs and maintenance & improvements	3,401,775.00	3,559,280.00
Local transport / travelling		333,500.00
Electricity and water	256,600.00	613,967.50
Medical		
Activity Expenses	960,248.00	1,078,980.00
Insurance cost		
BANK CHARGES		937,98
TOTAL	9,282,710.00	8,483,218.48

8 INFRASTRUCTURE

Description	2024-2025	2023-2024
	kshs	kshs
Construction of classrooms		2,721,418.15
Construction of laboratory		
Construction of toilets and house	4,780,933.88	
Purchase of furniture		
Purchase of equipment's		
Purchase of apparatus		
Drilling of boreholes		
BANK CHARGES	1,524.97	1,657.50
Total	4,782,458.85	2,723,075.20

9 BOARDING AND SCHOOL FUND

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel emoluments	534,807.00	2,039,939.00
Service gratuity		
Repairs and maintenance & Improvements	1,058,710.00	493,800.00
Local transport / travelling	1,552,300.00	1,312,850.00
Electricity and water	702,884.00	720,470.00
Activity	372,850.00	955,750.00
Administration costs	1,439,571.50	3,634,959.50
Lunch programme		
Bank Charges		
Expenses on Income Generating Activities**		
Fee on Boarding Equipment and Stores	6,764,386.00	7,618,657.00
Rent expenses		
Insurance costs (life property)		
Loans principal repayment		
Loan interest repayment		
Acquisition of assets		
PA expenses		
Others income sources		
	846,205.00	
TOTAL	13,271,713.50	16,776,425.50

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10 BANK ACCOUNTS

Account Name & currency	Status	Bank Account Number	2023-2024	2023-2024
	Active / dormant			
Tuition Account		0210291342857	219,461.67	96,767.77
Operations Account		0210291771448	184,828.26	2,055,435.92
School fund Account/Boarding		01129057858300	117,308.48	88,520.98
Savings account				
Parent Association Development Account				
Income generating activities Account				
Infrastructural account		0210275486204	3,693.10	1,994,951.95
Total			525,291.51	4,235,676.62

11 CASH IN HAND

Description	2024-2025	2023-2024
Notes and coins	3,562.06	1,648.06
Total	3,562.06	1,648.06

12 SHORT TERM INVESTMENTS

Description	2024-2025	2023-2024
Cooperative shares	---	xxx
Treasury Bills	---	xxx
Fixed deposit accounts	---	xxx
Other investments	---	xxx
Total	---	xxx

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 ACCOUNTS RECEIVABLE

Description	2024-2025	2023-2024
Fees arrears	6,058,694.00	4,668,000.00
Other non-fees receivables		
Salary advances(list / schedule attached)		
Imprest (list / schedule attached)		
Rent arears (list / schedule attached)		
Total	6,058,694.00	4,668,000.00

13.b AGEING ANALYSIS OF ACCOUNT RECEIVABLES

Description	2024-2025		2023-2024	
	Kshs	% of the total	Comparative FY	Kshs
	Current FY			% of the total
Less than 1 year	1,886,394.00	31	4,172,300.00	89
Between 1-2 years	3,283,100.00	54		
Between 2-3 years	889,200.00	15	495,700.00	11
Over 3 years				
Total(should tie to note 13 a)	6,058,694.00	100	4,668,000.00	100

14 ACCOUNTS PAYABLE

Description	2024-2025	2023-2024
	Kshs	Kshs
Trade creditors (See ageing below and appendix I)	824,095.00	500,000.00
Prepaid fees		
Retention monies		
Unpaid salaries and statutory deductions		
Caution money		
Other payables (specify)		
Total	824,095.00	500,000.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14.a AGEING ANALYSIS OF ACCOUNT PAYABLES

Description	2024-2025		2023-2024	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	824,095.00	100		
Between 1-2 years				
Between 2-3 years				
Over 3 years				
Total(should tie to note 14)	824,095.0	100		

15 FUND BALANCE BROUGHT FORWARD

Description	2024-2025	2023-2024
Bank balances	4,235,676.62	4,707,798.27
Cash balances	1,648.06	2,639.06
Short Term Investments		
Receivables	4,668,000.00	2,989,200.00
Payables	[500,000.00]	[1,423,600.00]
Total	8,405,324.68	6,276,037.33

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 loan(s)	---	xxx
Outstanding Leases	---	xxx
Hire purchase	---	xxx
Gratuity and leave provision	---	xxx
Others (specify)	---	xxx
Total	----	xxx

17 Biological assets

Description	Numbers	2024-2025	2023-2024
		Kshs	Kshs
Cattle			
Goats			
Trees	300	240,000	240,000
Coffee or tea plantation			
Poultry	10	5,000	7,500
Others(specify)			
pigs	34	80,000.00	
Total		325,000.00	247,500

18 Borrowings

Description	2024-2025	2023-2024
	KShs	KShs
Borrowing at beginning of the year	----	xxx
Borrowings during the year	----	xxx
Repayments of during the year	----	(xxx)
Balance at end of the year	----	xxx

Other important disclosure notes

19 Stock/ Inventory

Description	2024-2025	2023-2024
	Kshs	KShs
Food stuffs		
Lab consumables		
Farm produce		
medication		
Construction materials		
Others(specify)		

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)

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 (If in a date when you expect the issue to be resolved)

.....
 Sign and date
 Principal

ITUGURURU HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2024

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 2024-2025	Outstanding Balance comparative FY 2024-2025	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Supply of goods						
1. Neema unique	132,125			132,125		
2. Ayub Mwongera	330,000	5/5/2025		330,000		
3. Peter gitari	37,050			37,050		
4. Elias mwenda	40,100			40,100		
5. Eumalan g suppliers	224,640			224,640		
6. Justin wamurithi	10,680			10,680		
7. Anthony njeru	19,500			19,500		
Sub-Total	794,095			794,095		
Supply of services						
1. Marusa technology	30,000.00			30,000.00		
Sub -total						
Grand total	824,095.			824,095.00		

PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2024

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Historical Cost b/f (Kshs) 1 st July 2025	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f 30 th June 2025
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).

