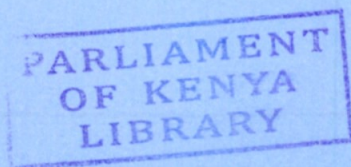


REPUBLIC OF KENYA



	
THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 13 JUN 2026	DAY: Tuesday.
TABLED BY:	Hon. Naomi Kago, CBS, MP (Deputy Majority Party Whip)
CLERK-AT THE-TABLE:	Lomale.

REPORT

OF

THE AUDITOR-GENERAL

ON

**ST MICHAEL GATAGATI
SECONDARY SCHOOL**

**FOR THE YEAR ENDED
30 JUNE, 2024**

NAKURU COUNTY



ST. MICHAEL GATAGATI
Secondary School
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2024

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

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

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**ST MICHAEL GATAGATI
PUBLIC SECONDARY SCHOOLS –
Reports and Financial Statements
For the year ended 30th June 2023**

I. KEY SCHOOL INFORMATION AND MANAGEMENT

(a) Background information

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is located in Nakuru County, Subukia Sub-County

The school was registered in 02/2017 under registration number 32S30000172 and is currently categorized as a Sub County (*National, Extra County, county and Sub County*) public school established, owned or operated by the Government.

The school is a day/boarding school and had 399 number of students as at 30th June 2023. It has two streams and 16 teachers of which 6 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	Martin Kaigwa	Chairperson	16/09/2022
2	Hesborn Maina	Secretary - Principal	16/09/2022
3	Jemimah Wambui	Member	16/09/2022
4	Thomas Agui	Member	16/09/2022
5	Millicent Maina	Member	16/09/2022
6	Mary Wairimu	Member	16/09/2022
7	Dickson Gikonyo	Member	16/09/2022
8	Margaret Wangui Gichuhi	Member – Rep CEB	16/09/2022
9	StephenKaranja Kangethe	Member Rep Teachers	16/09/2022
10	John Waiharo Kaigua	Members - Sponsor	16/09/2022
11	Elizabeth Kabera	Member - Community	16/09/2022
12	Monica Wanjiru Njuguna	MemberSpecial Needs	16/09/2022
13	Thomas Agui Kipkoech	Rep Students	16/09/2022
14	Martha Wambui	Member	16/09/2022
15	Naomi Boyani	Member	16/09/2022
16	Isaac Mwangi	Member	16/09/2022
17	Jackson Toroitich	Member	

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

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The function of the School Board of Management include:

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

(c) Committees of the Board

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

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1.Martin Kaigwa	chairperson	
		2. Hesborn Maina	secretary	
		3. Millicent Maina	member	
		4. John Waiharo	member	
		5. Margaret Wangui	member	
2	Audit Committee	-Jemimah Wambui -Margaret Wangui -Dickson Gikonyo	Chairperson Member Member	X out of XX
3	Finance,procurement and general purposes Committee	1.Mr. Thomas Koech 2.Cecilia Warui 3.Md .Monicah Njuguna	Chairperson Member Member	
4	Academic Committee	1. Millicent Maina 2.Isaac Mwangi 3.Naomi Boyani	Chairperson Member Member	
5	Development Committee	1. John Waiharo	chairperson	
		2. Samuel Ngugi	secretary	
		3. Martin Kaigwa	member	
		4. Millicent Maina	member	
		5. Hesborn Maina	member	
		6. Martha Wambui	member	

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

		7. Stephen Kimani - SCDE	member	
6	Discipline and welfare Committee	John Waiharo Elizabeth Kabera Martha Wambui D/Principal Class Teacher	Chairperson Member Member Secretary Member	
7	Adhoc Committee (if any during the year) Human Rights and Student Welfare	Isaac Mwangi Margaret Gichuhi Thomas Koech	Chairperson Member Member	

(d) School operation Management

For the financial year ended 30th June 2024 the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	Hesborn Maina	
2	Deputy Principal	Samuel Ngugi Maina	352863
3	School Bursar	Cecilia Wamaitha Warui	

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

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: 204-20109
Telephone: 0759502881
E-mail: smgatagati@gmail.com
Website: -
Facebook: -
Twitter: -

(f) School Bankers

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

1. Name of Bank: National Bank of Kenya
Branch: Nakuru
Account Number: 01025021171500
2. Name of Bank: National Bank of Kenya
Branch: Nakuru
Account Number: 01025021073000
3. Name of Bank: National Bank of Kenya
Branch: Nakuru
Account Number: 01022224146800
4. Name of Bank: Cooperative Bank
Branch: Nakuru
Account Number: 01120026084000
5. Name of Bank: Equity Bank
Branch: Nakuru Westside Mall
Account Number: 1460262247499

3. MPESA Pay Bill No.xxxxxxxx attached to 01120026084000 bank account

Business No; 400222
Account No; 359985#ADM NO.

(Ensure all bank accounts operated by the school are disclosed and that all Pay Bill Numbers are also disclosed)

**ST MICHAEL GATAGATI
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For the year ended 30th June 2024**

(g) Independent Auditors

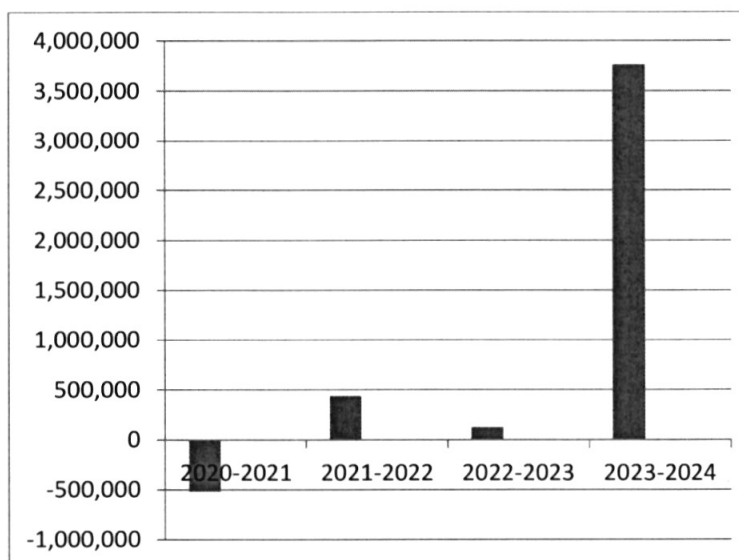
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

a) **Financial performance:**

ACCOUNTS	2021- 2022	2022- 2023	2023- 2024
OPERATION	4378 69	123848. 25	3762606. 26
TUITION			
LUNCH			

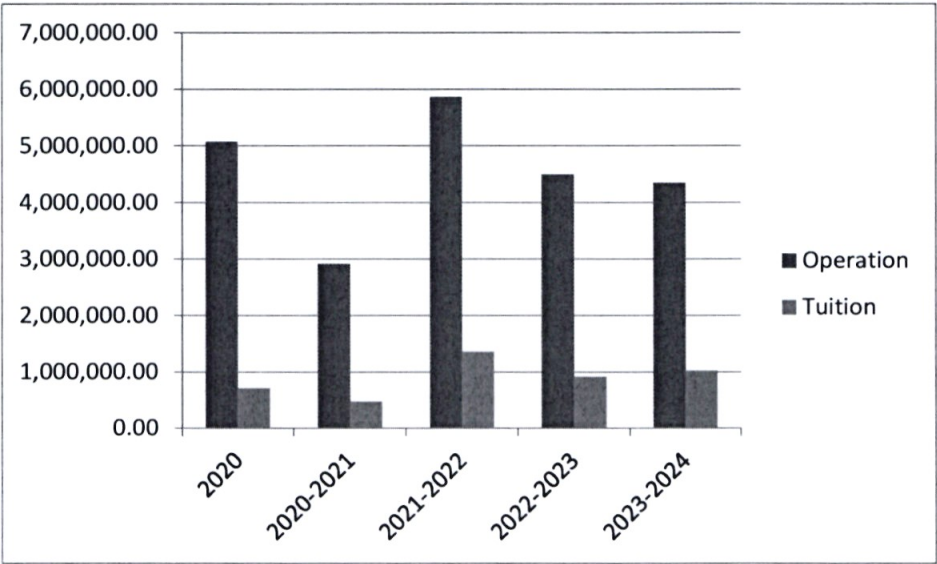


**ST MICHAEL GATAGATI
PUBLIC SECONDARY SCHOOL**
Annual Report and Financial Statements
For the year ended 30th June 2024

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

Year	2020	2020- 2021	2021-2022	2022-2023	2023-2024
Operation	5,071,627.80	2,914,496	5,866,292	4494483	4350072.81
Tuition	715176	465449.8	1360687	914709.3	1023081.9

**ST MICHAEL GATAGATI
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Annual Report and Financial Statements
For the year ended 30th June 2024



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

- *Ratio of capitation grant per student over the last three years*

2019=5983740.75*320

2020=5786803.8*412

2021=3379945.76*412

2022=7,517880*399

2023=4,350,072*367

2020	2021	2022	2023
14,045.640	8,203.75	18841.80	14640 .75

- *A three-year overview of growth of other income(s) earned by the school.*

Lunch account

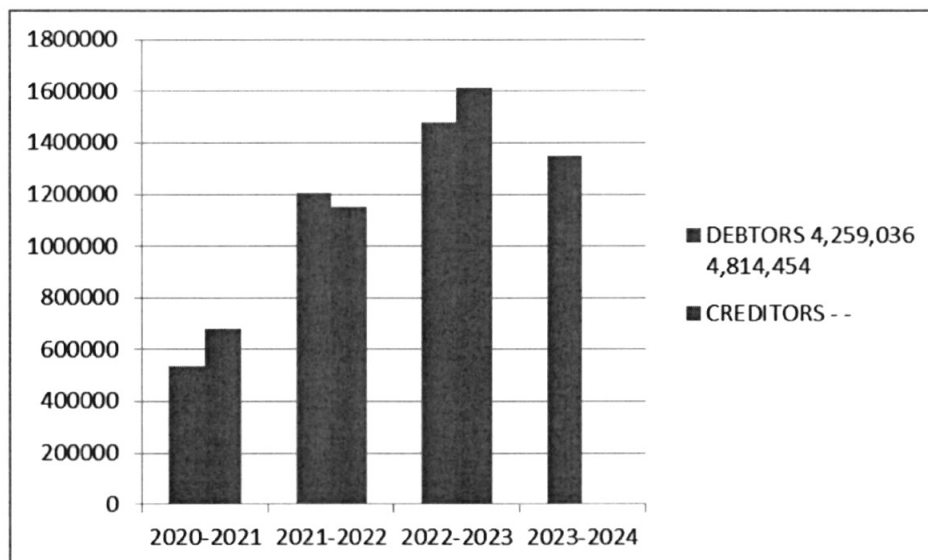
2020	2021	2022	2023
2,683,654	1,996,114	4,737,476	14640.75

- *A three-year overview of growth in expenditure of the school*

- *Movement of debtors and creditors of the school over the last three years*

YEAR	2019	2020	2020-2021	2021-2022	2022-2023	2023-2024
DEBTORS	4,259,036	4,814,454	536755	1206334	1480895	1350000
CREDITORS	-	-	680000	1151400	1614825	0

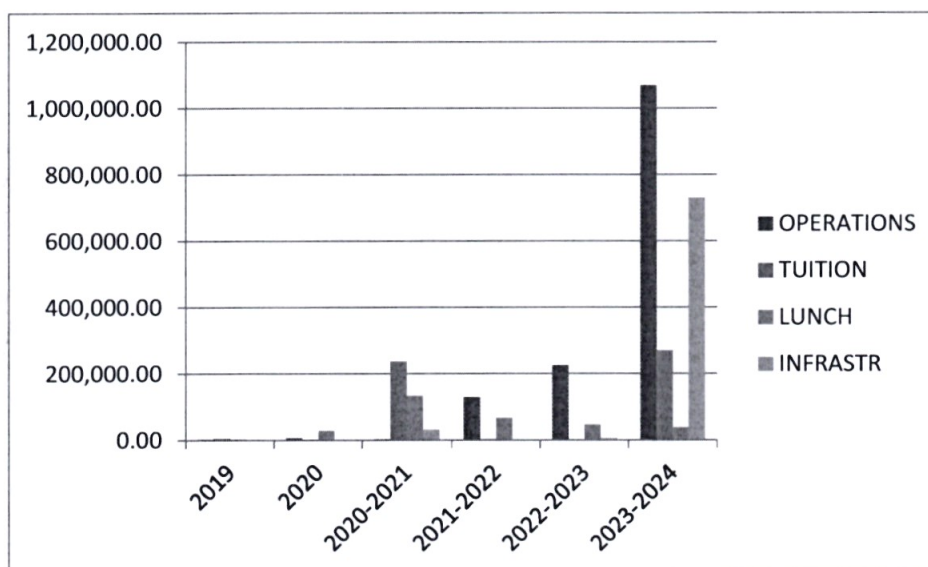
**ST MICHAEL GATAGATI
PUBLIC SECONDARY SCHOOL**
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For the year ended 30th June 2024



- Movement of cash and bank balances over the last three years

**ST MICHAEL GATAGATI
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For the year ended 30th June 2024

YEAR	2019	2020	2020-2021	2021-2022	2022-2023	2023-2024
OPERATIONS	1,866.00	5,623.00	2,142.00	128333	224378	1,068,155.20
TUITION	5,237.00	1,473.00	235,731.00	3069	1342	269,135.00
LUNCH	2,617.00	28,316.00	134,244.00	66813	46815.64	37,341.00
INFRASTR	0	0	31422	222	5222	729,302.00



Graphical presentation, ratios, tables, and pie charts should be used to show/ indicate trends.

b) Teacher Student ratio:

Include the teacher to student ratio, number of teachers recruited and posted to the school within the year, number of teachers that were transferred/ retired during the period as well as number of teachers employed by TSC, and number employed by BOM. One may also include how many teachers the school has for each subject in order to indicate shortage/ allocation of resources.

Teacher : Student

16 : 399

LIST OF TEACHERS EMPLOYED BY TSC

S/N	NAME	TSC NO.	TEACHING SUBJECT COMBINATION	TEACHING LOAD
1	Hesborn Maina		Kisw/Bst	13
2	Samuel Ngugi	352863	Bst/Geo	22
4	Evans Kamau	463165	Math/Bst	27
5	Christine K Musau	721105	Eng/Lit	28
6	Wesley Koros	697200	Bio/Agr	27
7	Godfrey Chelelgo	712965	Phy/Math	26
8	Alice Njeri	655542	Cre/Hist	27
9	Veronicah Wangui	533691	Cre/Hist	27
10	Martin Ndiba	553840	Hist/Kisw	26
	EMPLOYED BY BOM			
1	Enock Ngetich	694392	Bio/Chem	26
3	Caroline N Wamweya	1009940	Eng/Lit	28
4	Alfred K Koech	833681	Kisw/Geo	28

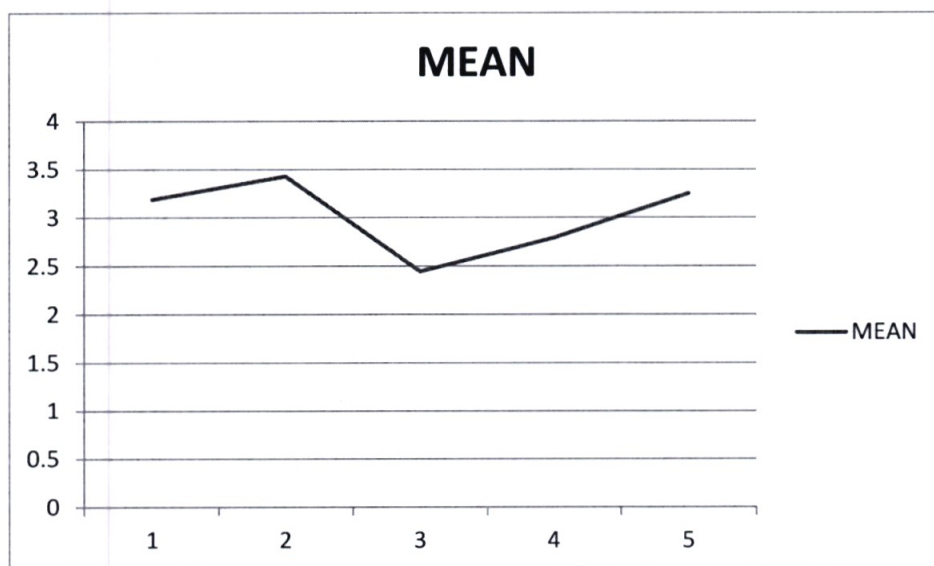
**ST MICHAEL GATAGATI
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For the year ended 30th June 2024

5	Victor Kiprono	902231	Bst/Math	26
6	Cecilia N Mulela	931468	Math/Geo	25

c) Mean score in the 2023 KCSE:

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

YEAR	2019	2020	2021	2022	2023
MEAN	3.1884	3.4288	2.4433	2.79	3.25



d) Number of Candidates in the 2023 KCSE:

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

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

YEAR	2019	2020	2021	2022	2023
CANDIDATURE	69	63	97	9	60

e) **Capacity of the school:**

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

a. **CLASSROOMS**

There are Eleven classrooms

	<i>USES</i>
<i>1 Classroom</i>	<i>Form 1 - 4</i>
<i>1 Administration Block</i>	
<i>1 Laboratory</i>	
<i>1 Kitchen</i>	
<i>1 Kitchen store</i>	

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

1 General Store	
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b. SANITATION

1. Girls toilets- 10 cubicles
2. Boys Toilets- 16 cubicles
3. Male toilet- 1 cubicle
4. Female toilet- 1 cubicle
5. Concrete tank- 30,000 litres
6. Plastic Kitchen tank- 5,000 litres
7. Plastic Laboratory tank-5,000litres
8. 2 Plastic general use tank – 5,000 litres
9. 12 plastic containers (washing hands)- @100 litres

c. INVENTORY IN EXISTING INFRASTRUCTURE STRUCTURES

OFFICES	ITEMS
Principal office	Office table ,executive chair, 2 metallic cabinets and 1 wooden, Epson printer, portrait, wall clock , cross,dispenser
Deputy principal	Office table, computer, wooden stand shelves, Executive chair, dispenser
Secretary office	Office table, chair, computer, Task alfa 300i printer
Bursar office	Executive chair, office table, computer, chair, cabinet,dispenser
Staffroom	10 chairs,5 tables , dispenser, computer
DOS office	Table

A. Development projects carried out by the school:

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

PROJECT	SOURCES OF FUND	COMPLETE	ONGOING
TOILET(10 DOORS)	CDF	YES	-

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

CLASSROOM	MINISTRY	YES	-
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Sign

School Principal



STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

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

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

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

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

Name: Martin Kaigwa
Designation: Chairman, School Board of Management
Sign: *M. Kaigwa*
Date: 26/08/2024

Name: Hesborn Maina
Designation: School Principal & Secretary to Board of Management
Sign: *H. Maina*
Date: 26/8/2024



Name: Cecilia Warui
Designation: Bursar/ Finance Officer
Sign: *C. Warui*
Date:

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: 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. MICHAEL GATAGATI SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2024 – NAKURU 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 that the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of St. Michael Gatagati Secondary School set out on pages 19 to 27, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2024, and the statement of receipts and payments, statement of cash flows and the statement of budgeted versus actual amounts, for the

year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of St. Michael Gatagati Secondary School as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Cash Basis and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Review of the financial statements of the School revealed the following observations;

- i. Note 7 to the financial statements reflects expenditure on infrastructure amounting to Kshs.300,720. However, the statement of receipts and payments has not disclosed the amount.
- ii. The statement of financial assets and financial liabilities reflects accounts payables balance of kshs.2,625,720. However, Annex 1 to the financial statements on analysis of pending accounts payable reflects a Nil balance resulting in an unexplained variance of Kshs.2,625,720.
- iii. The statement of cash flows reflects net increase in cash and cash equivalents and closing cash and cash equivalents balances of Nil and Kshs.2,103,934 respectively. However, the recomputed amounts are Kshs.3,760,608 and Kshs.3,816,026 resulting in unexplained variances of Kshs.3,760,608 and Kshs.1,712,092 respectively.
- iv. The statement of cash flows reflects an amount of Kshs.300,720 in respect of acquisition of assets. However, Annex 2 to the financial statements on the summary of fixed assets register reflects a Nil amount in respect of additions of assets for the year resulting in an unexplained variance of Kshs.300,720.
- v. The statement of budgeted versus actual amounts has not indicated the amounts related to the budgeted receipts and payments and the respective actual on comparable basis amounts as required by the recommended reporting template.

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

2. Variance in the Government Grants for Tuition

The statement of receipts and payments reflects Government grants for tuition amounting to Kshs.1,023,082 as disclosed in Note 1 to the financial statements. However, the bank statements provided reflected that the capitation grants for tuition received for the period

amounted to Kshs.894,928 resulting in an unexplained and unreconciled variance of Kshs.128,154. Further, the amount of Kshs.1,023,082 was not supported with the relevant ledgers and schedules.

In the circumstances, the accuracy and completeness of the Government grants for tuition amount of Kshs.1,023,082 could not be confirmed.

3. Unsupported Government Grants for Operations and Infrastructure

The statement of receipts and payments reflects Government grants for operations and infrastructure amounting to Kshs.5,230,373 and Kshs.1,125,800 all totalling Kshs.6,356,173 and as disclosed in Notes 2 and 4 to the financial statements respectively. However, appropriate and sufficient documentation in the form of ledgers or schedules, school enrollment data, bank statements, cashbooks, disbursement circulars were not provided for audit verification.

In the circumstances, the accuracy and completeness of the Government grants for operations and infrastructure amounting to Kshs.6,356,173 could not be confirmed.

4. Unsupported School Fund Income - Parents Contribution

The statement of receipts and payments reflects school fund income – parents' contributions amount of Kshs.4,698,273 and as disclosed in Note 3 to the financial statements. However, the reported income was not supported with the respective documents such as official receipts issued to parents, a ledger or a detailed schedule showing the breakdown of the receipts received, bank deposit confirmations, student fees statements or a reconciliation between the amounts collected and the amounts deposited in the School's bank account.

In the circumstances, the accuracy and completeness school fund income – parents' contributions amount of Kshs.4,698,273 could not be confirmed.

5. Unsupported Expenditure

The statement of receipts and payments reflects payments for tuition, operations, (including teaching/learning materials), infrastructure and boarding and school fund amounting to Kshs.685,290, Kshs.4,085,665, Kshs.300,720 and Kshs.3,245,245 as disclosed in Note 5, 6, 7 and 8 to the financial statements respectively. However, the expenditure was not supported by the respective ledgers or schedules detailing the breakdown of payments made. Further, a review of the payment vouchers submitted for audit verification revealed that they were not supported with the necessary supporting documents, such as requisitions from the user department, Local Purchase Orders (LPOs), invoices, delivery notes, and receipts.

In the circumstances, the accuracy and completeness of the total payments amount of Kshs.8,316,920 could not be confirmed.

6. Unsupported Cash and Cash Equivalents Balance

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.2,103,934 which as disclosed in Note 9 to the financial statements relates to bank balances. However, the balance was not supported with bank reconciliation statements, certificates of bank balances and Board of Survey reports.

In the circumstances, the accuracy and completeness of the cash and cash equivalents amount of Kshs.2,103,934 could not be confirmed.

7. Unsupported Account Receivables Balance

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.5,103,376 as disclosed in Note 12 to the financial statements. However, Management has not provided for audit review the respective supporting documents such as detailed accounts receivable aging report, student enrollment data, fee payment record or receipts, school fees invoices and approved fee structure for the year under review to confirm the student arrears.

In addition, the receivable balance includes a suspense account amount of Kshs.59,592 which was not supported by relevant documentation or adequately explained by Management.

In the circumstances, the accuracy and completeness of the accounts receivable balance of Kshs.5,103,376 could not be confirmed.

8. Unsupported Accounts Payable Balance

The statement of financial assets and financial liabilities reflects accounts payable balance of Kshs.2,625,720 and as disclosed in Note 13 to the financial statements. However, no supporting documents were provided for audit including the ledger or schedule with detailed list of the suppliers, complete invoices, delivery notes, local service or local purchase order numbers, receipts vouchers and the dates when the bills were incurred.

In the circumstances, the accuracy and completeness of the accounts payable balance of Kshs.2,925,720 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the St. Michael Gatagati Secondary 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.

Key Audit Matters

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

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Submission of Financial Statements

The financial statements of the School for the year ended 30 June, 2024 were submitted for audit on 19 September, 2025 which is twenty-four (24) months after the statutory requirement to submit not later than 30 September, 2023. This was contrary to Section 47(1) of the Public Audit Act, 2015 which states that the financial statements required under the Constitution, the Public Finance Management Act, 2012 and any other legislation, shall be submitted to the Auditor - General within three months after the end of the fiscal year to which the accounts relate.

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

2. Non-Compliance with the Recommended Reporting Template

Review of the financial statements revealed the following errors and omissions;

- i. Acronyms and definition of key terms and glossary of terms were omitted in the table of contents and the financial statements.
- ii. The page numbering in the financial statements is not consistent with the recommended reporting template.
- iii. The summary report of performance of the School and the statement of School Management responsibility should start on a new page.
- iv. The Notes to the financial statements have not been properly matched to the respective financial statements and the numbering is not consistent or sequential.
- v. The statement of assets and liabilities has been incorrectly indicated as the statement of financial assets and financial liabilities.
- vi. The statement of cash flows have not been signed by the responsible officers.

In the circumstances, Management did not comply with the recommended reporting template as prescribed by the Public Sector Accounting Standards Board (PSASB).

3. Lack of Approved Procurement Plan and a Procurement Function

The statement of receipts and payments for the year under review reflects total payments amounting to Kshs.8,316,920. Included in the expenditure is an amount of Kshs.4,552,850 incurred on the purchase of various goods and services during the year under review. However, review of procurement records revealed that these procurements were undertaken without an Approved Procurement Plan. Further, the School had not established a procurement unit to oversee and coordinate procurement activities in accordance with applicable regulations. This was contrary to Section 45(3)(a) of the Public Procurement and Asset Disposal Act, 2015 which states that all procurement processes shall be - within the approved budget of the procuring entity and shall be planned by the procuring entity concerned through an Annual Procurement Plan. Further, Section 47 of the Act provides for the necessity and operation of the procurement function of a procuring entity.

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

4. Failure to Adhere to Procurement Laws and Regulations

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.3,245,245 as disclosed in Note 8 to the financial statements. Review of the payment vouchers provided for audit revealed that the School made payments amounting to Kshs.1,942,699 in respect of boarding equipment and stores and Kshs.1,283,060 in respect of operation expenses. However, the payment records were not supported by tender advertisement, tender opening minutes, tender evaluation reports, professional opinions, LPOs, and certificates of practical completion/interim certificates. In addition, there was no evidence inform of inspection and acceptance

Report of the Auditor-General on St. Michael Gatagati Secondary School for the year ended 30 June, 2024 – Nakuru County

reports/certificates that the School appointed Inspection and Acceptance Committees to inspect the works in order to ensure compliance with the terms and specifications of the contract and to accept or reject the works on behalf of School. This was contrary to Parts V, VI and VII of the Public Procurement and Asset Disposal Act, 2015 which provide for internal organization of procuring entities, general procurement principles and basic procurements rules for procuring entities.

Further, the School lacks capacity in form of a procurement function to carry out the functions outlined in Regulation 33(3) of the Public Procurement and Assets Disposal Regulations, 2020.

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

5. Non-Deduction of Capacity Building Levy

The statement of receipt and payment reflects boarding and school fund expenditure of Kshs.3,245,245. However, a review of corresponding payment vouchers revealed that the School did not deduct the Public Procurement Capacity Building Levy from the payments made in relation to procurements by the School. This was contrary to Section 3(1) and 5(1) of the Public Procurement Capacity Building Levy Order, 2023, which requires all procuring entities to deduct and remit the prescribed levy on applicable procurement payments.

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

6. Non-Submission of Annual Governance Report to the Director of Basic Education

Review of the School's governance and reporting records established that the School did not prepare and submit an annual report to the Director of Basic Education during the year under review. This was contrary to Section 60 of the Basic Education Act, 2013 which states that "every public school or institution of basic education shall, on an annual basis, submit a report to the Director of Basic Education".

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

7. Non-Compliance with Law on Affirmative Action

Review of the human resources records revealed that the School had eighteen (18) staff out of which thirteen (13) or 72% are male and five (5) or 28% are female. This was contrary Article 27(8) of the Constitution of Kenya which states that in addition to the measures contemplated in clause (6), the State shall take legislative and other measures to implement the principle that not more than two thirds of the members of elective or appointive bodies shall be of the same gender.

In addition, a review of the staff records revealed that out of the eighteen (18) employees in the School, none was a person with disability. This was contrary to Article 54(2) of the

Constitution of Kenya that requires at least 5% of employment opportunities to be given to persons with disabilities.

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

8. Failure to Deduct and Remit Statutory Deductions

The statement of receipts and payments reflects operations amount of Kshs.4,085,665 as disclosed in Note 6 to the financial statement. Review of the staff payroll indicates that the School paid a total of Kshs.1,272,080 as salaries to staff during the year. However, it was observed that Management did not deduct and remit Social Health Authority (SHA) and Housing Levy contributions. This was contrary to Section 4(1) and (2) of the Affordable Housing Act, 2023, which states that, there is imposed a Levy known as Affordable Housing Levy; and that the levy shall be at the rate of one point five percent of : the gross salary of employee or the gross income of a person received or accrued which is not subject to the levy under paragraph (a).

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 of an Approved Fraud Management Policy

The School did not have in place an Approved Fraud Management Policy to assist in detecting and preventing fraud during the year under review. The Policy provided for audit verification had not been approved and Board minutes showing the process of establishing and adopting the Policy were not provided for audit verification. Further, Management had not implemented the Policy and it was therefore not possible to determine what measures Management had put in place that could assist in detection and prevention of fraud.

In the circumstances, Management may not be in a position to identify, detect and prevent fraud in the School.

2. Lack of Risk Management Strategies and Other Key Policies

Management had not implemented the Risk Management Policy. Management did not provide any evidence in form of a risk register or risk assessment report to prove that formal risk assessments had been conducted or that the School had any strategy or any specific controls that had been put in place to mitigate operational, legal and financial risks. In addition, it was observed that the School did not have key policies like the Disaster Recovery Plan/Business Continuity Plan, Human Resource Policy and Finance Policy,

In the circumstances, the School is exposed to operational, financial and legal risks as it has not put a strategy in place to identify, rank, prioritize and mitigate risks.

3. Lack of Information Technology Policy, Strategic Plan and Committee

Review of Information Technology (IT) environment and system in use revealed that the School does not have an Approved ICT Policy, user management standards and procedures addressing IT users, security, access to IT environments and environmental controls. Further, the School has not established IT Strategic and Steering Committees, and an Approved IT Strategic Plan that supports business requirements. In addition, there is no back-up retention strategy and there are no formal documented and approved processes to manage upgrades which means that unauthorized changes can be made without change request documentation. The IT department lacks a formal emergency procedure which stipulates the procedures and steps for the users to follow in case of an emergency or a disruption which would lead to business interference.

In the circumstances, failure to establish an IT Policy, IT Strategic Plan and Committee could result in data loss, theft and disruption of services while the lack of back-up retention strategy exposes the School to possible loss of data in case of a disaster.

4. Effectiveness in Use of Capitation for Students - Tuition and Operations

During the year under review, the capitation grants for tuition and operations reported by the School amounted to Kshs.1,023,082 and Kshs.5,230,373 respectively. However, the School enrollment register was not provided for audit to confirm the number of students in the School, and there was no evidence of copies of official receipts uploaded in the National Education Management Information System (NEMIS).

Further, there was no evidence provided to confirm that the Principal provided the County Director of Education with an allocation of funds duly signed by individual students, and that the School displayed the receipts of capitation and the circular accompanying the funds on the School noticeboard.

In the circumstances, the effectiveness of internal controls related to and utilization of the capitation grants for students could not be confirmed.

5. Lack of an Approved Staff Establishment

Review of the School's staff complement data revealed that the School engaged five (5) Board of Management (BOM) teachers and seven (7) support staff during the year under review yet the School does not have an Approved Staff Establishment. The lack of an Approved Staff Establishment implies that the School is yet to determine the skills and optimal staffing levels required to achieve its goals and objectives. Further, it was not possible to determine the approved staffing level.

In the circumstances, the effectiveness of internal controls in relation to management of human resources could not be confirmed.

6. Failure to Develop a School Improvement Plan

During the year under review, Management did not develop a School Improvement Plan to be used to measure the School's improvement activities, improve accountability, keep the School in focus in achieving its targets, prioritize its needs, ensure prudent utilization of resources and to help improve the School's performance as well as promote teamwork. There was also no evidence that the School had formed a school improvement planning team as required.

In the circumstances, Management may not be able to focus in achieving the School's targets, prioritize its needs, ensure prudent utilization of resources which would in turn help to improve the School's performance.

7. Ineffective Management of Textbooks

During the financial year 2023/2024 the Ministry of Education issued six thousand and twenty (6,020) textbooks to the School against seven thousand and twenty (7,020) books required by the School resulting to an undersupply or deficit of one thousand (1,000) books

In the circumstances, the School may not be able to achieve the required ratio of textbooks to students of 1:1.

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

Responsibilities of the Management and those Charged with Governance

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

Basis and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

Those charged with Governance are responsible for overseeing the School's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the

effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

25 May, 2026

**ST MICHAEL GATAGATI
PUBLIC SECONDARY SCHOOL**
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For the year ended 30th June 2024

III. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 20XX

DESCRIPTION OF VOTE HEAD	Note	2020-2021	2019-2020
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition	1	1023081.90	914709.25
Capitation grants for operations	2	5230373.00	2290227.00
School Fund Income- Parents' Contributions	3	4698273.00	4413683.00
Capitation grants for infrastructure	4	1125800.00	1308000.00
Proceeds from borrowings		0.00	0.00
TOTAL RECEIPTS		12077527.90	8926619.25
PAYMENTS			
Payments for Tuition	5	685289.50	1026962.00
Payments for operations	6	4085665.40	2993023.00
Boarding and school fund payments	7	3245244.74	2952786.00
TOTAL PAYMENTS		8316919.64	8802771.00
SURPLUS/DEFICIT		3760608.26	123848.25

The school financial statements were approved on 26/8/ 2024 and signed by:

Sign: M. Kaigwa
for
Name MARTIN KAIGWA

Chair BOM

Date xxxx 26/08/2024

Sign H. M. Maina
Name HESBORA MAINA
WAINAINA
School Principal/
Secretary to BOM

Date 26/8/2024



Sign C. Warui
Name CECILIA WARUI
Bursar/
Finance Officer

Date 26/8/2024

**ST MICHAEL GATAGATI
PUBLIC SECONDARY SCHOOL**
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**IV. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT
30TH JUNE 20XX**

	Note	2020-2021	2019-2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	2103934.00	53417.74
Cash Balances	9	0.00	2000.00
Short term Investment	10	0.00	0.00
Total Cash and cash equivalent		<u>2103934.00</u>	<u>55417.74</u>
Account's receivables	10	5103376.00	3693784.00
TOTAL FINANCIAL ASSETS		7207310.00	3749201.74
FINANCIAL LIABILITIES			
Accounts Payables	11	2625720.00	2928220.00
NET FINANCIAL ASSETS		4581590.00	820981.74
REPRESENTED BY			
Accumulated Fund b/fwd	12	820981.74	697133.49
Surplus/Deficit for the year		3760608.26	123,848.25
NET FINANCIAL POSSITION		4581590.00	820981.74

The School's financial statements were approved on 26/08/ 2024 and signed by:

Name: MARTIN KAGWA
Chairman, BoM
Sign: [Signature]
Date: 26/08/2024
dd/mm/yy

Name: HESBORN MAINA
School Principal/Secretary
to BoM
Sign: [Signature]
Date: 26/08/2024
dd/mm/yy



Name: CECILIA WAMATHAWARU
Bursar/Finance
Sign: [Signature]
Date: 26/08/2024
dd/mm/yy

**ST MICHAEL GATAGATI
PUBLIC SECONDARY SCHOOL
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V. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 20XX

		2020-2021	2019-2020
		Kshs	Kshs
Receipts for operating income			
Capitation grants for tuition	1	1023081.00	914709.25
Capitation grants for operations	2	5230373.00	2290227.00
School fund income- Parents contributions/ fees	3	4698273.00	4413683.00
Capitation grants for infrastructure	4	1125800.00	1308000.00
Total receipts		12077527.90	8926619.25
Payments			
Payments for Tuition		685289.5	1026962.00
Payments for operations		4085665.4	2993023.00
Boarding and school fund payments		3245244.74	2952786.00
Total payments		8016199.64	6972771.00
Net cash flow from operating activities		4061328.26	1953848.25
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		0.00	0.00
Acquisition of Assets		(300,720.00)	(1,830,000.00)
Proceeds from investments		0.00	0.00
Purchase of investments		(0.00)	(0.00)
Net cash flows from Investing Activities		-300720.00	-1830000.00
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans		0.00	0.00
Repayment of principal borrowings		0.00	0.00
Net cash flow from financing activities		0.00	0.00
NET INCREASE IN CASH AND CASH EQUIVALENTS		0.00	0.00
Cash and cash equivalent at BEGINNING of the year		55417.74	198,439.49
Cash and cash equivalent at END of the year		2103934.00	55,417.74

The above presentation of cash flow statement uses the direct method of cash flow presentation which is encouraged under IPSAS. Schools' should therefore adopt the direct method of cashflow as recommended by PSASB.

**ST MICHAEL GATAGATI
PUBLIC SECONDARY SCHOOLS –
Reports and Financial Statements
For the year ended 30th June 2023**

VI. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 20XX

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Textbooks and reference materials	0.00	0.00	0.00	0.00	0.00	0.00
Exercise books	0.00	0.00	0.00	0.00	0.00	0.00
Laboratory equipment	0.00	0.00	0.00	0.00	0.00	0.00
Internal exams	0.00	0.00	0.00	0.00	0.00	0.00
Teaching / learning materials	0.00	0.00	0.00	0.00	0.00	0.00
Chalks	0.00	0.00	0.00	0.00	0.00	0.00
Exams and assessment	0.00	0.00	0.00	0.00	0.00	0.00
Teachers guides	0.00	0.00	0.00	0.00	0.00	0.00
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	0.00	0.00	0.00	0.00	0.00	0.00
Repairs and maintenance	0.00	0.00	0.00	0.00	0.00	0.00
Local transport / travelling	0.00	0.00	0.00	0.00	0.00	0.00
Electricity and water	0.00	0.00	0.00	0.00	0.00	0.00
Medical	0.00	0.00	0.00	0.00	0.00	0.00
Administration costs	0.00	0.00	0.00	0.00	0.00	0.00
Activity	0.00	0.00	0.00	0.00	0.00	0.00
Gratuity	0.00	0.00	0.00	0.00	0.00	0.00

**ST MICHAEL GATAGATI
PUBLIC SECONDARY SCHOOL
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For the year ended 30th June 2024**

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
SMASSE	0.00	0.00	0.00	0.00	0.00	0.00
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	0.00	0.00	0.00	0.00	0.00	0.00
Repairs and maintenance	0.00	0.00	0.00	0.00	0.00	0.00
Local transport / travelling	0.00	0.00	0.00	0.00	0.00	0.00
Electricity and water	0.00	0.00	0.00	0.00	0.00	0.00
Medical	0.00	0.00	0.00	0.00	0.00	0.00
Administration costs	0.00	0.00	0.00	0.00	0.00	0.00
Activity	0.00	0.00	0.00	0.00	0.00	0.00
SMASSE	0.00	0.00	0.00	0.00	0.00	0.00
Fee on Boarding Equipment and Stores	0.00	0.00	0.00	0.00	0.00	0.00
OTHER INCOME						
Rent income	0.00	0.00	0.00	0.00	0.00	0.00
Income from farming activities	0.00	0.00	0.00	0.00	0.00	0.00
Insurance compensation	0.00	0.00	0.00	0.00	0.00	0.00
Income from Posho mill	0.00	0.00	0.00	0.00	0.00	0.00
Income from Bus Hire	0.00	0.00	0.00	0.00	0.00	0.00
Fee for hire of ground and equipment	0.00	0.00	0.00	0.00	0.00	0.00
Interest income	0.00	0.00	0.00	0.00	0.00	0.00
Income from any other investment	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL INCOME	0.00	0.00	0.00	0.00	0.00	0.00
(1) EXPENDITURE FOR TUITION						

**ST MICHAEL GATAGATI
PUBLIC SECONDARY SCHOOL
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For the year ended 30th June 2024**

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Textbooks and reference materials	0.00	0.00	0.00	0.00	0.00	0.00
Exercise books	0.00	0.00	0.00	0.00	0.00	0.00
Laboratory equipment	0.00	0.00	0.00	0.00	0.00	0.00
Internal exams	0.00	0.00	0.00	0.00	0.00	0.00
Teaching / learning materials	0.00	0.00	0.00	0.00	0.00	0.00
Chalks	0.00	0.00	0.00	0.00	0.00	0.00
Exams and assessment	0.00	0.00	0.00	0.00	0.00	0.00
Teachers guides	0.00	0.00	0.00	0.00	0.00	0.00
Administration costs	0.00	0.00	0.00	0.00	0.00	0.00
Bank Charges	0.00	0.00	0.00	0.00	0.00	0.00
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	0.00	0.00	0.00	0.00	0.00	0.00
Repairs, maintenance & improvements	0.00	0.00	0.00	0.00	0.00	0.00
Local transport / travelling	0.00	0.00	0.00	0.00	0.00	0.00
Electricity, water and conservancy	0.00	0.00	0.00	0.00	0.00	0.00
Medical	0.00	0.00	0.00	0.00	0.00	0.00
Administration costs	0.00	0.00	0.00	0.00	0.00	0.00
Activity Expenses	0.00	0.00	0.00	0.00	0.00	0.00
Gratuity	0.00	0.00	0.00	0.00	0.00	0.00
SMASSE	0.00	0.00	0.00	0.00	0.00	0.00
(3) EXPENDITURE FOR SCHOOL FUND						

**ST MICHAEL GATAGATI
PUBLIC SECONDARY SCHOOL
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For the year ended 30th June 2024**

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Personnel emoluments	0.00	0.00	0.00	0.00	0.00	0.00
Repairs, maintenance and improvements	0.00	0.00	0.00	0.00	0.00	0.00
Local transport / travelling	0.00	0.00	0.00	0.00	0.00	0.00
Electricity, water and conservancy	0.00	0.00	0.00	0.00	0.00	0.00
Medical Expenses	0.00	0.00	0.00	0.00	0.00	0.00
Administration costs	0.00	0.00	0.00	0.00	0.00	0.00
Activity	0.00	0.00	0.00	0.00	0.00	0.00
Gratuity	0.00	0.00	0.00	0.00	0.00	0.00
Lunch programme	0.00	0.00	0.00	0.00	0.00	0.00
Boarding Equipment and Stores	0.00	0.00	0.00	0.00	0.00	0.00
Expenditure for Income Generating Activity	0.00	0.00	0.00	0.00	0.00	0.00
Insurance costs	0.00	0.00	0.00	0.00	0.00	0.00
Other expenses on investments	0.00	0.00	0.00	0.00	0.00	0.00
Rent Expenses	0.00	0.00	0.00	0.00	0.00	0.00
Bank Charges	0.00	0.00	0.00	0.00	0.00	0.00
Loan Interest Repayment	0.00	0.00	0.00	0.00	0.00	0.00
Loan Principal Repayment	0.00	0.00	0.00	0.00	0.00	0.00
Acquisition of Assets	0.00	0.00	0.00	0.00	0.00	0.00
TOTALS	0.00	0.00	0.00	0.00	0.00	0.00

[Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization above 100%]

- i. Xxx
- ii. Xxx

VII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

The *school* recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the *school*. In addition, the *school* recognises all expenses when the event occurs and the related cash has actually been paid out by the *school*.

3. In-kind contributions

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

4. Cash and cash equivalents

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as expenditure when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements. Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years.

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2024

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VIII. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
Tuition	1023081.9	914709.25
Textbooks and reference materials	0.00	0.00
Exercise books	0.00	0.00
Laboratory equipment	0.00	0.00
Internal exams	0.00	0.00
Teaching / learning materials	0.00	0.00
Chalks	0.00	0.00
Exams and assessment	0.00	0.00
Teachers guides	0.00	0.00
Total	1023081.9	914709.25

2 CAPITATION GRANT FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Operations	5228873.00	2290227.00
Personnel emoluments	0.00	0.00
Repairs and maintenance	0.00	0.00
Local transport / travelling	0.00	0.00
Electricity and water	0.00	0.00
Medical	0.00	0.00
Administration costs	0.00	0.00
Activity	0.00	0.00
Total	5230373.00	2290227.00

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	0.00	0.00
Repairs and maintenance	0.00	0.00
Local transport / travelling	0.00	0.00
Electricity and water	0.00	0.00
Medical	0.00	0.00
Administration costs	0.00	0.00
Activity	0.00	0.00
Total	0.00	0.00

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1 Government Grants for infrastructure

Description	<i>Insert Current FY</i>	<i>Insert Comparative FY</i>
	Kshs	Kshs
Maintenance & Improvement	1125800.00	1308000.00
Transition infrastructure grants	0.00	0.00
Administration Block	0.00	0.00
Economic stimulus grants	0.00	0.00
Other (<i>specify</i>)(NGCDF and County govt.	0.00	0.00
Total	1125800.00	1308000.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
Fee on Boarding /Lunch	4698273.00	4413683.00
Rent income	0.00	0.00
Income from farming activities	0.00	0.00
Insurance compensation	0.00	0.00
Income from Posho mill	0.00	0.00
Income from Bus Hire	0.00	0.00
Fee for hire of ground and equipment	0.00	0.00
Income from grants and donations*	0.00	0.00
Interest income	0.00	0.00
Dividends income	0.00	0.00
Total	4698273.00	4413683.00

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

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3 PAYMENTS FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials	0.00	0.00
Exercise books	20000.00	129000.00
Laboratory equipment	305000.00	410525.00
Internal exams	160000.00	65000.00
Teaching / learning materials	200000.00	308257.00
Chalks	0.00	0.00
Exams and assessment	0.00	0.00
Teachers guides	0.00	0.00
Administration Costs	0.00	0.00
Bank Charges	289.5	180.00
Total	685289.5	1026962.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 PAYMENTS FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	1272080.00	1836065.00
Service Gratuity	0.00	0.00
Administration Cost	195657.00	238620.00
Repairs and maintenance & improvements	1212215.00	45200.00
Local transport / travelling	338945.00	149278.00
Electricity and water	133740.00	29180.00
Lunch expenses	146760.00	371750.00
Activity Expenses	762000.00	321300.00
SMASSE	0.00	0.00
NSSF	20560.00	251000.00
Bank Charges	3708.4	1630.00
Acquisition of Assets	0.00	0.00
TOTAL	4085665.40	2993023.00

1 Infrastructure

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Renovation of classrooms	300,000.00	1830000.00
Construction of laboratory	0.00	0.00
Construction of dormitory	0.00	0.00
Purchase of furniture	0.00	0.00
Purchase of equipment	0.00	0.00
Purchase of apparatus	0.00	0.00
Drilling of boreholes	0.00	0.00
Bank Charges	720.00	0.00
Others (specify) Operations	197,060.00	0.00
Total	300720.00	1830000.00

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2 BOARDING AND SCHOOL FUND PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	0.00	0.00
Service Gratuity	0.00	0.00
Repairs and maintenance & Improvements	0.00	158660.00
Local transport / travelling	0.00	0.00
Electricity and water	0.00	0.00
Medical Expenses	0.00	0.00
Administration costs	0.00	0.00
Lunch Programme	1942699.00	2108135.00
Bank Charges	16345.74	27476.00
Expenses on Income Generating Activities	0.00	0.00
Fee on Boarding Equipment and Stores	0.00	0.00
Internal exams	1140.00	43800.00
Insurance Cost (Life Property)	0.00	0.00
Loan Principal repayment	0.00	0.00
Operation expenses	1285060.00	614715.00
Acquisition of Assets	0.00	0.00
TOTAL	3245244.74	2952786.00

*Expenses on income generating activities** should include all costs relating to the school earnings on other receipts as recorded in note 4. These costs should include farm maintenance, posho mill maintenance, ground maintenance and costs incurred during hire of school bus among others.*

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2020-2021	2019-2020
		Kshs	Kshs
Tuition Account		269135.8	1342.10
Operations Account		1068155.20	2038.00
School Fund Account/Boarding		37341.00	44815.64
Savings Account		0.00	0.00
Parent Association Development Account		0.00	0.00
Income generating activities Account		0.00	0.00
Infrastructural Account		729302.00	5,222.00
Total		2103934.00	53417.74

4 CASH IN HAND

Description	2020-2021	2019-2020
	Kshs	Kshs
Tuition Account	0.00	0.00
Operation Account	0.00	0.00
School Fund account	0.00	2000.00
Total	0.00	2000.00

5 SHORT TERM INVESTMENTS

Description	2020-2021	2019-2020
	Kshs	Kshs
Cooperative shares	0.00	0.00
Treasury Bills	0.00	0.00
Fixed deposit	0.00	0.00
Equity stock	0.00	0.00
Other investments	0.00	0.00
Total	0.00	0.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 ACCOUNTS RECEIVABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears	5043784.00	3693784.00
Other non-fees receivables	0.00	0.00
Salary advances	0.00	0.00
Suspense	59592.00	0.00
Total	5103376.00	3693784.00

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

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears for current year	1350000.00	1950695.00
Fees arrears for the previous year	3693784.00	1743089.00
Fees arrears for prior periods (over two years)	0.00	0.00
Total	5043784.00	3693784.00

7 ACCOUNTS PAYABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	2625720	2928220.00
Prepaid fees	0.00	0.00
Retention monies	0.00	0.00
Total	2625720.00	2928220.00

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

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors for current year	0.00	1983825.00
Trade creditors for the previous year	2625720.00	-300,000.00
Trade creditors for prior periods (over two years)	0.00	1244395.00
Total	2625720.00	2928220.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 FUND BALANCE BROUGHT FORWARD

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank balances	53417.74	135,786.49
Cash balances	2000.00	62653.00
Short Term Investments	0.00	0.00
Receivables	3693784.00	1743089.00
Payables	-2928220.00	-1244395.00
Total	820981.74	697133.49

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Other important disclosure notes

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

9 Non-current Liabilities Summary

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank loan(s)	0.00	0.00
Outstanding Leases	0.00	0.00
Hire purchase	0.00	0.00
Gratuity and leave provision	0.00	0.00
Total	0.00	0.00

10 Biological assets

Description	Numbers	2020-2021	2019-2020
		Kshs	Kshs
Cattle		0.00	0.00
Goats		0.00	0.00
Trees		0.00	0.00
Coffee or tea plantation		0.00	0.00
Poultry		0.00	0.00
Total		0.00	0.00

11 Borrowings

Description	2020-2021	2019-2020
	KShs	KShs
a) Borrowings		
Borrowing at beginning of the year	0.00	0.00
Borrowings during the year	0.00	0.00
Repayments of during the year	0.00	0.00
Balance at end of the year	0.00	0.00

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Other important disclosure notes

12 Stock/ Inventory

Description	2020-2021	2019-2020
	KShs	KShs
b) Borrowings		
Stock/ inventory at beginning of the year	xxx	xxx
Stock/ inventory purchased during the year	xxx	xxx
Stock/ inventory issued during the year	(xxx)	(xxx)
Balance at end of the year	xxx	xxx

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13 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)

**ST MICHAEL GATAGATI
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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 20XX	Outstanding Balance 20XX-1	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Supply of goods						
4.						
5.						
6.						
Sub-Total						
Supply of services						
7.						
8.						
9.						
Sub-Total						
Grand Total						

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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 20xx	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 20xx
Land 1						
Land 2						
Buildings and structures						
Motor vehicles						
Office equipment, furniture and fittings						
ICT Equipment, and Other ICT Assets						
Tools and apparatus						
Textbooks						
Other Machinery and Equipment						
Heritage and cultural assets						
Intangible assets- soft ware						
Total						

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