

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 30 APR 2025

DAY.

WED

REPORT

TABLED
BY:

Hon George Munira,
MP

CLERK-AT
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PARLIAMENT
OF KENYA
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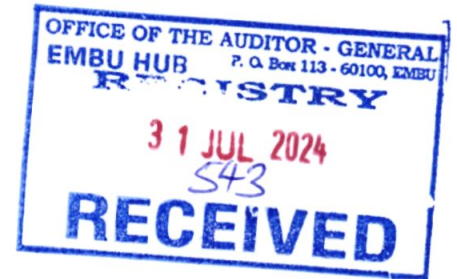
THE AUDITOR-GENERAL

ON

GATHURI SECONDARY SCHOOL

**FOR THE SIX (6) MONTHS
PERIOD ENDED
30 JUNE, 2021**

KIAMBU COUNTY



**GATHURI
PUBLIC SECONDARY SCHOOL**

**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2021**

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

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I. Key School Information And Management

(a) Background information

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

The school was registered in 3/8/2022 under registration number 22S00300797 and is currently categorized as a **sub county public** school established, owned or operated by the Government.

The school is a day/boarding school and had 195 number of students as at 30th June 2021. It has 1 streams and 10 teachers of which 3 teachers are employed by the School Board of Management. And 7 Tsc teachers.

(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	Dr Anne Muohi	Chairman	2/5/2019
2	Chrispus K Mwathi	Secretary- Principal	2/5/2019
3	Stephen Gitonga	Member	2/5/2019
4	James Kagwa	Member	2/5/2019
5	Anthony Kiarie	Member	2/5/2019
6	Florence Njoroge	Member	2/5/2019
7	Consolata Ngomo	Member	2/5/2019
8	Dr Anne Muohi	Member – Rep CEB	2/5/2019
9	Cathreen Njagi	Member Rep Teachers	2/5/2019
10	David Kiarie	3 Members - Sponsor	2/5/2019
11	Joseph Murumuri	Member - Community	2/5/2019
12	Esther Ndungu	Member Special Needs	2/5/2019
	Jacob Opondo	Rep Students	2/5/2019

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 paragraph 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	Dr Anne Muohi James Kingara Stephen Gitonga David Kiarie Chrispus Mwathi	BOM chair PA chair Member member Principal /BOM secretary	1 meeting
2	Audit Committee	Chrispus Mwathi James Kingara James Mucheru Leah Njeri	Principal /BOM secretary PA chair member member	1 meeting
3	Finance, procurement and general purposes Committee	Chrispus Mwathi James Kingara James Mucheru Leah Njeri	Principal/ BOM secretary PA chair member member	2 meetings
4	Academic Committee	Dr Anne Muohi Anthony Kiarie David Kiarie Cathreen Njagi	BOM chair member member member	2 meetings
5	Development Committee	Dr Anne Muohi James Kingara Chrispus Mwathi Peter Gachoka Stephen Gitonga James Kagwa	BOM chair PA chair Principal / BOM secretary member member member	2 meetings
6	Discipline and welfare Committee	James Kingara Lucy Ndirangu Consolata Ngomo Peter Gachoka	PA chair member member member	2 meetings
7	Adhoc Committee (if any during the year)			

(d) School operation Management

For the financial year ended 30th June 2021 the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	Chrispus K. Mwathi	324589
2	Deputy Principal	Peter Gachoka Mwangi	209236
3	School Bursar	Sarah G. Muhia	10875810

(e) Schools contacts

Post Office Box: 359 Gatundu

Telephone: 0724795683

E-mail:

Website:

Facebook:

Twitter:

(f) SchoolBankers

The following school operated 4 bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: **FAMILY**
 Branch: **GATUNDU**
 Account Number: **004000017636-OPERATIONS A/C**
004000017635-INFRASTRUCTURE A/C
004000016708 -TUITION A/C
2. Name of Bank **EQUITY**
 Branch **GATUNDU**
 Account Number **0660279243579 – SCHOOL FUND A/C**

- 3 MPESA PayBill No.247247 attached to 0660279243579 bank account

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

4 Independent Auditors

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

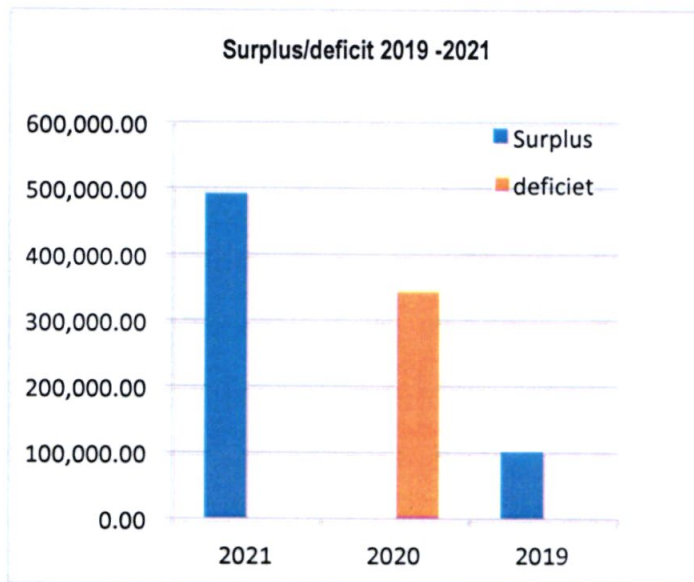
II. Summary Report Of Performance Of The School

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

a. Financial Performance

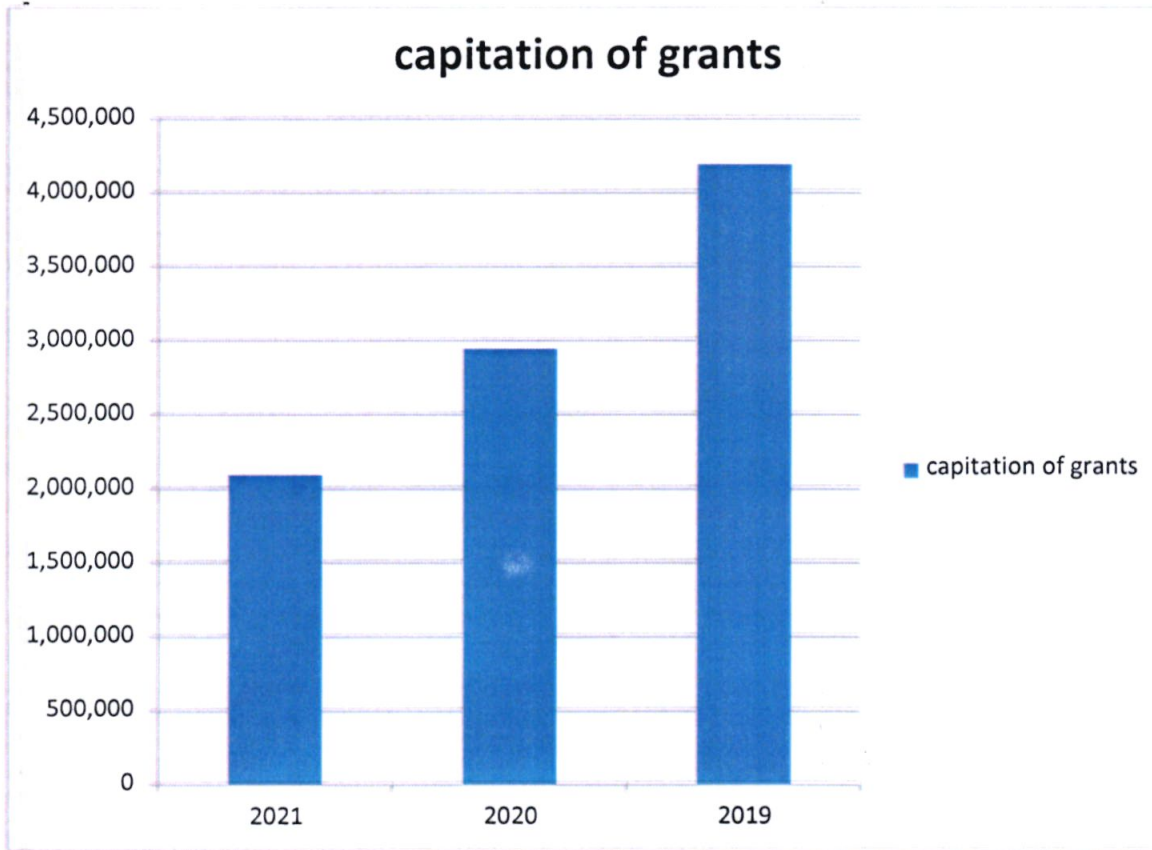
SURPLUS/DEFICIT

	2021	2020	2019
SURPLUS	491,109.63	0	101,564.08
DEFICIT	-	344,558.00	



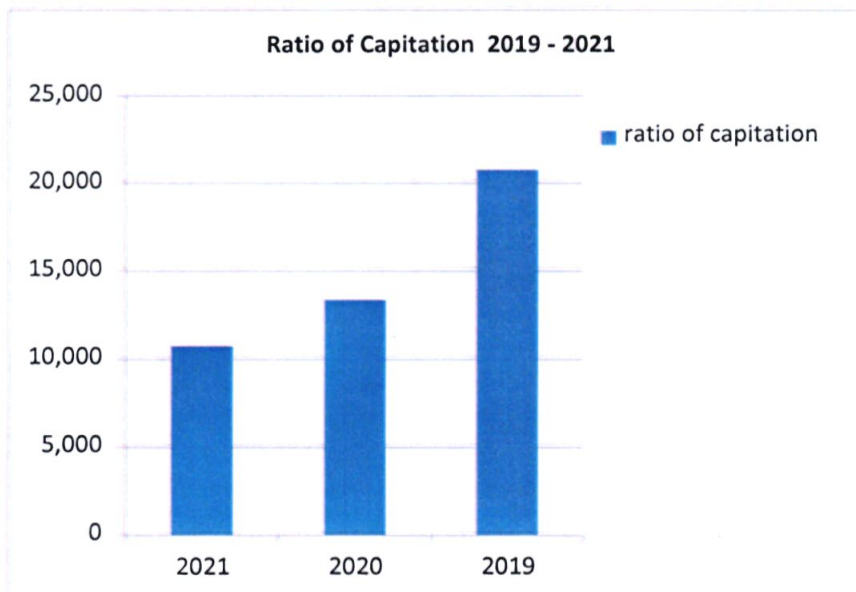
CAPITATION OF GRANTS

2021	2020	2019
2,098,622.00	2,945,775.00	4,197,263.38



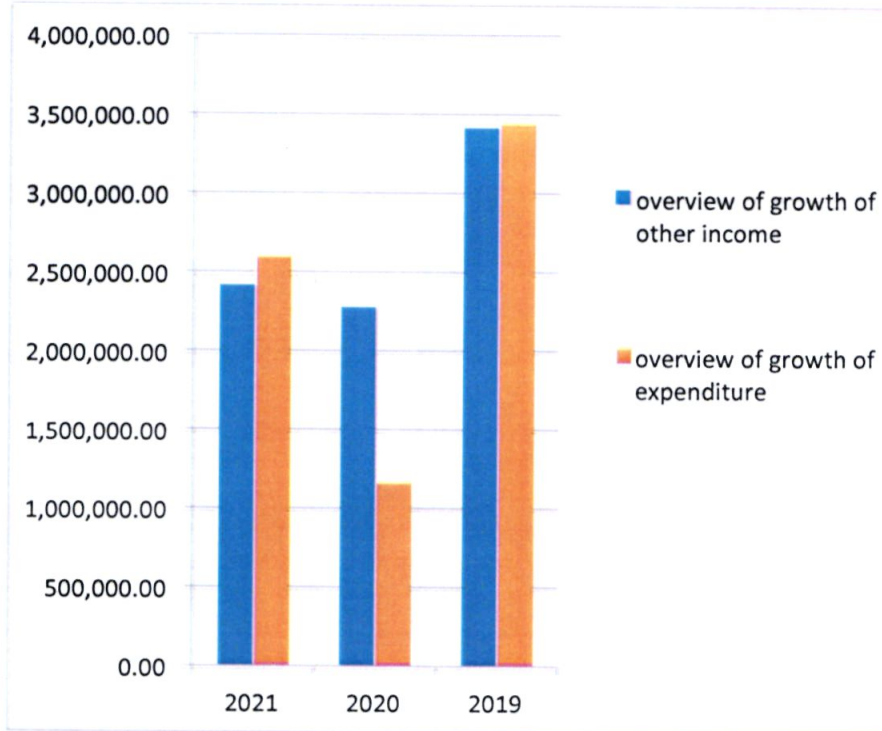
RATIO OF CAPITATION

2021	2020	2019
1:10,762.00	1: 13,380.00	1: 20,778.00



OVERVIEW OF GROWTH OF INCOME AND EXPENDITURE

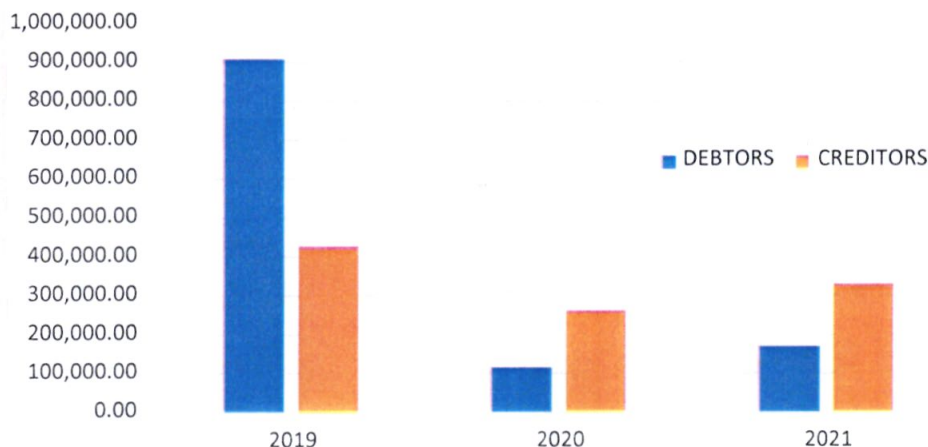
YEAR	INCOME	EXPENDITURE
2019	3,412,650.00	3,433,710.00
2020	6,499,205.00	6,843,762.00
2021	7,112,324.00	6,627,810.00



MOVEMENT OF DEBTORS AND CREDITORS

YEAR	DEBTORS	CREDITORS
2019	908,831.00	426,982.00
2020	115,942.00	261,508.00
2021	170,038.00	330,119.00

Chart Title



a) **Teacher Student ratio: 1:28**

No Transfer

3 BOM Teacher

7 Tsc teachers - Inadequate - maths /phy teacher

b) **Mean score in KCSE:**

Year	2019	2020	2021
Mean score	3.7	2.64	2.237

c) **Number of Candidates KCSE:**

Year	2019	2020	2021
No of candidates	46	53	39

d) **Capacity of the school:**

-3 DORMITORIES, 1 DINING HALL,1 LABORATORY,22 TOILETS,8 CLASSROOMS;

- INADEQUATE

(1)ADMINISTRATION BLOCK

(2) SCIENCE LABORATORY

(3)DINNING HALL

e) **Development projects carried out by the school:**

GATHURI SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2021

<i>PROJECT</i>	<i>ACCOUNT</i>	<i>AMOUNT</i>	<i>STATUS</i>
<i>Fenchingof Dormitory</i>	<i>M/F</i>	<i>779,375.00</i>	<i>Complete</i>

PRINCIPAL
GATHURI SECONDARY SCHOOL
P. O. Box 359 - 01030, GATUNDU

DATE: 23/1/2021 SIGN: [Signature]
.....

School Principal

GATHURI SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2021

III. Statement Of School Management Responsibility

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

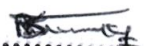
The Board of Management of *Gathuri secondary school* accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

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: ANNE W MUOHI

Designation: Chairman, School Board of Management

Date: 23/7/2024


.....
Name: WILLY KIMANI

Designation: School Principal & Secretary to Board of Management

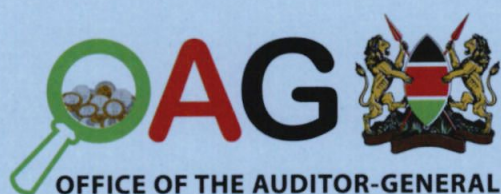
Date: 23/7/2024


.....
Name: SARAH G MUHIA

Designation: Bursar/ Finance Officer

Date: 23/7/2024

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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 GATHURI SECONDARY SCHOOL FOR THE SIX (6) MONTHS PERIOD ENDED 30 JUNE, 2021 – KIAMBU COUNTY

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the 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 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 Government achieves value for money and that such funds are applied for the intended purpose.
- 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, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial period under review.

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 Gathuri Secondary School – Kiambu County set out on pages 1 to 20, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the period then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the

Report of the Auditor-General on Gathuri Secondary School for the Six (6) Months period ended 30 June, 2021 – Kiambu County

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 Gathuri Secondary School – Kiambu County as at 30 June, 2021, and of its financial performance and its cash flows for the period 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

1.0 Inaccuracies in the Financial Statements

1.1 Inaccuracies in Statement of Cash Flows

The following variances were noted between the statement of cashflows and the statement of receipts and payments;

Item	Statement of Receipts and Payments (Kshs.)	Statement of Cashflows (Kshs.)	Variance (Kshs.)
School Income Fund – Parents Contributions	1,875,167	1,829,699	45,468
Payments for Tuition	355,145	287,019	68,126
Payments for Operations	1,593,510	1,863,005	269,495
Boarding and School Fund	4,622,560	4,772,302	149,742

1.2 Variances in School Fund Income - Other Receipts

The statement of receipts and payments and as disclosed in Note 4 to the financial statements reflects school fund income - other receipts amount of Kshs.3,088,535 which further includes an amount of Kshs.2,412,150 in respect to boarding, equipment and stores. However, review of the ledger for boarding, equipment and stores reflects Kshs.1,962,150 resulting to unreconciled and unexplained variance of Kshs.450,000.

In the circumstances, the accuracy of the school fund income – other receipts could not be confirmed.

1.3 Unconfirmed Comparative Balances

The statement of receipts and payments, statement of financial assets and liabilities, the statement of cash flows and the notes to the financial statements for the financial year ended 30 June, 2021 include comparative balances for the year 2019/2020 which were not audited by the Office of Auditor General.

In the circumstances, the accuracy of the financial statements opening balances could not be confirmed.

2. Accounts Receivables

2.1 Inaccurate Accounts Receivables

The statement of financial assets and financial liabilities and as disclosed in Note 11 to the financial statements reflects a balance of Kshs.540,638 in respect to accounts receivable. However, the supporting ledgers reflects Kshs.450,000 resulting to unexplained and unreconciled variance of Kshs.90,638.

In the circumstances, the accuracy of the accounts receivables balance as at 30 June, 2021 could not be confirmed.

2.2 Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.540,638 in respect of fees arrears as disclosed in Note 11 to the financial statements. Included in the balance are receivables amounting to Kshs.472,516 which had been outstanding for more than two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.540,638 could not be confirmed.

3. Overdrawn Account and Netting off of Bank Balance

The statement of financial assets and financial liabilities reflects bank balance of Kshs.471,721 as disclosed in Note 8 to the financial statements. Included in the bank balance is one (1) bank account with an overdraft balance of Kshs.26,524 which has been netted off bank balances of Kshs.471,721 contrary to Section 28(4)(5) of the Public Finance Management Act, 2012.

In the circumstances, the accuracy, completeness, existence of bank balance of Kshs.471,721 could not be confirmed.

4. Unsupported Cash and Cash Equivalents

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.479,332 as disclosed in Note 8 to the financial statements. However, the balance was not supported with bank confirmation certificates and a board of survey certificate confirming the cashbook balances as at 30 June, 2021.

In addition, the reconciliation of the school fund account had unrepresented bank deposits of Kshs.339,745 which were not supported with any listing. Also, the cash and cash equivalents balance of Kshs.479,332 included short term investments of Kshs.7,611 which was not supported with a cashbook or bank statement.

In the circumstances, the accuracy, completeness, existence of the cash and cash equivalents balance of Kshs.479,332 as at 30 June, 2021 could not be confirmed.

5. Unauthorized and Unsupported Administration Cost

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects an amount of Kshs.4,622,560 in respect to boarding and school fund payments which includes Kshs.499,370 in respect to administration cost. However, review of the payment vouchers revealed the Principal was paid a total of Kshs.311,200 between January and June, 2021 for transport refunds and purchase of newspapers which were not supported.

In the circumstances, the accuracy and validity of the expenditure of Kshs.311,200 could not be confirmed.

6. Unsupported and Irregular Procurement of Boarding Equipment and Stores

The statement of receipts and payments and as disclosed in Note 7 to the financial statement reflects an amount of Kshs.4,622,560 in respect to boarding and school fund payments which further includes an amount of Kshs.2,394,470 spent on boarding equipment and stores. Review of the payments revealed that the boarding, equipment and stores were procured directly through cash payment to suppliers and imprests issued to officers' contrary to the requirements of Section 107(b) of the Public Procurement and Asset Disposal Act, 2015.

Further examination of the payments revealed the following anomalies:

- i. Procurement committee that evaluated the bids were either not appointed or minutes of the meetings of the Committees were not presented for audit verification and further, the invoices were paid without withholding statutory Value Added Tax (VAT) deductions.
- ii. Contracts were awarded through direct procurement without adequate justification or prior approval from the relevant authorities.
- iii. Instances were identified where contracts were awarded to single sourced suppliers without inviting bids from other potential vendors, undermining competitive procurement practices.
- iv. The criteria for selecting vendors were not clearly defined or documented, leading to potential bias and favoritism in the vendor selection process.
- v. Key procurement documents, including bid evaluation reports, procurement plans, and contract agreements were not provided for audit review.

In the circumstances, the accuracy, validity and propriety of the expenditure amounting to Kshs.2,394,470 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Gathuri Secondary School – Kiambu County Management in accordance with ISSAI 130 on 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 on comparable basis of Kshs.6,659,115 and Kshs.6,450,789 respectively resulting to an underfunding of Kshs.208,326 or 3% of the budget. However, the School spent a balance of Kshs.5,449,813 against actual receipts of Kshs.6,450,789 resulting to under-utilization of Kshs.1,000,976 or 16% of actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the period under review.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in 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. Unconfirmed Student Enrolment Data

The statement of receipts and payments reflects capitation grants for tuition, capitation grants for operations and infrastructure grants amounts totalling

Kshs.2,098,622. Comparison of data from National Education Management and Information System (NEMIS) with records from the County Director of Education revealed that during the month of April, 2021, NEMIS reflected two hundred and twenty (220) students while records from the County Director of Education had one hundred and ninety-nine (199) students, resulting to unreconciled and unexplained variance of 21 students not in the school register. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

In the circumstances, underfunding of the School may have affected service delivery to the students.

2. Failure to Acknowledge Receipts to the County Director of Education

The statement of receipts and payments and as disclosed in Note 2 to the financial statements reflects an amount of Kshs.1,812,017 in respect to capitation grants for operations which includes Kshs.307,560 disbursed and received in April, 2021. However, no evidence was provided to show that the County Director of Education through the Sub-County Director of Education was provided with an allocation of the said funds duly signed by individual students.

Further, a total of Kshs.1,643,081 comprising of Kshs.819,500 and Kshs.747,461 disbursed to the school's operation account and Kshs.220 and Kshs.75,900 disbursed to tuition account were not acknowledged by uploading a copy of the official receipt in the NEMIS portal as required by Paragraph 4 and 5 of Ministry of Education, Office of the Principal Secretary, State Department of Early Learning and Basic Education Circular MOE/3/13/3. There were multiple instances where the required acknowledgment letters to the County Director of Education were not found in the School's records.

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

3. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.4,622,560 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.112,000 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.112,000 could not be confirmed.

4. Undelivered Textbooks to the School

Records from the State Department of Basic Education show that the School was expected to be supplied with various titles of textbooks in the financial year ended 30 June, 2021. However, review of the records at the School revealed some book titles were never received as shown below;

Year	Subject/Title	Expected No	Delivered	Variance
2020/2021	Blossoms of the Savannah	107	0	107
	Inheritance	107	0	107
	A doll's House	107	0	107
	Chozi la Heri	107	0	107
	Kigogo	107	0	107
	Tumbo Lisiloshiba	107	0	107
	The Pearl	107	0	107
	Memories We Lost	107	0	107
Total		856		856

In the circumstances, it could not be confirmed whether the books were ever dispatched to the School by the State Department of Education.

5. Lack of Procurement Plan

The statement of receipts and payments reflects amounts of Kshs.7,062,324 and Kshs.6,571,214 in respect of total receipts and total payments respectively. However, during the year, Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that 'a procuring entity prepare a procurement plan for each financial year as part of the annual budget preparation process'.

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

6. Unbalanced Budget

The statement of budgeted and actual amounts for the year reflects an approved total revenue budget of Kshs.6,659,115 and total expenditure budget of Kshs.5,975,000 resulting to an unbalanced budget. This is contrary to Section 33(c) of Public Finance Management (National Government) Regulations, 2015 which state that budget shall be balanced.

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

7. Long Outstanding Payables

The statement of financial assets and financial liabilities and as disclosed in Note 12 to the financial statements reflects accounts payables balance of Kshs.755,431. However,

included in the balance are trade payables balance of Kshs.681,521 which had been outstanding for more than two (2) years. This was contrary to Section 53 (8) of the Public Procurement and Asset Disposal Act, 2015 which states that 'an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contract(s) are reflected in approved budget estimates'.

In the circumstances, the School Management was in breach of the law and there is risk loss of public funds through litigations, interests and penalties.

8. Late Submission of Financial Statements for Audit

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

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

The audit was conducted in accordance with ISSAI 4000. The Standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, 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 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 overall governance were not effective.

Basis for Conclusion

1. Lack of Internal Audit Function and Audit Committee

During the year under review, the School had not constituted an audit committee and an internal audit unit as required by Regulation 166 (1) and (2) of the Public Finance Management (National Government), 2015 which states that, the internal audit unit of a National Government entity to assess effectiveness of the School through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury.

In the circumstances, the School did not benefit from the oversight role and advice from the audit committee and the internal audit function.

2. Lack of Ownership Documents and Failure to Maintain a Fixed Asset Register

Annex 2 to the financial statements reflects summary of fixed assets register with no monetary values on the different classes of assets as at 30 June, 2021. The assets includes parcels of land, buildings and structures and ICT equipment. However, Management did not maintain a fixed asset register contrary to Regulation 143(1) of the Public Finance Management (National Government) Regulations, 2015 which states that, the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

In addition, Annex 2 to the financial statements reflects summary of fixed assets register in respect of fixed assets which includes land whose ownership documents were not provided for audit.

In the circumstances, the ownership, valuation and safe custody of the fixed assets could not be confirmed.

3. Unconfirmed Appointment of Members of Board of Management (BoM)

It was noted that Management did not provide for audit verification letters of appointment signed by the County Director of Education of some Board of Management members. This was contrary to Section 54(7)(k) of the Basic Education Act, 2013 which states that, the County Director of Education shall, subject to the authority of the Cabinet Secretary and in consultation with the County Government, appoint Board of Management members.

In the circumstances, the Board of Management may not have been properly constituted as required by law in the absence of appointment letters.

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the School's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of intention to terminate the School or 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 are in compliance 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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. 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 and weakness 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 addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, 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 accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls 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 and submit

the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the School's policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

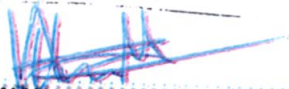
25 September, 2024

GATHURI SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2021

V. Statement Of Receipts And Payments Period To 30th June 2021


Description Of Vote Head	Note	2020-2021 Kshs	2019-2020 Kshs
Receipts			
Capitation grants for tuition	1	286,605.00	360,970.00
Capitation grants for operations	2	1,812,017.00	2,584,805.00
School fund income- parents' contributions	3	1,875,167.00	1,278,870.00
School fund income- other receipts	4	3,088,535.00	2,274,560.00
Proceeds from borrowings			
Total Receipts		7,062,324.00	6,499,560.00
Payments			
Payments for tuition	5	355,144.60	431,659.20
Payments for operations	6	1,593,509.77	2,656,541.56
Boarding and school fund payments	7	4,622,560.00	3,752,562.00
Total Payments		6,571,214.37	6,843,762.76
Surplus/Deficit		491,109.63	(344,557.76)

The school financial statements were approved on 23rd July 2024 and signed by:



 Name: ANNE W. MUOHI

Chair BOM

Date: 23/7/2024


 Name: WILLY KIMANI
 School Principal/ Secretary to BOM

Date: 23/7/2024


 Name: SARAH G. MUHIA
 Bursar/ Finance Officer

Date: 23/7/2024


GATHURI SECONDARY SCHOOL


Reports and Financial Statements For the year ended 30th June 2021


VI. Statement Of Financial Assets And Financial Liabilities As At 30th June 2021

Description	Note	2020-2021 Kshs	2019-2020 Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	8	471,721.38	(25,176.25)
Cash balances	9	-	-
Short term investment	10	7,611.00	7,611.00
Total cash and cash equivalent		479,332.38	(17,565.25)
Account's receivables	11	540,638.27	477,916.27
Total financial assets		1,019,970.65	460,351.02
Financial liabilities			
Accounts payables	12	755,431.34	686,921.34
Net financial assets		264,539.31	(226,570.32)
Represented by			
Accumulated fund b/fwd	13	(226,570.32)	117,987.44
Surplus/deficit for the year		491,109.63	(344,577.76)
Net financial position		264,539.31	(226,570.32)

The school's financial statements were approved on 23rd July 2024 and signed by:


 Name: ANNE W. MUOHI
 Chair BOM
 Date: 23/7/2024


 Name : WILLY KIMANI
 School Principal/ Secretary
 to BOM
 Date: 23/7/2024


 Name: SARAH G. MUHIA
 Bursar/ Finance Officer
 Date: 23/7/2024

VII. Statement of Cash Flows for The Period Ended 30th June 2021

Description	Notes	2020-2021	2019-2020
		Kshs	Kshs
Operating activities			
Receipts			
Capitation grants for tuition	1	286,605.00	360,970.00
Capitation grants for operations	2	1,812,017.00	2,584,805.00
School fund income- parents contributions/ fees	3	1,829,699.00	1,273,470.00
School fund income- other receipts	4	3,088,535.00	2,491,000.00
Total receipts		7,016,856.00	6,710,245.00
Payments			
Payments for tuition	5	287,019.60	431,659.20
Payments for operations	6	1,863,005.44	2,552,041.56
Boarding and school fund payments	7	4,772,301.60	3,905,527.76
Total payments		6,922,326.64	7,104,228.52
Net cash flow from operating activities		94,529.36	(393,983.52)
Cashflow from investing activities			
Debtors recoveries		-	-
Acquisition of Assets		402,368.27	107,500.00
Borrowings			-
Net cash flows from Investing Activities		-	-
NET CASHFLOW FROM FINANCING ACTIVITIES			
Inter Accounts borrowings		-	-
Paid creditors			-
Net cash flows from Financing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		496,897.63	(286,483.52)
Cash and cash equivalent at BEGINNING of the year		(25,176.25)	261,307.27
Cash and cash equivalent at END of the year		471,721.38	(25,176.25)

(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).

GATHURI SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2021

VIII. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2021

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
Receipts						
(1) Capitation Grant on Tuition						
Textbooks And Reference Materials						
Exercise Books						
Laboratory Equipment						
Internal Exams						
Teaching / Learning Materials	300,000.00	0	300,000.00	286,605.00	13,395.00	95.5
Chalks						
Exams And Assessment						
Teachers Guides						
(2) Capitation Grant on Operations						
Personnel Emoluments	690,000.00	0	690,000.00	680,000.00	10,000.00	98.5
Repairs And Maintenance	779,375.00	0	779,375.00	779,375.00	0	100
Local Transport / Travelling	27,000.00	0	27,000.00	26,000.00	1,000.00	96
Electricity And Water	70,000.00	0	70,000.00	66,642.00	3,358.00	95
Medical						
Administration Costs	260,000.00	0	260,000.00	260,000.00	0	100
Activity						
Gratuity						
Smasse						
(3) Fees Charged on Parents						

GATHURI SECONDARY SCHOOL

Reports and Financial Statements For the year ended 30th June 2021

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
Personnel Emoluments	300,000.00	0	300,000.00	282,620.00	17,380.00	94
Repairs And Maintenance	650,000.00	0	650,000.00	628,900.00	21,100.00	97
Local Transport / Travelling	110,000.00	0	110,000.00	100,755.00	9,245.00	92
Electricity And Water	207,890.00	0	207,890.00	207,890.00	0	100
Medical						
Administration Costs	600,000.00	0	600,000.00	558,642.00	41,358.00	93
Activity	100,000.00	0	100,000.00	96,360.00	3,640.00	96
Smasse						
Fee On Boarding Equipment and Stores	2,500,000.00	0	2,500,000.00	2,412,150.00	87850.00	96
Other Income						
Uniform	64,850.00	0	64,850.00	64,850.00	0	100
Bursary						
Insurance Compensation						
Income From Posho Mill						
Income From Bus Hire						
Fee For Hire of Ground And Equipment						
Interest Income						
Income From Any Other Investment						
Total Income	6,659,115.00	0	6,659,115.00	6,450,789.00	208,326.00	96.64
(1) Expenditure For Tuition						
Textbooks And Reference Materials						
Exercise Books						
Laboratory Equipment						

GATHURI SECONDARY SCHOOL

Reports and Financial Statements For the year ended 30th June 2021

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
Internal Exams						
Teaching / Learning Materials	300,000.00		300,000.00	287,019.50	12,980.50	96
Chalks						
Exams And Assessment						
Teachers Guides						
Administration Costs						
Bank Charges						
(2) Expenditure For Operations						
Personnel Emoluments	650,000.00	0	650,000.00	627,720.00	22,280.00	97
Repairs, Maintenance & Improvements						
Local Transport / Travelling	33,000.00	0	33,000.00	31,000.00	2,000.00	94
Electricity, Water and Conservancy	55,000.00	0	55,000.00	53,110.00	1,890.00	96
Medical						
Administration Costs	350,000.00	0	350,000.00	337,938.00	12,062.00	96
Activity Expenses						
Infrastructure	402,000.00	0	402,000.00	402,000.00	0	100
Smasse						
(3) Expenditure For School Fund						
Personnel Emoluments	350,000.00	0	350,000.00	333,900.00	16,100.00	95
Repairs, Maintenance and Improvements	450,000.00	0	450,000.00	433,410.00	16,590.00	96
Local Transport / Travelling	130,000.00	0	130,000.00	122,700.00	7,300.00	94
Electricity, Water and Conservancy	180,000.00	0	180,000.00	165,675.00	14,325.00	92

GATHURI SECONDARY SCHOOL

Reports and Financial Statements For the year ended 30th June 2021

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
Medical Expenses						
Administration Costs	510,000.00	0	510,000.00	499,370.00	10,630.00	98
Activity	65,000.00	0	65,000.00	61,500.00	3,500.00	94
Gratuity						
Lunch Programme						
Boarding Equipment and Stores	2,500,000.00	0	2,500,000.00	2,094,470.00	405,530.00	84
Expenditure For Income Generating Activity						
Bursary						
Other Expenses On Investments						
Rent Expenses						
Bank Charges						
Loan Interest Repayment						
Loan Principal Repayment						
Acquisition Of Assets						
Totals	5,975,000.00	0	5,975,000.00	5,449,812.50		94.77

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

IX. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

In-kind contributions are donations that are made to the *school* in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably 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 2022.

X. Notes To The Financial Statements

1 Capitation Grant for Tuition

Description	2020-2021	2019-2020
	Kshs	Kshs
Reference and Library	41,000.00	-
Exercise books	80,000.00	-
Laboratory equipments and apparatus	55,000.00	
Teaching/learning materials	60,605.00	360,970.00
chalks	20,000.00	-
Internal exams	30,000.00	-
Administrative costs		-
Total	286,605.00	360,970.00

2 Capitation Grant for Operations

Description	2020-2021	2019-2020
	Kshs	Kshs
Personal emoluments	680,000.00	800,722.00
Repairs and maintenance	-	115,000.00
Local transport / travelling	26,000.00	185,275.00
Electricity & Water	66,642.00	204,003.00
Medical / Insurance	-	38,600.00
Administration costs	260,000.00	172,005.00
Infrastructure	779,375.00	992,000.00
Activity		77,200.00
Total	1,812,017.00	2,584,805.00

3 Parents Contribution/Fees - School Fund Account

Description	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	282,620.00	288,765.00
Repairs and maintenance	628,900.00	497,565.00
Local transport / travelling	100,755.00	52,940.00
Electricity and water	207,890.00	106,000.00
Activity	96,360.00	49,200.00
Administration costs	558,642.00	284,400.00
Total	1,875,167.00	1,278,870.00

Notes To The Financial Statements (Continued)

4 Other Receipts – School Fund Account

Description	2020-2021	2019-2020
	Kshs	Kshs
BES	2,412,150.00	2,274,560.00
Bursary	611,535.00	-
Uniform	64,850.00	-
Total	3,088,535.00	2,274,560.00

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

5 Payments For Tuition

Description	2020-2021	2019-2020
	Kshs	Kshs
Reference & Library	62,000.00	-
Exercise books	80,000.00	-
Laboratory equipments and apparatus	77,059.60	-
Teaching/learning materials	77,960.00	431,659.20
chalks	15,000.00	-
Internal exams	43,125.00	-
Reference books	-	-
Bank charges	-	-
Total	355,144.60	431,659.20

Notes To The Financial Statements (Continued)

6 Payments For Operations

Description	2020-2021	2019-2020
	Kshs	Kshs
Personal Emoluments	627,720.00	789,790.00
Service Gratuity	-	-
Administration Cost	487,938.40	197,791.56
Repairs and maintenance & improvements	20,142.37	165,000.00
Local transport / travelling	31,000.00	162,620.00
Electricity and water	53,110.00	178,620.00
Medical	-	49,000.00
Activity Expenses	-	222,420.00
SMASSE	-	-
Infrastructure	373,599.00	894,300.00
Bank Charges	-	-
BOM Teachers	-	-
TOTAL	1,593,509.77	2,659,541.56

GATHURI SECONDARY SCHOOLReports and Financial Statements For the year ended 30th June 2021**Notes To The Financial Statements (Continued)****7 Boarding And School Fund Payments**

Description	2020-2021	2019-2020
	Kshs	Kshs
Boarding Equipment and stores	2,394,470.00	1,160,099.00
Local Travelling & Transport	122,700.00	70,750.00
Activity	61,500.00	97,020.00
Administration costs	499,370.00	234,473.00
Personal emolument	333,900.00	298,480.00
Electricity & water	165,675.00	202,090.00
Repairs and maintenance	433,410.00	1,689,650.00
Bursary	611,535.00	-
TOTAL	4,622,560.00	3,752,562.00

GATHURI SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2021

Notes To The Financial Statements (Continued)

8 Bank Accounts

Name Of Bank, Account No. & Currency	Bank Account Number	2020-2021	2019-2020
		Kshs	Kshs
Tuition Account	004000016708	2,240.50	2,655.10
Operations Account	004000017636	107,871.63	12,788.03
School Fund Account/Boarding	0660279243579	(26,524.38)	(43,119.38)
Infrastructural Account	004000017635	388,133.63	2,500.00
Savings account			
Total		471,721.38	(25,176.25)

9 Cash In Hand

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

10 Short Term Investments

Description	2020-2021	2019-2020
	Kshs	Kshs
Cooperative Shares		
Treasury Bills		
Fixed Deposit		
Equity Stock		
Other Investments	7,611.00	7,611.00
Total	7,611.00	7,611.00

GATHURI SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2021

Notes To The Financial Statements (Continued)

11 Accounts Receivable

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees Arrears	540,638.27	477,916.27
Other Non-Fees Receivables		-
Salary Advances	-	-
Total	540,638.27	477,916.27

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

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears for current year	458,627.00	5,400.00
Fees arrears recovered during the year	(395,905.00)	(216,440.00)
Fees arrears for the previous year	5,400.00	361,974.00
Fees arrears for prior periods (over two years)	472,516.27	326,982.27
Total	540,638.27	477,916.27

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

GATHURI SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2021

12 Accounts Payable

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	755,431.34	637,765.54
Prepaid Fees	-	49,155.80
Other payables	-	-
Total	755,431.34	686,921.34

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

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors for current year	518,125.00	5,400.00
Trade creditors paid during the year	(449,615.00)	(263,250.00)
Trade creditors for the previous year	5,400.00	100,838.00
Trade creditors for prior periods (over two years)	681,521.34	794,777.54
Total	755,431.34	637,765.54

GATHURI SECONDARY SCHOOL**Reports and Financial Statements For the year ended 30th June 2021****Notes To The Financial Statements (Continued)****13 Fund Balance Brought Forward**

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank Balances	(25,176.25)	253,696.27
Cash Balances	-	-
Short Term Investments	7,611.00	7,611.00
Receivables	477,916.27	788,956.27
Payables	(686,921.34)	(932,276.10)
Total	(226,570.32)	117,987.44

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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.

14 Non-current Liabilities Summary

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank Loan(S)		
Outstanding Leases		
Hire Purchase		
Gratuity And Leave Provision		
Total		

15 Biological assets

Description	Numbers	2020-2021	2019-2020
		Kshs	Kshs
Cattle			
Goats			
Trees			
Coffee Or Tea Plantation			
Poultry			
Total			

16 Borrowings

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

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Other important disclosure notes

17 Stock/ Inventory

Description	2020-2021	2019-2020
	Kshs	Kshs
b) Inventory		
Stock/ inventory at beginning of the year		
Stock/ inventory purchased during the year		
Stock/ inventory issued during the year		
Balance at end of the year		

17. STOCK INVENTORY

ITEM	IN THE STORE	PURCHASES	ISSUED	BALANCE IN THE STORE
Beans	20kg	3,060kg	3,060kg	20kg
Dry maize	10kg	1,750kg	1,700kg	50kg
Rice	25kg	2,500kg	2,525kg	-
Sugar	10kg	720kg	730kg	-
Maize flour	-	2,000kg	2,000kg	-
Porridge flour	-	540kg	540kg	-
Tea leaves	-	12kg	12kg	-
Cooking fat	-	260ltrs	260ltrs	-
biros	2	150	145	7
Exercise books	107	2880	2800	187
Spring files	-	50	50	-
envelopes	-	1000	500	500
Manilla papers	2	100	98	4
chalks	10	120	109	11
Grant in aid	-	4	4	-
ledger	-	3	3	-
Photocopying papers	2 reams	200reams	190reams	10 reams
fulscalps	1	10	10	1

GATHURI SECONDARY SCHOOL

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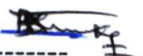
18 Progress On Follow Up Of Auditor Recommendations

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)

PRINCIPAL

GATHURI SECONDARY SCHOOL
P. O. Box 359 - 01030, GATUNDU

DATE: 23/7/2021 SIGN: 

Sign and Date
Principal

GATHURI SECONDARY SCHOOL

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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. Watimo Cereals	300,000.00	4/4/3021	0	300,000.00	300,000.00	To be cleared in the next finance period
5. Chemequip Suppliers	25,000.00	31/5/2021	0	25,000.00	25,000.00	To be cleared in the next finance period
6. Racemark General suppliers	193,125.00	23/6/2021	0	193,125.00	193,125.00	To be cleared in the next finance period
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) 1st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2022
Land 1	1.619 ha					
Land 2						
Buildings And Structures						
classrooms	8					
Domitory	3					
Kitchen	1					
:Laboratory	1					
Motor Vehicles						
Office Equipment, Furniture And Fittings						
ICT Equipment, And Other ICT Assets						
- Computers	3					
- Printers	3					
Tools And Apparatus						
Textbooks						
Other Machinery And Equipment						
Heritage And Cultural Assets						
Intangible Assets- Soft Ware						

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