

REPUBLIC OF KENYA



*Enhancing Accountability*

# REPORT

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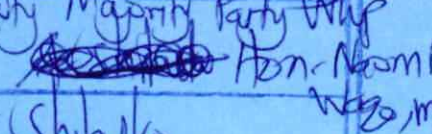
**THE AUDITOR-GENERAL**

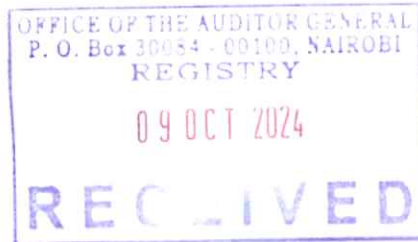
ON

**GATAMAIYU HIGH SCHOOL**

**FOR THE YEAR ENDED  
30 JUNE, 2022**

**KIAMBU COUNTY**

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 03 MAR 2025	
DAY: Wednesday	
TABLED BY:	Deputy Majority Party Whip  Hon. Naomi Wanza, MP
CLERK-AT-THE-TABLE:	Ar. Shabaka



*Revised 30<sup>th</sup> June 2022.*



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***GATAMAIYU HIGH SCHOOL***  
**PUBLIC SECONDARY SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>th</sup> June 2022**

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

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## **I. Acronyms and Glossary of Terms**

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

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

**II. KEY SCHOOL INFORMATION AND MANAGEMENT**

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

**(a) Background information**

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

The school was registered in 03/2004 under registration number GP/A/2295/2004 and is currently categorized as a County public school established, owned or operated by the Government.

The school is a boarding school and had 528 number of students as at 30<sup>th</sup> June 2022. It has Three streams and 26 teachers of which 06 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:

<b>Ref:</b>	<b>Name of Board Member</b>	<b>Designation</b>	<b>Date of appointment</b>
1	MR. EVANS MUTUA	Chairman-sponsor	31 <sup>st</sup> may 2022
2	MR. LEONARD WANJOHI	Secretary - Principal	31 <sup>st</sup> may 2022
3	MR. BONIFACE WAMBUGU	PA Chairman	31 <sup>st</sup> may 2022
4	DR. JOSEPH KABUCHO	Vice Chairman	31 <sup>st</sup> may 2022
5	MR. NICHOLAS IGADIZI	Member	31 <sup>st</sup> may 2022
6	MRS EUNICE WAMBU GATHUMA	Member	31 <sup>st</sup> may 2022
7	MR. LOISE WAMBUI WAWERU	Member	31 <sup>st</sup> may 2022
8	MS PURITY MWANGI	Member	31 <sup>st</sup> may 2022
9	REV BRNARD KAMAU	Member – Rep CEB	31 <sup>st</sup> may 2022
10	MRS PUALINE KIGO	Member Rep Teachers	31 <sup>st</sup> may 2022
11	MR.HARON NGANGA	Deputy Principal	31 <sup>st</sup> may 2022
12	MR. PETER NGANGA	Member - sponsor	31 <sup>st</sup> may 2022
13	MR. NJUGUNA MBIGI	Member - Community	31 <sup>st</sup> may 2022
14	MR.EMMANUEL CHEGE	Member Special Needs	31 <sup>st</sup> may 2022
15	MR.DAVID NJUGUNA GITAU	Member	31 <sup>st</sup> may 2022
16	REV.LEAH NDEGWA	Member	31 <sup>st</sup> may 2022



**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	MR. EVANS M.KARANJAI	CHAIRPERSON	3 out of 3
2	Audit Committee	DR. JOSEPH KABUCHO	MEMBER	3 out of 3
		MR. BONIFACE WAMBUGU	MEMBER	3 out of 3
		M/S LOISE WAWERU	MEMBER	3 out of 3
		MR. LEONARD WANJOHI	MEMBER	3 out of 3
		MR.EMMANUEL CHEGE	CHAIRPERSON	2 out of 3
		DR.JOSEPH KABUCH	MEMBER	2 out of 3
		MR.LEONARD WANJOHI	MEMBER	2 out of 3
		MR.BONIFACE WAMBUGU	MEMBER	2 out of 3
		MRS.LEAH NDEGWA	MEMBER	2 out of 3
		MRS.LEAH NDEGWA	MEMBER	2 out of 3
3	Finance,procurement and general purposes Committee	MR. EMMANUEL CHEGE	CHAIRMAN	2out of 3
		DR.JOSEPH KABUCHO	MEMBER	2out of 3

(GATAMAIYU HIGH SCHOOL)  
**PUBLIC SECONDARY SCHOOL**  
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		REV BONIFACE WAMBUGU	MEMBER	2out of 3
		MR.LEONARD WANJOH	MEMBER	2out of 3
		MRS.LOISE WAWERU	MEMBER	2out of 3
4	Academic Committee	MR. NJUGUNA MBIGI	CHAIRPERSON	2 out of 3
		DR.JOSEPH KABUCHO	MEMBER	2 out of 3
		DR.JOSEPH KABUCHO	MEMBER	2 out of 3
		MS.PAULINE KIGO	MEMBER	2 out of 3
		MR. NICHOLAS IGADIZI	MEMBER	2 out of 3
		MRS. PURITY MWANGI	MEMBER	2 out of 3
		MR. LEONARD WANJOHI	MEMBER	2 out of 3
5	Development Committee	REV.BONIFACE WAMBUGU	CHAIRPERSON	2 out of 3
		DR. JOSEPH KABUCHO	MEMBER	2 out of 3
		MR. LEONARD WANJOH	MEMBER	2 out of 3
		MR. HARUN NGANGA	MEMBER	2 out of 3
		REV. LEAH NDEGWA	MEMBER	2 out of 3
		MRS. LOISE WAWERU	MEMBER	2 out of 3
6	Discipline and welfare Committee	MR. DAVID NJUGUNA	CHAIRPERSON	1 out of 3
		MR. HARUN NGANGA	MEMBER	1 out of 3
		MR. PETER NGANGA	MEMBER	1 out of 3
		REV. LEAH NDEGWA	MEMBER	1 out of 3
7	Adhoc Committee (if any during the year)			

**(d) School operation Management**

For the financial year ended 30<sup>th</sup> June 2022 the School day-to-day management was under the following persons:

(GATAMAIYU HIGH SCHOOL)  
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<b>Ref:</b>	<b>Designation</b>	<b>Name</b>	<b>TSC Number</b>
1	Principal	MR. LEONARD WANJOHI	285993
2	Deputy Principal	MR. HARON NGANGA	291817
3	School Bursar	MS EUNICE MBUGUA	13532956

**KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)**

**(e) Schools contacts**

Post Office Box: 8-00223 KAGWE  
Telephone: 020-2047725  
E-mail: gatamaiyuhighschool@gmail.com  
Website: N/A  
Facebook:  
Twitter:

**(f) School Bankers**

The following school operated 08 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: KCB  
Branch: GITHUNGURI  
Account Number: 1105015793
2. Name of Bank: KCB  
Branch: GITHUNGURI  
Account Number: 1105030814
3. MPESA Pay Bill No. 522123 attached to 1105015793 bank account
4. Name of Bank: KCB  
Branch: GITHUNGURI  
Account Number: 1105026272
5. Name of Bank: KCB  
Branch: GITHUNGURI  
Account Number: 1261364244
6. Name of Bank: EQUITY BANK  
Branch: GITHUNGURI  
Account Number: 0930295169173
7. Name of Bank: KCB  
Branch: GITHUNGURI  
Account Number: 1104451948
8. Name of Bank: K-UNITY  
Branch: GITHUNGURI  
Account Number: 00210000015851

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

**(g) Independent Auditors**

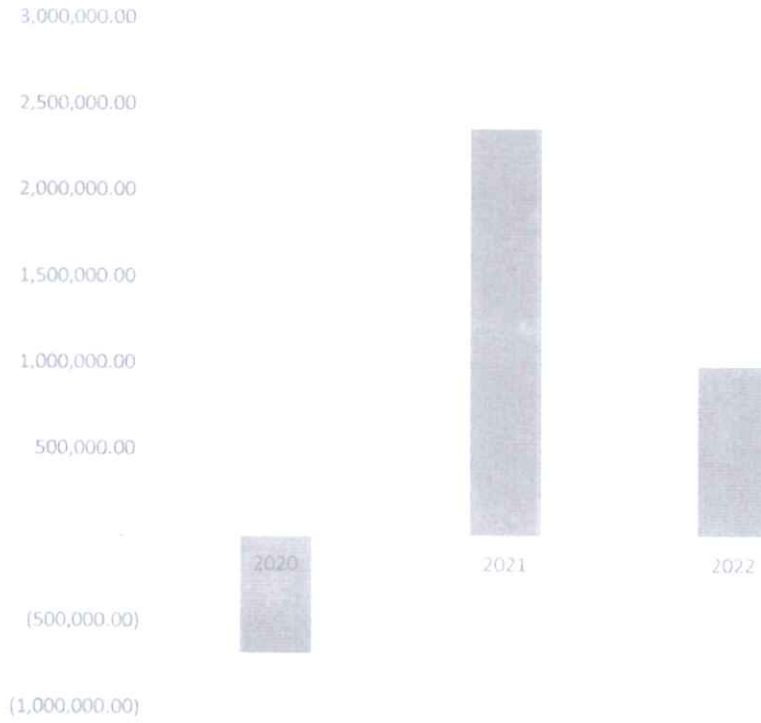
Office of the Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084  
GPO 00100  
Nairobi, Kenya

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GATAMAIYU HIGH SCHOOL

YEAR	AMOUNT
2020	(681,874.00)
2021	2,364,788.00
2022	986,728.00

SURPLUS/DEFIT FOR THREE YEARS

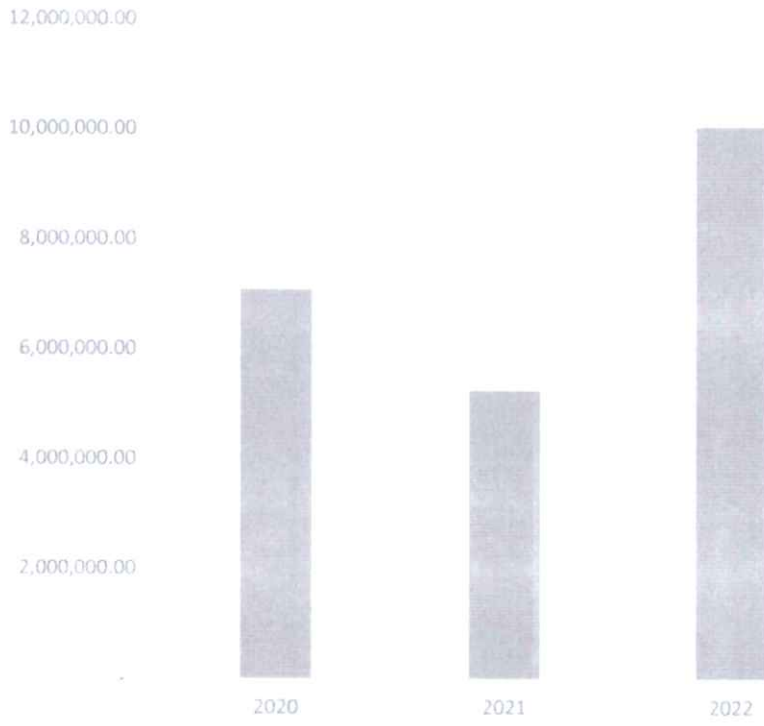




GATAMAIYU HIGH SCHOOL

YEAR	AMOUNT
2020	7,091,391.00
2021	5,256,877.00
2022	10,039,243.00

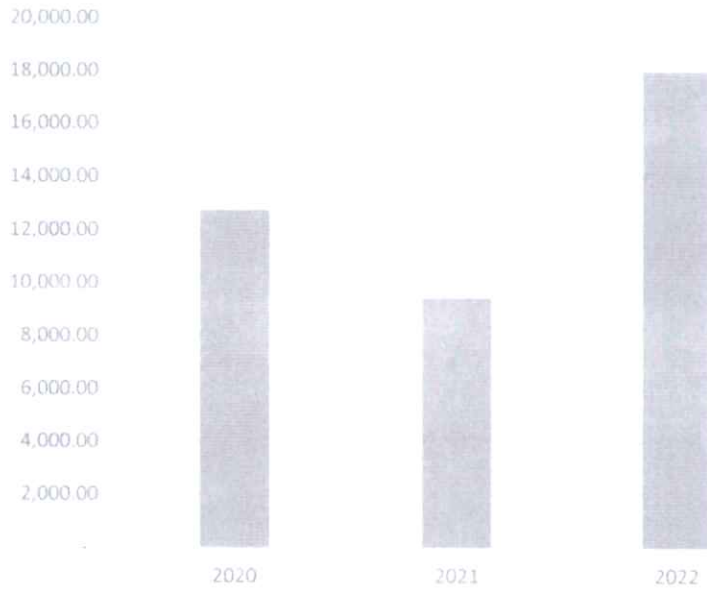
CAPITATION GRANT FOR THREE YEARS



GATAMAIYU HIGH SCHOOL

YEAR	AMOUNT
2020	12,777.00
2021	9,438.00
2022	17,991.00

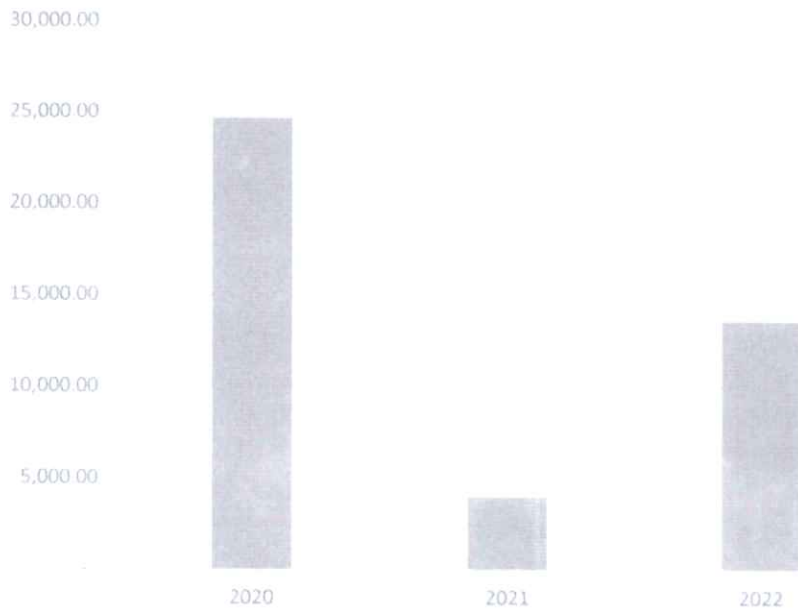
CAPITATION RATIO PER STUDENT FOR THREE YEARS



GATAMAIYU HIGH SCHOOL

YEAR	AMOUNT
2020	24,700.00
2021	4,000.00
2022	13,600.00

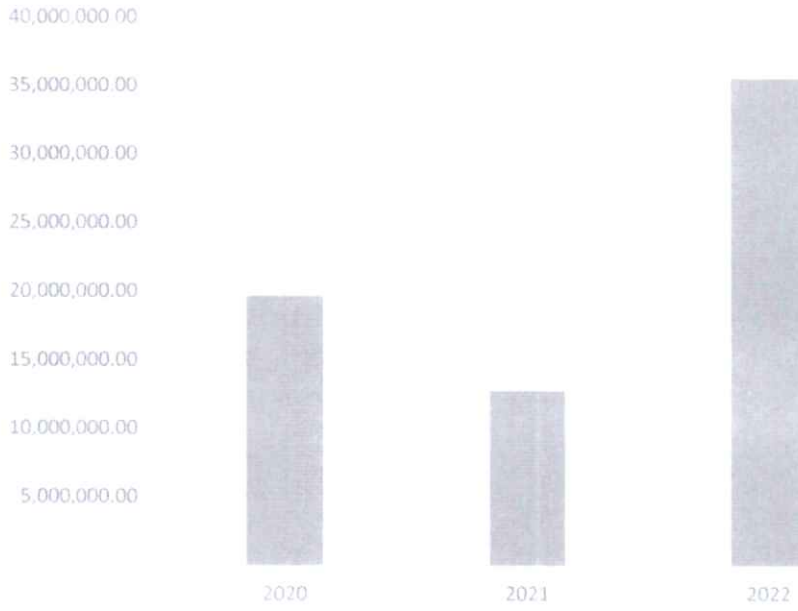
GROWTH OF OTHER INCOMES FOR THREE YEARS



GATAMAIYU HIGH SCHOOL

YEAR	AMOUNT
2020	19,664,028.00
2021	12,786,737.00
2022	35,498,548.00

GROWTH OF EXPENDITURE FOR THREE YEARS



GATAMAIYU HIGH SCHOOL

YEAR	BANK	CASH
2020	(148,109.00)	47,251.00
2021	(246,399.00)	40,521.00
2022	75,597.00	23,812.00

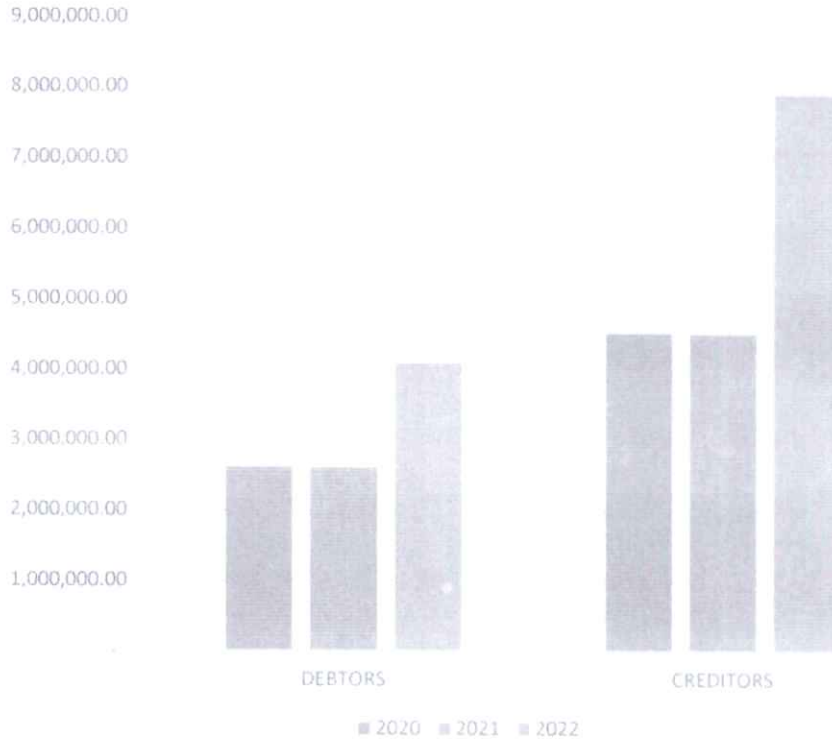
MOVEMENT OF CASH AND BANK BALANCES FOR THREE YEARS



GATAMAIYU HIGH SCHOOL

YEAR	DEBTORS	CREDITORS
2020	2,618,053.00	4,516,288.00
2021	2,613,076.00	4,512,697.00
2022	4,084,586.00	7,892,194.00

MOVEMENT OF DEBTORS AND CREDITORS FOR THREE YEARS



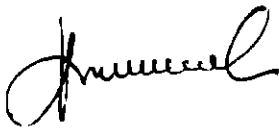
**GATAMAIYU HIGH SCHOOL  
YEAR 2022 PERFORMANCE REPORT**

<b>A</b>	<b>TEACHER STUDENT RATIO</b>
	<b>TSC TEACHERS.....20</b>
	<b>BOM TEACHERS.....6</b>
	<b>ONE TEACHER FOR 18 STUDENTS</b>
	<b>2020.....1:20</b>
	<b>2021.....1:18</b>
	<b>2022.....1:20</b>
<b>B</b>	<b>MEAN SCORE KCSE</b>
	<b>2020.....4.273</b>
	<b>2021.....3.808</b>
	<b>2022.....4.5</b>
<b>C</b>	<b>NUMBER OF 2021 KCSE CANDIDATES</b>
	<b>YEAR 2020.....110</b>
	<b>YEAR 2021.....93</b>
	<b>YEAR 2022.....120</b>
	<b>SCHOOL CAPACITY</b>
	<b>YEAR 2020.....519 STUDENTS</b>
	<b>YEAR 2021.....469 STUDENTS</b>
	<b>YEAR 2022.....528 STUDENTS</b>
	<b>DORMS</b>
	<b>TOILETS 30</b>
	<b>DINNING HALL.....1 ROOM</b>
	<b>LABORATORIES :</b>
	<b>COMPUTER LAB</b>
	<b>BIOLOGY LAB</b>
	<b>CHEMISTRY LAB</b>
	<b>PHYSICS LAB</b>

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

	<i>PROJECT</i>	<i>SOURCE OF FUNDS</i>
1	<i>CONSTRUCTION OF STORAGE FACILITY</i>	<i>M.O.E</i>
2	<i>CONSTRUCTION OF STAIR CASES</i>	<i>M.O.E</i>
3	<i>RENOVATION OF OLD LIBRARY</i>	<i>M.O.E</i>
4	<i>FENCING OF DORM AREA</i>	<i>M.O.E</i>

**Sign**



**School Principal**


#### IV. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

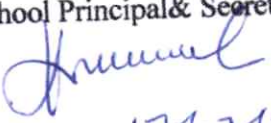
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant 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 Gatamaiyu High School accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

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

Name: MR. EVANS MUTUA  
Designation: Chairman, School Board of Management  
Sign:   
Date: 17/07/2024

Name: LEONARD WANJOHI  
Designation: School Principal & Secretary to Board of Management  
Sign:   
Date: 17/07/2024

Name: EUNICE MBUGUA  
Designation: Bursar/ Finance Officer  
Sign:   
Date: 17/07/24

# REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

## REPORT OF THE AUDITOR-GENERAL ON GATAMAIYU HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 - 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 year 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 Gatamaiyu High School - Kiambu County set out on pages 14 to 33, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2022, and the statement of receipts and

payments, statement of cash flows and statement of budgeted versus actuals 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 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 Gatamaiyu High School – Kiambu County as at 30 June, 2022, 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 Public Finance Management Act, 2012 and the Basic Education Act, 2013.

## Basis for Qualified Opinion

### 1.0 Inaccuracies in the Financial Statements

i. The following inaccuracies were noted in the financial statements:

Component	Note	Financial Statements (Kshs)	Ledger (Kshs)	Variance (Kshs)
Capitation Grants for Tuition	1	1,882,394	1,843,094	39,300
Capitation Grants for Operations	2	8,156,849	8,081,345	75,504
School Fund - Repairs and Maintenance	3	2,171,525	2,956,525	(785,000)
Local Transport/Travelling	3	636,294	822,534	(186,240)
Administration Costs	3	1,751,804	2,075,994	(324,190)
Fee on Boarding Equipment and Stores	4	14,230,753	16,979,797	(2,749,044)
Exercise Books	5	312,561	931,641	(619,080)
Administration Costs	6	3,079,083	3,941,083	(862,000)
Repairs and Maintenance	6	428,211	543,811	(115,600)
Electricity and Water	6	989,334	1,035,724	(46,390)

ii. The following variances in the statement of cashflows were noted between the financial statements comparative balances and 2020/2021 financial statements;

Item	Financial Statements Comparative Balance (Kshs)	2020/2021 Financial Statements (Kshs)	Variance (Kshs)
Capitation Grants for Tuition	722,671	808,970	(86,299)
School Fund Income - Parents Contribution	2,430,366	2,585,897	(155,531)
School Fund Income - Other Receipts	7,464,281	7,464,311	(30)

<b>Item</b>	<b>Financial Statements Comparative Balance (Kshs)</b>	<b>2020/2021 Financial Statements (Kshs)</b>	<b>Variance (Kshs)</b>
Payments for Tuition	530,447	840,505	(310,058)
Payments for Operations	2,831,734	3,087,254	(255,520)
Boarding and School Fund Payments	7,841,476	9,986,940	(2,145,464)
Net Increase in Cash and Cash Equivalents	2,364,788	104,393	2,260,395

iii. The statement of cashflows reflects cash and cash equivalents at the end of the year of Kshs.99,409. However, a re-computation gives Kshs.780,850 resulting to a variance of Kshs.681,144.

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

## **2.0 Capitation Grants**

### **2.1 Unaccounted for Capitation Grants for Tuition**

The statement of receipts and payments and as disclosed in Note 1 to the financial statements reflects an amount of Kshs.1,882,394 in respect to capitation grants for tuition. However, review of the available records revealed that as of the time of audit in May, 2024, Management had not issued individual receipts to the beneficiary students, almost four years after the funds were received.

In the circumstances, the transparency and accountability for the Kshs.1,882,394 received could not be confirmed.

### **2.2 Unaccounted for Capitation Grants for Operations**

The statement of receipts and payments and as disclosed in Note 2 to the financial statements reflects an amount of Kshs.8,156,849 in respect to capitation grants for operations. However, review of the available records revealed that as of the time of the audit in May, 2024, Management had not issued individual receipts to the beneficiary students, almost four years after the funds were received.

In the circumstances, the accuracy and completeness of the capitation grants could not be confirmed.

### **2.3 Unsupported School Fund Income - Parents' Contributions**

The statement of receipts and payments and as disclosed in Note 3 to the financial statements reflects an amount of Kshs.11,761,546 in respect to school fund income from parents' contributions for the year ended 30 June, 2022. However, it was observed that whereas the individual receipts were issued to the students, the income was not supported with detailed ledgers/schedules showing the date, student name, admission number, mode of payment, receipt number, and amount of money received.

In the circumstances, the accuracy and completeness of the school fund income - parents contribution could not be confirmed.

### **3.0 Cash and Cash Equivalents**

#### **3.1 Unsupported Bank Balance**

The statement of financial assets and financial liabilities and as disclosed in Note 8 to the financial statements reflects a balance of Kshs.75,597 in respect to bank balance as at 30 June, 2022 which further includes Kshs.83,184 relating to parents association development account and income generating activities account which was not supported.

In the circumstances, the accuracy and validity of the bank balance could not be confirmed.

#### **3.2 Irregular Overdrawing of Cashbooks**

Note 8 to the financial statements reflected a balance of Kshs.75,597 in respect to bank balance as at 30 June, 2022. Included in the balance of Kshs.78,739 was unexplained credit balance of Kshs.150,432 in respect to school fund account/boarding account No.1105015793.

In the circumstances, it was not possible to confirm the accuracy of the bank balance of Kshs.75,597 as at 30 June, 2022

#### **3.3 Overdrawn Account and Netting-Off of Bank Balance**

The statement of financial assets and financial liabilities reflects bank balance of Kshs.75,597 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.150,432 which has been netted-off bank balances contrary to Section 28(4)(5) of the Public Finance Management Act, 2012.

In the circumstances, the accuracy, completeness and existence of bank balance of Kshs.75,597 could not be confirmed.

### **4.0 Accounts Receivables**

#### **4.1 Unsupported 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.22,702,786 in respect to accounts receivable as at 30 June, 2022 which further includes Kshs.22,669,786 in respect to fees arrears. However, the fees arrears were not supported with student fee ledgers detailing fee arrears at the end of financial year.

In the circumstances, the accuracy and completeness accounts receivables balance of Kshs.22,702,786 could not be confirmed.

## **4.2 Long Outstanding Receivables**

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.22,702,786 in respect of fees arrears as disclosed in Note 11 to the financial statements. Included in the balance are receivables amounting to Kshs.15,994,419 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.22,702,786 could not be confirmed.

## **5.0 Unsupported Accounts Payables**

The statement of financial assets and financial liabilities and as disclosed on Note12 to the financial statements reflects a balance of Kshs.7,892,194 in respect to accounts payables. However, the balance includes Kshs.20,000 and Kshs.1,135,342 for prepaid fees and retention monies that was not supported with ledgers.

In the circumstances, the accuracy of the accounts payables balance of Kshs.7,892,194 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Gatamaiyu High School 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 audit 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 revenue budget and actual amounts on comparable basis of Kshs.29,438,203 and Kshs.40,209,957 respectively resulting to a revenue over collection of Kshs.10,771,754 or 37%. However, the School spent Kshs.42,716,665 against actual receipts of Kshs.40,209,957 resulting to over-utilization of Kshs.2,506,708 or 6% of the receipts.

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 year under review.

## **Other Matter**

### **Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues as at 30 June, 2022.

## **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. Failure to Transfer of Infrastructure Funds from Operations Bank Account**

The statement of receipts and payments reflects operations grants amount of Kshs.8,156,849 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.2,780,000 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, only Kshs.900,000 was transferred to infrastructure account, leaving a balance of Kshs1,880,000 as at 30 June, 2022. This was contrary to The Ministry of Education Circular which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

In the circumstances, Management was in breach of the law

#### **2. Late Submission of Financial Statements for Audit**

During the year under review, Management submitted the financial statements to the Auditor-General on 26 July, 2023 instead of the statutory deadline of 30 September, 2022. 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, 2022 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.

### **3. Non-Compliance with Public Sector Accounting Standards Board Template**

Review of the presentation and disclosure format of the financial statements for the year ended 30 June, 2022 revealed the following anomalies:

- i. The table of contents indicated numeric page numbers for the annual report instead of roman numbers as stipulated by the template, which then affected the numbering of the financial statements.
- ii. The acronyms and glossary of terms together with annexes were omitted from the table of contents.
- iii. The instructions as per the template to guide on the presentation of the financial statements should be omitted.
- iv. The annual report and financial statements have not been paginated correctly as some page numbers have not been indicated while others are repeated.
- v. The financial statements amounts were not rounded off to the nearest shilling.

In the circumstances, the financial statements do not comply with PSASB reporting requirements.

### **4. Failure to Prepare School Improvement Plan**

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

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. Failure to have a Strategic Plan During the Financial Year 2021/2022**

During the year under review, the management of Gatamaiyu High School did not have a strategic plan contrary to Section 68 (2)(g) of Public Finance Management Act, 2012 which states that an accounting officer shall prepare a strategic plan for the entity in conformity with the medium-term fiscal framework and fiscal policy objectives of the National Government.

#### **2. 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.

#### **3. Weak IT Internal Controls**

Review of the School ICT environment revealed that apart from physical records, the School uses a computerized information management systems i.e. School Academic Management Information System for academic and accounts departments. However, the Management did not provide an approved ICT policy, disaster recovery plan and an ICT strategic plan.

In the circumstances, the reliability, integrity and recoverability of the School data could not be confirmed.

#### **4. Incomplete Assets Register and Lack of Ownership Documents**

Annex 2 to the financial statements reflects summary of fixed assets register in respect of fixed assets which includes land and motor vehicle with a balance of Kshs.3,900,000. However, land ownership documents and motor vehicle log books were not provided for audit.

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

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and overall governance

were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of Management and those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (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 continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or to cease its 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 overall 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 controls 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 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 to 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**

**22 January, 2025**

**KATAMAIYU HIGH SCHOOL)**  
**UBLIC SECONDARY SCHOOL**  
**nn Report and Financial Statements**  
**or the year ended 30<sup>th</sup> June 2022**

**T. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30<sup>TH</sup> JUNE 2022**

DESCRIPTION OF VOTE HEAD	Note	2022-2021	2020-2021
		Kshs	Kshs
<b>RECEIPTS</b>			
Capitation grants for tuition	1	1,882,394.00	722,670.00
Capitation grants for operations	2	8,156,849.00	4,534,207.25
School Fund Income- Parents' Contributions	3	11,761,546.00	2,430,366.00
School Fund Income- Other receipts	4	14,684,487.00	7,464,281.00
Proceeds from borrowings		0.00	0.00
<b>TOTAL RECEIPTS</b>		<b>36,485,276.00</b>	<b>15,151,525.00</b>
<b>PAYMENTS</b>			
Payments for Tuition	5	1,953,655.00	530,447.00
Payments for operations	6	8,315,374.00	3,939,484.00
Boarding and school fund payments	7	25,229,519.00	8,316,806.00
<b>TOTAL PAYMENTS</b>		<b>35,498,548.00</b>	<b>12,786,737.00</b>
<b>SURPLUS/DEFICIT</b>		<b>986,728.00</b>	<b>2,364,788.00</b>

The school financial statements were approved on \_\_\_\_\_ 2022 and signed by:

Sign: 

Name  
**MREVANS MUTUA**  
 Chair BOM

Date 17/07/2024

Sign 

Name  
**MR. LEONARD WANJOHI**  
 School Principal/  
 Secretary to BOM

Date 17/07/2024

Sign 

Name  
**EUNICE MBUGUA**  
 Bursar/  
 Finance Officer

Date 17/07/24

(GATAMAIYU HIGH SCHOOL)  
**PUBLIC SECONDARY SCHOOL**  
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**VII. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30<sup>TH</sup> JUNE 2022**

	Note	2022-2021	2020-2021
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	8	75,597.00	(246,399.00)
Cash Balances	9	23,812.00	40,521.00
Short term Investment	10		
<b>Total Cash and cash equivalent</b>		<b><u>99,409.00</u></b>	<b><u>(205,878.00)</u></b>
Account's receivables	11	22,702,786.00	18,641,848.00
<b>TOTAL FINANCIAL ASSETS</b>		<b>22,802,195.00</b>	<b>18,435,970.00</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payables	12	7,892,194.00	4,512,697.00
<b>NET FINANCIAL ASSETS</b>		<b>14,910,001.00</b>	<b>13,923,273.00</b>
<b>REPRESENTED BY</b>			
Accumulated Fund b/fwd	13	13,923,273.00	11,558,485.00
Surplus/Deficit for the year		986,728.00	2,364,788.00
<b>NET FINANCIAL POSSITION</b>		<b>14,910,001.00</b>	<b>13,923,273.00</b>

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

(GATAMAIYU HIGH SCHOOL)  
PUBLIC SECONDARY SCHOOL  
Annual Report and Financial Statements  
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Name: MR. EVANS  
MUTUA  
Chairman, BoM

Sign: 

Date:

Name: LEONARD  
WANJOHI  
School Principal/Secretary  
to BoM

Sign: 

Date: 17/07/24

Name: EUNICE N  
MBUGUA  
Bursar/Finance

Date: 17/07/24

Sign: 

**PUBLIC SECONDARY SCHOOLS - (GATAMAIYU HIGH SCHOOL)**  
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**VIII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2022**

		2021-2022	2020-2021
		Kshs	Kshs
<b>Receipts for operating income</b>			
Capitation grants for tuition	1	1,882,394.00	722,671.00
Capitation grants for operations	2	8,156,849.30	4,534,207.00
School fund income- Parents contributions/ fees	3	11,761,546.00	2,430,366.00
School fund income- other receipts	4	14,684,487.00	7,464,281.00
<b>Total receipts</b>		<b>36,485,276.00</b>	<b>15,151,525.00</b>
<b>Payments</b>			
Payments for Tuition	5	1,953,655.00	530,447.00
Payments for operations	6	7,125,994.00	2,831,734.00
Boarding and school fund payments	7	25,229,519.00	7,841,476.00
<b>Total payments</b>		<b>34,309,168.00</b>	<b>11,203,657.00</b>
<b>Net cash flow from operating activities</b>		<b>2,176,108.00</b>	<b>3,947,868.00</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets		0.00	0.00
Acquisition of Assets		(1,189,380.00)	(1,583,080.00)
Proceeds from investments		0.00	0.00
Purchase of investments		0.00	0.00
<b>Net cash flows from Investing Activities</b>		<b>(1,189,380.00)</b>	<b>(1,583,080.00)</b>
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>			
Proceeds from borrowings/ loans		0.00	0.00
Repayment of principal borrowings		0.00	0.00
<b>Net cash flow from financing activities</b>			
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>986,728.00</b>	<b>2,364,788.00</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>		<b>(205,878.00)</b>	<b>(100,858.00)</b>
<b>Cash and cash equivalent at END of the year</b>		<b>99,409.00</b>	<b>(205,878.00)</b>

*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.*



**IX. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

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
<b>RECEIPTS</b>						
<i>(1) CAPITATION GRANT ON TUITION</i>						
Textbooks and reference materials	0.00	0.00	0.00	0.00	0.00	0%
Exercise books	644,000.00	0.00	644,000.00	314,630.00	329,370.00	48.9%
Laboratory equipment	683,000.00	0.00	683,000.00	493,916.00	189,084.00	72.3%
Internal exams	0.00	0.00	0.00	0.00	0.00	0%
Teaching / learning materials	356,163.00	0.00	356,163.00	1,073,848.80	(717,685.00)	301.5%
Chalks	0.00	0.00	0.00	0.00		0%
Exams and assessment	0.00	0.00	0.00	0.00		0%
Teachers guides	0.00	0.00	0.00	0.00		0%
<i>(2) CAPITATION GRANT ON OPERATIONS</i>						
Personnel emoluments	2,825,192.000	0.00	2,825,192.90	2,825,192.90	0.00	100%
Repairs and maintenance	2,603,810.00	0.00	2,603,810.00	2,792,500.00	(188,690.00)	107%
Local transport / travelling	435,000.00	0.00	435,000.00	435,000.00	0.00	100%
Electricity and water	831,200.00	0.00	831,200.00	863,810.40	(32,610.40)	104%
Medical	0.00	0.00				
Administration costs	1,283,618.40	0.00	1,283,618.40	1,153,774.00	129,844.40	90%
Activity	166,800.00	0.00	166,800.00	166,800	0.00	100%
Gratuity		0.00				

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Receipt/expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
SMASSE		0.00				
<b>(3) FEES CHARGED ON PARENTS</b>						
Personnel emoluments	1,711,200.00	0.00	1,711,200.00	2,991,090.00	(1,279,890.00)	175%
Repairs and maintenance	1,324,800.00	0.00	1,324,800.00	2,956,525.00	(1,631,725.00)	223%
Local transport / travelling	339,300.00	0.00	339,300.00	822,534.00	(483,234.00)	242%
Electricity and water	2,704,800.00	0.00	2,704,800.00	4,065,173.00	(1,360,373.00)	150%
Medical	0.00	0.00	0.00	0.00	0.00	0%
Administration costs	1,021,200.00	0.00	1,021,200.00	2,075,994.00	(1,054,794.00)	203%
Activity	82,800.00	0.00	82,800.00	145,660.00	((62,860.00)	176%
SMASSE	0.00	0.00	0.00	0.00	0.00	0%
Fee on Boarding Equipment and Stores	12,411,720.00	0.00	12,411,720.00	17,019,909.00	(4,608,189.00)	137%
<b>OTHER INCOME</b>						
Rent income	13,600.00	0.00	13,600.00	13,600.00	0.00	100%
Income from farming activities		0.00	0.00	0.00	0.00	0%
Insurance compensation		0.00	0.00	0.00	0.00	0%
Income from Posho mill		0.00	0.00	0.00	0.00	0%
Income from Bus Hire		0.00	0.00	0.00	0.00	0%
Fee for hire of ground and equipment		0.00	0.00	0.00	0.00	0%
Interest income		0.00	0.00	0.00	0.00	0%
Income from any other investment		0.00	0.00	0.00	0.00	0%
<b>TOTAL INCOME</b>	29,438,203.40	0.00	29,438,203.40	40,209,957.10	(10,771,754.00)	

(GATAMAIYU HIGH SCHOOL)  
**PUBLIC SECONDARY SCHOOL**  
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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
					0	
<b>(1) EXPENDITURE FOR TUITION</b>						136.6%
Textbooks and reference materials	0.00	0.00	0.00	0.00	0.00	0%
Exercise books	644,000.00	0.00	644,000.00	931,641.00	(287,641.00)	144.7%
Laboratory equipment	683,000.00	0.00	683,000.00	1,400,650.00	(717,650.00)	205%
Internal exams		0.00	0.00	0.00	0.00	0%
Teaching / learning materials	569,120.00	0.00	569,120.00	896,214.00	(327,094.00)	157%
Chalks	0.00	0.00	0.00	0.00	0.00	0%
Exams and assessment	0.00	0.00	0.00	0.00	0.00	0%
Teachers guides	0.00	0.00	0.00	0.00	0.00	0%
Administration costs	0.00	0.00	0.00	0.00	0.00	0%
Bank Charges	0.00	0.00	0.00	0.00	0.00	0%
<b>(2) EXPENDITURE FOR OPERATIONS</b>						
Personnel emoluments	2,825,192.00	0.00	2,825,192.00	1,892,927.00	932,265.00	67%
Repairs, maintenance & improvements	2,603,810.00	0.00	2,603,810.00	1,703,811.00	899,999.00	65.4%
Local transport / travelling	435,000.00	0.00	435,000.00	293,679.00	141,321.00	68%
Electricity, water and conservancy	2,704,800.00	0.00	2,704,800.00	1,035,724.00	1,669,076.00	38%
Medical		0.00		0.00	0.00	0%
Administration costs	1,283,618.40	0.00	1,283,618.40	3,849,183.00	(2,565,564.6)	300%
Activity Expenses	82,800.0	0.00	82,800.00	442,760.00	(359,960.00)	534.7%

(GATAMAIYU HIGH SCHOOL)  
**PUBLIC SECONDARY SCHOOL**  
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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
	0					
Gratuity	0.00	0.00	0.00	0.00	0.00	0%
SMASSE	0.00	0.00	0.00	0.00	0.00	0%
<b>(3) EXPENDITURE FOR SCHOOL FUND</b>						
Personnel emoluments	3,859,029.00	0.00	3,859,029.00	3,859,029.00	0.00	100%
Repairs, maintenance and improvements	1,987,200.00	0.00	1,987,200.00	2,046,955.00	(59,755.00)	103%
Local transport / travelling	965,500.00	0.00	965,500.00	1,059,080.00	(93,580.00)	110%
Electricity, water and conservancy	1,950,000.00	0.00	1,950,000.00	1,203,040.00	746,960.00	62%
Medical Expenses	0.00	0.00	0.00	0.00	0.00	0%
Administration costs	1,707,620.00	0.00	1,707,620.00	3,963,551.00	(2,255,931.00)	232%
Activity	564,350.00	0.00	564,350.00	645,570.00	(81,220.00)	114%
Gratuity	0.00	0.00	0.00	0.00	0.00	0%
Lunch programme	0.00	0.00	0.00	0.00	0.00	0%
Boarding Equipment and Stores	15,489,200.00	0.00	15,489,200.00	17,471,271.00	(1,982,071.00)	113%
Expenditure for Income Generating Activity	0.00	0.00	0.00	0.00	0.00	0%
Insurance costs	0.00	0.00	0.00	0.00	0.00	0%
Other expenses on investments	0.00	0.00	0.00	0.00	0.00	0%
Rent Expenses	13,600.00	0.00	13,600.00	21,580.00	(7,980.00)	158%
Bank Charges	0.00	0.00	0.00	0.00	0.00	0%
Loan Interest Repayment	0.00	0.00	0.00	0.00	0.00	0%
Loan Principal Repayment	0.00	0.00	0.00	0.00	0.00	0%
Acquisition of Assets	0.00	0.00	0.00	0.00	0.00	0%

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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
<b>TOTALS</b>			<b>38,367,839.40</b>	<b>42,716,665.00</b>	<b>(4,348,826.00)</b>	<b>111.3%</b>

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

- i. Overutilization is caused by four terms in an academic year which is normally three terms. The budget was for 3 terms.
- ii. Xxx

## X. 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 30<sup>th</sup> June 2021.

## XI. NOTES TO THE FINANCIAL STATEMENTS

### 1 CAPITATION GRANT FOR TUITION

	2021-2022	2020-2021
	Kshs	Kshs
Textbooks and reference materials	0.00	0.00
Exercise books	314,630.00	95,738.00
Laboratory equipment	493,916.00	95,737.00
Internal exams	0.00	0.00
Teaching / learning materials	1,073,848.80	531,196
Chalks	0.00	0.00
Exams and assessment	0.00	0.00
From school fund	0.00	0.00
<b>Total</b>	<b>1,882,394.00</b>	<b>722,671.00</b>

### 2 CAPITATION GRANT FOR OPERATIONS

	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	2,825,192.90	1,716,632.00
Repairs and maintenance	2,677,500.00	2,331,000.00
Local transport / travelling	360,172.00	158,730.00
Electricity and water	863,810.40	157,620.00
Medical	109,600.00	0.00
Administration costs	1,153,774.00	170,225.00
Activity	166,800.00	
<b>Total</b>	<b>8,156,849.00</b>	<b>4,534,207.00</b>

### 3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	2,991,090.00	575,655.00
Repairs and maintenance	2,171,525.00	448,600.00
Local transport / travelling	636,294.00	124,390.00
Electricity and water	4,065,173.00	909,440.00
Medical	0.00	0.00
Administration costs	1,751,804.00	343,041.00
Activity	145,660.00	29,240.00
<b>Total</b>	<b>11,761,546.00</b>	<b>2,430,366.00</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT**

	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Fee on Boarding Equipment and Stores	14,230,753.00	6,602,038.00
Rent income	13,600.00	4,000.00
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	440,134.00	857,943.00
Interest income	0.00	0.00
Dividends income	0.00	0.00
<b>Total</b>	<b>14,684,487.00</b>	<b>7,463,981.00</b>

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

**5 PAYMENTS FOR TUITION**

	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Textbooks and reference materials	0.00	0.00
Exercise books	312,561.00	196,300.00
Laboratory equipment	744,880.00	223,487.00
Internal exams	0.00	0.00
Teaching / learning materials	896,214.00	110,660.00
Chalks	0.00	0.00
Exams and assessment	0.00	0.00
Teachers guides	0.00	0.00
Transfer to school fund	0.00	0.00
Bank Charges	0.00	0.00
<b>Total</b>	<b>1,953,655.00</b>	<b>530,447.00</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**6 PAYMENTS FOR OPERATIONS**

	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments	1,892,927.00	1,724,939.00
Service Gratuity	0.00	0.00
Administration Cost	3,079,083.00	431,015.00
Repairs and maintenance & improvements	428,211.00	100,240.00
Local transport / travelling	293,679.00	206,500.00
Electricity and water	989,334.00	214,500.00
Medical	0.00	0.00
Activity Expenses	442,760.00	154,540.00
SMASSE	0.00	0.00
Insurance Cost	0.00	0.00
Bank Charges	0.00	0.00
Acquisition of Assets	1,189,380.00	1,107,750.00
<b>TOTAL</b>	<b>8,315,374.00</b>	<b>3,939,484.00</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**7 BANK ACCOUNTS**

Name of Bank, Account No. & currency	Bank Account Number	2021-2022	2020-2021
		Kshs	Kshs
Tuition Account KCB	1105026272	15,039.00	922.80
Operations Account KCB	1105030814	9,699.00	(71,908.00)
School Fund Account/Boarding KCB	1105015793	(150,432.00)	(413,656.00)
Savings Account KCB	1104451948	33,263.00	37,214.00
Parent Association Development Account/ESP EQUITY BANK	0930295169173	24,540.00	24,539.00
Income generating activities Account K-UNITY	00210000015851	58,644.00	60,226.00
Infrastructural Account	1261364244	84,844.00	116,261.00
<b>Total</b>		<b>75,597.00</b>	<b>(246,399.00)</b>

**8 CASH IN HAND**

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition Account	0.00	0.00
Operation Account	16,327.00	9,547.00
School Fund account	7485.00	30,974.39
<b>Total</b>	<b>23,812.00</b>	<b>40,521.00</b>

**9 SHORT TERM INVESTMENTS**

Description	2021-2022	2020-2021
	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
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**10 ACCOUNTS RECEIVABLE**

Description	2021-2022	2020-2021
	Kshs	ksh
Fees arrears	22,669,785.90	18,596,347.90
Other non-fees receivables/ GNS	5000.00	5,000.00
Salary advances	28000	40,500.00
Imprest	0.00	0.00
<b>Total</b>	<b>22,702,785.90</b>	<b>18,641,847.90</b>

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees arrears for current year	4,084,586.00	2,613,076.00
Fees arrears for the previous year	2,590,780.00	2,222,522.00
Fees arrears for prior periods (over two years)	15,994,419.90	13,760,749.90
<b>Total</b>	<b>22,669,785.90</b>	<b>18,596,347.90</b>

**11 ACCOUNTS PAYABLE**

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	6,698,352.00	3,317,555.00
Prepaid fees	0.00	0.00
Retention monies	1,135,342.00	1,135,342.00
<b>GNS/CLUBS</b>	<b>58,500.00</b>	<b>256,600.00</b>
<b>TOTAL</b>	<b>7,892,194.00</b>	<b>4,512,697.00</b>

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade creditors for current year	6,042,582.00	3,317,555.00
Trade creditors for the previous year	655,770.00	0.00
Trade creditors for prior periods (over two years)	0.00	0.00
<b>Total</b>	<b>6,698,352.00</b>	<b>3,317,555.00</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**12 FUND BALANCE BROUGHT FORWARD**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank balances	(246,399.00)	(148,109.00)
Cash balances	40,521.00	47,251.00
Short Term Investments	0.000	0.00
Receivables	18,641,848.00	16,175,631.00
Payables	(4,512,697.00)	(4,516,288.00)
<b>Total</b>	<b>13,923,273.00</b>	<b>11,558,485.00</b>

**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.

**13 Non-current Liabilities Summary**

Description	2021-2022	2020-2021
	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
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

**14 Biological assets**

Description	Numbers	2021-2022	2020-2021
		JAMINJU Kshs	Kshs
Cattle		0.00	0.00
Goats		0.00	0.00
Trees		2000	1,950
Coffee or tea plantation		0.00	0.00
Poultry		0.00	0.00
<b>Total</b>			

**15 Borrowings**

Description	2020-2021	2019-2020
	KShs	KShs
<b>a) Borrowings</b>		
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
<b>Balance at end of the year</b>	<b>0.00</b>	<b>0.00</b>

**Other important disclosure notes**

**16 Stock/ Inventory**

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>KShs</b>	<b>KShs</b>
<b>b) Borrowings</b>		
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)
<b>Balance at end of the year</b>	<b>xxx</b>	<b>xxx</b>

**17 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.

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



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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 20XX	Outstanding Balance 20XX-1	Comments
<b>Sub-Total</b>					<b>5,234,002.00</b>	
<b>Supply of services</b>						
20. . PRIMAX OFFICE EQUIPMENTS					118,600.00	
21. PAUL NJUGUNA KARANJA					123,850.00	
22. ESSIL WIDERANGE	150,000		50,000		100,000.00	
23. LARI SEC SCH HEADS ASS					94,400.00	
24. LARI DIST SEC SCH ACTIVITY FUND					79,200.00	
<b>Sub-Total</b>					<b>516,050.00</b>	
<b>Grand Total</b>					<b>6,,698,352.00</b>	

GATAMAIYU HIGH SCHOOL

**SUMMARY OF FIXED ASSET REGISTER AS AT 30TH JUN 2022**

ASSET CLASS	DATE PURCHASED	LOCATION	HISTORICAL COST B/F 1ST JUL 2014 (KSH)	ADDITIONS DURING THE YEAR(KSH)	DISPOSAL DURINGTHE YEAR (KSH)	DEPRECIATION KSH	HISTORICAL COST C/F (KSH) 30TH JUN 2021
LAND 1		KAGWE					
LAND 2		KAGWE					
BUILDINGS AND STRUCTURE							
CLASSROOMS							
DINNING HALL							
DORMITORIES							
STAFF HOUSES							
KITCHEN							
LABORATORIES							
480 CHAIRS AND DESKS	2004	CLASSROOMS	900,000.00	0	0	150,000.00	750,000.00
240 DOUBLE DECKER BEDS	2012	DORMS	1,824,000.00	193,750.00	0	66,750.00	1,951,000.00
4 COMPUTERS	2019	OFFICES	144,000.00	0	0	0	136,800.00
5 PRINTERS	2010	OFFICES	84,000.00	0	0	0	79,800.00
CABINETS	2016	OFFICES				0	
COPY PRINTER	2015	STORES	400,000.00	0	0	200,000.00	200,000.00
GENERATOR 60KV	2014	GEN.HSE	2,141,030.00	0	0	642,309.00	1,498,721.00
SMALL GENERATOR	2010	COMP.LAB	36,000.00	0	0	18,000.00	18,000.00
LAWN MOWER	2019	STORES	70,000.00	0	0		
POWERSAW	2007	STORES	28,000.00	0	0	19,600.00	8,400.00
WATER PUMP	1998	RIVERSIDE					
SHARFCUTTER	2012	COW SHED	32,000.00	0	0	14,400.00	17,600.00
51 SEATER BUS KBL 367G	2010	PARKING	4,806,000.00			906,000.00	3,900,000.00
MOTOR CYCLE KMDF	2014	STORES	76,000.00	0	0	26,600.00	49,400.00
ENERGY SAVING JIKOS	1998	KITCHEN	250,000.00	0	0		
SUFURIAS	1998	KITCEN	100,000.00	0	0		
WEIGHING MACHINE	2013	KITCEN					
DINNING TABLE	2021	DINNING	418,750.00	0	0		418,750.00
DINNING BENCHES	2021	DINNING	280,000.00	0	0		280,000.00
TV SET	2019	DINNING	105,000.00	0	0		105,000.00
TEXT BOOKS	2020	STUDENTS/STORE	MOE			0	0
HOT WATER SYSTEM	2019	COMPOUND	745,315.00	0	0	0	745,315.00

The management will make arrangement for the valuation of structures,buildings and land.