

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability



PARLIAMENT
OF KENYA
LIBRARY

REPORT

OF

THE AUDITOR-GENERAL

ON

GATUGI GIRLS SECONDARY SCHOOL

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

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 11 MAR 2025

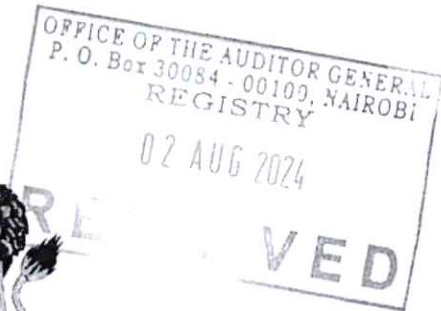
DAY:
Tuesday

NYERI COUNTY

TABLED BY: Hon. Owen Baya
(Deputy Majority Leader)

CLERK-AT THE-TABLE: Gertrude Chebet

Revised 30th June 2021.



GATUGI GIRLS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th June 2021

Prepared in accordance with the Cash Basis 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 Nyeri County, Nyeri South Sub-County

The school was registered in March (03) 2008 under registration number GP/A/5291/08 and is currently categorized as a County public school established, owned or operated by the Government.

The school is a boarding school and had 661 number of students as at 30th June 2021. It has 3 streams in form 2,3,4 and 4 streams in form 1. The school has 26 teachers of which 4 teachers are employed by the School Board Of Management.

(b) School Board of Management - Board Members

The School Board of Management established under Section 55 of the Basic Education Act, 2013; is composed of the following members:

Ref	Name of Board Member	Designation	Date of appointment
1	Hon. Priscilla Nyokabi	Chairman/ Sponsor	4/3/2019
2	Mrs E. W. Kihara	Secretary - Principal	4/3/2019
3	Rev. Josphine Gakenia Maina	Member - Sponsor	4/3/2019
4	Lucy Wachera Gathenya	Member - Sponsor	4/3/2019
5	Ms Mary Wagaki Mwai	Member - Community	4/3/2019
6	Ms Perister Kigwa	Member - Community	4/3/2019
7	Dr Cyrus Ngumo	Member - Community	4/3/2019
8	Mr. John Kinyua	Member - Parent Rep	4/3/2019
9	Mr. Simon Kiruga	Member - Co-opted	4/3/2019
10	Ms Jane Nyambura	Member Co-opted	4/3/2019
11	Mr. David Gicheru Kimita	Member - Rep CEB	4/3/2019
12	Mrs Charity Kamutu	Member Rep Teachers	4/3/2019
13	Ms Gladys Wambugu	Member - Community	4/3/2019
14	Ms Agnes Njambi Mubeu	Member Special Needs	4/3/2019
	Stacy Mora Nyarangi	Rep Students	

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

Ref	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Hon Priscilla Nyokabi E.W. Kihara Rev. Josphine Gakenia Mr. John Kinyua	Chairperson Secretary Member Member	
2	Audit Committee	Lucy Gathenya David Kimita Perister Kigwa Rev. Josphine Gakenia	Chairperson Secretary Member Member	
3	Finance, procurement and general purposes Committee	Ms Lucy Gathenya Mrs E. W. Kihara Eng. Samuel Kiruga Mr. Charles Matemo Mr. John Kinyua Ms Perister Kigwa	Chairperson Secretary Member Member Member	
4	Academic Committee	Hon Priscilla Nyokabi David Kimita E.W. Kihara Charity Kamutu Gladys Wambugu	Chairman secretary Member Member Member	
5	Development Committee	Mr. John kinyua Mrs Irene Muchoki Hon. Priscilla Nyokabi Mrs E. W. Kihara Rev. Josphine Gakenia Eng. Charles Matemo	Chairperson Secretary Member Member	2
6	Discipline and welfare Committee	Rev josphine Gakenia E.W. Kihara Mrs Mary Mwai Mrs Charity Kamutu	Chairperson Secretary Member member	
7	Adhoc Committee (if any during the year)			1

**GATUGI GIRLS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOLS
Reports and Financial Statements
For the year ended 30th June 2021**

(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	Mrs.ElpietyKihara	361161
2	Deputy Principal	Mrs Irene Muchoki	336343
3	School Bursar	Cecilia Mathenge	14428952

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: 332-10106, Othaya
Telephone: 0711322220
E-mail: gatugirlssecondary@yahoo.com
Website: www.GatugiGirlsHigh.co.ke
Facebook:
Twitter:

(f) School Bankers

The following school operated 8 number of bank accounts in the following banks:

1.	Name of Bank:	Tuition	KCB
	Branch:		Othaya
	Account Number:		1101525827
2.	Name of Bank:	Operations	KCB
	Branch:		Othaya
	Account Number:		1101565195
3.	Name of Bank:	School fund	KCB
	Branch:		Othaya
	Account Number:		1101523565
4.	Name of Bank:	School fund	KCB
	Branch:		Othaya
	Account Number:		1103197312
5.	Name of Bank:	Infrastructure	KCB
	Branch:		Othaya
	Account Number:		1226275311
6.	Name of Bank:	School fund	Equity
	Branch:		Othaya
	Account Number:		0080293984573
7.	Name of Bank:	Development	Equity
	Branch:		Othaya
	Account Number:		0080101537751
8.	Name of Bank:	CDF A/C	Equity
	Branch:		Othaya
	Account Number:		0080271508966

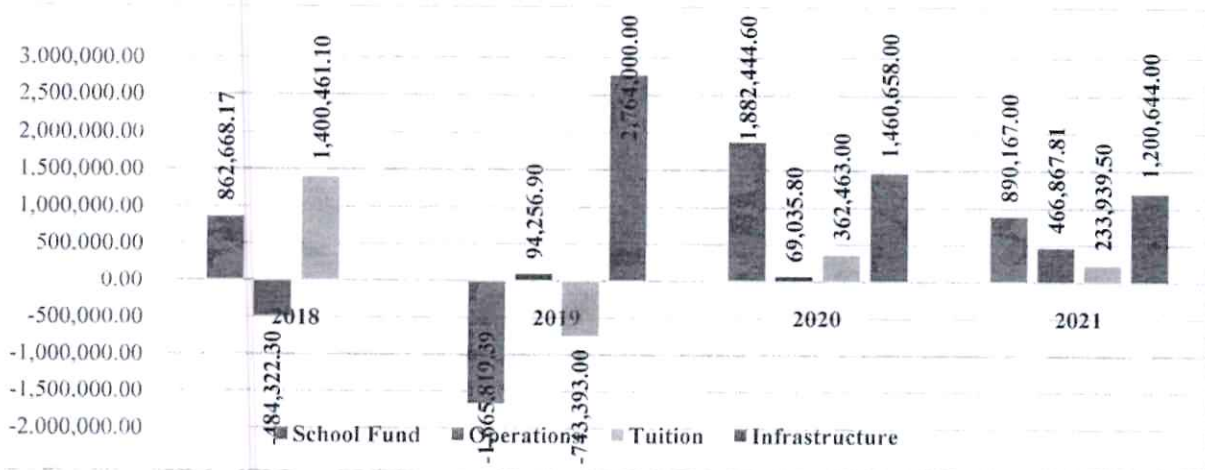
II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

a) Financial performance:

Under this section, it reflects the actual performance trend for the last four years period between 1st January 2018 to 31st December 2020 which covers a period of 12 months while 1st January to 30th June 2021 covers a period of six months as follows:

SURPLUS/DEFICIT FOR THE YEAR & COMPARISON FOR THE LAST 4 YEARS					
N O	ACCOUNTS	2021	2020	2019	2018
		KSHS	KSHS	KSHS	KSHS
1	School fund A/c	890,167.00	1,882,444.69	(1,665,819.39)	862,668.17
2	Operations A/c	466,867.00	69,035.80	94,256.90	(484,322.30)
3	Tuition A/c	233,940.00	362,463.00	(743,393.00)	1,400,461.10
4	Infrastructure A/c	1,200,644.00	1,460,658.00	2,764,000.00	-
	Total	2,791,618.00	3,774,601.49	448,945.51	1,778,806.97
	Increase/Decrease	(982,983.00)	3,325,655.98	(1,329,861.46)	-



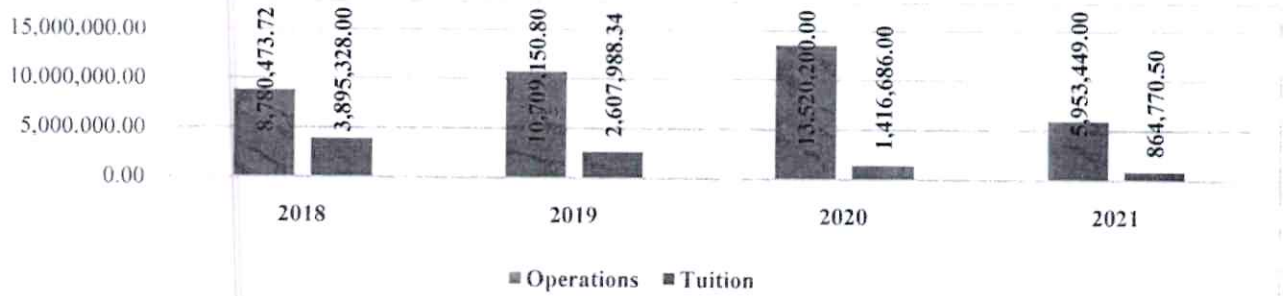
**GATUGI GIRLS SECONDARY
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021**

The surplus for the 2018 of Ksh. 1,778,806.97 decreased to Ksh 448,945.51 in the year 2019 which was attributed by lack of capitation of Operations and Tuition grants for term 2 2019 which led to overutilization of school fund account. Surplus for the year 2020 increased from ksh 448,945.51 due to non usage of fund after abrupt closure of the school due to covid -19.

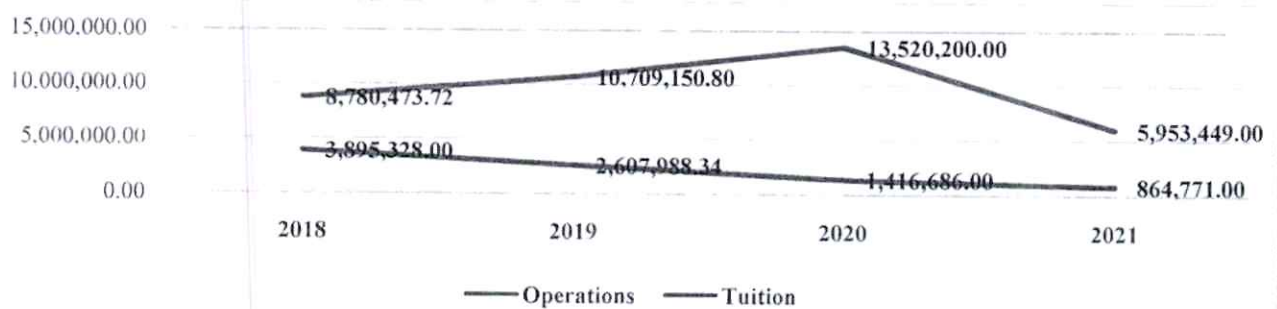
CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS					
N O	ACCOUNTS	2021	2020	2019	2018
1	Operations Account	5,953,449.00	13,520,200.00	10,709,150.8	8,780,473.72
2	Tuition Account	864,771.00	1,416,686.00	2,607,988.34	3,895,328.00
	Total	6,818,220.00	14,936,886.00	13,317,139.14	12,675,801.72
	Increase/ Decrease	(8,118,666.00)	1,619,746.86	641,337.42	
	No of students	665	665	659	612
	Ratio of Capitation	1:10,253	1:22,461.48	1:20,208.10	1:20,712.09

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL(Continued)

Trend Over the Last Three Years



Trend Over the Last Three Years

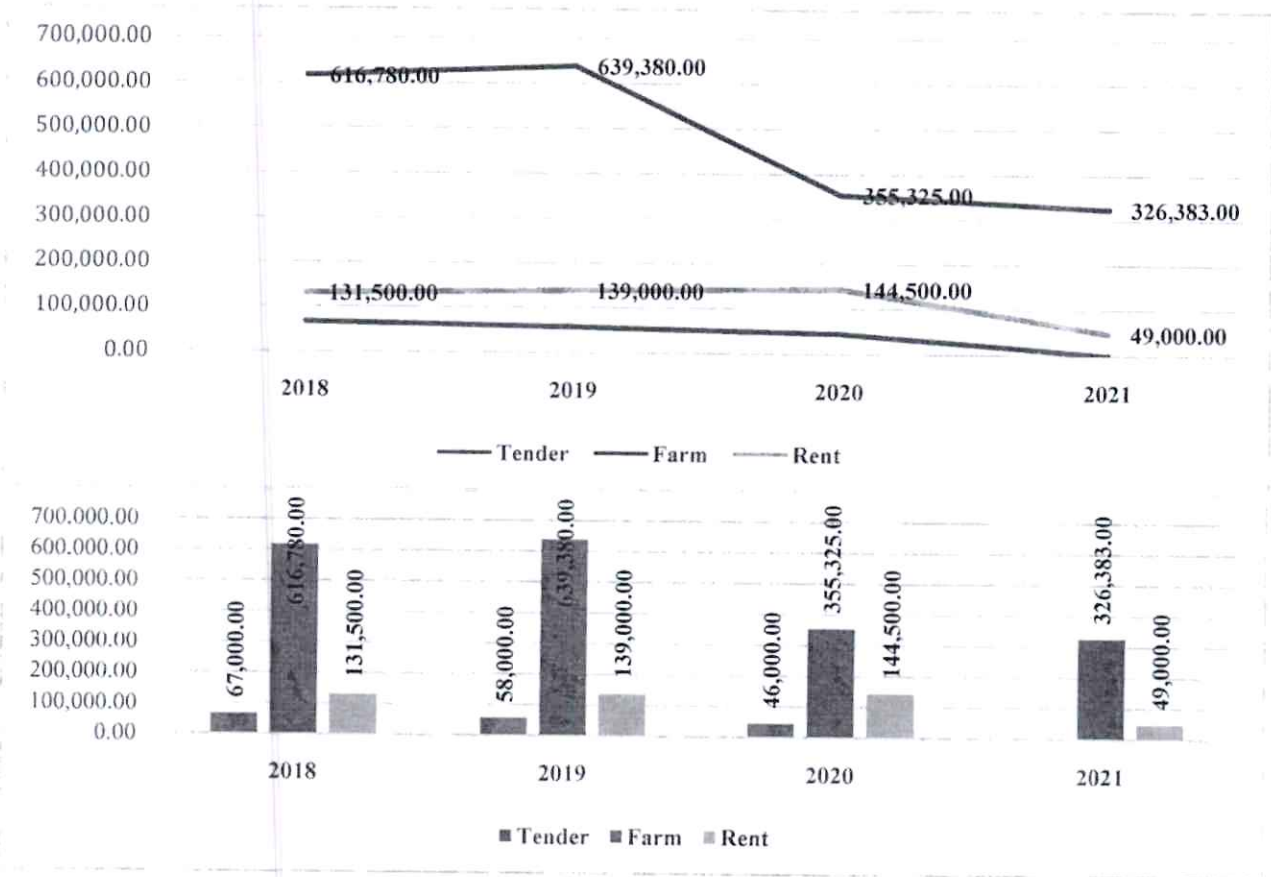


Capitation grants in Operations include funds for Infrastructure. In the year 2020, amount received in Operations included Economic stimulus fund of Ksh 5 million for construction of dormitory and pit latrines. In the year 2021, capitation grant was less the amount received in the year 2020 since the grant received was only for third term year 2020.

OVERVIEW OF NET GROWTH OF OTHER INCOME

NO	ACCOUNTS	2021 KSH	2020 KSH	2019 KSH	2018 KSH
1	Tender	-	46,000.00	58,000.00	67,000.00
2	Farm	326,383.00	355,325.00	639,380.00	616,780.00
3	rent	49,000.00	144,500.00	139,000.00	131,500.00
	Total	375,383.00	545,825.00	836,380.00	815,280.00
	Increase/Decrease	(170,442.00)	(290,555.00)	21,100.00	

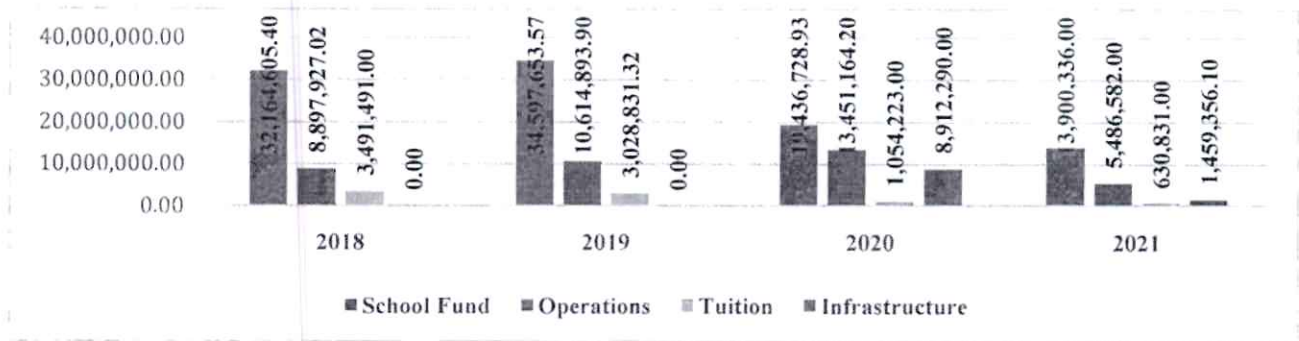
Trend Over the Last Three Years



The net growth of other income generating activities represent an increase in year 2018 to 2019 by ksh 21,100.00. Income dropped in year 2020 and 2021 due to effect of covid-19 pandemic where rent income was paid. Farm income reduced due increase in the number of students taking Agriculture subject from year 2020 therefore reducing the area of land for growing perishables consumed in the school.

OVERVIEW GROWTH IN EXPENDITURE OF THE SCHOOL					
	ACCOUNTS	2021 KSH	2020 KSH	2019 KSH	2018 KSH
1	School fund Account	13,900,336.00	19,436,728.93	34,597,653.57	32,164,605.40
2	Operations Account	5,486,582.00	13,451,164.20	10,614,893.90	8,897,927.02
3	Tuition Accounts	630,831.00	1,054,223.00	3,028,831.32	3,491,491.00
4	Infrastructure Account	1,459,356.00	8,912,290.00	-	-
	Total	21,477,105.00	42,854,406.13	48,241,378.79	44,554,023.42
	Increase/ Decrease	(21,377,301)	(5,386,972.66)	3,687,355.37	

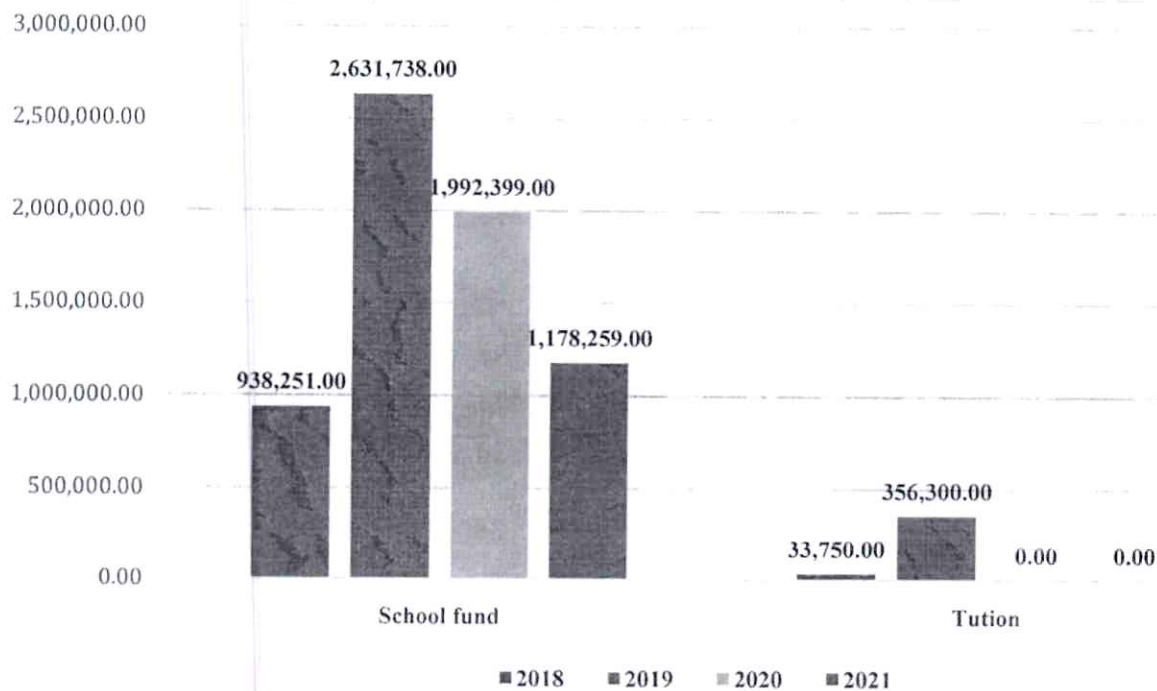
Trend Over the Last Three Years



In the year 2019, expenditure increased by Ksh 3,687,355.37 because of increase in students population. Expenditure decreased in year 2020 by Ksh 5,386,972.66 due to prolonged closure of the school due to covid-19 pandemic.

MOVEMENT OF CREDITORS OF THE SCHOOL					
NO	ACCOUNTS	2021	2020	2019	2018
		KSH	KSH	KSH	KSH
1	School funds A/c	1,178,259.00	1,992,399.00	2,631,738.00	938,251.00
2	Operations Account	-	-	-	-
3	Tuition Account	-	-	356,300.00	33,750.00
	Total	1,178,259.00	1,992,399.00	2,988,038.00	972,001.00
	Increase/Decrease	814,140.00	995,369.00	2,016,037.00	-

Trend Over the Last Three Years

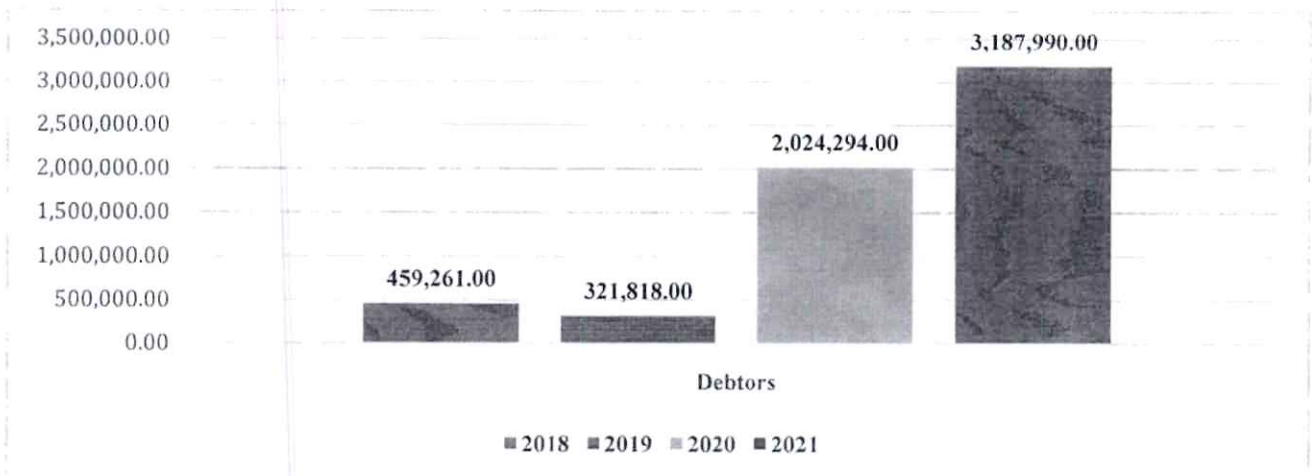


School fund creditors in the year 2019 increased from year 2018 by Ksh 2,016,037. This was due to lack of capitation grant in term 2 in both Operations account and Tuition account. In the year 2020 and year 2021, creditor amounted to Ksh 1,992,399 and Ksh 1,178,259 as a result of prepaid fees from students

MOVEMENT OF DEBTORS OF THE SCHOOL

	ACCOUNTS	2021	2020	2019	2018
1	School fund	3,187,990.00	2,024,294.00	321,818.00	459,261.00
	Total	3,187,990.00	2,024,294.00	321,818.00	459,261.00
	Increase/ decrease	(1,163,696.00)	1,702,476.00	(137,443.00)	

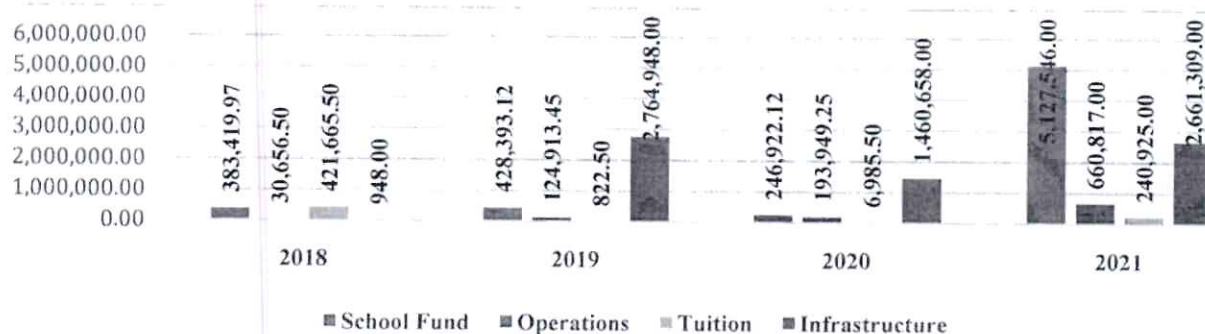
Trend Over the Last Three Years



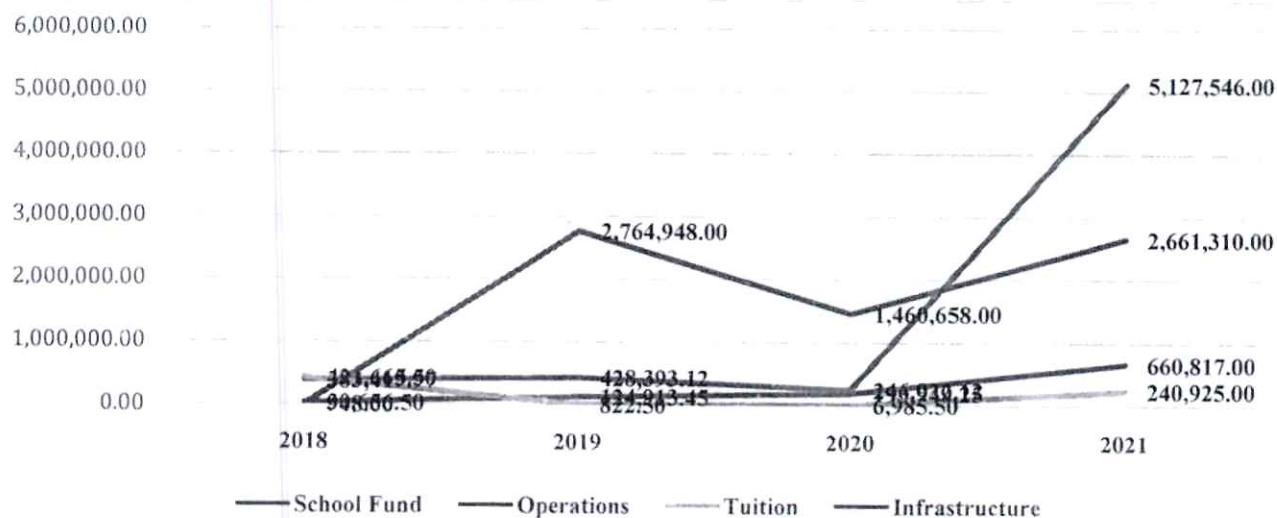
Debtors in the year 2021 was the highest resulting from uncollected fees and the close of the financial year was at the middle of the term. Fees for term one 2020 was as a result of abrupt closure of the school due to covid -19 and in the month of October 2020 only four four class paid fees.

MOVEMENT OF CASH AND BANK BALANCES

NO	ACCOUNTS	2021 KSH	2020 KSH	2019 KSH	2018 KSH
1	School fund A/c	5,127,546.00	246,922.12	428,393.12	383,419.97
2	Operations Account	660,817.00	193,949.25	124,913.45	30,656.50
3	Tuition Account	240,925.00	6,985.50	822.50	421,665.50
4	Infrastructure A/c	2,661,310.00	1,460,658.00	2,764,948.00	948.00
	Total	8,690,598.00	1,908,514.87	3,319,077.07	836,689.97
	Increase/Decrease	6,782,083.00	(1,410,562.20)	2,482,387.10	-



Trend Over the Last Three Years



SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL(Continued)

b) **Teacher Student ratio:**

Between the month of January 2021 and June 2021, the status of the teaching staff was as follows:

There were 22 teachers posted by the Teachers Service Commission and 4 others were recruited by the Board of Management.

The teacher student ratio is 1:25.

c) **Mean score in the 2018,2019,and 2020KCSE:**

YEAR	ENROLMENT	MEAN	TRANSITION	TRANSITION %	SCHOOL TARGET	COMMENTS
2020	172	4.790	16	9.3	6.5	Negative deviation of - 0.121
2019	179	4.911	25	13.9	6.5	Negative deviation of- 0.03
2018	96	4.94	10	10.4	6.5	Positive deviation of 0.9

d) **Number of Candidates in the 2021 KCSE:**

YEAR	2021	2020	2019	2018
Candidates	168	173	179	96

e) **Capacity of the school:**

The school has a population of 661 students. The school facilities are:

NO	SCHOOL FACILITY	CAPACITY	REQUIRED
1	Dormitory	600 students	1 dormitory
2	Laboratory	2 laboratories	1 laboratory
3	Dining Hall	(1) 550 students	requires expansion
4	Bus	(1) 33 seater	52 seater
5	Toilets	30 toilets	22 toilets
6	Classrooms	13	2
7	Library	1	1
8	Computer Lab	1	1
9	Home science lab	1	Requires expansion
10	Kitchen	1	Requires expansion

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

NO	PROJECT	YEAR	STATUS	FUND SOURCE	AMOUNT
1	Construction of a new dormitory	2019-2022	On going	Maintenance and Improvement, Economic stimulus fund	14,696,318.00
2	Construction of 22 doors pit latrine	2020-2021	Complete	Economic stimulus grants	2,134,794.00

Sign 

School Principal

GATUGI GIRLS SEC. SCHOOL
P. O. Box 332-10106, OTHAYA,
T: 0711 342220.


III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

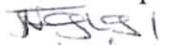
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board 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 *Gatugi Girls 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: Hon. Priscilla Nyokabi
Designation: Chairman, School Board of Management
Sign: 
Date: 26/7/24

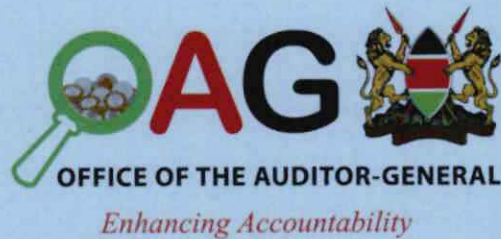
Name: Mrs. Elpiety Kihara
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 26/7/24

GATUGI GIRLS SEC. SCHOOL
P. O. Box 322-10106, GITHURU

Name: Cecilia Mathenge
Designation: Bursar/ Finance Officer
Sign: 
Date: 26/7/24

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON GATUGI GIRLS SECONDARY SCHOOL FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021 - NYERI 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 the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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 Gatugi Girls Secondary School-Nyeri County set out on pages 1 to 18, which comprise the statement of financial assets

Report of the Auditor-General on Gatugi Girls Secondary School for the six (6) months' period ended 30 June, 2021-Nyeri County

and liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the six (6) months' period then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Gatugi Girls Secondary School - Nyeri County as at 30 June, 2021 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. Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.3,187,990 as disclosed in Note 13 to the financial statements. This amount includes fees arrears for prior period (over two years) balance of Kshs.2,461,693, respectively. The school did not have an approved debt policy and documented strategy for recovery of the outstanding fees.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.3,187,990 could not be confirmed.

2. Unsupported Adjustments in the Financial Statements

The statement of financial assets and financial liabilities reflects net financial position of Kshs.7,137,277. However, the balance is net of unsupported adjustments of negative Kshs.1,717,086, negative Kshs.52,049 and Kshs.814,140 all totalling negative Kshs.954,995 an indication that the statement is not balanced.

In the circumstances the accuracy and completeness of the statement of financial assets and financial liabilities could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.38,587,520 and Kshs.17,698,135 respectively, resulting to an under-funding of Kshs.20,889,385 or 54.14% of the budget.

The under-funding 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 judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and 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. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

The School transferred co-curricular funds amounting to Kshs.253,600 from Government operation and tuition capitation grants to Kenya Secondary School Heads Association. However, Kenya Secondary Schools Heads Association is a welfare organization that draws its membership from School Principals only, a private entity that is not subject to PFM Act, 2012 or any other public finance regulations.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.253,600 could not be confirmed.

2. Non-compliance with Public Sector Accounting Standards Board Reporting Requirement

Review of the annual report and financial statements provided for audit revealed that the School Management prepared the annual report and financial statements for six (6) months from 01 January, 2021 to 30 June, 2021 instead of 18 months from 01 January, 2020 to 30 June, 2021. This was contrary to the guidelines for the implementation of the Public Sector Accounting Standards (IPSAS) by public secondary schools in Kenya.

In the circumstances, the annual report and financial statements presented for audit do not comply with the guidelines and reporting template requirements as issued by the Public Sector Accounting Standards Board for public secondary school.

3. Late Submission of Financial Statements to the Auditor-General

Contrary to Section 47(1) of the Public Audit Act, 2015, that requires financial statements be submitted to the Auditor-General within three (3) months after the end of the fiscal year to which the accounts relate. The School Management did not submit the financial statements to the Auditor-General by the statutory date, the financial statements were received two (2) years and seven (7) months late, on 30 April, 2024.

In the circumstances, the School Management is in breach of law.

4. Failure to Transfer Infrastructure Funds from the Operations Bank Account

The School received operations capitation grants of Kshs.5,886,426 during the period under review, out of which an amount of Kshs.2,660,000 was in respect of infrastructure funds. However, the School Management took more than (fifteen) 15 days to transfer funds to the infrastructure account. This was contrary to the Ministry of Education Circular No: MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds be transferred to the school infrastructure account fifteen days upon receipt of the funds in the operations account.

In the circumstances, Management was in breach of law.

5. Non-Adherence to Procurement Procedures on Request for Quotation

Examination of payment vouchers and procurement records revealed that the School made various payments to a Supplier amounting to Kshs.3,571,760 from the school fund account. The payments were for the supply of groceries and other foodstuffs, procured using the Request for Quotation method of procurement, However, the purchases exceeded the prescribed threshold limit of Kshs.3,000,000 for use of request for quotations. This was contrary to Section 105(a) of the Public Procurement and Asset Disposal Act, 2015 which requires that a procuring entity may use a request for quotations from the register of suppliers for a procurement if when request for quotations may be used the estimated value of the goods, works or non-consultancy services being procured is less than or equal to the prescribed maximum value for using requests for quotations as prescribed in Regulations.

In the circumstances, the School Management was in breach of 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 comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON THE 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 matter described in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Inadequate Controls over Rental Cash Collection

Review of records provided for audit indicated instances where the school was receiving rent paid by staff occupying staff quarters through cash. However, the cash was not promptly banked and as a result cash amounting to Kshs.49,000 cash received in the period under review was not banked in the school fund bank account.

In the circumstances, existence of effective controls on cash collections could not be confirmed.

The audit was conducted in accordance with ISSAIs 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

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

In preparing the financial statements, the 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 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, the Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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 control 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 control would not necessarily disclose all matters in the internal control 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 control 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 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 control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the 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 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 the 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 the 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

23 September, 2024

V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2021

DESCRIPTION OF VOTE HEAD	Note	2021-2021 Kshs	2020-2020 Kshs
RECEIPTS			
Capitation grants for tuition	1	864,771.00	1,416,686.00
Capitation grants for operations	2	5,953,449.00	13,520,200.00
School Fund Income- Parents' Contributions	3	3,499,433.00	5,428,128.48
School Fund Income- Other receipts	4	11,291,070.00	13,827,129.32
Infrastructure	5	2,660,000.00	7,608,000.00
TOTAL RECEIPTS		24,268,723.00	41,800,143.80
PAYMENTS			
Payments for Tuition	6	630,831.00	1,410,523.00
Payments for operations	7	5,486,582.00	13,451,164.20
Boarding and school fund payments	8	13,900,336.00	19,436,728.93
Infrastructure	9	1,459,356.00	8,912,290.00
TOTAL PAYMENTS		21,477,105.00	43,210,706.13
SURPLUS/DEFICIT		2,791,618.00	(1,410,562.33)

The school financial statements were approved on _____ 2021 and signed by:

Sign: 

Name PRISCILLA NYOKABI

Chair BOM

Date 26/7/24

Sign 

Name NEELAM JANE

School Principal/
Secretary to BOM

Date 26/7/24

Sign 

Name CECILIA MATHENGE

Bursar/
Finance Officer

Date 26/7/24


GATUGI GIRLS SEC. SCHOOL
P. O. Box 332-10106, OTHAYA.

VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30TH JUNE 2021


	Note	2021-2021 Kshs	2020-2020 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	10	4,975,197	2,385,417
Cash Balances	11	152,349	2,560
Short term Investment	12	-	-
Total Cash and cash equivalent		<u>5,127,546</u>	<u>2,387,977</u>
Account's receivables	13	3,187,990	4,905,076
TOTAL FINANCIAL ASSETS		8,315,536	7,293,053
FINANCIAL LIABILITIES			
Accounts Payables	14	(1,178,259)	(1,992,399)
NET FINANCIAL ASSETS		7,137,277.	5,300,654
REPRESENTED BY			
Accumulated Fund b/fwd	15	5,300,654	6,599,303
Surplus for the year		2,791,618	(1,298,649)
Decrease in recievables		(1,717,086)	
Decrease in savings		(52,049)	
Decrease in payables		814,140	
NET FINANCIAL POSSITION		7,137,277	5,300,654

The School's financial statements were approved on _____ 2021 and signed by:

Name: Hon. Priscilla Nyokabi
Chairman, BoM


Sign: 
Date: 26/7/24

Name: Mrs E. W. Kihara
School Principal/Secretary to BoM

Sign: 
Date: 26/7/24

GAYUGI GIRLS SEC. SCHOOL
P. O. Box 332-10100, OTHAYA.
Tel: 0711-322220.

Name: Cecilia Mathenge
Bursar

Sign: 
Date: 26/7/24

VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2021

		2021-2021	2020-2020
		Kshs	Kshs
Receipts for operating income			
Capitation grants for tuition	1	864,771.00	1,416,686.00
Capitation grants for operations	2	5,953,449.00	13,520,200.00
School fund income- Parents contributions/ fees	3	3,499,433.00	5,428,128.48
School fund income- other receipts	4	11,291,070.00	13,827,129.32
Infrastructure	5	2,660,000.00	7,608,000.00
Total receipts		24,268,723.00	41,800,143.80
Payments			
Payments for Tuition	6	630,831.00	1,410,523.00
Payments for operations	7	5,486,582.00	13,451,164.20
Boarding and school fund payments	8	13,900,336.00	19,436,728.93
Infrastructure	9	1,459,356.00	8,912,290.00
Total payments		21,477,105.00	43,210,706.13
Net cash flow from operating activities		2,791,618.00	(1,410,562.33)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		-	-
Acquisition of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		(52,049)	479,462
Net cash flows from Investing Activities		2,739,569	(931,100)
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS		2,739,569	(931,100)
Cash and cash equivalent at BEGINNING of the year		2,387,977	3,319,077
Cash and cash equivalent at END of the year		5,127,546.00	2,387,977

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.

Receipt/expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c = a+b Kshs	Comparable Basis d Kshs	Utilization Difference e = c-d Kshs	% of Utilization f = d/e % Kshs
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Textbooks and reference materials	1,324,620.00	1,324,620	-	-	-	-
Exercise books	484,440.00	-	484,440.00	470,633.00	13,807.00	97%
Laboratory equipment	995,940.00	-	995,940.00	327,288.00	668,562.00	33%
Internal exams	159,720.00	-	159,720.00	53,280.00	106,440.00	33%
Teaching / learning materials	75,240.00	-	75,240.00	6,806.00	68,434.00	9%
Chalks	25,080.00	-	25,080.00	6,764.00	18,316.00	27%
Exams and assessment	-	-	-	-	-	-
Teachers guides	-	-	-	-	-	-
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	2,046,000.00	-	2,046,000.00	1,902,534.00	143,466.00	93%
Repairs and maintenance	3,960,000.00	-	3,960,000.00	2,660,000.00	1,300,000.00	67%
Local transport / travelling	429,000.00	-	429,000.00	182,728.00	246,272.00	43%
Electricity and water	1,518,000.00	-	1,518,000.00	662,284.00	855,716.00	44%
Medical	1,320,000.00	1,320,000	-	-	-	-
Administration costs	1,221,000.00	-	1,221,000.00	478,880.00	742,120.00	39%
Activity	990,000.00	990,000	-	-	-	-
Gratuity	-	-	-	-	-	-
SMASSE	-	-	-	-	-	-
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	3,798,300.00	-	3,798,300.00	829,481.00	2,968,819.00	22%
Repairs and maintenance	1,320,000.00	-	1,320,000.00	640,100.00	679,900.00	48%
Local transport / travelling	1,209,780.00	-	1,209,780.00	173,225.00	1,036,555.00	14%
Electricity and water	2,468,400.00	-	2,468,400.00	1,305,850.00	1,162,550.00	53%
Medical	-	-	-	-	-	-
Administration costs	1,037,520.00	-	1,037,520.00	510,795.00	526,725.00	49%
Activity	165,000.00	-	165,000.00	39,982.00	125,018.00	24%
SMASSE	-	-	-	-	-	-

PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

Fee on Boarding Equipment and Stores	16,754,100.00	-	16,754,100.00	7,072,122.00	9,681,978.00	42%
<i>OTHER INCOME</i>						
Rent income	186,000.00	-	186,000.00	49,000.00	137,000.00	26%
Income from farming activities	734,000.00	-	734,000.00	326,383.00	407,617.00	44%
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	42,222,140	3,634,620	38,587,520	17,698,135	20,889,385	
<i>(1) EXPENDITURE FOR TUITION</i>						
Textbooks and reference materials	1,324,620.00	1,324,620	-	-	-	-
Exercise books	484,440.00	-	484,440.00	434,225.00	50,215.00	90%
Laboratory equipment	995,940.00	-	995,940.00	180,626.00	815,314.00	18%
Internal exams	159,720.00	-	159,720.00	15,500.00	144,220.00	10%
Teaching / learning materials	75,240.00	-	75,240.00	-	-	-
Chalks	25,080.00	-	25,080.00	-	-	-
Exams and assessment	-	-	-	-	-	-
Teachers guides	-	-	-	-	-	-
Administration costs	-	-	-	-	-	-
Bank Charges	-	-	-	480.00	-	-
<i>(2) EXPENDITURE FOR OPERATIONS</i>						
Personnel emoluments	2,046,000.00	-	2,046,000.00	1,485,234.00	560,766.00	73%
Repairs, maintenance & improvements	3,960,000.00	-	3,960,000.00	2,660,000.00	1,300,000.00	67%
Local transport / travelling	429,000.00	-	429,000.00	156,210.00	272,790.00	36%
Electricity, water and conservancy	1,518,000.00	-	1,518,000.00	721,718.00	796,282.00	48%
Medical	1,320,000.00	1,320,000	-	-	-	-

Administration costs	1,221,000.00	-	1,221,000.00	462,460.00	758,540.00.00	39%
Activity Expenses	990,000.00	990,000	-	-	-	-
Gratuity	-	-	-	-	-	-
SMASSE	132,000.00	132000	-	-	-	-
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel emoluments	3,798,300.00	-	3,798,300.00	1,512,633.00	2,285,667.00	40%
Repairs, maintenance and improvements	1,320,000.00	-	1,320,000.00	577,510.00	742,490.00	44%
Local transport / travelling	1,209,780.00	-	1,209,780.00	232,075.00	977,705.00	19%
Electricity, water and conservancy	2,468,400.00	-	2,468,400.00	888,511.00	1,579,889.00	36%
Medical Expenses	-	-	-	-	-	-
Administration costs	1,037,520.00	-	1,037,520.00	468,793.00	586,727.00	45%
Activity	165,000.00	-	165,000.00	50,885.00	114,115.00	31%
Gratuity	-	-	-	-	-	-
Lunch programme	-	-	-	-	-	-
Boarding Equipment and Stores	16,754,100.00	-	16,754,100.00	7,299,137.00	9,454,963.00	44%
Expenditure for farming Activity	424,200.00	-	424,000.00	43,700.00	380,300.00	10%
Insurance costs	-	-	-	-	-	-
Other expenses on investments	-	-	-	-	-	-
Rent Expenses	186,000.00	-	186,000.00	27,000.00	159,000.00	-
Bank Charges	-	-	-	-	-	-
Loan Interest Repayment	-	-	-	-	-	-
Loan Principal Repayment	-	-	-	-	-	-
Acquisition of Assets	-	-	-	-	-	-
TOTALS	42,222,140	3,634,620	38,587,520	17,216,697	21,370,823	-

**VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR
ENDED 30TH JUNE 2021**

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

- i. Budget under utilization in mot votehead was because the budget proposal was for one year but the financial reporting period was for six months , from January 2021 to June 2021*
- ii. Exercise books spent almost the allocated amount since they are printed at the beginning of the year.*

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*.

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.

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)

3. 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.

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.

4. 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.

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.

Comparative figures

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

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 2021.

X. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2021-2021	2020-2020
	Kshs	Kshs
Textbooks and reference materials	-	79,544.00
Exercise books	470,633.00	293,400.00
Laboratory equipment	327,288.00	612,880.00
Internal exams	53,280.00	130,400.00
Teaching / learning materials	6,806.00	65,200.00
Chalks	6,764.00	24,776.00
SMASSE	-	130,400.00
Teachers guides		80,086.00
Total	864,771.00	1,416,686.00

2 CAPITATION GRANT FOR OPERATIONS

	2021-2021	2020-2020
	Kshs	Kshs
Personnel emoluments	1,902,534.00	2,741,000.00
Repairs and maintenance	2,660,000.00	7,879,000.00
Local transport / travelling	182,728.00	211,900.00
Electricity and water	662,284.00	676,150.00
Medical	67,023.00	936,350.00
Administration costs	478,880.00	586,800.00
Activity	-	489,000.00
Total	5,953,449.00	13,520,200.00

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2021-2021	2020-2020
	Kshs	Kshs
Personnel emoluments	829,481.00	1,388,514.48
Repairs and maintenance	640,100.00	1,000,506.00
Local transport / travelling	173,225.00	267,281.00
Electricity and water	1,305,850.00	1,976,587.00
Medical	-	-
Administration costs	510,795.00	736,347.00
Activity	39,982.00	58,893.00
Total	3,499,433.00	5,428,128.48

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2021-2021	2020-2020
	Kshs	Kshs
Fee on Boarding Equipment and Stores	7,072,122.00	9,644,442.00
Rent income	49,000.00	144,500.00
Income from farming activities	326,383.00	355,325.00
Examinations	43,500.00	-
Prepayments	1,184,905.0	258,839.00
Arrears	1,817,120.00	193,958.00
Pocket money	-	87,544.00
Bursary	798,040.00	850,070.00
	-	677,151.32
		1,569,300.00
Tender	-	46,000.00
Total	11,291,070.00	13,827,129.32

5 CAPITATION GRANT FOR INFRASTRUCTURE

	2021-2021	2020-2020
	Kshs	Kshs
Infrastructure	2,660,000.00	7,608,000.00

6 PAYMENTS FOR TUITION

	2021-2021	2020-2020
	Kshs	Kshs
Textbooks and reference materials	-	79,544.00
Exercise books	434,225.00	496,716.00
Laboratory equipment	180,626.00	70,200.00
Internal exams	15,500.00	137,500.00
Teaching / learning materials	-	57,145.00
Chalks	-	9,600.00
Smasse	-	130,400.00
Teachers guides	-	72,500.00
Creditors	-	356,300.00
Bank Charges	480.00	618.00
Total	630,831.00	1,410,523.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 PAYMENTS FOR OPERATIONS

	2021-2021	2020-2020
	Kshs	Kshs
Personnel emoluments	1,485,234.00	2,975,287.34
Service Gratuity	-	-
Administration Cost	462,460.00	227,350.00
Repairs and maintenance & improvements	2,660,000.00	7,730,270.00
Local transport / travelling	156,210.00	81,597.00
Electricity and water	721,718.00	802,650.00
Medical	-	805,950.00
Activity Expenses	-	825,500.00
SMASSE	-	-
Insurance Cost	-	-
Bank Charges	960.00	2,559.86
Acquisition of Assets	-	-
TOTAL	5,486,582.00	13,451,164.20

8 BOARDING AND SCHOOL FUND PAYMENTS

	2021-2021	2020-2020
	Kshs	Kshs
Personnel emoluments	1,512,633.00	2,571,614.82
Examination	-	46,400.00
Repairs and maintenance & Improvements	577,510.00	946,720.00
Local transport / travelling	232,075.00	511,899.00
Electricity and water	888,511.00	936,208.00
Activity	50,885.00	77,933.00
Administration costs	468,793.00	776,854.00
Pocket money refund	-	87,544.00
Creditors paid	208,168.00	1,906,137.00
Bank Charges	9,858.00	8,730.11
Expenses on farming Activities	43,700.00	194,670.00
Fee on Boarding Equipment and Stores	7,299,137.00	7,924,195.00
Rent Expenses	27,000.00	71,000.00
	-	642,862.00
Bursary awarded	798,040.00	886,070.00
Transfer to saving	-	1,148,996.00
Prepayment	1,784,026.00	698,896.00
TOTAL	13,900,336.00	19,436,728.93

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9 PAYMENTS FOR INFRASTRUCTURE

	2021-2021	2020-2020
	Kshs	Kshs
Labour and Materilas	1,459,356.00	8,912,290.00

10 BANK ACCOUNTS

Nzme of Bank, Account No. & currency	Bank Account Number	2021-2021	2020-2020
		Kshs	Kshs
Tuition Account -	1101525827	240,925.00	6,985
Operations Account	1101565195	520,786.00	193,858
School Fund Account	1101523565	362,131.00	178,793
School fund Account	0080293984573	364,820.00	65,660
School fund account	1103197312	516,031.00	191,728
Development Account	0080101537751	208,815.00	189,995
CDF Account	0080271508966	26,628.00	26,628
Income farming activities Account	402-04-04969	73,759.00	71,112
Infrastructural Account	1226275311	2,661,302.00	1,460,658
Total		4,975,197.00	2,385,417

11 CASH IN HAND

Description	2021-2021	2020-2020
	Kshs	Kshs
Tuition Account	-	-
Operation Account	140,031.00	91.00
School Fund account	12,318.00	2,469.00
Total	152,349.00	2,560.00

12 SHORT TERM INVESTMENTS

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 ACCOUNTS RECEIVABLE

Description	2021-2021	2020-2020
	Kshs	Kshs
Fees arrears	3,142,990.00	-
Other non-fees receivables (Rent)	45,000.00	28,000.00
Salary advances	-	-
Imprest	-	-
Total	3,187,990.00	28,000.00

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

Description	2021-2021	2020-2020
	Kshs	Kshs
Fees arrears for current year	681,297.00	1,996,294.00
Fees arrears for the previous year	-	-
Fees arrears for prior periods (over two years)	2,461,693.20	2,880,781.95
Total	3,142,990.00	4,905,075.95

14 ACCOUNTS PAYABLE

Description	2021-2021	2020-2020
	Kshs	Kshs
Trade creditors		
Prepaid fees	1,151,554.00	1,757,526.00
Retention monies (clubs)	26,705.00	26,705.00
Total	1,178,259.00	1,784,231.00

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

Description	2021-2021	2020-2020
	Kshs	Kshs
Trade creditors for current year	-	-
Trade creditors for the previous year	-	-
Trade creditors for prior periods (over two years)	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15 FUND BALANCE BROUGHT FORWARD

Description	2021-2021	2020-2020
	Kshs	Kshs
Bank balances	2,385,417	3,157,846
Cash balances	2,560	49,318.
Short term investment	-	-
Receivables	4,905,076	4,905,076.
Payables	(1,992,399)	(1,992,399)
Total	5,300,654	6,599,303

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.

16 Non-current Liabilities Summary

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

17 Biological assets

Description	Numbers	2021-2021	2020-2020
		Kshs	Kshs
Cattle		478,000	6
Goats		-	-
Trees		676,800	1133
Coffee or tea plantation		-	-
Poultry			
Total			

18 Borrowings

Description	2021-2021	2020-2020
	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	-	-

Other important disclosure notes

19 Stock/ Inventory

Description	2021-2021	2020-2020
	KShs	KShs
b) Borrowings		
Stock/ inventory at beginning of the year	1,473,011.00	xxx
Stock/ inventory purchased during the year	21,584,586.00	xxx
Stock/ inventory issued during the year	(13,586,916.00)	(xxx)
Balance at end of the year	9,470,681.00	xxx

20 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

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

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
	a	b	c	d = a - c	
	Kshs	Kshs	Kshs	Kshs	Kshs
Construction of buildings					
1.					
2.					
3.					
Sub-Total					
Supply of goods					
4.					
5.					
6.					
Sub-Total					
Supply of services					
7.					
8.					
9.					
Sub-Total					
Grand Total					

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st January 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2021
Land 1						
Land 2	1976	Karima	13,500,000	-	-	13,500,000
Buildings and structures	2021		Est. 99,000,000	-	-	Est. 99,000,000
Motor vehicles	2003	garage	Est. 800,000	--	-	Est. 800,000
Office equipment, furniture and fittings	1.1.2021		Est. 3,651,600	--	-	Est. 3,651,600
ICT Equipment, and Other ICT Assets	1.1.2021		Est. 1,037,000	-	-	Est. 1,037,000
Tools and apparatus	1.1.2021		Est. 2,134,660	-	-	Est. 2,134,660
Textbooks	1.1.2021		Est. 3,169,200	-	-	Est. 3,169,200
Other Machinery and Equipment	1.1.2021		EST. 774,500	-	-	EST. 774,500
Heritage and cultural assets	-		-	-	-	-
Intangible assets- soft ware	1.1.2021		Est. 140,000	-	-	Est. 140,000
Total			124,206,960			124,206,960

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

