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REPORT THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 02 DEC 2024

DAY.

Monday

TABLED
OF

HON NADINE WARD, MP
DEPUTY MAJORITY WHIP

CLERK-AT
THE-TABLE:

KESTHER NGENTO

PARLIAMENT
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LIBRARY

THE AUDITOR-GENERAL

ON

**GACEGE SECONDARY
SCHOOL**

**FOR THE YEAR ENDED
30 JUNE, 2023**

KIAMBU COUNTY

Revised 30th June 2023.



GACEGE SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2023

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

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1. 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	

2. Key School Information and Management

(a) Background information

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

The school was registered in 2004 under registration number GP/A/2883/2004 and is currently categorized as a Sub county public school established, owned or operated by the Government.

The school is a day school and had 195 number of students as at 30th June 2023. It has double streams and 15 teachers of which 2 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	Daniel Kuria Mugo	Chairman	5th March,2022
2	Esther K.Kuria	Secretary- Principal	5th Mach 2022
3	Peter N Ndirangu	Member	5th March,2022
4	Peter Maku	Member	5th March,2022
5	Joseph K Njoroge	Member	5th March,2022
6	Walter Karanja	Member	5th March,2022
7	Jane Kiarie	Member	5th March,2022
8	Simon Gichuki Macharia	Member – Rep CEB	5th March,2022
9	Antony Njoroge	Member	5th March,2022
	Alice Mbugua		5th March,2022
	Peter Njuguna Ndirangu		
10	Daniel Kuria	3 Members - Sponsor	
11	Francis Nganga	Member - Community	5th March,2022

The functions of the School Board of Management are to:

- 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			
2	Audit Committee			
3	Finance, procurement and general purposes Committee	Joseph Kibebe Francis Nganga Alice Mbugua Peter maku Joseph ngure Esther kuria Daniel Kuria	Chairman P.A. Chairman Member Member Member Member member	3/3 3/3 3/3 3/3 2/3 3/3 2/3
4	Academic Committee	Dr peter maku Bernad gachuha Dr peter ndirangu Alice karanja Esther kuria Daniel kuria	chairman Member Member Member Member member	2/3 3/3 3/3 3/3 3/3 2/3
5	Development Committee			
6	Discipline and welfare Committee	Walter Karanja Josephinewanyaga Jane Kiarie Bernard Gachuha Esther Kuria Daniel Kuria	Chairman Member Member Member Member member	3/3 3/3 2/3 3/3 3/3 3/3
7	Adhoc Committee (if any during the year)			

(d) School operation Management

For the financial year ended 30th June 2023 the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	Esther k kuria	372251
2	Deputy Principal	Samuel Ngugi	359781
3	School Bursar	Joseph Ndirangu Mihari	4301014 (ID)

(e) Schools contacts

Post Office Box: 2223 – 01000 Thika
Telephone: 0791633795
E-mail: Gacegesecondary22@gmail.com
Website: N/A
Facebook: N/A
Twitter: N/A

(f) School Bankers

The following school operated 5 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

- Name of Bank: Absa Bank Kenya PLC
Branch: Thika
Account Number: School fund – 1016431
Operation a/c – 1044761
Tuition a/c – 1066854
Infrastructure a/c – 2042960457
Bus a/c - 2042960481
- Name of Bank: N/A
Branch: N/A
Account Number: N/A
- MPESA PayBill No. 809739 attached to Absa bank account 1016431

(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

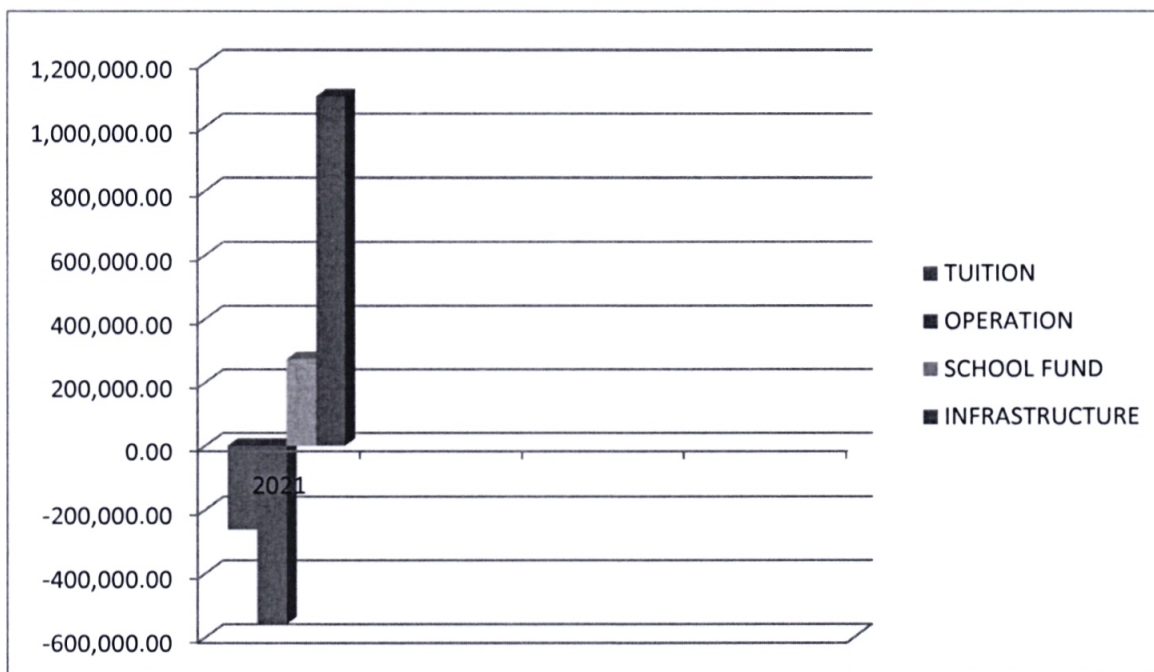
3.Summary Report of Performance of The School

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

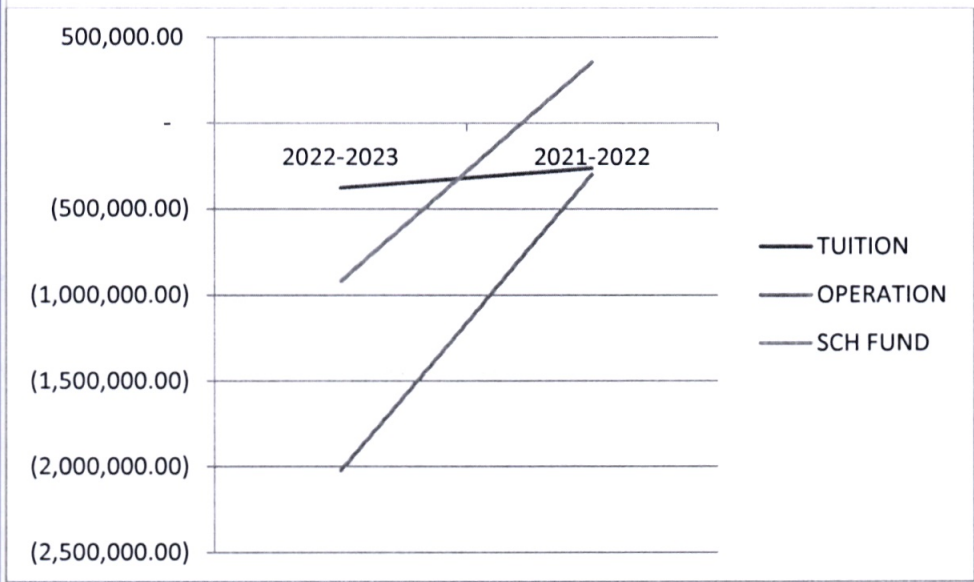
a) **Financial performance:**

SURPLUS/DEFICIT

2021				
	TUITION	889,694	1,152,205	-262,511
	OPERATION	1,543,906.20	1,337,757	-558,360.2
	SCHOOL FUND	1,510,941	1,643,579.20	274,315.15
	INFRASTRUCTURE	1,095,500	0	1,095,500

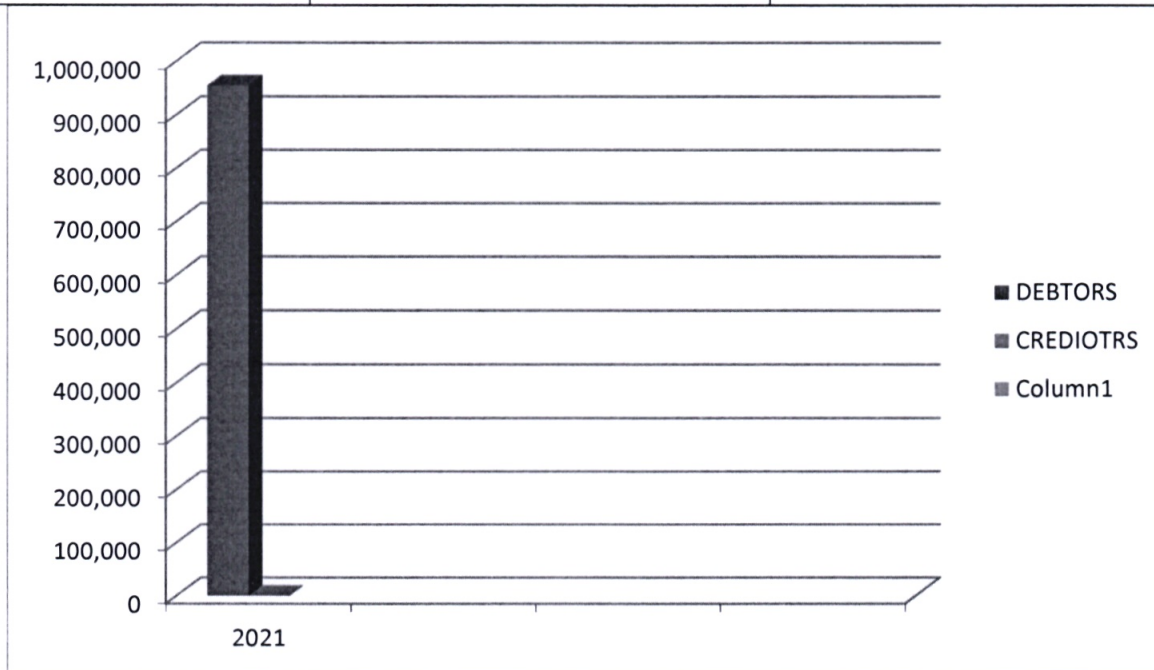


YEAR	SUPLUS/DEFICIT		
	TUITION	OPERATION	SCH FUND
JUNE 2022-JUNE2023	(376,967)	(2,023,943)	(919,919)
2021 JUNE-2022 JUNE	(262,810)	(299,360)	356,655

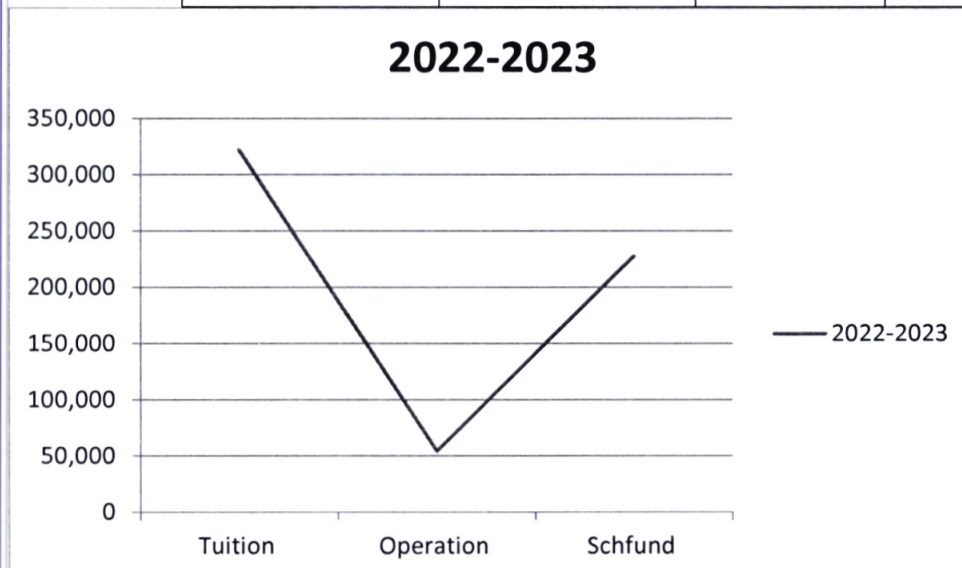


DEBTORS/CREDITORS

2021	955,170.00	-
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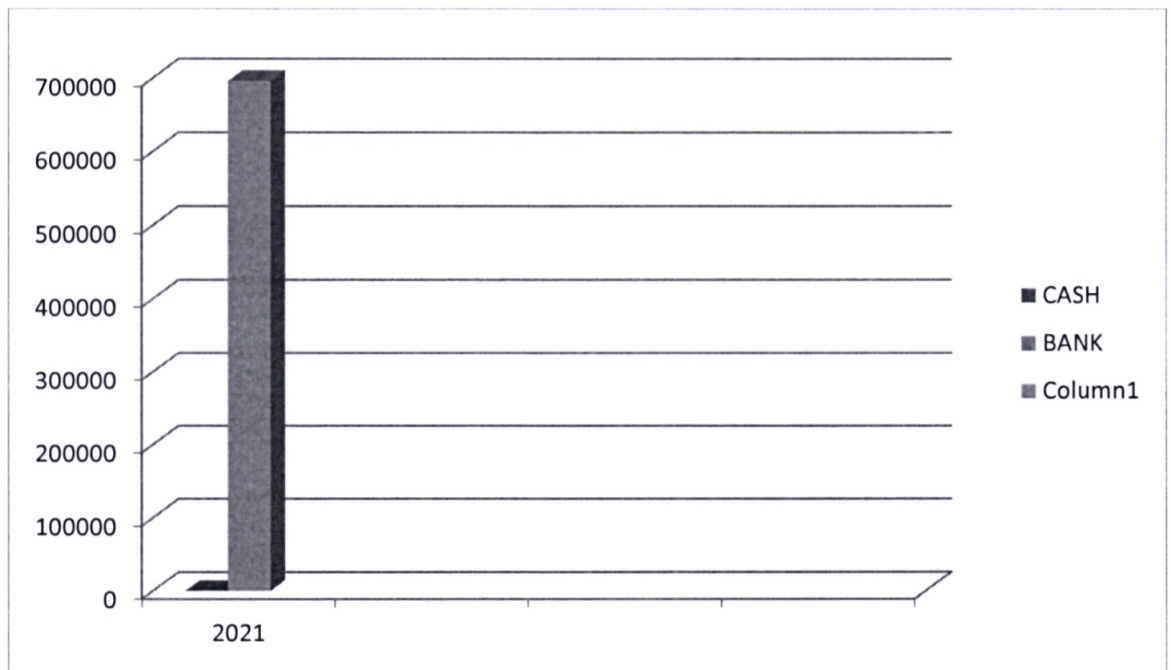


<i>year</i>	<i>Tuition</i>	<i>Operation</i>	<i>SCHOOL FUND</i>
2022-2023	321,738	54,201	227,570

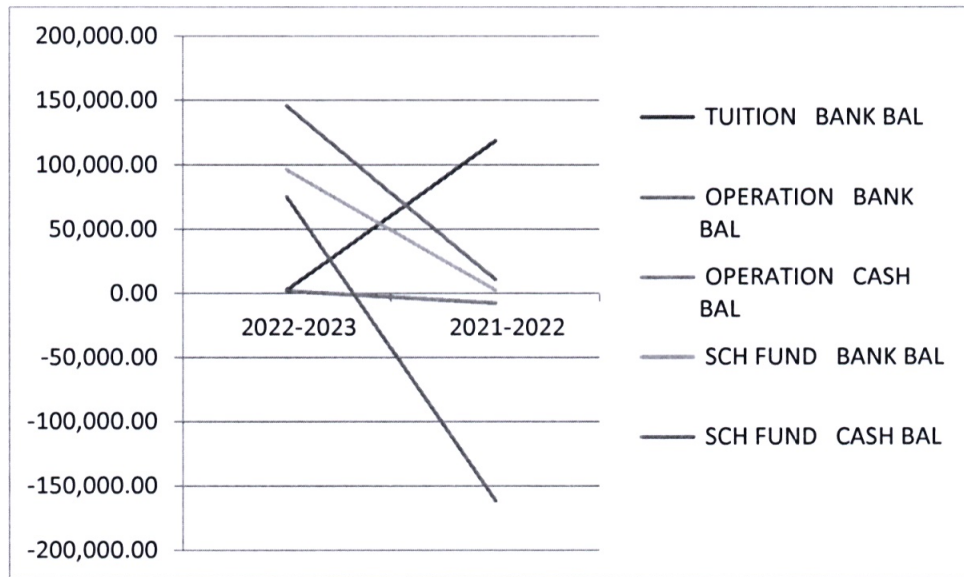


CASH AND BANK BALANCES

2021			
	TUITION	0	381,487.50
	OPERATION	75,075	227,397.8
	SCHOOL FUND	52,958.05	87,255.95
	INFRASTRUCTURE	0	0



	TUITION	OPERATION		SCH FUND	
	BANK BAL	BANK BAL	CASH BAL	BANK BAL	CASH BAL
2022-2023	2,528.05	145,661.55	1,691	96,242.50	75,312.10
2021-2022	118,677.30	10,731.60	(7,619)	2,486.65	(161,587.80)



(b)RATIO OF CAPITATION GRANT PER STUDENT FOR THE LAST 3 YEARS

2021	2021/2022	2022/2023
6,269.30	:14,849:	:13,296.35

(c) Teacher Student ratio:

Students : Teachers

13:1

a) Mean score in the 2022 KCSE:

YEAR	MEAN SCORE
2022	2.553
2021	2.354
2020	2.681

b) Number of Candidates in the 2022 KCSE:

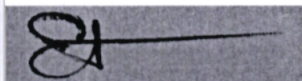
YEAR	ENTRY
2022	73
2021	65
2022	76

c) Capacity of the school:

<i>Enrolment</i>	<i>195</i>
No. Of Classes	8
Laboratories	2
Toilets	Boys – 8 Girls - 4
Dining hall	1
Library	1

(F) DEVELOPMENT PROJECTS CARRIED OUT

PROJECT	COST	FINANCIER	REMARKS
PURCHASE OF 2 , 10,000 CAPACITY PLASTIC TANK	300,000	PARENTS	ACHIEVED
IMPROVE WATER PIPING AND SUPPLY	80,000	PARENTS MOE DONNORS	ACHIEVED
REHABILITATION OF ADMIISTRATION BLOCK	498000	MOE	ACHIEVED
INTALLATION OF WI-FI INTERNET FACILITY	6,000	PARENTS	ACHIEVED
CONSTRUCTION OF PERIMETER SECURITY WALLS	100,000	PARENTS DONORS CDF	FENCE FIXED USING ROLLS OF BARBED WIRE AND IRON SHEET
TILLING OF 4 CLASSROOM BLOCK	600,000	MOE	ACHIEVED
PURCHASE OF A 33 SEATER BUS	2700000	PARENTS DONORS CDF	ACHIEVED
INSTALLATION OF FLOODLIGHTS	150,000	MOE	ACHIEVED
REHABILITATION OF CLASSROOM	292,000	MOE	ACHIEVED



School Pincipal



4.Statement of School Management Responsibility

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

III.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 Gacege Seondary 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, 2023, and of the school's financial position as at that date.

Name: Daniel Kuria

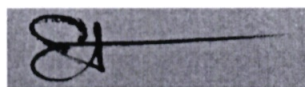
Designation: Chairman, School Board of Management



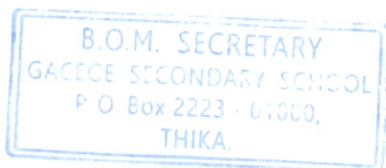
Date: 17/7/2024

Name: Esther K Kuria

Designation: School Principal & Secretary to Board of Management

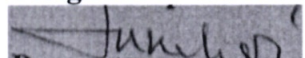


Date: 17/7/2024



Name: Joseph Ndirangu

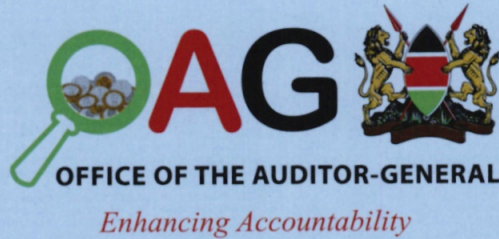
Designation: Bursar/ Finance Officer



Date: 17/7/2024

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON GACEGE SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 - 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 Control, 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 regulation 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 Gacege Secondary School – Kiambu County set out on pages 1 to 21, which comprise the statement of assets and

Report of the Auditor-General On Gacege Secondary School for the year ended 30 June, 2023 - Kiambu County

liabilities as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and the statement of budgeted Vs actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Gacege Secondary School – Kiambu County as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Review of the financial statements presented revealed the following errors:

- 1.1 Contained in **Appendix 1** are variances totalling Kshs.7,150,306, observed between the statement of cashflow and the Notes to the financial statements.
- 1.2 Shown below are variances totalling Kshs.19,585,538 between opening/comparative balances of the financial year 2022-2023 and actual balances as per the 2021 – 2022 financial statement.

Item	Opening balance as at 30 June 2023 (Kshs)	Closing balance as at 30 June 2022 (Kshs)	Variance (Kshs.)
Bank Balances as per the Statement of Financial Assets and Financial Liabilities	3,788,003	156,896	3,631,107
Cash and Cash Equivalents at the Beginning of the Year as per the Statement of Cashflows	4,455,282	824,174	3,631,108
Cash and Cash Equivalents at the End of the year as per the statement of cashflows	3,618,797	12,311,013	8,692,216
Infrastructure Account as per Note 8 to the Financial Statement	2,271,466	0	2,271,466
Bus Account as per Note 8 to the Financial Statement	1,359,641	0	1,359,641
Total			19,585,538

1.3 **Appendix 2** shows variances totalling Kshs.13,885,450 between balances as per the ledgers and the Notes to the financial statements.

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

2. Variance in Capitation Grants-Operations

The statement of receipts and payments reflects capitation grants for operations amounting to Kshs.2,876,324 as reflected in Note 2 to the financial statements. However, comparison with bank statements reflects an amount of Kshs.2,582,324 resulting to an unexplained variance of Kshs.271,800.

In the circumstances, the accuracy of capitation grants for operations of Kshs.2,876,324 in the statement of receipts and payments could not be confirmed.

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

As required by Article 229(6) of the Constitution and based on the audit procedures performed, except for the matter(s) 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. Late Submission of Financial Statements

During the year under review, Management submitted the financial statements to the Auditor-General on 5 June, 2023 instead of the statutory deadline of 30 September 2023. This was contrary to Section 68(K) of the Public Finance Management Act, 2012 that

requires financial statements to be submitted within a period of three months after the financial year ends.

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

2. Irregular Transfer of Funds to the Kenya Secondary Schools Heads Association (KESSHA)

The statement of receipts and payments reflects a payments for operations amount of Kshs. 4,900,267 as disclosed in Note 2 to the financial statements. Included in the expenditure is an amount of Kshs.82,000 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.82,000 could not be confirmed.

3. Failure to Appoint Tender Opening and Award Committees in Boarding School Fund Payments

The statement of receipts and payments reflects boarding and school fund payments of Kshs.6,870,640 as reflected in Note 7 to the financial statements. Included in this component is Kshs.2,060,835 for the lunch program. Review of procurement documents for purchases under the programme reveal that the School did not have in place tender evaluation and tender opening committees contrary to Section 46 1) and section 78(1) of Public Procurement and Asset Disposal Act, 2015.

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

4. Irregular Procurement of a School Bus

Scrutiny of bank statements for the infrastructure and school fund accounts reveal that the School acquired a civilian second-hand motor vehicle cost of Kshs.3,195,314 that was refurbished and transformed into a school bus. This acquisition had no supporting documents as evidence of a competitive procurement process contrary to section 92 of the Public Procurement and Asset Disposal Act, 2015 which sets out the alternative methods of procurement that a public entity is required to select from and follow due process.

The following anomalies were also observed.

- 4.1 Crucial procurement documents such as bid documents, tender documents, tender advert, opening tender minutes, evaluation committee minutes, tender award letter and a financing agreement were not provided for audit review.

- 4.2 At the time of audit the bus was grounded and not in use but still incurring repair costs. The bus was operational for a period of a year until November 2023 and has been grounded since. In addition, the motor insurance cover for the bus had expired by the time of audit.
- 4.3 Management incurred brokerage costs on acquisition amounting to Kshs.50,000 for the acquisition of the vehicle contrary to procurement regulations that require advertising or notification of competitive bidders rather than using brokers.
- 4.4 The School Management borrowed Kshs.256,770 for the acquisition of the bus from undisclosed sources. The borrowings have not been disclosed under Note 16 to the financial statements. Further, there was no documentation provided showing the terms of the loan, the parties to the contract and the repayment arrangements.

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

5. Failure to Transfer Infrastructure Funds to Infrastructure Account

The statement of receipts and payments reflects capitation grants for operations of Kshs.2,876,324 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in this item is Kshs.862,000 in respect of infrastructure grants which were to be transferred to the infrastructure bank account for maintenance and improvement of the School's facilities and was earmarked for infrastructure as per the circulars received from the Ministry of Education. The amount ought to have been transferred to the infrastructure account within 15 days of receipt. However, only Kshs.717,000 was transferred and, therefore, the funds were not used on the School's infrastructure as intended contrary to Regulation 48(1)(d) and (e) of PFM Regulations, 2015 requiring allocations earmarked by the National Treasury for a specific purpose not to be used for other purposes.

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

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 and based on the audit procedures performed, except for the matters 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

1. Lack of an Approved Human Resource Policy

The Management did not provide an approved human resource policy, procedure manual, staff establishment, scheme of service and salary structure. In the absence of the above, it is unclear how vacancies were identified, and filled.

In the absence of a human resource policy the School's staff may lack basic guidelines and expectation on service delivery, compensation, career progression and personnel management.

2. Doubtful and undisclosed Student Accounts Receivables

Note 11 to the financial statements shows an amount of Kshs.6,888,739 relating to accounts receivables. However, the following observations were made;

- 2.1 The receivables are long outstanding student debtors including students who have since completed school and are therefore doubtful
- 2.2 The current fees arrears as at 30 June, 2022 were not disclosed in the financial statements.

Consequently, the accuracy, validity and recoverability of accounts receivables balance of Kshs.6,888,739 could not be ascertained.

3. Lack of Controls in the Management of Cash and Cash Equivalentents

The statement of financial assets and liabilities and Note 8 to the financial statements reflects cash and cash equivalentents balance of Kshs.479,137. The School operated five bank accounts during the year.

Review of cash books and monthly bank reconciliation statements revealed the following:

- 3.1 The Schools cash books do not undergo regular reviews by a senior officer to assist in detecting errors made in preparation of the cash books. Further, the School did not maintain a cash book for the year 2023 in respect of the school bus account.

There were no certified bank balances provided by ABSA bank Kenya in respect of all the five bank accounts held by the School to confirm the balances.

- 3.2 Note 8 to the financial statements indicates a closing cash in hand balance of Kshs.77,003 as at 30 June, 2023. Review of documents availed revealed that the School maintained a petty cash float system that was replenishment based. It was, however, noted that the School had no policy in place that sets a maximum limit of the petty cash balance, minimum balance and the custodians of petty cash. The system also lacked the necessary controls including segregation of duties between requisitioning and authorizing, regular cash checks and having a secure cash safe.

Lack of controls over cash and cash equivalents could lead to misappropriation of the School's funds.

4. Non-Disclosure and Lack of Ownership of Fixed Assets

The School did not have an updated fixed assets register. There were also no disclosures made on fixed assets including for land, buildings and motor vehicles of the School in Annex 2 of the financial statements-summary of fixed assets. The School sits on a four-acre piece of land with no ownership title deed provided for audit and no book value disclosed under Annex 2 to the financial statement.

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

5. Poor Management of Inventory

Note 17 to the financial statements indicates nil balances for all categories of inventory at the school. However, review of the School's stores records revealed the presence of store ledger cards for kitchen, laboratory equipment, stationery and library items. The value of the items in the laboratory equipment, stationery and library stores could not be determined as the store cards did not have the unit prices of the items. The stores also lacked checks and balances as the store cards are not regularly reviewed by a senior officer.

Further, the stores lacked necessary stores records such as inspection reports of Adhoc Committees on goods received, S11(stock issue) forms, S13 (stock receipt) - forms and an annual stock take report done by the Board of Management or a responsible official at the close of the financial year.

In the circumstances, the existence, valuation and actual position of the inventories of the School could not be confirmed.

6. Inaccuracy of Student enrollment data

Examination of documents provided for audit review revealed that on different dates there were discrepancies between the data in the County Director of Education/National Education Management Information System (NEMIS) and School records relating to the enrolment of students leading to over funding and underfunding based on number of students as tabulated below:

Month	Nemis Enrollment	Physical Count of Number of Students as per school register	Variance
July 2022	221	234	-13
September 2022	224	234	-10
January 2023	222	202	20
April 2023	195	202	-7

Under the circumstances the basis used to award capitation to the school could not be confirmed.

The audit was conducted in accordance with ISSAIs 2315 and ISSAIs 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 control, risk management and 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 the Management is aware of the intention to terminate the School or to cease operations.

Management is also responsible for the submission of the school's 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

Report of the Auditor-General on Gacege Secondary School for the year ended 30 June, 2023 - Kiambu County

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 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

27 September, 2024

Appendix 1 – Variances Between Cash Flow Statement and Notes to the Financial Statements

Item	As disclosed in the cashflow statement (Kshs.)	As disclosed in the notes to the financial statement (Kshs.)	Unexplained Variance (Kshs.)
School fund income- Parents/contribution fees	3,777,045	3,722,380	54,665
Payments for Tuition	710,667	971,485	(260,818)
Payments for operations	1,619,084	4,900,267	(3,281,183)
Boarding school and fund Payments	3,317,000	6,870,640	(3,553,640)
Total			7,150,306

Appendix 2 – Variances Between the Financial Statements and the General Ledger

Item	As disclosed in the Ledger (Kshs.)	As disclosed in the notes to the financial statement (Kshs.)	Variance in (Kshs.)
RECEIPTS			
Capitation grant for Tuition			
Text Books	12,000	28,800	(16,800)
Exercise Books	346,520	196,520	150,000
Teaching/Learning Materials	153,370	113,370	40,000
Chalks	368,247	14,713	353,534
Capitation Grant for Operations			

Item	As disclosed in the Ledger (Kshs.)	As disclosed in the notes to the financial statement (Kshs.)	Variance in (Kshs.)
Repairs & Maintenance	195,000	1,113,000	(918,000)
Admin Costs	3,185,377	262,377	2,923,000
Parents Contribution - School Fund A/c			
Lunch Programme	2,779,430	3,722,380	(942,950)
L T & T	44,545	0	44,545
Admin Costs	488,410	0	488,410
Other Receipts - School Fund			
Hire Ground and School Bus	0	80,900	(80,900)
Busrary Award	751,000	0	751,000
School farm	0	122,461	-122,461
PA Donations (from Sch.Fund a/c Ledger)	260,000	2,018,980	(1,758,980)
PAYMENTS			
Payments for Operations			
Personel Emoluments	906,459	1,183,871	(277,412)
Admin Costs	186,907	228,653	(41,746)
Local travelling	112,950	114,450	(1,500)
Activity	69,000	60,000	9,000
Payments for Tuition			
Exercise Books	150,000	404,018	(254,018)
Teaching Materials	185,000	210,368	(25,368)
Internal Exams	64,168	45,600	18,568

Item	As disclosed in the Ledger (Kshs.)	As disclosed in the notes to the financial statement (Kshs.)	Variance in (Kshs.)
Boarding and School Fund Payments			
Lunch Programme	1,989,355	2,060,835	(71,480)
RMI	27,150	29,450	(2,300)
LT & T	122,461	109,970	12,491
Admin costs	488,410	463,079	25,331
Personel Emoluments	30,000	133,301	(103,301)
Activity	78,410	95,490	(17,080)
Bus Hire	0	91,360	(91,360)
School Farm	0	32,965	(32,965)
Project	260,600	432,010	(171,410)
Bursary Award	751,000	0	751,000
Fee on Boarding Equipment & Stores(SES)	0	51,770	(51,770)
Acquisition of assets	0	3,336,770	3,336,770
Total			13,885,450

6.Statement Of Receipts and Payments For the Year Ended 30th June 2023

DESCRIPTION OF VOTE HEAD	Note	2022 - 2023	2021 - 2022
			Kshs
RECEIPTS			
Capitation grants for tuition	1	594,518	889,695
Capitation grants for operations	2	2,876,324	6,411,305.20
School Fund Income- Parents' Contributions	3	3,722,380	3,439,110
School Fund Income- Other receipts	4	2,228,341	2,223,225.35
Proceeds from borrowings			
TOTAL RECEIPTS		9,421,562	12,963,335.55
PAYMENTS			
Payments for Tuition	5	971,485	1,152,505
Payments for operations	6	4,900,267	4,439,199
Boarding and school fund payments	7	6,870,640	3,946,039
TOTAL PAYMENTS		12,742,392	9,537,743
SURPLUS/DEFICIT		(3,320,830)	3,425,592.55

The school financial statements were approved on _____ 2023 and signed by:

Name: Daniel kuria
Chair BOM



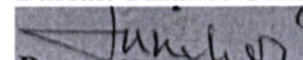
Date:17/7/2024

Name: Esther Kuria
School Principal/ Secretary to

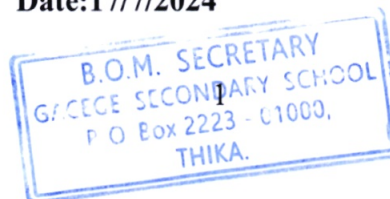
BOM 

Date:17/7/2024

Name: Joseph Ndirangu
Bursar/ Finance Officer



Date: 17/7/2024



7. Statement of Assets and Liabilities As At 30th June 2023

	Note	2022 - 2023	2021 - 2022
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	479,138	3,788,003
Cash Balances	9	77,003	(169,207)
Short term Investment	10	-	-
Total Cash and Cash Equivalents		556,141	3,618,797
Account's receivables	11	6,888,739	6,543,404
TOTAL FINANCIAL ASSETS		7,444,880	10,162,201
FINANCIAL LIABILITIES			
Accounts Payable	12	603,509	-
NET FINANCIAL SSETS		6,841,371	10,162,201
REPRESENTED BY			
Fund balance b/fwd 1st July 2022	13	10,162,201	6736608.00
Surplus/Defict for the year		(3,320,830)	3,425,593.00
NET FINANCIAL POSITION		6,841,371	10,162,201

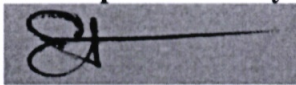
The school's financial statements were approved on _____ 2023 and signed by:

Name: Daniel kuria
Chair BOM



Date: 17/7/2024

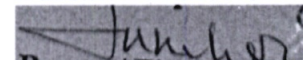
Name: Esther k kuria
School Principal/ Secretary to

BOM 

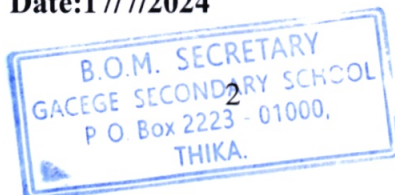
Date: 17/7/2024

Name: Joseph dirangu

Bursar/ Finance Officer



Date: 17/7/2024



8.Statement of Cash Flows for the Year Ended 30th June 2023

STATEMENT OF CASH FLOW		
	2022 - 2023	2021- 2022
	Kshs	Kshs
Receipts from operating activities		
Capitation grants for tuition	594,518	889,695
Capitation grants for operations	2,876,324	6,411,305.20
School fund income- Parents contributions/ fees	3,377,045	2,808,140
School fund income- other receipts	2,228,341	2,223,225.35
Total receipts	9,076,228	12,332,365.55
Payments		
Payments for Tuition	710,667	1,152,505
Payments for operations	1,619,084	3,166,789
Boarding and school fund payments	3,317,000	3,946,039
Total payments	5,646,751	8,265,333.00
Net cash flow from operating activities	3,429,477	4,067,032.55
CASHFLOW FROM INVESTING ACTIVITIES		
Proceeds from Sale of Assets	-	-
Acquisition of Assets	6,492,132	1,272,410
Proceeds from investments	-	-
Net cash flows from Investing Activities	6,492,132	1,272,410
NET CASHFLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings/ loans	-	-
Repayment of principal borrowings	-	-
Net cash flows from Financing Activities	-	-
NET INCREASE IN CASH AND CASH EQUIVALENT	(3,062,655)	2,794,522.55

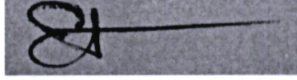
The school's financial statements were approved on _____ 2023 and signed by:

Name: Daniel Kuria
Chair BOM



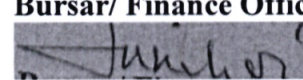
Date:17/7/2024

Name: Esther K Kuria
School Principal/ Secretary to

BOM 

Date:17/7/2024

Name: Joseph Ndirangu
Bursar/ Finance Officer



Date:17/7/2024



3. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2023

	a	b	c=a+b	d	e=c-d	f=d/c %	
	Kshs	Kshs			Kshs	Kshs	
RECEIPTS							
(1) CAPITATION GRANT ON TUITION							
Textbooks and reference materials	Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
Exercise books	170,820.00	0	170,820.00	196,520.00	(25,700.00)	115%	
Laboratory equipment	150,000.00	0	150,000.00	153,400.00	(3,400.00)	102%	
Internal exams	79,200.00	0	79,200.00	59,190.00	20,010.00	74%	
Teaching / learning materials	30,000.00	0	30,000.00	113,370.00	(83,370.00)	378%	
Chalks	22,087.00	0	22,087.00	14,713.75	7,373.25	67%	
Exams and assessment		-	-	-	-	-	
Library materials	81,625.00	0	81,625.00	28,524.00	53,101.00	40%	
(2) CAPITATION GRANT ON OPERATIONS							
Personnel emoluments	1,039,500.00	0	1,039,500.00	740,414.30	299,085.70	71%	
Repairs and maintenance	1,270,500.00	0	1,270,500.00	1,113,000.00	157,500.00	88%	

Local transport / travelling	254,100 .00	0	254,100.00	204,777.00	49,323.00	81%
Electricity and water	254,100.00	0	254,100.00	334,274.00	(80,174.00)	131%
Medical	244,860.00	0	244,860.00	41,900.00	202,960.00	17%-
Administration costs	254,100.00	0	254,100.00	262,377.00	(8,277.00)	103%
Activity	254,100.00	0	254,100.00	179,581.00	74,519.00	71%
Gratuity	-	-	-	-	-	-
SMASSE	-	-	-	-	-	-
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	0	0	0	0	0	0
Repairs and maintenance	0	0	0	0	0	0
Local transport / travelling	0	0	0	0	0	0
Electricity and water	0	0	0	0	0	0
Medical	0	0	0	0	0	0
Administration costs	0	0	0	0	0	0
Activity	0	0	0	0	0	0
SMASSE	0	0	0	0	0	0
Fee on Boarding Equipment and Stores	0	0	0	3,22,380.00	(322,380.00)	0
OTHER INCOME						
Rent income	-	-	-	-	-	-

Income from farming activities	-	-	-	122,461.00	(122,461.00)	0
Insurance compensation	-	-	-	-	-	-
Income from Posho mill	-	-	-	-	-	-
Income from Bus Hire	-	-	-	80,900.00	(80,900.00)	0
Fee for hire of ground and equipment	-	-	-	-	-	-
Interest income	-	-	-	-	-	-
Income from any other investment	-	-	-	2,024,980.00	(2,024,980.00)	0
TOTAL INCOME						
(1) EXPENDITURE FOR TUITION						
Textbooks and reference materials	0	0	10,000.00	28,338.00	(18,338.00)	283%
Exercise books			170,820.00	404,018.00	(233,198.00)	236%
Laboratory equipment	150,000	0	150,000.00	281,500.00	(131,500.00)	188%
Internal exams	79,200.00	0	79,200.00	45,600.00	33,600.00	57%-
Teaching / learning materials	40,000.00	0	40,000.00	210,368.00	(170,368.00)	526%
Chalks	0	0	0	0		
Exams and assessment	0	-	-	-	-	-
Library materials	0	0		0		

Administration costs	-	-	-	-	-	-
Bank Charges	0	0	0	1,661.00	(1,661.00)	0
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	1,039,500.00	0	1,039,500.00	1,183,871.00	(144,371.00)	114%
Repairs, maintenance & improvements	1,270,500.00	0	1,270,500.00	0	1,270,500.00	0%
Local transport / travelling	254,100.00	0	254,100.00	114,450.00	139,650.00	45%
Electricity, water and conservancy	254,100.00	0	254,100.00	136,930.00	117,170.00	54%
Medical	-	-	-	11,000.00	(11,000.00)	0%
Administration costs	290,400.00	0	290,400.00	228,653.60	61,746.40	79%
Activity Expenses	243,023.00	0	243,023.00	60,000.00	183,023.00	25%
Gratuity	-	-	-	-	-	-
SMASSE	-	-	-	-	-	-
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel emoluments	-	-	-	133,301.00	(133,301.00)	0%

Repairs, maintenance and improvements	0	0	0	29,450.00	(29,450.00)	0%
Local transport / travelling	0	0	0	109,970.00	(109,970.00)	0%
Electricity, water and conservancy	0	0	0	33,640.00	(33,640.00)	0%
Medical Expenses	0	0	0		0	0
Administration costs	0	0	0	463,079.25	(463,079.25)	0%
Activity	0	0	0	95,490.00	(95,490.00)	0%
Gratuity	-	-	-	-	-	-
Lunch programme	2,425,500.00	0	2,425,500.00	2,060,835.00	364,665.00	85%
Boarding Equipment and Stores	-	-	-	-	-	-
Expenditure for Income Generating Activity	0	0	0			-
Insurance costs	-	-	-	-	-	-
Other expenses on investments	-	-	-	91,360.00	(91,360.00)	0%
Rent Expenses	-	-	-	-	-	-
Bank Charges	-	-	-	-	-	-
Loan Interest Repayment	-	-	-	-	-	-
Loan Principal Repayment	-	-	-	-	-	-

Acquisition of Assets	-	-	-			-
TOTALS	10,161,315.00	0	10,161,315.00	11,745,076.00	7,905,075.00	3,318%

10. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

The *school* recognises all receipts from the various sources when the event occurs, and the related cash has actually been received by the *school*. In addition, the *school* recognises all expenses when the event occurs, and the related cash has actually been paid out by the *school*. Income arising from school fees is recognised when the event occurs whether cash is received or not. Expenditure arising from operations is recognised when the event occurs irrespective of receipt of cash.

3. In-kind contributions

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

4. Cash and cash equivalents

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

5. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. Accounts receivables also include school fees billed to parents for services rendered but not paid. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Payables also include expenditure incurred for the purchase of goods, works and services that has been rendered and not settled. This is an enhancement to the cash accounting policy adopted for public secondary schools. Other liabilities are disclosed in the financial statements.

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 20XX.

11. Notes To The Financial Statements**1 Government Grants for Tuition**

Description	2022-2023	2021-2022
	Kshs	Kshs
Text books	28,800.00	-
Exercise books	196,520.00	393,970.00
Laboratory equipments and apparatus	153,400.00	163,410.00
Teaching/learning materials	113,370.00	49,483.00
chalks	14,713.75	22,087.80
Internal exams	59,190.00	179,119.00
Reference books	28,524.00	
Teachers guides		81,625.00
Total	594,517.75	889,694.80

2 Government Grants for Operations

	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	740,414.30	1,304,172.40
Repairs and maintenance	1,113,000.00	1,616,337.00
Local transport / travelling	204,777.00	296,355.00
Electricity and water	334,274.00	407,525.00
Medical	41,900.00	52,800.00
Administration costs	262,377.00	292,649.80
activity	179,581.25	
School Fund		170,000.00
infrastructure		2271466.00
Total	2,876,323.55	6,411,305.20

3 School Fund Income - Parents Contribution/Fees

	2022-2023	2021-2022
	Kshs	Kshs
PERSONAL EMOLUMENT		
Repairs and maintenance		
Local transport / travelling		
Electricity and water		
Lunch programme	3,722,380.00	3,433,610.00
Administration costs		5,500.00
Activity		
Total	3,722,380.00	3,439,110.00

4. OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2022-2023	2021-2022
	Kshs	Kshs
Posho mill		
Hire ground and school bus	80,900.00	
KCSE Exam	6,000.00	17,500.00
School farm	122,461.00	89,484.00
Income from bus account		1359641.35
Donation		122,400.00
PA-donations, school van project	2,018,980.00	634,200.00
Total	2,228,341.00	2,223,225.35

5. PAYMENTS FOR TUITION

	2022-2023	2021-2022
	Kshs	Kshs
Text books	28,338.00	
Exercise books	404,018.00	434,300.00
Laboratory equipments and apparatus	281,500.00	323,550.00
Teaching/learning materials	210,368.00	210,200.00
chalks	0.00	40,650.00
Internal exams	45,600.00	143,570.00
Reference books	0.00	
Bank charges	1,661.00	235.00
Total	971,485.00	1,152,505.00

6. PAYMENTS FOR OPERATIONS

	2022-2023	2021-2022
	Kshs	Kshs
Personal Emoluments	1,183,871.00	1,562,219.00
Service Gratuity		
Administration Cost	228,653.60	600,910.00
Repairs and maintenance & improvements		396,000.00
Local transport / travelling	114,450.00	100,450.00
Electricity and water	136,930.00	198,860.00
Medical		
Activity Expenses	60,000.00	308,350.00
SMASSE		
ADMINISTRATION COST		
Bank Charges		
Acquisition of Assets	3,165,362.00	1,272,410.00
Insurance	11,000.00	
TOTAL	4,900,266.60	4,439,199.00

7. BOARDING AND SCHOOL FUND PAYMENTS

Lunch program	2,060,835.00	2,430,815.00
RMI	29,450.00	9,120.00
EWC	33,640.00	40,600.00
LT@T	109,970.00	114,150.00
MEDICAL		750.00
ADMIN COSTS	463,079.25	497,204.15
Personal emolument	133,301.00	
ACTIVITY	95,490.00	24,960.00
TUITION		
Bus hire	91,360.00	
School farm	32,965.00	22,690.00
PROJECT	432,010.00	782,350.00
Bank charges		
Expenses on Income Generating Activities		
Fee on Boarding Equipment and Stores	51,770.00	
Rent Expenses		
Insurance Cost (Life Property)		
Loan Principal repayment		
Loan Interest repayment		
KSCE Exam		23,400.00
Acquisition of Assets	3,336,770.00	
TOTAL	6,870,640.25	3,946,039.15

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.BANK ACCOUNTS

Name of Bank, Account No. & currency		2022-2023	2021-2022
		Kshs	Kshs
Tuition Account	1066854	2,528.05	118,677.30
Operations Account	1044761	145,661.55	10,731.60
School Fund Account/Boarding	1016431	96,242.50	27,486.65
Savings Account			
Income generating activities Account			
Infrastructural Account	2042960457	229,104.40	2,271,466.40
Bus Account	2042960481	5,601.40	1,359,641.40
Total		479,137.90	3,788,003.35

9.CASH IN HAND

Description	2022-2023	2021-2022
	Kshs	Kshs
Infrastructural Account	-	-
Tuition Account	-	-
Operation Account	1,691.00	(7,619.00)
School Fund account	75,312.10	(161,587.80)
Total	77,003.10	(169,206.80)

Notes to the Financial Statements (continued)

10 SHORT TERM INVESTMENTS

Description	2022-2023	2021-2022
	Kshs	Kshs
Cooperative shares	0.00	0.00
Treasury Bills	0.00	0.00
Fixed deposit	0.00	0.00
Equity stock	0.00	0.00
Other investments	0.00	0.00
Total	0.00	0.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11.ACCOUNTS RECEIVABLE

Description	2022-2023	2021-2022
	Kshs	Kshs
Fees arrears	6,888,739.05	6,543,404.05
Other non-fees receivables		
Salary advances		
Imprest		
Total	6,888,739.05	6,543,404.05

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

Description	2022-2023	2021-2022
	Kshs	Kshs
Fees arrears for current year	801,720.00	955,170.00
Fees arrears recovered during the year		
Fees arrears for the previous year		
Fees arrears for prior periods (over two years)	6,087,019.05	5,588,234.05
Total	6,888,739.05	6,543,404.05

12.ACCOUNTS PAYABLE

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	603,509.00	-
Prepaid fees		
Retention monies		
Total	603,509.00	-

Include ageing of the creditor's arrears below

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade creditors for current year	603,509.00	-
Trade creditors paid during the year		-
Trade creditors for the previous year		-
Trade creditors for prior periods (over two years)		-
Total	603,509.00	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)**13.FUND BALANCE BROUGHT FORWARD**

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank balances	479,137.90	3,728,003.35
Cash balances	77,003.10	(169,206.80)
Short Term Investments	0	-
Receivables	6,888,739.05	6,543,404.05
Payables	(603,509.00)	-
Total	6,841,371.05	10,162,200.60

Other important disclosure notes

Annual Report and Financial Statements For the year ended 30th June 2023

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

14.Non-current Liabilities Summary

Description	Insert Current 2022-2023 Kshs	Insert Comparative 2021-2022 Kshs
Bank Loans	0.00	0.00
Outstanding Leases	0.00	0.00
Hire Purchase	0.00	0.00
Gratuity And Leave Provision	0.00	0.00
Others (specify)	0.00	0.00
Total	0.00	0.00

15.Biological assets

Description	Numbers	Insert Current 2022-2023 Kshs	Insert Comparative 2021-2021 Kshs
Cattle		0.00	0.00
Goats		0.00	0.00
Trees		0.00	0.00
Coffee Or Tea Plantation		2,800.00	2,800.00
Poultry		0.00	0.00
Others (specify)		0.00	0.00
Total		0.00	0.00

16.Borrowings

Description	Kshs	Kshs
Borrowings at beginning of the year	0.00	0.00
Borrowings during the year	0.00	0.00
Repayments during the year	0.00	0.00
Balance at the end of the year	0.00	0.00

Other important disclosure notes

17 Stock/ Inventory

Description	Insert Current 2022-2023	Insert Comparative 2021-2022
	Kshs	Kshs
Food stuffs	0.00	0.00
Lab consumables	0.00	0.00
Farm produce	0.00	0.00
Medication	0.00	0.00
Construction Materials	0.00	0.00
Others (specify)	0.00	0.00

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)

Sign and Date
Principal

12. Annexes

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Outstanding Balance 2023	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
Sub-Total						
Supply of goods						
Mzima technology (Machine servicing)	66,800.00		60,000.00	6,800.00		
Daniel Kuria (Bus creditor)	256,770.00		0	256,770.00		
Pengu Trader (learning material)	489,939.00		150,000.00	339,939.00		
Sub-Total				603,509.00		
Supply of services						
Sub-Total						
Grand Total				603,509.00		

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 st July 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2023
Land				
Buildings And Structures				
Motor Vehicles				
Office Equipment, Furniture And Fittings				
Textbooks				
ICT Equipment				
Tools And Apparatus				
Other Machinery And Equipment				
Heritage And Cultural Assets				
Intangible Assets- Soft Ware				
Total				

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