

REPUBLIC OF KENYA



*Enhancing Accountability*



**REPORT**

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 04 MAR 2025

DAY.  
Tuesday

|                        |   |
|------------------------|---|
| OF<br>Tabled<br>BY:    | Deputy chief whip<br>Majority Party<br>Hon. Naomi Jillo |
| CLERK-AT<br>THE-TABLE: | Benson Inzaju   |

**THE AUDITOR-GENERAL**

**ON**

**GICHURU HIGH SCHOOL**

**FOR THE YEAR ENDED**

**30 JUNE, 2022**

**KIAMBU COUNTY**



OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
Revised 30<sup>th</sup> June 2022

26 JUL 2024

RECEIVED



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**GICHURU HIGH SCHOOL**

**PUBLIC SECONDARY SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

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

**GICHURU HIGH SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

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**I. KEY SCHOOL INFORMATION AND MANAGEMENT**

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

**(a) Background information**

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

The school was registered in 1/4/2016 under registration number 22sec300216 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 368 number of students as at 30<sup>th</sup> June 2022. It has two streams and 18 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:

|    |                     |                       |          |
|----|---------------------|-----------------------|----------|
| 1  | REV. HIRAM GITHAIGA | Chairman-sponsor      | 6/3/2019 |
| 2  | JOSEPH M. NGUGI     | Secretary - Principal | 6/3/2019 |
| 3  | DANIEL GICHIRA      | Member                | 6/3/2019 |
| 4  | FRANCIS NJENGA      | Member                | 6/3/2019 |
| 5  | JOSEPH KANG'ETHE    | Member                | 6/3/2019 |
| 6  | JANE WAMBUI         | Member                | 6/3/2019 |
| 7  | TERESIAH JOCHO      | Member                | 6/3/2019 |
| 8  | FRANCIS NJENGA      | Member                | 6/3/2019 |
| 9  | SUSAN GITAU         | Member – Rep CEB      | 6/3/2019 |
| 10 | ZIPPORAH KANGETHE   | Member Rep Teachers   | 6/3/2019 |
| 12 | SARAH WAIRAGI       | Sponsor               | 6/3/2019 |
| 13 | GODFREY MUNGAI      | Sponsor               | 6/3/2019 |
| 14 | MOSES NGUGI         | Member - Community    | 6/3/2019 |
| 15 | PETER KIBIRU        | Rep Students          | 6/3/2019 |
|    |                     |                       |          |

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

**The function of the School Board of Management include:**

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013
- Ensure and assure the provision of proper and adequate facilities for the School
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School.
- Determine cases of pupils discipline and make reports to the CEB
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB
- Administer and manage the resources of the School
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule 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.   | <b>Executive Committee</b>                                | Rev.Hiram Githaiga<br>Francis Njenga<br>Joseph Ngugi<br>Daniel Gichira<br>Sarah Wairagi                   | Chairman<br>Vice chairman<br>Secretarty<br>Member<br>member      | 3   |
| 2.   | <b>Audit Committee</b>                                    | Rev.Hiram Githaiga<br>Francis Njenga<br>Joseph Ngugi<br>Daniel Gichira<br>Sarah Wairagi                   | Member<br>Member<br>Secretary<br>Member<br>chairperson           | 3   |
| 3.   | <b>Finance,procurement and general purposes Committee</b> | Rev.Hiram Githaiga<br>Francis Njenga<br>Joseph Ngugi<br>Daniel Gichira<br>Sarah Wairagi                   | Member<br>Member<br>Secretary<br>Member<br>chairperson           | 3   |
| 4.   | <b>Academic Committee</b>                                 | Susan Gitau<br>Rev.Matere Ng'anga<br>Samuel Ngaruiya<br>Jane Wambui<br>Zipporah Kang'ethe<br>Joseph Ngugi | Chairperson<br>Member<br>Member<br>Member<br>Member<br>Secretary | 3   |

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**For the year ended 30<sup>th</sup> June 2022**

|    |  |  |  |   |
|----|--|--|--|---|
| 5. | Development Committee                    | Godfrey Mungai<br>Daniel Gichira<br>Francis Njenga<br>Teresiah Jocho<br>Joseph Ngugi | Chairperson<br>Member<br>Member<br>Member<br>Secretary | 3 |
| 6. | Discipline and welfare Committee         | none   |  | 0 |
| 7. | Adhoc Committee (if any during the year) | Laban saya<br>Mary mwathi<br>Zipporah kang'ethe<br>Mary kimani<br>Titus nyamongo     | Chairperson<br>Secretary<br>Member<br>Member<br>Member | 2 |

**(d) School operation Management**

For the financial year ended 30<sup>th</sup> June 20xx the School day-to-day management was under the following persons:

| Ref: | Designation      | Name                | TSC Number |
|------|------------------|---------------------|------------|
| 1    | Principal        | JOSEPH MWANGI NGUGI | 357261     |
| 2    | Deputy Principal | LABAN AKULA SAYA    | 353444     |
| 3    | School Bursar    | MARY MUTHONI MWATHI | none       |
|      |                  |                     |            |

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

**(e) Schools contacts**

Post Office Box: 82-00218 ngecha  
Telephone: 0722255124  
E-mail: [gichuruhighschool@yahoo.com](mailto:gichuruhighschool@yahoo.com)  
Website: NA  
Facebook: NA  
Twitter: NA

**(f) School Bankers**

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

1. Name of Bank: EQUITY BANK-TUITION  
Branch: LIMURU  
Account Number: 0690291736582
2. Name of Bank: EQUITY BANK-OPERATION  
Branch: LIMURU  
Account Number: 0690291736287
3. Name of Bank: NATIONAL BANK-SCHOOL FUND  
Branch: LIMURU  
Account Number: 01020050845800
4. Name of Bank: EQUITY BANK-INFRASTRUCTURE ACCOUNT  
Branch: LIMURU  
Account Number: 0690280378491
5. MPESA Pay Bill No.-NONE

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

**(g) Independent Auditors**

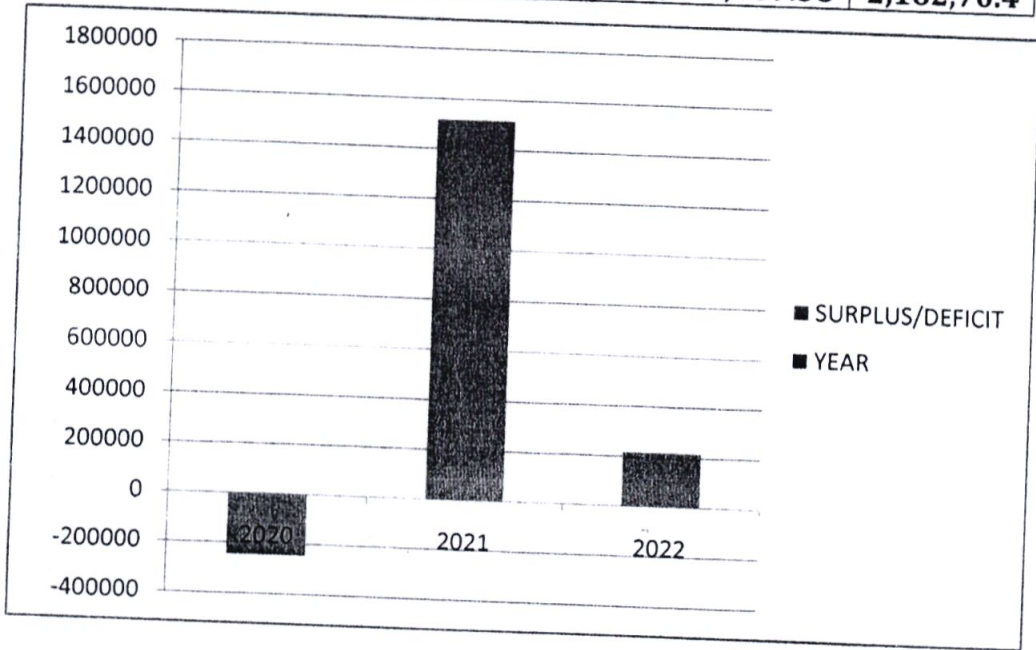
Office of the Auditor General  
Anniversary Towers, University Way,  
P.O. Box 30084  
GPO 00100  
Nairobi, Kenya

**II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL**

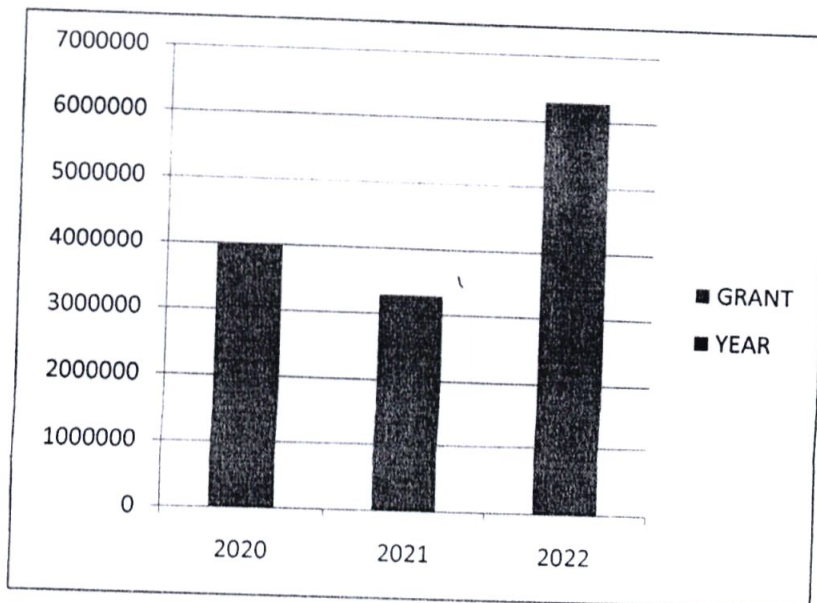
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) **Financial performance:**

| <b>COMPARISON OF SURPLUS/DEFICIT FOR THE PAST 3 YEARS</b> |                    |                     |                   |
|---|--------------------|---------------------|-------------------|
| <b>YEAR</b>   | <b>2020</b>        | <b>2021</b>         | <b>2022</b>       |
| <b>SURPLUS/DEFICIT</b>                                    | <b>-245,316.20</b> | <b>1,514,869.35</b> | <b>2,162,70.4</b> |

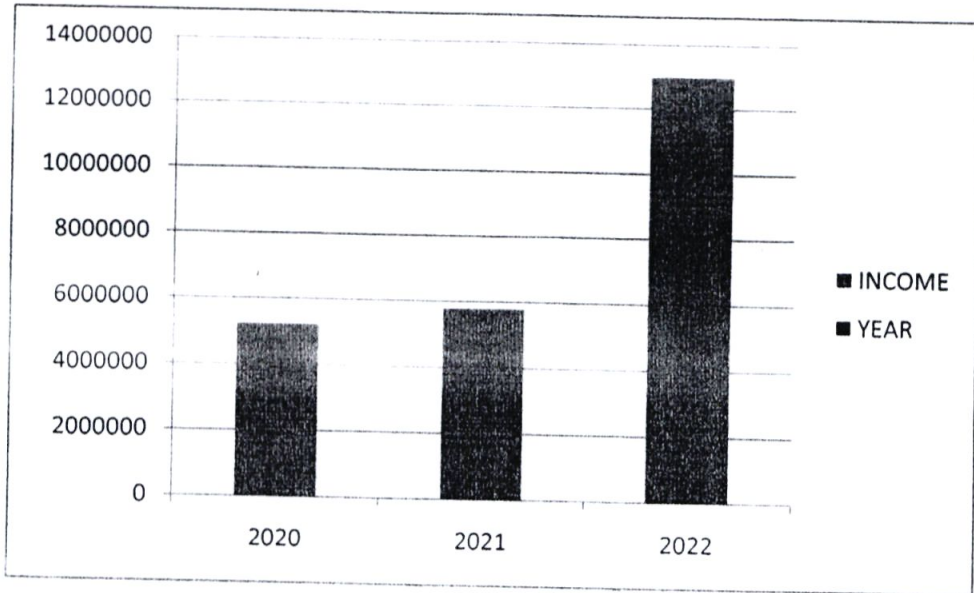


| <b>COMPARISON OF GRANT FOR THE PAST 3 YEARS</b> |                     |                     |                     |
|---|---------------------|---------------------|---------------------|
| <b>YEAR</b>                                     | <b>2020</b>         | <b>2021</b>         | <b>2022</b>         |
| <b>GRANT</b>                                    | <b>4,009,195.80</b> | <b>3,287,226.35</b> | <b>6,292,991.40</b> |



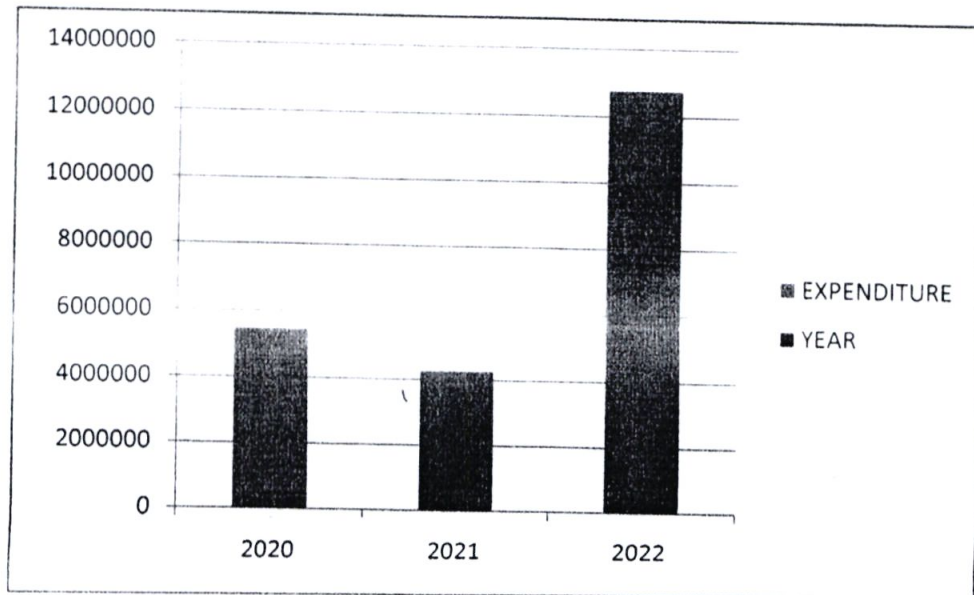
**COMPARISON OF GROWTH OF INCOME FOR THE PAST 3 YEARS**

| YEAR          | 2020                | 2021                | 2,022.00             |
|---------------|---------------------|---------------------|----------------------|
| <b>INCOME</b> | <b>5,240,979.80</b> | <b>5,782,622.35</b> | <b>12,985,313.40</b> |

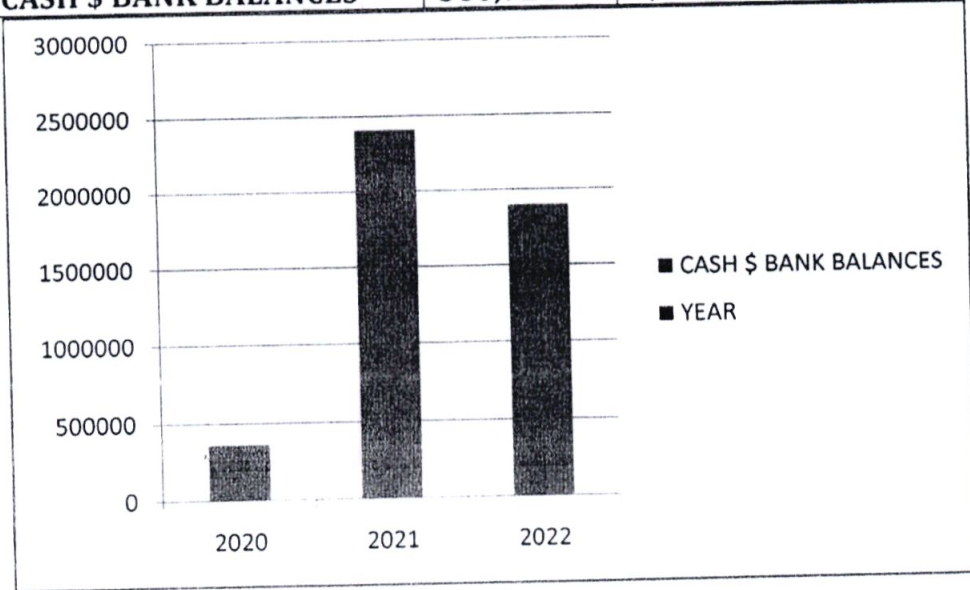


**COMPARISON OF GROWTH OF EXPENDITURE FOR THE PAST 3 YEARS**

| YEAR               | 2020                | 2021                | 2022                 |
|--------------------|---------------------|---------------------|----------------------|
| <b>EXPENDITURE</b> | <b>5,486,296.00</b> | <b>4,267,753.00</b> | <b>12,769,043.00</b> |

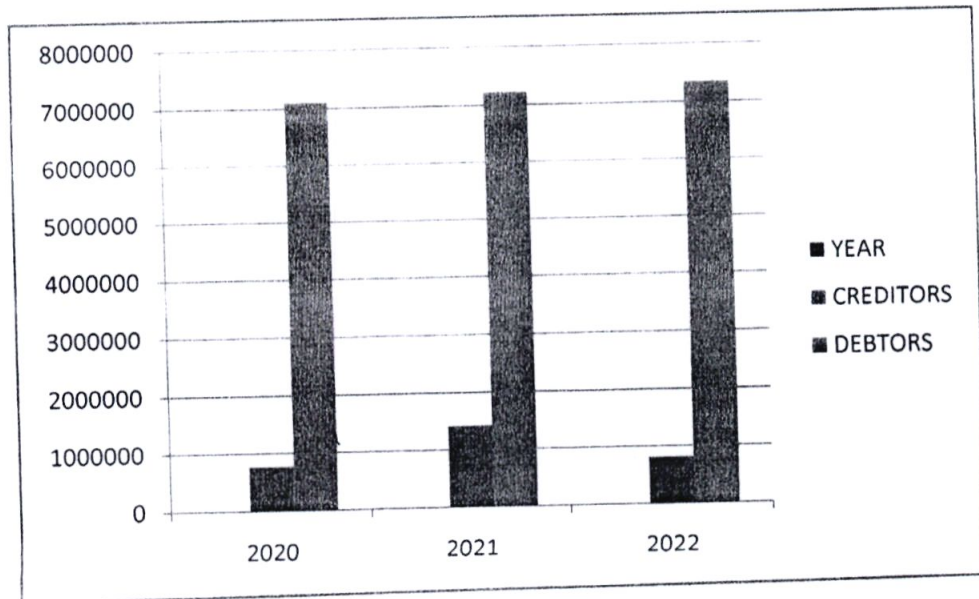


| <b>MOVEMENT OF CASH AND BANK BALANCES FOR THE PAST 3 YEARS</b> |                   |                     |                     |
|--|-------------------|---------------------|---------------------|
| <b>YEAR</b>  | <b>2020</b>       | <b>2021</b>         | <b>2022</b>         |
| <b>CASH \$ BANK BALANCES</b>                                   | <b>360,714.77</b> | <b>2,406,200.12</b> | <b>1,893,950.39</b> |



**MOVEMENT OF DEBTORS AND CREDITORS FOR THE PAST 3 YEARS**

| <b>YEAR</b>      | <b>2020</b>         | <b>2021</b>         | <b>2,022</b>        |
|------------------|---------------------|---------------------|---------------------|
| <b>CREDITORS</b> | <b>770,715.00</b>   | <b>1,419,915.00</b> | <b>807,116.00</b>   |
| <b>DEBTORS</b>   | <b>7,107,755.90</b> | <b>7,226,339.90</b> | <b>7,342,060.90</b> |



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b) **Teacher Student ratio:**

|                                    | <b>2022</b> |
|------------------------------------|-------------|
| Number of teachers                 | 18          |
| Number of students                 | 368         |
| Teacher student ratio              | 1:20        |
| Number of teachers recruited       | 0           |
| Number of teachers posted          | 0           |
| Number of teachers transferred     | 0           |
| Number of teachers employed        | 0           |
| Number of teachers employed by BoM | 4           |

| <b>SUBJECT</b>     | <b>NUMBER OF TEACHERS PER SUBJECT(TSC/B.O.M)</b> |
|--------------------|--|
| ENGLISH            | 2  |
| KISWAHILI          | 3  |
| MATHS              | 5  |
| BIOLOGY            | 3  |
| PHYSICS            | 1  |
| CHEMISTRY          | 3  |
| HISTORY            | 2  |
| GEOGRAPHY          | 3  |
| CRE                | 2  |
| AGRICULTURE        | 2  |
| BUSINESS STUDIES   | 2  |
| COMPUTER           | 1  |
| PHYSICAL EDUCATION | 1  |

c) **Mean score in the 2022 KCSE:**

| <b>YEAR</b> | <b>2020</b> | <b>2021</b> | <b>2022</b> |
|-------------|-------------|-------------|-------------|
| MEAN SCORE  | 3.189       | 2.213       | 2.439       |
| C+ & ABOVE  | 7           | 3           | 1           |
| DEVIATION   | +0.632      | -0.976      | +0.226      |

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d) Number of Candidates in the 2022 KCSE:

| YEAR                 | 2020 | 2021 | 2022 |
|----------------------|------|------|------|
| NUMBER OF CANDIDATES | 54   | 94   | 98   |

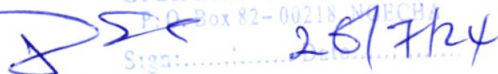
e) Capacity of the school:

| FACILITY          | CLASSROOM | LABORATORY | DINING | LIBRARY | TOILET S | COMPUTER LAB |
|-------------------|-----------|------------|--------|---------|----------|--------------|
| Number            | 12        | 2          | 1      | 2       | 25       | 1            |
| Capacity          | 600       |            | 800    | 40      |          |              |
| No of students    | 360       | 360        | 360    | 360     | 360      |              |
| required          | 7         | 3          | 1      | 2       | 14       |              |
| Shortage / excess | 5         | 1          | 0      | 0       | 12       |              |

F) Development projects carried out by the school:

| PROJECT                                    | SORCE OF INCOME | AMOUNT     | STATUS |
|--|-----------------|------------|--------|
| PLUMBING SERVICES                          | M.I.F           | 7,780.00   | DONE   |
| PURCHASE OF STUDNTS LOCKERS                | M.I.F           | 487,200.00 | DONE   |
| PURCHASE OF METALLIC DOORS                 | M.I.F           | 48,500.00  | DONE   |
| PAINTING OF CLASSROOMS AND SCHOOL FACELIFT | M.I.F           | 137,377.00 | DONE   |
| WINDOW PANES AND ELECTRICAL SERVICES       | M.I.F           | 52,745.00  | DONE   |
| SERVICING OF MACHINES                      | M.I.F           | 130,800.00 | DONE   |
| FURNITURE REPAIRS                          | M.I.F           | 47,000.00  | DONE   |
| CLASSROOM REPAIRS                          | M.I.F           | 73,000.00  | DONE   |
| CBC CLASSROOM                              | M.I.F           | 200,000.00 | DONE   |
| TOTALS                                     |                 | 1,184,402  |        |

Sign

 26/7/24

School Principal


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

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30<sup>th</sup> June, 2022, and of the school's financial position as at that date.

**Name:** Rev. Patrick Warutere  
**Designation:** Chairman, School Board of Management  
**Sign:**   
**Date:** 26/7/2024

**Name:** JOSEPH MWANGI NGIGI  
**Designation:** School Principal & Secretary to Board of Management  
**Sign:**   
**Date:** 26/7/24

**Name:** MARY MUTHONI MWATHI  
**Designation:** Bursar/ Finance Officer  
**Sign:**   
**Date:** 26/7/24

**REPORT OF THE AUDITOR-GENERAL ON GICHURU HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 - KIAMBU COUNTY**

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**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 Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

**REPORT ON THE FINANCIAL STATEMENTS**

**Qualified Opinion**

I have audited the accompanying financial statements of Gichuru High School - Kiambu County set out on pages 13 to 27, which comprise the statement of financial assets and

liabilities as at 30 June, 2022 and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects 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 Gichuru High School - Kiambu County as at 30 June, 2022 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Unsupported Payment for Operation**

The statement of receipts and payments reflects payment for operation expenditure of Kshs.4,694,172 (wrongly indicated as Kshs.5,878,574 in Note 6 to the financial statements). However, the amount was not supported with cash books, schedules, contracts and receipts.

In the circumstances, the completeness and accuracy of payments totaling Kshs.4,694,172 could not be confirmed.

#### **2. Unsupported Cash and Cash Equivalents**

Statement of financial assets and liabilities and Notes 8 and 9 to the statement of financial statements reflects cash and cash equivalents balance totaling Kshs.1,760,231. However, the balance was not supported with monthly bank reconciliation statements and board of survey report.

In the circumstances, the completeness and accuracy of the cash and cash equivalents balance of Kshs.1,760,231 could not be confirmed.

#### **3. Unsupported Long Outstanding Accounts Receivables**

The statement of financial assets and liabilities and Note 11 (wrongly indicated as Note 10) to the financial statements reflects accounts receivables balance of Kshs.7,098,582. However, the balance was not supported with ledgers. Further, included in the balance is amount of Kshs.6,610,129 which has been outstanding for more than two (2) years.

In the circumstances, the accuracy and completeness of the accounts receivables balance of Kshs.7,098,582 could not be confirmed.

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

### **Key Audit Matters**

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

### **Other Matter**

### **Unresolved Prior Year Matters**

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

### **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association**

The statement of receipts and payments reflects payments of operation of Kshs.4,694,172 (wrongly indicated as Kshs.5,878,574 in Note 6 to the financial

statements). However, included in the amount is Kshs.345,180 which was 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, Management was in breach of the law and value for money was not achieved from the amount transferred to KESSHA totaling to Kshs.345,180.

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

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

In the circumstances, Management was in breach of the Ministry of Education Circular.

## **3. Failure to Transfer Infrastructure Funds from Operations Account**

The statement of receipts and payments reflects operations grants amount of Kshs.5,120,716 as disclosed in Note 2 to the financial statements which was received from the Ministry of Education and credited in the operations bank account. Included in the amount is Kshs.1,945,000 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, only Kshs.177,000 was transferred to infrastructure account, leaving a balance of Kshs.1,768,000 as at 30 June, 2022. This was contrary to the Ministry of Education Circular Ref.No:MOE.HQS/3/13/3 dated 16 June, 2021 which directs that infrastructure grants as well as maintenance and improvement funds to be transferred to the School infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

In the circumstances, Management was in breach of the Ministry of Education Circular.

## **4. Late Submission of Financial Statements to the Auditor-General**

The financial statements for the year 2021/2022 were submitted on 16 March, 2023 to the Auditor-General and not on the statutory date of 30 September, 2022. This was contrary to Section 47(1) of the Public Audit Act, 2015 which requires that financial

statements to be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.

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

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (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 Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

#### **Failure to Establish Mandatory Board Committees**

The Board of management failed to establish the Audit Committee, Finance, Procurement and General Purposes Committee, and the Human Rights & Student Welfare Committee as distinct Committees. This was contrary to Section 61 (1) of the Basic Education Act, 2013, which mandates the establishment of these Committees.

In the circumstances, the efficiency and effectiveness of the governance system could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (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**

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 control 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 the sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or cease operations.

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

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

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

## **Auditor-General's Responsibilities for the Audit**

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control 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 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 noncompliance. 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 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 Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control 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**

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

| DESCRIPTION OF VOTE HEAD                   | Note | 2022-2021         | 2021-2020           |
|--|------|-------------------|---------------------|
|  |      | Kshs              | Kshs                |
| <b>RECEIPTS</b>                            |      |                   |                     |
| Capitation grants for tuition              | 1    | 1,172,275.00      | 451,098.50          |
| Capitation grants for operations           | 2    | 5,120,716.40      | 2,836,127.85        |
| School Fund Income- Parents' Contributions | 3    | 6,227,995         | 2,114,680           |
| School Fund Income- Other receipts         | 4    | -                 | -                   |
| Proceeds from borrowings                   |      |                   |                     |
| <b>TOTAL RECEIPTS</b>                      |      | <b>1,2520,987</b> | <b>5,401,906.35</b> |
| <b>PAYMENTS</b>                            |      |                   |                     |
| Payments for Tuition                       | 5    | 1,299,710         | 355,780             |
| Payments for operations                    | 6    | 4,694,172         | 1,287,300           |
| Boarding and school fund payments          | 7    | 6,154,952         | 1,550,467           |
| Payments For Infrastructure                |      | 1,184,402         | 306,604             |
| <b>TOTAL PAYMENTS</b>                      |      | <b>13,333,236</b> | <b>3500151</b>      |
| <b>SURPLUS/DEFICIT</b>                     |      | <b>(812,249)</b>  | <b>1,901,755.35</b> |

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

Sign: \_\_\_\_\_



Sign: \_\_\_\_\_



Sign: \_\_\_\_\_



Name: Rev. Patrick Warutere Name: Joseph Ngugi

Name: Mary Mwathi

Chair BOM

School Principal/  
Secretary to BOM

Bursar/  
Finance Officer

Date

26/7/2024

Date

26/7/24

Date

26/7/24

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**VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30<sup>TH</sup> JUNE 2022**

|                                       | Note | 2022-2021           | 2021-2020           |
|---------------------------------------|------|---------------------|---------------------|
|                                       |      | Kshs                | Kshs                |
| <b>FINANCIAL ASSETS</b>               |      |                     |                     |
| <b>Cash and Cash Equivalents</b>      |      |                     |                     |
| Bank Balances                         | 8    | 1,675,517.39        | 2,159,775.39        |
| Cash Balances                         | 9    | 84,714.00           | 112,705.00          |
| Short term Investment                 | 10   | -                   | -                   |
| <b>Total Cash and cash equivalent</b> |      | <b>1,760,231.39</b> | <b>2,272,480.39</b> |
| Account's receivables                 | 10   | 7,098,581.63        | 7,601,343.63        |
| <b>TOTAL FINANCIAL ASSETS</b>         |      | <b>8,858,813.02</b> | <b>9,873,824.02</b> |
| <b>FINANCIAL LIABILITIES</b>          |      |                     |                     |
| Accounts Payables                     | 11   | 1,071,551           | 1,274,313           |
| <b>NET FINANCIAL ASSETS</b>           |      | <b>7,787,262.02</b> | <b>8,599,511.02</b> |
| <b>REPRESENTED BY</b>                 |      | <b>7,787,262.02</b> | <b>8,599,511.02</b> |
| Accumulated Fund b/fwd                | 12   | 8,599,511.02        | 6,697,755.67        |
| Surplus/Deficit for the year          |      | (812,249)           | 1,901,755.35        |
| <b>NET FINANCIAL POSSITION</b>        |      | <b>7,787,262.02</b> | <b>8,599,511.02</b> |

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

**Name:** Rev.P. Warutere  
*Chairman, BoM*

**Sign:** 


**Date:** 26/7/2024

**Name:** JOSEPH M. NGUGI  
*School Principal/Secretary to BoM*

**Sign:** 

**Date:** 26/7/24

**Name:** MARY MWATHI  
*Bursar/Finance*

**Sign:** 

**Date:** 26/7/24

**VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2022**

|  |   | 2022-2021           | 2021-2020           |
|--|---|---------------------|---------------------|
|  |   | Kshs                | Kshs                |
| <b>Receipts for operating income</b>                     |   |                     |                     |
| Capitation grants for tuition                            | 1 | 1,172,275.00        | 451,098.50          |
| Capitation grants for operations                         | 2 | 5,120,716.40        | 2,836,127.85        |
| School fund income- Parents contributions/ fees          | 3 | 6227995             | 2,114,680           |
| School fund income- other receipts                       | 4 | -                   | -                   |
| <b>Total receipts</b>                                    |   | <b>12520987</b>     | <b>5,401,906.35</b> |
| <b>Payments</b>  |   |                     |                     |
| Payments for Tuition                                     |   | 1,299,710           | 355,780             |
| Payments for operations                                  |   | 4,694,172           | 1,287,300           |
| Boarding and school fund payments                        |   | 6,154,952           | 1,550,467           |
| Payments for infrastructure                              |   | 1,184,402           | 306,604             |
| <b>Total payments</b>                                    |   | <b>13,333,236</b>   | <b>3,500,151</b>    |
| <b>Net cash flow from operating activities</b>           |   | <b>(812,249)</b>    | <b>1,901,755.35</b> |
| <b>CASHFLOW FROM INVESTING ACTIVITIES</b>                |   |                     |                     |
| Proceeds from Sale of Assets                             |   | -                   | -                   |
| Acquisition of Assets                                    |   | -                   | -                   |
| Proceeds from investments                                |   | -                   | -                   |
| Purchase of investments                                  |   | -                   | -                   |
| <b>Net cash flows from Investing Activities</b>          |   | <b>-</b>            | <b>-</b>            |
| <b>CASHFLOW FROM BORROWING ACTIVITIES</b>                |   |                     |                     |
| Proceeds from borrowings/ loans                          |   | -                   | -                   |
| Repayment of principal borrowings                        |   | -                   | -                   |
| <b>Net cash flow from financing activities</b>           |   | <b>-</b>            | <b>-</b>            |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>         |   | <b>(812,249)</b>    | <b>1,901,755.35</b> |
| <b>Cash and cash equivalent at BEGINNING of the year</b> |   | <b>2262469.35</b>   | <b>360,714.00</b>   |
| <b>Cash and cash equivalent at END of the year</b>       |   | <b>1,450,220.35</b> | <b>2,262,469.35</b> |

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

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

| Receipt/Expense Item                      | Original Budget | Adjustments  | Final Budget | Actual on Comparable Basis | Budget Utilization Difference | % of Utilization |
|---|-----------------|--------------|--------------|----------------------------|-------------------------------|------------------|
|   | a               | b            | c=a+b        | d                          | e=c-d                         | f=d/c %          |
| <b>RECEIPTS</b>                           |                 |              |              |                            |                               |                  |
| <i>(1) CAPITATION GRANT ON TUITION</i>    |                 |              |              |                            |                               |                  |
| Text books                                | -               | -            | -            | -                          | -                             |                  |
| Exercise books                            | 692,880.00      |              | 692,880      | 790,685                    | (97,805)                      | 114.1%           |
| Laboratory equipments and apparatus       | 168,862.00      | (13,000.00)  | 155,862      | 155,000                    | 862                           | 99.4%            |
| Teaching/learning materials               | 83,058.00       | 13,000.00    | 96,058       | 226,590                    | (130,532)                     | 235.9%           |
| chalks                                    | 9,200.00        |              | 9,200        | -                          | 9,200                         | 0.0%             |
| Internal exams                            | -               | -            | -            | -                          | -                             | 0.0%             |
| Reference books                           | -               | -            | -            | -                          | -                             |                  |
|   |                 |              |              |                            |                               |                  |
| <i>(2) CAPITATION GRANT ON OPERATIONS</i> |                 |              |              |                            |                               |                  |
| Personnel emoluments                      | 1,408,375.00    | 28649        | 1,437,024    | 1,437,024                  | 0                             | 100.0%           |
| Repairs and maintenance                   | 1,750,000.00    | (541,582.00) | 1,208,418    | 1,177,000                  | 31,418                        | 97.4%            |
| Local transport / travelling              | 655,800.00      |              | 655,800      | 630,000                    | 25,800                        | 96.1%            |
| Electricity and water                     | 180,000.00      |              | 180,000      | 50,000                     | 130,000                       | 27.8%            |
| Medical                                   | -               |              | 0            | -                          | -                             | 0.0%             |
| Administration costs                      | 1,194,260.00    | 512,933.00   | 1,707,193    | 1,707,193                  | -                             | 100.0%           |
| Insurance                                 | -               |              | 0            | -                          | -                             | 0.0%             |
| Activity                                  | 274,500.00      |              | 274,500      | 119,500                    | 155,000                       | 43.5%            |
| <i>(3) FEES CHARGED ON PARENTS</i>        |                 |              |              |                            |                               |                  |
| Personnel emoluments                      | -               | -            | -            | -                          | -                             | 0.0%             |
| Repairs and maintenance                   | -               | -            | -            | -                          | -                             | 0.0%             |
| Local transport / travelling              | -               | -            | -            | -                          | -                             | 0.0%             |

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|                                     |                   |              |                   |                   |               |              |
|-------------------------------------|-------------------|--------------|-------------------|-------------------|---------------|--------------|
| Electricity and water               | -                 | -            | -                 | -                 | -             | 0.0%         |
| Medical                             | -                 | -            | -                 | -                 | -             | 0.0%         |
| Administration costs                | -                 | -            | -                 | -                 | -             | 0.0%         |
| Activity                            | -                 | -            | -                 | -                 | -             | 0.0%         |
| SMASSE                              | -                 | -            | -                 | -                 | -             | 0.0%         |
| LUNCH FEE                           | 6,148,800.00      | 0            | 6,148,800         | 5,790,950         | 357,850       | 94.2%        |
| PA Donations                        | -                 | -            | -                 | -                 | -             | 0.0%         |
| Insurance                           | -                 | -            | -                 | -                 | -             | 0.0%         |
| arrears                             | -                 | -            | -                 | 437,045.00        | (437,045)     | 0.0%         |
| <b>OTHER INCOME</b>                 |                   |              |                   |                   |               |              |
| House rent                          | -                 | -            | -                 | -                 | -             | 0.0%         |
| School farm                         | -                 | -            | -                 | -                 | -             | 0.0%         |
| Losses/Damages                      | -                 | -            | -                 | -                 | -             | 0.0%         |
| Interest income                     | -                 | -            | -                 | -                 | -             | 0.0%         |
| <b>TOTAL INCOME</b>                 | <b>12,565,735</b> | <b>0</b>     | <b>12,565,735</b> | <b>12,520,986</b> | <b>44,748</b> | <b>99.6%</b> |
| <b>(1) EXPENDITURE FOR TUITION</b>  |                   |              |                   |                   |               | 0.0%         |
| Text books                          | 692,880.00        | 140,550.00   | 833,430           | 904,870           | (71,440)      | 108.6%       |
| Exercise books                      | 168,862.00        | (54,892.00)  | 113,970           | 113,970           | -             | 100.0%       |
| Laboratory equipments and apparatus | 83,058.00         | (76,458.00)  | 6,600             | 6,600             | -             | 100.0%       |
| Teaching/learning materials         | 9,200.00          | (9,200.00)   | -                 | -                 | -             | 0.0%         |
| chalks                              | -                 | -            | -                 | -                 | -             | 0.0%         |
| Internal exams                      | -                 | -            | -                 | 273,010           | (273,010.00)  | #DIV/0!      |
| Reference books                     | -                 | -            | -                 | 1,260             | (1,260.00)    | #DIV/0!      |
| Bank charges                        | 692,880.00        | 140,550.00   | 833,430           | 904,870           | (71,440)      | 108.6%       |
| <b>PAYMENTS FOR OPERATIONS</b>      |                   |              |                   |                   |               |              |
| Personnel emoluments                | 1,408,375         | (29,260.00)  | 1,379,115         | 1,379,115         | -             | 100%         |
| Repairs and maintenance             | 1,750,000         | (565,598.00) | 1,184,402         | 1,184,402         | -             | 100%         |
| Local transport / travelling        | 655,800           | 103,453      | 759,253           | 759,253           | -             | 100%         |

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|  |                  |                |                  |                  |                   |           |
|--|------------------|----------------|------------------|------------------|-------------------|-----------|
| Electricity and water                    | 180,000          | (120,693.00)   | 59,307           | 45,000           | 14,307            | 76%       |
| Medical                                  | 0                | 90,500         | 90,500           | 355,672          | (265,172)         | 0%        |
| Administration costs                     | 1,194,260        | 594,858        | 1,789,118        | 1,953,792        | (164,674)         | 109%      |
| Insurance                                | -                | -              | -                | -                | -                 | 0%        |
| Activity                                 | 274,500          | (90,500.00)    | 184,000          | 184,000          | -                 | 100%      |
| Bank charges                             | 0                | 17,240         | 17,240           | 17,240           | -                 | 0%        |
| <b>BOARDING AND SCHOOL FUND PAYMENTS</b> |                  |                |                  |                  | -                 | 0%        |
| Personnel emoluments                     | -                | 128,744        | 128,744          | 128,744          | -                 | 0%        |
| Repairs and maintenance                  | -                | -              | -                | -                | -                 | 0%        |
| Local transport / travelling             | -                | 16,250         | 16,250           | 16,250           | -                 | 0%        |
| Electricity and water                    | -                | 120,180        | 120,180          | 120,180          | -                 | 0%        |
| Medical                                  | -                | -              | -                | -                | -                 | 0%        |
| Administration costs                     | -                | 27,970         | 27,970           | 27,970           | -                 | 0%        |
| Activity                                 | -                | -              | -                | -                | -                 | 0%        |
| Uniform                                  | -                | 219,800        | 219,800          | 219,800          | -                 | 0%        |
| lunch fee                                | 6,148,800.00     | (1,264,015.00) | 4,884,785        | 4,884,785        | -                 | 100%      |
| PA Donations                             | -                | -              | 0                | -                | -                 | 0%        |
| Insurance                                | -                | -              | 0                | -                | -                 | 0%        |
| creditors                                | -                | 689,021        | 689,021          | 695,173          | (6,152)           | 0%        |
| School farm                              | -                | -              | -                | -                | -                 | 0%        |
| Losses/Damages                           | -                | -              | -                | -                | -                 | 0%        |
| Bank charges                             | -                | 62,050         | 62,050           | 62,050           | -                 | 0%        |
| <b>TOTAL</b>                             | <b>6,148,800</b> | <b>0</b>       | <b>6,148,800</b> | <b>6,154,952</b> | <b>(6,152.00)</b> | <b>0%</b> |

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

- i. Inflation has caused increase in price of goods hence under and over utilization.
- ii. Variation in number of students

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## **IX. SIGNIFICANT ACCOUNTING POLICIES**

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

### **1. Statement of compliance and basis of preparation**

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

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

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

### **2. Recognition of receipts and payments**

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

### **3. In-kind contributions**

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

### **4. Cash and cash equivalents**

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

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**5. Accounts Receivable**

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

**6. Accounts Payable**

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

**7. Non-current assets**

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

**8. Budget**

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

**9. Comparative figures**

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

**10. Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2021.

**X. NOTES TO THE FINANCIAL STATEMENTS**

**1 CAPITATION GRANT FOR TUITION**

|                                   | 2022-2021           | 2021-2020         |
|-----------------------------------|---------------------|-------------------|
|                                   | Kshs                | Kshs              |
| Textbooks and reference materials | -                   | 0.00              |
| Exercise books                    | 790,685.00          | 0.00              |
| Laboratory equipment              | 155,000.00          | 98,000.00         |
| Internal exams                    | 0.00                | 0.00              |
| Teaching / learning materials     | 226,590.00          | 346,098.50        |
| Chalks                            | 0.00                | 7,000.00          |
| Exams and assessment              | 0.00                | 0.00              |
| Teachers guides                   | 0.00                | 0.00              |
| <b>Total</b>                      | <b>1,172,275.00</b> | <b>451,098.50</b> |

**2 CAPITATION GRANT FOR OPERATIONS**

|                              | 2022-2021           | 2021-2020           |
|------------------------------|---------------------|---------------------|
|                              | Kshs                | Kshs                |
| Personnel emoluments         | 1,437,023.90        | 850,000.00          |
| Repairs and maintenance      | 1,177,000.00        | 1,030,000.00        |
| Local transport / travelling | 630,000.00          | 221,158.00          |
| Electricity and water        | 50,000.00           | 20,000.00           |
| Medical                      | 0.00                | 0.00                |
| Administration costs         | 1,707,192.50        | 579,969.85          |
| Activity                     | 119,500.00          | 135,000.00          |
| <b>Total</b>                 | <b>5,120,716.40</b> | <b>2,836,127.85</b> |

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

|                              | 2022-2021        | 2021-2020        |
|------------------------------|------------------|------------------|
|                              | Kshs             | Kshs             |
| LUNCH FEE                    | 5,790,950        | 1,753,070        |
| Repairs and maintenance      | 0.00             | 0.00             |
| Local transport / travelling | 0.00             | 0.00             |
| Electricity and water        | 0.00             | 0.00             |
| ARREARS                      | 437,045          | 361,610          |
| Administration costs         | 0.00             | 0.00             |
| Activity                     | 0.00             | 0.00             |
| <b>Total</b>                 | <b>6,227,995</b> | <b>2,114,680</b> |

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

**4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT**

|                                      | 2022-2021   | 2021-2020   |
|--------------------------------------|-------------|-------------|
|                                      | Kshs        | Kshs        |
| Fee on Boarding Equipment and Stores | 0.00        | 0.00        |
| Rent income                          | 0.00        | 0.00        |
| Income from farming activities       | 0.00        | 0.00        |
| Insurance compensation               | 0.00        | 0.00        |
| Income from Posho mill               | 0.00        | 0.00        |
| Income from Bus Hire                 | 0.00        | 0.00        |
| Fee for hire of ground and equipment | 0.00        | 0.00        |
| Income from grants and donations*    | 0.00        | 0.00        |
| Interest income                      | 0.00        | 0.00        |
| Dividends income                     | 0.00        | 0.00        |
| <b>Total</b>                         | <b>0.00</b> | <b>0.00</b> |

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

**5 PAYMENTS FOR TUITION**

|                                   | 2022-2021        | 2021-2020      |
|-----------------------------------|------------------|----------------|
|                                   | Kshs             | Kshs           |
| Textbooks and reference materials | 0.00             | 0.00           |
| Exercise books                    | 904,870          | 0.00           |
| Laboratory equipment              | 113,970          | 96,510         |
| Internal exams                    | 0.00             | 0.00           |
| Teaching / learning materials     | 6,600            | 157,808        |
| Chalks                            | 0.00             | 6,192          |
| Exams and assessment              | 0.00             | 0.00           |
| CREDITORS                         | 273,010          | 94,490         |
| Bank Charges                      | 1,260.00         | 780.00         |
| <b>Total</b>                      | <b>1,299,710</b> | <b>355,780</b> |

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

**6 PAYMENTS FOR OPERATIONS**

|  | 2022-2021        | 2021-2020        |
|--|------------------|------------------|
|  | Kshs             | Kshs             |
| Personnel emoluments                   | 1,379,115.00     | 677,435.00       |
| Service Gratuity                       | 0.00             | 0.00             |
| Administration Cost                    | 1,953,792        | 67,915           |
| Repairs and maintenance & improvements | 0.00             | 0.00             |
| Local transport / travelling           | 759,253          | 215,650          |
| Electricity and water                  | 45,000.00        | 28,630           |
| Medical                                | 0.00             | 0.00             |
| Activity Expenses                      | 184,100          | 135,500.00       |
| LEARNING MATERIAL                      | 0.00             | 50,000           |
| CREDITORS                              | 355,672          | 104,960          |
| Bank Charges                           | 17,240.00        | 7,210            |
| Acquisition of Assets                  | 1,184,402.00     | 306,604          |
| <b>TOTAL</b>                           | <b>5,878,574</b> | <b>1,593,904</b> |

**7 BOARDING AND SCHOOL FUND PAYMENTS**

|  | 2022-2021        | 2021-2020        |
|--|------------------|------------------|
|  | Kshs             | Kshs             |
| Lunch fee                              | 4,884,785        | 1,201,299        |
| Service Gratuity                       | 0.00             | 0.00             |
| Repairs and maintenance & Improvements | 0.00             | 0.00             |
| Local transport / travelling           | 120,180          | 21250            |
| Electricity and water                  | 16,250           | 0.00             |
| Medical Expenses                       | 0.00             | 0.00             |
| Administration costs                   | 27,970           | 19,345           |
| PERSONAL EMOLUMENT                     | 128,744          | 31,500           |
| Bank Charges                           | 0.00             | 0.00             |
| CREDITORS                              | 695,173          | 261,653          |
| LABORATORY                             | 219,800          | 0.00             |
| Rent Expenses                          |                  | 0.00             |
| Bank Charges                           | 62,050.00        | 15,420           |
| Loan Principal repayment               | 0.00             | 0.00             |
| Loan Interest repayment                | 0.00             | 0.00             |
| Acquisition of Assets                  | 0.00             | 0.00             |
| <b>TOTAL</b>                           | <b>6,154,952</b> | <b>1,550,467</b> |

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 BANK ACCOUNTS

| Name of Bank, Account No. & currency   | Bank Account Number | 2022-2021           | 2021-2020           |
|--|---------------------|---------------------|---------------------|
|  |                     | Kshs                | Kshs                |
| Tuition Account                        |                     | 5,201.41            | 132,635.81          |
| Operations Account                     |                     | 288,458.71          | 664,539.31          |
| School Fund Account/Boarding           |                     | 697162.27           | 745880.27           |
| Savings Account                        |                     | 0.00                | 0.00                |
| Parent Association Development Account |                     | 0.00                | 0.00                |
| Income generating activities Account   |                     | 0.00                | 0.00                |
| Infrastructural Account                |                     | 684,695.00          | 616,720.00          |
| <b>Total</b>                           |                     | <b>1,675,517.39</b> | <b>2,159,775.39</b> |

9 CASH IN HAND

| Description              | 2022-2021        | 2021-2020         |
|--------------------------|------------------|-------------------|
|                          | Kshs             | Kshs              |
| Tuition Account          | -                | 0.00              |
| Operation Account        | 46,098.00        | 119,273.00        |
| School Fund account      | 11,097.00        | (110,664.00)      |
| <b>M &amp; I account</b> | <b>27,519.00</b> | <b>104,096.00</b> |
| <b>Total</b>             | <b>84,714.00</b> | <b>112,705.00</b> |

10 SHORT TERM INVESTMENTS

| Description        | 2022-2021   | 2021-2020   |
|--------------------|-------------|-------------|
|                    | Kshs        | Kshs        |
| Cooperative shares | 0.00        | 0.00        |
| Treasury Bills     | 0.00        | 0.00        |
| Fixed deposit      | 0.00        | 0.00        |
| Equity stock       | 0.00        | 0.00        |
| Other investments  | 0.00        | 0.00        |
| <b>Total</b>       | <b>0.00</b> | <b>0.00</b> |

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

**11 ACCOUNTS RECEIVABLE**

| Description                | 2022-2021           | 2021-2020           |
|----------------------------|---------------------|---------------------|
|                            | Kshs                | Kshs                |
| Fees arrears               | 7,098,581.63        | 7,601,343.63        |
| Other non-fees receivables | 0.00                | 0.00                |
| Salary advances            | 0.00                | 0.00                |
| Imprest                    | 0.00                | 0.00                |
| <b>Total</b>               | <b>7,098,581.63</b> | <b>7,601,343.63</b> |

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

| Description                                     | 2022-2021           | 2021-2020           |
|---|---------------------|---------------------|
|   | Kshs                | Kshs                |
| Fees arrears for current year                   | 70,300              | 855,197.73          |
| Fees arrears recovered during the year          | (437,045.00)        | (361,610.00)        |
| Fees arrears for the previous year              | 855,197.73          | 497,627.00          |
| Fees arrears for prior periods (over two years) | 6,610,128.90        | 6,610,128.90        |
| <b>Total</b>                                    | <b>7,098,581.63</b> | <b>7,601,343.63</b> |

**12 ACCOUNTS PAYABLE**

| Description                                       | 2022-2021        | 2021-2020        |
|---|------------------|------------------|
|   | Kshs             | Kshs             |
| Trade creditors (See ageing below and appendix 1) | 607,196          | 1,323,855        |
| Prepaid fees                                      | 676,945          | 212,590.00       |
| prepaid monies                                    | (212590) -       | (262132) -       |
| <b>Total</b>                                      | <b>1,071,551</b> | <b>1,274,313</b> |

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

| Description  | 2022-2021      | 2021-2020        |
|--|----------------|------------------|
|  | Kshs           | Kshs             |
| Trade creditors for current year                   | 607,196.00     | 1,276,375.00     |
| Trade creditors paid during the year               | (1,323,855)    | (461,103)        |
| Trade creditors for the previous year              | 1,276,375.00   | 508,583.00       |
| Trade creditors for prior periods (over two years) | 47,480         | -                |
| <b>Total</b>                                       | <b>607,196</b> | <b>1,323,855</b> |

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

**13 FUND BALANCE BROUGHT FORWARD**

| Description            | 2022-2021           | 2021-2020           |
|------------------------|---------------------|---------------------|
|                        | Kshs                | Kshs                |
| Bank balances          | 1,675,517.39        | 2,159,775.39        |
| Cash balances          | 84,714              | 112,705             |
| Short Term Investments | -                   | -                   |
| Receivables            | 7,098,581.63        | 7,601,343.63        |
| Payables               | 1,071,551           | 1,274,313           |
| <b>Total</b>           | <b>7,787,262.02</b> | <b>8,599,511.02</b> |

**Other important disclosure notes**

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

**14 Non-current Liabilities Summary**

| Description                  | 2022-2021   | 2021-2020   |
|------------------------------|-------------|-------------|
|                              | Kshs        | Kshs        |
| Bank loan(s)                 | 0.00        | 0.00        |
| Outstanding Leases           | 0.00        | 0.00        |
| Hire purchase                | 0.00        | 0.00        |
| Gratuity and leave provision | 0.00        | 0.00        |
| <b>Total</b>                 | <b>0.00</b> | <b>0.00</b> |

**15 Biological assets**

| Description              | Numbers | 2022-2021   | 2021-2020   |
|--------------------------|---------|-------------|-------------|
|                          |         | Kshs        | Kshs        |
| Cattle                   |         | 0.00        | 0.00        |
| Goats                    |         | 0.00        | 0.00        |
| Trees                    |         | 0.00        | 0.00        |
| Coffee or tea plantation |         | 0.00        | 0.00        |
| Poultry                  |         | 0.00        | 0.00        |
| <b>Total</b>             |         | <b>0.00</b> | <b>0.00</b> |

**16 Borrowings**

| Description                        | 2022-2021 | 2021-2020 |
|------------------------------------|-----------|-----------|
|                                    | KShs      | KShs      |
| <b>a) Borrowings</b>               |           |           |
| Borrowing at beginning of the year | 0.00      | 0.00      |

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|                                   |             |             |
|-----------------------------------|-------------|-------------|
| Borrowings during the year        | 0.00        | 0.00        |
| Repayments of during the year     | 0.00        | 0.00        |
| <b>Balance at end of the year</b> | <b>0.00</b> | <b>0.00</b> |

**Other important disclosure notes**

**17 Stock/ Inventory**

| Description                                | 2022-2021   | 2021-2020   |
|--|-------------|-------------|
|  | KShs        | KShs        |
| <b>b) Borrowings</b>                       |             |             |
| Stock/ inventory at beginning of the year  | 0.00        | 0.00        |
| Stock/ inventory purchased during the year | 0.00        | 0.00        |
| Stock/ inventory issued during the year    | 0.00        | 0.00        |
| <b>Balance at end of the year</b>          | <b>0.00</b> | <b>0.00</b> |

**18.PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

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

**GICHURU HIGH SCHOOL**  
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**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

| Supplier of Goods or Services    | Original Amount  | Date Contracted | Amount Paid To-Date | Outstanding Balance 2022 | Outstanding Balance 2022 | Comments                        |
|----------------------------------|------------------|-----------------|---------------------|--------------------------|--------------------------|---------------------------------|
|                                  | a                | b               | c                   | d=a-c                    |                          |                                 |
|                                  | Kshs             | Kshs            | Kshs                | Kshs                     | Kshs                     |                                 |
| <b>Construction of buildings</b> |                  |                 |                     |                          |                          |                                 |
| 1.                               |                  |                 |                     |                          |                          |                                 |
| 2.                               |                  |                 |                     |                          |                          |                                 |
| 3.                               |                  |                 |                     |                          |                          |                                 |
| <b>Sub-Total</b>                 |                  |                 |                     |                          |                          |                                 |
| <b>Supply of goods</b>           |                  |                 |                     |                          |                          |                                 |
| 4. Virag general agencies        | 113,900          | 23/3/22         | 100,000             | 0                        | 13,900                   | To be cleared once we get funds |
| 5. Scholar link general agencies | 866,400          | 23/3/22         | 417,680             | 0                        | 448,720                  | To be cleared once we get funds |
| 6. Njama world general agencies  | 444,576          | 23/3/22         | 300,000             | 0                        | 144,576                  | To be cleared once we get funds |
| <b>Sub-Total</b>                 |                  |                 | <b>817,680</b>      |                          | <b>607,196</b>           |                                 |
| <b>Supply of services</b>        |                  |                 |                     |                          |                          |                                 |
| 7.                               |                  |                 |                     |                          |                          |                                 |
| 8.                               |                  |                 |                     |                          |                          |                                 |
| 9.                               |                  |                 |                     |                          |                          |                                 |
| <b>Sub-Total</b>                 |                  |                 |                     |                          |                          |                                 |
| <b>Grand Total</b>               | <b>1,424,876</b> |                 | <b>817,680</b>      |                          | <b>607,196</b>           |                                 |

**GICHURU HIGH SCHOOL**  
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**ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER**

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

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