

REPUBLIC OF KENYA



REPORT DATE: 02 JUN 2026

DAY

Thursday

TABLED
BY:

Deputy Majority
Whip Hon. Ngunjiri

OF

CLERK-AT
THE-TABLE:

Halima Ahmed

THE AUDITOR-GENERAL

PARLIAMENT
OF KENYA
LIBRARY

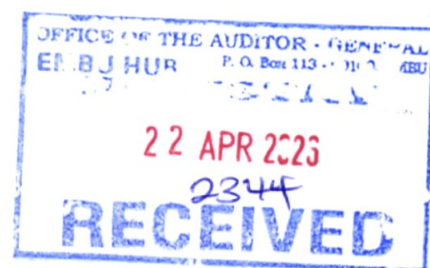
ON

GANGARA SECONDARY SCHOOL

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

EMBU COUNTY

Revised 30th June 2021.



**GANGARA SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL PERIOD OF SIX MONTHS ENDED
30th June 2021**

Annual Report and Financial Statements
For the Six months period ended 30th June 2021

Table of Contents	Page
I. KEY SCHOOL INFORMATION AND MANAGEMENT	1
II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL.....	5
III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY	14
IV. REPORT OF THE INDEPENDENT AUDITORS ON THE ANNUAL FINANCIAL STATEMENTS OF GANGARA SECONDARY SCHOOL OF THE SIX MONTHS PERIOD ENDING 30 TH JUNE 2021	15
V. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE SIX MONTHS PERIOD ENDING 30 TH JUNE 2021	16
VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES FOR SIX MONTHS PERIOD ENDING 30 TH JUNE 2021.....	20
VII STATEMENT OF CASH FLOW FOR THE SIX MONTHS PERIOD ENDED 30 TH JUNE 2021.....	22
IX. SIGNIFICANT ACCOUNTING POLICIES.....	23
X. NOTES TO THE FINANCIAL STATEMENTS	288

I. KEY SCHOOL INFORMATION AND MANAGEMENT**(a) Background information**

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

The school was registered in January/1986 under registration number 14S30000477 and is currently categorized as a *Extra County* public school established, owned or operated by the Government.

The school is a boarding school and had 375 number of students as at 30th June 2021. It has 2 streams and 16 teachers of which no 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	Francisco Munyi	Chairman	25/4/2019
2	George Mbijiwe	Secretary- Principal	25/4/2019
3	Agnes Kariuki	Member	25/4/2019
4	Jacob Muriuki	Member	25/4/2019
5	Roseline Kimanzi	Member	25/4/2019
6	Faith Kabutu	Member	25/4/2019
7	Shunem Ikamba	Member	25/4/2019
8	Crispus Nyaga	Member – Rep CEB	25/4/2019
9	Doris Kariuki	Member Rep Teachers	25/4/2019
10	Ciarago Nyaga	3 Members - Sponsor	25/4/2019
11	Naomi Njiru	Member - Sponser	25/4/2019
12	Alfayo Nyaga	Member Sponsor	25/4/2019
13	Virginia Igoki	Member Community	25/4/2019
14	Faustine Nyaga	Member Special Need	25/4/2019
13	Emmanuel Macharia	Rep Students	25/4/2019

Annual Report and Financial Statements**For the Six months period ended 30th June 2021****KEY SCHOOL INFORMATION AND MANAGEMENT****The functions of the School Board of Management include:**

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013
- Ensure and assure the provision of proper and adequate facilities for the School
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School.
- Determine cases of pupils discipline and make reports to the CEB
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB
- Administer and manage the resources of the School
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule para 21 and 23 of the Basic Education Act, 2013.

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Francisco Munyi George Mbijiwe Jacob Muriuk Agnes Kariuki	Chairman Secretary Member Member	3 out of 3
2	Audit Committee	Peter Ciarago Shunem Ikamba Alfayo Njeru George Mbijiwe Crispus Nyaga	Chairman Secretary Member Member Member	3 out of 3
3	Finance, procurement and general purposes Committee	George Mbijiwe Jacob Muriuki Faith Kabutu Agnes Kariuk	Chairman Member Member Member	3 out of 3
4	Academic Committee	Jacob Muriuki Naomi Njiru Nahason Nyaga Virginia Igoki Doris Kariuki	Chairman Secretary Member Member Member	3 out of 3
5	Development Committee	Alfayo Nyaga Faustine Nyaga Jacob Muriuki Shunam Ikamba Nahason Nyaga	Member Member Member Member Member	3 out of 3
6	Discipline and welfare Committee	Naomi Njiru Crispus Nyaga Shunem Ikamba Edward Njiru Roseline kanini	Member Member Member Member Member	3 out of 3

Annual Report and Financial Statements
For the Six months period ended 30th June 2021

7	Adhoc Committee (if any during the year)	Virginia Igoki Naomi Njiru Roselyne kanini	Member Member Member	
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(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	GEORGE MBIJIWE	347402
2	Deputy Principal	FELISTER KARIUKI	304228
3	School Bursar	MARGARET NGUGI	9063818

Annual Report and Financial Statements

For the Six months period ended 30th June 2021

KEY SCHOOL INFORMATION AND MANAGEMENT

(e) Schools contacts

Post Office Box: 1663 60100, Embu

E-mail gangarasecondary@yahoo.com

(f) School Banks

The following school operated 5 numbers of bank accounts in the following banks:

1. Name of Bank: KCB
 Branch: Embu
 Account Number: 1102844276 Boarding Account
2. Name of Bank: KCB
 Branch: Embu
 Account Number: 1102844012 Operation Account
3. Name of Bank KCB
 Branch Embu
 Account Number 1102840165 Tuition Account
4. Name of Bank KCB
 Branch Embu
 Account Number 1257378082 Infrastructures
5. MPESA Paybill No. 522123 attached to 38819k bank account
 Name of Bank KCB
 Branch Embu

(g) Independent Auditors

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

Annual Report and Financial Statements
For the Six months period ended 30th June 2021

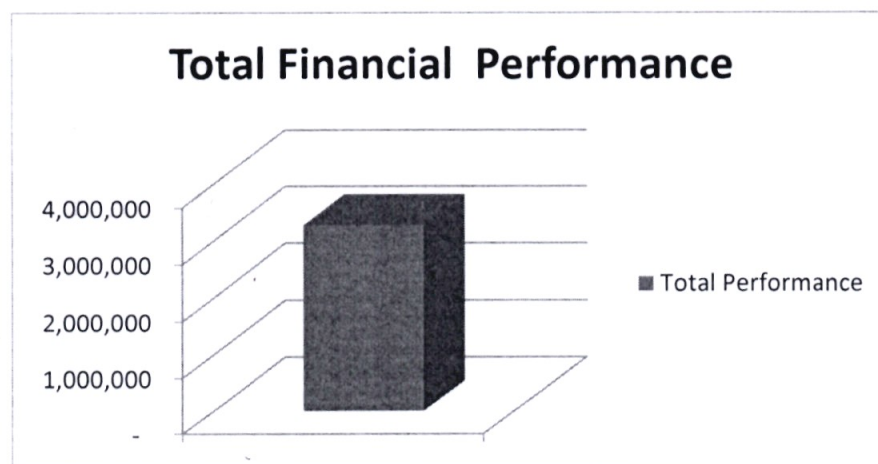
II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

a) Financial performance:

Financial Performance - Deficits and/or Surpluses 6 months Trend				
	Account			
	School Fund	Operation	Tuition	Total
Year				
2021	1,732,095	1,035,961	508,725	3,276,781
Total	1,732,095	1,035,961	508,725	3,276,781

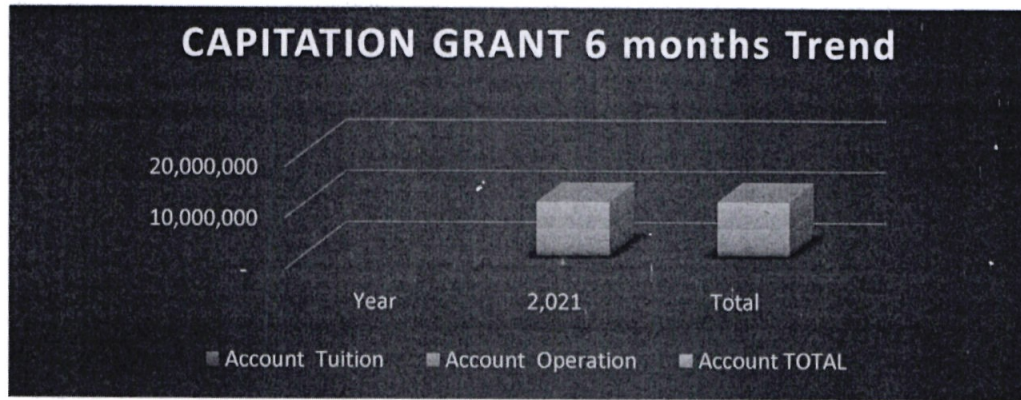
		Total Performance
Year		
	2021	3,276,781



- *Capitation grants from the Ministry of Education for the last six months period.*

CAPITATION GRANT 6 months Trend				
	Account			
	Tuition	Operation	TOTAL	
Year				
2021	1,022,209	4,232,766	5,254,975	
Total	1,022,209	4,232,766	5,254,975	

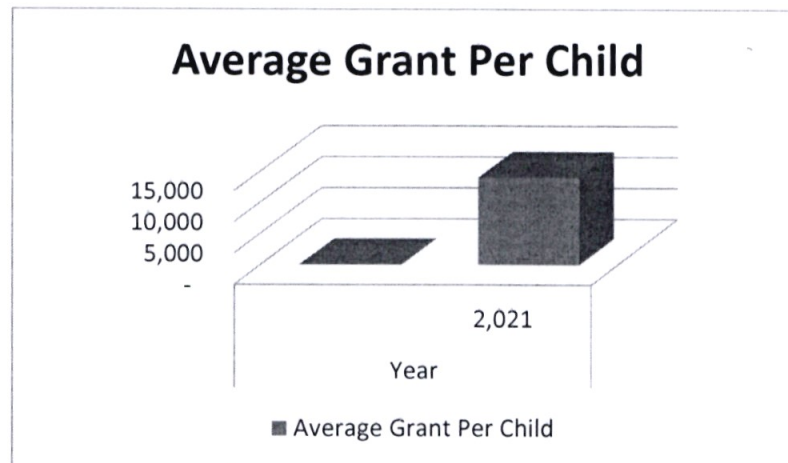
Annual Report and Financial Statements
For the Six months period ended 30th June 2021



- Ratio of capitation grant per student over the last six months period.

Capitation Grant Per CHILd -6 months Trend		
	Year	
	2021	
TOTAL GRANT RECEIVED	5,254,975	
Highest Enrolment in the Year	375	375
Average Grant Per Child		14,013

	Year	
		2021
Average Grant Per Child	-	14,013



Annual Report and Financial Statements

For the Six months period ended 30th June 2021

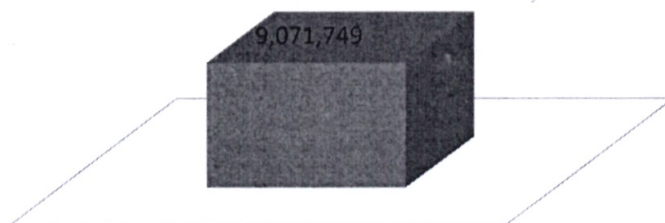
- A six month period overview of growth of other income(s) earned by the school.

Growth of Other Incomes -6 months Trend			
		Income Source	
		School Fund	Total
YEAR			
	2021	9,071,749	9,071,749
	Total	9,071,749	9,071,749

Year	Total Other Income -6 months Trend
2021	9,071,749

Total Other Income -6 months Trend

■ Total Other Income -6 months Trend



- A six month period overview of growth in expenditure of the school

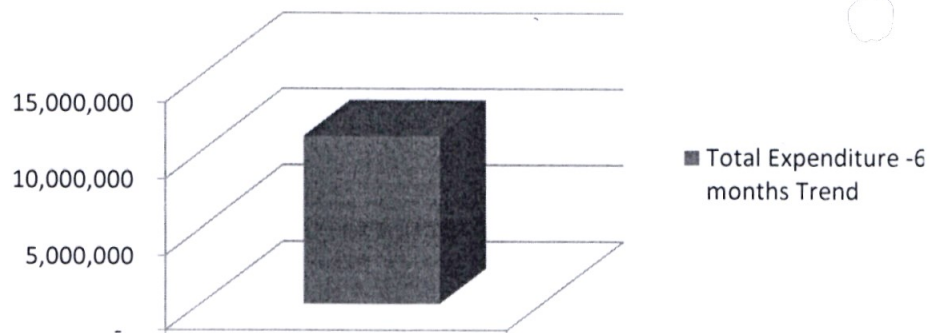
Expenditure - 6 months Trend				
YEAR	School Fund	Operation	Tuition	Yr Total
2021	7,339,654	3,196,805	513,484	11,049,943
Total	7,339,654	3,196,805	513,484	11,049,943

Year	Total Expenditure -6 months Trend
2021	11,049,943

Annual Report and Financial Statements

For the Six months period ended 30th June 2021

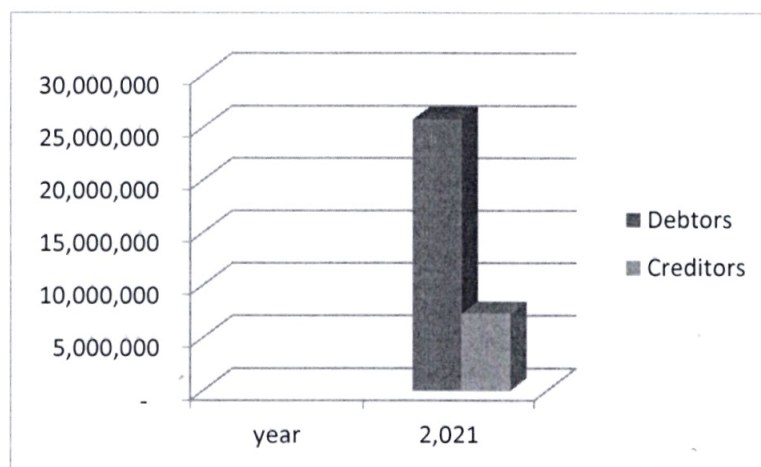
Total Expenditure -6 months Trend



- Movement of debtors and creditors of the school over the last three years

Debts and Creditors -3Yr Trend						
		Account				
			School Fund	Operation	Tuition	Yr Total
Year	2021	Debtors	25,799,423	-	-	25,799,423
		Creditors	6,945,463	(396,009)	714,095	7,263,549
	Total	Debtors	31,712,841	-	-	31,712,841
		Creditors	6,945,463	(396,009)	714,095	7,263,549

	Debtors	Creditors
year		
2021	25,799,423	7,263,549

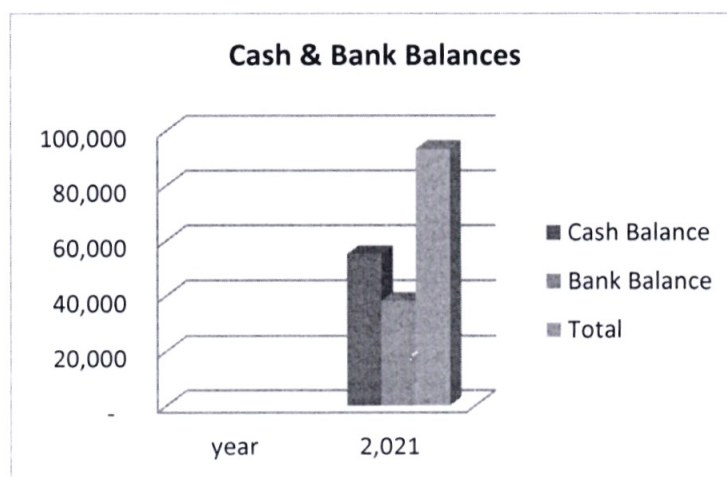


Annual Report and Financial Statements For the Six months period ended 30th June 2021

- Movement of cash and bank balances over the last three years

Cash and Bank Balances 6 months Trend						
		Account				
			School Fund	Operation	Tuition	Yr Total
Year	2021	Cash	52,770	2,367	-	55,137
		Bank	28,547	8,406	1,264	38,217
	Total	Cash	52,770	2,367	-	55,137
		Bank	28,547	8,406	1,264	38,217

	Cash Balance	Bank Balance	Total
year			
2021	55,137	38,217	93,354



b) Teacher Student ratio:

Ratio of students to Teachers	
Total enrolment	375
Total No of Teachers	16
Students : Teachers ratio	1: 23

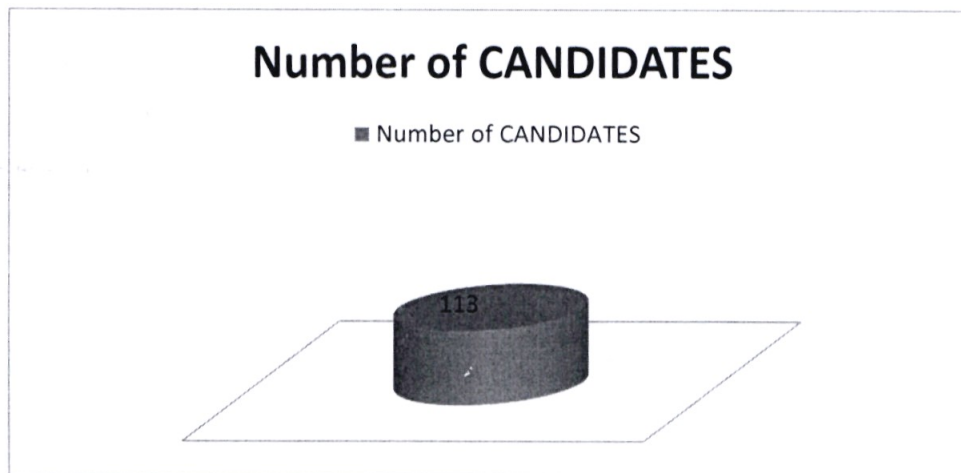
Teachers Turnover	
No of teachers recruited in the year	-
No of teachers transferred inwards in the year	-
No of teachers transferred outwards in the year	-
Net inflow of teachers	-

Teachers Employment	
No of teachers required by CBE	-
No of teachers employed by TSC	-
Shortage / Surplus No of teachers before BOM teachers	-
No of teachers employed by BOM	-
Net Shortage / Surplus No of teachers	-

Annual Report and Financial Statements
For the Six months period ended 30th June 2021

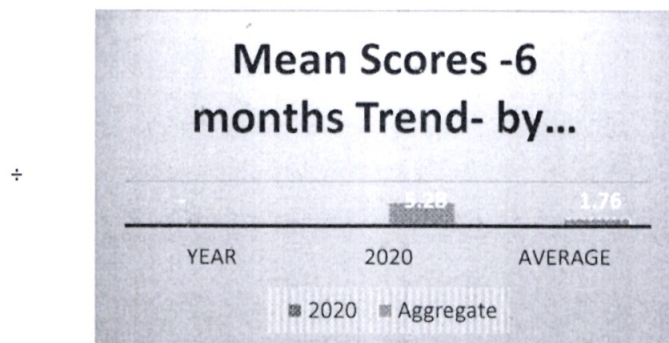
c) Mean score in the 2020 KCSE:

	Number of CANDIDATES
Year	
2020	113



d) Number of Candidates in the 2020 KCSE:

Mean Scores 6 months Trend													
	Subject Means												
	MATH	ENG	KIS W	BIO	Chem	Phy	GEO	HIST	CRE	Agri c	Bstud	Comp	Aggregate
YEAR													
2020	3.31	5.20	4.95	3.24	2.62	4.00	8.28	7.59	7.95	5.28	5.65	5.28	5.28
Average	1.10	1.73	1.65	1.08	0.87	1.33	2.76	2.53	2.65	1.76	1.88	-	1.76



Annual Report and Financial Statements

For the Six months period ended 30th June 2021

e) Capacity of the school:

	NO OF STREAMS per class	Teachers' CBE (No of teachers required as per curriculum offered by the school)	Required No of NTS given the NO OF STREAMS per class				
	2	16	15				
Capacity Analysis							
Infrastructur e TYPE	Unit of infrastructure measurement	Quantity of infrastructure required	Quantity of infrastructure available today	Infrastructure gap	Comment-Indicate if gap is -Very critical, Critical or Not so critical (tick as appropriate)		
					Very Critical	Critical	Not Critical
Classrooms	Number	8	-	Shortage of classrooms equivalent to:			
				8			
				classroom(s)			
Laboratories	Number	1	1	Shortage of laboratory facilities equivalent to:			
				-			
				Laboratories			
Toilet Doors	Number	33	40	Shortage of toilet facility equivalent to:			
				(7)			
				toilet doors			
Offices	Number	1	3	Shortage of office facilities equivalent to:			
				(2)			
				offices			
Dining Hall	Number of students well seated	400	800	Shortage of dining facilities equivalent to:			
				(400)			
				students not seated			

Annual Report and Financial Statements

For the Six months period ended 30th June 2021

Library	Number of students well seated	100	-	Shortage of library facilities equivalent to:			
				100			
				students not seated			
Dormitories	Number of Decker Beds well-spaced	200	375	Shortage of dormitory facilities equivalent to:			
				(175)			
				decker beds			
Staffroom	Number of teachers well seated	16	-	Shortage of staffroom space equivalent to:			
				16			
				teachers not properly seated			
Boardroom	Number of BOM members well seated	25	-	Shortage of boardroom space equivalent to:			
				25			
				BOM members not properly seated			
Textbooks	Average Students -to- Course books ratio	1	1	Shortage of textbooks equivalent to:			
				-			
				% of text books required			
Electricity	Adequacy	ADEQUATE		Occassional / frequent shortage of power attributed to?			
Water	Adequacy	ADEQUATE		Occassional / frequent shortage of water attributed to?			
Staff housing	No of staff properly housed	31	3	Shortage of staff housing facilities equivalent to:			
				28			
				staff not housed			

Annual Report and Financial Statements
For the Six months period ended 30th June 2021

f) Development projects carried out by the school:

Projects Analysis					
	Name of project				
	E.G DORMITORY	(ii).....	(iii).....	(iv).....	(v).....
Estimated BQ Cost	nil	nil	nil	nil	nil
Source(s) of Funding	nil	nil	nil	nil	nil
Type of contract- (Labour only/Full Contract)	nil	nil	nil	nil	nil
Contract Cost	nil	nil	nil	nil	nil
Start Date of project	nil	nil	nil	nil	nil
Expected Completion date	nil	nil	nil	nil	nil
Status of project (Stalled, WIP, Complete, Un-started)	nil	nil	nil	nil	nil
Amount due on project - value of work invoiced	nil	nil	nil	nil	nil
Amount paid so far	nil	nil	nil	nil	nil
Amount pending at this year end	nil	nil	nil	nil	nil
Comment on project success/challenges	nil	nil	nil	nil	nil

Sign

School Principal

Richard Mulo

PRINCIPAL
 ST. EMMANUEL GANGARA SEC. SCH.
 P. O. Box 1663 - 60100, EMBU
 SIGN:..... DATE:.....

Annual Report and Financial Statements
For the Six months period ended 30th June 2021

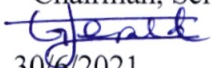
III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

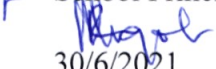
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant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

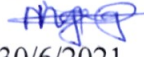
The Board of Management of *Gangara secondary school* accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

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

Name: Francisco Munyi
Designation: Chairman, School Board of Management
Sign: 
Date: 30/6/2021

Name: George Mbijiwe
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 30/6/2021

PRINCIPAL
ST. EMMANUEL GANGARA SEC. SCH.
P. O. Box 1663 - 60100, EMBU
SIGN:..... DATE:.....

Name: Margaret Ngugi
Designation: Account clerk
Sign: 
Date: 30/6/2021

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

PREAMBLE

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

- A. Report on 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 the 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, and;
- 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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 IPSAS financial statements of Gangara Secondary School set out on pages 17 to 35, which comprise of the statement of assets and liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the period then ended and a

summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the 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 Gangara Secondary School as at 30 June, 2021, and of its financial performance and its cash flows for the period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013, the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Variances in the Boarding and Lunch Payments

The statement of receipts and payments reflects boarding and lunch payments of Kshs.7,339,654 while the statement of cash flows and the ledgers reflects Kshs.9,544,110 resulting in unreconciled variance of Kshs.2,204,456.

In the circumstances, the accuracy and completeness of the boarding and lunch payments of Kshs.7,339,654 could not be confirmed.

2. Unsupported Revenue from Parents' Contributions-School Fund

The statement of receipts and payments reflects receipts for parents contribution-school fund amount of Kshs.8,593,753 as disclosed in Note 3 to the financial statements. However, the Management did not provide for audit the ledgers and schedules supporting the amounts.

In the circumstances, the accuracy and completeness of the school funds-parents contributions receipts of Kshs 8,593,753 could not be confirmed.

3. Unsupported Short-Term Investments

The statement of assets and liabilities reflects short-term investments balance of Kshs.64,228 which was not supported by a ledger, investment certificates, statements, or any other relevant documentation. Further, Management did not disclose any interest accrued or earned from the investments during the period under review.

In the circumstances, the existence, accuracy, completeness and valuation of the short-term investments balance of Kshs.64,228 could not be confirmed.

4. Unsupported Accounts Receivables

The statement of financial assets and liabilities reflects accounts receivables balance of Kshs.8,982,071 as disclosed in Note 11 to the financial statements. However, supporting schedules and detailed ageing analysis were not provided for audit review. Further, Management did not provide recovery strategies for the long outstanding debts.

In the circumstances, the accuracy, completeness and recoverability of the long outstanding receivable balance of Kshs.8,982,071 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs. Nil and Kshs.14,800,644 respectively, resulting in an over-funding of Kshs.14,800,644 or 100% of the budget. However, the School spent an amount of Kshs.12,388,971 against actual receipts amount of Kshs.14,800,644 resulting in an under-utilization of Kshs.2,411,673 or 16% of the actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section of my report, I have determined that there were no other key audit matters to report in the period under review.

Other Information

The Management is responsible for the Other Information set out on page 2 to 16 which comprise of Key School Information and Management, Summary Report of Performance of the School and the Statement of School Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the school's IPSAS financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Failure to Transfer Infrastructure Funds from Operations Account

Note 2 to the financial statements reflects capital grants for operations amount of Kshs.4,232,766. Included in the amount is Kshs.1,473,000 in respect of infrastructure grants which was to be transferred to infrastructure bank account for maintenance and improvement of the school's facilities. However, the School did not transfer the funds to infrastructure account as at the end of 30 June, 2021. This was contrary to The Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June,2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

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

The statement of receipts and payment reflects payments for operations and school fund amounts of Kshs.3,196,805 and Kshs.7,339,654 respectively. Included in the amounts is Kshs.182,080 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 of the amount transferred to KESSHA of Kshs.182,080 could not be confirmed.

3. Failure to Sign Professional Opinion

Review of the procurement process for good, services, works and consultancies revealed that professional opinion was not issued for all the procurements carried during the period. This contravened the provision of Regulation 79 (1) of the Public Procurement and Asset Disposal Regulations, 2020 which states that, upon receipt of the evaluation report and professional opinion, the accounting officer shall take into account the contents of the professional opinion and shall within a day, in writing approve award to the successful tenderer.

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

4. Lack of a Functional Procurement Unit

The School did not have an established procurement function managed by qualified procurement professional as required under Section 47(2) of the Public Procurement and Asset Disposal Act, 2015 and Regulation 33 of the Public Procurement and Asset Disposal Regulations, 2020. Procurement activities were undertaken by individuals lacking the requisite qualifications.

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

5. Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements

The financial statements presented for audit did not include all information provided in the format prescribed and published by the Public Sector Accounting Standards Board (PSASB) as follows:

- i) The financial statements were wrongly paginated, and some pages were not numbered
- ii) The table of contents did not capture the statement of financial assets and liabilities.
- iii) The ratio of teacher students should be corrected to read 1:23.

In the circumstances, Management did not comply with the PSASB reporting guidelines

6. Long Outstanding Accounts Payables

The statement of assets and liabilities reflects accounts payables balance of Kshs.4,637,521 as disclosed in Note 12 to the financial statements. However, no ageing analysis was provided for audit. Further, Management did not prioritize the paying of pending payables as required by the law. This was contrary to Regulation 42 (1) (a) of the Public Finance Management (National Government) Regulations, 2015 which states that, 'service payments shall be a first charge on the Consolidated Fund and the Accounting Officer shall ensure this is done to the extent possible that the government does not default on debt obligations.

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

7. Underfunding of Capitation Grants and Unconfirmed Students Enrolment Data

The statement of receipts and payments reflects capitation grants for tuition and operations totalling of Kshs.5,254,975. Comparison of data from National Education Management and information System (NEMIS) with records from the School revealed that during the period under review, NEMIS and enrollment in the school had a variance of two hundred and six (206) students, resulting in an underfunding of the School by an amount of Kshs.770,781. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 on implementation of Free Day Secondary Education (FDSE) which

requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

In the circumstances, under-funding of the school may have affected service delivery to the students.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 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 effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of an internal Audit Function

During the period under review the School did not have internal audit function. As a result, no audits were carried out in any of the school's activities and departments resulting to lack of independent oversight and potential exposure to financial, operational and compliance risks.

In the circumstances, errors and omissions leading to inaccuracies and exposure to other risks may not be well detected without an internal audit function.

2. Weak Controls over Student Fees Management

The statement of receipts and payments reflects parents' contribution income amount of Kshs.8,593,753. However, review of the revenue management process revealed lack of standardized procedures for recognition and valuation of fees paid in kind and lack of segregation of duties in fees collection, recording, banking and reconciliation. Further, there was lack of clear procedures for voiding transactions, increasing the risk of manipulation as well as lack of data backup mechanisms for student data and financial records.

In the circumstances, the existence of effective mechanisms for students fee management could not be confirmed.

3. Weaknesses in Management of Assets

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.39,820,000 which includes land with a value of Kshs.5,500,000 and motor vehicles valued at Kshs.6,500,000. However, ownership documents for both assets were not provided for audit review.

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

4. Weakness in the Operation of Board of Management

Review of cash book and minutes of the board revealed that the board of management met twice during the year under review while the established committees of audit, finance, procurement and general purposes, academic, development and discipline and welfare did not prepare minutes of meeting as well as signing attendance register for meetings held.

In the circumstances, the effectiveness of internal controls, effective governance and systems of risk management could not be confirmed.

5. Lack of an Approved ICT Policy and Risk Management Policy

Review of the School's information system revealed that the School does not have an approved ICT policy and procedures in place to guide ICT operations, data management, system access, security controls, and disaster recovery. In addition, the School lacks a formal risk management policy to identify, assess, mitigate, and monitor organizational risks. The absence of these policies and manuals presented weak controls over ICT and risk management activities.

In the circumstances, effectiveness of controls over ICT and risk management activities and related mitigations could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards Accrual Basis and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue as a going concern, disclosing, as applicable, matters related

to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.



FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

18 May, 2026

Annual Report and Financial Statements
For the Six months period ended 30th June 2021

V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO FOR THE 6 MONTHS ENDED 30TH JUNE 2021

DESCRIPTION OF VOTE HEAD		Note	2021
			Kshs
RECEIPTS			
Capitation grants for	Tuition	1	1,022,209
Capitation grants for	Operation	2	4,232,766
Parents' Contributions income In	School Fund	3	8,593,753
Income- Other receipts	School Fund	4	951,916
TOTAL RECEIPTS			14,800,644
PAYMENTS			
Payments for	Tuition	5	513,484
Payments for	Operation	6	3,196,805
Boarding and/or Lunch -Payments	School Fund	7	7,339,654
TOTAL PAYMENTS			11,049,943
DEFICIT/SURPLUS			3,750,701

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

fr Sign: Gerald
Name GERALD NJEM JOSHUA
Chair BOM

Date xxxx 20/04/2021

Sign Richard Sign Margaret
Name RICHARD MUKHORO Name MARGARET NIGUGI
School Principal/ Bursar/
Secretary to BOM Finance Officer

Date 20/4/2021 Date 20/4/2021

PRINCIPAL
ST. EMMANUEL GANGARA SEC. SCH.
P. O. Box 1663 - 60100, EMBU
SIGN:..... DATE:.....

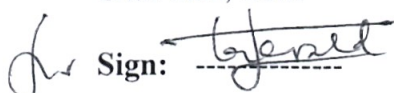
Annual Report and Financial Statements
For the Six months period ended 30th June 2021

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

	Note	2021
		Kshs
FINANCIAL ASSETS		
Cash and Cash Equivalents		
Bank Balances	8	39,216
Cash Balances	9	55,137
Short term Investment	10	64,228
Total Cash and cash equivalent		158,581
Account's receivables	11	8,982,071
TOTAL FINANCIAL ASSETS		9,140,652
FINANCIAL LIABILITIES		
Accounts Payables	12	4,637,521
NET FINANCIAL ASSETS		4,503,131
REPRESENTED BY		
Accumulated Fund b/fwd	13	-
Surplus/Deficit for the year		-
NET FINANCIAL POSITION		4,503,131
Diff = Net Assets- Net Balance of Fund		-

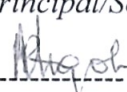
The School's financial statements were approved on _____ 2021. and signed by:

Name: Francisco Munyi
Chairman, BoM

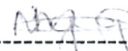
 **Sign:** _____

Date: 30/6/2021
Name: Richard Mugo

School Principal/Secretary
to BoM

Sign: _____ 

Date: 30/6/2021
Name: Margaret Ngugi
Account Clerk

Sign: _____ 

Date: 30/6/2021

PRINCIPAL
ST. EMMANUEL GANGARA SEC. SCH.
P. O. Box 1663 - 60100, EMBU
SIGN:..... DATE:.....

Annual Report and Financial Statements
For the Six months period ended 30th June 2021

STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30TH JUNE 2021

			2021
		Note	Kshs
Receipts for operating income			
Capitation grants for	Tuition		509,709
Capitation grants for	Operation		3,205,577
Income- Parents contributions/ fees	School Fund		8,614,753
Income- other receipts	School Fund		951,916
Total receipts			13,281,955
Payments			
Payments for	Tuition		513,484
Payments for	Operation		3,196,805
Boarding and/or Lunch payments in	School Fund		9,544,110
Payments in	Farm		-
Total payments			13,254,399
Net cash flow from operating activities			28,556
CASHFLOW FROM INVESTING ACTIVITIES			
Net cash flows from Investing Activities			-
CASHFLOW FROM BORROWING ACTIVITIES			
NET INCREASE IN CASH AND CASH EQUIVALENTS			28,556
Cash and cash equivalents at BEGINNING of the year			130,026
Cash and cash equivalent at END of the year			158,581
Cash and cash equivalents as per FA&FL			158,581
Diff= CF cash - FA&FL cash			-

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

				Actual on Comparable Basis		
			Final		Budget Utilization	
Receipt/expenses Item	Original Budget	Adjustments	Budget		Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
RECEIPTS						
(1) CAPITATION GRANT ON TUITION INCOME						
Teaching & L. mat.	-	-	-	1,022,209	(1,022,209)	
Total CAPITATION GRANT ON TUITION INCOME	-	-	-	1,022,209	(1,022,209)	
(2) CAPITATION GRANT ON OPERATIONS INCOME						
Devt -RMI	-	-	-	1,470,000	(1,470,000)	
OTHERVOTEHEAD	-	-	-	2,762,766	(2,762,766)	
Total CAPITATION GRANT ON OPERATIONS INCOME	-	-	-	4,232,766	(4,232,766)	
(3) FEES CHARGED ON PARENTS INCOME						
Uniform						

Annual Report and Financial Statements
For the Six months period ended 30th June 2021

	-	-	-	165,780	(165,780)	
PE non teachingstaff	-	-	-	681,624	(681,624)	
Development -MI	-	-	-	439,618	(439,618)	
Activity	-	-	-	18,090	(18,090)	
B.E and Stores	-	-	-	5,713,557	(5,713,557)	
LTT	-	-	-	233,260	(233,260)	
EWC	-	-	-	949,055	(949,055)	
ADM	-	-	-	390,569	(390,569)	
MEDICAL	-	-	-	2,200	(2,200)	
(3) FEES CHARGED ON PARENTS INCOME	-	-	-	8,593,753	(8,593,753)	
School Fund -OTHER INCOME						
BURSARY	-	-	-	533,600	(533,600)	
NSSF	-	-	-	279,510	(279,510)	
NHIF	-	-	-	85,400	(85,400)	
PAYE	-	-	-	9,906	(9,906)	
kcse	-	-	-	1,500	(1,500)	
welfare	-	-	-	42,000	(42,000)	
SF (Other Inc & EXP) Vote-20	-	-	-	-	-	
School Fund -OTHER INCOME	-	-	-	951,916	(951,916)	
INFRASTRUCTURE INCOME						

Gangara Secondary School

Annual Report and Financial Statements

For the Six months period ended 30th June 2021

Total INFRASTRUCTURE INCOME	-	-	-	-	-	-
FARM INCOME						
Total Farm Income	-	-	-	-	-	-
CDF INCOME						
Total CDF INCOME	-	-	-	-	-	-
TOTAL INCOME	-	-	-	14,800,644	(14,800,644)	-
(1) EXPENDITURE FOR TUITION						
BANK CHARGES	-	-	-	984	(984)	
Total EXPENDITURE FOR TUITION	-	-	-	984	(984)	
(2) EXPENDITURE FOR OPERATIONS						
Devt -RMI	-	-	-	1,210	(1,210)	
OTHERVOTEHEAD	-	-	-	2,025,419	(2,025,419)	
EWC	-	-	-	191,961	(191,961)	
Activity	-	-	-	100,000	(100,000)	
Personal emolu.	-	-	-	26,500	(26,500)	
Adm. Cost	-	-	-	195,800	(195,800)	
BANK CHARGES	-	-	-	1,104	(1,104)	
MEDICAL	-	-	-	82,000	(82,000)	
insurance						

Annual Report and Financial Statements
For the Six months period ended 30th June 2021

	-	-	-	91,383	(91,383)	
ltt	-	-	-	128,500	(128,500)	
TOTAL EXPENDITURE FOR OPERATIONS	-	-	-	2,843,877	(2,843,877)	
(3) EXPENDITURE FOR SCHOOL FUND						
Uniform	-	-	-	57,750	(57,750)	
PE non teachingstaff	-	-	-	1,841,525	(1,841,525)	
Development -MI	-	-	-	254,140	(254,140)	
Activity	-	-	-	75,000	(75,000)	
B.E and Stores	-	-	-	4,628,236	(4,628,236)	
BANK CHARGES	-	-	-	12,882	(12,882)	
pe teaching staff	-	-	-	419,300	(419,300)	
LTT	-	-	-	1,128,030	(1,128,030)	
EWC	-	-	-	387,430	(387,430)	
ADM	-	-	-	436,439	(436,439)	
MEDICAL	-	-	-	69,450	(69,450)	
BURSARY	-	-	-	51,000	(51,000)	
NHIF	-	-	-	54,100	(54,100)	
PAYE	-	-	-	11,203	(11,203)	

Annual Report and Financial Statements
For the Six months period ended 30th June 2021

excess fees	-	-	-	12,625	(12,625)	
welfare	-	-	-	105,000	(105,000)	
TOTAL School fund Payments	-	-	-	9,544,110	(9,544,110)	
INFRASTRUCTURE PAYMENTS						
TOTAL INFRASTRUCTURE PAYMENTS	-	-	-	-	-	
FARM PAYMENTS						
TOTAL FARM PAYMENTS	-	-	-	-	-	
CDF PAYMENTS						
total CDF PAYMENTS	-	-	-	-	-	
GRAND TOTAL PAYMENTS	-	-	-	12,388,971	(12,388,971)	

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.

Annual Report and Financial Statements
For the Six months period ended 30th June 2021

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the Gangara secondary school and all values are rounded to the nearest Kenya Shilling. 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.

Annual Report and Financial Statements
For the Six months period ended 30th June 2021

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

Annual Report and Financial Statements
For the Six months period ended 30th June 2021

NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

VOTEHEADS	2021
	Kshs
Teaching & L. mat.	1,022,209
Total	1,022,209

2. CAPITATION GRANT FOR OPERATIONS

	2021
	Kshs
Devt -RMI	1,470,000
OTHERVOTEHEAD	2,762,766
Total	4,232,766

3. PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2021
	Kshs
Uniform	165,780
PE non teaching staff	681,624
Development -MI	439,618
Activity	18,090
B.E and Stores	5,713,557
LTT	233,260
EWC	949,055
ADM	390,569
MEDICAL	2,200
Sub-Total	8,593,753

**Annual Report and Financial Statements
For the Six months period ended 30th June 2021**

NOTES TO THE FINANCIAL STATEMENTS

4.OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2021
	Kshs
BURSARY	533,600
NSSF	279,510
NHIF	85,400
PAYE	9,906
kcse	1,500
welfare	42,000
Total	951,916

5.PAYMENTS FOR TUITION

	2021
	Kshs
Teaching & L. mat.	512,500
BANK CHARGES	984
Total	513,484

6. PAYMENTS FOR OPERATIONS

	2021
	Kshs
Devt -RMI	1,210
OTHERVOTEHEAD	2,025,419
EWC	191,961
Activity	100,000

Annual Report and Financial Statements
For the Six months period ended 30th June 2021

Personal emolu.	26,500
Adm. Cost	195,800
BANK CHARGES	1,104
MEDICAL	82,000
insurance	91,383
Itt	128,500
NHIF	26,800
nssf	323,974
Paye	2,154
TOTAL	3,196,805

7. BOARDING AND SCHOOL FUND PAYMENTS

	2021
	Kshs
Uniform	57,750
PE non teachingstaff	1,841,525
Development -MI	254,140
Activity	75,000
B.E and Stores	2,423,780
BANK CHARGES	12,882
pe teaching staff	419,300
LTT	1,128,030
EWC	387,430
ADM	436,439
MEDICAL	69,450
BURSARY	51,000
NHIF	54,100
PAYE	11,203
exces: fees	12,625

Gangara Secondary School

**Annual Report and Financial Statements
For the Six months period ended 30th June 2021**

welfare	105,000
TOTAL	7,339,654

NOTES TO THE FINANCIAL STATEMENTS

8.BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2021 Kshs
Tuition Account	1102840165	1,264
Operations Account	1102844012	8,406
School Fund Account/Boarding	1102844276	28,547
Infrastructural Account	1257378082	1000
Total		39,216

9.CASH IN HAND

Description	2021 Kshs
Tuition Account	52,770
Operation Account	2,367
School Fund account	
Total	55,137

Annual Report and Financial Statements
For the Six months period ended 30th June 2021

10.SHORT TERM INVESTMENTS

Description	2021
	Kshs
Other investments	64,228
Total	64,228

NOTES TO THE FINANCIAL STATEMENTS

11.ACCOUNTS RECEIVABLE

Description	2,021
	Kshs
School Fund -Fees Debtors	8,982,071
School Fund - Advances	-
School Fund - DR SUSPENSE	-
Total ACCOUNTS RECEIVABLE	8,982,071
Total ACCOUNTS RECEIVABLE as per FA&FL	-

Includes an ageing of the fees arrears below

Description	2,021
	Kshs
Fees arrears for current year (Listed)	8,982,071
Fees arrears for the previous year	-

Gangara Secondary School

**Annual Report and Financial Statements
For the Six months period ended 30th June 2021**

Fees arrears for prior periods (over two years)	-
Total	8,982,071

12.ACCOUNTS PAYABLE.

Description	2,021
	Kshs
School Fund -Prepaid Fees	-
Trade Creditors -School Fund	2,947,456
Trade Creditors -Operation	695,215
Trade Creditors - Tuition	994,850
Trade Creditors - Farm	-
Trade Creditors - Infrastructure	-
CDF	-
School Fund -Student Deposits	-
School Fund - Club Deposits	-
Borrowings	-
Bank Over Drawings	-
Cash Over drawings:	-
Total Payables	4,637,521

Includes an ageing of the trade creditors below

Description	2,021
	Kshs

Annual Report and Financial Statements
For the Six months period ended 30th June 2021

Trade creditors for current year	4,637,521
Trade creditors for the previous year	-
Trade creditors for prior periods (over two years)	-
Total	4,637,521
	-

13.FUND BALANCE BROUGHT FORWARD.

Description	2021
	Kshs
Bank balances	63,885
Cash balances	2,076
Short Term Investments	64,228
Receivables	8,982,071
Payables	(4,637,521)
Total	4,474,739

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

15. Biological assets

16 Borrowings

Other important disclosure notes

Description	2,021
	KShs
Stock/ inventory at beginning of the year	140,730
Stock/ inventory purchased during the year	18,164,151
Stock/ inventory issued during the year	17,389,637
Balance at end of the year	915,244

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

[illegible]

Annual Report and Financial Statements
For the Six months period ended 30th June 2021

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2020	Comments
	a	b	c	d = a - c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1.						
Sub-Total						
Supply of goods						
2. Ermine Kavutu				117,605.00		
3. Anthony Murithi				80,040.00		
4. Devine Mustard Merchants				47,763.00		
5. Wamunyu general suppliers				117,605		
6. Silas nthiga				16,240		
7. Geraldine w. makau				423,500		
8. Kine g. suppliers				184,970		
9. Virginia igoki				60,260		
10. Frida njeri				144,600		
11. Syuki mukisha				60,000		
12. Isaac ireri				38,400		
13. Margret mbuya				202,480		
14. Meru chemist				36,475		
15. Bijama suppliers				301,000		
16. Amazon fire services				139,000		
17. Kelmike supplies				27,450		
18. Top choice international				34,690		
19. Famytech computer and stationers				202,480		
20. Kabe merchants				105,000		
21. Science lab				351,100		
22. Pricom ltd				93,520		
23. Highmark services				7,0000		

Gangara Secondary School

Annual Report and Financial Statements
For the Six months period ended 30th June 2021

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2020	Comments
24. Globalwide publishers				52,750		
25. Mosmic general suppliers				120,000		
Sub-Total				3,337,533		
26. Nguna Enterprises				208,730.00		
Supply of services						
27. Bititech systems & Suppliers				118,000.00		
28. Joseph njuki				59,500.00		
29. Embu Diesel Auto Mobiles				14,400.00		
30. Non teaching services				1,070,088.00		
31. Silvilious kathuri				38,000		
Sub-Total				1,299,988		
Grand Total				4,637,521		

Gangara Secondary school
Reports and Financial Statements
For the six months period ended 30th June 2021

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Historical Cost b/f	Additions during the year to June	Disposals during the year to June	Historical Cost c/f
	(Kshs)	2021	2021	(Kshs)
	1st July	(Kshs)	(Kshs)	30th June
	2021			2021
Land 1	clan land			5,500,000
Buildings and structures	20,400,000.00			20,400,000
Motor vehicles	6,500,000			6,500,000
Office equipment, furniture and fittings	1,000,000			1,200,000
ICT Equipment, and Other ICT Assets	500,000			500,000
Tools and apparatus	100,000			100,000
Textbooks	3,500,000			3,500,000
Other Machinery and Equipment	1,200,000			1,400,000
Heritage and cultural assets	60,000			60,000
Intangible assets- soft ware	260,000			660,000
Total	33,520,000			39,820,000