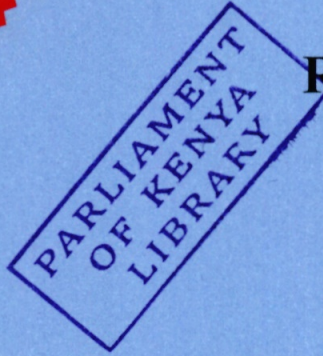


REPUBLIC OF KENYA



*Enhancing Accountability*



**REPORT** NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 02 DEC 2024

DAY.  
MONDAY

TABLED  
BY  
**OF**

HON. NADINE WAGDAMP  
DEPUTY MAJORITY WTP

CLERK-AT  
THE-TABLE:

RSTHER NGINYO

**THE AUDITOR-GENERAL**

**ON**

**GACEGE SECONDARY  
SCHOOL**

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

**KIAMBU COUNTY**

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



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**GACEGE SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE 2022**

---

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

GACEGE SECONDARY SCHOOL

**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

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**I. Key School Information And Management****(a) Background information**

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

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

The school is a day school and had 264 number of students as at 30<sup>th</sup> June 2022. It has double streams and 19 teachers of which 02 teachers are employed by the School Board Of Management.

**(a) School Board of Management - Board Members**

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

Ref:	Name of Board Member	Designation	Date of appointment
1	Daniel Kuria Mugo	Chairman	4th March, 2019
2	Paul Boya	Secretary- Principal	4th March,2019
3	Joseph Kibebe	Member	4th March,2019
4	Antony Mburu	Member	4th March,2019
5	Peter N. Muchina	Member	4th March,2019
6	Walter Karanja	Member	4th March,2019
7	Jane Wanjiku	Member	4th March,2019
8	Simon Gichuki Macharia	Member – Rep CEB	4th March,2019
9	Julius Karagu	Member Rep Teachers	4th March,2019
	Alice Mbugua Peter Njuguna Ndirangu		4th March,2019
10	Daniel Kuria	3 Members - Sponsor	
11	Francis Nganga	Member - Community	4th March,2019
12	Racheal Kainika	MemberSpecial Needs	4th March,2019
13	Benjamin Mburu	Rep Students	4th March,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.

**(b) Committees of the Board**

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee			
2	Audit Committee			
3	Finance, procurement and general purposes Committee	Joseph Kibebe Francis Nganga Alice Mbugua Peter Kaguthi Peter Mwangi Anthony Mburu	Chairman P.A. Chairman Member Member Member Member	2/3 3/3 3/3 2/3 3/3 1/3
4	Academic Committee	Simon Gichuki Racheal Kainika Dr. Peter Ndirangu Sarah Njeri	Member Member Chairman Member	3/3 3/3 2/3 1/3
5	Development Committee			
6	Discipline and welfare Committee	Walter Karanja Jane Wanjiku Peter Njuguna	Chairman Member Member	3/3 3/3 3/3
7	Adhoc Committee (if any during the year)			

**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022****(a) School operation Management**

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

Ref:	Designation	Name	TSC Number
1	Principal	Paul Halake Boya	332687
2	Deputy Principal	Samuel Ngugi	359781
3	School Bursar	Joseph Ndirangu Mihari	4301014 (ID)

**(c) Schools contacts**

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

**(d) School Bankers**

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

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

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

**(e) Independent Auditors**

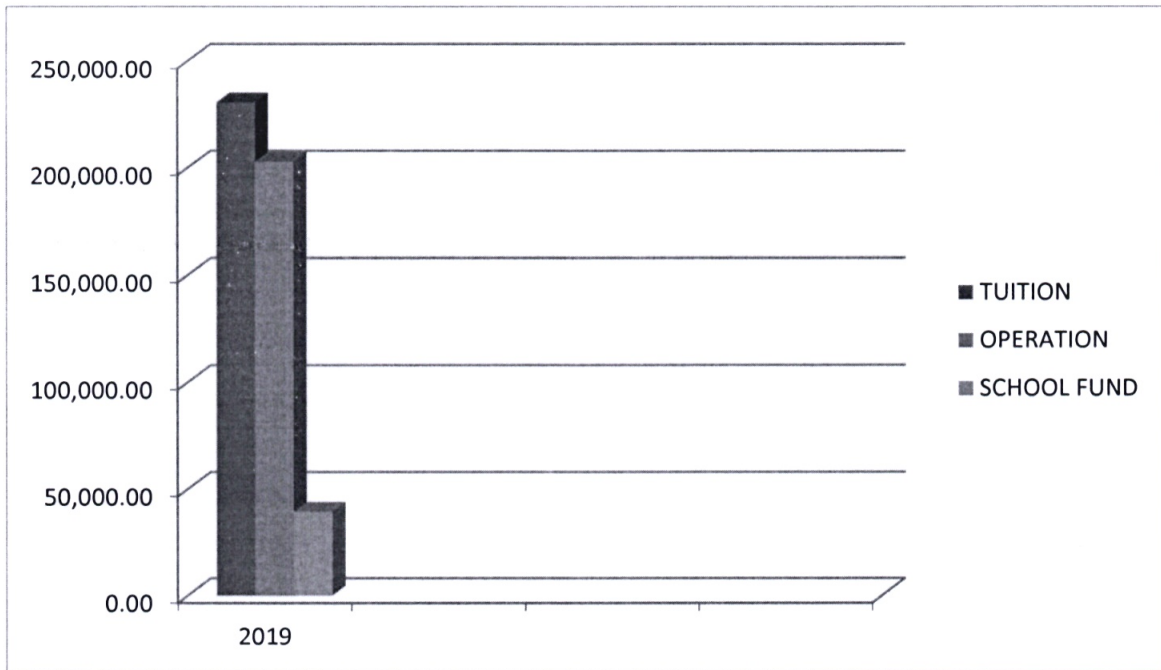
Office of the Auditor General  
 Anniversary Towers, University Way  
 P.O. Box 30084  
 GPO 00100  
 Nairobi, Kenya

**II. Summary Report Of Performance Of The School**

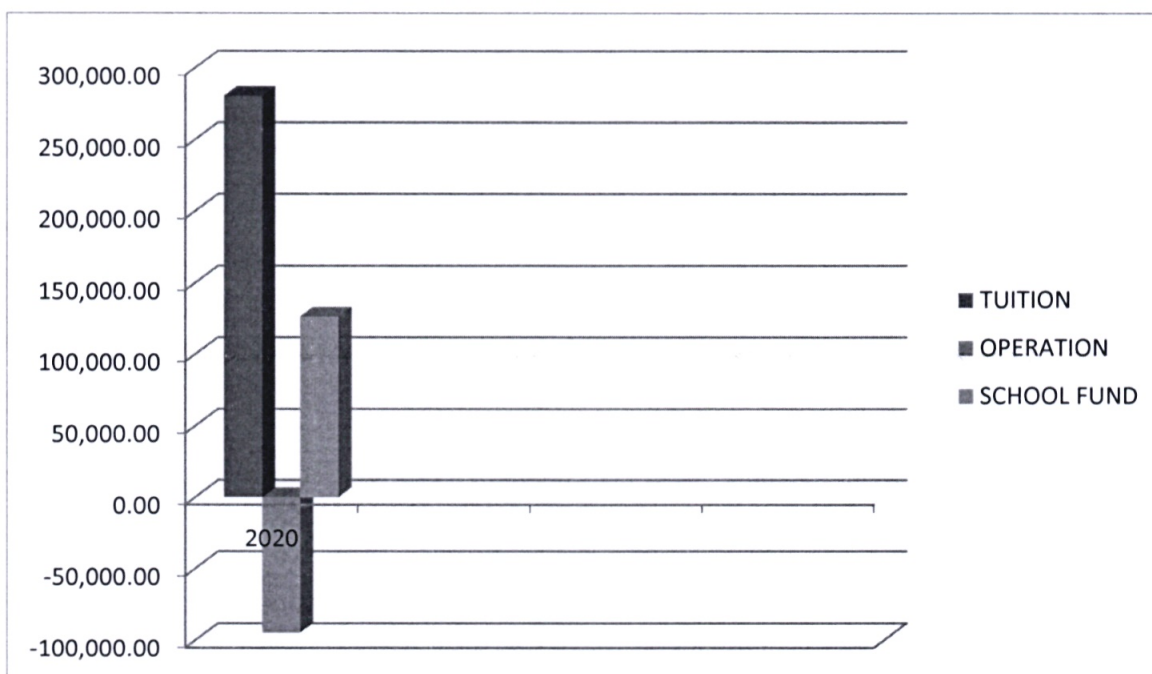
**Financial performance:**

**(I) SURPLUS/DEFICIT**

YEAR	ACCOUNT	CAPITATION INCOME	EXPENDITURE	SURPLUS/DEFICIT
2019	TUITION	1,077,133.15	846,418.30	230,714.45
	OPERATION	5,093,599.60	4,890,588.20	203,011.40
	SCHOOL FUND	3,088,057.00	3,048,480.25	39,576.75



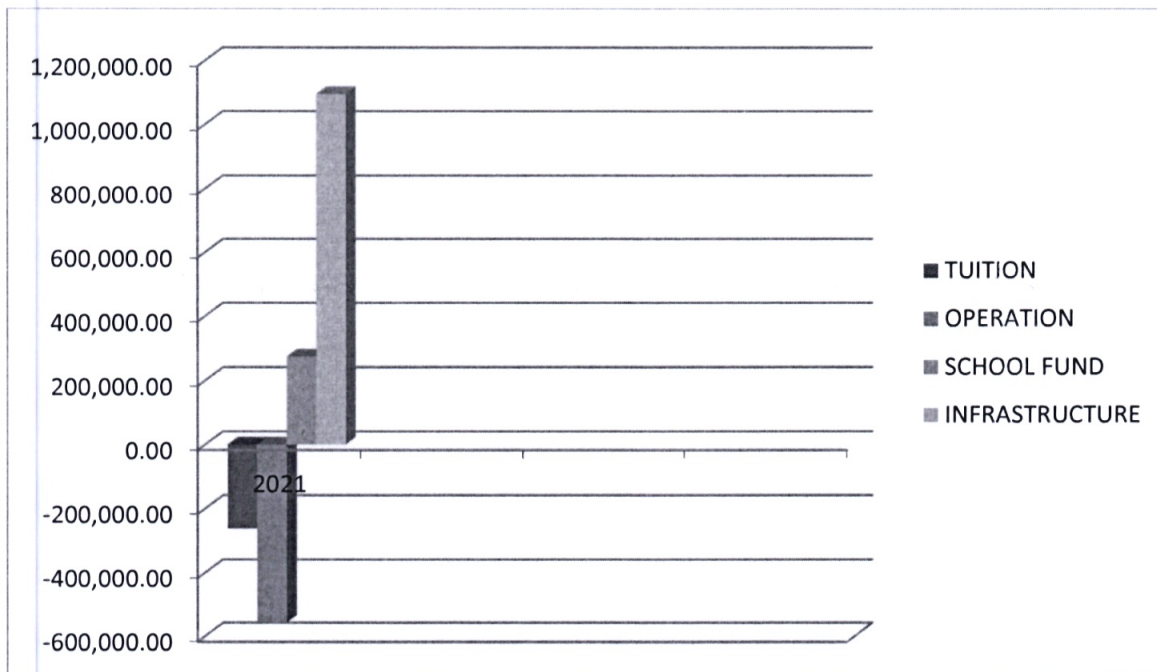
<b>2020</b>				
	TUITION	616,388	335,849.60	280,488.40
	OPERATION	3,926,481.40	3,196,481.40	-94,656.80
	SCHOOL FUND	1,311,885.00	1,185,175.00	126,710.60
	INFRASTRUCTURE	730,0000	722,763.60	7236.40



*GACEGE SECONDARY SCHOOL*

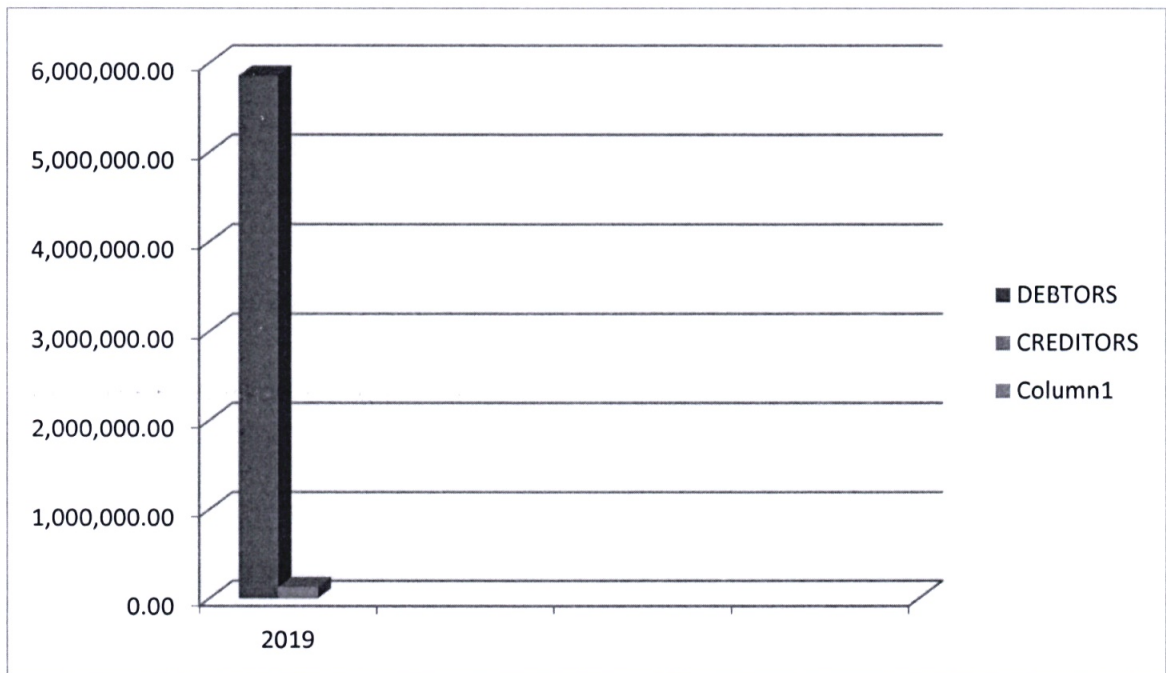
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

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



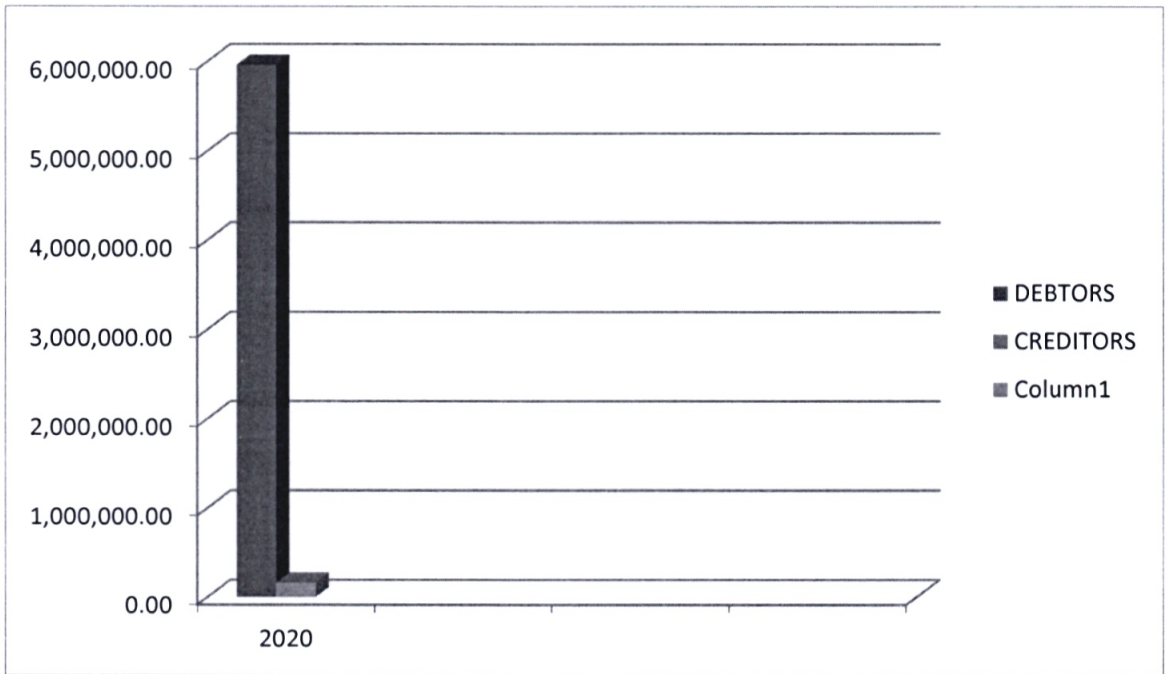
**(II) DEBTORS /CREDITORS**

<b>YEAR</b>	<b>DEBTOR</b>	<b>CREDITORS</b>
<b>2019</b>	5,858,738.35	130,660



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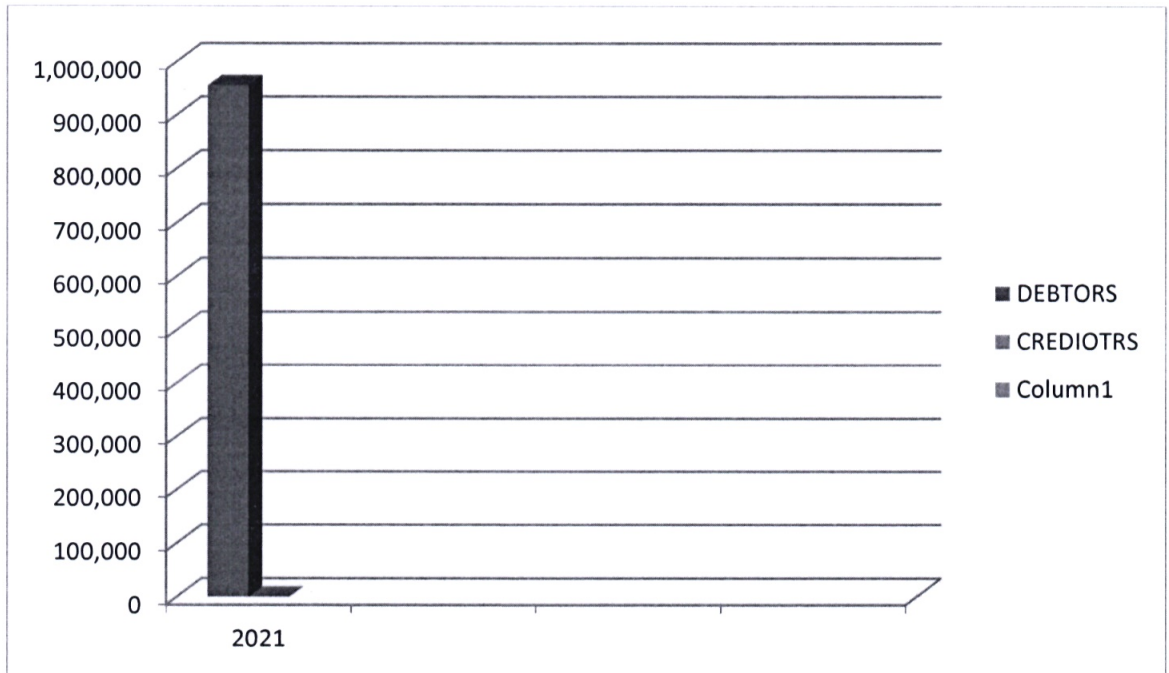
2020	5,965,704.10	166,060
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GACEGE SECONDARY SCHOOL

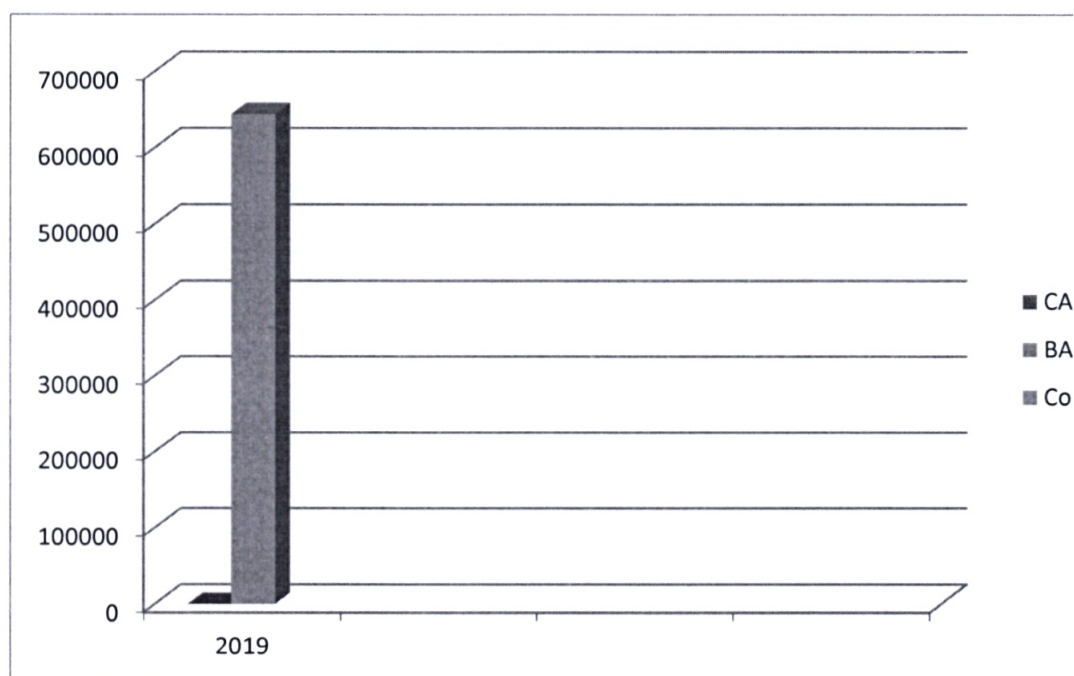
Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022

2021	955,170.00	-
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**(III) CASH AND BANK BALANCES**

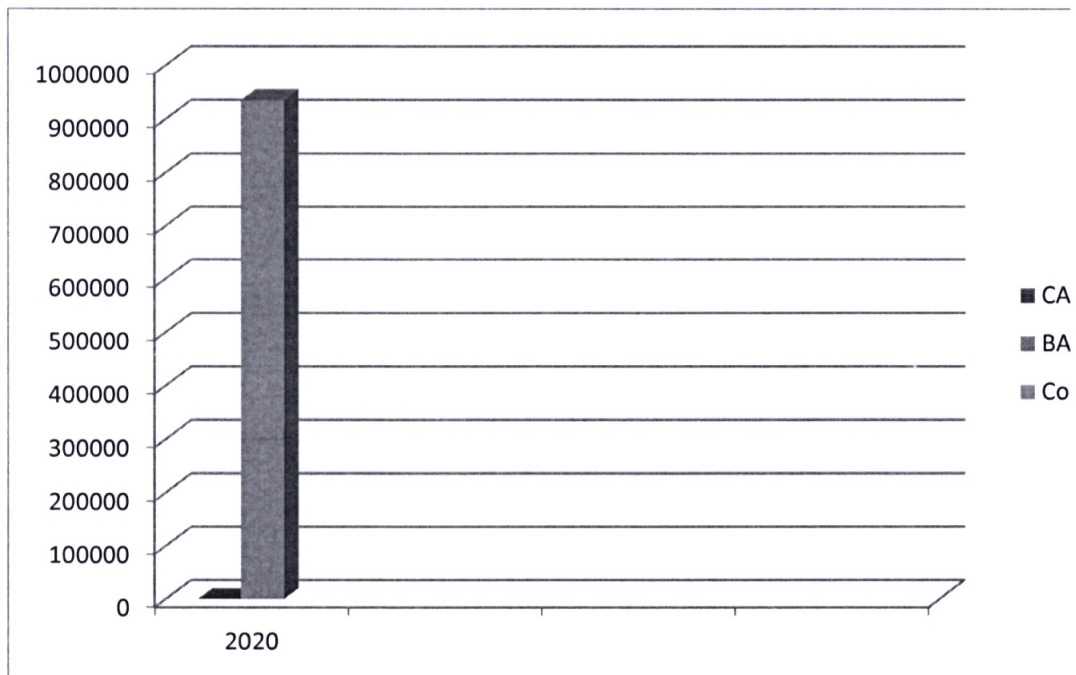
YEAR		CASH	BANK
2019	TUITION	0	290,076.85
	OPERATION	0	191,034.80
	SCHOOL FUND	0	162,872.60
	INFRASTRUCTURE	0	0



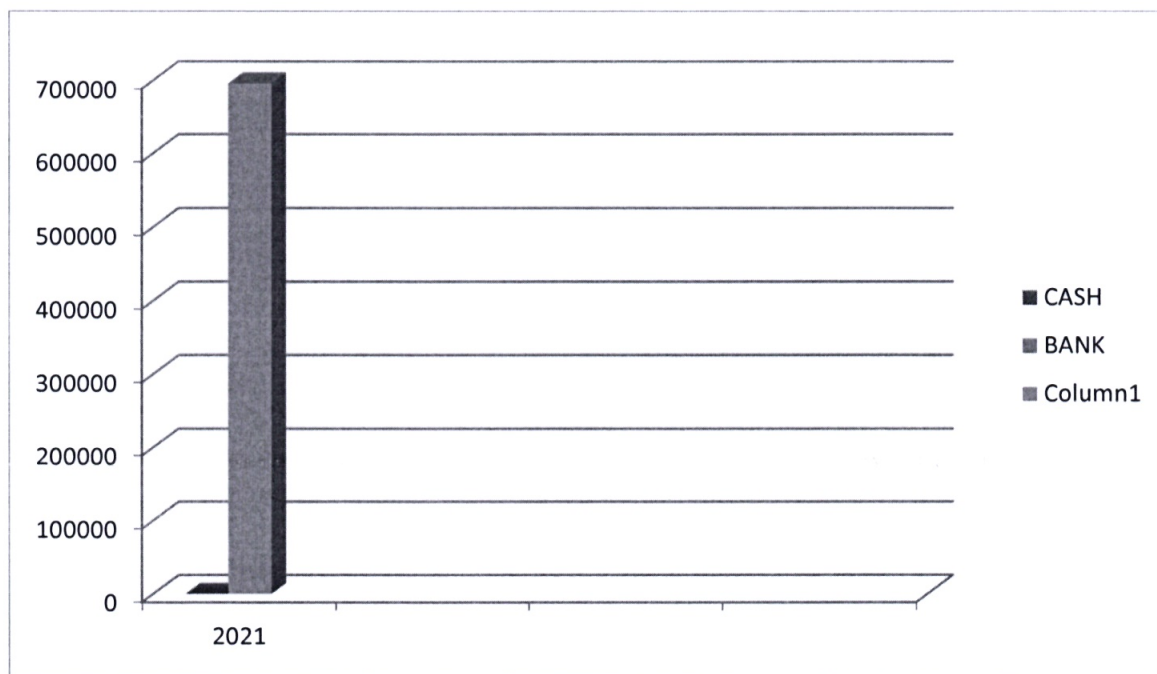
GACEGE SECONDARY SCHOOL

Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022

<b>2020</b>			
	TUITION	0	570,565.25
	OPERATION	0	96,378
	SCHOOL FUND	0	261,198.70
	INFRASTRUCTURE	0	7236.40



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



a) **Teacher Student ratio:**

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

**2020 : 2021 : 2022**  
 14,513.95 : 6,269.30 : 14,849.00

a) **Teacher Student ratio:**

*Students: Teachers*

*16: 1*

b) **Mean score in the 2021 KCSE:**

YEAR	MEAN SCORE
2021	2.354
2020	2.681
2019	2.16

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

YEAR	ENTRY
2021	65
2020	76
2019	78

d) **Capacity of the school:**

<i>Enrolment</i>	<i>313</i>
<i>No. Of Classes</i>	<i>8</i>
<i>Laboratories</i>	<i>2</i>
<i>Toilets</i>	<i>Boys – 8 Girls - 4</i>
<i>Dining hall</i>	<i>1</i>
<i>Library</i>	<i>1</i>

GACEGE SECONDARY SCHOOL

Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022

a) Development projects carried out by the school:

OBJECTIVE	PROJECT	OUT	UNIT COST	TOTAL	FINANCIES	DATE COMMENCEMENT	EXPECTED DATE OF COMPLETION	REMARKS
Purchase of 10,000l capacity plastic tank	Purchase of 10,000l capacity plastic tank	3	100,000	300,000	Parents	Jan 2020 Jan 2021 Jan 2022	Dec 2020 Dec 2021 Dec 2022	.....
	Improve water piping & supply		80,000	80,000	Parent GOK Donor	Sept 2019	Feb 2020	Achieved
	Rehabilitation of the administration block,		498,000	498,000	GOK	Sept 2019	Anril 2020	Achieved
	Installation of wi-fi internet faccility	2	3,000	6,000	parents	Jan 2019	Jan 2020	Installation done
	Construction of a perimeter security wall		100,000	100,000	Parents Donor CDF	Jan 2020	Dec 2022	Fence fixed using rolls of barbed wire and iron sheets
	Tiling of 4 classroom block	4	150,000	600,000	GOK	17 <sup>th</sup> July 2021	31 <sup>st</sup> Aug. 2021	achieved
	Purchase of a 62 seater bus	1	6 million	6 million	Parents Donor CDF	July 2019	Nov. 2020	Ongoing

Paul Harake Boya

Sign



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.

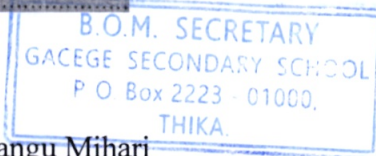
Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to be keep all proper books and records of accounts of the income, expenditure and assets of the institution.

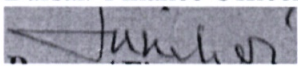
The Board of Management of GACEGE SECONDARY SCHOOL accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

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 30<sup>th</sup> June, 2022, and of the school's financial position as at that date.

**Name:** Daniel Kuria Mugo  
**Designation:** Chairman, School Board of Management  
**Sign:**   
**Date:** 17/7/2024

**Name:** Paul Halake Boya  
**Designation:** School Principal & Secretary to Board of Management  
**Sign:**   
**Date:** 17/7/2024



**Name:** Joseph Ndirangu Mihari  
**Designation:** Bursar/ Finance Officer  
**Sign:**   
**Date:** 17/7/2024

# REPUBLIC OF KENYA

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



*Enhancing Accountability*

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

## **REPORT OF THE AUDITOR-GENERAL ON GACEGE SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 - KIAMBU COUNTY**

---

### **PREAMBLE**

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Control, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Gacege Secondary School – Kiambu County set out on pages 1 to 19, which comprise of the statement of assets and

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Gacege Secondary – 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. Inaccuracies in the Financial Statements**

The following errors and misstatements were observed in the financial statements:

- 1.1 The cashflow statement-cashflow from investing activities reflects acquisition of assets of Kshs.1,272,410. The details of the assets acquired have not been disclosed in Annex 2-summary of fixed assets register.
- 1.2 The statement of cashflows indicates cash and cash equivalents as at the beginning of the year of Kshs.824,174 which does not agree with Note 8 to the financial statements which has an opening cash and bank balance of Kshs.696,141.

Further, the cashflow statement shows cash and equivalents at the end of the year of Negative Kshs.12,311 (an overdraft) which does not agree with Note 8 which reflects a closing cash and cash equivalents balance of Kshs.156,896.

- 1.3 The following variances were detected between the cashflow statement and Notes to the financial statements.

<b>Item</b>	<b>Disclosed Balance in the Cashflow Statement (Kshs.)</b>	<b>Disclosed Figure in the Notes to the Financial Statement (Kshs.)</b>	<b>Unexplained Variance (Kshs.)</b>
School Fund Income-Parents/Contribution Fees	2,808,140	3,439,110	630,970
Payments for Operations	3,166,789	4,439,199	1,272,410

1.4 **Appendix 1** discloses variances from comparison of ledgers and the Notes to the financial statements totalling Kshs.51,001,899.

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

## **2. Variance in Capitation Grants for Operations and Tuition**

The statement of receipts and payments reflects capitation grants for operations and operations amount of Kshs.4,139,839 and Kshs.889,694 as disclosed in Notes 1 and 2 to the financial statements. However, comparison with banks statements reflects amounts of Kshs.3,446,246 and Kshs.779,290, resulting to unexplained variances of Kshs.693,593 and Kshs.110,405 respectively.

In the circumstances, the accuracy and completeness of capitation grants for operations of Kshs.4,139,839 and tuition of Kshs.3,446,246 could not be confirmed.

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

### **Key Audit Matters**

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

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

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

### **Basis for Conclusion**

#### **1. Non-Compliance with Public Sector Accounting Standards Board (PSASB) Reporting Requirements**

Review of the financial statements revealed the following:

- 1.1. The statement of budgeted versus actual amounts has not disclosed Total budgeted receipts as required by the PSASB reporting template.
- 1.2. The financial statements' pages have been wrongly numbered from page number 4 onwards.

In the circumstances, Management was in breach of the PSASB guidelines. Further, lack of relevant information may affect users' reliance on the financial statements for decision making.

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

During the year under review, Management submitted the financial statements to the Auditor-General on 11 July, 2023 instead of the statutory deadline of 30 September 2022. This was contrary to Section 68(K) of the Public Finance Management Act, 2012 that requires financial statements to be submitted within a period of three months after the financial year ends.

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

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

The statement of receipts and payments reflects boarding and school fund payments of Kshs.3,946,039.15 as reflected in Note 7 to the financial statements. Included in this component is Kshs.2,430,815 incurred under the lunch programme. Review of procurement documents for purchases under the programme revealed that the School did not have in place tender evaluation and tender opening committees contrary to section 46 (1) and Section 78 (1) of Public Procurement and Asset Disposal Act, 2015.

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

The audit was conducted in accordance with ISSAIs 3000 and ISSAIs 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## **REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the matters described in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance section of my

---

*Report of the Auditor-General on Gacege Secondary School for the year ended 30 June, 2022 - Kiambu County*

report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

## **Basis for Conclusion**

### **1. Lack of an Approved Human Resource Policy**

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

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

### **2. Anomalies in the Management of Cash and Cash Equivalents**

The statement of financial assets and liabilities and Note 8 to the financial statements reflects bank balances of Ksh.156,896 which relates to five bank accounts maintained by the School as at 30 June, 2022. Review of cash books and monthly bank reconciliation statements revealed the following:

2.1 The School's cash books do not undergo signed regular reviews by a senior officer to assist in detecting errors made in preparation of the cash books.

There were no certified bank balances provided by ABSA Bank Kenya for all the five (5) bank accounts held by the School to confirm the balances disclosed in the reconciliation statements.

2.2 Note 8 to the financial statement indicates a closing cash in hand balance of Kshs.169,207 as at 30 June, 2022. Management did not provide a disclosure on the borrowings that have caused a negative cash on hand balance since Note 16 to the financial statements does not reflect any borrowings taken by the School.

In addition, the School also has no policy in place that sets a maximum limit of petty cash, minimum balance, the custodians of petty cash, and other necessary controls including segregation of duties between requisitioning and authorizing.

In the absence of the necessary controls, cash and equivalents become susceptible to misuse.

## **2 Non-Disclosure of Bursary Funds**

Note 4 to the financial statements on other receipts from the school fund account has no disclosure on bursaries received from NGCDFs and County Governments for the year. However, there were bursary funds received in the School including Kshs.550,000

awarded to two hundred and twenty (220) students from NGCDF Gatundu North Constituency on 28 February, 2022.

It was also noted that the School maintains hardcopy lists of beneficiaries and fees register of student's balances. This is because the School lacks a centralized bursary management information system to store and manage beneficiaries' data.

The above exposes information to unauthorized editing of figures and in the event of a disaster there may be a permanent loss of information detailed in bursary books of accounts.

### **3 Poor Management of Inventory of the School**

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

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

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

### **4 Inaccuracy of Student Enrollment Data**

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

<b>Month</b>	<b>NEMIS ENROLLMENT</b>	<b>Physical Count of Number of Students as per school register</b>	<b>Variance</b>
Jul-21	228	235	-27
Form 1 2021	35	44	-9
Oct-21	264	255	9
Jan-22	264	234	30
Apr-22	263	234	29

In the circumstances, the basis used to award capitation to the School could not be confirmed

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

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

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

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or to cease operations.

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

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

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

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

The audit objectives are to obtain reasonable assurance about whether the School's financial statements as a whole are free from material misstatement, whether due to fraud

or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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


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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the school's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the school to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the school to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

**Nairobi**

**23 September, 2024**

## Appendix -1 Variances between financial statements and ledgers

Item	As Per The Ledger (Kshs.)	As Per The Financial Statement (Kshs.)	Variance in (Kshs.)
<b>RECEIPTS</b>			
<b>Capitation grant for Tuition</b>			
Laboratory Equipment	130,390	163,410	(33,020)
Teaching Materials	38,053	49,483	(11,430)
Chalks	391,140	22,087	369,053
Exercise Books	434,300	393,970	40,330
<b>Parents Contribution - School Fund A/c</b>			
Lunch Programme	3,878,710	3,433,610	445,100
Activity	48,374	0	48,374
Admin Costs	11,000	5,500	5,500
<b>Other receipts - school fund</b>			
KCSE Exam	143,000	17,500	125,500
School Farm	0	89,484	(89,484)
School Van project	1,245,100	634,200	610,900
Bursary Award	1,100,000	0	1,100,000
<b>PAYMENTS</b>			
<b>Boarding and school fund payments</b>			
Lunch Program	2,635,580	2,430,815	204,765
RMI	24,725,910	9,120	24,716,790
LT & T	3,505,195	114,150	3,391,045
Activity	29,760	24,960	4,800
EWC	39,900	40,600	(700)
School Farm	0	22,690	(22,690)
Project	1,139,700	782,350	357,350
Bursary Award	1,100,000	0	1,100,000
Admin Costs	18,822,266	497,204	18,325,062
<b>TOTAL Variances (absolute)</b>			<b>51,001,899</b>

Report of the Auditor-General on Gacege Secondary School for the year ended 30 June, 2022 - Kiambu County

GACEGE SECONDARY SCHOOL

Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022

V. Statement Of Receipts And Payments Period To 30<sup>th</sup> June 2022


DESCRIPTION OF VOTE HEAD	Note	2021-2022 Kshs	2020-2021 Kshs
<b>RECEIPTS</b>			
Capitation grants for tuition	1	889,694.80	405,845.00
Capitation grants for operations	2	4,139,839.20	2,639,406.00
School Fund Income- Parents' Contributions	3	3,439,110.00	1,338,796.00
School Fund Income- Other receipts	4	863,584.00	130,865.00
Proceeds from borrowings		0.00	
<b>TOTAL RECEIPTS</b>		<b>9,332,228.00</b>	<b>4,514,912.00</b>
<b>PAYMENTS</b>			
Payments for Tuition	5	1,152,505.00	594,923.00
Payments for operations	6	4,439,199.40	2,433,257.00
Boarding and school fund payments	7	3,946,039.15	1,643,579.00
<b>TOTAL PAYMENTS</b>		<b>9,537,743.55</b>	<b>4,671,759.20</b>
<b>SURPLUS/DEFICIT</b>		<b>(205,515.55)</b>	<b>(156,847.00)</b>

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

Name: Daniel Kuria  
Chair BOM

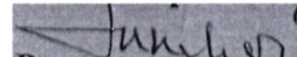


Date: 17/7/2024

Name: Paul Harake Boya  
School Principal/ Secretary to  
BOM 

Date: 17/7/2024

Name: Joseph Ndirangu  
Bursar/ Finance Officer



Date: 17/7/2024



GACEGE SECONDARY SCHOOL

Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022

VI. Statement Of Financial Assets And Financial Liabilities As At 30<sup>th</sup> June 2022

	Note	2021-2022 Kshs	2020-2021 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	8	1156,896.00	696,141.00
Cash Balances	9	(169,207.00)	128,033.00
Short term Investment	10	-	-
<b>Total Cash and cash equivalent</b>		<b><u>(12,311.00)</u></b>	<b><u>824,174.00</u></b>
Account's receivables	11	6,543,404.00	5,912,434.00
<b>TOTAL FINANCIAL ASSETS</b>		<b><u>6,531,093.00</u></b>	<b><u>6,736,608.00</u></b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payables	12	-	-
<b>NET FINANCIAL ASSETS</b>		<b><u>6,531,093.00</u></b>	<b><u>6,736,608.00</u></b>
<b>Fund balance b/fwd 1<sup>st</sup> July 2021</b>	13	6,736,608.00	6,893,455.00
<b>Surplus/Deficit for the year</b>		(205,516.00)	(156,847.00)
<b>NET FINANCIAL POSITION</b>		<b><u>6,531,093.00</u></b>	<b><u>6,736,608.00</u></b>

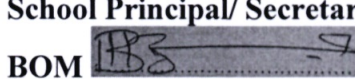
The school's financial statements were approved on \_\_\_\_\_ 2022 and signed by:

Name: Daniel Kuria  
Chair BOM



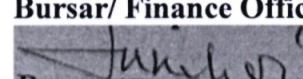
Date: 17/7/2024

Name: Paul Harake Boya  
School Principal/ Secretary to  
BOM



Date: 17/7/2024

Name: Joseph Ndirangu  
Bursar/ Finance Officer



Date: 17/7/2024



VII. Statement of Cash Flows for The Period Ended 30<sup>th</sup> June 2022

		2021-2022	2020-2021
		Kshs	Kshs
<b>Receipts for operating income</b>			
Capitation grants for tuition	1	889,695.00	405,845.00
Capitation grants for operations	2	4,139,839.00	2,639,406.00
School fund income- Parents contributions/ fees	3	2,808,140.00	1,392,066.00
School fund income- other receipts	4	863,584.00	130,865.00
<b>Total receipts</b>		<b>8,701,258.00</b>	<b>4,568,182.00</b>
<b>Payments</b>			
Payments for Tuition	5	1,152,505.00	594,923.00
Payments for operations	6	3,166,789.00	1,337,757.00
Boarding and school fund payments	7	3,946,039.00	1,643,579.00
<b>Total payments</b>		<b>8,265,334.00</b>	<b>3,576,259.00</b>
<b>Net cashflow from operating activities</b>		<b>435,924.00</b>	<b>991,923.00</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of assets		00	00
Acquisition of Assets		1,272,410.00	1,095,500.00
Proceeds from investment		-	00
<b>Net cash flows from Investing Activities</b>		<b>(1,272,410.00)</b>	<b>(1,095,500.00)</b>
<b>NET 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>(836,486.00)</b>	<b>(103,577.00)</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>		<b>824,174.00</b>	<b>927,751.00</b>
<b>Cash and cash equivalent at END of the year</b>		<b>(12,311.00)</b>	<b>824,174.00</b>

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

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	B
	a	b	c=a+b	d	
	Kshs	Kshs			
<b>RECEIPTS</b>					
<b>(1) CAPITATION GRANT ON TUITION</b>					
Textbooks and reference materials	0	0	562,596	0	
Exercise books	393,970.00	40,330	434,300	434,300	
Laboratory equipment	163,410.00	160,140	323,550	323,550	
Internal exams	179,119	(29,549)	143,570	143,570	
Teaching / learning materials	49,483.00	160,717	210,200	210,200	
Chalks	22,087.80	18,562.20	40,650	40,650	
Exams and assessment	-	-	-	-	
Library materials	81,625.00	0	81,625.00	81,625.00	
<b>(2) CAPITATION GRANT ON OPERATIONS</b>					
Personnel emoluments	1,304,172.40	258,046.6	1,562,219	1,562,219	
Repairs and maintenance	1,527,333	0	1,527,323	1,527,337.00	
Local transport / travelling	262,000.00	0	262,000.00	296,355.00	
Electricity and water	730,000.00	0	730,000.00	407,525.00	
Medical	0	0	0	52,800.00	
Administration costs	292,000.00	0	292,000.00	292,649.80	
Activity	0	0	0	0	
Gratuity	-	-	-	-	

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

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
<b>RECEIPTS</b>						
<b>(1) CAPITATION GRANT ON TUITION</b>						
Textbooks and reference materials	0	0	562,596	0	562,596.00	0%
Exercise books	393,970.00	40,330	434,300	434,300	0	100%
Laboratory equipment	163,410.00	160,140	323,550	323,550	0	100%
Internal exams	179.119	(29,549)	143,570	143,570	0	100%
Teaching / learning materials	49,483.00	160,717	210,200	210,200	0	100%
Chalks	22,087.80	18,562.20	40,650	40,650	0	100%
Exams and assessment	-	-	-	-	-	-
Library materials	81,625.00	0	81,625.00	81,625.00	0	100%
<b>(2) CAPITATION GRANT ON OPERATIONS</b>						
Personnel emoluments	1,304,172.40	258,046.6	1,562,219	1,562,219	0	100%
Repairs and maintenance	1,527,333	0	1,527,333	1,527,337.00	(207,337.00)	116%
Local transport / travelling	262,000.00	0	262,000.00	296,355.00	(34,355.00)	113%
Electricity and water	730,000.00	0	730,000.00	407,525.00	322,475.00	56%
Medical	0	0	0	52,800.00	(52,800.00)	-
Administration costs	292,000.00	0	292,000.00	292,649.80	649.80	100%
Activity	0	0	0	0	0	0.0%
Gratuity	-	-	-	-	-	-

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
SMASSE	-	-	-	-	-	-
<b>(3) FEES CHARGED ON PARENTS</b>						
Personnel emoluments	0	0	0	0	0	0
Repairs and maintenance	0	0	0	0	0	0
Local transport / travelling	0	0	0	0	0	0
Electricity and water	0	0	0	0	0	0
Medical	0	0	0	0	0	0
Administration costs	0	0	0	5,500	(5,500)	-
Activity	0	0	0	0	0	0
SMASSE	0	0	0	0	0	0
Fee on Boarding Equipment and Stores	0	0	0	0	0	0
<b>OTHER INCOME</b>						
Rent income	-	-	-	-	-	-
Income from farming activities	-	-	-	-	-	-
Insurance compensation	-	-	-	-	-	-
Income from Posho mill	-	-	-	-	-	-
Income from Bus Hire	-	-	-	-	-	-
Fee for hire of ground and equipment	-	-	-	-	-	-
Interest income	-	-	-	-	-	-
Income from any other investment	-	-	-	-	-	-
<b>TOTAL INCOME</b>						

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
<b>(1) EXPENDITURE FOR TUITION</b>						
Textbooks and reference materials	562,596.00	0	562,596.00	0	562,596.00	0%
Exercise books	568,570.00	0	568,570.00	434,300.00	134,270.00	76%
Laboratory equipment	133,250	0	133,250	323,550.00	(190,300.00)	243%
Internal exams	0	0	0	143,570.00	(143,570.00)	-
Teaching / learning materials	100,100.00	0	100,100.00	210,200.00	(110,100.00)	210%
Chalks	26,000	0	26,000	40,650.00	(14,650)	156%
Exams and assessment	-	-	-	-	-	-
Library materials	48,100	0	48,100	0	48,100	0%
Administration costs	-	-	-	-	-	-
Bank Charges	0	0	0	235.00	(235.00)	-
<b>(2) EXPENDITURE FOR OPERATIONS</b>						
Personnel emoluments	1,801,000.00	0	1,801,000.00	1,562,210.00	238,790.00	87%
Repairs, maintenance & improvements	1,320,000.00	0	1,320,000.00	1,272,410.00	47,590.00	96%
Local transport / travelling	262,000.00	0	262,000	100,450.00	161,550.00	38%
Electricity, water and conservancy	730,000.00	0	730,000.00	198,880.00	531,120.00	27%
Medical	-	-	-	-	-	-
Administration costs	292,000.00	0	292,000.00	556,840.40	(264,840.40)	191%
Activity Expenses	0	0	0	308,350.00	(308,350.00)	-
Gratuity	-	-	-	-	-	-

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c%
	Kshs	Kshs			Kshs	Kshs
SMASSE	-	-	-	-	-	-
<b>(3) EXPENDITURE FOR SCHOOL FUND</b>						
Personnel emoluments	-	-	-	-	-	-
Repairs, maintenance and improvements	0	0	0	9,120.00	(9,120.00)	-
Local transport / travelling	0	0	0	114,150.00	(114,150.00)	-
Electricity, water and conservancy	0	0	0	40,600.00	(40,600.00)	-
Medical Expenses	0	0	0	750.00	(750.00)	-
Administration costs	0	0	0	497,204.15	(497,204.15)	-
Activity	0	0	0	24,960.00	(24,960.00)	-
Gratuity	-	-	-	-	-	-
Lunch programme	2,625,000.00	0	2,625,000.00	2,215,320.00	409,680.00	84%
Boarding Equipment and Stores	-	-	-	-	-	-
Expenditure for Income Generating Activity	0	0	0	22,690.00	(22,690.00)	-
Insurance costs	-	-	-	-	-	-
Other expenses on investments	-	-	-	-	-	-
Rent Expenses	-	-	-	-	-	-
Bank Charges	-	-	-	-	-	-
Loan Interest Repayment	-	-	-	-	-	-
Loan Principal Repayment	-	-	-	-	-	-
Acquisition of Assets	-	-	-	-	-	-
<b>TOTALS</b>	<b>13,187,040.00</b>	<b>0</b>	<b>13,187,040.00</b>	<b>12,852,477.15</b>	<b>1,035,993.05</b>	<b>2161%</b>

**III. 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 2022.

## VIII. Notes To The Financial Statements

## 1 CAPITATION GRANT FOR TUITION

	2021-2022	2020-2021
	Kshs	Kshs
Textbooks and reference materials	-	62,600.00
Exercise books	393,970.00	139,285.00
Laboratory equipment	163,410.00	71,990.00
Internal exams	179,119.00	41,566.00
Teaching / learning materials	49,483.00	51,645.00
Chalks	22,087.80	10,588.90
Exams and assessment	-	0.00
Teachers guides	81,625.00	28,170.00
<b>Total</b>	<b>889,694.80</b>	<b>405,844.90</b>

## 2.CAPITATION GRANT FOR OPERATIONS

	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	1,304,172.40	761,693.00
Repairs and maintenance	1,616,337.00	1,383,147.00
Local transport / travelling	296,355.00	147,110.00
Electricity and water	407,525.00	228,450.00
School fund	170,000.00	0.00
Infrastructure grant, 3 classrooms	0.00	0.00
Infrastructure grant, computer lab	0.00	0.00
Medical	52,800.00	0.00
Administration costs	292,649.80	119,006.20
Borehole (transfer)	0.00	0.00
Interest	0.00	0.00
Activity	0.00	0.00
Other vote heads		
<b>Total</b>	<b>4,139,839.20</b>	<b>2,639,406.20</b>

## 3. PARENTS CONTRIBUTION/FEEES - SCHOOL FUND ACCOUNT

Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022

	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	0.00	26,170.00
Boarding equipment and stores	0.00	-
Repairs and maintenance	-	12,400.00
Local transport / travelling	0.00	24,965.00
Electricity and water	0.00	1,800.00
Administration costs	5,500.00	12,456.00
Income from grants and donations*	0.00	-
Activity	0.00	1,000.00
Lunch programme	3,433,610.00	1,260,005.00
<b>Total</b>	<b>3,439,110.00</b>	<b>1,338,796.00</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 4. OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2021-2022	2020-2021
	Kshs	Kshs
Rent income	0.00	0.00
Income from farming activities	0.00	-
KCSE Exam	17,500.00	0.00
School farm	89,484.00	15,855.00
Income from bus and ground hire	-	0.00
Donation	122,400.00	0.00
PA –donation, school van project	634,200.00	115,010.00
<b>TOTAL</b>	<b>863,584.00</b>	<b>130,865.00</b>

## 5.PAYMENTS FOR TUITION

	2021-2022	2020-2021
	Kshs	Kshs
Textbooks and reference materials	0.00	14,628.00
Exercise books	434,300.00	-
Laboratory equipment	323,550.00	318,840.00
Internal exams	143,570.00	28,500.00
Teaching / learning materials	210,200.00	225,850.00
Chalks	40,650.00	1,950.00
Exams and assessment	0.00	0.00
Teachers guides	0.00	5,000.00
Administration cost	0.00	0.00
Bank Charges	235.00	155.00
<b>Total</b>	<b>1,152,505.00</b>	<b>594,923.00</b>

## 6. PAYMENTS FOR OPERATIONS

	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	1,562,219.00	772,388.00
Service Gratuity	0.00	0.00
Administration Cost	600,910.00	216,684.00
Repair, maintenance & improvement	396,000.00	187,035.00
Local transport / travelling	100,450.00	37,150.00
Electricity and water	198,860.00	63,750.00
Medical	-	750.00
Activity Expenses	308,350.00	60,000.00
Comp. lab		0.00
School fund	-	0.00
Tuition Account		0.00
Borehole	0.00	0.00
Bank charges		
Acquisition of Assets	1,272,410.00	1,095,500.00
<b>TOTAL</b>	<b>4,439,199.40</b>	<b>2,433,257.00</b>

## Notes To The Financial Statements (Continued)

## 7. Boarding And School Fund Payments

	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments	0.00	0.00
Boarding equipment and stores	0.00	1,354,395.00
Repairs and maintenance	9,120.00	49,055.00
Local transport / travelling	114,150.00	21,850.00
Electricity and water	40,600.00	40,200.00
Administration costs	497,204.15	101,729.20
Activity	24,960.00	0.00
Medical	750.00	750.00
School farm	22,690.00	15,690.00
Bank charges		-
Project	782,350.00	59,910.00
Income from Bus and ground hire	0.00	0.00
Income from grants and donations*	0.00	0.00
KCSE exam	23,400.00	0.00
Dividends income	0.00	0.00
Transfer to infrastructure	0.00	0.00
Lunch programme	2,430,815.00	-
<b>TOTAL</b>	<b>3,946,039.15</b>	<b>1,643,579.20</b>

**8.BANK ACCOUNTS**

Name of Bank, Account No. & currency	Bank Account Number	2021-2022	2020-2021
		Kshs	Kshs
Tuition Account	1066854	118,677.30	381,487.50
Operations Account	1044761	10,731.60	227,397.80
School Fund Account/Boarding	1016431	27,486.65	87,255.95
Savings Account	3522415	-	-
Income generating activities Account	-	-	-
Infrastructural Account	2042960457	-	-
<b>Total</b>		<b>156,895.55</b>	<b>696,141.25</b>

**9.CASH IN HAND**

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition Account	-	-
Operation Account	(7,619.00)	75,075.00
School Fund account	(161,587.80)	52,958.05
Infrastructure	-	-
<b>Total</b>	<b>(169,206.80)</b>	<b>128,033.05</b>

**10.SHORT TERM INVESTMENTS**

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

## 11.ACCOUNTS RECEIVABLE

Description	2021-2022 Kshs	2020-2021 Kshs
Fees arrears	6,543,404.05	5,912,434.05
Other non-fees receivables	-	-
Salary advances	-	-
Imprest	-	-
<b>Total</b>	<b>6,543,404.05</b>	<b>5,912,434.05</b>

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

Description	2021-2022 Kshs	2020-2021 Kshs
Fees arrears for current year	955,170.00	
Fees arrears for the previous year		174,753.75
Fees arrears for prior periods (over two years)	5,588,234.05	5,737,680.30
<b>Total</b>	<b>6,543,404.05</b>	<b>5,912,434.05</b>

## 12.ACCOUNTS PAYABLE

Description	2021-2022 Kshs	2020-2021 Kshs
Trade creditors (See ageing below and appendix 1)		
Prepaid fees		
Retention moneis	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

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

Description	2020-2021 Kshs	2019-2020 Kshs
Trade creditors for current year	-	-
Trade creditors paid during the year	0.00	0.00
Trade creditors for the previous year	-	-
Trade creditors for prior periods (over two years)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**13.FUND BALANCE BROUGHT FORWARD**

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank balances	156,895.55	696,141.25
Cash balances	(169,206.80)	128,033.05
Short Term Investments	0.00	0.00
Receivables	6,543,404.05	5,912,434.05
Payables	-	-
<b>Total</b>	<b>6,531,092.80</b>	<b>6,736,608.35</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	2021-2022	2020-2021
	Kshs	Kshs
Bank loan(s)	0.00	0.00
Outstanding Leases	0.00	0.00
Hire purchase	0.00	0.00
Gratuity and leave provision	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

**15 Biological assets**

Description	Numbers	2021-2022	2020-2021
		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
-		0.00	0.00

**16. Borrowings**

Description	2021-2022	2019-2020
	KShs	KShs
<b>a) Borrowings</b>	<b>0.00</b>	<b>0.00</b>
Borrowing at beginning of the year	0.00	0.00
Borrowings during the year	0.00	0.00
Repayments of during the year	0.00	0.00
<b>Balance at end of the year</b>	<b>0.00</b>	<b>0.00</b>

**Other important disclosure notes**

17. Stock/ Inventory

Description	2021-2022	2020-2021
	Kshs	Kshs
<b>b) Inventory</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>

2 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: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>

-----  
Sign and Date  
Principal

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 20XX	Outstanding Balance 20XX-1	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.						
5.						
6.						
<b>Sub-Total</b>						
<b>Supply Of Services</b>						
7.						
8.						
9.						
<b>Sub-Total</b>						
<b>Grand Total</b>						

## Annex 2 – Summary Of Fixed Assets Register

Asset Class	Date purchased	Location	Historical Cost b/f (Kshs) 1 <sup>st</sup> July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 <sup>th</sup> June 2022
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>						