REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

GEDE SECONDARY SCHOOL

FOR THE YEAR ENDED 30 JUNE, 2023

KILIFI COUNTY

Revised 30th June 2022.

GEDE SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2023

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

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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 **Kilifi** County, **Malindi** Sub-County

The school was registered in **1974** under registration number **GP/8484/10** and is currently categorized as a **County** public school established, owned or operated by the Government.

The school is a day/boarding school and had **708** numbers of students as at *30th June 2023*. It has 5 streams and **39** teachers of which **17** 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	Jackson Karisa Fagio	Chairman	04/07/2019
2	Josiah Mwachanya	Secretary - Principal	04/07/2019
3	Kitole Benson	Member	04/07/2019
4	Josephine Kasichana	Member	04/07/2019
5	Patience Kahindi	Member	04/7/2019
6	Esther Jumwa	Member	04/07/2019
7	Mwathethe Petro	Member	04/07/2019
8	Jackson Fagio	Member – Rep CEB	04/07/2019
9	Rama Karisa	Member Rep Teachers	04/07/2019
10 11 12	• Anthony Kanundu • Irene Kaingu • Jonathan kitsao	3 Members - Sponsor	04/07/2019
13	Pascalia Neema	Member - Community	04/07/2019
14	Daniel Fondo	MemberSpecial Needs	04/07/2019
	Hafswa Hobein	Rep Students	04/07/2019

(c) Committees of the Board

(Provide the names of the various committees of the Board established by the Board and the names of the committee members):

f:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	• Jackson Fagio • Jonathan Kitsao • Hafswa Hobein • Josiah Mwachanya • Kitole Benson • Josephine Kasichana	-chairperson -vice chairperson - Bom Member -Bom secretary -Bom Member -Bom Member	3 out of 4
2	Audit Committee	• Hafswa Hobein • Kasichana Saida • Benson Kitole • Kanundu Ngumbao	Chairperson Member Member Member	2 out of 4
3	Finance,procurement and general purposes Committee	• Jonathan Kitsao • Mwathethe Petro • Pascalia Neema	-Chairperson -Member -Member	2
4	Academic Committee	• Kitole Benson • Hafswa Hobein • Rama Karisa • Patience Kahindi	-Chairperson -Member -Member -Member -Member	3
5	Development Committee	• Daniel Fondo • Josiah Mwachanya • Laban Ongaro • DEO • Hafswa Hobein • Jackson Karisa Fagio • Pascalia Neema	-Chairperson -Principal -Secretary -Member -Member -Member -Member	2
6	Discipline and welfare Committee	• Irene Kaingu • Rama Karisa • Esther Jumwa • Mwathethe Petro • Pascalia Neema	-Chairperson -Member -Member -Member -Member	4
7	Adhoc Committee (if any during the year)			

(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	Josiah Mwachanya	274945
2	Deputy Principal	Laban Ongaro	418056
3	School Bursar	Andrew Chonga	N/A

(e) Schools contacts

Post Office Box: 100-80208
Telephone: 0742-103-012
E-mail: gedesecondary@gmail.com
Website: -
Facebook:
Twitter:

(f) School Bankers

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

1. Name of Bank: KCB
   Branch: WATAMU
   Account Number: **1107966337/1107976987/1107974089/1141256487**
   Name of Bank: EQUITY
   Branch: Malindi
   Account Number: **0450274231058.**

2. MPESA Pay Bill No. **522123** attached to **60164k** bank account-**1107966337**

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

(g) Independent Auditors

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

II. Summary Report Of Performance Of The School

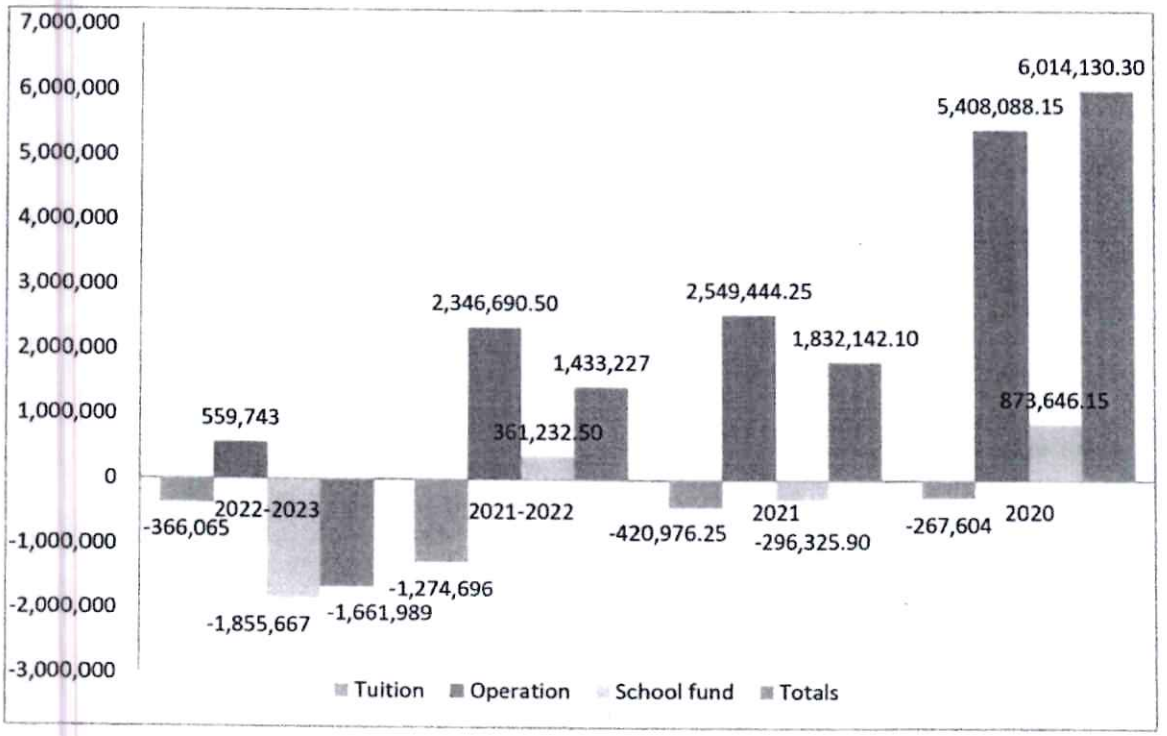
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) **Financial performance**:

Surplus/deficit for the year and comparison of the same for the last three years.

Accounts	2022-2023	2021-2022	2021	2020
Tuition	366,065(deficit)	1,274,696(deficit)	420,976.25(deficit)	267,604(deficit)
Operation	559,743(surplus)	2,346,690.50(surplus)	2,549,444.25(surplus)	5,408,088.15(surplus
School fund	1,855,667(deficit)	361,232.50(surplus)	296,325.90(deficit)	873,646.15(surplus)
Totals	1,661,989(deficit)	1,433,227(surplus)	1,832,142.10(surplus)	6,014,130.30(surplus)

Graphical presentation on surplus/deficit for the year and comparison of the same for the last three years.



The year 2021-2022, there was a surplus of 1,433,227.00.it decreased to a deficit of (1,661,989) in 2022-2023. This was attributed to non-full disbursement of FDSE fund from the ministry of education and fees payments to some parents/guardians were not timely.

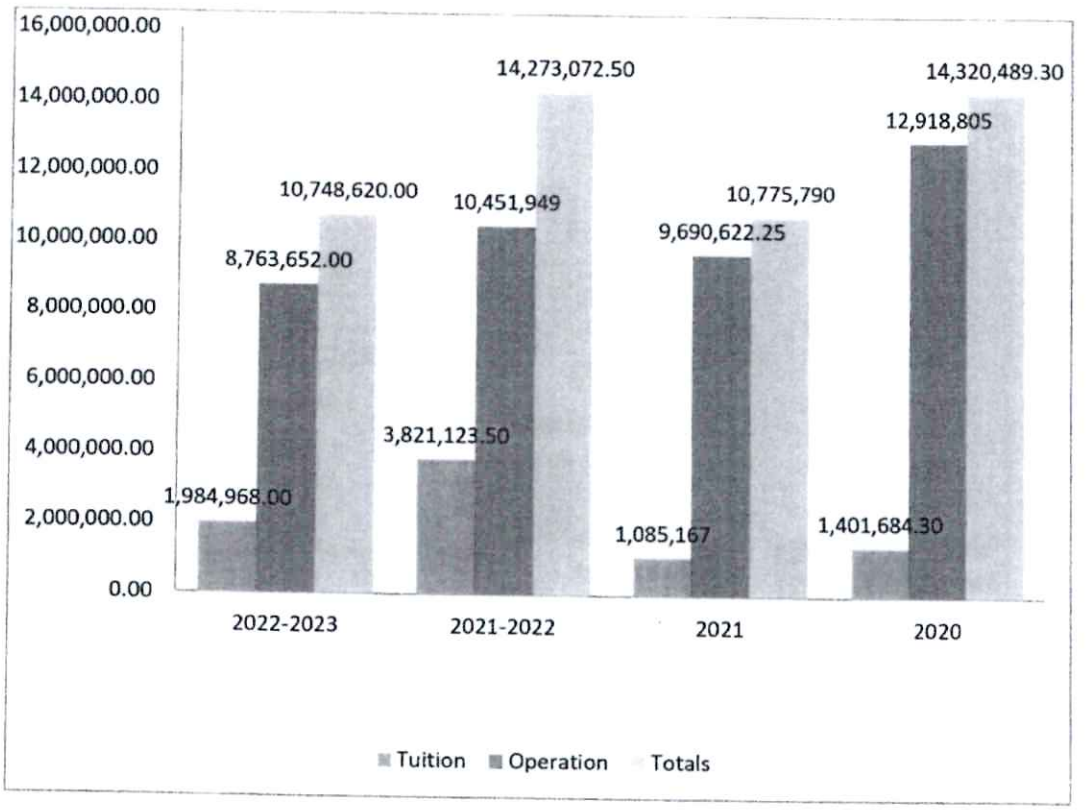
Reports and Financial Statements for the Year ended 30th June 2023.

II. Summary Report of Performance of the School.

Capitation grants from the ministry of education for the last three years.

Accounts	2022-2023	2021-2022	2021	2020
Tuition	**1,984,968.00**	3,821,123.50	1,085,167	1,401,684.30
Operation	**8,763,652.00**	10,451,949	9,690,622.25	12,918,805
Totals	**10,748,620.00**	**14,273,072.50**	**10,775,790**	**14,320,489.30**

Graphical presentation of capitation grants from the ministry of education over the last three years.



The capitation grant for the financial year 2021-2022 was 14,273,072.50.This figure decreased to 10,748,620.00 in 2002-2023 financial years. This was attributed by non-full disbursement of FDSE funds from the ministry of education hence decrease in capitation amount.

Ratio of Capitation grant per Student over the last three years.

TUITION ACCOUNT.

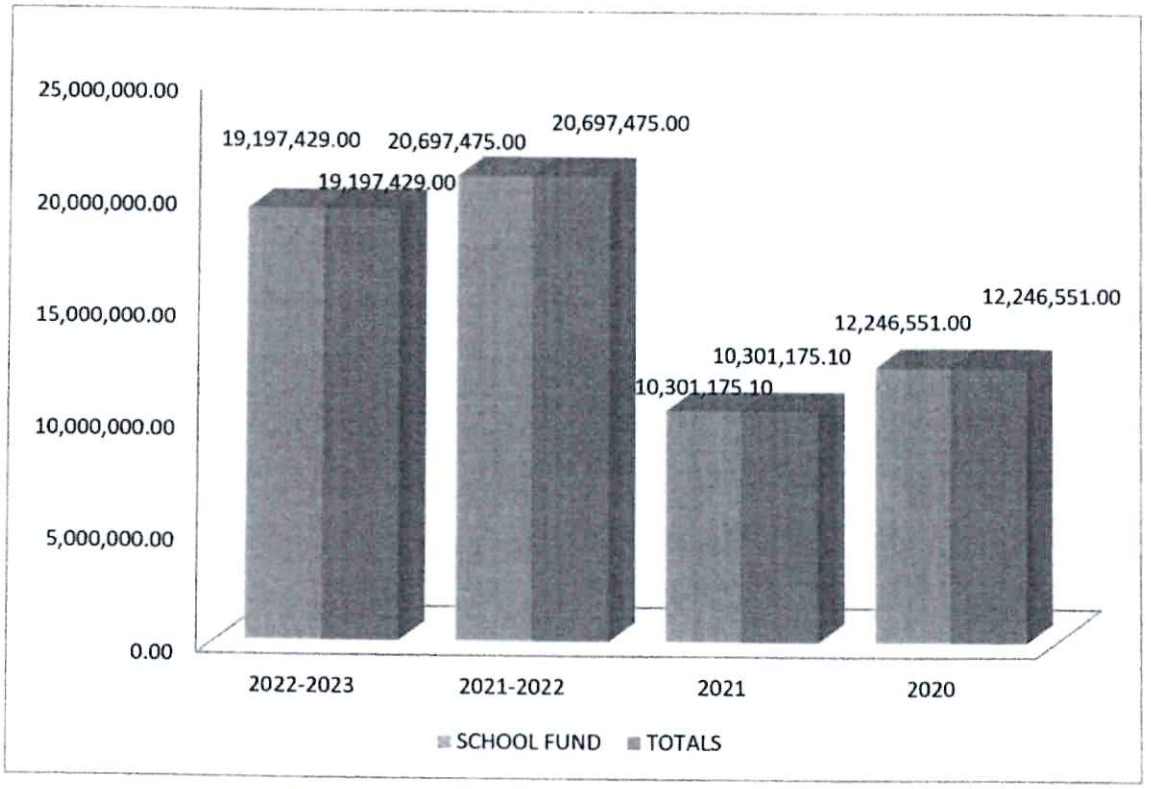
Account.	2022-2023	2021-2022	2021	2020
Tuition.	1,984,968.00	3,821,123.00	1,085,167.00	1,401,684.30
Number of students	708	735	643	830
Ratio.	1:2,803.63	1:5,198.81	1:1,687.66	1:688.78

OPERATION ACCOUNT.

Account	2022-2023	2021-2022	2021	2020
Operation	8,763,652.00	10,451,949.00	9,690,622.25	12,918,805.00
Number of student	708	735	643	830
Ratio.	1:12,378.04	1:14,220.34	1:15,070.95	1:15,564.3

A three- year overview of growth of other income (s) earned by the school.

ACCOUNTS	2022-2023	2021-2022	2021	2020
SCHOOL FUND	19,197,429.00	20,697,475.00	10,301,175.10	12,246,551.00
TOTALS	**19,197,429.00**	**20,697,475.00**	**10,301,175.10**	**12,246,551.00**

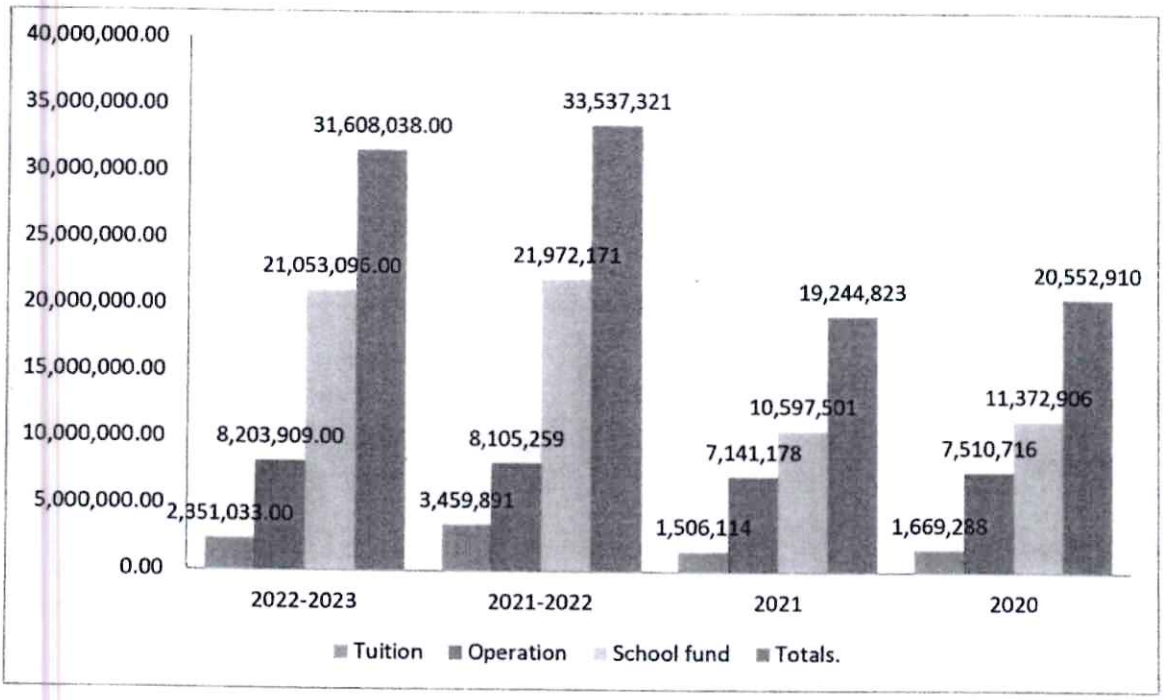


The collection of fees for the financial year 2021-2022 was 20,697,475.00 .This figure decreased to 19,197,429.00 in 2022-2023 financial year. This was attributed by non-full collection of school fees from parents /Guardians.

A three –Year overview of growth in expenditure of the school.

Accounts	2022-2023	2021-2022	2021	2020
Tuition	2,351,033.00	3,459,891	1,506,114	1,669,288
Operation	8,203,909.00	8,105,259	7,141,178	7,510,716
School fund	21,053,096.00	21,972,171	10,597,501	11,372,906
Totals.	**31,608,038.00**	**33,537,321**	**19,244,823**	**20,552,910**

Graphical presentation of growth in expenditure of the school over the last three years.

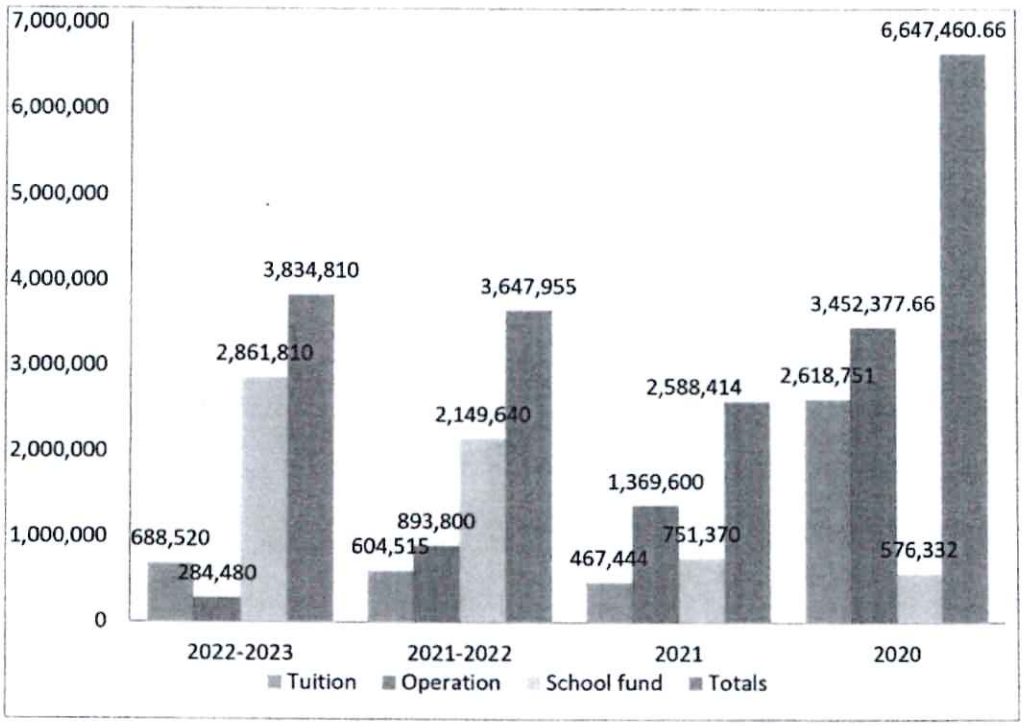


The expenditure growth of the school for the financial year 2021-2022 was 33,537,321.00.There was a slightly decrease in expenditure in financial year 2022-2023 to 31,608,038.00 This was attributed by reduction in some expenditure to enable us spent within our means e.g. taking maize to posh mill instead of buying bale of flour from suppliers.

2. Creditors

Accounts	2022-2023	2021-2022	2021	2020
Tuition	688,520	604,515	467,444	2,618,751
Operation	284,480	893,800	1,369,600	3,452,377.66
School fund	2,861,810	2,149,640	751,370	576,332
Totals	**3,834,810**	**3,647,955**	**2,588,414**	**6,647,460.66**

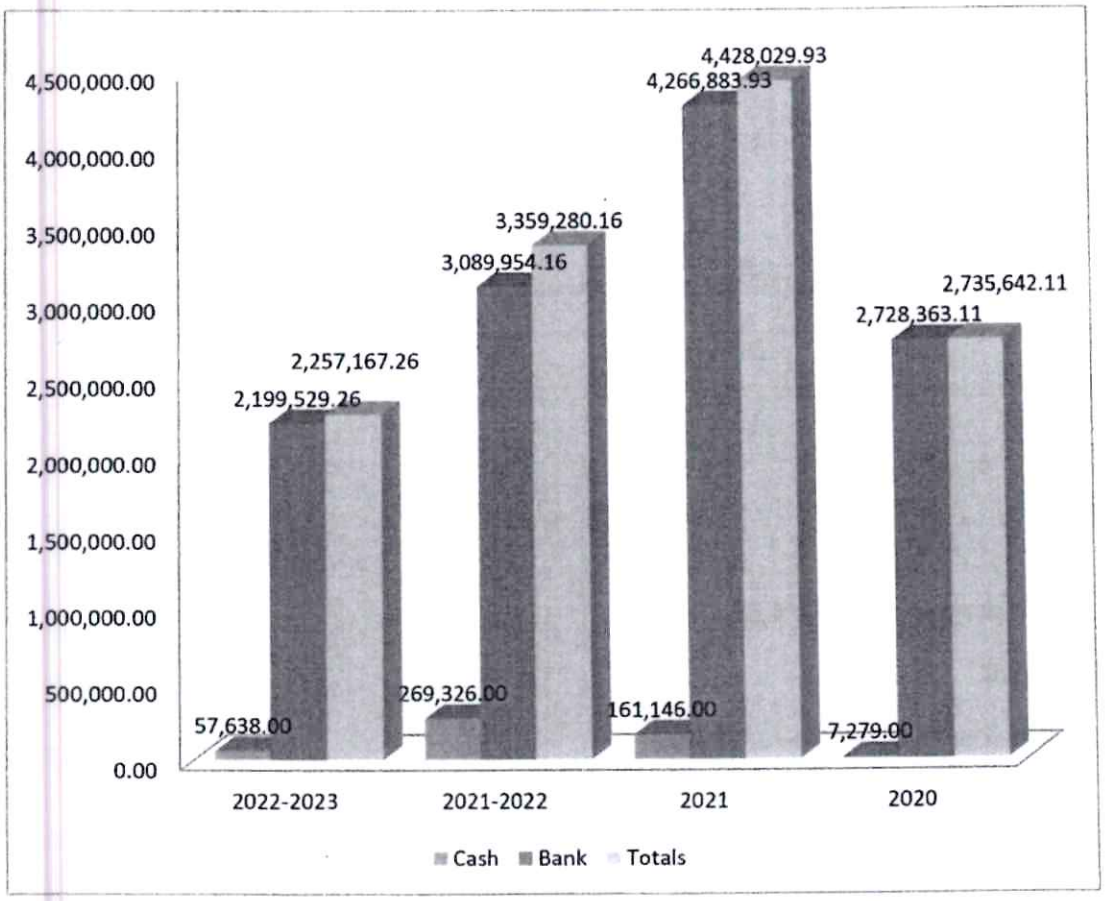
Graphical presentation on movement of creditors over the last three years.



The creditors in the financial year 2021-2022 was 3,647,955.00 .There was a slightly increase of creditors to 3,834,810.00. This was attributed by non-full disbursement of FDSE capitation from the ministry of education.

Movement of cash and bank balances over the last three years

Year	2022-2023	2021-2022	2021	2020
Cash	57,638.00	269,326.00	161,146.00	7,279.00
Bank	2,199,529.26	3,089,954.16	4,266,883.93	2,728,363.11
Totals	2,257,167.26	3,359,280.16	4,428,029.93	2,735,642.11



(b) Teachers student ratio.

- Teachers student ratio .1:18
- 2 Teachers were posted/recruited.
- 17 Bom Teachers.

Subjects	Eng/Lit	Kis/H	Kis/G	Maths	Maths/Chem	Maths/Agr	Maths/Phy	Maths/Bus
Teachers	6	4	4	1	4	1	3	6
Totals	29							

Subjects	Chem/Bio	Bio/Agr	Cre/Geo	Ire/Arabic	Ire/Bus	Comp/Phy
Teachers	3	2	2	1	1	1
Totals	10					

(C) Mean score in the 2022 KCSE

3.0981

(d) Number of Candidates in 2023 KCSE

2023 Candidates-144

2022 Candidate-150

(e) Capacity of the school.

- 5 streams School of 708 Students.

Summary Report of the Performance of the School (Continued)

b) Development projects carried out by the school:

No project was undertaken on the financial year 2022/2023.

GEDE SEC. SCHOOL
PRINCIPAL
P. O. Box 100-80208
GEDE KENYA

.....

School Principal

1. Statement of School Management Responsibility

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

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 *Gede 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, 2023, and of the school's financial position as at that date.

Sign.....

Name: Jackson Karisa Fagio.

Designation: Chairman, School Board of Management

Date: 2/2/2024

Sign.....

Name: Josiah Mwachanya

Designation: School Principal & Secretary to Board of Management

Date: 1/2/2024

GEDE SEC. SCHOOL PRINCIPAL P.O. Box TCO-80208 GEDE - KENYA

Sign.....

Name: Andrew Chonga

Designation: Bursar/ Finance Officer

Date: 31/1/2024

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 GEDE SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 – KILIFI COUNTY

PREAMBLE

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

A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;

B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,

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

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 Financial Statements of Gede Secondary School set out on pages 1 to 21, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the 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 the Gede Secondary School as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Payments

The statement of receipts and payments reflects total payments amounting to Kshs.31,608,038. Examination of payment vouchers amounting to Kshs.7,291,825 under boarding and school fund and Kshs.2,510,250 under operations revealed that Management made payments without proper supporting documents such as requisitions, local purchase orders, delivery notes, inspection reports, goods received notes, certificate of payments.

In the circumstances, the regularity, accuracy and completeness of the operations and boarding and school fund amounting to Kshs.31,608,038 could not be confirmed.

2. Long Outstanding Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.24,763,422 in respect of fees arrears as disclosed in Note 10 to the financial statements. However, included in the balance are receivables amounting to Kshs.13,210,240.76 which had been outstanding for more than two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.24,763,422 could not be confirmed.

Inaccuracies in the financial statements

Comparison of the statement of receipts and payments and the statement of cashflows revealed variances on items which ordinarily would have reflected the same amounts as follows:

(i) The statement of receipts and payments reflects capitation grants for tuition, and operations amounting to Kshs.1,984,968 and Kshs.5,860,652 while the statement of cashflows reflects Kshs.1,684,968 and Kshs.4,860,652 respectively resulting in unexplained variances.

(ii) The statement of receipts and payments reflects an amount of Kshs.19,113,093 relating to School Fund Income – Parent's Contributions. However, the supporting documents provided for audit reflected an amount of Kshs.31,081,618, resulting to a variance of Kshs.11,968,525.

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

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

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues as at 30 June, 2023.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

As required by Article 229(6) of the Constitution of Kenya, 2010, based on the procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. **Inadequate Need Assessment Guiding Distribution of Textbooks to Gede Secondary School.**

During the year under review, it was noted that there was no evidence of instructional need assessment that provided basis for determining the number and subject of instructional material needed by the school. In addition, there was no evidence of Gede Secondary having set up a School Instructional Materials Selection Committee (SIMSC) that does annual needs assessment of the text books urgently needed by the school that will guide Ministry of Education through Kenya Institute of Curriculum Development (KICD) on the distribution of textbooks to the school.

In the circumstances, the school may not have received value for money for the books supplied.

2. **Long Outstanding Payables**

The statement of financial assets and financial liabilities reflects payables balance of Kshs.8,166,841 as disclosed in Note 14 to the financial statements. However, included in the balance are trade payables balance of Kshs.4,123,906 which had been outstanding for more than two (2) years. This was contrary to Section 53 (8) of the Public Procurement and Asset Disposal Act, 2015 which states that "an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contract (s) are reflected in approved budget estimates".

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

3. **Lack of Adequate Facilities in the Institution**

The audit revealed that the School did not have adequate facilities and faced challenges as follows:

(i) Dormitories were inadequate and were overcrowded with some classrooms being used as dormitories.

(ii) Inadequate storage space and library space

(iii) Inadequate classrooms.

(iv) The laboratory was not equipped

(v) Insufficient sports facilities

(vi) No power backup system

(vii) The school was not fenced posing security threats to the students

(viii) Part of the School land was occupancy by squatters.

Lack of adequate facilities is contrary to Regulation 64. of Basic Education Regulation,2015 and Regulation 83 (k) of Basic Education Regulation,2015 which outlines the facilities required for basic education.

In the circumstances, Management was in breach of the law and service delivery to the students was negatively affected.

4. Use of cash to procure goods, works, and services

The audit revealed that the School used cash totaling Kshs.373,980 to purchase goods and services instead of using other suitable procurement methods. This was contrary to Section 108 of the Public Procurement and Asset Disposal Act (PPAD), 2015 and Regulation 92 of the Procurement Regulations,2020 provides that a procuring entity may use low-value procurement method where the estimated cost of the goods, works or services being procured per item per financial year is as per the threshold matrix in the second schedule.

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

5. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 7 February, 2024 instead of the statutory deadline of 30 September 2021. This was contrary to the Ministry of Education circular Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the School's financial statements should be ready by 30 September, 2023 in compliance which Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAI) 4000. The Standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the 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 overall governance, were not effective.

Basis for Conclusion

1. Lack of Internal Audit Function and Audit Committee

During the year under review, the School had not constituted an audit committee and an internal audit unit as required by Regulation 166 (1) and (2) of the Public Finance Management (National Government) Regulations, 2015 which states that, the internal audit unit of a National Government entity to assess effectiveness of the School through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury.

In the circumstances, the School did not benefit from the oversight role and advice from the audit committee and the internal audit function.

2. Lack of Ownership Documents

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.47,214,700 in respect of fixed assets which includes land with a balance of Kshs.9,000,000 and motor vehicles with a balance of Kshs.8,050,000 However, land ownership documents and motor vehicle log books were not provided for audit.

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

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal 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 overall 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 intentions to terminate the school or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the school to cease to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the school to express an opinion on the financial statements.

- Perform such other procedures as I consider necessary in the circumstances.

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

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

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

31 December, 2024

Statement Of Receipts And Payments Period To 30th June 2023

Description Of Vote Head	Note	2022-2023 Kshs	2021-2022 Kshs
Receipts			
Capitation grants for tuition	1	1,984,968.00	3,821,123.00
Capitation grants for operations	2	8,763,652.00	10,451,949.00
School fund income- parents' contributions	3	5,203,361.00	5,113,819.00
School fund income- other receipts	4	13,994,068.00	15,583,656.00
Proceeds from borrowings		-	-
Total Receipts		**29,946,049.00**	**34,970,548.00**
Payments			
Payments for tuition	5	2,351,033.00	3,459,891.00
Payments for operations	6	8,203,909.00	8,105,259.00
Boarding and school fund payments	7	21,053,096.00	21,972,171.00
Total Payments		**31,608,038.00**	**33,537,321.00**
Surplus/Deficit		**(1,661,989.00)**	**1,433,227.00**

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

Sign.....	Sign.....	Sign.....
Name: Jackson Karisa Fagio	**Name: Josiah Mwachanya. School Principal/ Secretary to BOM**	**Name: Andrew Chonga**
Chair BOM		**Bursar/ Finance Officer**
Date: 2/2/2024	**Date:** 1/2/2024	**Date:** 31/1/2024

GEDE SEC. SCHOOL PRINCIPAL P. O. Box 100-80208 GEDE - KENYA

VI. Statement Of Financial Assets And Financial Liabilities As At 30th June 2023

Description	Note	2022-2023 Kshs	2021-2022 Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	8	2,199,529.26	3,089,954.16
Cash balances	9	57,638.00	269,326.00
Short term investment	10	-	-
Total cash and cash equivalent		**2,257,167.26**	**3,359,280.16**
Account's receivables	10	24,763,421.76	27,588,036.86
Total financial assets		**27,020,589.02**	**30,947,317.02**
Financial liabilities			
Accounts payables	11	8,166,841.00	10,431,580.00
Net financial assets		**18,853,748.02**	**20,515,737.02**
Represented by			
Accumulated fund b/fwd	12	20,515,737.02	19,082,510.02
Surplus/deficit for the year		(1,661,989.00)	1,433,227.00
Net financial position		**18,853,748,02**	**20,515,737.02**

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

Sign.....
Name:Jackson Karisa Fagio
Chair BOM
Date:2/2/2024

Sign.....
Name:Josiah Mwachanya
School Principal/ Secretary to BOM
Date:1/2/2024

Sign.....
Name:Andrew Chonga.
Bursar/ Finance Officer
Date:31/1/2024

GEDE SEC. SCHOOL PRINCIPAL P. O. Box 100-80208 GEDE - KENYA

VII. Statement of Cash Flows for The Period Ended 30th June 2023

Description	Notes	2022-2023	2021-2022
		Kshs	Kshs
Operating activities			
Receipts			
Capitation grants for tuition	1	1,684,968.00	3,821,123.00
Capitation grants for operations	2	7,763,652.10	7,044,947.23
School fund income- parents contributions/ fees	3	5,012,724.00	5,113,819.00
School fund income- other receipts	4	13,184,205.00	13,081,682.00
Total receipts		**27,645,549.10**	**29,061,571.23**
Payments			
Payments for tuition	5	2,050,533.00	3,459,891.00
Payments for operations	6	7,203,909.00	6,996,671.00
Boarding and school fund payments	7	19,493,220.00	18,565,171.00
Total payments		**(28,747,662.00)**	**(29,021,733.00)**
Net cash flow from operating activities		**(1,102,112.90)**	**39,838.23**
Cashflow from investing activities			
Proceeds from sale of assets		-	-
Acquisition of assets-classroom		-	(1,108,588.00)
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash flows from investing activities		-	-
Cashflow from borrowing activities			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
Net cash flow from financing activities		-	-
Net increase in cash and cash equivalents		**(1,102,112.90)**	**(1,068,749.77)**
Cash and cash equivalent at beginning of the year		**3,359,280.16**	**4,428,29.93**
Cash and cash equivalent at end of the year		**2,257,167.26**	**3,359,280.16**

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

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

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
Receipts						
(1) Capitation Grant on Tuition						
Textbooks And Reference Materials		-		-		
Exercise Books		-		-		
Laboratory Equipment	914,601.00	-	914,601.00	889,006.00	25,595.00	97.2%
Internal Exams		-		-		
Teaching / Learning Materials	1,350,000.00		1,350,000.00	1,095,962.00	254,038.00	81.1%
Chalks		-		-		
Exams And Assessment	-	-	-	-	-	-
Teachers Guides	-	-	-	-	-	-
(2) Capitation Grant on Operations						
Personnel Emoluments	2,880,240.00	-	2,880,240.00	2,478,501.00	478,501.00	80.0%
Repairs And Maintenance	2,997,,328.00	-	2,997,328.00	2,903,000.00	94,328.00	96.9%
Local Transport / Travelling	654,384.00	-	654,384.00	520,800.00	133,584.00	79.6%
Electricity And Water	924,048.00	-	924,048.00	771,114.00	152,934.00	83.5%
Medical	165,000.00	-	165,000.00	146,500.00	18,500.00	88.8%
Administration Costs	1,608,656.00	-	1,608,656.00	1,536,041.00	72,615.00	95.5%
Activity	665,088.00	-	665,088.00	407,696.00	257,392.00	61.3%
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	-	-	-	-	-	-
(3) Fees Charged on Parents						
Personnel Emoluments	1,751,000.00		1,751,000.00	1,644,021.00	106,979.00	93.9%
Repairs And Maintenance	950,000.00		950,000.00	912,603.00	37,397.00	96.1%
Local Transport / Travelling	715,000.00	-	715,000.00	631,820.00	83,180.00	88.4%
Electricity And Water	1,215,000.00	-	1,215,000.00	1,004,316.00	210,684.00	82.7%
Medical	75,000.00	-	75,000.00	21,911.00	53,089.00	29.2%
Administration Costs	1,124,500.00	-	1,124,500.00	942,280.00	182,220.00	83.8%
Activity	65,000.00	-	65,000.00	46,410.00	18,590.00	71.4%
Smasse	-	-	-	-	-	-
Fee On Boarding Equipment and Stores	5,572,230.00		5,572,230.00	5,430,809.00	141,421.00	97.5%
Other Income						
Bom	6,000,000.00	-	6,000,000.00	4,109,256.00	1,890,744.00	68.5%
Lunch	4,816,260.00	-	4,816,260.00	3,898,696.00	917,564.00	81.0%
Tender	-	-	-	14,000.00	-	-
Project	1,200,000.00	-	1,200,000.00	456,971.00	743,029.00	38.1%
Income From Bus Hire	-	-	-	84,336.00	84,336.00	-
Fee For Hire of Ground And Equipment	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-
Income From Any Other Investment	-	-	-	-	-	-
Total Income				**29,946,049.00**		

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
(1) Expenditure For Tuition						
Textbooks And Reference Materials	-	-	-	-	-	-
Exercise Books	-	-	-	-	-	-
Laboratory Equipment	1,014,601.00	-	1,014,601.00	934,550.00	80,051.00	92.1%
Internal Exams	-	-	-	-	-	-
Teaching / Learning Materials	1,550,224.00	-	1,550,224.00	1,408,315.00	141,909.00	90.9%
Chalks	-	-	-	-	-	-
Exams And Assessment	-	-	-	-	-	-
Teachers Guides	-	-	-	-	-	-
Administration Costs	-	-	-	-	-	-
Bank Charges	-	-	-	8,168.00	-	-
(2) Expenditure For Operations						
Personnel Emoluments	2,880,240.00	-	2,880,240.00	2,369,070.00	511,170.00	82.3%
Repairs, Maintenance & Improvements	2,997,328.00	-	2,997,328.00	1,280,887.00	1,716,441.00	42.7%
Local Transport / Travelling	354,384.00	-	354,384.00	188,830.0	165,554.00	53.3%
Electricity, Water and Conservancy	424,048.00	-	424,048.00	390,000.00	34,048.00	92.0%
Medical	15,000.00	-	15,000.00	8,436.00	6,564.00	56.2%
Administration Costs	2,908,656.00		2,908,656.00	2,811,414.00	97,242.00	96.7%
Activity Expenses	1,265,088.00	-	1,265,088.00	1,135,420.00	129,668.00	89.8%
Gratuity						
Smasse						

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
(3) Expenditure For School Fund						
Personnel Emoluments	-	-	-	-	-	-
Repairs, Maintenance and Improvements	950,000.00	-	950,000.00	940,433.00	9,567.00	99.0%
Local Transport / Travelling	2,015,000.00	-	2,015,000.00	1,984,833.00	30,167.00	98.5%
Electricity, Water and Conservancy	715,000.00	-	715,000.00	454,941.00	260,059.00	63.6%
Medical Expenses	75,000.00	-	75,000.00	63,730.00	11,270.00	85.0%
Administration Costs	2,924,500.00	-	2,924,500.00	2,842,142.00	82,358.00	97,.2%
Activity	85,000.00	-	85,000.00	72,165.00	12,835.00	85.0%
Gratuity	-	-	-	-	-	-
Lunch Programme	4,816,260.00	-	4,816,260.00	2,788,358.00	2,027,902.00	57.9%
Boarding Equipment and Stores	5,572,230.00	-	5,572,230.00	5,487,807.00	84,423.00	98.5%
Expenditure For Income Generating Activity	-	-	-	-	-	-
Bus	-	-	-	894,010.00	-	-
Other Expenses On Investments	-	-	-	-	-	-
Bom	6,000,000.00	-	6,000,000.00	4,814,627.00	1,185,373.00	80.2%
Bank Charges	-	-	-	66,050.00	-	-
Tender	-	-	-	14,000.00	-	-
Loan Principal Repayment	-	-	-	-	-	-
Acquisition Of Assets	-	-	-	-	-	-
Totals	-	-	-	**31,608,038.00**	-	-

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

i. *Over utilization was due to market changes of foodstuff and other product which forces us to spend more than what was budgeted.*
ii. *Under-utilization was as a result of changes in activities which were planned but not full undertaken.*

IX. Significant Accounting Policies

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

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

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

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

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

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

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

Significant Accounting Policies (Continued)

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

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

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

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

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

10. **Subsequent events**
There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 20223.

X. Notes To The Financial Statements

1 Capitation Grant for Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Textbooks And Reference Materials	-	-
Exercise Books	-	198,535.00
Laboratory Equipment	889,006.00	1,721,850.00
Internal Exams	-	236,800.00
Teaching / Learning Materials	1,095,962.00	1,561,738.00
Chalks	-	-
Exams And Assessment	-	80,050.00
Teachers Guides	-	-
Total	**1,984,968.00**	**3,821,123.00**

2 Capitation Grant for Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	2,478,501.00	2,872,396.00
Repairs And Maintenance	2,903,000.00	3,407,000.00
Local Transport / Travelling	520,800.00	538,760.00
Electricity And Water	771,114.00	1,400,050.00
Medical	146,500.00	-
Administration Costs	1,536,041.00	1,673,043.00
Activity	407,696.00	560,700.00
Total	**8,763,652.00**	**10,451,949.00**

3 Parents Contribution/Fees - School Fund Account

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	1,644,021.00	1,985,326.00
Repairs and maintenance	912,603.00	943,345.00
Local transport / travelling	631,820.00	736,468.00
Electricity and water	1,004,316.00	-
Medical	21,911.00	5,458.00
Administration costs	942,280.00	1,181,225.00
Activity	46,410.00	261,997.00
Total	**5,203,361.00**	**5,113,819.00**

Notes To The Financial Statements (Continued)

4 Other Receipts – School Fund Account

Description	2022-2023	2021-2022
	Kshs	Kshs
Fee On Boarding Equipment and Stores	5,430,809.00	6,667,230.00
Lunch	3,898,696.00	2,988,745.00
Income From Farming Activities	-	-
Bom	4,109,256.00	5,344,986.00
Tender	14,000.00	33,000.00
Income From Bus Hire	84,336.00	254,252.00
Fee For Hire of Ground and Equipment	-	-
Income From Grants and Donations*	-	-
Project	456,971.00	295,443.00
Dividends Income	-	-
Total	**13,994,068.00**	**15,583,656.00**

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

5 Payments For Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Textbooks And Reference Materials	-	-
Exercise Books	-	260,000.00
Laboratory Equipment	934,550.00	2,219,202.00
Internal Exams	-	-
Teaching / Learning Materials	1,408,315.00	871,594.00
Chalks	-	-
Exams And Assessment	-	-
Teachers Guides/reference materials	-	105,130.00
Administration Costs	-	-
Bank Charges	8,168.00	3,965.00
Total	**2,351,033.00**	**3,459,891.00**

Notes To The Financial Statements (Continued)

6 Payments For Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	2,369,070.00	2,404,035.00
Service Gratuity	-	-
Administration Cost	2,811,414.00	1,561,640.00
Repairs And Maintenance & Improvements	1,280,887.00	1,488,408.00
Local Transport / Travelling	188,830.00	425,185.00
Electricity And Water	390,000.00	479,916.00
Medical	8,436.00	13,930.00
Activity Expenses	1,135,420.00	609,310.00
Smasse	-	-
Insurance Cost	-	-
Bank Charges	19,852.00	14,247.00
Acquisition Of Assets	-	1,108,588.00
Total	**8,203,909.00**	**8,105,259.00**

Notes To The Financial Statements (Continued)

7 Boarding And School Fund Payments

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	-	-
Service Gratuity	-	-
Repairs And Maintenance & Improvements	940,433.00	1,535,042.00
Local Transport / Travelling	1,984,833.00	981,941.00
Electricity And Water	454,941.00	359,370.00
Medical Expenses	63,730.00	265,690.00
Administration Costs	2,842,142.00	3,896,702.00
Lunch Programme	2,788,358.00	2,214,819.00
Bank Charges	66,050.00	24,323.00
Bus Repairs	894,010.00	254,425.00
Fee On Boarding Equipment and Stores	5,487,807.00	6,855,254.00
Activities	702,165.00	405,325.00
Bom	4,814,627.00	5,155,280.00
Loan Principal Repayment	-	-
Tender	14,000.00	24,000.00
Acquisition Of Assets	-	-
Total	**21,053,096.00**	**21,972,171.00**

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

Notes To The Financial Statements (Continued)

8 Bank Accounts

Name Of Bank, Account No. & Currency	Bank Account Number	2022-2023	2021-2022
		Kshs	Kshs
Tuition Account		85,694.20	132,805.95
Operations Account		294,283.73	94,408.43
School Fund Account/Boarding		146,798.33	574,636.78
Salary Account		455,642.00	7,345.00
Parent Association Development Account		-	-
Income Generating Activities Account		-	-
Infrastructural Account		1,217,111.00	2,280,758.00
Total		**2,199,529.26**	**3,089,954.16**

9 Cash In Hand

Description	2022-2023	2021-2022
	Kshs	Kshs
Tuition Account	-	-
Operation Account	1,660.00	230,208.00
School Fund account	55,978	39,118.00
Total	**57,638.00**	**269,326.00**

10 Short Term Investments

Description	2021-2022	2020-2021
	Kshs	Kshs
Cooperative Shares	xxx	xxx
Treasury Bills	xxx	xxx
Fixed Deposit	xxx	xxx
Equity Stock	xxx	xxx
Other Investments	xxx	xxx
Total	**xxx**	**xxx**

Notes To The Financial Statements (Continued)

11 Accounts Receivable

Description	2022-2023	2021-2022
	Kshs	Kshs
Fees Arrears	24,763,421.76	27,588,036.86
Other Non-Fees Receivables	-	-
Salary Advances	-	-
Imprest	-	-
Total	**24,763,421.76**	**27,588,036.86**

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

Description	2022-2023	2021-2022
	Kshs	Kshs
Fees Arrears For Current Year	5,500,570.00	5,949,475.00
Fees Arrears For The Previous Year	6,052,611.00	7,426,284.00
Fees Arrears For Prior Periods (Over Two Years)	13,210,240.76	14,212,277.86
Total	**24,763,421.76**	**27,588,036.86**

12 Accounts Payable

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	7,501,018.00	9,583,168.00
Prepaid Fees	665,823.00	848,412.00
Retention Monies	-	-
Total	**8,166,841.00**	**10,431,580.00**

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

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade Creditors for Current Year	3,834,810.00	3,647,955.00
Trade Creditors for The Previous Year	223,940.00	418,940.00
Trade Creditors for Prior Periods (Over Two Years)	3,442,268.00	5,516,273.00
Total	**7,501,018.00**	**9,583,168.00**

Notes To The Financial Statements (Continued)

13 Fund Balance Brought Forward

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank Balances	3,089,954.16	4,266,883.93
Cash Balances	269,326.00	161,146.00
Short Term Investments	-	-
Receivables	27,588,036.86	27,625,211.27
Payables	(10,431,580.00)	(12,970,731.18)
Total	**20,515,737.02**	**19,082,510.02**

Other important disclosure notes

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

14 Non-current Liabilities Summary

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank Loan(S)	xxx	xxx
Outstanding Leases	xxx	xxx
Hire Purchase	xxx	xxx
Gratuity And Leave Provision	xxx	xxx
Total	**xxx**	**xxx**

15 Biological assets

Description	Numbers	2022-2023	2021-2022
		Kshs	Kshs
Cattle		xxx	xxx
Goats		xxx	xxx
Trees		xxx	xxx
Coffee Or Tea Plantation		xxx	xxx
Poultry		xxx	xxx
Total		**xxx**	**xxx**

16 Borrowings

Description	2022-2023	2021-2022
	Kshs	Kshs
a) Borrowings		
Borrowing at beginning of the year	xxx	xxx
Borrowings during the year	xxx	xxx
Repayments of during the year	(xxx)	(xxx)
Balance at end of the year	**xxx**	**xxx**

Other important disclosure notes

17 Stock/ Inventory

Description	2022-2023	2021-2022
	Kshs	Kshs
b) Inventory		
Stock/ inventory at beginning of the year	xxx	xxx
Stock/ inventory purchased during the year	xxx	xxx
Stock/ inventory issued during the year	(xxx)	(xxx)
Balance at end of the year	**xxx**	**xxx**

18 Progress On Follow Up Of Auditor Recommendations

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

Ref No.	Issue / Observations from Auditor	Management comments	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
1	Caution money.	We stopped collecting caution money from students and what was collected was either refunded or used in compensation of school items lost/damaged by former students.	Resolved/on-going	Once all the former students clear with the school.
2	School fees.	We encourage the parents/guardians to pay promptly, however a large number of them have do so in instalment throughout the life of the learners in school.	Resolved/on-going	Termly/Yearly End of term 3, 2023
3	Creditors.	We made a friendly repayment plans with the creditors which we are following faithfully.	Resolved/On-going	Yearly. June 2023/2024

GEDE SEC. SCHOOL
PRINCIPAL
P. O. Box 100-80200
GEDE - KENYA

Sign and Date
Principal

Annex 1 - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2023	Outstanding Balance 2023	Comments
	a	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Supply Of Goods						
1. NISHA PRINTERS				451,210.00		TLM
2. TOSHMART TECHNOLOGIES				40,800.00		TLM
3. LABSTOCK SUPPLIES				196,510.00		LAB
Sub-Total				**688,520.00**		
FOODSTUFF						
4.JACOB NJERU NGUNGI				129,540.00		BES
5.MIDA CREEK ENTERPRISES				2,224,520.00		LUNCH/BES
6.MACTRADE GENERAL SUPPLIES				507,750.00		LUNCH/BES
Sub-Total				**2,861,810.00**		
Supply Of Services						
7.ERIKTECH TECHNOLOGIES				65,000.00		ADMN
8.ROGRATIF COMPANY LTD				24,800.00		ADMN
9.SALCOMM INVESMENT				46,000.00		ADMN
10.TIMERS PRINTERS				88,000.00		ADMN
11.HENJEN GENERAL SUPPLIES				20,880.00		ADMN
Sub-Total				**284,480.00**		
Grand Total				**3,834,810.00**		

Annex 2 – Summary of Fixed Assets Register

Asset Class	Date purchased	Location	Historical Cost b/f (Kshs) 1st July 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2022
Land 1	FROM COMMUNITY	GEDE	6,500,000.00	3,500,000 Appreciation	NIL	9,000,000.00
Land 2						
Buildings And Structures		GEDE	90,000,000.00	2,000,000.00	NIL	11,000,000.00
Motor Vehicles	2013	GEDE	7,500,000.00	1.200,000.00	Depreciation 650,000.00	8,050,000.00
Office Equipment, Furniture And Fittings	2020	GEDE	5,400,000.00	50,000.00	Depreciation 960,000.00	4,490,000.00
ICT Equipment, And Other ICT Assets	2021	GEDE	4,100,000.00	325,000.00	450,000.00 Depreciation	3,975,000.00
Tools And Apparatus	2018	GEDE	4,400,000.00	325,700.00	Depreciation 350,000.00	4,375,700.00
Textbooks	FDSE	GEDE	5,400,000.00	1,250,000.00	980,000.00 Depreciation	5,670,000.00
Other Machinery And Equipment						
Heritage And Cultural Assets						
Intangible Assets- Soft Ware	2018	GEDE	574,000.00	80,000.00	NIL	654,000.00
Total			123,874,000.00	7,530,700		47,214,700.00

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