

REPUBLIC OF KENYA



Enhancing Accountability



REPORT  **NATIONAL ASSEMBLY
PAPERS LAID**

DATE: 04 MAR 2025

DAY.

Tuesday

OFFTABLED BY:	Deputy chief whip Itan-Naomi Jillo
CLERK-AT THE-TABLE:	Benson Inzofu

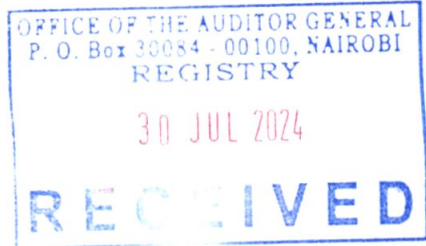
THE AUDITOR-GENERAL

ON

GITHA SECONDARY SCHOOL

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

KIAMBU COUNTY



GITIHA SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2023

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

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1. Acronyms and Glossary of Terms

BOM	Board of Management
CEB	County Education Board
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
FY	Financial Year
FDSE	Free Day Secondary Education

2. Key School Information and Management

(a) Background information

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

The school was registered in 10/2015 under registration number 22S0000053 and is currently categorized as a SUB - COUNTY public school established, owned or operated by the Government.

The school is a day/boarding school and had 260 number of students as at 30th June 2023. It has 6 streams and 10 teachers of which 3 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	NAOMI WACERA NGUMO	Chairperson	MAY 2021
2	ANN NJERI NDUMUTI	Secretary - Principal	MAY 2021
3	GEORGE NGUGI KAHINDI	Member	MAY 2021
4	LYDIA WANJIRU MAINA	Member	MAY 2021
5	PATRICK KINUTHIA	Member	MAY 2021
6	RAHAB WAMBUI MBUGUA	Member	MAY 2021
7	GEOFFREY MBUGUA MUTURA	Member	MAY 2021
8	SIMON NJOROGE	Member – Rep CEB	MAY 2021
9	PAUL KIMOTHO	Member Rep Teachers	MAY 2021
10	THOMAS KARIUKI WAIHENYA	3 Members - Sponsor	MAY 2021
11	SUSAN THUO	Member - Community	MAY 2021
12	BONIFACE RIUGU	Member Special Needs	MAY 2021
13	PAUL NGATIA	MEMBER	MAY 2021
14	ANTHONY RIMUI	MEMBER	MAY 2021
15	REGINA MBURU	MEMBER	MAY 2021

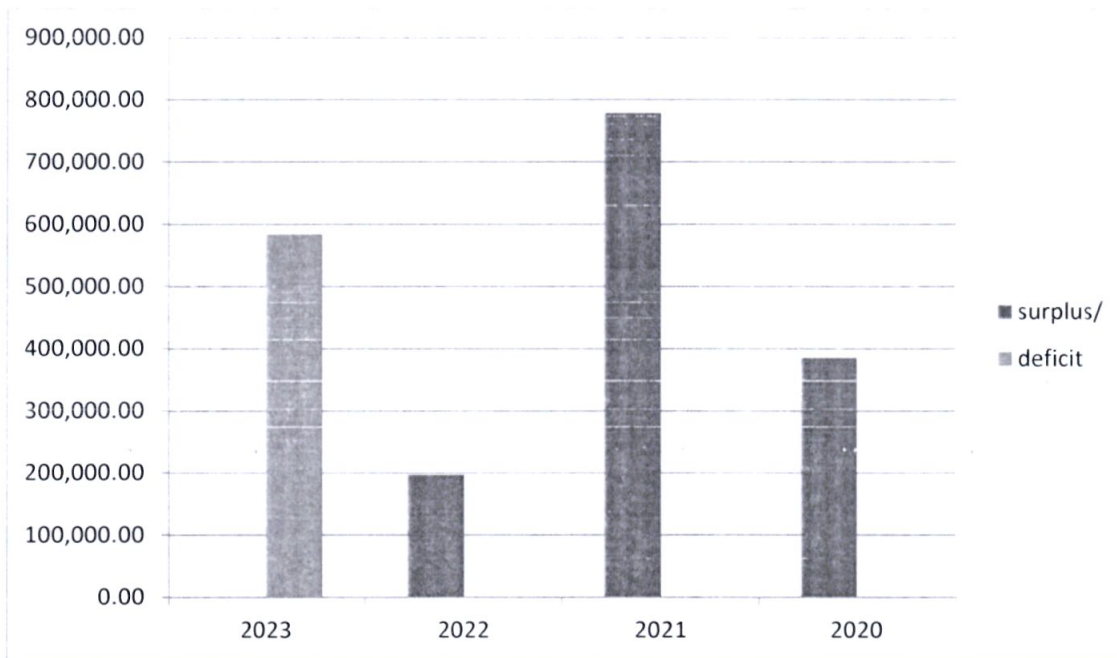
3. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

a) Financial performance:

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

	2023	2022	2021	2020
	ksh	ksh	ksh	ksh
surplus/deficit	(584,474.00)	196,908.00	779,083.00	385,369.00

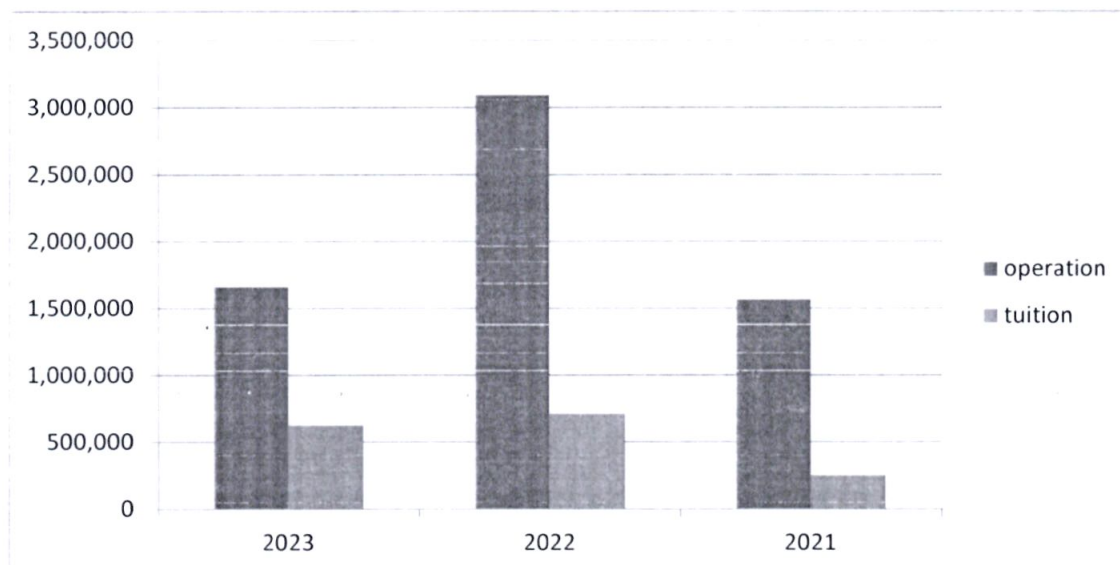


GITIHA SECONDARY SCHOOL

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

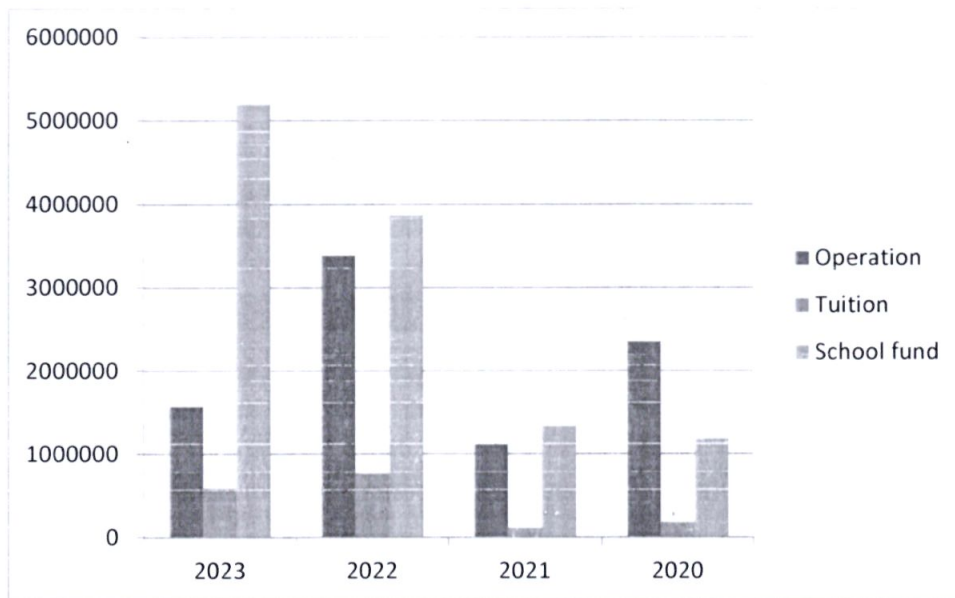
SUMMARY REPORT OF PERFORMANCE OF GITIHA SECONDARY SCHOOL

s/no	accounts	2023	2022	2021
		ksh	ksh	ksh
1	Operation	1,657,581.00	3,088,678.00	1,558,250.00
2	Tuition	624,377.00	709,639.00	248,213.00
	Total	2,281,958.00	3,798,317.00	1,806,462.00
	Increase/decrease	(1,516,359.00)	1,991,855.00	(963,030.00)



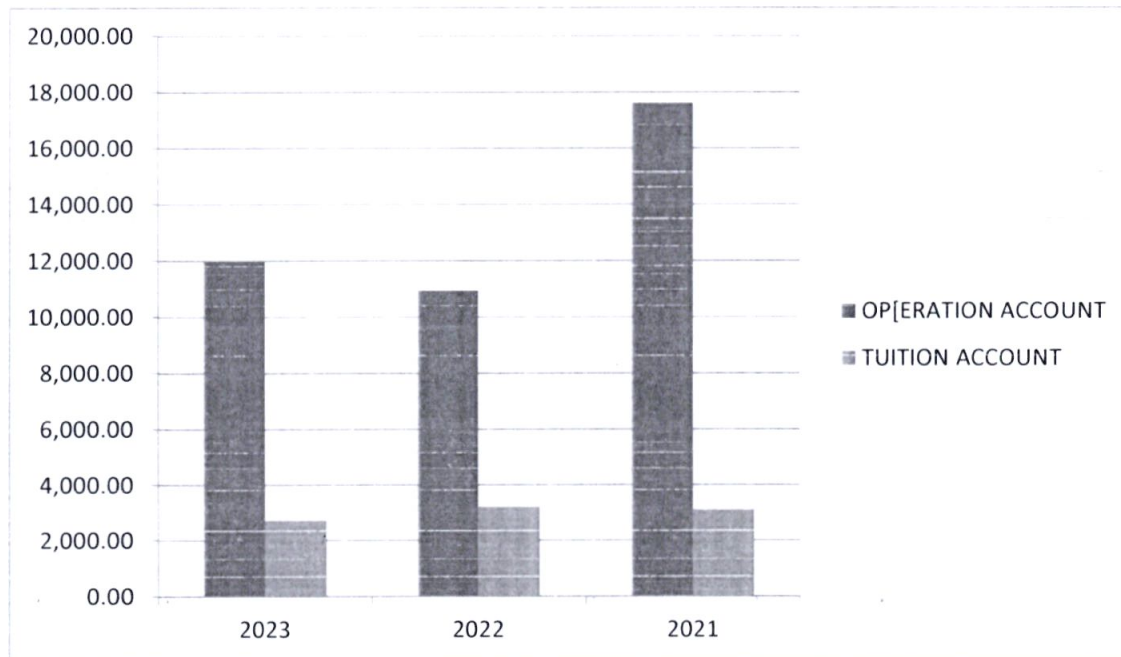
SUMMARY REPORT OF PERFORMANCE OF GITIHA SECONDARY SCHOOL

Overview of growth in expenditure					
S/no	accounts	2023	2022	2021	2020
		ksh	ksh	ksh	ksh
1	Operation	1,569,278.00	3,377,939.00	1,120,772.00	2,344,799.00
2	Tuition	587,257.00	767,130.00	112,631.00	178,521.00
3	School fund	5,190,654.00	3,871,793.00	1,340,538.00	1,186,375.00
	total	7,347,189.00	8,016,62.00	2,573,941.00	3,709,695.00
	Increase/decrease	(669,673.00)	5,442,921.00	(1,135,754.00)	(2,877,587.00)



RATIO OF CAPITATION PER STUDENT OVER THE LAST THREE YEARS

YEAR	2023	2022	2021
OPERATION ACCOUNT	11,975.00	10,949.00	17,617.00
TUITION ACCOUNT	2,726.00	3,221.00	3,118.00



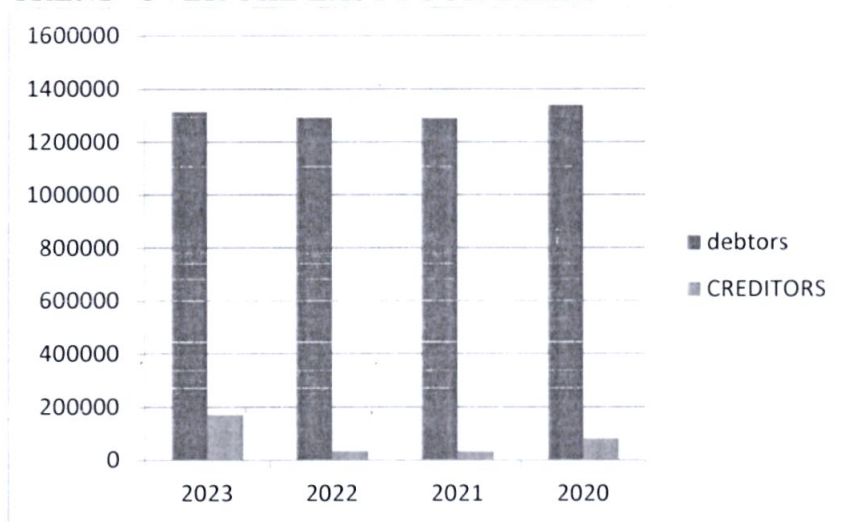
GITIHA SECONDARY SCHOOL

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

SUMMARY REPORT OF PERFORMANCE OF GITIHA SECONDARY SCHOOL

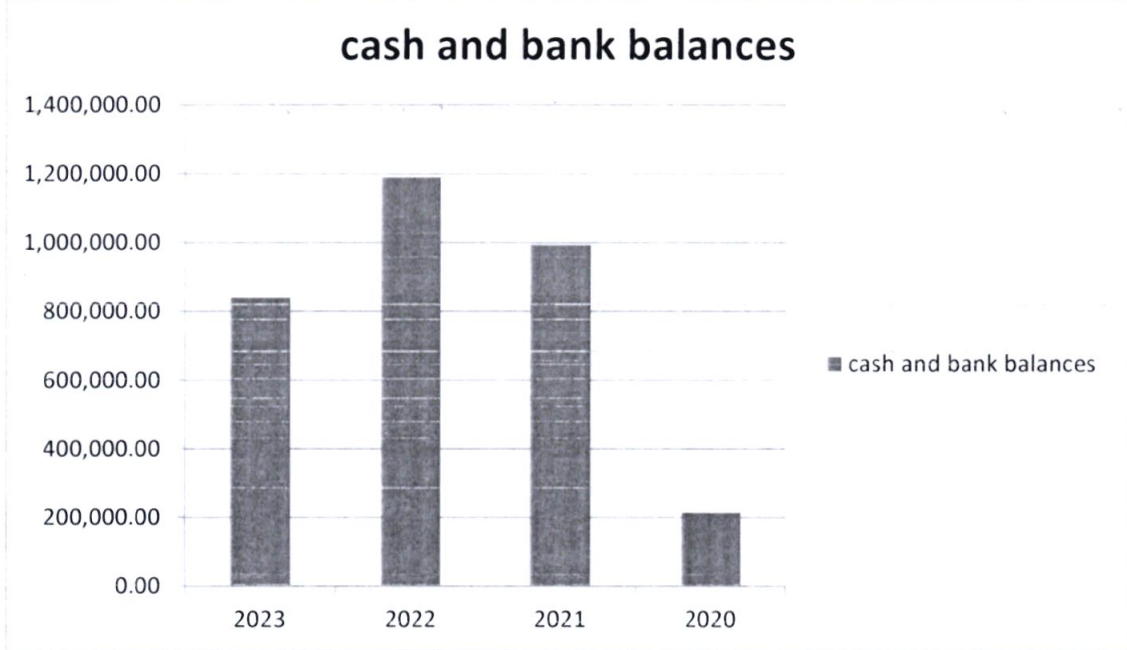
Movement of debtors of the school					
Sn/o		2023	2022	2021	2020
1		ksh	ksh	ksh	ksh
	debtor	1,315,156.00	1,292,641.00	1,290,158.00	1,340,158.00
	total	1,315,156.00	1,292,641.00	1,290,158.00	1,340,158.00
	Increase/decrease	22,515.00	2,483.00	50,000.00	(881,674.00)
2	creditors	171,050.00	33,478.00	30,995.00	80,995.00
	Total	171,050.00	33,478.00	30,995.00	80,995.00
	Increase/decrease	137,572.00	2,483.00	(50,000.00)	0

TREND OVER THE LAST FOUR YEARS



Movement of cash and bank balances over the last three years

year	2023	2022	2021	2020
	ksh	ksh	ksh	ksh
cash and bank balances	840,041.00	1,189,459.00	992,551.00	213,468.00



a)

b) Teacher Student ratio

Teacher Student Ratio	Transferred teachers	Employed by TSC	Employed by BOM	No of teachers recruited within the year	Retired Teachers
260 : 13	1	10	3	0	0

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL FOR THE YEAR ENDED 30TH JUNE 2023

SUBJECT	TEACHING	SHORTAGE	EXCESS
MATH	2	0	0
ENGLISH	1	1	0
KISWAHILI	2	0	0
CHEMISTRY	1	1	0
GEOGRAPHY	2	0	0
HISTORY	2	0	0
CRE	2	0	0
BUSINESS	1	1	0
BIOLOGY	2	0	0
PHYSICS	0	2	0
AGRICULTURE	2	0	0

B) TEACHER STUDENT RATIO

STUDENTS	TEACHERS	RATIO
260	13	5%

RECRUITED	POSTED TO SCHOOL	TRANSFERRED	RETIRED	TSC	BOM
0	1	1	0	10	3

c) Mean score in the 20XX KCSE:

MEAN SCORE IN THE LAST THREE YEARS			
NO. OF STUDENTS	YEAR	HIGHER	DEVIATION MEN SCORE
54	2021	1	3.24 +
70	2022	1	2.443 -
57	2023	TARGET	3.5

d) Number of Candidates in the 20XX KCSE:

YEAR OF KCSE	NO. OF STUDENTS
2021	54
2022	70
2023	57

e) Capacity of the school:

NO OF STUDENTS	CAPACITY OF FACILITIES
260	Attached List

CAPACITY OF BUILDINGS 2023

NO	BUILDING	NUMBER	SHORTAGE
1	CLASSES	5	3
	CBC CLASS	1	0
2	KITCHEN	1	0
3	LABOLATORY	1	1
4	ADMINISTRATION BLOCK	1	0
5	WASHROOMS GIRLS:	4	4
	BOYS	4 + 1 URINAL	4
6	STAFFROOM	1	EXPANSION
7	STORE	0	1
8	COMPUTER LAB	1	NOT EQUIPPED
9	DEPUTY'S OFFICE	1	0
10	LIBRARY	0	1

The functions of the School Board of Management are to:

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

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1. 2. 3. 4.	Naomi Wacera Ngumo George Kahindi Ann Njeri Ndumuti Susan Thuo	1 0 1 1
2	Audit Committee	1. 2. 3. 4.	George Kahindi Rahab Wambui Lydia Maina Patrick Kinuthia	0
3	Finance, procurement and general purposes Committee	1. 2. 3. 4.	Naomi Wacera Ngumo George Kahindi Lydia Maina Patrick Kinuthia	0
4	Academic Committee	1. 2. 3.	Susan Thuo Rehab Wambui Lydia Maina	1 1 1
5	Development Committee	1. 2. 3. 4.	Naomi Wacera George Kahindi Patrick Kinuthia Geoffrey Mutura	0
6	Discipline and welfare Committee	1. 2. 3. 4.	Simon Njoroge Susan Thuo Paul Kimothi Regina Mburu	0
7	Adhoc Committee (if any during the year)	1.	Ann Ndumuti	0

(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	Identification
1	Principal	ANN NJERI NDUMUTI	TSC No. 350816
2	Deputy Principal	ROSE WANJIRU KAMAU	TSC NO. 371611
3	School Bursar	VERONICAH MUIRU	ID.NO 9723881
4	Other (specify)		

(e) Schools contacts

Post Office Box: 531 – 00216 GITHUNGURI
 Telephone: 0796 454 862
 E-mail: secondarygitiha@gmail.com
 Website: N/A
 Facebook: N/A
 Twitter: N/A

(f) School Bankers

1. Name of Bank: KCB BANK
 Branch: GITHUNGURI
 Account Number: 1105031209
 OPERATION A/C
2. Name of Bank: KCB BANK
 Branch: GITHUNGURI
 Account Number: 1105031330
 TUITION A/C
3. Name of Bank: KCB BANK
 Branch: GITHUNGURI
 Account Number: 1216886385
 INFRASTRUCUTURE A/C
4. Name of Bank: FAMILY BANK
 Branch: GITHUNGURI
 Account Number: 002000020197
 SCHOOL FUND A/C

(g) Independent Auditors

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

b) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Electricity repairs	M.O.E	Complete	40,000.00	40,090.00	Complete
Kitchen repair	M.O.E	Complete	25,000.00	23,750.00	Complete
Deputy's office	M.O.E	Complete	420,000.00	416,000.00	Complete
Purchase of furniture (chairs & lockers)	M.O.E	Complete	52,000.00	51,600.00	Complete
Chair & locker repairs	M.O.E	Complete	50,000.00	49,000.00	Complete
Construction of Deputy's drawers	M.O.E	Complete	48,000.00	48,800.00	Complete
Deeping of boreholes	M.O.E	Complete	70,000.00	65,000.00	Complete
Window pane & doors	M.O.E	Complete	45,000.00	43,750.00	Complete

PRINCIPAL
 GITHA SECONDARY SCHOOL,
 P.O. BOX 10216, GITHA
 DATE: 20/7/2024 SIGN: *[Signature]*

.....
 School Principal

4. Statement of School Management Responsibility

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

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 GITIHA 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.

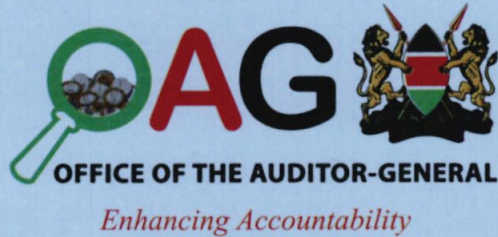
.....
Ngumo
Name: NAOMI WACERA NGUMO
Designation: Chairperson, School Board of Management

Date: 26/7/2024
GITIHA SECONDARY SCHOOL
P. O. Box 531 - 00216,
GITHUNGURI
.....
Ngumi
Name: ANN NJERI NDUMUTI
Designation: School Principal & Secretary to Board of Management
Date: 26/7/2024

.....
Muiru
Name: VERONICAH MUIRU
Designation: Bursar/ Finance Officer
Date: 26/7/2024

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON GITIHA SECONDARY SCHOOL FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021 - 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 the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Gitiha Secondary School - Kiambu County set out on pages xix to 28, which comprise of the statement of financial

Report of the Auditor-General on Gitiha Secondary School for the six (6) months' period ended 30 June, 2021 - Kiambu County

assets and financial liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and the statement of budgeted versus actual amounts for the six (6) months 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 Gitiha Secondary School - Kiambu County as at 30 June, 2021, and of its financial performance and its cash flows for the six (6) months then ended, in accordance with the 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. Unexplained Variances

1.1 Financial Statements and Schedule

The statement of financial assets and liabilities and Note 11 to the financial statements reflects account's receivables balances of Kshs.1,410,647. However, the ledger provided for audit review supported a balance of Kshs.331,204 resulting to an unexplained variance of Kshs.1,079,443.

In the circumstances, the accuracy and completeness of the accounts receivable balances of Kshs.1,410,647 could not be confirmed.

1.2 Summary Report of Performance and Financial Statements

Audit Review of the summary report of performance revealed variances in performance results when compared with the financial statements, resulting to unexplained variances as summarized in the table below:

Result	Summary report of Performance (Kshs.)	Financial Statements (Kshs.)	Variances (Kshs.)
Surplus/Deficit	779,083	961,562	(182,479)
Expenditure Total	2,573,941	2,391,462	182,479
Accounts Receivables	1,290,158	1,410,647	(120,489)
Development Projects - Operations - Acquisition of Assets	182,479	0	182,479

In the circumstances, the accuracy and completeness of the summary report of performance could not be confirmed.

1.3 Financial Statements and Notes

The statement of financial assets and liabilities reports a net financial position of Kshs.2,434,193. However, comparison of the financial statement amounts and the Notes to the financial statements revealed the following unexplained variances:

Item	Note	Financial Statements (Kshs.)	Notes (Kshs.)	Variances (Kshs.)
School Fund Income	3	1,546,562	1,846,562	(300,000)
Accumulated Fund Balance	13	1,472,631	2,434,193	(961,562)

In the circumstances, the accuracy of the statement of financial assets and liabilities could not be confirmed.

2. Inaccuracy in the Statement of Cash Flows

The statement of financial assets and liabilities and the statement of cash flows reflects a cash and cash equivalent balance of Kshs.992,551. However, downward casting of the statement of cash flows revealed a cash and cash equivalent balance of Kshs.1,175,030 resulting to an unexplained variance of Kshs.182,479.

In the circumstances the accuracy of the cash and cash equivalent balance of Kshs.992,551 could not be confirmed.

3. Incomplete Statement of Budgeted versus Actual Amounts

The statement of budgeted versus actual amounts did not present the budgeted receipts and payments in total and as per vote item. Further, certain information was not included in the designated spaces which were instead left blank.

In the circumstances, the accuracy and completeness of the statement of budgeted versus actual amounts could not be confirmed.

4. Unsupported Payments

The statement of receipts and payments reflects parent's contribution fees - school fund account of Kshs.1,546,562, payments for operations of Kshs.938,293 and boarding and school fund payments of Kshs.1,340,538 all totalling Kshs.3,825,393. However, the balances were not supported with ledgers.

In the circumstances, the accuracy and completeness of the balances totalling Kshs.3,825,393 balances could not be confirmed.

5. Long Outstanding Accounts Receivables

The statement of financial assets and financial liabilities and Note 11 reflects accounts receivable balances of Kshs.1,410,647 relating to fee arrears. However, ageing analysis

disclosed in Note 11 to the financial statements indicated that Kshs.1,026,663 had been outstanding for over 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 recoverability of the outstanding receivables of Kshs.1,026,663 could not be confirmed.

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

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

Conclusion

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

Basis for Conclusion

1. Maintenance and Improvement Funds not Transferred to Infrastructure Account

Review of the operation bank account statement for the period ended 30 June, 2021, revealed that total capitation grants received on operations was Kshs.1,558,250, out of which, Kshs.669,000 was to be transferred to the infrastructure account as approved by the Ministry of Education. However, only Kshs.200,000 was transferred resulting to unexplained non-transfer of funds amounting to Kshs.469,000, contrary to Regulation 54(1) of the Public Finance Management (National Government) Regulations, 2015, which requires that an Accounting Officer of an entity may not authorize payments to be made out of funds earmarked for specific activities for purposes other than those activities.

Further, Maintenance and Improvement funds of Kshs.200,000 were not transferred to the infrastructure bank accounts within the fifteen (15) days upon the receipt of the

funds as required by the Ministry of Education Circular referenced MOE.HQS/3/13/3 of 16 June, 2021, which requires that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

2. Unconfirmed Students Enrolment Data

The statement of receipts and payments reflects capitation grants for tuition, capitation grants for operations and infrastructure grants totalling Kshs.1,806,463. Review of the enrollment data revealed that the School had 212 students during the financial year under review. However, data obtained from the National Education Management Information System (NEMIS) portal revealed that the School had 192 students, resulting to an unreconciled variance of 20 students. The variance resulted to an underfunding of capitation grants by Kshs.298,940. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 dated 16 June, 2021 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

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

3. Irregular Procurements

The summary report of performance of the school indicates that that the school undertook several development projects amounting to Kshs.182,479 during the period under review. However, review of procurement records revealed as follow:

- i. The projects were not in the procurement plan contrary to Regulation 40(1) of the Public Procurement and Asset Disposal Regulations, 2020 which requires that a procuring entity shall prepare a procurement plan for each financial year as part of the annual budget preparation process.
- ii. No evidence of market survey being undertaken to justify the prices quoted by the contractors was provided for audit review contrary to Section 54(2) of the Public Procurement and Asset Disposal Act, 2015 which requires that standard goods, services and works with known market prices shall be procured at the prevailing market price.
- iii. The award of various tenders was not supported with contracts contrary to Section 135(2) of the Public Procurement and Asset Disposal Act, 2015 which requires that an Accounting Officer of a procuring entity shall enter into a written contract with the person submitting the successful tender based on the tender documents and any clarifications that emanate from the procurement proceedings.
- iv. The award of tenders during the period under review, were not supported with a professional opinion from the Head of Procurement, contrary to Section 84(1) of the

Public Procurement and Asset Disposal Act, 2015 which requires that the head of a procurement function of a procuring entity shall, alongside the report to the evaluation committee as secretariat comments, review the tender evaluation report and provide a signed professional opinion to the accounting officer on the procurement or asset disposal proceedings.

- v. The tender on supply of stationery was awarded at a price of Kshs.150,000. However, the successful tenderer did not submit a valid tax compliance certificate when bidding. In the circumstances, the tender was awarded to a non-responsive tenderer contrary to Section 79(1) of the Public Procurement and Asset Disposal Act, 2015 which requires that a tender is responsive if it conforms to all the eligibility and other mandatory requirements in the tender documents.

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

4. Unapproved Fees Structure

Review of the school's fee structure revealed that the fee per student per academic year is Kshs.14,850. However, the fee structure has not been approved by the Cabinet Secretary, Ministry of Education since such approval was not provided for audit review. This is contrary to Regulation 44 of the Basic Education Regulations, 2015 which requires that no public school or institution shall issue alternative fee structures other than those approved by the Cabinet Secretary.

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

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

Review of the financial statements revealed the following anomalies contrary to the Public Sector Accounting Standards Board reporting requirements:

- i. The financial statements were prepared by the Bursar who is neither a Certified Public Accountant of Kenya nor a member of the Institute of the Certified Public Accountants of Kenya (ICPAK).
- ii. The cover page and page headers incorrectly indicates that the Annual Report and financial statements are "for the (6) Months ended 30 June, 2021" instead of "For the six (6) months ended 30 June, 2021".
- iii. Page numbering in the Annual report and financial statements does not follow a sequence.
- iv. Key School Information and Management indicates that the school had ten (10) teachers. However, school information contained in the summary report of performance of the school disclosed that the school had thirteen (13) teachers resulting to an unexplained variance of three (3) teachers.

- v. The statement of receipts and payments does not disclose a note explaining that the prior year (2020) results relates to the period from 1 January, 2020 to 31 December, 2020 and that the current year (2021) results relates to a period of six (6) months, and therefore, the information is not comparable. Also, it does not indicate that the comparative (2020) results are unaudited.
- vi. The basis for the preparation of the statement of cash flows is not disclosed.
- vii. The statement of budgeted versus actual amounts is incomplete as it does not present budgeted total receipts and payments, and disclosure notes explaining budget utilization.
- viii. Note 17 to the financial statements discloses inventory balances of Nil amounts. However, page 19 to 26, of the financial statements discloses inventory quantity balances which have not been valued in Kenya shillings (Kshs.) and summarized in Note 17. Further, the inventory list from page 19 to 26, of the financial statements should have been included amongst the Annexes.
- ix. Annex 1 on the analysis of pending accounts payable does not disclose any accounts payable balances despite the statement of assets and liabilities reflecting account payable balances of Kshs.30,995.
- x. Annex 2 on summary of the fixed asset register does not disclose the location and historical cost of the assets owned by the school despite page 31 to 36, detailing assets owned by the School.

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

6. Excess Supply of Textbooks

Audit of text books revealed that during the year ended 30 June, 2021, the school had a total of 126 students in Forms 3 and 4. However, the 131 books titled "Blossoms of the Savannah", 156 books titled "Inheritance" and 157 books titled "A doll's House" all totalling 444 books were delivered were to the School. This led to excess of 318 books in the store.

In the circumstances, the value for money realized from the excess books could not be confirmed.

7. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 5 May, 2024 instead of the statutory deadline of 30 September, 2021/2022/2023. 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, 2021 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 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 and 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 governance were not effective.

Basis for Conclusion

1. Lack of IT Internal controls

Review of the information systems revealed that the School's computers were not installed with antivirus software. Further, the School did not have an approved IT security policy and a disaster recovery plan in place.

In the circumstances, the School's data confidentiality, integrity and availability could not be confirmed.

2. Incomplete Fixed Assets Register

Annex 2 to the financial statements discloses summary of the fixed asset register that comprises land measuring 0.94 acres. However, the summary did not indicate the category and historical cost of assets owned by the school such as motor vehicle, buildings, computers, office furniture and fittings, tools apparatus, text books and intangible assets. Further, the asset register did not indicate the assets' serial numbers, make and model, location, and condition. Also, movable physical assets such as computers, tables and chairs were not tagged.

In the circumstances, the effectiveness of controls on asset management could not be confirmed.

3. Lack of Adequate Facilities in the Institution

Physical inspection of the School revealed that the institution did not have the indoor and outdoor playing facilities but was dependent on the neighboring primary school for playing

facilities. Moreover, the school did not have a dining room and had one (1) science laboratory which was inadequate for all the learners to use.

In the circumstances, the School had inadequate school facilities.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (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 intention to terminate the School or to cease its 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 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 Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and 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

13 January 2025


GITIHA SECONDARY SCHOOL

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

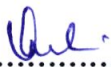
6. Statement of Receipts and Payments for the Year Ended 30th June 2023

DESCRIPTION OF VOTE HEAD	Note	2022 - 2023	2021 - 2022
			Kshs
RECEIPTS			
Capitation grants for tuition	1	624,377.00	709,639.00
Capitation grants for operations	2	1,657,581.00	3,088,678.00
Capitation grants for Infrastructure	3	911,000.00	
School Fund Income- Parents' Contributions	4	4,310,710.00	4,415,453.00
School Fund Income- Other receipts	5	-	-
Proceeds from borrowings			
TOTAL RECEIPTS		7,503,668.00	8,213,770.00
PAYMENTS			
Payments for Tuition	6	587,257.00	767,130.00
Payments for operations	7	1,569,278.00	3,377,939.00
Payments for infrastructure	8	740,953.00	
Boarding and school fund payments	9	5,190,654.00	3,871,793.00
TOTAL PAYMENTS		8,088,142.00	8,016,862.00
SURPLUS/DEFICIT		(584,474.00)	196,908.00

The school financial statements were approved on 5/5/2023 and signed by:

.....

Name: NAOMI NGUMO
Chair BOM
Date: 26/7/2024

GITIHA SECONDARY SCHOOL
P. O. Box 531 - 00216,
AGITHUNGUE.
 DATE.....SIGN.....
Name: ANN NDUMUTI
School Principal/ Secretary to
BOM
Date: 26/7/2024

.....

Name: VERONICA MUIRU
Bursar/ Finance Officer
Date: 26/7/2024

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

	Note	2022 - 2023 Kshs	2021 - 2022 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	839,871.00	1,189,288.00
Cash Balances	9	170.00	171.00
Short term Investment	10	-	-
Total Cash and Cash Equivalents		840,041.00	1,189,459.00
Account's receivables	11	1,315,156.00	1,292,641.00
TOTAL FINANCIAL ASSETS		2,155,197.00	2,482,100.00
FINANCIAL LIABILITIES			
Accounts Payable	12	171,050.00	33,478.00
NET FINANCIAL SSETS		1,984,147.00	2,448,622.00
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	2,448,622.00	2,251,714.00
Surplus/Deficit for the year		(584,474.00)	196,908.00
NET FINANCIAL POSITION		1,984,147.00	2,448,622.00

GITIHA SECONDARY SCHOOL

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

The school's financial statements were approved on 5/5/ 2023 and signed by:

GITIHA SECONDARY SCHOOL
P. O. Box 531 - 00216,
GITHUNGURI

.....
Ngumo

Name: NAOMI NGUMO

Chair BOM

Date: *26/7/2024*

.....
DATE *5/5/2023* SIGN *Ann Ndumuti*

Name: ANN NDUMUTI

School Principal/ Secretary to
BOM

Date: *26/7/2024*

.....
Muiru

Name: VERONICAH MUIRU

Bursar/ Finance Officer

Date: *26/7/2024*

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

STATEMENT OF CASH FLOW			
		2022 -20223	2021 - 2022
		Kshs	Kshs
Receipts from operating activities			
Capitation grants for tuition	1	624,377.00	709,639.00
Capitation grants for operations	2	1,657,581.00	3,088,678.00
Capitation grants for infrastructure	3	911,000.00	
School fund income- Parents contributions/ fees	4	4,310,710.00	4,415,453.00
School fund income- other receipts	5		-
Total receipts		7,503,668.00	8,213,770.00
Payments			
Payments for Tuition		587,257.00	767,130.00
Payments for operations		1,569,278.00	3,377,939.00
Payments for Infrastructure		740,953.00	
Boarding and school fund payments		5,190,654.00	3,871,793.00
		8,088,142.00	8,016,862.00
Net cash flow from operating activities		(584,474.00)	196,908.00
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		-	-
Acquisition of Assets		-	-
Proceeds from investments		-	-
Net cash flows from Investing Activities		-	-
NET CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans			-
Repayment of principal borrowings			-
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		(584,467.00)	196,908.00
Cash and cash equivalent at BEGINNING of the year	10	1,189,459.00	992,551.00
Cash and cash equivalent at END of the year		840,041.00	1,189,459.00

The school's financial statements were approved on 5/5/ 2023 and signed by:

GITIHA SECONDARY SCHOOL

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

GITIHA SECONDARY SCHOOL

P. O. Box 531 - 00216,

GITHUNGURI

Naomi
.....

Name: NAOMI NGUMO

Chair BOM

Date: 26/7/2024

DATE.....SIGN.....

Ann

Name: ANN NDUMUTI

School Principal/ Secretary to
BOM

Date: 26/7/2024

Veronica
.....

Name: VERONICA MUIRU

Bursar/ Finance Officer

Date: 26/7/2024

9. 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	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
(1) Capitation Grant on Tuition					
Reference Materials	42,405.00		42,405.00	41,832.00	98.6%
Exercise Books	598,296.00		598,296.00	207,088.00	34.6%
Laboratory Equipment	308,657.00		308,657.00	146,184.00	47.36%
Internal Exams	123,874.00		123,874.00	178,547.00	144%
Teaching / Learning Materials	120,276.00		120,276.00	50,726.00	42.1%
Exams And Assessment	0		0		0
(2) Capitation Grant on Operations					
Personnel Emoluments	873,800.00		873,800.00	842,537.00	96.4%
Repairs And Maintenance	1,285,000.00		1,285,000.00		
Local Transport / Travelling	385,500.00		385,500.00	236,920.00	61.4%
Electricity And Water	385,500.00		385,500.00	172,464.00	44.7%
Medical	514,000.00		514,000.00	68,500.00	13.3%
Administration Costs	642,500.00		642,500.00	273,330.00	42.5%
Activity	385,500.00		385,500.00	183,829.00	47.6%
Gratuity	0		0	0	0

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
3) FDSE for infrastructure					
Maintenance & Improvement MoE	1,285,000.00		1,285,000.00	911,000.00	80.2%
M&I parents' contribution	0		0	0	
Economic Stimulus Programs	0		0	0	
Transition Infrastructure Grants	0		0	0	
Administration Block	0		0	0	
(4) Fees Charged on Parents					
Lunch Program	3,816,450.00		3,816,450.00	4,310,710.00	112.9%
Repairs And Maintenance	0		0	0	
Local Transport / Travelling	0		0	0	
Electricity And Water	0		0	0	
Medical	0		0	0	
Administration Costs	0		0	0	
Activity	0		0	0	
SMASSE	0		0	0	
Fee On Boarding Equipment and Stores	0		0	0	
5) Miscellenous Income					
Loans / Borrowing	0		0	0	
Rent income	0		0	0	
Income From Farming Activities	0		0	0	
Insurance Compensation	0		0	0	
Income From Posho Mill	0		0	0	

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Income From Bus Hire	0		0	0	
Fee For Hire of Ground and Equipment	0		0	0	
Interest Income	0		0	0	
Income From Any Other Investment	0		0	0	
Total Income				7,743,667.00	
(6) Expenditure For Tuition					
Textbooks	0		0	0	
Reference Materials	42,405.00		42,405.00	0	0%
Exercise Books	598,296.00		598,296.00	122,080.00	20.4%
Laboratory Equipment	308,657.00		308,657.00	270,440.00	87.6%
Internal Exams	123,874.00		123,874.00	134,420.00	108.5%
Teaching / Learning Materials	120,276.00		120,276.00	56,050.00	46.6%
Chalks	0		0	0	
Exams And Assessment	0		0	0	
Teachers Guides	0		0	0	
Administration Costs	0		0	0	
Bank Charges	0		0	4,267.00	
(7) Expenditure For Operations					
Personnel Emoluments	873,800.00		873,800.00	548,852.00	62.8%
Repairs, Maintenance & Improvements	1,285,000.00		1,285,000.00		
Local Transport / Travelling	385,500.00		385,500.00	166,840.00	43.2%

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Electricity, Water and Conservancy	385,500.00		385,500.00	76,400.00	19.8%
Medical	514,000.00		514,000.00	47,255.00	9.1%
Administration Costs	642,500.00		642,500.00	449,833.00	70%
Activity Expenses	385,500.00		385,500.00	275,975.00	71.5%
Bank Charges	0		0	4,123.00	
SMASSE	0		0	0	
<i>(8) Expenditure For infrastructure</i>					
Electricity repairs	0		0	40,090.00	
Kitchen repair	0		0	23,750.00	
Deputy office	0		0	416,000.00	
Purchase of furniture (chairs & lockers)	0		0	51,600.00	
Chair & locker repairs	0		0	49,000.00	
Construction of Deputies drawers				48,800.00	
Deeping of boreholes				65,000.00	
Window pane & doors				43,750.00	
Bank Charges	0		0	2,963.00	
<i>(9) Expenditure For school fund/lunch/boarding</i>					
Lunch Program	3,816,450.00		3,816,450.00	3,496,477.00	91.6%
Repairs, Maintenance and Improvements	0		0	0	
Local Transport / Travelling	0		0	29,240.00	

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Electricity, Water and Conservancy	0		0	20,470.00	
Medical Expenses	0		0	0	
Administration Costs	0		0	1,441,243.00	
Activity	0		0	130,700.00	
Gratuity	0		0	57,700.00	
Lunch Program	0		0	0	
Boarding Equipment and Stores	0		0	0	
Expenditure For Income Generating Activity	0		0	0	
Insurance Costs	0		0	0	
Other Expenses On Investments	0		0	0	
Rent Expenses	0		0	0	
Bank Charges	0		0	14,824.00	
Loan Interest Repayment	0		0	0	
Loan Principal Repayment	0		0	0	
Acquisition Of Assets	0		0	0	
Totals				9,119,145.00	

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

- i. Exercise books, lab and teaching materials are below 90%.
- ii. Internal exam is above 100%
- iii) We had stock in store for teaching & lab but for exercise book. (lack of enough funds)
- iv) Internal exam (materials were expensive, less fund)

10. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2023.

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

		2022 - 2023	2021 - 2022
		Kshs	Kshs
Textbooks and reference materials			-
Exercise books		207,088.00	225,000.00
Laboratory equipment		146,184.00	180,000.00
Internal exams		178,547.00	186,733.00
Teaching / learning materials		50,726.00	87,906.00
Chalks			-
Exams and assessment			-
Library n reference		41,832.00	30,000.00
Total		624,377.00	709,639.00

2 Government Grants for Operations

		2022-2023	2021-2022
		Kshs	Kshs
Personnel emoluments		722,537.00	601,778.00
Others			
Local transport / travelling		236,920.00	170,000.00
Electricity and water		172,464.00	131,000.00
RMI			1,171,500.00
Infrastructure grant, computer lab			
Medical			
Administration costs		273,330.00	970,000.00
Borehole (transfer)			
Insurance		68,500.00	44,400.00
Activity		183,829.00	
Total		1,657,581.00	3,088,678.00

3 Government Grants for infrastructure

Description	2022 - 2023	2021 -2022
	Kshs	Kshs
Maintenance & Improvement	911,000.00	
Transition infrastructure grants		
Administration Block		
Economic stimulus grants		
Other (specify)(NGCDF and County govt.		
Total	911,000.00	

4 School Fund Income - Parents Contribution/Fees

Description		2022-2023	2021-2022
		Kshs	Kshs
other vote heads			
lunch program		4,310,710.00	4,415,453.00
Repairs and maintenance			
Local transport / travelling			
Electricity and water			
Administration costs			
infrastructure			
courses			
losses/damages			
Activity			
Total		4,310,710.00	4,415,453.00

5 Miscellaneous Incomes

Description	2022 - 2023	2021 - 2022
	Kshs	Kshs
Rent Income		
Income From Farming Activities		
Insurance Compensation		
Income From Posho Mill		
Income From Bus Hire		
Fee For Hire of Ground and Equipment		
Income From Grants and Donations*		
Interest Income		
Dividends Income		
Loans/Borrowings*		
Other Income (<i>specify</i>)*		
Total		

Notes to the Financial Statements

6 Tuition

DESCRIPTION	2022-2023	2021-2022
	Kshs	Kshs
Textbooks and reference materials		-
Exercise books	122,080.00	223,664.00
Laboratory equipment	270,440.00	374,583.00
Internal exams	134,420.00	104,500.00
Teaching / learning materials	56,050.00	33,540.00
Library and Reference		27,672.00
Exams and assessment		
Furniture		
Administration Costs		
Bank Charges	4,267.00	3,171.00
Total	587,257.00	767,130.00

7 Operations

		2022-2023	2021-2022
		Kshs	Kshs
Personnel emoluments		548,852.00	558,571.00
Others			
Administration Cost		449,833.00	1,031,702.00
Repairs and maintenance & improvements			
Local transport / travelling		166,840.00	165,320.00
Electricity and water		76,400.00	130,000.00
Medical			
Activity Expenses		275,975.00	333,500.00
Dormitory			
Insurance		47,255.00	47,255.00
BOM Teacher			
Infrastructure			1,111,591.00
Bank Charges		4,123.00	
Acquisition of Assets			
TOTAL		1,569,278.00	3,377,939.00

Notes to the Financial Statements

8 Infrastructure

Description	July 2022 - June 2023	July 2021 - June 2022
	Kshs	Kshs
Electricity repairs	40,090.00	
Kitchen repair	23,750.00	
Deputy office	416,000.00	
Purchase of furniture (chairs & lockers)	51,600.00	
Chair & locker repairs	49,000.00	
Construction of Deputies drawers	48,800.00	
Deeping of boreholes	65,000.00	
Window pane & doors	43,750.00	
Bank charge	2,953.00	
Total	740,953.00	

GITIHA SECONDARY SCHOOL

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

9 Boarding and School Fund

DESCRIPTION		2022-J2023	2021-2022
			Kshs
other vote heads			
lunch program		3,496,477.00	2,746,443.00
Repairs and maintenance			
Local transport / travelling		29,240.00	
Electricity and water		20,470.00	
Administration costs		1,441,243.00	1,125,350.00
Activity		130,700.00	
personnal emoluments		57,700.00	
School Farm			
Income from Posho mill			
uniform			
Income from grants and donations*			
Interest income			
loan			
BANK CHARGES		14,824.00	
TOTAL		5,190,654.00	3,871,793.00

Notes to the Financial Statements

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2022 - 2023	2021 - 2022
	Active/Dormant		Kshs	Kshs
Tuition Account		1105031330	117,896.00	80,777.00
Operations Account		1105031209	298,967.00	90,572.00
School Fund Account/Boarding		002000020197	73,674.00	838,652.00
Savings Account				
Parent Association Development Account				
Income Generating Activities Account				
Infrastructural Account		1216886385	349,335.00	179,288.00
Total			839,871.00	1,189,288.00

11 Cash In Hand

Account Name & Currency	Status	Bank Account Number	2022 - 2023	2021 - 2022
	Active/Dormant		Kshs	Kshs
Tuition Account		1105031330	0.00	0.00
Operations Account		1105031209	31.00	123.00
School Fund Account/Boarding		002000020197	140.00	48.00
Infrastructural Account		1216886385	0.00	0.00
Total			171.00	171.00

12 Short Term Investments

Description	2022 - 2023	2021 - 2022
	Kshs	Kshs
Cooperative Shares		
Treasury Bills		
Fixed Deposit accounts		
Other Investments		
Total		

13 Accounts Receivable

Description	2022 - 2023	2021 - 2022
	Kshs	Kshs
Fees Arrears	1,315,156.00	1,292,641.00
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)		
Imprest (list/schedule attached)		
Rent arrears (list/schedule attached)		
Total	1,315,156.00	1,292,641.00

13 b Ageing Analysis of Accounts Receivable

Description	2022 - 2023		2021 - 2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	137,575.00	7.0%	246,756.00	12.7%
Between 1- 2 years	131,696.00	6.7%	230,966.00	11.9%
Between 2-3 years	230,966.00	11.8%	814,919.00	75.4%
Over 3 years	814,919.00	74.5%		
Total (should tie to note 13 a)	1,315,156.00	100%	1,292,641.00	100%

14 Accounts Payable

Description	J2022 - 2023	2021 - 2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	00.00	00.00
Prepaid Fees	171,050.00	33,478.00
Retention Monies		
Unpaid salaries and statutory deductions		
Caution money		
Other payables (<i>specify</i>)		
Total	171,050.00	33,478.00

Notes to the Financial Statements

14a. Ageing Analysis of Accounts Payable

Description	2022 - 2023		2021 - 2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	171,050.00	100%	33,478.00	100%
Between 1- 2 years				
Between 2-3 years				
Over 3 years				
Total (should tie to note 14)	171,050.00	100%	33,478.00	100%

15 Fund Balance Brought Forward

Description	2022 -2023		2021 - 2022	
	Kshs		Kshs	
Bank Balances	839,871.00		1,189,288.00	
Cash Balances	170.00		171.00	
Short Term Investments				
Receivables	1,315,156.00		1,292,641.00	
Payables	171,050.00		33,478.00	
Total	2,326,247.00		2,515,578.00	

Other important disclosure notes

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

16 Non-current Liabilities Summary

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

17 Biological assets

Description	Numbers	2022 - 2023	2021 - 2022
		Kshs	Kshs
Cattle			
Goats			
Trees			
Coffee Or Tea Plantation			
Poultry			
Others (specify)			
Total			

18 Borrowings

Description	2022 - 2023	2021 - 2022
	Kshs	Kshs
Borrowings at beginning of the year		
Borrowings during the year		
Repayments during the year		
Balance at the end of the year		

GITIHA SECONDARY SCHOOL

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Other important disclosure notes

19 Stock/ Inventory

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

GITIHA SECONDARY SCHOOL
BOOKS RECORD 2023
FORM ONE

SUBJECT	OPENING BALANCE	BALANCE
English	90	8
Kiswahili	95	13
Mathematics	130	48
Chemistry	84	2
Biology	100	18
Physics	90	8
CRE	98	16
History/Govt	92	10
Geography	100	18
Agriculture	97	15
Business	110	28

GITIHA SECONDARY SCHOOL
BOOKS RECORD 2023
FORM TWO

SUBJECT	OPENING BALANCE	BALANCE
English	128	58
Kiswahili	120	50
Mathematics	120	50
Chemistry	100	30
Biology	110	40
Physics	130	60
CRE	98	28
History/Govt	130	40
Geography	110	40
Agriculture	101	31
Business	122	52

GITIHA SECONDARY SCHOOL
BOOKS RECORD 2023
FORM THREE

SUBJECT	OPENING BALANCE	BALANCE
English	70	21
Kiswahili	60	11
Mathematics	65	16
Chemistry	78	29
Biology	62	13
Physics	70	21
CRE	60	11
History/Govt	20	00
Geography	7	00
Agriculture	8	00
Business	13	00

GITIHA SECONDARY SCHOOL
BOOKS RECORD 2023
FORM FOUR

SUBJECT	OPENING BALANCE	BALANCE
English	58	5
Kiswahili	74	19
Mathematics	72	17
Chemistry	80	25
Biology	40	7
Physics	23	00
CRE	70	15
History/Govt	16	00
Geography	9	00
Agriculture	8	00
Business	5	00

GITIHA SECONDARY SCHOOL

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

SUMMARY OF DEBTORS YEAR 2023

VOTEHEADS	FORM 1	FORM 2	FORM 3	FORM 4	TOTAL
LUNCH	14,150.00	37,950.00	28,190.00	57,285.00	137,575.00
TOTAL	14,150.00	37,950.00	28,190.00	57,285.00	137,575.00

SUMMARY OF CREDITORS YEAR 2023

VOTEHEADS	FORM 1	FORM 2	FORM 3	FORM 4	TOTAL
LUNCH	59,000.00	65,600.00	46,450.00	-	171,050.00
TOTAL	59,000.00	65,600.00	46,450.00	-	171,050.00

20 Progress On Follow Up Of Auditor Recommendations

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

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

Sign and Date
Principal

12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1.						
2.						
3.						
Sub-Total						
Supply Of Goods						
4.						
5.						
6.						
TOTAL						
Supply Of Services						
7.						
8.						
9.						
Sub-Total						

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

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
Grand Total						

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 st July 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2023
Land	0.94Acre			
Buildings And Structures				
Motor Vehicles				
Office Equipment, Furniture And Fittings				
Textbooks				
ICT Equipment				
Tools And Apparatus				
Other Machinery And Equipment				
Heritage And Cultural Assets				
Intangible Assets- Soft Ware				
Total				

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

annex 2: buildings and structures

	Assets class	Date purchased	location	Historical b/f kshs 1stjuly 20xx	Additions during the year ksh	Disposal during the year	Historical cost c/f kshs 30 th june 2021
1	CLASSES		Gitiha secondary				
2	KITCHEN		Gitiha secondary				
3	LABORATORY		Gitiha secondary				
4	ADMINISTRATION BLOCK		Gitiha secondary				
5	WASHROOMSGIRLS: BOYS		Gitiha secondary				
6	STAFFROOM		Gitiha secondary				
7	STORE		Gitiha secondary				
8	COMPUTER LAB		Gitiha secondary				

ANNEX 2

OFFICE EQUIPMENT, FURNITURE AND FITTINGS

	Assets class	MODEL	Date purchased	Location	Historical b/f kshs 1stjuly 20xx	Additions during the year ksh	Disposal during the year	Historical cost c/f kshs 30 th june 2021
2	CPU	Mecer	2015	Secretary's office				
3	Desk top computer	dell	2015	Secretary's office				
4	HP Deskjet	Ink advantage	2015	Principal's office				
5	Desktop computer	Mecer	2016	Principal's office				
6	laptop	Hp 250	2016	Secretary's office				
7	Laptop	Hp 650	2016	Secretary's office				
8	Kyocera printer		2015	Principal's office				
9	projector		2015	Principal's office				
10	Electric bell		2016	Secretary's office				

TOOLS AND APPARATUS

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

	Assets class	Date purchased	Location	Historical b/f kshs 1stjuly 20xx	Additions during the year ksh	Disposal during the year	Historical cost c/f kshs 30 th june 2021
1	Test tubes	2020	laboratory				
2	Boiling tubes	2020	laboratory				
3	Burettes (50ml)	2019	laboratory				
4	Pipette (25ml)	2019	laboratory				
5	Beaker (100ml)	2019	laboratory				
6	Beaker (250ml)	2019	laboratory				
7	Connecting Wire	2020	laboratory				
8	Thermometers	2019	laboratory				
9	Stopwatches	2018	laboratory				
10	Volumetric flask	2016	laboratory				
11	microscope	2016	laboratory				
12	stools	2021	laboratory				
13	Cylindrical gas	2016	laboratory				
14	wheelbarrow	2015	store				
15	Panga,jembe,hammer,saw,horse pipe	2016	store				

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16	Water collection tank	2016	School compound				
17	Filling water tanks ,sinks and stands	2020	School compound				
18	Water dispenser	2022	Staffroom and principals office				
19	Window curtains and curtains rods	2022	All offices				
20	Office cabinets	2022	Secretary office				
21	Water pump	2023	School compound				

ANNEX 2: TEXTBOOKS

	Assets class	Date purchased	location	Historical b/f kshs 1stjuly 20xx	Additions during the year ksh	Disposal during the year	Historical cost c/f kshs 30 th june 2021
1.	English		BOOK STORE AND WITH STUDENTS				
2.	Kiswahili		BOOK STORE AND WITH STUDENTS				
3.	Mathematics		BOOK STORE AND WITH STUDENTS				
4.	Chemistry		BOOK STORE AND WITH STUDENTS				
5.	Biology		BOOK STORE AND WITH STUDENTS				
6.	Physics		BOOK STORE AND WITH STUDENTS				
7.	CRE		BOOK STORE AND WITH STUDENTS				
8.	History/Govt		BOOK STORE AND WITH STUDENTS				
9	Geography		BOOK STORE AND WITH STUDENTS				
	Agriculture		BOOK STORE AND WITH STUDENTS				
11	Business		BOOK STORE AND WITH STUDENTS				
12	Literature and fasihi		BOOK STORE AND WITH STUDENTS				

	set books						
13	Revision text books		BOOK STORE AND WITH STUDENTS				



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