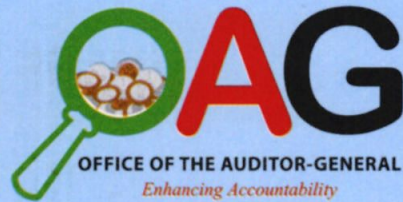


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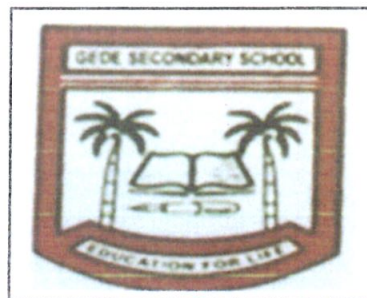
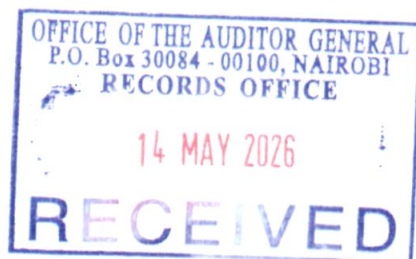
THE AUDITOR-GENERAL

 NATIONAL ASSEMBLY PAPERS LAID	
DATE: 29 JUL 2026	DAY: WEDNESDAY
TABLED BY:	HON. MARIANG KITANY
CLERK-AT THE-TABLE:	ON BEHALF OF LOM
	ESTHER NGINYO

GEDE SECONDARY SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2024

KILIFI COUNTY



GEDE SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2024

Prepared in accordance with the 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
TSC	Teacher Service Commission
SMASSE	Strengthening of Mathematics and Science in Secondary Education

B. Definition of Key Terms

Comparative year – Means the prior period.

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

The school was registered in **1974** under registration number **GP/A/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 **746** numbers of students as at **30th June 2024**. It has **5** streams and **36** teachers of which **15** 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	04/07/2019
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	04/07/2022
10	• Anthony Kanundu	3 Members - Sponsor	04/07/2019
11	• Irene Kaingu		
12	• Jonathan Kitsao		
13	Pascalina Neema	Member - Community	04/07/2019
14	Daniel Fondo	Member Special Needs	04/07/2019
15	Hafswa Hobein	Rep Students	04/07/2019

(c) Committees of the Board

Ref:	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 - PA Chairperson - 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 Neeema	- Chairpeson - Member - Member	2
4	Academic Committee	• Kitole Benson • Hafswa Hobein • Rama Karisa • Patience Kahindi	- Chairpeson - Member - Member - Member	4
5	Development Committee	• Daniel Fondo • Josiah Mwachanya • Laban Ongaro • DEO • Hafswa Hobein • Jackson Fagio • Pascalia Neema	- Chairpeson - 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 2024 the School day-to-day management was under the following persons:

Ref:	Designation	Name	Identification
1	Principal	Josiah Mwachanya	TSC No.274945
2	Deputy Principal	Laban Ongaro	TSC No.418056
3	School Bursar	Andrew Chonga	ICPAK No.
4	Other (specify)		

(e) Schools contacts

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

(f) School Bankers

KCB-WATAMU

- Main account: 1107966337.
- Operation account: 1107976987.
- Tuition Account: 1107974089.
- Salary Account: 1141256487.

Equity BANK-MALINDI

-Infrastructure account.
Account: **0450274231058**
Postal Address.

M-PESA Pay bill: 522123 attached to 60164k bank account: 1107966337.

(g) Independent Auditors

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

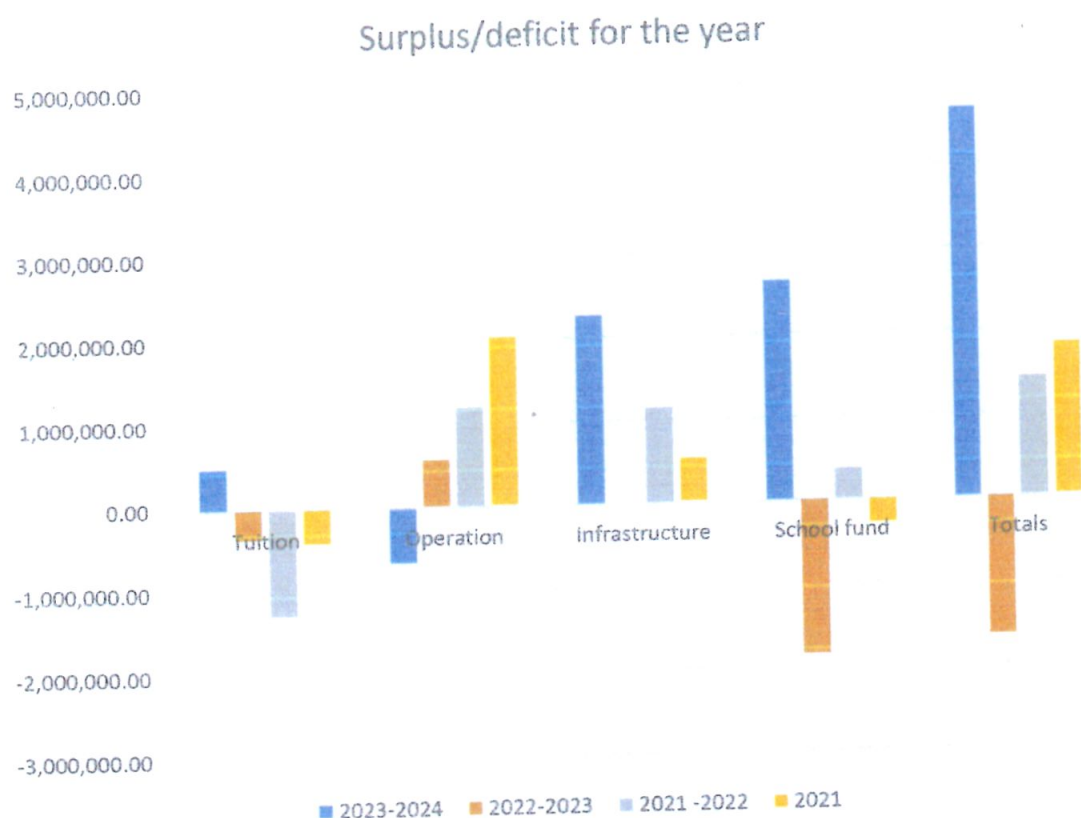
3. Summary Report of Performance of The School

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 comparison of the same for the last three years.

Accounts	2023-2024	2022-2023	2021 -2022	2021
Tuition	494,365.75(surplus)	366,065.00(deficit)	1,274,696.00 (deficit)	420,706.25 (deficit)
Operation	654,168.20 (deficit)	559,743.00 (surplus)	1,199,669.50(surplus)	2,027,236.25 (surplus)
Infrastructure	2,269,600.00(surplus)	-	1,147,021.00 (surplus)	521,938.00 (surplus)
School fund	2,645,548.00(surplus)	1,855,667.00 (deficit)	361,232.50 (surplus)	296,325.90 (deficit)
Totals	4,673,145.55(surplus)	1,661,989.00 (deficit)	1,433,227.00(surplus)	1,832,142.10(surplus)



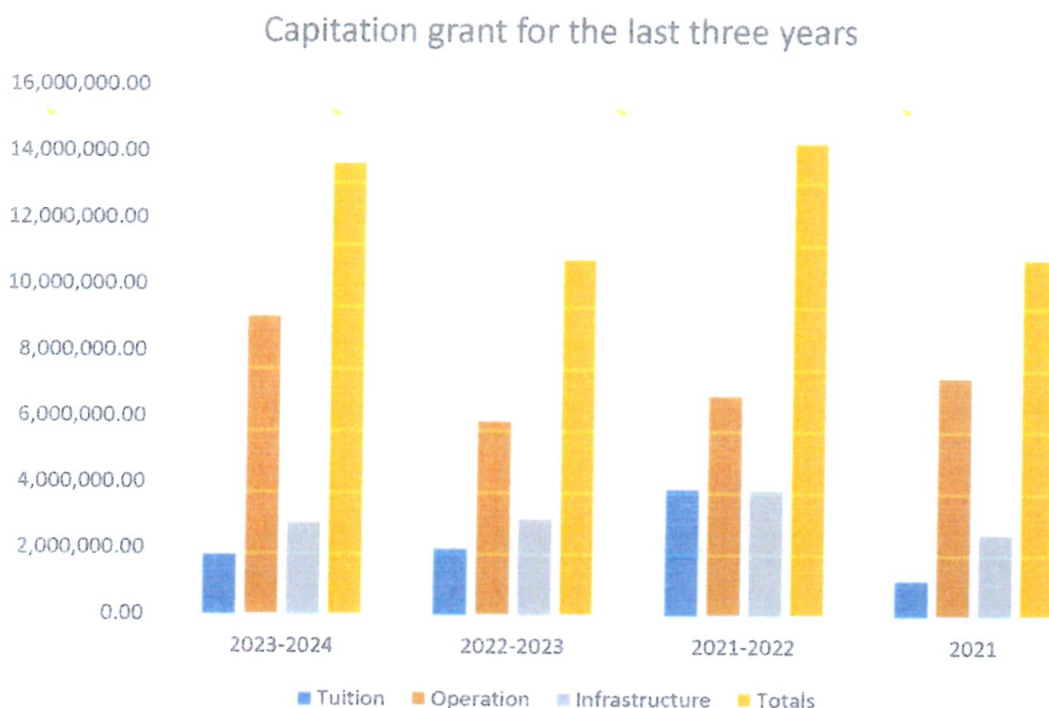
Reports and Financial Statements for the Year ended 30th June 2024.

II. Summary Report of Performance of the School.

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

Accounts	2023-2024	2022-2023	2021-2022	2021
Tuition	1,819,714.00	1,984,968.00	3,821,123.00	1,085,167.00
Operation	9,017,133.00	5,860,652.00	6,651,249.00	7,220,622.25
Infrastructure	2,794,000.00	2,903,000.00	3,800,000.00	2,470,000.00
Totals	13,630,847.00	10,748,620.00	14,272,372.00	10,775,790.25

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



The capitation grant for the financial year 2022-2023 was 10,748,620.00. This figure increased to 13,630,847.00 in 2023-2024 financial years. This was attributed by increase in student's enrollment.

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

Accounts	2023-2024	2022-2023	2021-2022	2021
Tuition	1,325,348.25	2,351,033.00	3,459,891.00	1,505,874.00
Operation	9,671,301.20	8,203,909.00	6,996,671.00	5,193,386.00
Infrastructure	606,600.00	-	1,108,588.00	1,948,062.00
School fund	33,488,263.00	21,053,096.00	21,972,171.00	10,597,501.00
Totals.	45,091,512.45	31,608,038.00	33,537,321.00	19,244,823

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

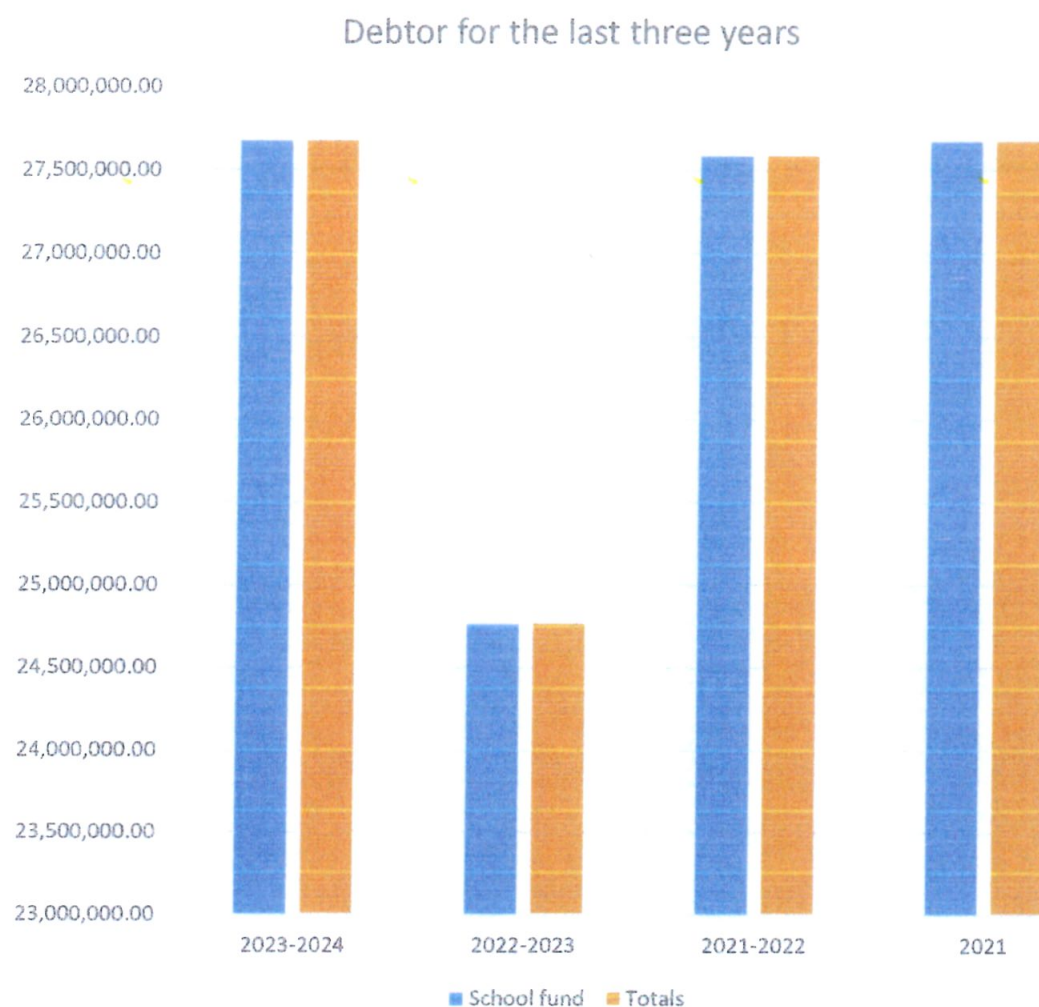
The expenditure growth of the school for the financial year 2022-2023 was 31,608,038.00. There was an increase in expenditure in financial year 2023-2024 to 45,091,512.45; this was attributed by an increase in prices of foodstuff and students enrolment.

Movement of debtors and Creditors over the last three years.

1. Debtors.

Accounts	2023-2024	2022-2023	2021-2022	2021
School fund	27,676,802.76	24,763,421.76	27,588,036.86	27,677,211.27
Totals	27,676,802.76	24,763,421.76	27,588,036.86	27,677,211.27

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



The debtors in the financial year 2022-2023 were 24,763,421.76. There was an increase of debtors in financial year 2023-2024. This was attributed by long outstanding debtors which are being cleared at a low rate.

2. Creditors

Accounts	2023-2024	2022-2023	2021-2022	2021
Tuition	453,112.00	688,520.00	604,515.00	467,444.00
Operation	602,578.00	284,480.00	893,800.00	1,369,600.00
School fund	1,962,205.00	2,861,810.00	2,149,640.00	751,370.00
Totals	3,017,895.000	3,834,810.00	3,647,955.00	2,588,414.00

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



The creditors in the financial year 2022-2023 was 3,834,810.00. There was a slightly decrease of creditors to 3,017,895.00. This was attributed by slightly increase in fees collections.

(b) Teachers student ratio.

- Teachers student ratio .1:20
- 2 Teachers were posted/recruited.
- 15 Bom Teachers.

Subjects	Eng./Lit	Kis/H	Kis/G	Maths	Maths/Chem	Geo/Ire	Maths/Phy	Maths/Bus
Teachers	6	1	3	1	4	1	3	4
Totals	23							

Subjects	Chem/Bio	Bio/Agr	Cre/Geo	Ire/Arabic	Ire/Bus	H/CRE	Comp/Phy	Kis/cre
Teachers	2	2	2	1	1	3	1	1
Totals	13							

(C) Mean score in the 2023 KCSE

Mean : 4.0833

(d) Number of Candidates in 2024 KCSE

2024 Candidates- 126

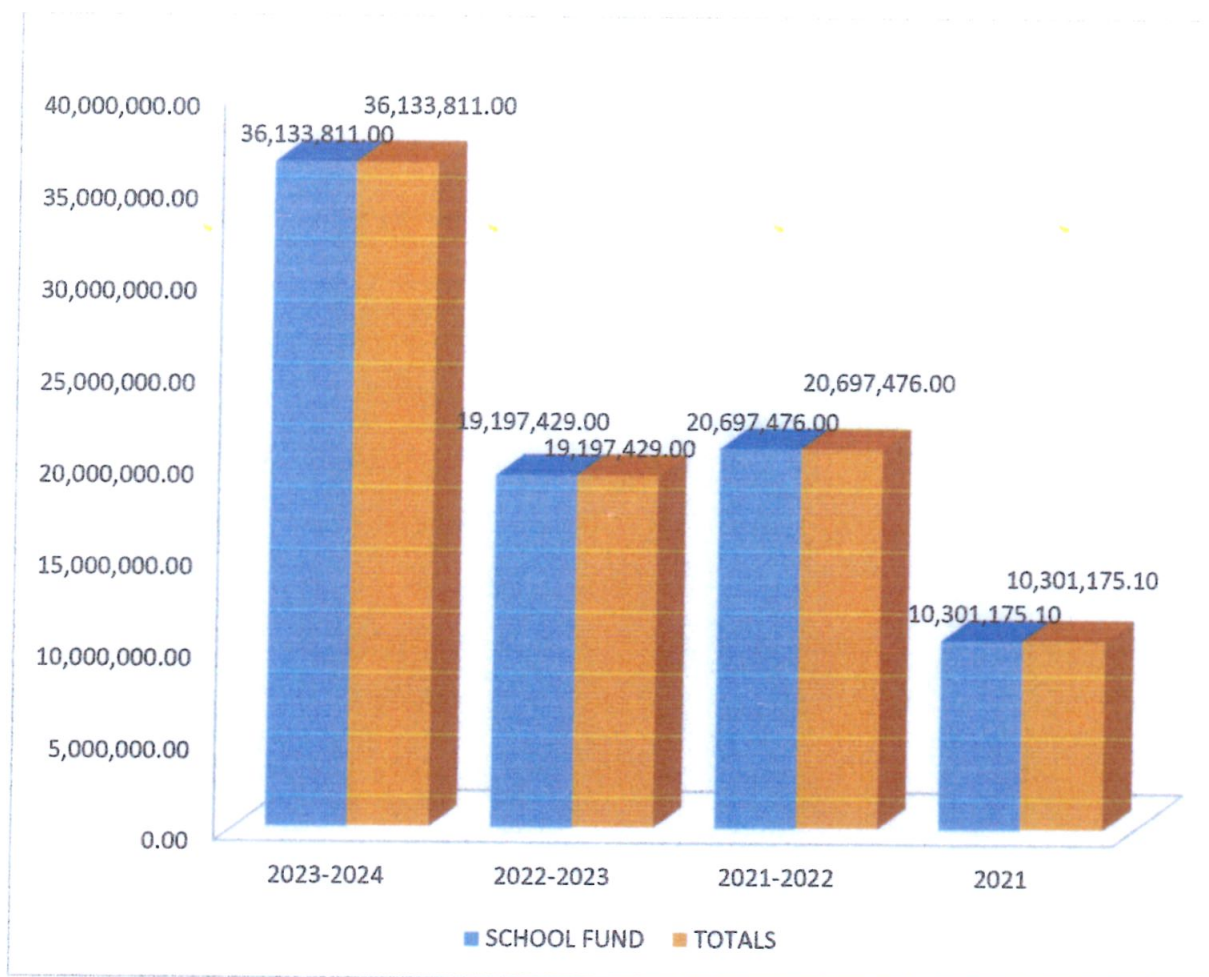
2023 Candidate-144

(e) Capacity of the school.

- 5 streams School of 746 Students.

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

ACCOUNTS	2023-2024	2022-2023	2021-2022	2021
SCHOOL FUND	36,133,811.00	19,197,429.00	20,697,476.00	10,301,175.10
TOTALS	36,133,811.00	19,197,429.00	20,697,476.00	10,301,175.10



The collection of fees for the financial year 2022-2023 was 19,197,429.00. This figure increased to 36,133,811.00 in 2023-2024 financial year. This was attributed by strong measures placed by management in collection of school fees from parents /Guardians.

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

Account.	2023-2024	2022-2023	2021-2022	2021
Tuition.	1,819,714.00	1,984,968.00	3,821,123.00	1,085,167.00
Number of students	746	708	735	643
Ratio.	1:2,439.29	1:2,803.63	1:5,198.81	1:1,687.66

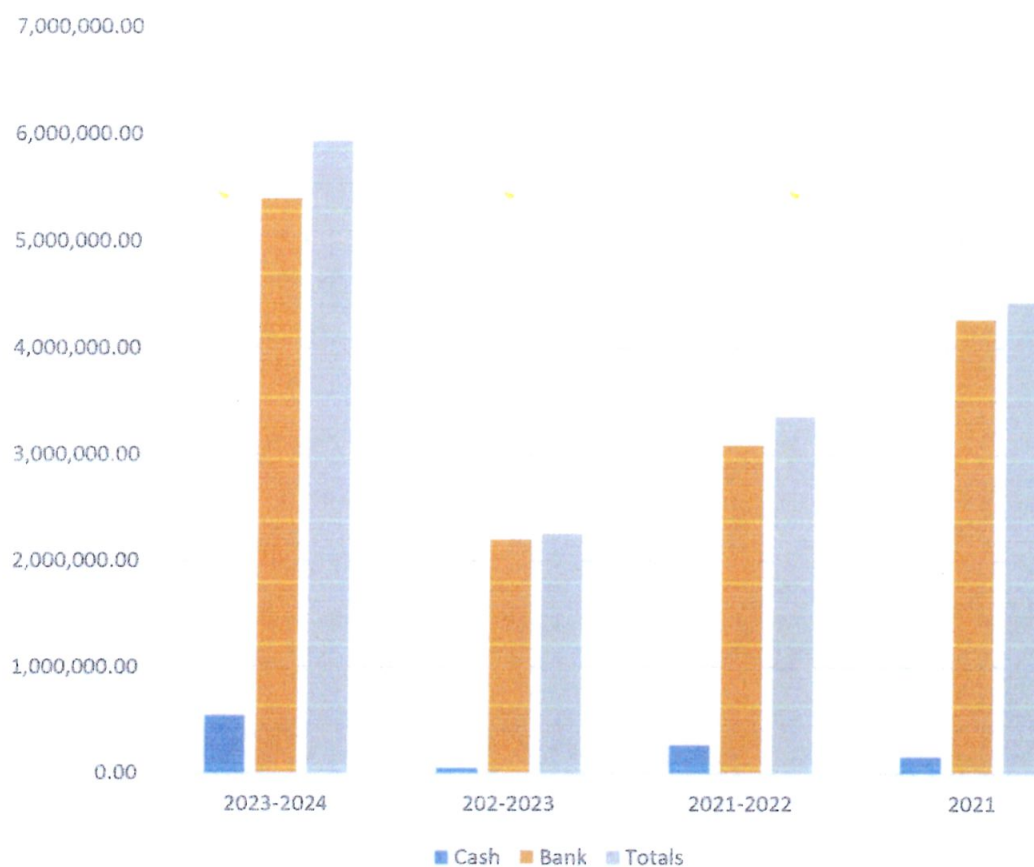
OPERATION ACCOUNT.

Account	2023-2024	2022-2023	2021-2022	2021
Operation	9,017,133.00	8,763,652.00	10,451,949.00	9,690,622.25
Number of student	746	708	735	643
Ratio.	1:12,087.30	1:12,378.04	1:14,220.34	1:15,070.95

Movement of cash and bank balances over the last three years

Year	2023-2024	202-2023	2021-2022	2021
Cash	545,288.00	57,638.00	269,326.00	161,146.00
Bank	5,395,063.81	2,199,529.26	3,089,954.16	4,266,883.93
Totals	5,940,351.81	2,257,167.26	3,359,280.16	4,428,029.93

Movement of cash and Bank balances



b) Development projects carried out by the school:

(Development projects carried out in the year and on-going projects including a disclosure of project fund sources in a tabular format).

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Renovation of dormitory.	MOE Infrastructure grant	complete	0	606,600.00	2023-2024



 School Principal



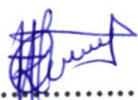
Statement of School Management Responsibility

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, 2024, and of the school's financial position as at that date.



.....
Name: **Jackson Karisa Fagio.**

Designation: Chairman, School Board of Management

Date: 8/5/26



.....
Name: **Josiah Mwachanya**

Designation: School Principal & Secretary to Board of Management

Date: 8/5/26



.....
Name: **Andrew Kiti Chonga.**

Designation: Bursar/ Finance Officer

Date: 08/05/2026

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 GEDE SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2024 - KILIFI COUNTY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Gede Secondary School set out on pages 1 to 21, which comprise of the statement of assets and liabilities as at

Report of the Auditor-General on Gede Secondary School for the year ended 30 June, 2024 - Kilifi County

30 June, 2024 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 Gede Secondary School at 30 June, 2024 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. Variances in the Financial Statements

The financial statements presented for audit had the following variances:

- i) The statement of receipts and payments reflects government grants for operations of Kshs.9,017,133 while analysis of bank statements revealed Kshs.5,948,694 resulting to unexplained variance of Kshs.3,068,439.
- ii) The statement of receipts and payments reflects government grants for infrastructure of Kshs.2,794,000 while acknowledgement receipts reflect Kshs.1,998,400 resulting to unexplained variance of Kshs.795,600.
- iii) The statement of receipts and payments reflects tuition expenditure amount of Kshs.1,325,348 while the ledger reflects Kshs.866,540 resulting to unexplained variance of Kshs.458,808.
- iv) The statement of receipts and payments reflects operations expenditure amount of Kshs.9,671,301 while the ledger reflects Kshs.8,183,530 resulting to unexplained variance of Kshs.1,487,771
- v) The statement of receipts and payments reflects boarding and school fund expenditure amount of Kshs.33,488,263 while the ledger reflects Kshs.25,799,096 resulting to unexplained variance of Kshs.7,689,167.
- vi) Note 14 to the financial statements reflects trade creditors of Ksh.9,482,103 while Annex 1 on pending accounts payable reflects Kshs.3,017,895 resulting in unexplained variance of Kshs.6,464,208.
- vii) The statement of budgeted amounts versus actual amounts reflects total final budgeted receipts of Kshs.47,354,570 while the approved budget reflects Kshs.45,512,010 resulting to unexplained variances of Kshs.1,842,560.
- viii) The statement of budgeted amounts versus actual amounts reflects total final expenditures Kshs.48,219,340 while the approved budget reflects Kshs.44,672,094 resulting to unexplained variances of Kshs.3,547,246.

In the circumstances, the accuracy and completeness of the above amounts reflected in the financial statements could not be confirmed.

2. Unsupported Tuition and Operations Expenditure

The statement of receipts and payments and as disclosed in Notes 6 and Note 7 to the financial statements reflects tuition and operations expenditure totalling Kshs.10,996,649. However, verification of sampled payment vouchers amounting to Kshs.2,007,584 revealed that they were not supported with requisitions, Local Purchase Orders (LPOs), inspection reports and goods received notes.

In the circumstances, the accuracy and completeness of tuition and operations expenditure totaling to Kshs.10,996,649 could not be confirmed.

3. Unsupported Cash Balance

The statement of assets and liabilities and as disclosed Note 11 to the financial statements reflects cash balance of Kshs.545,288. However, Management did not conduct board of survey at year-end to provide to confirm the cash-in-hand balance.

In the circumstances, the accuracy and completeness of cash balance of Kshs.545,288 could not be confirmed.

4. Unsupported Accounts Receivables

The statement of assets and liabilities and as disclosed in Note 13 to the financial statements reflects student fee arrears accounts receivables balance of Kshs.27,676,802. However, the school did not provide supporting schedules, including a detailed list of students with outstanding fees or student fees statements and recovery plans put in place.

In the circumstances, the accuracy, completeness and recoverability of the accounts receivables balance of Kshs.27,676,802 could not be confirmed.

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

Emphasis of Matter

Long Outstanding Payables

The statement of assets and liabilities and as disclosed in Note 14 to the financial statements reflects account payables balance of Kshs.10,090,263. Included in this balance was trade payables balance of Kshs.3,995,978 which had been outstanding for over three (3) year.

Failure to settle bills as the fall due exposes the school to litigations, interests and penalties.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

The Auditor-General's report for the years ended 30 June, 2023 raised several audit issues which remained unresolved as at 30 June, 2024 as detailed in below. Management has not taken adequate action to address these matters. The issues relate to prior periods and have been reported for emphasis of matter purposes.

1. Unsupported Payments
2. Long-outstanding student accounts receivables
3. Inaccuracies in the financial statements -Capitation grants Tuition expenses and Inaccurate school fund income
4. Inadequate needs assessment guiding distribution of text books to Gede Secondary.
5. Long outstanding payables
6. Lack of adequate facilities in this institution
7. Lack of internal audit function and audit committee
8. Lack of ownership documents

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Delayed Budget Approval and Un Balanced Budget

The budget for the year under review was approved by the Board of Management on 11 October, 2023 being three months after the start of financial year. Further, the statement of budgeted versus actual amounts reflects final receipts budget of Kshs.47,354,570 and final expenditure budget amount of Kshs.48,219,340 resulting to unbalanced budget of Kshs.864,770. This was contrary to Regulation 33(c) of Public Finance Management (National Government) Regulations, 2015 which states that the budget shall be balanced.

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

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

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects operations payments of Kshs.9,671,301. The expenditure includes Kshs.107,100 transferred to Kenya Secondary School Heads Association (KESSHA) which is a welfare organization and is not defined in Government Funding system. This was contrary to Regulation 23(2)c of the Public Finance Management (National Government) Regulations, 2015 which states that an Accounting Officer shall, before transferring any funds to an entity within or outside the Government, ensure that there is a written assurance from the entity that it shall implement effective, efficient and transparent financial management and internal control systems.

In the circumstances, value for money transferred to KESSHA, amounting to Kshs.107,100 could not be confirmed.

3. Unconfirmed Student Enrollment Data

During the year under review, the School received funding based on 713, 714 and 798 students registered in the National Education Management Information System (NEMIS) for Term 3 of 2024, Term 1 of 2025 and Term 2 of 2025 respectively. However, the corresponding manual returns and enrollment data from the Schools and County Director of Education (CDE) for the same period were not provided for audit. This is contrary to Paragraph 3.2 of Ministry of Education Circular Ref: MOE.HQS/10/18 VOLIII/(33) dated

07 March, 2024 which states that it is the responsibility of the Principal to ensure accuracy of the data available in NEMIS where every eligible learner is fully registered on the platform.

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

4. Irregularities on Transfer of Funds

Review of the bank statements revealed that Kshs.1,492,000 and Kshs.750,000 were transferred from infrastructure account to operations account and salary account respectively. This was contrary to Paragraph 3.13 of Circular MOE.HQS/3/10/18/ (112) and MOE/G1/9/1/44 dated 9 January, 2008 which states that under operations account, virement of funds from infrastructure account is not allowed. Further, review of School records including bank statements revealed receipts of infrastructure grants amount of Kshs.2,876,200 but only Kshs.2,794,000 was transferred to the infrastructure account leaving a balance of Kshs.82,200. In addition, infrastructure grant of Kshs.570,400 was transferred to the infrastructure account thirty-five (35) days after receipt in the operations account. This was contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the School infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

5. Lack of Contract Agreement

During the year under review, Management used systems for fee collection, receipting and for posting students results and class attendance. However, the signed contract agreement with the vendor was not provided for audit. This was contrary to Section 135 (1) and (4) of the Public Procurement and Assets Disposal Act, 2015 which states that the existence of a contract shall be confirmed through the signature of a contract document. Further, Management did not provide documentation or evidence demonstrating ownership, access rights, obligations, and control over critical financial data and system infrastructure.

In the circumstances, Management was in breach of the law and value for money for the system could not be confirmed.

6. Irregularities Procurement of Renovation of a Dormitory

The statement of receipts and payments and as disclosed in Note 8 to the financial statements reflects infrastructure payments of Kshs.606,600 being payment for the renovation of a dormitory. However, the bill of quantities, drawings, the contract agreement, certificate of completion project inspection and handing-over minutes from the School Infrastructure Committee (SIC) were not provided for audit.

In the circumstances, value for money on the renovation works amounting to Kshs.606,600 could not be confirmed.

7. Irregular Procurement and Installation of CCTV at School

During the year under review, the School entered into a contract for the installation of CCTV cameras at a contract sum of Kshs.591,100. However, tender opening and evaluation meeting minutes were not signed by Committee members and the contract was not signed by the contractor contrary to Section 135(1) of Public Procurement and Asset Disposal Act, 2015. Further, three months after the employer had signed the contract, the contract price was varied by Kshs.178,850 or 30% above the allowable variation of 15% for works and works were taken over by a different company.

In the circumstances, value for money on the installation of CCTV at School Kshs.591,100 could not be confirmed and Management was in breach of the law.

8. Failure to Prepare Annual Procurement Plan

Management procured goods, works and services under operations, boarding and school fund and infrastructure totalling to Kshs.38,378,165. However, Management did not prepare an Annual Procurement contrary to Regulation 40(1) of the Public Procurement and Asset Disposal Regulations, 2020 which states that a procuring entity shall prepare a Procurement Plan for each financial year as part of the annual budget preparation process. In addition, the Management had not made training arrangements to capacity build the personnel at the store.

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

9. Non-Compliance with Access to Government Procurement Opportunities (AGPO) Reservation Requirement

During the year under review, Management did not reserve at least thirty percent (30%) of the budgetary allocations for enterprises owned by women, youth, persons with disabilities and other disadvantaged groups. This was contrary to Section 53 (6) of Public Procurement and Asset Disposal Act, 2015 which states that all procurement and asset disposal planning shall reserve a minimum of thirty per cent of the budgetary allocations for enterprises owned by women, youth, persons with disabilities and other disadvantaged groups.

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

10. Failure to Deduct Capacity Building Levy

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects tuition amount of Kshs.1,325,348 out of which an amount of Kshs.747,526 was paid for procurement of goods and services but the capacity building levy of 0.03% was not deducted from these suppliers. This was contrary to Paragraph 3 (1) of the Public Procurement Capacity Building Levy Order, 2023 which states that there shall be paid a Levy by a supplier on all procurement contracts signed between the supplier and a procuring entity, at the rate of zero point zero three per centum (0.03%) of the value of the signed contract, exclusive of applicable taxes.

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

11. Lack of Proper Employment Contracts

Review of personal files revealed that twenty-two (22) non-teaching staff employed by Board of Management were engaged on contract terms. However, there was no formal staff establishment and their appointment letters did not specify the contract duration, renewal conditions, or the actions to be taken upon contract expiry contrary to Section 10(2) of Employment Act, 2007. In addition, two (2) employees who retired on 31 December, 2023 were not paid gratuity despite having each served for more than 25 years.

In the circumstances, Management was in breach of the law and in the absence of clearly defined contract periods, combined with the lack of gratuity and pension benefits, exposes staff to job insecurity and financial vulnerability.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Long Outstanding Receivables

The statement of assets and liabilities and as disclosed in Note 13 to the financial statements reflects fees arrears accounts receivable balance of Kshs.27,676,802. Included in this amount is Kshs.4,069,660 which had been outstanding for more than three (3) years.

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

2. Weak Controls in Imprests Management

Examination of sampled payment vouchers revealed that an amount of Kshs.87,800 issued in form of imprest and had fall due was surrendered as at the time of audit in March, 2026. This was contrary to Regulation 93(5) of the Public Finance Management (National Government) Regulations, 2015 which states that a holder of a temporary imprest shall account or surrender the imprest within 7 working days after returning to duty station. Further, Management had not established imprest management system to guide on eligibility per cadre, approval limits, issuance procedures and timelines for surrender.

In the circumstances, the effectiveness of internal controls over imprest management could not be confirmed.

3. Failure to Conduct Internal Audit

During the year under review, no internal audit work was conducted at the School, contrary to section 73(3)(b) of the Public Finance Management Act, 2012 which states that Internal Auditor shall conduct internal audit which includes risk based, value for money and systems audits aimed at strengthening internal controls mechanisms that could have impact on achievement of strategic objectives of the entity.

In the circumstances, the existence of an effective oversight mechanisms could not be confirmed.

4. Failure to Prepare School Improvement Plan

During the year under review, Management did not have an approved School Improvement Plan (SIP) which is a key strategic planning tool that guides academic performance targets, infrastructure development, resource allocation, and overall institutional growth.

In the circumstances, the effectiveness of overall governance and strategic direction of the School could not be confirmed.

5. Failure to Conduct Committee Meetings

Review of the board of management files revealed that the full Board held only three (3) meetings instead of the recommended four (4) meetings. Further, Key School Information and Management section of financial statements indicates the five committees which include Finance Committee, Academic Committee, Audit Committee, Human Rights and Student Welfare Committee and Discipline, Ethics and Integrity Committee but there was no evidence that they held meetings in the year under review.

In the circumstances, the effectiveness of overall governance could not be confirmed.

6. Lack of Risk Management Framework

During the year under review the School operated without a documented risk management policy framework. As such, there was no framework in place to identify,

Report of the Auditor-General on Gede Secondary School for the year ended 30 June, 2024- Kilifi County

assess, prioritize, monitor and control any risks. This was contrary to paragraph 2.3 of the Ministry of Education operation manual for utilization of learner capitation grant and other school fund June 2020 which provides that a School should have a risk management framework.

In the circumstances, the effectiveness of risk management could not be confirmed.

7. Lack of Medical Examination Reports

Examination of the employee personal files revealed that the school food handlers did not have recent medical examination reports. This was contrary to Regulation 15(1)(b) and 15(2) of the Food, Drugs and Chemical Substances (Food Hygiene) Regulations, 1978 (amended in 2015) which states that a thorough medical examination must be carried out on all employees of a food plant prior to employment and at regular intervals of not more than twelve (12) months after employment and that the owner or the person in charge must apply to the health authority for medical examinations of all the employees

In the circumstances, the effectiveness of school's oversight, monitoring, and enforcement of statutory hygiene and safety requirements could not be confirmed.

8. Weaknesses in Textbook Management

During the year under review, Kenya Institute of Curriculum Development (KICD) issued textbooks to the School without an official request of the required textbooks. Further, Management did not have an adequate system for recording and tracking lost or recovered textbooks and there was no clear trail showing when students return books to class teachers and how they reconcile these records with the storekeeper.

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

9. Weak Cash Management Controls

During the year under review, Management did not maintain a petty cashbook to record cash expenditures and there was no finance manual or policy to define standing imprest limits, cash withdrawal procedures, or operational guidelines for cash handling. Further, Management did not conduct board of survey at year-end and there was no segregation of duties in the accounts department. In addition, it was noted that Management maintained gratuity cashbook and a non interest-earning bank account but the gratuity funds were transferred to the main account for processing and settlement instead of using the gratuity account.

In the circumstances, the effectiveness of internal controls over the management of petty cash could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance

were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and Board of Management

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 governance.

In preparing the financial statements, Management is responsible for assessing the School, ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

07 May, 2026

Gede Secondary School
Annual Report and Financial Statements For the year ended 30th June 2024

5. Statement Of Receipts and Payments For the Year Ended 30th June 2024

Description Of Vote Head	Note	2023-2024 FY Kshs	2022-2023 FY Kshs
Receipts			
Government grants for tuition	1	1,819,714.00	1,984,968.00
Government grants for operations	2	9,017,133.00	5,860,652.00
Government Grants for infrastructure	3	2,794,000.00	2,903,000.00
School fund income- parents' contributions	4	35,780,111.00	19,113,093.00
Miscellaneous incomes	5	353,700.00	84,336.00
Total Receipts		49,764,658.00	29,946,049.00
Payments			
Tuition	6	1,325,348.25	2,351,033.00
Operations	7	9,671,301.20	8,203,909.00
Infrastructure	8	606,600.00	-
Boarding and school fund	9	33,488,263.00	21,053,096.000
Total Payments		45,091,512.45	31,608,038.00
Surplus/Deficit		4,673,145.55	(1,661,989.00)

The school financial statements were approved on _____ 2024 and signed by:



Name: Jackson Karisa Fagio

Chair BOM

Date: 8/5/26



Name: Josiah Mwachanya
 School Principal/ Secretary to
 BOM

Date: 8/5/26



Name: Andrew Kiti Chonga

Bursar/ Finance Officer

Date: 08/05/2026



Gede Secondary School
Annual Report and Financial Statements For the year ended 30th June 2024

6. Statement of Assets and Liabilities As At 30th June 2024

Description	Note	2023-2024 FY Kshs	2022-2023 FY Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	5,395,063.81	2,199,529.26
Cash balances	11	545,288.00	57,638.00
Short term investments	12		-
Total cash and cash equivalent		5,940,351.81	<u>2,257,167.26</u>
Account's receivables	13	27,676,802.76	24,763,421.76
Total financial assets		33,617,154.57	27,020,589.02
Financial liabilities			
Accounts payables	14	10,090,263.00	8,166,841.00
Net financial assets		23,526,891.57	18,853,748.02
Represented by			
Accumulated fund b/fwd	15	18,853,748.02	20,515,737.02
Surplus/deficit for the year		4,673,143.55	(1,661,989.00)
Net financial position		23,526,891.57	18,853,748.02

The school's financial statements were approved on _____ 2024 and signed by:

.....
Name: Jackson Karisa Fagio

Chair BOM

Date: 8/5/24

.....
Name: Josiah Mwachanya
School Principal/ Secretary to
BOM

Date: 8/5/24

.....
Name: Andrew Kiti Chonga

Bursar/ Finance Officer

Date: 08/05/2024



Gede Secondary School
Annual Report and Financial Statements For the year ended 30th June 2024

7. Statement of Cash Flows for the Year Ended 30th June 2024

Description	Note	2023-2024 FY Kshs	2022-2023 FY Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition		1,819,714.00	1,684,968.00
Government grants for operations		9,017,133.00	4,860,652.10
Government grants for infrastructure		2,794,000.00	2,903,000.00
School fund income- parents contributions/ fees		35,780,111.00	18,112,593.00
Other income		353,700.00	84,336.00
Total receipts		49,764,658.00	27,645,549.10
Payments			
Cash outflows for tuition		1,325,348.25	2,050,533.00
Cash outflows for operations		9,671,301.20	7,203,909.00
Cash outflows Boarding/lunch and school fund payments		33,488,263.00	19,493,220.00
Total payments		(44,484,912.45)	(28,747,662.00)
Net Cash inflow/outflow from Operating Activities (Before working capital changes)		5,279,745.55	
Adjustment: Less Increase in Receivables		(2,913,381.00)	
: Add Increase in Payables		1,923,422.00	
Net cash inflow/outflow from operating activities		4,289,784.55	(1,102,112.90)
Cash flow from investing activities			
Acquisition of assets-renovation of dormitory		(606,600.00)	
Proceeds from sale of Assets		-	
Proceeds from investments		-	
Purchase of investments			
Net cash inflow/outflows from investing activities		-	
Cash flow from Financing activities			
Proceeds from borrowings/ loans	18	-	
Repayment of principal borrowings		-	
Net cash inflow/outflow from financing activities		-	
Net increase/decrease in cash and cash equivalents		3,683,186.55	(1,102,112.90)
Cash and cash equivalent at beginning of the FY		2,257,167.26	3,359,280.16
Cash and cash equivalent at end of the FY		5,940,353.81	2,257,167.26

Note: Cash and Cash Equivalent is the summation of Note 10, 11 and 12.

Gede Secondary School
Annual Report and Financial Statements For the year ended 30th June 2024

(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).

The school's financial statements were approved on _____ 2024 and signed by:


.....

Name: Jackson Karisa Fagio

Chair BOM

Date: 8/5/26


.....

Name: Josiah Mwachanya
School Principal/ Secretary to BOM

Date: 8/5/26


.....

Name: Andrew Kiti Chonga

Bursar/ Finance Officer

Date: 08/05/2026



8. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2024

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					
Exercise Books					
Laboratory Equipment	1,138,500.00	-	1,138,500.00	778,975.60	68%
Internal Exams					
Teaching / Learning Materials	621,000.00	500,000.00	1,121,000.00	1,040,738.40	93%
Exams And Assessment					
Subtotal			2,259,500.00	1,819,714.00	
(2) Capitation Grant on Operations					
Personnel Emoluments					
Repairs And Maintenance	2,711,340.00	-	2,711,340.00	2,415,886.00	85%
Local Transport / Travelling	1,264,770.00	-	1,264,770.00	746,400.00	46%
Electricity And Water	1,570,230.00	-	1,570,230.00	552,965.00	35%
Medical	1,379,310.00	-	1,379,310.00	595,350.00	43%
Administration Costs	1,084,680.00	400,000.00	1,484,680.00	1,423,991.00	89%
Activity	1,016,640.00	-	1,016,640.00	587,792.00	59%

Gede Secondary School
Annual Report and Financial Statements For the year ended 30th June 2024

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
Gratuity					
Subtotal			9,426,970.00	6,322,384.00	
3) FDSE for infrastructure					
Maintenance & Improvement MoE	-	-	-	2,876,200.00	
M&I parents' contribution					
Economic Stimulus Programs					
Transition Infrastructure Grants					
Administration Block					
Subtotal				2,876,200.00	
(4) Fees Charged on Parents					
Personnel Emoluments	5,221,950.00	-	5,221,950.00	4,620,572.00	89%
Repairs And Maintenance	2,711,340.00	-	2,711,340.00	1,944,760.00	72%
Local Transport / Travelling				937,638.00	
Electricity And Water				1,466,816.00	
Medical				88,014.00	
Administration Costs				3,117,319.00	
Activity					

Gede Secondary School
Annual Report and Financial Statements For the year ended 30th June 2024

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
				491,673.00	
SMASSE/PA Levies	18,969,530.00	-	18,969,530.00	16,026,335.00	85%
Fee On Boarding Equipment and Stores	6,765,280.00	2,000,000.00	8,765,280.00	7,086,984.00	81%
Sub Total			35,668,100.00	35,780,111.00	
5) Miscellenous Income					
Loans / Borrowing					
Rent income					
Income From Farming Activities					
Insurance Compensation					
Income From Posho Mill					
Income From Bus Hire				348,500.00	
Fee For Hire of Ground and Equipment				5,200.00	
Interest Income					
Income From Any Other Investment					
Subtotal				353,700.00	
Total Income			47,354,570.00	47,152,109.00	
(6) Expenditure For Tuition					
Textbooks					
Reference Materials					
Exercise Books					

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
Laboratory Equipment	1,138,500.00	-	1,138,500.00	527,110.00	46%
Internal Exams					
Teaching / Learning Materials	621,000.00	500,000.00	1,121,000.00	792,542.00	71%
Chalks					
Exams And Assessment					
Teachers Guides					
Administration Costs					
Bank Charges				5,696.25	
Sub total			2,259,500.00	1,325,348.25	
(7) Expenditure For Operations					
Personnel Emoluments	5,221,950.00	-	5,221,950.00	3,757,445.00	72%
Repairs, Maintenance & Improvements	2,711,340.00	-	2,711,340.00	2,197,329.00	81%
Local Transport / Travelling	1,264,770.00		1,264,770.00	446,200.00	35%
Electricity, Water and Conservancy	1,570,230.00	-	1,570,230.00	355,500.00	22%
Medical				37,000.00	
Administration Costs	1,084,680.00	-	1,084,680.00	1,745,556.00	
Activity Expenses	1,016,640.00	-	1,016,640.00	1,123,210.00	
Gratuity					
SMASSE/Bank charges				9,061.20	
Sub total			12,869,610.00	9,671,301.20	
(8) Expenditure For infrastructure					
Construction of classrooms					

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
Construction of LAB					
Construction of DORMS/renovation				606,600.00	
Purchase of furniture					
Purchase of equipment					
Purchase of machinery					
Subtotal			-	606,600.00	
(9) Expenditure For school fund/lunch/boarding					
Personnel Emoluments					
Repairs, Maintenance and Improvements	2,711,340.00	-	2,711,340.00	2,045,648.00	76%
Local Transport / Travelling	1,264,770.00	-	1,264,770.00	616,889.00	49%
Electricity, Water and Conservancy	1,379,310.00	-	1,379,310.00	1,252,555.00	91%
Medical Expenses	-	-	-	42,710.00	
Administration Costs				3,877,026.00	
Activity				1,201,110.00	
Gratuity					
Lunch Programme	13,269,530.00	-	13,269,530.00	11,424,443.00	86%
Boarding Equipment and Stores	6,765,280.00	2,000,000.00	8,765,280.00	8,582,406.00	98%
Expenditure For Income Generating Activity					
Insurance Costs					
Other Expenses On Investments/bus				820,565.00	

Gede Secondary School
Annual Report and Financial Statements For the year ended 30th June 2024

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
Rent Expenses/PA expenses/bom	5,700,000.00	-	5,700,000.00	3,612,073.00	63%
Bank Charges				12,838.00	
Loan Interest Repayment					
Loan Principal Repayment					
Sub-total			33,090,230.00	33,488,263.00	
Totals			48,219,340.00	45,091,512.45	

- i. Over utilization was due to market changes of foodstuff prices which force us to spend more than required.
- ii. Underutilizations were results of changes in activities which were planned but not undertaken.

9. 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, impress, 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 2024.

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

Description	2023-2024	2022-2023
	Kshs	Kshs
Reference Materials	-	-
Exercise Books		
Laboratory Equipment	778,975.60	889,006.00
Internal Exams		
Teaching / Learning Materials	1,040,738.40	1,095,962.00
Others <i>Exam and assessment*</i>		
Total	1,819,714.00	1,984,968.00

2 Government Grants for Operations

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	2,304,986.00	2,478,501.00
Repairs And Maintenance	-	-
Local Transport / Travelling	586,400.00	520,800.00
Electricity And Water	549,965.00	771,114.00
Medical	595,350.00	146,500.00
Administration Costs	1,324,200.00	1,536,041.00
Activity	587,792.00	407,696.00
OtherVote Heads (specify)*transfers	3,068,440.00	-
Total	9,017,133.00	5,860,652.00

3 Government Grants for infrastructure

Description	2023-2024	2022-2023
	Kshs	Kshs
Maintenance & Improvement	2,794,00.00	2,903,000.00
Transition infrastructure grants		
Administration Block		
Economic stimulus grants		
Other (specify)(NGCDF and County govt.		
Total	2,794,000.00	2,903,000.00

4 School Fund Income - Parents Contribution/Fees

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel emoluments	4,620,572.00	1,644,021.00
Repairs and maintenance	1,944,760.00	912,603.00
Local transport / travelling	937,638.00	631,820.00
Electricity and water	1,466,816.00	1,004,316.00
Medical	88,014.00	21,911.00
Administration costs	3,117,319.00	942,280.00
Activity	491,673.00	46,410.00
Fee on Boarding Equipment and stores	7,086,984.00	5,430,809.00
PA Levies*	11,379,418.00	8,478,923.00
Others (specify) damages	4,646,917.00	
Total	35,780,111.00	19,113,093.00

5 Miscellaneous Incomes

Description	2023-2024	2022-2023
	Kshs	Kshs
Rent Income	-	-
Income From Farming Activities	-	-
Insurance Compensation	-	-
Fees on Boarding Equipment And Store	-	-
Income From Bus Hire	348,500.00	84,336.00
Fee For Hire of Ground and Equipment	5,200.00	-
Income From Grants and Donations*	-	-
Interest Income	-	-
Dividends Income	-	-
Loans/Borrowings*	-	-
Other Income (specify)*	-	-
Total	353,700.00	84,336.00

Notes to the Financial Statements

6 Tuition

Description	2023-2024	2022-2023
	Kshs	Kshs
Exercise Books	-	
Textbooks	-	
Reference materials	-	
Laboratory Equipment	527,110.00	934,550.00
Teaching / Learning Materials	792,542.00	1,408,315.00
Exams And Assessment	-	
Teachers Guides	-	
Bank Charges	5,696.25	8,168.00
Others (specify)	-	
Total	1,325,348.25	2,351,033.00

7 Operations

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	3,757,445.00	2,369,070.00
Service Gratuity		
Administration Cost	1,745,556.00	2,811,414.00
Repairs And Maintenance & Improvements	2,197,329.00	1,280,887.00
Local Transport / Travelling	446,200.00	188,830.00
Electricity And Water	355,500.00	390,000.00
Medical	37,000.00	8,436.00
Activity Expenses	1,123,210.00	1,135,420.00
Bank charges	9,061.20	19,852.00
Others (specify)		
Total	9,671,301.20	8,203,909.00

Notes to the Financial Statements

8 Infrastructure

Description	2023-2024	2022-2023
	Kshs	Kshs
Construction of classrooms		-
Construction of laboratory		-
Construction/renovation of dormitory	606,600.00	-
Ablution block		-
Purchase of equipment		-
Purchase of apparatus		-
Drilling of boreholes		-
Others (specify)		-
Total	606,600.00	-

9 Boarding And School Fund

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	-	-
Service Gratuity	-	-
Repairs And Maintenance & Improvements	2,045,648.00	940,433.00
Local Transport / Travelling	616,889.00	1,984,833.00
Electricity And Water	1,252,555.00	454,941.00
Medical Expenses	42,710.00	63,730.00
Administration Costs	3,877,026.00	2,842,142.00
Lunch Programme	11,424,443.00	2,788,358.00
Bank Charges	12,838.00	66,050.00
Expenses On Income Generating Activities**		
Fee On Boarding Equipment and Stores	8,582,406.00	5,487,807.00
Activities	1,201,110.00	702,165.00
Insurance Cost (Life Property)		
Loan Principal Repayment		
Loan Interest Repayment		
Acquisition Of Assets		
PA expenses	3,612,073.00	5,722,637.00
Others (specify) bus	820,565.00	
Total	33,488,263.00	21,053,096.00

Notes to the Financial Statements

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2023-2024	2022-2023
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	1107974089	665,675.95	85,694.20
Operations Account	Active	1107976987	1,656,428.53	294,283.73
School Fund Account/Boarding	Active	1107966337	1,775,383.83	146,798.33
Salary Account	Active	1141256487	135,829.50	455,642.00
Parent Association Development Account				
Income Generating Activities Account				
Infrastructural Account	Active	045027423158	1,161,746.00	1,217,11.00
Total			5,395,063.81	2,199,529.26

11 Cash In Hand

Description	2023-2024	2022-2023
	Kshs	Kshs
Notes and Coins	545,288.00	57,638.00
Total	545,288.00	57,638.00

12 Short Term Investments

Description	2023-2024	2022-2023
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit accounts	-	-
Other Investments	-	-
Total	-	-

Notes to the Financial Statements

13 Accounts Receivable

Description	2023-2024	2022-2023
	Kshs	Kshs
Fees Arrears	27,676,802.76	24,763,421.76
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)	-	
Imprest (list/schedule attached)	-	
Rent arrears (list/schedule attached)	-	
Total	27,676,802.76	24,763,421.76

13 b Ageing Analysis of Accounts Receivable

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	9,161,990.00	32%	5,500,570.00	22%
Between 1- 2 years	5,214,602.00	20%	6,052,611.00	24%
Between 2-3 years	9,230,550.76	33%	10,899,551.76	44%
Over 3 years	4,069,660.00	15%	2,310,689.00	9%
Total (should tie to note 13 a)	27,676,802.76	100%	24,763,421.76	100%

14 Accounts Payable

Description	2023-2024	2022-2023
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	9,482,103.00	7,501,018.00
Prepaid Fees	608,160.00	665,823.00
Retention Monies	-	-
Unpaid salaries and statutory deductions	-	-
Cautions money	-	-
Other payables (specify)	-	-
Total	10,090,263.00	8,166,841.00

Notes to the Financial Statements (continued)

14a. Ageing Analysis of Accounts Payable

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	3,017,895.00	32%	3,153,172.00	42%
Between 1- 2 years	2,468,230.00	26%	223,940.00	3%
Between 2-3 years	3,995,978.00	42%	2,460,450.00	33%
Over 3 years			1,663,456.00	22%
Total (should tie to note 14)	9,482,103.00	100%	7,501,018.00	100%

15 Fund Balance Brought Forward

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank Balances	2,199,529.26	3,089,954.16
Cash Balances	57,638.00	269,326.00
Short Term Investments		
Receivables	24,763,421.76	27,588,036.86
Payables	(8,166,841.00)	(10,431,580.00)
Total	18,853,748.02	20,515,737.02

Other important disclosure notes

PSAS 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	2023-2024	2022-2023
	Kshs	Kshs
Bank Loans	0.00	0.00
Outstanding Leases	0.00	0.00
Hire Purchase	0.00	0.00
Gratuity And Leave Provision	0.00	0.00
Others (specify)	0.00	0.00
Total	0.00	0.00

17 Biological assets

Description	Numbers	2023-2024	2022-2023
		Kshs	Kshs
Cattle		0.00	0.00
Goats		0.00	0.00
Trees		0.00	0.00
Coffee Or Tea Plantation		0.00	0.00
Poultry		0.00	0.00
Others (specify)		0.00	0.00
Total		0.00	0.00

18 Borrowings

Description	Kshs	Kshs
Borrowings at beginning of the year	0.00	0.00
Borrowings during the year	0.00	0.00
Repayments during the year	0.00	0.00
Balance at the end of the year	0.00	0.00

Other important disclosure notes

19 Stock/ Inventory

Description	2023-2024	2022-2023
	Kshs	Kshs
Food stuffs	780,450.00	479,280.00
Lab consumables	456,860.00	378,950.00
Farm produce		
Medication		
Construction Materials		
Others (specify)		
Totals	1,237,310.00	858,230.00

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)
1	Procurement plan.	Previously the school had a procurement plan which we had been using, however we were introduced to a good and best procurement plan which we adopted.	Resolved/on-going	Adopted on the time we were introduced.
2	Financial statements	The school shall be preparing financial statements, approved by BOM and submitted to the relevant authorities within the financial reporting time frame as required by the law.	Resolved.	Adopted immediately.
3	Use of ICT.	The school had been using ICT in finance data management, however, we upgraded our ICT systems upon advises from auditors.	Resolved/on-going	Adopted immediately.
4	Stores.	The school had been keeping its record, however upon auditors advises, all record were updated within all stores an annual stock are taken to assist in inventory controls and management.	Resolved/on-going	Adopted immediately.

Sign and Date.....

Principal



Gede Secondary School
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11. 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/ Teaching and learning materials						
1. NISHA PRINTERS.		July 2023		352,542.00		TLM
2. LABSTOCK SUPPLIES.		July 2023		100,570.00		LAB
3.						
Sub-Total				453,112.00		
Supply Of Goods						
4. MIDA CREEK ENTERPRISES.		July 2023		998,815.00		BES
5. LIANEX ENTERPRISES.		July 2023		811,990.00		LUNCH
6. SOLMAC VENTURES LTD.		July 2023		151,400.00		LUNCH
Sub-Total				1,962,205.00		
Supply Of Services						
7. COPY CAT LTD.		July 2023		166,228.00		ADMN
8. ERICKTECH TECHNOLOGIES.		July 2023		20,000.00		RMI
9. TIMERS PRINTERS.		July 2023		340,000.00		ADMN
10. ECONOMY FASHION.		July 2023		40,850.00		ADMN
11. RAHTECH DIGITAL SOLUTION.		July 2023		35,500.00		RMI
Sub-Total				602,578.00		
Grand Total				3,017,895.00		

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Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1st July 2023	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2024
Land	9,000,000.00	2,000,000.00(appreciated value)	-	11,000,000.00
Buildings And Structures	11,000,000.00	5,000,000.00		
Motor Vehicles	8,050,000.00	-	2,500,000.00 (dep)	5,550,000.00
Office Equipment, Furniture And Fittings	4,490,000.00	500,000.00	1,500,000.00 (dep)	3,490,000.00
Textbooks	5,670,000.00	550,000.00	1,600,000.00	4,620,000.00
ICT Equipment	3,975,000.00	350,000.00	1,250,000.00	3,075,000.00
Tools And Apparatus	4,375,700.00	450,000.00	1,500,000.00	3,325,700.00
Other Machinery And Equipment				
Heritage And Cultural Assets				
Intangible Assets- Soft Ware	654,000.00	-	250,000.00	404,000.00
Total	47,214,700.00	-		31,464,700.00

