

REPUBLIC OF KENYA



|                                                                                                                                           |                |
|-------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| <br><b>THE NATIONAL ASSEMBLY</b><br><b>PAPERS LAID</b> |                |
| DATE: 01 JUL 2026                                                                                                                         | DAY: WEDNESDAY |
| TABLED BY: HON. OWEN BAYA, M.P.                                                                                                           |                |
| CLERK-AT THE-TABLE: CHRISTINE NDIRITU                                                                                                     |                |

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

PARLIAMENT  
OF KENYA  
LIBRARY

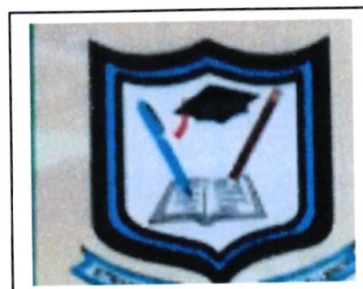
**GITHUNGUCHU  
SECONDARY SCHOOL**

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

**NYANDARUA COUNTY**



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



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**GITHUGUCHU SECODARY SCHOOL**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>TH</sup> JUNE 2022**

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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  |                                                  |



## 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 Nyandarua County, Nyandarua North Sub-County.

The school was registered in 11 DECEMBER 2014 under registration number 18-P-0030-0315 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 643 number of students as at 30<sup>th</sup> June 2022 It has 2 streams and 22 teachers of which 6 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    | Francis Wambugu      | Chairman              | 18/03/2019          |
| 2    | Solomon Ngunu        | Secretary - Principal | 18/03/2019          |
| 3    | Elizabeth Waihwa     | Member                | 18/03/2019          |
| 4    | Ruth Ngigi           | Member                | 18/03/2019          |
| 5    | Rebecca Mwangi       | Member                | 18/03/2019          |
| 6    | Duncan Ngatia        | Member                | 18/03/2019          |
| 7    | George Ndungu        | Member                | 18/03/2019          |
| 8    | Racheal Mugo         | Member – Rep CEB      | 18/03/2019          |
| 9    | Stephen Kangi        | Member Rep Teachers   | 18/03/2019          |
| 10   | Charles Nderitu      | Member Sponsor        | 18/03/2019          |
| 11   | Francis Wambugu      | Member - Sponsor      | 18/03/2019          |
| 12   | Jerioth Ndirangu     | Member - sponsor      | 18/03/2019          |
| 13   | Francis Miano        | Member - Community    | 18/03/2019          |
| 14   | Peterson Kibunja     | Member Special Needs  | 18/03/2019          |
| 15   | Mercy Mukuha         | Rep Students          | 18/03/2019          |

**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.FRANCIS WAMBUGU<br>2.CHARLES NDERITU<br>3.SOLOMON NGUNU<br>4.RUTH NGIGI | CHAIRMAN<br>V.CHAIRMAN<br>SECRETARY<br>MEMBER | 3 OUT OF 3                                  |
| 2     | Audit Committee                                    | 1.FRANCIS WAMBUGU<br>2.ELIZABETH WAIHWA<br>3.RACHAEL MUGO                 | CHAIRMAN<br>MEMBER<br>MEMBER                  | 1 OUT OF 1                                  |
| 3     | Finance,procurement and general purposes Committee | 1.SOLOMON NGUNU<br>2.CHARLES NDERITU<br>3.EUNICE MULWA                    | SECRETARY<br>V.CHAIRMAN<br>PA CHAIR           | 1 OUT OF 1                                  |
| 4     | Academic Committee                                 | 1..DR. GEORGE MBURU<br>2.RUTH NGIGI<br>3.SOLOMON NGUNU                    | MEMBER<br>MEMBER<br>SECRETARY                 | 3 OUT OF 3                                  |
| 5     | Development Committee                              | 1. CHARLES NDERITU<br>2. STEPHEN KANGI<br>3. EUNICE MULWA                 | V.CHAIRMAN<br>DEPUTY PRINCIPAL<br>PA CHAIR    | 2 OUT OF 3                                  |
| 6     | Discipline and welfare Committee                   | 1.STEPHEN KANGI<br>2.PETERSON KIBUNJA<br>3.REBECCA MWANGI                 | DEPUTY PRICIPAL<br>MEMBER<br>MEMBER           | 3 OUT OF 3                                  |
| 7     | Adhoc Committee (if any during the year)           | N/A                                                                       | N/A                                           | N/A                                         |

**(a) School operation Management**



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

| Ref: | Designation      | Name              | Identification   |
|------|------------------|-------------------|------------------|
| 1    | Principal        | MR.SOLOMON NGUNU  | TSC No. 389209   |
| 2    | Deputy Principal | MR. STEPHEN KANGI | TSC No. 420003   |
| 3    | School Bursar    | MR. ISAAC KIMONDO | ID. No. 30171920 |
| 4    | Other (specify)  |                   |                  |

**(b) Schools contacts**

Post Office Box: 1099-20300  
Telephone: 0706403985  
E-mail: githunguchusecondary@yahoo.com  
Website: -  
Facebook: -  
Twitter: -

**(c) School Bankers**

Provide details of the school bankers.

Account Name: School fund  
Name of Bank: Kenya Commercial Bank  
Account Number: 1180286510  
Branch: NYAHURURU  
Postal Address: 64-20300

Account Name: Operations Account  
Name of Bank: Kenya Commercial Bank  
Account Number: 1102056782  
Branch: NYAHURURU  
Postal Address: 64-20

Account Name: Infrastructure Account  
Name of Bank: Kenya Commercial Bank  
Account Number: 1266643915  
Branch: NYAHURURU  
Postal Address: 64-20

Account Name: saving Account  
Name of Bank: Absa Bank Kenya  
Account Number: 8302059  
Branch: NYAHURURU  
Postal Address: 15-20300

Account Name: Tuition Account  
Name of Bank: Absa Bank Kenya  
Account Number: 8321312  
Branch: NYAHURURU  
Postal Address: 15-20300

**(d) Independent Auditors**

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



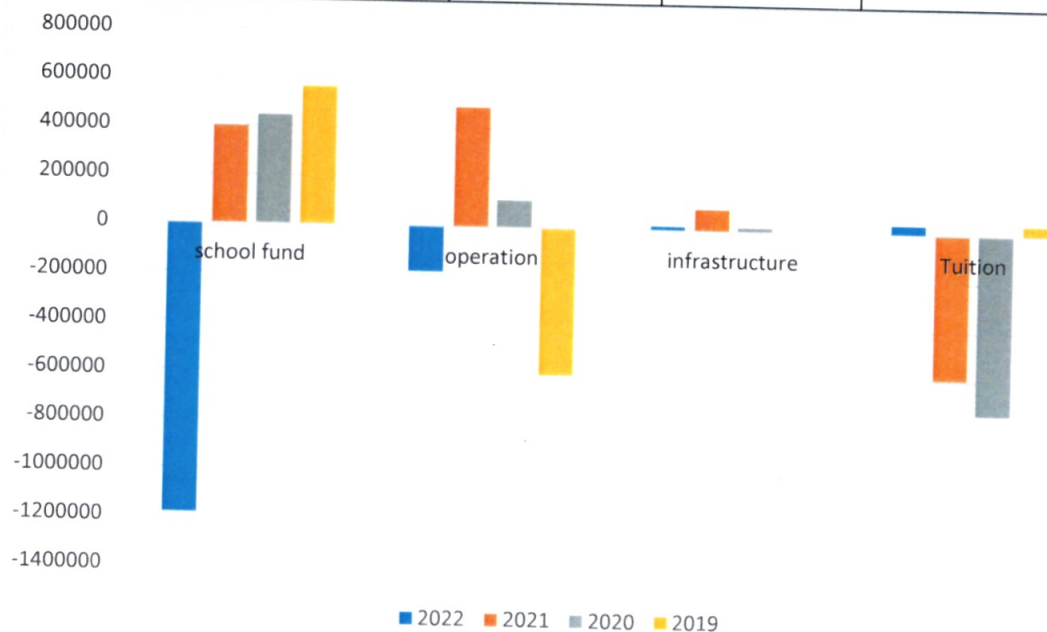
### 3. Summary Report of Performance of The School

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

| S/NO | ACCOUNTS           | FY 2022               | FY 2021           |  |  |
|------|--------------------|-----------------------|-------------------|--|--|
| 1    |                    | <b>KSH</b>            | <b>KSH</b>        |  |  |
| 2    | SCHOOL FUND        | (1,547,544.00)        | 398,094.00        |  |  |
| 3    | OPERATIONS         | (184,817.60)          | 489,411.00        |  |  |
| 4    | INFRASTRUCTURE     | 16,861.00             | 87,978.00         |  |  |
| 5    | TUTION             | 37,002.60             | 23,292.65         |  |  |
| 6    | <b>TOTAL</b>       | <b>(1,678,498.00)</b> | <b>998,776.55</b> |  |  |
| 7    | Increase/ Decrease |                       |                   |  |  |

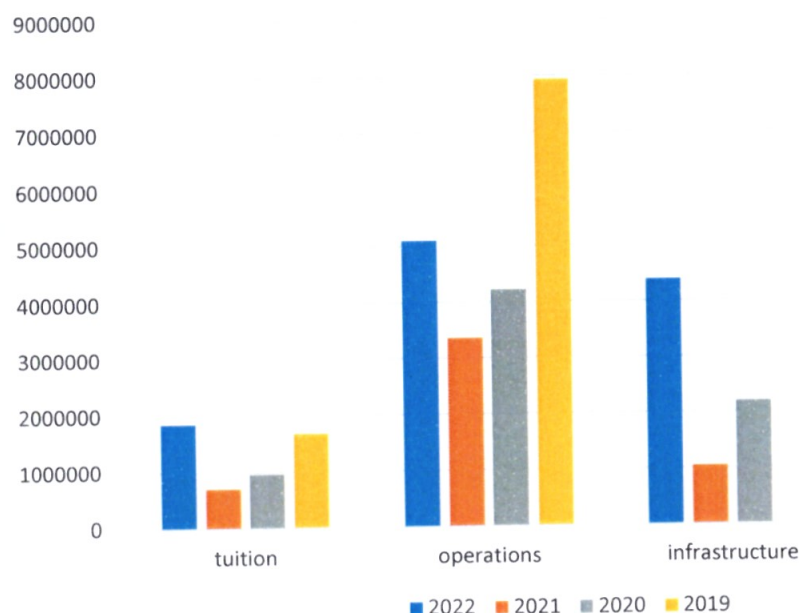


(GITHUNGU CHU SECONDARY SCHOOL)

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

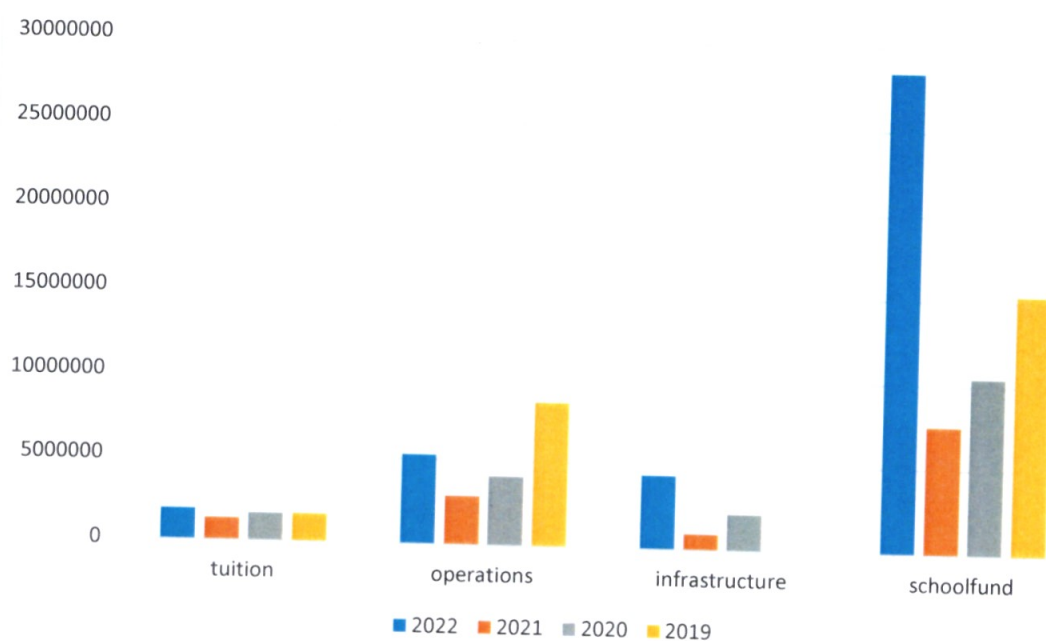
SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (continued) CAPITATION  
GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS

| s/n | ACCOUNTS                           | FY 2022              | FY 2021             | FY 2020 | FY 2019 |
|-----|------------------------------------|----------------------|---------------------|---------|---------|
| 1   | TUITION                            | 1,862,244.60         | 703,396.25          |         |         |
| 2   | OPERATIONS                         | 5,089,356.40         | 3,365,971.00        |         |         |
|     | INFRASTRUCTURE                     | 4,377,500.00         | 1,040,000.00        |         |         |
| 3   | <b>TOTAL</b>                       | <b>11,329,101.00</b> | <b>5,109,367.25</b> |         |         |
|     | Increase/decrease                  | 6,219,732.35         |                     |         |         |
|     | No of students                     | 642                  | 564                 |         |         |
|     | Ratio of capitation<br>per student | 1: 17,646.50         | 1:9,059.16          |         |         |



SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (continued) A THREE YEAR OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL.

| s/n | ACCOUNTS              | 2022                 | 2021                 |  |  |
|-----|-----------------------|----------------------|----------------------|--|--|
| 1   | TUITION               | 1,825,242.00         | 608,103.60           |  |  |
| 2   | OPERATIONS            | 5,274,174.00         | 2,876,560.00         |  |  |
| 3   | INFRASTRUCTURE        | 4,360,639.00         | 952,022.00           |  |  |
| 4   | SCHOOL FUND           | 29,308,184.00        | 7,572,389.00         |  |  |
|     | <b>TOTAL</b>          | <b>40,768,239.00</b> | <b>12,081,074.60</b> |  |  |
|     | INCREASE/<br>DECREASE |                      |                      |  |  |



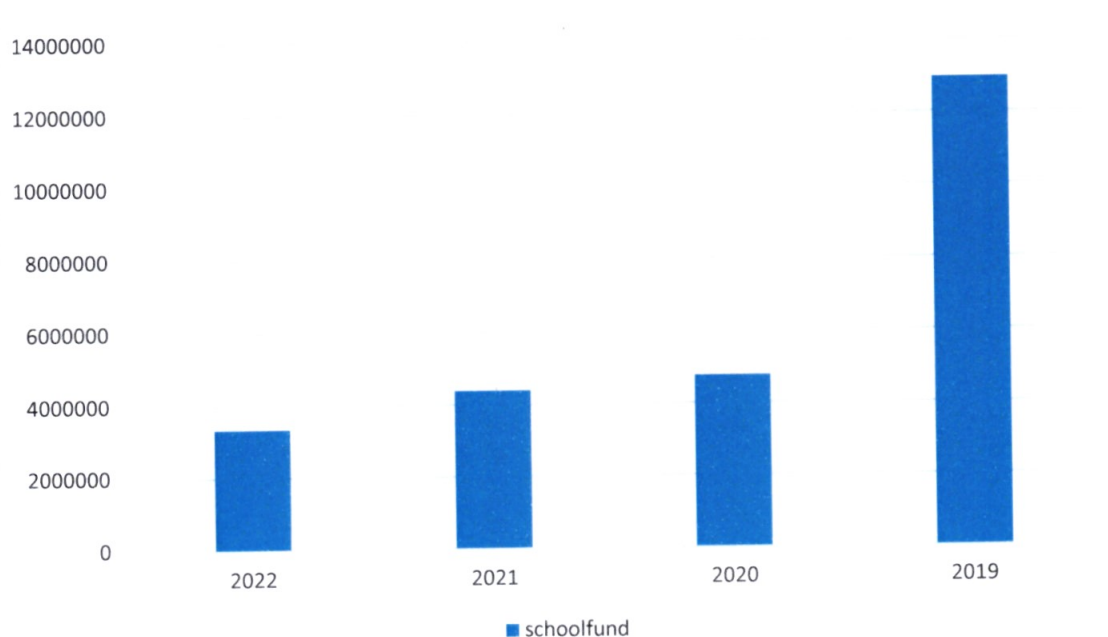


**SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (continued)**

**MOVEMENT OF DEBTORS AND CREDITORS OF THE SCHOOL OVER THE LAST THREE YEARS**

**MOVEMENT OF DEBTORS**

| S/NO | ACCOUNTS                   | 2022 KSHS             | 2021 KSHS           |  |  |
|------|----------------------------|-----------------------|---------------------|--|--|
| 1    | School fund account        | 3,333,974.65          | 4,381,486.65        |  |  |
|      | <b>TOTAL</b>               | <b>3,333,974.65</b>   | <b>4,381,486.65</b> |  |  |
|      | <b>Increase / decrease</b> | <b>(1,025,920.00)</b> |                     |  |  |

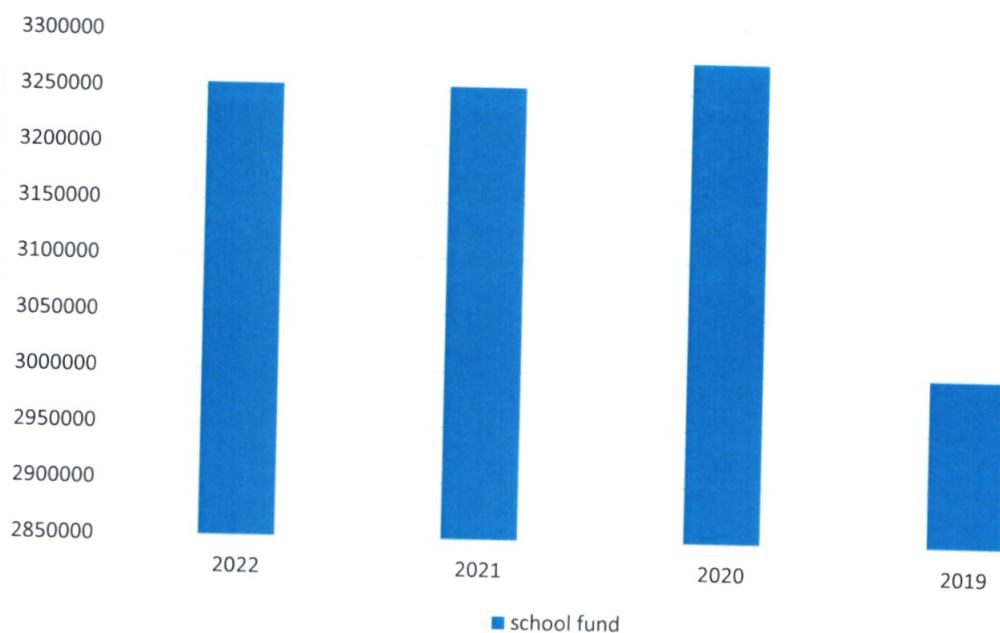


(GITHUNGU CHU SECONDARY SCHOOL)

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

**MOVEMENT OF CREDITORS**

| S/NO | ACCOUNTS                   | 2022 KSHS    | 2021 KSHS    |  |  |
|------|----------------------------|--------------|--------------|--|--|
| 1    | School fund account        | 3,570,661.00 | 2,931,087.00 |  |  |
|      | <b>TOTAL</b>               | 3,570,661.00 | 2,931,087.00 |  |  |
|      | <b>Increase / decrease</b> | 0.00         |              |  |  |

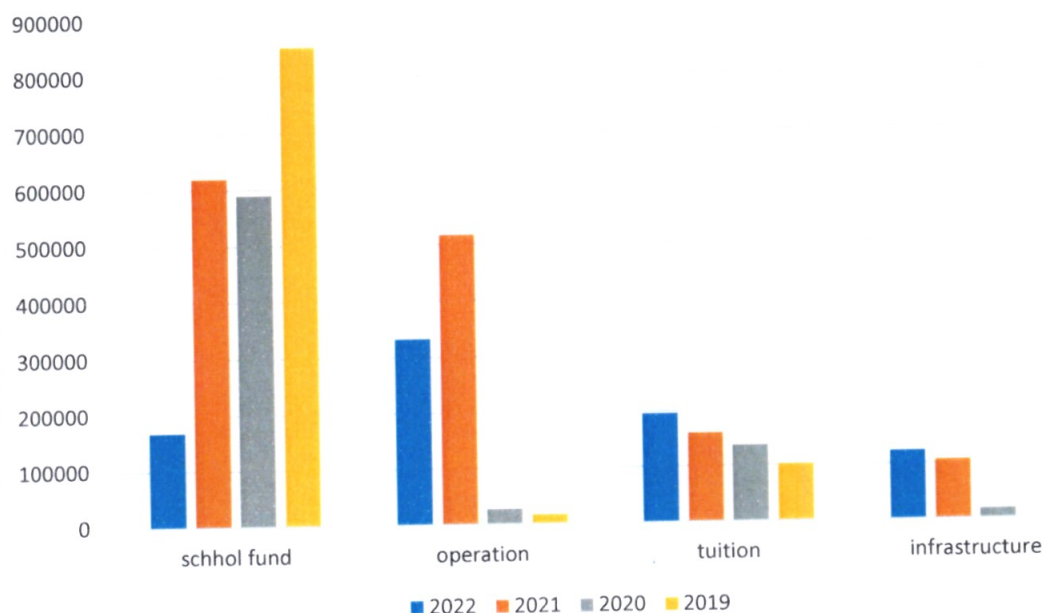


(GITHUNGU CHU SECONDARY SCHOOL)

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

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (continued) MOVEMENT OF CASH AND BANK BALANCE OVER THE LAST THREE YEARS

| S/NO | ACCOUNTS               | 2022 KSH     | 2021 KSH     |  |  |
|------|------------------------|--------------|--------------|--|--|
| 1    | School fund            | 759,307.40   | 602,660.41   |  |  |
| 2    | Operations             | 330,301.70   | 516,569.30   |  |  |
| 3    | Tuition                | 195,244.25   | 158,241.65   |  |  |
| 4    | Infrastructure         | 122,103.00   | 106,712.00   |  |  |
|      | TOTAL                  | 1,406,956.35 | 1,384,183.36 |  |  |
|      | Increase /<br>Decrease |              |              |  |  |





**b) Teacher Student ratio:**

| TSC TEACHERS | BOM TEACHERS | TOTAL | NO OF LEARNERS | RATIO |
|--------------|--------------|-------|----------------|-------|
| 16           | 6            | 22    | 643            | 1:29  |

**c) Mean score in the 2022 KCSE:**

| YEAR | MEAN   | DEVATION |
|------|--------|----------|
| 2020 | 5.566  | 1.271    |
| 2021 | 4.8953 | -0.6707  |
| 2022 | 4.5461 | -0.03489 |

| YEAR | STUDENTS WHO QUALIFIED TO JOIN UNIVERSITY (C+ AND ABOVE) | STUDENTS WHO QUALIFIED TO JOIN DIPLOMA COLLEGES (C PLAIN TO C MINUS) | STUDENTS WHO QUALIFIED TO JOIN CERTIFICATE COURSES (D PLAIN TO D PLUS) | STUDENTS WHO QUALIFIED TO JOIN ARTISAN COURSES (D MINUS) |
|------|----------------------------------------------------------|----------------------------------------------------------------------|------------------------------------------------------------------------|----------------------------------------------------------|
| 2020 | 37                                                       | 67                                                                   | 38                                                                     | 1                                                        |
| 2021 | 08                                                       | 44                                                                   | 32                                                                     | 02                                                       |
| 2022 | 15                                                       | 51                                                                   | 65                                                                     | 10                                                       |

**d) Number of Candidates in the 2022 KCSE:**

| YEAR | CANDIDATES |
|------|------------|
| 2020 | 144        |
| 2021 | 86         |
| 2022 | 141        |

(GITHUNGU CHU SECONDARY SCHOOL)

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

**Development projects carried out by the school:**

| Projects        | Source of funds | Status   | Initial Cost (Kshs) | Amount Spent (Kshs) | Expected completion time |
|-----------------|-----------------|----------|---------------------|---------------------|--------------------------|
| GIRLS DORMITORY | M.O.E           | ON-GOING | 16,000,000.00       | 4,359,505.00        | In progress              |
|                 |                 |          |                     |                     |                          |
|                 |                 |          |                     |                     |                          |
|                 |                 |          |                     |                     |                          |
|                 |                 |          |                     |                     |                          |
|                 |                 |          |                     |                     |                          |

  
.....  
**School Principal** **PRINCIPAL**  
GITHUNGU CHU SEC. SCHOOL  
P.O. Box 1099 - 20300 NYAHURURU  
Sign.....Date.....

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

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30<sup>th</sup> June, 20XX, and of the school's financial position as at that date.



.....  
Name: FRANCIS WAMBUGU

Designation: Chairman, School Board of Management

Date: 21/04/26



.....  
Name: SOLOMON NGUNU

Designation: School Principal & Secretary to Board of Management

Date: 21/4/26

PRINCIPAL  
GITHUNGUCHU S.S. SCHOOL  
P.O. Box 1099 - 2030  
Date: .....



.....  
Name: ISAAC KIMONDO

Designation: Bursar/ Finance Officer

Date: 21/04/2026



# 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 GITHUNGUCHU SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 - NYANDARUA COUNTY**

---

### **PREAMBLE**

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose; 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, 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.

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 Githunguchu Secondary School set out on pages 1 to 21, which comprise of the statement of assets and liabilities as at



30 June, 2022, and the statement of receipts and payments, statement of cash flows and 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 Githunguchu Secondary School as at 30 June, 2022 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

### **Basis for Qualified Opinion**

#### **1. Unsupported Bank Balance**

The statement of assets and liabilities reflects bank balance of Kshs.1,406,956 as disclosed in Note 10 to the financial statements. Included in the balance is school fund account with a balance of Kshs.759,307. However, review of the account's bank reconciliation statement for the month of June, 2022 revealed unreceipted deposits totalling Kshs.1,666,270 which were not supported by a detailed schedule.

In the circumstances, accuracy and completeness of bank balance of Kshs.1,406,956 could not be confirmed.

#### **2. Unsupported Accounts Receivable**

The statement of assets and liabilities reflect accounts receivable balance of Kshs.3,333,974 in respect of fees arrears. However, supporting schedules, detailed ageing analysis and issued invoices for the fee arrears were not provided. Further, receivables totalling Kshs.1,481,554 were outstanding for over three years. In addition, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy and completeness of the accounts receivable balance of Kshs.3,333,974 could not be confirmed.

#### **3. Unsupported Accounts Payables**

The statement of assets and liabilities reflects account payable balances of Kshs.3,570,661. However, the balance was not supported by a detailed listing of the creditors with their balances.

In the circumstances, the accuracy and completeness of the accounts payables balance of Kshs.3,570,661 could not be confirmed.



The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Githunguchu 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 judgment, 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 Information**

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

In connection with my audit on 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 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. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association**

The statement of receipts and payments reflects operations payments amount of Kshs.5,274,174 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.704,980 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.704,980 could not be confirmed.

### **2. Unconfirmed Students Enrolment Data**

Comparison of data from National Education Management and Information System (NEMIS) with the school enrollment records revealed inconsistencies during the financial year ended 30 June, 2022. NEMIS reported a total number of students as 389 for September 2021, 561 for January 2022 and May 2021 respectively, while the School enrolment records indicated a total number of 377 for September 2021 and 629 for January 2022 and May 2022 respectively, resulting in an unexplained variance of 12 for September 2021 and 68 for January 2022 and May 2022 students respectively. 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 accuracy of records.

In the circumstances, inaccuracies in the NEMIS database may lead to erroneous funding decisions and affect the equitable allocation of capitation grants.

### **3. Failure to Transfer Infrastructure Funds from Operations Bank Account**

During the year under review, the School received Government grants totaling Kshs.8,155,856 from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.3,243,000 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the school's facilities. However, only Kshs.3,066,500 was transferred to infrastructure account, leaving a balance of Kshs.836,000 not transferred as at 30 June, 2022. This was contrary to the Ministry of Education Circular Ref. 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 within fifteen (15) days upon receipt of the funds in the operations account.

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



#### **4. Failure to Prepare School Improvement Plan**

During the year under review, the School did not have an approved School Improvement Plan, contrary to Section 2.2 of the Ministry of Education Operation Manual for Utilization of Learner Capitation Grant and Other School Funds, which requires schools to identify in every three-year school improvement planning cycle, one priority area in each of the four key areas which include curriculum implementation, foundational literacy and numeracy outcomes, an enabling environment for learning and parental involvement and community engagement for implementation.

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

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 on whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities which govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

##### **Conclusion**

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

##### **Basis for Conclusion**

###### **1. Lack of an Internal Audit Function**

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

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

###### **2. Failure to Maintain an Imprest Register**

During the year under review, the School issued imprests for different purposes to staff. However, no imprest warrant and imprest register were maintained hence not



possible to confirm whether the imprest issued during the period were accounted for and if the regulations regarding management of imprest were adhered to.

In the circumstances, the existence of effective measures in the management of imprest could not be confirmed.

### **3. Weaknesses in Management of Assets**

During the year under review, Management did not prepare an updated fixed assets register and several assets at the school were not tagged.

In the circumstances, the existence of effective measures in the management of assets could not be confirmed.

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (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, the Management is responsible for assessing the School's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the 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 are in compliance with the authorities which govern them, and that public money is applied in an effective manner.

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



to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

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

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 also 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**

**21 May, 2026**

(GITHUNGUCHU SECONDARY SCHOOL)

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

6. Statement Of Receipts and Payments For the Year Ended 30<sup>th</sup> June 2022

| Description Of Vote Head                   | Note | FY 2021-2022          | SIX MONTHS           |
|--------------------------------------------|------|-----------------------|----------------------|
|                                            |      | Kshs                  | Kshs                 |
| <b>Receipts</b>                            |      |                       |                      |
| Government grants for tuition              | 1    | 1,862,244.60          | 703,396.25           |
| Government grants for operations           | 2    | 5,089,356.40          | 3,365,971.90         |
| Government Grants for infrastructure       | 3    | 4,377,500.00          | 1,040,000.00         |
| School fund income- parents' contributions | 4    | 27,760,640.00         | 7,970,483.00         |
| Miscellaneous incomes                      | 5    | 0                     | 0                    |
| <b>Total Receipts</b>                      |      | <b>39,089,741.00</b>  | <b>13,079,851.15</b> |
| <b>Payments</b>                            |      |                       |                      |
| Tuition                                    | 6    | 1,825,242.00          | 680,103.60           |
| Operations                                 | 7    | 5,274,174.00          | 2,876,560.00         |
| Infrastructure                             | 8    | 4,360,639.00          | 952,022.00           |
| Boarding and school fund                   | 9    | 29,308,184.00         | 7,572,389.00         |
| <b>Total Payments</b>                      |      | <b>40,768,239.00</b>  | <b>12,081,074.60</b> |
| <b>Surplus/Deficit</b>                     |      | <b>(1,678,498.00)</b> | <b>998,776.55</b>    |

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

  
.....

Name: FRANCIS WAMBUGU

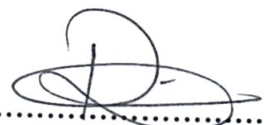
Chair BOM

Date: 21/4/26

  
.....

Name: SOLOMON M NGUNU  
School Principal/Secretary to  
BOM

Date: 21/04/2026

  
.....

Name: ISAAC KIMONDO

Bursar/ Finance Officer

Date: 21/04/2026



(GITHUNGU CHU SECONDARY SCHOOL)

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

7. Statement of Assets and Liabilities As At 30<sup>th</sup> June 2022

| Description                           | Note | FY 2021-2022               | SIX MONTHS                 |
|---------------------------------------|------|----------------------------|----------------------------|
|                                       |      | Kshs                       | Kshs                       |
| <b>Financial Assets</b>               |      |                            |                            |
| <b>Cash and cash equivalents</b>      |      |                            |                            |
| Bank balances                         | 10   | 1,406,956.35               | 1,384,183.36               |
| Cash balances                         | 11   | 1,450.00                   | 15,634.00                  |
| Short term investments                | 12   | 0                          | 0                          |
| <b>Total cash and cash equivalent</b> |      | <b><u>1,408,406.35</u></b> | <b><u>1,399,817.36</u></b> |
| Account's receivables                 | 13   | 3,333,974.65               | 4,381,486.65               |
| <b>Total financial assets</b>         |      | <b>4,742,381.00</b>        | <b>5,781,304.01</b>        |
| <b>Financial liabilities</b>          |      |                            |                            |
| Accounts payables                     | 14   | 3,570,661.99               | 2,931,087.00               |
| <b>Net financial assets</b>           |      | <b>1,171,719.01</b>        | <b>2,850,217.01</b>        |
| <b>Represented by</b>                 |      |                            |                            |
| Accumulated fund b/fwd                | 15   | 2,850,217.01               | 1,851,440.46               |
| Surplus/deficit for the year          |      | (1,678,498.00)             | 998,776.55                 |
| <b>Net financial position</b>         |      | <b>1,171,719.01</b>        | <b>2,850,217.01</b>        |

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

.....  
Name: FRANCIS WAMBUGU

Chair BOM

Date: 21/4/26

.....  
Name: SOLOMON NGUNU

School Principal/ Secretary to  
BOM

Date:

21/04/2026  
GITHUNGU CHU SEC. SCHOOL  
P.O. BOX 1099 - 20300 NYAHURURU  
Sign: .....

.....  
Name: ISAAC KIMONDO

Bursar/ Finance Officer

Date: 21/04/2026

(GITHUNGU CHU SECONDARY SCHOOL)

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

8. Statement of Cash Flows for the Year Ended 30<sup>th</sup> June 2022

| Description                                               | Note | FY 2021-2022           | SIX MONTHS           |
|-----------------------------------------------------------|------|------------------------|----------------------|
|                                                           |      | Kshs                   | Kshs                 |
| <b>Cash from Operating Activities</b>                     |      |                        |                      |
| <b>Receipts</b>                                           |      |                        |                      |
| Government grants for tuition                             |      | 1,862,244.00           | 703,396.25           |
| Government grants for operations                          |      | 5,089,356.40           | 3,365,971.90         |
| Government grants for infrastructure                      |      | 4,377,500.00           | 1,040,000.00         |
| School fund income- parents contributions/ fees           |      | 29,710,014.00          | 7,967,756.00         |
| Other income                                              |      | -                      |                      |
| <b>Total receipts</b>                                     |      | <b>41,039,639.00</b>   | <b>13,077,124.15</b> |
| <b>Payments</b>                                           |      |                        |                      |
| Cash outflows for tuition                                 |      | 1,825,242.00           | 680,103.60           |
| Cash outflows for operations                              |      | 5,274,174.00           | 2,876,560.00         |
| Cash outflows for infrastructure                          |      | 4,360,639.00           | 952,022.00           |
| Cash outflows Boarding/lunch and school fund payments     |      | 29,570,472.00          | 7,937,984.00         |
| <b>Total payments</b>                                     |      | <b>(41,030,527.00)</b> | <b>12,446,669.60</b> |
| <b>Net cash inflow/outflow from operating activities</b>  |      | <b>8,588.99)</b>       | <b>630,454.55</b>    |
| <b>Cash flow from investing activities</b>                |      |                        |                      |
| Acquisition of assets                                     |      |                        |                      |
| Proceeds from sale of Assets                              |      | -                      |                      |
| Proceeds from investments                                 |      | -                      |                      |
| Purchase of investments                                   |      | (-)                    |                      |
| <b>Net cash inflow/outflows from investing activities</b> |      |                        |                      |
| <b>Cash flow from Financing activities</b>                |      |                        |                      |
| Proceeds from borrowings/ loans                           | 18   | -                      |                      |
| Repayment of principal borrowings                         |      | -                      |                      |
| <b>Net cash inflow/outflow from financing activities</b>  |      | -                      |                      |
| <b>Net increase/decrease in cash and cash equivalents</b> |      | <b>8,588.99</b>        | <b>630,454.55</b>    |
| Cash and cash equivalent at beginning of the FY           |      | 1,399,817.36           | 769,362.81           |
| <b>Cash and cash equivalent at end of the FY</b>          |      | <b>1,408,406.35</b>    | <b>1,399,817.36</b>  |

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

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



(GITHUNGUCHU SECONDARY SCHOOL)

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

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.....  
Name: FRANCIS WAMBUGU

Chair BOM

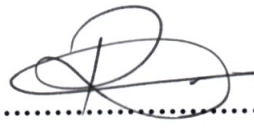
Date: 21/4/26



.....  
Name: SOLOMON NGUNU

School Principal/ Secretary to  
BOM

Date: 21/4/2026  
GITHUNGUCHU SEC. SCHOOL  
P.O. Box 1099 - 20300 NYAHURURU  
Sign.....



.....  
Name: ISAAC KIMONDO

Bursar/ Finance Officer

Date: 21/04/2026

9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30<sup>th</sup> June 2022

| Receipt/Expenses Item                     | Original Budget     | Adjustments | Final Budget        | Actual On Comparable Basis | % Of Utilization |
|-------------------------------------------|---------------------|-------------|---------------------|----------------------------|------------------|
|                                           | a                   | b           | c=a+b               | d                          | e=d/c %          |
|                                           | Kshs                | Kshs        | Kshs                | Kshs                       | Kshs             |
| Receipts                                  |                     |             |                     |                            |                  |
|                                           |                     |             |                     |                            |                  |
| <i>(1) Capitation Grant on Tuition</i>    |                     |             |                     |                            |                  |
| Reference Materials                       |                     |             |                     |                            |                  |
| Exercise Books                            |                     |             |                     |                            |                  |
| Laboratory Equipment                      |                     |             |                     |                            |                  |
| Internal Exams                            |                     |             |                     |                            |                  |
| Teaching / Learning Materials             | 2,196,320.00        |             | 2,196,320.00        | 1,862,244.60               | 84.5%            |
| Exams And Assessment                      |                     |             |                     |                            |                  |
| <b>TOTALS</b>                             | <b>2,196,320.00</b> |             | <b>2,196,320.00</b> | <b>1,862,244.60</b>        | <b>84.5%</b>     |
| <i>(2) Capitation Grant on Operations</i> |                     |             |                     |                            |                  |
| Personnel Emoluments                      | 1,590,000.00        |             | 1,590,000.00        | 1,088,537.00               | 68.5%            |
| Repairs And Maintenance                   | 2,660,000.00        |             | 2,660,000.00        | 533,500.00                 | 20.0%            |
| Local Transport / Travelling              | 1,350,000.00        |             | 1,350,000.00        | -                          | %                |
| Electricity And Water                     | 1,490,000.00        |             | 1,490,000.00        | 1,080,000.00               | 72.5%            |
| Medical                                   |                     |             |                     |                            |                  |
| Administration Costs                      | 1,100,000.00        |             | 1,100,000.00        | 1,087,299.40               | 98.8%            |
| Activity                                  | 1,403,000.00        |             | 1,403,000.00        | 1,300,000.00               | 92.7%            |
| Gratuity                                  |                     |             |                     |                            |                  |
| <b>TOTAL</b>                              | <b>9,593,000.00</b> |             | <b>9,593,000.00</b> | <b>5,089,356.40</b>        | <b>53.05%</b>    |



| 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             |
| <b>3) FDSE for infrastructure</b>    |                      |             |                      |                            |                  |
| Maintenance & Improvement MoE        | 3,250,000.00         |             | 3,250,000.00         | 4,377,500.00               | 134.7%           |
| M&I parents' contribution            |                      |             |                      |                            |                  |
| Economic Stimulus Programs           |                      |             |                      |                            |                  |
| Transition Infrastructure Grants     |                      |             |                      |                            |                  |
| Administration Block                 |                      |             |                      |                            |                  |
| <b>TOTALS</b>                        | <b>3,250,000.00</b>  |             | <b>3,250,000.00</b>  | <b>4,377,500.00</b>        | <b>134.7%</b>    |
| <b>(4) Fees Charged on Parents</b>   |                      |             |                      |                            |                  |
| Personnel Emoluments                 | 3,300,000.00         |             | 3,300,000.00         | 892,510.00                 | 25.2%            |
| Repairs And Maintenance              | 1,900,000.00         |             | 1,900,000.00         | 1,452,800.00               | 73.3%            |
| Local Transport / Travelling         | 3,900,000.00         |             | 3,900,000.00         | 1,976,260.00               | 49.2%            |
| Electricity And Water                | 2,450,000.00         |             | 2,450,000.00         | 2,193,210.00               | 85.8%            |
| PTA Uniform                          |                      |             |                      | 2,199,150.00               |                  |
| Administration Costs                 | 1,300,000.00         |             | 1,300,000.00         | 1,237,960.00               | 95.2%            |
| Activity                             | 2,100,000.00         |             | 2,100,000.00         | 460,670.00                 | 15%              |
| KCSE                                 |                      |             |                      | 23,900.00                  |                  |
| Fee On Boarding Equipment and Stores | 19,555,250.00        |             | 19,555,250.00        | 17,324,180.00              | 88.8%            |
| <b>TOTALS</b>                        | <b>34,505,250.00</b> |             | <b>34,505,250.00</b> | <b>27,760,640.00</b>       | <b>80.45%</b>    |
| <b>5) Miscellenous Income</b>        |                      |             |                      |                            |                  |
| Loans / Borrowing                    |                      |             |                      |                            |                  |
| Rent income                          |                      |             |                      |                            |                  |
| Income From Farming Activities       |                      |             |                      |                            |                  |

| 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             |
| Insurance Compensation                |                     |             |                     |                            |                  |
| Income From Posho Mill                |                     |             |                     |                            |                  |
| Income From Bus Hire                  |                     |             |                     |                            |                  |
| Fee For Hire of Ground and Equipment  |                     |             |                     |                            |                  |
| Interest Income                       |                     |             |                     |                            |                  |
| Income From Any Other Investment      |                     |             |                     |                            |                  |
| <b>Total Income</b>                   |                     |             |                     |                            |                  |
| <b>(6) Expenditure For Tuition</b>    |                     |             |                     |                            |                  |
| Textbooks                             |                     |             |                     |                            |                  |
| Reference Materials                   |                     |             |                     | 100,000.00                 |                  |
| Exercise Books                        |                     |             |                     |                            |                  |
| Laboratory Equipment                  |                     |             |                     | 681,389.00                 |                  |
| Stationerly                           |                     |             |                     | 816,725.00                 |                  |
| Teaching / Learning Materials         | 2,196,320.00        |             | 2,196,320.00        | 132,930.00                 | 83.1%            |
| Chalks                                |                     |             |                     |                            |                  |
| Exams And Assessment                  |                     |             |                     |                            |                  |
| Teachers Guides                       |                     |             |                     |                            |                  |
| Administration Costs                  |                     |             |                     |                            |                  |
| Bank Charges                          |                     |             |                     | 49,248.00                  |                  |
| <b>TOTALS</b>                         | <b>2,196,320.00</b> |             | <b>2,196,320.00</b> | <b>1,825,242.00</b>        | <b>83.1%</b>     |
| <b>(7) Expenditure For Operations</b> |                     |             |                     |                            |                  |
| Personnel Emoluments                  | 1,590,000.00        |             | 1,590,000.00        | 586,792.00                 | 36.9%            |



| 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             |
| Repairs, Maintenance & Improvements                   | 2,660,000.00        |             | 2,660,000.00        | 1,846,870.00               | 69.4%            |
| Local Transport / Travelling                          | 1,350,000.00        |             | 1,350,000.00        | 995,560.00                 | 73.7%            |
| Electricity, Water and Conservancy                    | 1,490,000.00        |             | 1,490,000.00        | 468,642.00                 | 31.5%            |
| Medical & Insurance                                   | 133,000.00          |             | 133,000.00          | 47,780.00                  | 35.9%            |
| Administration Costs                                  | 1,100,000.00        |             | 1,100,000.00        | 410,550.00                 | 37.3%            |
| Activity Expenses                                     | 1,403,000.00        |             | 1,403,000.00        | 917,980.00                 | 65.4%            |
| Gratuity                                              |                     |             |                     |                            |                  |
| SMASSE                                                |                     |             |                     |                            |                  |
| <b>TOTALS</b>                                         | <b>9,593,000.00</b> |             | <b>9,593,000.00</b> | <b>5,274,174.00</b>        | <b>54.98%</b>    |
| <b>(8) Expenditure For infrastructure</b>             |                     |             |                     |                            |                  |
| Construction of classrooms                            |                     |             |                     |                            |                  |
| Construction of LAB                                   |                     |             |                     |                            |                  |
| Construction of DORMS                                 | 3,250,500.00        |             | 3,250,500.00        | 4,359,505.00               | 134.1%           |
| Purchase of furniture                                 |                     |             |                     |                            |                  |
| Purchase of equipment                                 |                     |             |                     |                            |                  |
| Purchase of machinery                                 |                     |             |                     |                            |                  |
| <b>TOTALS</b>                                         | <b>3,250,500.00</b> |             | <b>3,250,000.00</b> | <b>4,359,505.00</b>        | <b>134.1%</b>    |
| <b>(9) Expenditure For school fund/lunch/boarding</b> |                     |             |                     |                            |                  |
| Personnel Emoluments                                  | 3,300,000.00        |             | 3,300,000.00        | 2,468,906.00               | 71.4%            |
| Repairs, Maintenance and Improvements                 | 1,900,000.00        |             | 1,900,000.00        | 1,999,800.00               | 94.1%            |

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

| 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             |
| Local Transport / Travelling               | 3,900,000.00         |             | 3,900,000.00         | 3,233,600.00               | 82.7%            |
| Electricity, Water and Conservancy         | 2,450,000.00         |             | 2,450,000.00         | 922,496.00                 | 35.4%            |
| Medical Expenses                           |                      |             |                      |                            |                  |
| Administration Costs                       | 1,300,000.00         |             | 1,300,000.00         | 202,376.00                 | 15.6%            |
| Activity                                   | 2,100,000.00         |             | 2,100,000.00         | 1,649,650.00               | 78.6%            |
| Infrastructure                             |                      |             |                      | 1,311,000.00               |                  |
| Lunch Programme                            |                      |             |                      |                            |                  |
| Boarding Equipment and Stores              | 19,555,250.00        |             | 19,555,250.00        | 16,087,309.00              | 86.9%            |
| Expenditure For Income Generating Activity |                      |             |                      |                            |                  |
| Insurance Costs                            |                      |             |                      | 133,047.00                 |                  |
| Other Expenses On Investments              |                      |             |                      |                            |                  |
| Rent Expenses                              |                      |             |                      |                            |                  |
| Bank Charges                               |                      |             |                      |                            |                  |
| Loan Interest Repayment                    |                      |             |                      |                            |                  |
| Loan Principal Repayment                   |                      |             |                      |                            |                  |
| Acquisition Of Assets                      |                      |             |                      |                            |                  |
| <b>TOTALS</b>                              | <b>34,505,250.00</b> |             | <b>34,505,250.00</b> | <b>29,308,184.00</b>       | <b>84.94%</b>    |



## 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 30<sup>th</sup> June 2022.



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

| Description                   | FY 2021-2022        | SIX MONTHS        |
|-------------------------------|---------------------|-------------------|
|                               | Kshs                | Kshs              |
| Reference Materials           |                     |                   |
| Exercise Books                |                     |                   |
| Laboratory Equipment          |                     |                   |
| Internal Exams                |                     |                   |
| Teaching / Learning Materials | 1,862,244.60        | 703,396.25        |
| Others (specify) *moe grants  |                     |                   |
| <b>Total</b>                  | <b>1,862,244.60</b> | <b>703,396.25</b> |

\*Include others as per MOE circulars

**2 Government Grants for Operations**

| Description                  | FY 2021-2022        | SIX MONTHS          |
|------------------------------|---------------------|---------------------|
|                              | Kshs                | Kshs                |
| Personnel Emoluments         | 1,088,557.00        |                     |
| Repairs And Maintenance      | 533,500.00          | 3,365,971.90        |
| Local Transport / Travelling |                     |                     |
| Electricity And Water        | 1,080,000.00        |                     |
| Medical                      | -                   |                     |
| Administration Costs         | 1,087,299.40        |                     |
| Activity                     | 1,300,000.00        |                     |
| Other Vote Heads (specify)   |                     |                     |
| <b>Total</b>                 | <b>5,089,356.40</b> | <b>3,365,971.90</b> |

\*Include others as per MOE circulars

**3 Government Grants for infrastructure**

| Description                      | FY 2021-2022        | SIX MONTHS          |
|----------------------------------|---------------------|---------------------|
|                                  | Kshs                | Kshs                |
| Maintenance & Improvement.       | 3,066,500.00        | 1,040,000.00        |
| Transition infrastructure grants |                     |                     |
| Administration Block             |                     |                     |
| Economic stimulus grants         |                     |                     |
| Other (school fund)              | 1,311,000.00        | -                   |
| <b>Total</b>                     | <b>4,377,500.00</b> | <b>1,040,000.00</b> |

**4 School Fund Income - Parents Contribution/Fees**

| <b>Description</b>                   | <b>FY 2021-2022</b>  | <b>SIX MONTHS</b>   |
|--------------------------------------|----------------------|---------------------|
|                                      | <b>Kshs</b>          | <b>Kshs</b>         |
| Personnel emoluments                 | 892,510.00           | 341,240.00          |
| Repairs and maintenance              | 1,452,800.00         | 270,265.00          |
| Local transport / travelling         | 1,976,260.00         | 650.00              |
| Electricity and water                | 2,193,210.00         | 595,875.00          |
| Prepayments                          |                      | 400,735.00          |
| Administration costs                 | 1,237,960.00         | 217,280.00          |
| Activity                             | 460,670.00           | 65,750.00           |
| Fee on Boarding Equipment and stores | 17,324,180.00        | 5,987,748.00        |
| KCSE                                 | 23,900.00            | 5,590.00            |
| Others (specify)pta uniform          | 2,199,150.00         | 85,350.00           |
| <b>Total</b>                         | <b>27,760,640.00</b> | <b>7,970,483.00</b> |

**5 Miscellaneous Incomes**

| <b>Description</b>                   | <b>FY 2021-2022</b> | <b>SIX MONTHS</b> |
|--------------------------------------|---------------------|-------------------|
|                                      | <b>Kshs</b>         | <b>Kshs</b>       |
| 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 (specify) *             |                     |                   |
| <b>Total</b>                         |                     |                   |



Notes to the Financial Statements (continued)

6 Tuition

| Description                   | FY 2021-2022        | SIX MONTHS        |
|-------------------------------|---------------------|-------------------|
|                               | Kshs                | Kshs              |
| Exercise Books                |                     |                   |
| Stationary                    | 861,675.00          | 355,000.00        |
| Reference materials           | 100,000.00          |                   |
| Laboratory Equipment          | 681,389.00          | 317,264.00        |
| Teaching / Learning Materials | 132,930.00          |                   |
| Exams And Assessment          |                     |                   |
| Teachers Guides               |                     |                   |
| Bank Charges                  | 49,248.00           | 7,839.60          |
| Others ( <i>specify</i> )     |                     |                   |
| <b>Total</b>                  | <b>1,825,242.00</b> | <b>680,103.60</b> |

7 Operations

| Description                            | FY 2021-2022        | SIX MONTHS          |
|----------------------------------------|---------------------|---------------------|
|                                        | Kshs                | Kshs                |
| Personnel Emoluments                   | 586,792.00          | 1,217,204.00        |
| Service Gratuity                       |                     |                     |
| Administration Cost                    | 410,550.00          | 213,321.00          |
| Repairs And Maintenance & Improvements | 1,846,870.00        | 435,282.00          |
| Local Transport / Travelling           | 995,560.00          | 368,400.00          |
| Electricity And Water                  | 468,642.00          | 343,733.00          |
| Medical                                |                     |                     |
| Activity Expenses                      | 917,980.00          | 298,620.00          |
| Insurance Cost                         | 47,780.00           |                     |
| Others (transfer to infrastructure)    |                     |                     |
| Bank charges                           |                     |                     |
| <b>Total</b>                           | <b>5,274,174.00</b> | <b>2,876,560.00</b> |

Notes to the Financial Statements (continued)

8 Infrastructure

| Description                | FY 2021-2022        | SIX MONTHS        |
|----------------------------|---------------------|-------------------|
|                            | Kshs                | Kshs              |
| Construction of classrooms |                     | 951,770.00        |
| Construction of laboratory |                     |                   |
| Construction of dormitory  | 4,359,505.00        |                   |
| Purchase of furniture      |                     |                   |
| Purchase of equipment      |                     |                   |
| Purchase of apparatus      |                     |                   |
| Drilling of boreholes      |                     |                   |
| Others charges             | 1134.00             | 252.00            |
| <b>Total</b>               | <b>4,360,639.00</b> | <b>952,022.00</b> |

9 Boarding And School Fund

| Description                                | FY 2021-2022         | SIX MONTHS          |
|--------------------------------------------|----------------------|---------------------|
|                                            | Kshs                 | Kshs                |
| Personnel Emoluments                       | 2,468,906.00         | 301,700.00          |
| Service Gratuity                           |                      |                     |
| Repairs And Maintenance & Improvements     | 1,999,800.00         | 269,337.00          |
| Local Transport / Travelling               | 3,233,600.00         | 1,400,000.00        |
| Electricity And Water                      | 922,496.00           | 471,780.00          |
| Insurance Expenses                         | 133,047.00           | 113,047.00          |
| Administration Costs                       | 202,376.00           | 89,141.00           |
| Farm                                       |                      | 4759.00             |
| Bank Charges                               |                      |                     |
| Expenses On Income Generating Activities** |                      |                     |
| Fee On Boarding Equipment and Stores       | 16,087,309.00        | 4,437,715.00        |
| activity                                   | 1,649,650.00         | 285,590.00          |
| Insurance Cost (Life Property)             |                      |                     |
| Loan Principal Repayment                   |                      |                     |
| Loan Interest Repayment                    |                      |                     |
| Acquisition Of Assets                      |                      |                     |
| PTA Uniforms expenses                      | 1,300,000.00         | 199,310.00          |
| Others (specify)transfer to infrastructure | 1,311,000.00         |                     |
| <b>Total</b>                               | <b>29,308,184.00</b> | <b>7,572,389.00</b> |



Notes to the Financial Statements (continued)

10 Bank Accounts

| Account Name & Currency                | Status         | Bank Account Number | FY 2021-2022        | Six months          |
|----------------------------------------|----------------|---------------------|---------------------|---------------------|
|                                        | Active/Dormant |                     | Kshs                | Kshs                |
| Tuition Account                        |                |                     | 195,244.25          | 158,241.65          |
| Operations Account                     |                |                     | 330,301.70          | 516,569.30          |
| School Fund Account/Boarding           |                |                     | 759,307.40          | 602,660.41          |
| Savings Account                        |                |                     |                     |                     |
| Parent Association Development Account |                |                     |                     |                     |
| Income Generating Activities Account   |                |                     |                     |                     |
| Infrastructural Account                |                |                     | 122,103.00          | 106,712.00          |
| <b>Total</b>                           |                |                     | <b>1,406,956.35</b> | <b>1,384,183.36</b> |

11 Cash In Hand

| Description            | FY 2021-2022    | SIX MONTHS       |
|------------------------|-----------------|------------------|
|                        | Kshs            | Kshs             |
| Tuition Account        | -               | -                |
| Infrastructure Account |                 | (1470)           |
| Operation Account      | 1450.00         | -                |
| School fund            |                 | 17,104.00        |
| <b>Total</b>           | <b>1,450.00</b> | <b>15,634.00</b> |

12 Short Term Investments

| Description            | FY 2021-2022 | SIX MONTHS |
|------------------------|--------------|------------|
|                        | Kshs         | Kshs       |
| Cooperative Shares     | -            | -          |
| Treasury Bills         | -            | -          |
| Fixed Deposit accounts | -            | -          |
| Other Investments      | -            | -          |
| <b>Total</b>           | <b>-</b>     | <b>-</b>   |

Notes to the Financial Statements (continued)

13 Accounts Receivable

| Description                              | FY 2021-2022        | SIX MONTHS          |
|------------------------------------------|---------------------|---------------------|
|                                          | Kshs                | Kshs                |
| Fees Arrears                             | 3,333,974.65        | 4,381,486.65        |
| <b>Other Non-Fees Receivables</b>        |                     |                     |
| Salary Advances (list/schedule attached) |                     |                     |
| Imprest (list/schedule attached)         |                     |                     |
| Rent arrears (list/schedule attached)    |                     |                     |
| Nssf                                     |                     |                     |
| Nhif                                     |                     |                     |
| <b>Total</b>                             | <b>3,333,974.65</b> | <b>4,381,486.65</b> |

13 b Ageing Analysis of Accounts Receivable

| Description                            | FY 2021-2022        |                | SIX MONTHS          |                |
|----------------------------------------|---------------------|----------------|---------------------|----------------|
|                                        | Kshs                |                | Kshs                |                |
|                                        | Current FY          | % of the total | Comparative FY      | % of the total |
| Less than 1 year                       | 1,852,420           | 55.2%          | 1,406,128.00        | 32.1%          |
| Between 1- 2 years                     | 0                   | 0%             | 0                   | %              |
| Between 2-3 years                      | 0                   | 0%             | 2,975,358.65        | 67.9%          |
| Over 3 years                           | 1,481,554.65        | 47.8%          |                     | %              |
| <b>Total (should tie to note 13 a)</b> | <b>3,333,974.65</b> | <b>100%</b>    | <b>4,381,486.65</b> | <b>100%</b>    |

14 Accounts Payable

| Description                                       | FY 2021-2022        | SIX MONTHS          |
|---------------------------------------------------|---------------------|---------------------|
|                                                   | Kshs                | Kshs                |
| Trade Creditors (See Ageing Below and Appendix 1) | 2,931,087.00        | 2,931,087.00        |
| Prepaid Fees                                      | 639,574.99          |                     |
| Retention Monies                                  |                     |                     |
| Unpaid salaries and statutory deductions          |                     |                     |
| Caution money                                     |                     |                     |
| Other payables[infrastructure cash                |                     |                     |
| <b>Total</b>                                      | <b>3,570,661.99</b> | <b>2,931,087.00</b> |



Notes to the Financial Statements (continued)

14a. Ageing Analysis of Accounts Payable

| Description                          | FY 2021-2022        |                | SIX MONTHS          |                |
|--------------------------------------|---------------------|----------------|---------------------|----------------|
|                                      | Kshs                |                | Kshs                |                |
|                                      | Current FY          | % of the total | Comparative FY      | % of the total |
| Less than 1 year                     | -                   | %              |                     | %              |
| Between 1- 2 years                   |                     | %              | 293,376.00          | %              |
| Between 2-3 years                    |                     | %              | 797,439.00          | 30.2%          |
| Over 3 years                         | 2,931,087.00        | 100.1%         | 1,840,272.00        | 69.8%          |
| <b>Total (should tie to note 14)</b> | <b>2,931,087.00</b> | <b>100%</b>    | <b>2,931,087.00</b> | <b>100%</b>    |

15 Fund Balance Brought Forward

| Description            | 2021-2022           | SIX MONTHS          |
|------------------------|---------------------|---------------------|
|                        | Kshs                | Kshs                |
| Bank Balances          | 1,384,183.36        | 769,137.81          |
| Cash Balances          | 15,634.00           | 225.00              |
| Short Term Investments | 0                   | -                   |
| Receivables            | 4,381,486.65        | 4,760,818.65        |
| Payables               | (2,931,087.00)      | (3,678,741.00)      |
| <b>Total</b>           | <b>2,850,217.01</b> | <b>1,851,440.01</b> |

### 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                  | FY 2021-2022 | SIX MONTHS |
|------------------------------|--------------|------------|
|                              | Kshs         | Kshs       |
| Bank Loans                   | -            | -          |
| Outstanding Leases           | -            | -          |
| Hire Purchase                | -            | -          |
| Gratuity And Leave Provision | -            | -          |
| Others (specify)             | -            | -          |
| <b>Total</b>                 | -            | -          |

### 17 Biological assets

| Description              | Numbers | FY2021-2022 | SIX MONTHS |
|--------------------------|---------|-------------|------------|
|                          |         | Kshs        | Kshs       |
| Cattle                   |         | 02.00       | -          |
| Goats                    |         | xxx         | -          |
| Trees                    |         | -           | -          |
| Coffee Or Tea Plantation |         | -           | -          |
| Poultry                  |         | -           | -          |
| Others (specify)         |         | -           | -          |
| <b>Total</b>             |         | -           | -          |

### 18 Borrowings

| Description                           | Kshs | Kshs |
|---------------------------------------|------|------|
| Borrowings at beginning of the year   | -    | -    |
| Borrowings during the year            | -    | -    |
| Repayments during the year            | (-)  | (-)  |
| <b>Balance at the end of the year</b> | -    | -    |



Other important disclosure notes

19 Stock/ Inventory

| Description            | FY2021-2022 | SIX MONTHS |
|------------------------|-------------|------------|
|                        | Kshs        | Kshs       |
| Food stuffs            | -           | -          |
| Lab consumables        | -           | -          |
| Farm produce           | -           | -          |
| Medication             | -           | -          |
| Construction Materials | -           | -          |
| Others (specify)       | -           | -          |
|                        | -           | -          |

(GITHUNGU CHU SECONDARY SCHOOL)

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

**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 GITHUNGU CHU SEC. SCHOOL  
P.O. Box 1099 - 20300 NYAHURURU  
Sign.....Date.....



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                               |          |
| <b>Construction Of Buildings</b> |                 |                 |                     |                                |                                    |          |
| 1.                               |                 |                 |                     |                                |                                    |          |
| 2.                               |                 |                 |                     |                                |                                    |          |
| 3.                               |                 |                 |                     |                                |                                    |          |
| Sub-Total                        |                 |                 |                     |                                |                                    |          |
| <b>Supply Of Goods</b>           |                 |                 |                     |                                |                                    |          |
| 4.                               |                 |                 |                     |                                |                                    |          |
| 5.                               |                 |                 |                     |                                |                                    |          |
| Sub-Total                        |                 |                 |                     |                                |                                    |          |
| <b>Supply Of Services</b>        |                 |                 |                     |                                |                                    |          |
| 6.                               |                 |                 |                     |                                |                                    |          |
| 7.                               |                 |                 |                     |                                |                                    |          |
| 8.                               |                 |                 |                     |                                |                                    |          |
| Sub-Total                        |                 |                 |                     |                                |                                    |          |
| <b>Grand Total</b>               |                 |                 |                     |                                |                                    |          |

Annex 2 – Summary of Fixed Assets Register

| Asset Class                              | Historical Cost b/f<br>(Kshs)<br>1 <sup>st</sup> July 2021 | Additions during the<br>year<br>(Kshs) | Disposals during the<br>year<br>(Kshs) | Historical Cost c/f<br>(Kshs)<br>30 <sup>th</sup> June 2022 |
|------------------------------------------|------------------------------------------------------------|----------------------------------------|----------------------------------------|-------------------------------------------------------------|
| Land                                     |                                                            |                                        |                                        |                                                             |
| 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             |                                                            |                                        |                                        |                                                             |
| <b>Total</b>                             |                                                            |                                        |                                        |                                                             |