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*Enhancing Accountability*

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 THE NATIONAL ASSEMBLY <b>REPORT</b> PAPERS LAID	
DATE: 20 NOV 2024	DAY: Wednesday
TABLED BY OF	Hon. Naomi Wago, MP Deputy Majority Whip
CLERK-AT THE TABLE:	Irene Nduku

**THE AUDITOR-GENERAL**

**ON**

**GACHIKA SECONDARY SCHOOL**

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

**NYERI COUNTY**



OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
REGISTRY

31 JUL 2024

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**GACHIKA SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30<sup>th</sup> June 2021**

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

**GACHIKA SECONDARY SCHOOL**  
**PUBLIC SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2021**

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**GACHIKA SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOLS  
Reports and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

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**I. KEY SCHOOL INFORMATION AND MANAGEMENT**

*[Customise the details in this section to suit your School]*

**(a) Background information**

The school is located in Nyeri County, Nyeri Central Sub-County, Kenya, and operates under the governance of the Basic Education Act, 2013. Registered in July 2007 under registration number GP/A/4768/07, the school is currently classified as a county public school owned and operated by the government. As of April 30, 2021, the school had 444 students, which excluded candidates from 2020 who had completed their KCSE exams. By June 30, 2021, the student count was 351.

The school operates with 2 streams and employs a total of 19 teachers, including 2 teachers appointed by the School Board of Management. The school serves both day scholars and boarders.

**(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:

<b>Ref</b>	<b>Name of Board Member</b>	<b>Designation</b>	<b>Date of appointment</b>
1	JULIUS KIBUI MATU	Chairman	21/03/2019
2	MATHIAS KIMARI KIGONDU	Secretary - Principal	21/03/2019
3	JAMES GICHUKI MAINA	Member	21/03/2019
4	CHARLES MAINA	Member	21/03/2019
5	SIMON NJOGU WARUI	Member	21/03/2019
6	AGNES WANGUI WARURU	Member	21/03/2019
7	ROSEMARY. N. WACHIRA	Member	21/03/2019
8	DAVID WANJOHI MBURU	Member – Rep CEB	21/03/2019
9	IRENE KIRIGO GITHINJI	Member Rep Teachers	21/03/2019
10	ROBERT MUTHUNGU	3 Members - Sponsor	21/03/2019
11	MARY W MUTURI	Sponsor	21/03/2019
12	GRACE N NGUYO	Sponsor	21/03/2019
13	PAULINE NYOKABI	Member -Special Needs	21/03/2019
14	FAITH MAINA	Rep Students	21/03/2019

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**KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)**

**The function of the School Board of Management include:**

- Promote the best interests of the school and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013
- Ensure and assure the provision of proper and adequate facilities for the school
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the school.
- Determine cases of pupil's 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	JULIUS MATU MATHIAS KIGONDU MARY MUTURI STEPHEN KIUGI SIMON WARUI	Chairman Secretary Member Member Member	2 out of 4
2	Audit Committee, Finance, procurement and general-purpose Committee	MATHIAS KIGONDU SIMON WARUI ROSEMARY NYOKABI JAMES GICHUKI STEPHEN KIUGI	Chairman Secretary Member Member Member	1 out of 4
4	Development Committee	STEPHEN KIUGI MATHIAS KIGONDU SIMON NJOGU ROSEMARY NYOKABI	Chairman Secretary Member Member	2 out of 4
5	Academic Committee	IRENE GITHINJI SUSAN GATHONI CHARLES MAINA PAULINE NYOKABI MATHIAS KIGONDU	Chairman Secretary Member Member Member	2 out of 4
6	Discipline and welfare Committee	MATHIAS KIGONDU SUSAN GATHONI SIMON NJOGU MATHIAS KIGONDU	Chairman Secretary Member Member	1 out of 4
7	AD-HOC	PETER NDIRITU MATHIAS KIGONDU STEPHEN KIUGI SUSAN GATHONI S.C.D.E SIMON NJOGU ROSEMARY NYOKABI	Chairman Secretary Member Member Member Member Member	

**GACHIKA SECONDARY SCHOOL  
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**(d) School operation Management**

For the financial year ended 30<sup>th</sup> June 2021 the school day-to-day management was under the following persons:

<b>Ref :</b>	<b>Designation</b>	<b>Name</b>	<b>TSC Number</b>
1	PRINCIPAL	MATHIAS KIMARI KIGONDU	352381
2	DEPUTY PRINCIPAL	SUSAN GATHONI MWANGI	270715
3	SCHOOL BURSAR	ALICE WANJIRU MWANGI	9553511

**(e) Schools contacts**

Post Office Box: 155-10102Kiganjo  
Telephone: 0714363327  
E-mail : [gachikasec@yahoo.com](mailto:gachikasec@yahoo.com)

**KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)**

**(f) School Bankers**

The school operated 7 number of bank accounts and 1 Pay bill number as follows:

1.	Name of Bank:	KCB
	Branch:	Nyeri
	Account Number:	1101855517
2.	Name of Bank:	CO-OPERATIVE
	Branch:	Nyeri
	Account Number:	01129991972800
3.	Name of Bank:	KCB
	Branch:	Nyeri
	Account Number:	1101863323
4.	Name of Bank:	KCB
	Branch:	Nyeri
	Account Number:	1108774288
5.	Name of Bank:	KCB
	Branch:	Nyeri
	Account Number:	1260478890
6.	Name of Bank:	KCB
	Branch:	Nyeri
	Account Number:	1107574706
7.	Name of Bank:	Equity
	Branch:	Nyeri
	Account Number:	1150277703963
8.	MPESA Pay Bill No.	Business number: 522123 Account number: 40024K Attached Bank account:1101855517

**(g) Independent Auditors**

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



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

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

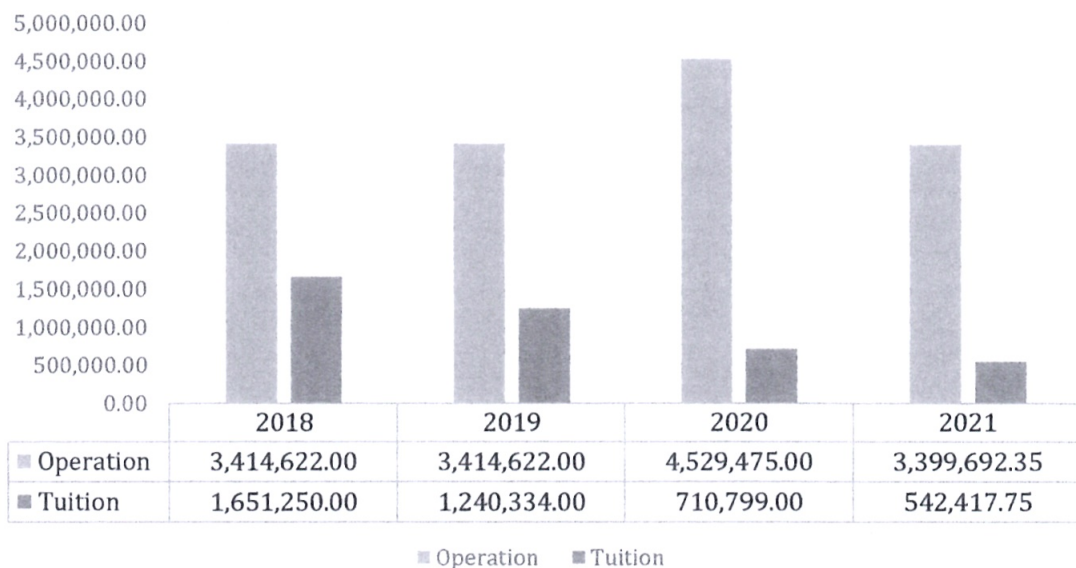
**a) Financial performance:**

Under this section, it reflects the actual financial performance trend over the last three years period between 1<sup>st</sup> January 2019 to 31<sup>st</sup> December 2020. which covers a period of 12 months while 30<sup>th</sup> June covers a period of 6 months and is summarised as follows

**CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION**

<b>CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST 3 YEARS</b>					
<b>S/NO</b>	<b>ACCOUNTS</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
1	Operation account	3,399,692.35	4,529,475.00	3,414,622.00	3,414,622.00
2	Tuition account	542,417.75	710,799.00	1,240,334.00	1,651,250.00
	<b>Total</b>	<b>3,942,110.10</b>	<b>5,240,274.00</b>	<b>7,116,409.00</b>	<b>5,067,872.00</b>
	<b>Increase /decrease</b>	<b>(1,298,163.90)</b>	<b>(1,876,135.00)</b>	<b>2,048,537.00</b>	
	No of student	408	399	380	351
	Ratio of capitation per student	1:9,662.20	1:13,133.51	1:18,727.39	

Chart Title



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

The total capitation grants for financial year 2019 was Kshs 7,116,409.00 as compared to Kshs 5,067,872.00 in the financial year 2018 representing an increase of Kshs 1,216,185.32.

The net increase is mainly attributed by all students' receiving the capitation and increase in enrolment as shown in the ration above.

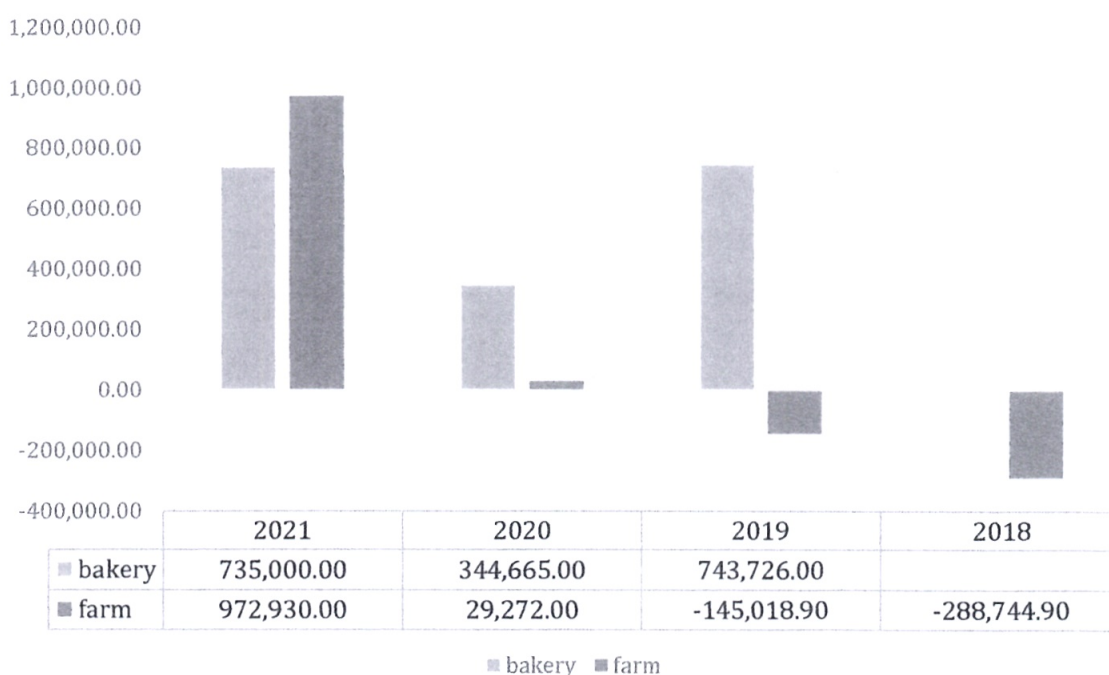
The total capitation for the year 2020 was Kshs 5,240,274.00 as compared to Kshs 7,116,409.00 in the financial year 2019 representing a decrease of Kshs 1,876,135.00 which resulted from not all students' received capitation grant, prolonged abrupt closure of the school due to Covid-19 and not all capitation grants were disbursed by the end of financial year 2020.

The capitation grant for the financial year 2021 was Kshs 3,942,110.10 compared to Kshs 5,240,274.00 in the financial year 2020 representing a decrease of Kshs 1,296,163.90. the net decrease is mainly attributed by the disbursement of capitation for term 2 2020 and term 3 2020 only. Also, the current period covers a period of 6 months.

**OVERVIEW OF NET GROWTH OF OTHER INCOME**

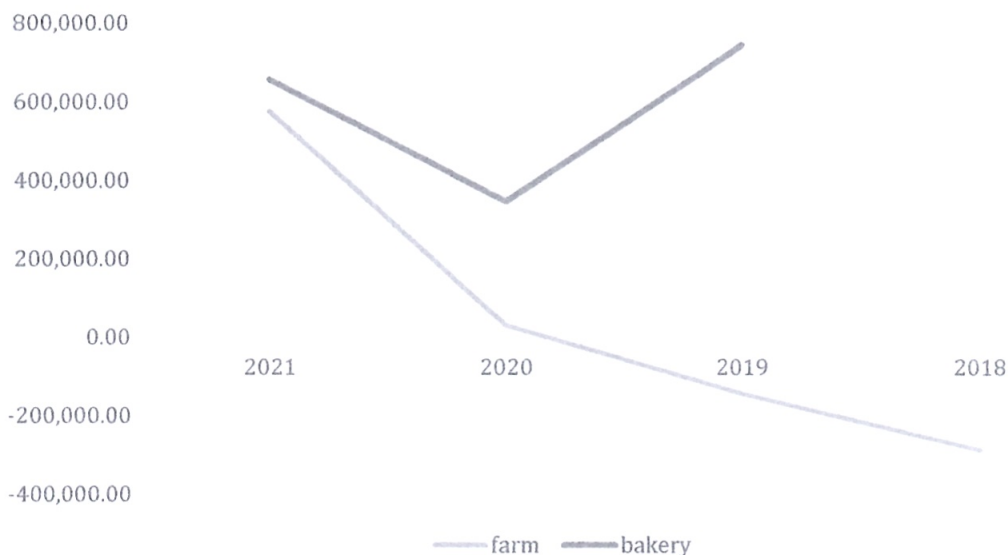
OVERVIEW OF NET GROWTH OF OTHER INCOME(S)					
SNO	ACCOUNTS	2021	2020	2019	2018
		KSHS	KSHS	KSHS	KSHS
1	Farm	972,930.000	29,272.00	(145,018.90)	(288,744.90)
2	Bakery	735,000.00	344,665.00	743,726.00	
	<b>Total</b>	<b>1,707,930.10</b>	<b>373,937.00</b>	<b>598,707.10</b>	<b>(288,744.90)</b>
	<b>Increase/Decrease</b>	<b>1,104,950.00</b>	<b>(224,770.10)</b>	<b>309,962.20</b>	

**OVERVIEW OF NET GROWTH OF OTHER INCOME**



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

**OVERVIEW OF NET GROWTH OF OTHER INCOME**



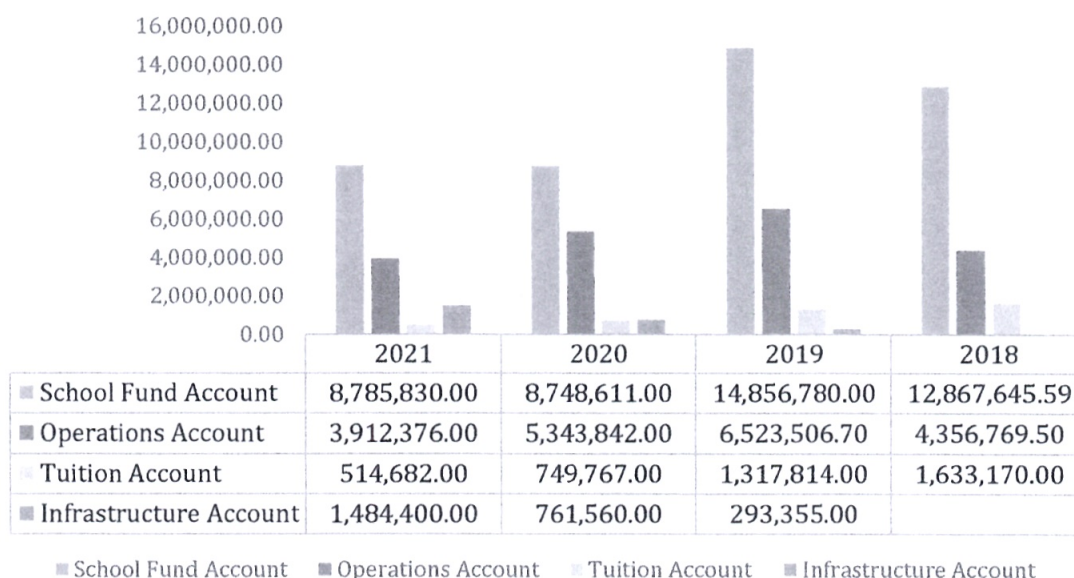
The net growth of other income generating activities for the financial year 2021 was Kshs 1,707,930.00 as compared to Kshs 373,937.00 in the financial year 2020 which represent an increase of Kshs 1,333,993.00

The net growth of other income generating activities for the financial year 2020 was Kshs 373,937.000 as compared to Kshs 598,707.100 in the financial year 2019 which represent a decrease of Kshs 224,770.10.

Both financial years 2021 and 2020 were affected by the Covid-19 pandemic.

<b>OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL</b>					
<b>SNO</b>	<b>ACCOUNTS</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
		<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
1	School Fund Account	8,785,830.00	8,748,611.00	14,856,780.00	12,867,645.59
2	Operations Account	3,912,376.00	5,343,842.00	6,523,506.70	4,356,769.50
3	Tuition Account	514,682.00	749,767.00	1,317,814.000	1,633,170.00
4	Infrastructure Account	1,484,400.00	761,560.00	293,355.00	
	<b>Total</b>	<b>14,697,288.00</b>	<b>15,603,780.00</b>	<b>22,995,455.70</b>	<b>18,857,585.09</b>
	<b>Increase/Decrease</b>	<b>(906,492.00)</b>	<b>(7,391,675.70)</b>	<b>4,137,860.61</b>	

**SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (continued)  
OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL**



In the financial year 2021 shows a decrease of growth in expenditure which has resulted from the current year covering a period of 6 months, even though the financial year 2020 covers a period of 12 months a decrease has resulted from prolonged abrupt closure of the school due to Covid-19.

<b>MOVEMENT OF DEBTORS OF THE SCHOOL</b>					
<b>SNO</b>	<b>ACCOUNTS</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>1</b>	<b>School Fund Account</b>	<b>KSHS</b>	<b>KSHS</b>	<b>KSHS</b>	<b>KSHS</b>
a	Debtors	4,471,163.00	3,973,352.00	2,948,780.00	2,176,074.00
	<b>Total</b>	<b>4,471,163.00</b>	<b>3,973,352.00</b>	<b>2,948,780.00</b>	<b>2,176,074.00</b>
	<b>Increase/Decrease</b>	<b>497,811.00</b>	<b>1,024,572.00</b>	<b>772,706.00</b>	

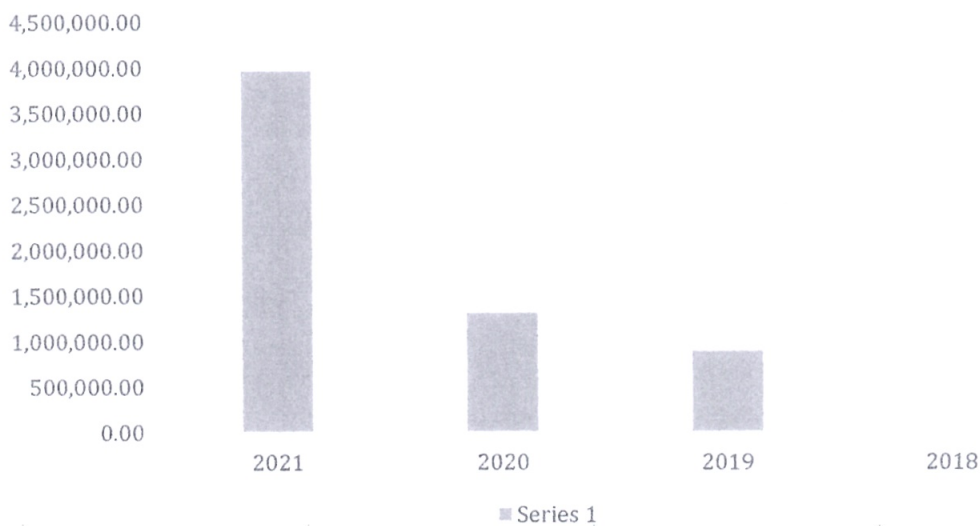
Total debtors as at 30<sup>th</sup> June 2021 increased by 11.132% to Kshs 4,471,163.00 compared to Kshs 3,973,352.00 as at the end of the financial year 2020. The main contributors to the increase in total debtors is the students' having huge fees balances due impact from covid 19

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

**MOVEMENT OF CREDITORS OF THE SCHOOL**

<b>MOVEMENT OF CREDITORS OF THE SCHOOL</b>					
<b>SNO</b>	<b>ACCOUNTS</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>1</b>	<b>School Fund Account</b>	<b>KSHS</b>	<b>KSHS</b>	<b>KSHS</b>	<b>KSHS</b>
a	Creditors	3,967,331.80	1,309,715.00	890,915.00	0
	<b>Total</b>	<b>3,967,331.80</b>	<b>1,309,715.00</b>	<b>890,915.00</b>	
	<b>Increase/Decrease</b>	<b>2,657,616.80</b>	<b>418,800.00</b>	<b>890,915.00</b>	

**CREDITORS MOVEMENT SCHEDULE**



Total creditors as of 30th June 2021 increased by Ksh 2,657,616.80 compared to Ksh 418,800.00 at the end of the financial year 2020. The main contributors to the increase in total creditors are trade and other payables, including prepaid fees. Due to the COVID-19 pandemic, many parents were unable to pay school fees, which in turn affected our ability to pay suppliers, thus leading to an increase in creditors.

**b) Teacher Student ratio:**

Between January 2021 and June 2021, the status of the teaching staff is as follows: There are 17 teachers posted by the Teachers Service Commission (TSC) and 2 recruited by the Board of Management (BOM). Although the teacher-student ratio is 1:23, there is a shortage of 2 teachers according to the Complementary Basic Education (CBE) requirements. This shortage is due to a transfer in 2020 with no replacement

**c) Mean score in the 2018 2019 and 2020 KCSE:**

d)

YEAR	ENROLMENT	MEAN	TRANSITION	TRANSITION (%)	SCHOOL TARGET	COMMENTS
2020	93	2.804	23	24.73	4.5	Negative deviation of 0.412
2019	74	3.216	25	33.78	4.0	Negative deviation of 0.254
2018	71	3.47	16	22.35	3.5	

**e) Number of Candidates in the 2018 2019 and 2020 KCSE:**

YEAR	2021	2020	2019	2018
No of candidates	106	93	74	71
<b>Increase/decrease</b>	<b>13</b>	<b>19</b>	<b>3</b>	

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

Sno.	Project	Year	Status	Amount	Fund Source
1	Repairs of Boys domitory	2019-2020	Completed	293,355.00	Maintance & Improvement
2	gents abulution and toilet	2020-2020	Completed	761,560.00	Maintance & Improvement
3	2 staff toilet, Gate house and boy's bathroom	2020-2021	On-going	1,484,400.00	Maintance & Improvement



**Julius Kibui Matu (Mr)**  
**Chairman,  
Board of Management**



**Mathias Kimari Kigundu (Mr)**  
**Secretary,  
Board of Management  
/Principal**



**Alice Wanjiru Mwangi (Mrs)**  
**Bursar**

**Date:** 26/9/2024

**Date:** 26/9/2024

**Date:** 26/9/2024



### III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

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

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

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


The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30<sup>th</sup> June, 2021, and of the school's financial position as at that date.

**Name:** JULIUS KIBUI MATU  
**Designation:** Chairman, School Board of Management

**Sign:**  .....

**Date:** 26/7/2024 .....

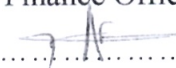
**Name:** MATHIAS KIMARI KIGONDU  
**Designation:** School Principal & Secretary to Board of Management

**Sign:**  .....

**Date:** 26/07/2024 .....



**Name:** ALICE WANJIRU MWANGI  
**Designation:** Bursar/ Finance Officer

**Sign:**  .....

**Date:** 26/7/2024 .....



# REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke  
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*Enhancing Accountability*

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

## **REPORT OF THE AUDITOR-GENERAL ON GACHIKA SECONDARY SCHOOL FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021 – NYERI COUNTY**

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### **PREAMBLE**

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

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

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

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

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

#### **Qualified Opinion**

I have audited the accompanying financial statements of Gachika Secondary School – Nyeri County set out on pages 15 to 32, which comprise of the statement financial assets and liabilities as at 30 June, 2021 and the statement of receipts and payments, statement

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

of cash flows and notes to the financial statements 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 Gachika Secondary School - Nyeri County as at 30 June, 2021 and of its financial performance and its cash flows for the period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Long Outstanding Accounts Receivables**

The statement of financial assets and financial liabilities and Note 12 to the financial statements reflects accounts receivables balance of Kshs.4,471,163 in respect of fees arrears. However, included in the balance are receivables amounting to Kshs.3,973,352 which had been outstanding for more than two (2) years.

In the circumstances, the accuracy, completeness and recoverability of the receivables balance of Kshs.3,973,352 could not be confirmed.

#### **2. Unsupported Cash and Cash Equivalents**

The statement of financial assets and financial liabilities and Notes 9 and 10 to the financial statements reflects cash and cash equivalents balance of Kshs.490,389. However, the balance was not supported with bank reconciliation statements, certificate of bank balance confirmation and cash survey report.

In the circumstances, the accuracy, completeness and existence of cash and cash equivalents balance of Kshs.490,389 could not be confirmed.

#### **3. Inaccuracies in the Statement of Budgeted Versus Actual Amounts**

The statement of budgeted versus actual amounts lacked total income and payments. Further, the budget lines for some items were left blank. No explanation was provided for the anomaly.

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

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Gachika Secondary School Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical

requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Key Audit Matters**

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Unconfirmed Students Enrolment Data**

Comparison of data from National Education Management and Information System (NEMIS) with records from the County Director of Education revealed that during the financial year 2020/2021, NEMIS reflected four hundred and eighteen (418) students while records from the County Director of Education had four hundred and thirty-nine (439) students, resulting to unexplained variance of twenty-one (21) students. As a result of the variance, the School was under-funded by an amount of Kshs.252,000.

This was contrary to the Ministry of Education Circular Ref No:MOE.HQS/3/13/3 dated 16 June, 2021 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the Principals to ensure their records are accurate.

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

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

During the year under review, the School did not have an approved School Improvement Plan. This is contrary to Paragraph 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 Ministry of Education Operation Manual.

### **3. Lack of Procurement Plan**

The statement of receipts and payments reflects an amount of Kshs.14,969,307 and Kshs.14,697,288 in respect of total receipts and payments respectively. However, during the year, Management did not prepare an annual procurement plan as part of the annual budget preparation process. Further, no procurement budget was provided for audit review. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that 'a procuring entity shall prepare a procurement plan for each financial year as part of the annual budget preparation process'.

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

### **4. Late Submission of Financial Statements to the Auditor-General**

The financial statements for the year 2020/2021 were submitted on 15 February, 2023 to the Auditor-General and not on the statutory date of 30 September, 2021. This is contrary to Section 47(1) of the Public Audit Act, 2015 which requires that financial statements to be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.

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

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the matter 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 Ownership Documents**

Review of documents revealed that the School sit on land valued at approximately Kshs.36,000,000. However, land ownership document was not provided for audit.

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

## **2. Lack of Internal Audit Function and Audit Committee**

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

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

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

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

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

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

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

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

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

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

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

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

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

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


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

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

**Nairobi**

**23 September, 2024**

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**V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30<sup>TH</sup> JUNE 2021**

DESCRIPTION OF VOTE HEAD	Note	2020-2021
		<b>Kshs</b>
<b>RECEIPTS</b>		
Capitation grants for tuition	<b>1</b>	542,417.75
Capitation grants for operations	<b>2a.</b>	3,399,692.35
Other income from operation	<b>b</b>	748,190.00
School Fund Income- Parents' Contributions	<b>3a</b>	5,484,139.00
Misc. Income school fund	<b>b</b>	3,317,368.00
Infrastructure	<b>4</b>	1,477,500.00
<b>TOTAL RECEIPTS</b>		<b>14,969,307.10</b>
<b>PAYMENTS</b>		
Payments for Tuition	<b>5</b>	514,682.00
Payments for operations	<b>6</b>	3,912,376.00
Boarding and school fund payments	<b>7</b>	8,785,830.00
Payments for Infrastructure	<b>8</b>	1,484,400.00
<b>TOTAL PAYMENTS</b>		<b>14,697,288.00</b>
<b>SURPLUS/DEFICIT</b>		<b>272,019.10</b>

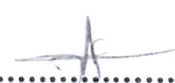
The school financial statements were approved on \_\_\_\_\_ 2021 and signed by:

  
.....

**Julius Kibui Matu(Mr)**

  
.....

**Mathias Kimari Kigundu (Mr)**

  
.....

**Alice Wanjiru Mwangi (Mrs)**

**Chairman  
Board of Management**

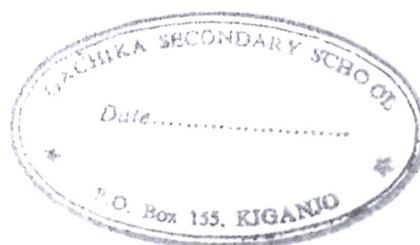
**Secretary,  
Board of Management  
/Principal**

**Bursar**

Date: 26/07/2021

Date: 26/07/2021

Date: 26/7/2021

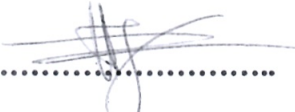




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**VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30<sup>TH</sup> JUNE 2021**

	Note	2020-2021
		Kshs
<b>FINANCIAL ASSETS</b>		
<b>Cash and Cash Equivalents</b>		
Bank Balances	9	456,479.11
Cash Balances	10	33,909.80
Short term Investment	11	
<b>Total Cash and cash equivalent</b>		<b><u>490,388.91</u></b>
Account's receivables	12	4,471,163.00
<b>TOTAL FINANCIAL ASSETS</b>		<b>4,961,551.91</b>
<b>FINANCIAL LIABILITIES</b>		
Accounts Payables	13	(4,348,492.80)
<b>NET FINANCIAL ASSETS</b>		<b>613,059.11</b>
<b>REPRESENTED BY</b>		
Accumulated Fund b/fwd.	14	341,040.01
Surplus/Deficit for the year		272,019.10
<b>NET FINANCIAL POSITION</b>		<b>613,059.11</b>

  
.....

**Julius Kibui Matu (Mr)**

**Chairman  
Board of Management**

  
.....

**Mathias Kimari Kigundu (Mr)**

**Secretary,  
Board of Management  
/Principal**

  
.....

**Alice Wanjiru Mwangi (Mrs)**

**Bursar**

Date: 26/07/2021

Date: 26/07/2021

Date: 26/07/2021



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**VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2021**

		<b>2020-2021</b>
		<b>Kshs</b>
<b>Receipts for operating income</b>		
Capitation grants for tuition	<b>1</b>	542,417.75
Capitation grants for operations	<b>2a</b>	3,399,692.35
Other income from operation	<b>b</b>	748,190.00
School Fund Income- Parents' Contributions	<b>3a</b>	5,484,139.00
Other Incomes	<b>b</b>	3,317,368.00
Infrastructure	<b>4.</b>	1,477,500.00
<b>Total receipts</b>		<b>14,969,307.10</b>
<b>Payments</b>		
Payments for Tuition	<b>5</b>	514,682.00
Payments for operations	<b>6</b>	3,912,376.00
Boarding and school fund payments	<b>7</b>	8,785,830.00
Payments for Infrastructure	<b>8</b>	1,484,400.00
<b>Total payments</b>		<b>14,697,288.00</b>
<b>Net cash flow from operating activities</b>		<b>272,019.10</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from Sale of Assets		-
Acquisition of Assets		-
Proceeds from investments		-
Purchase of investments		-
<b>Net cash flows from Investing Activities</b>		<b>-</b>
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>		
Proceeds from borrowings/ loans		-
Repayment of principal borrowings		-
<b>Net cash flow from financing activities</b>		<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>272,019.10</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>		<b>218,369.81</b>
<b>Cash and cash equivalent at END of the year</b>		<b>490,388.91</b>

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

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**VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR  
ENDED 30<sup>TH</sup> JUNE 2021**

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% Of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
<b>RECEIPTS</b>						
<i>(1) CAPITATION GRANT ON TUITION</i>						
Exercise books	450,000.00	-	450,000.00	242,417.75	207,582.25	53.87
Laboratory equipment	268,135.00	-	268,135.00	250,000.00	18,135.00	93.24
Teaching / learning materials	77,740.00	-	77,740.00	30,000.00	47,740.00	38.59
Exams and assessment	60,000.00	-	60,000.00	20,000.00	40,000.00	33.33
Teachers guides	49,400.00	-	49,400.00	-	49,400.00	-
<b>TOTAL FOR TUITION</b>	<b>940,410.00</b>		<b>940,410.00</b>	<b>542,417.75</b>	<b>362,857.25</b>	<b>57.68</b>
<i>(2) CAPITATION GRANT ON OPERATIONS</i>						
Personnel emoluments	929,875.00	-	929,875.00	867,096.35	62,778.65	93.25
Repairs and maintenance	1,215,000.00	-	1,215,000.00	1,665,500.00	(450,500.00)	137.08
Insurance/ Medical	405,000.00	-	405,000.00	-	405,000.00	-
Activity	303,750.00	-	303,750.00	-	303,750.00	-
Administration costs	399,937.00	-	399,937.00	289,032.00	110,905.00	72.27
Local area traveling	349,937.00	-	349,937.00	289,032.00	60,905.00	82.60
Electricity, water and conservancy	319,937.00	-	319,937.00	289,032.00	30,905.00	90.34
<b>TOTAL FOR OPERATION</b>	<b>3,923,436.00</b>	<b>-</b>	<b>3,923,436.00</b>	<b>3,399,692.35</b>	<b>523,743.65</b>	<b>86.65</b>

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<b>(3) FEES CHARGED ON PARENTS</b>						
Personnel emoluments	709,500.00		709,500.00	417,173.00	292,327.00	58.80
Repairs and maintenance	1,419,000.00	-	1,419,000.00	181,386.00	1,237,614.00	12.78
Electricity and water	236,500.00	-	236,500.00	139,059.00	97,441.00	58.80
Medical/insurance	100,000.00	-	100,000.00	4,050.00	95,950.00	4.05
Administration costs	236,500.00	-	236,500.00	139,057.00	97,443.00	58.80
Local area traveling	236,500.00		236,500.00	139,057.00	97,443.00	58.80
Activity	16,500.00	-	16,500.00	11,195.00	5,305.00	67.85
SMASSE		-		-		
Fee on Boarding	4,230,950.00	-	4,230,950.00	4,453,162.00	(222,212.00)	105.25
Equipment and Stores						
	<b>7,185,450.00</b>		<b>7,185,450.00</b>	<b>5,484,139.00</b>	<b>1,701,311.00</b>	<b>76.32</b>
<b>OTHER INCOME</b>						
Income from farming activities	1,040,000.00		1,040,000.00	972,930.00	67,070.00	93.55
Insurance compensation	-	-	-	-		
Income from Bakery	900,000.00		900,000.00	735,000.00	165,000.00	81.67
<b>TOTAL</b>	<b>1,940,000.00</b>		<b>1,940,000.00</b>	<b>1,707,930.00</b>	<b>4,184,381.00</b>	<b>88.03</b>
<b>TOTAL INCOME</b>	<b>13,989,296.00</b>		<b>13,989,296.00</b>	<b>11,134,179.10</b>	<b>2,819,981.90</b>	<b>79.00</b>
<b>(1) EXPENDITURE FOR TUITION</b>						
Exercise books	450,000.00		450,000.00	33,130.00	416,870.00	7.36
Laboratory equipment	268,135.00		268,135.00	177,637.00	90,498.00	66.25
Teaching / learning materials	113,940.00		113,940.00	144,750.00	(30,810.00)	127.04
Whiteboard and Marker pen	63,800.00		63,800.00		63,800.00	-
Teachers guides	49,400.00		49,400.00		49,400.00	-
	<b>1,680,820.00</b>		<b>1,680,820.00</b>	<b>322,387.00</b>	<b>1,358,433.00</b>	<b>19.18</b>

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<b>(2) EXPENDITURE FOR OPERATIONS</b>						
Personnel emoluments	500,812.00		500,812.00	483,736.00	17,076.00	96.59
Repairs, maintenance & improvements	584,500.00		584,500.00	82,600.00	501,900.00	14.13
Local transport / travelling	109,500.00		109,500.00	27,000.00	82,500.00	24.66
Electricity, water and conservancy	90,000.00		90,000.00	84,800.00	5,200.00	94.22
Medical and insurance	150,000.00		150,000.00	147,770.00	2,230.00	98.51
Administration costs	150,000.00		150,000.00	144,500.00	5,500.00	96.33
Activity Expenses	20,000.00		20,000.00		20,000.00	-
SMASSE						
	<b>1,604,812.00</b>		<b>1,604,812.00</b>	<b>970,406.00</b>	<b>634,406.00</b>	<b>60.47</b>
<b>(3) EXPENDITURE FOR SCHOOL FUND</b>						
Personnel emoluments	708,812.00		708,812.00	1,046,196.00	(337,384.00)	147.60
Repairs, maintenance and improvements	750,000.00		750,000.00	490,991.00	259,009.00	65.47
Local transport / travelling	109,500.00		709,500.00	584,530.00	124,970.00	82.39
Electricity, water and conservancy	235,000.00		235,000.00	189,790.00	45,210.00	80.76
Medical Expenses	40,000.00		40,000.00	6,215.00	33,785.00	15.54
Administration costs	235,000.00		235,000.00	335,634.00	(100,634.00)	142.82
Activity	300,000.00		300,000.00	48,750.00	251,250.00	16.25
fees on boarding	4,230,950.00		4,230,950.00	4,684,652.00	(453,702.00)	110.72
	<b>6,609,262.00</b>		<b>7,209,262.00</b>	<b>7,386,758.00</b>	<b>(177,496.00)</b>	<b>102.46</b>
<b>MISC INCOME</b>						
FARM ACTIVITIES	300,000.00		300,000.00	276,180.00	23,820.00	
BAKERY	150,000.00		150,000.00	79,252.00	70,748.00	
<b>total expenditure</b>	<b>10,494,894.00</b>		<b>10,494,894.00</b>	<b>8,679,551.00</b>	<b>1,815,343.00</b>	<b>82.70</b>

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**Total income** we received less capitation from the government for tuition and operation and less income from parents than what we expected thus why we have an under-utilized budget

**Total expenditure** was under utilized because we received less funding for all accounts

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## **IX. SIGNIFICANT ACCOUNTING POLICIES**

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

### **1. Statement of compliance and basis of preparation**

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

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

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

### **2. Recognition of receipts and payments**

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

### **3. In-kind contributions**

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

### **4. Cash and cash equivalents**

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

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**5. Accounts Receivable**

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

**6. Accounts Payable**

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

**7. Non-current assets**

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

**8. Budget**

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

**9. Comparative figures**

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

**10. Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2021



**X. NOTES TO THE FINANCIAL STATEMENTS**

**1 CAPITATION GRANT FOR TUITION**

	<b>2020-2021</b>
	<b>Ksh</b>
Exercise books	242,417.75
Laboratory	250,000.00
Teaching and learning	30,000.00
Teacher guide	20,000.00
<b>Total</b>	<b>542,417.75</b>

**2 (a)CAPITATION GRANT FOR OPERATIONS**

	<b>2020-2021</b>
	<b>Ksh</b>
Repair Maintance and improvement	1,665,500.00
Personal emolument	867,096.35
Administration cost	289,032.00
Local traveling and transport	289,032.00
Electricity water and conservancy	289,032.00
<b>Total capitation from government</b>	<b>3,399,692.35</b>
<b>2(b) OTHER INCOME FOR OPERATION</b>	
misc. income from government	81,190.00
infrastructure	60,000.00
School fund	607,000.00
<b>Total</b>	<b>748,190.00</b>

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**3 (A) PARENTS CONTRIBUTION/FEEES - SCHOOL FUND ACCOUNT**

	<b>2020-2021</b>
	<b>Ksh</b>
Personnel emoluments	417,173.00
Repairs and maintenance	181,386.00
Medical	4,050.00
Activity	11,195.00
Fee on Boarding Equipment and Stores	4,453,162.00
Administration cost	139,057.00
Local traveling	139,057.00
Electricity water and conservancy	139,059.00
<b>TOTAL</b>	<b>5,484,139.00</b>
<b>(b) OTHER INCOME</b>	
Camera	2,500.00
Bakery	735,000.00
Damages	35,148.00
Operation	20,000.00
Infrastructure	379,000.00
Farm income	972,930.00
<b>Total</b>	<b>3,317,368.00</b>

**4 CAPITATION GRANT FOR INFRASTRUCTURE**

	<b>2021-2021</b>
	<b>Ksh</b>
M.I. F	1,456,500.00
School fund	21,000.00
<b>Total</b>	<b>1,477,500.00</b>

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

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**5 PAYMENTS FOR TUITION**

	<b>2020-2021</b>
	<b>Ksh</b>
Textbooks and reference materials	33,130.00
Laboratory equipment	177,637.00
Internal exams	77,750.00
Teaching / learning materials	67,000.00
School fund	-
Creditors	158,805.00
Bank Charges	360
<b>Total</b>	<b>514,682.00</b>

**6 PAYMENTS FOR OPERATIONS**

	<b>2020-2021</b>
	<b>Ksh</b>
Personnel emoluments	483,736.00
Administration Cost	144,500.00
Repairs and maintenance & improvements	82,600.00
Local transport / travelling	27,000.00
Electricity and water	84,800.00
Medical	24,500.00
Activity Expenses	-
Infrastructure	1,456,500.00
Insurance Cost	123,270.00
School Fund	420,000.00
CREDITORS	1,065,470.00
<b>TOTAL</b>	<b>3,912,376.00</b>

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**7 BOARDING AND SCHOOL FUND PAYMENTS**

	<b>2020-2021</b>
	<b>Ksh</b>
Personnel emoluments	1,046,196.00
Repairs and maintenance & Improvements	490,991.00
Local transport / travelling	584,530.00
Electricity and water	189,790.00
Medical Expenses	6,215.00
Administration costs	335,634.00
Activity	48,750.00
Bakery	79,252.00
farm	276,180.00
Fee on Boarding Equipment and Stores	4,684,652.00
Creditors	836,640.00
Operation A/c	207,000.00
<b>TOTAL</b>	<b>8,785,830.00</b>

**8. PAYMENT FOR INFRASTRUCTURE**

	<b>2020-2021</b>
	<b>Ksh</b>
M.I. F	184,370.00
Boys Toilets	51,600.00
Bathroom and Gate house	560,970.00
Creditors	226,500.00
Operation a/c	60,000.00
School fund	400,000.00
Bank charges	960.00
<b>Total</b>	<b>1,484,400.00</b>

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**9. BANK ACCOUNTS**

<b>Name of Bank, Account No. &amp; currency</b>	<b>Bank Account Number</b>	<b>2021-2021</b>
		<b>Kshs</b>
Tuition Account K.C. B	1101863323	36,069.65
Operations Account K.C. B	1108774288	215,414.85
School Fund Account/Boarding K.C. B	1101855517	75,959.41
School Fund Account/ EQUITY BANK	1150277703963	126,539 .00
Savings Account K.C. B	1107574706	2,311.20
Infrastructural Account K.C. B	1260478890	185.00
<b>Total</b>		<b>456,479.11</b>

**10. CASH IN HAND**

<b>Description</b>	<b>2021-2021</b>
	<b>Ksh</b>
Tuition Account	-
Operation Account	27,743.80
School Fund account	6,166.00
<b>Total</b>	<b>33,909.80</b>

**11. SHORT TERM INVESTMENT**

<b>Description</b>	<b>2021-2021</b>
	<b>Ksh</b>
Cooperative shares	
Treasury Bills	
Fixed deposit	
Equity stock	
Other investments	
<b>Total</b>	

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**12. ACCOUNTS RECEIVABLE**

<b>Description</b>	<b>2020-2021</b>
	<b>Ksh</b>
Fees arrears	4,471,163.00
Other non-fees receivables	-
Salary advances	-
Imprest	-
<b>Total</b>	<b>4,471,163.00</b>

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

<b>Description</b>	<b>2020-2021</b>
	<b>Ksh</b>
Fees arrears for current year	1,612,001.00
Fees arrears for the previous year	3,973,352.00
Less recoveries	(1,114,190.00)
<b>Total</b>	<b>4,471,163.00</b>

**13. ACCOUNTS PAYABLE**

<b>Description</b>	<b>2020-2021</b>
	<b>Kshs</b>
Trade creditors (See ageing below and appendix 1)	3,967,331.80
Prepaid fees	381,161.00
Retention monies	-
<b>Total</b>	<b>4,348,492.80</b>

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

<b>Description</b>	<b>2020-2021</b>
	<b>Kshs</b>
Trade creditors for current year	2,657,616.80
Trade creditors for the previous year	418,800.00
Trade creditors for prior periods (over two years)	890,915.00
<b>Total</b>	<b>3,967,331.80</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**14 FUND BALANCE BROUGHT FORWARD**

<b>Description</b>	<b>2020-2021</b>
	<b>Kshs</b>
Bank balances	217,204.01
Cash balances	1,165.80
Short Term Investments	-
Receivables	4,471,163.00
Payables	(4,348,492.80)
<b>Total</b>	<b>341,040.01</b>

**Other important disclosure notes**

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

**15 Non-current Liabilities Summary**

<b>Description</b>	<b>2020-2021</b>
	<b>Kshs</b>
Bank loan(s)	-
Outstanding Leases	-
Hire purchase	-
Gratuity and leave provision	-
<b>Total</b>	<b>-</b>

**16 Biological assets**

<b>Description</b>	<b>Numbers</b>	<b>2020-2021</b>
		<b>Kshs</b>
Cattle	7	Valuation on-going
Goats	6	Valuation on-going
Trees	150	Valuation on-going
Sheep's	8	Valuation on-going
pigs	58	Valuation on-going
Poultry	5	Valuation on-going
<b>Total</b>		

**17 Borrowings**

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

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**Other important disclosure notes**

**18 Stock/ Inventory**

<b>Description</b>	<b>2020-2021</b>
	<b>Ksh</b>
<b>b) Borrowings</b>	
Stock/ inventory at beginning of the year	Valuation on-going
Stock/ inventory purchased during the year	Valuation on-going
Stock/ inventory issued during the year	Valuation on-going
<b>Balance at end of the year</b>	Valuation on-going



**19 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.

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

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**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Comments
	a	b	c	d=a-c	
	Ksh	Ksh	Ksh	Ksh	
<b>Construction of buildings</b>			0		
1. Brummy construction	307,500.00	2021	0	307,500.00	
2. Kem lab Supplier	69,240.00	2021	0	69,240.00	
3. Mwangaza school supplies	161,800.00	2021	0	161,800.00	
4. Joy lab school supplies	152,100.00	2021	0	152,100.00	
<b>Sub-Total</b>				<b>690,640.00</b>	
<b>Supply of goods</b>					
5. Rachael Wanja Mwangi	304,000.00	2021	0	304,000.00	
6. Peter warui Mwangi	245,000.00	2021	0	245,000.00	
7. Mwangaza school supplies	245,802.00	2021	0	245,802.00	
8. Ngawae company limited	236,965.00	2021	0	236,325.00	
9. Liwaka computers	120,750.00	2019	0	120,750.00	
10. Latima investment			0	290,300.00	
11. Charity Wamuyu	22,260.00	2020	0	22,260.00	
12. Christopher Mutahi	44,000.00	2020	0	44,000.00	
13. Liwaka Stationaries	577,165.00	2019	0	577,165.00	
14. Isaac Wachira	193,000.00	2019	0	193,000.00	
<b>Sub-Total</b>				<b>2,278,602.00</b>	
<b>Supply of services</b>			0		
15. Nyeri Water sewerage CO	132,258.00	2021	0	132,258.00	
16. Geoffrey Karimi Wambugu	105,250.00	2021	0	105,250.00	
17. Warutere Associates and advocates	433,931.80	2021	0	433,931.80	
18. Lichi Security Services	104,000.00	2021	0	104,000.00	
19. Charles Njogu Weru	66,600.00	2021	0	66,600.00	
20. Software For School	84,500.00	2020	0	84,500.00	
21. Charles Maina Theuri	70,550.00	2021	0	70,550.00	
22.				<b>998,089.80</b>	
<b>Grand Total</b>				<b>3,967,331.80</b>	

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**ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER**

<b>Asset class</b>	<b>Date purchased</b>	<b>Location</b>	<b>Historical Cost b/f (Kshs) 1<sup>st</sup> July 2020</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost c/f (Kshs) 30<sup>th</sup> June 2021</b>
Land 1						Valuation on-going
Land 2						Valuation on-going
Buildings and structures						Valuation on-going
Motor vehicles						Valuation on-going
Office equipment, furniture and fittings						Valuation on-going
ICT Equipment, and Other ICT Assets						Valuation on-going
Tools and apparatus						Valuation on-going
Textbooks						Valuation on-going
Other Machinery and Equipment						Valuation on-going
Heritage and cultural assets						Valuation on-going
Intangible assets- soft ware						Valuation on-going
<b>Total</b>						Valuation on-going

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