

REPUBLIC OF KENYA



*Enhancing Accountability*

THE NATIONAL ASSEMBLY  
PAPERS LAID

**REPORT**

DATE: 25 NOV 2024

DAY:

Tuesday

TABLED

BY: OF

CLERK-AT  
THE-TABLE:

Hon. Naomi Wago  
Deputy Majority Whip  
Lorale

PARLIAMENT  
OF KENYA  
LIBRARY

**THE AUDITOR-GENERAL**

**ON**

**GATHIRU-INI SECONDARY SCHOOL**

**FOR THE YEAR ENDED**

**30 JUNE, 2023**

**KIAMBU COUNTY**



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

19 NOV 2024

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## GATHIRU-INI SECONDARY SCHOOL

### ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30<sup>TH</sup> JUNE 2023

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

**GATHIRU-INI SECONDARY SCHOOL**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

TABLE OF CONTENTS

Page

1.	Acronyms and Glossary of Terms.....	ii
2.	Key School Information and Management .....	iii
3.	Summary Report of Performance of the School .....	vii
4.	Statement of School Management Responsibility .....	x
5.	Report Of The Independent Auditors (To be attached) .....	xii
6.	Statement of Receipts and Payments for the Year Ended 30th June 2023.....	1
7.	Statement of Assets & liabilities for the Year Ended 30th June 2023.....	2
8.	Statement of Cash Flows for the year Ended 30th June 2023.....	4
9.	Statement of Budgeted Versus Actual Amounts for the Year Ended 30th June 2023...	6
10.	Significant Accounting Policies.....	12
11.	Notes To The Financial Statements.....	14
12.	Annexes .....	25

**Table of Contents**

Page

1. Acronyms and Glossary of Terms .....	ii II
6. Statement Of Receipts and Payments For the Year Ended 30 <sup>th</sup> June 2023 .....	1
7. Statement of Assets and Liabilities As At 30 <sup>th</sup> June 2023 .....	2
8. Statement of Cash Flows for the Year Ended 30 <sup>th</sup> June 2023 .....	4
9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30 <sup>th</sup> June 2023 .....	6
10. Significant Accounting Policies .....	12
11. Notes To The Financial Statements.....	14
12. Annexes .....	25
2. Key School Information and Management .....	iii
3. Summary Report of Performance of The School .....	vii
4. Statement of School Management Responsibility .....	xii
5. Report Of The Independent Auditors ( <i>To be attached</i> ) .....	xiii

**1. Acronyms and Glossary of Terms**

BOM	Board of Management
CEB	County Education Board
CDF	Constituency development fund
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
FY	Financial Year
FDSE	Free Day Secondary Education
IMF	Infrastructure Maintenance Fund

**2. Key School Information and Management****a) Background information**

**Gathiruini Secondary** school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is located in Kiambu County, Githunguri Sub-county.

Gathiru-ini Secondary School was started in 1966 as a mixed day school with a single stream to help ease secondary school placement for local boys and girls under sponsorship of Presbyterian Church of East Africa (P.C.E.A church). It's a Boys school which sits on a twenty three (23) acres land. It was one of the first Harambee Secondary Schools started in Kenya.

In 1972 with the introduction of Government classes, the school increased its enrolment and it became a two stream school. The school enrolment continued to increase every year raising the population of the school.

In 1978 due to the increasing enrolment, it was found being necessary to introduce a third stream to meet the demand of secondary education. The first group of students sat for EACE Examination in the year 1969. All along the school continued to be a mixed day school until 1987 when girls were phased out making it a Boys school. The school continued to grow as a Boys school until in the year 2009 when it became a full pledged Boys boarding school.

Gathiru-ini Secondary School has 756 students as 30th June 2023. It has four streams. The number of teaching staff is 33 out of which 4 are employed by the BOM. The number of support staff is 24.

**(a) 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:

1	DR. DANIEL WAMBIRI	BOM Chairman	7/3/2022
2	MR. NJOROGE W. JOHNSTONE	BOM Secretary - Principal	1/3/2023
3	SIMON KIARIE	BOM Member - Sponsor	7/3/2022
4	MS. LUCY NJUGUNA	BOM Member - Sponsor	7/3/2022
5	MR. GEORGE KARIUKI	BOM Member – Rep CEB	7/3/2022
6	DANIEL TANYAI	BOM Member-Parents and local community	7/3/2022

7	MR. JAMES NJOROGE	BOM Member-Parents and local community	7/3/2022
8	MR. KELVIN JUMA	BOM Member-Parents and local community	7/3/2022
9	DR. ESTHER MUNGAI	BOM Member-Parents and local community	7/3/2022
10	EVELYN MUCHOKI	BOM Member-Parents and local community	7/3/2022
11	PROF. RUTH WANJAU	BOM Member-Parents and local community	7/3/2022
12	DR. WAWERU MATHERU	BOM Member – special needs	7/3/2022
13	JOSPHAT KARANJA	BOM Member – special interest	7/3/2022
14	MS. GRACE MBUGUA	Bom member –co-opted	7/3/2022
15	SAMUEL KIBURI	Bom member –co-opted	7/3/2022

**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.

(b) Committees of the Board

1	Executive Committee	i. Dr. Daniel Wambiri	Chairperson	1 out of 1
		ii. Njoroge W. Johnstone	Member	1 out of 1
		iii. Kelvin Osayo	Member	1 out of 1
		iv. Lucy Njuguna	Member	1 out of 1
		v. Dr peter Matheru	Member	1 out of 1
2	Finance and Audit Committee	i. Dr. Daniel Wambiri	Chairperson	1 out of 1
		ii. MS. Grace Mbugua	Member	1 out of 1
		iii. Mr. Kelvin Juma	Member	1 out of 1
		iv. Prof. RuthaWanjau	Member	1 out of 1
3	Academic Committee	i. Ms Lucy	Chairperson	1 out of 1
		ii. NjugunaNjoroge W.	Member	1 out of 1
		iii.iv. Johnstone	Member	1 out of 1
		Prof. Ruth Wanjau Kenneth Mwaura	Member	1 out of 1
4	Development Committee/infrastructure	i. Dr peter Matheru	Chairperson	1 out of 1
		ii.iii. Mr. Simon Kiarie	Member	1 out of 1
		iv. Njoroge W. Johnstone	Member	1 out of 1
		v. Mr. Kelvin Juma	Membermember	1 out of 1
		SCDE		1 out of 1



5	Discipline ,Ethics and Integrity, human rights and students' welfare committee	i. Samuel Kiburi	Chairperson	1 out of 1
		ii.iii. Ms. Grace Mbugua	Member	1 out of 1
		iv. Mrs Lucy Njuguna	Member	1 out of 1
		Mr. Kelvin Juma	Member	1 out of 1

**(c) School operation Management**

For the financial year ended 30<sup>th</sup> June 2023 the School day-to-day management was under the following persons:

1	Principal	Johnstone w. Njoroge	TSC No. 358185
2	Deputy Principal	Yonahobwage	TSC No. 406075
3	School bursar	Paul Mwaura	ICPAK No. N/A

**(e) Schools contacts**

Post Office Box: 224 RUIRU  
 Phone: 020 260 4473  
 E-mail: gathiruiniboy@gmail.com  
 Facebook: N/A  
 Website: N/A

**(f) School Bankers**

The following school operated 4 number of bank accounts in the following banks

1. Name of Bank: KCB  
 Branch: Githunguri  
 Account Number: 1102685275(Operations A/C)
2. Name of Bank: KCB  
 Branch: Githunguri  
 Account Number: 1102678449. (School fund A/C/Boarding account)
3. Name of Bank: KCB  
 Branch: Githunguri  
 Account Number: 1254950419(Infrastructure A/C)
4. Name of Bank: KCB  
 Branch: Githunguri  
 Account Number: 1102684686 (Tuition A/C)

(g) Independent Auditors  
Office of the Auditor General  
Anniversary Towers, University Way  
P.O.Box 30084 GOP  
00100  
Nairobi, Kenya

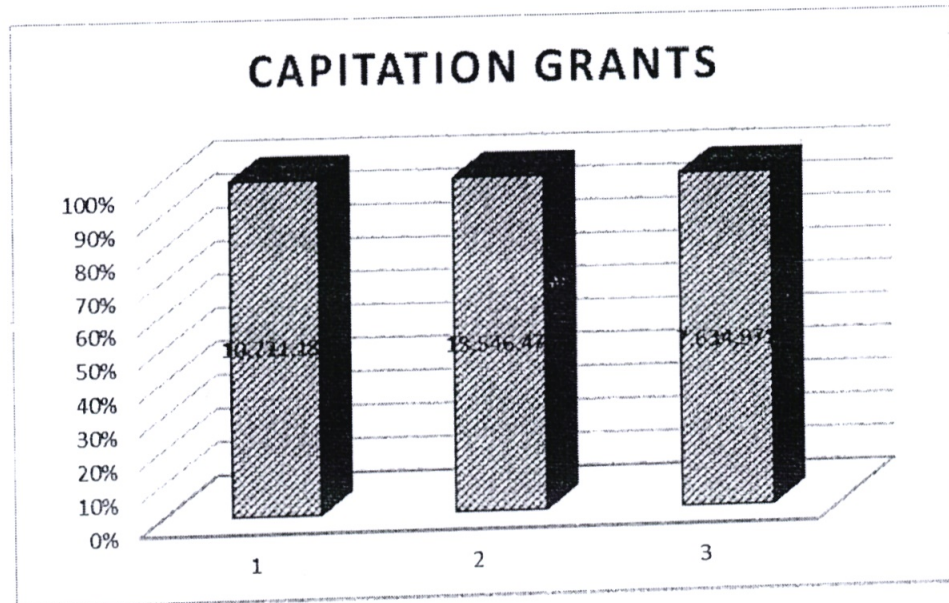
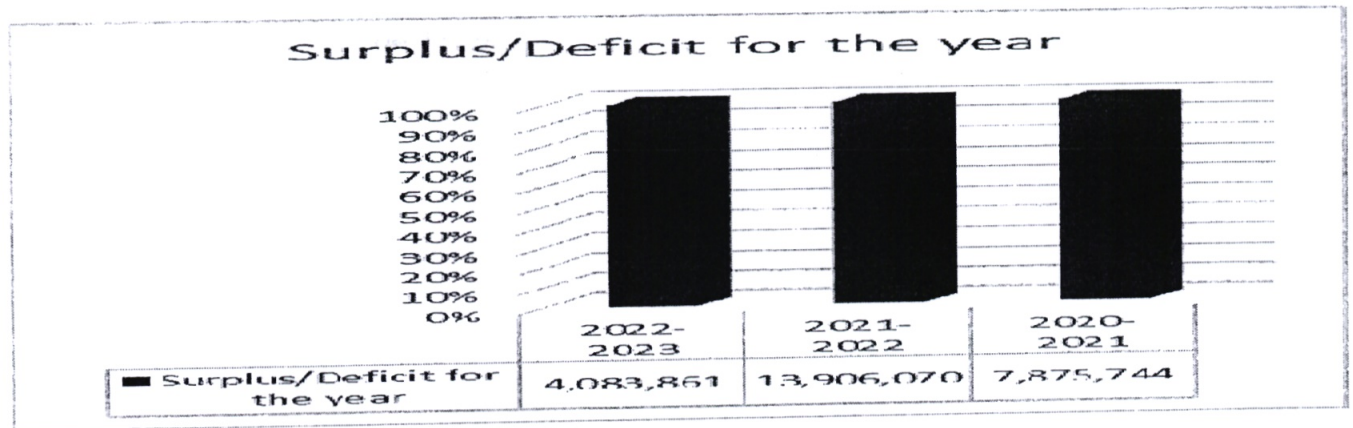
### 3. Summary Report of Performance of The School

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

#### a) Financial performance:

DETAILS	2022/2023	2021/2022	JAN-JUNE 2021
Surplus/Deficit for the year	4,083,861	13,906,070	7,875,744
Capitation grants	10,721,180	13,546,475	7,634,971
Ratio of capitation grant per student	1:14,181	1:18,276	10,180
Overview of growth of other income earned by the school	34,644,736	50,986,140	26,594,101
Overview of growth in expenditure of the school	55,188,126	59,747,573	26,353,327
Movement of debtors of the school	22,496,075	18,059,671	13,966,221
Movement of creditors of the school	17,673,858	13,966,221	19,100,709
Movement of cash balances	38,492	3,300	4,846
Movement of bank balances	(776,849)	1,432,527	1,199,193

GRAPHICAL PRESENTATION OF FINANCIAL PERFORMANCE.



b) **Teacher Student ratio:**

□The teacher to student ratio as at 30<sup>th</sup> June 2023 was 1:27 □The teachers in Each subject were as follows:

SUBJECT	NO OF TEACHERS
MATHEMATICS	8
ENGLISH	8
KISWAHILI	6
BIOLOGY	4
CHEMISTRY	8
PHYSICS	4

**GATHIRU-INI SECONDARY SCHOOL****Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

GEOGRAPHY	4
HISTORY & GOVERNMENT	5
CRE	5
BUSINESS STUDIES	2
AGRICULTURE	5
COMPUTER STUDIES	1
PHYSICAL EDUCATION	0

**c) Mean score in the 2023 KCSE:**

	2023	2022	2021	2020
<b>MEAN SCORE</b>	3.8	3.81	3.57	4.48
<b>comments</b>	School mean target of 5 not achieved	School mean target of 5 not achieved	School mean target of 5 not achieved	Slight improvement
<b>Students admitted to universities</b>	8	10	12	9
<b>Students admitted to colleges</b>	85	60	73	43
<b>Students admitted to vocational/technical institution</b>	43	8	6	25

**d) Number of Candidates in the 2023 KCSE:**

YEAR	NO OF CANDIDATES
2023	203
2022	121
2021	154
2020	123

**e) Capacity of the school:**

NO OF STUDENTS	FACILITY	NO OF FACILITIES
<b>756</b>	Classroom	16
	Laboratory	2
	Dorms	12
	Beds	382
	Lockers	756
	Chairs	756
	Pit Latrine	18

School bus	1
School Van	1
Bathrooms	21
Urinals	8
Classes	16
Computer Lab	1
Science Lab	2
Dining Hall	1
Undergoing Lab	1
Library	1
Administration Block	1
Generators	2
TV Set	3
Water Pump	1
Teachers Hostels	16

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

Construction of 2 CBC Classroom	Ministry of education	complete	2,180,000	781,015 ( Balance covered by the MOE through CBC program)	complete
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School Principal

*George J.W.*

**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.

**GATHIRU-INI SECONDARY SCHOOL**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

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

.....  
Daniel Wambiri

Name:

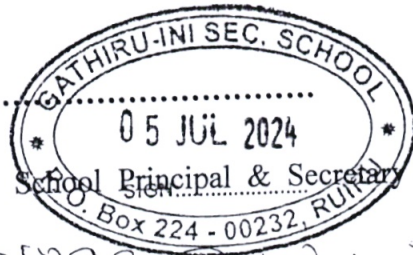
Designation: Chairman, School Board of Management

Date:

.....  
Name:

Designation: School Principal & Secretary to Board of Management

Date:



.....  
Paul Mwaure

Name:

Designation: Bursar/ Finance Officer

Date:

**5. Report Of The Independent Auditors *(To be attached)***

4. Statement of School Management Responsibility

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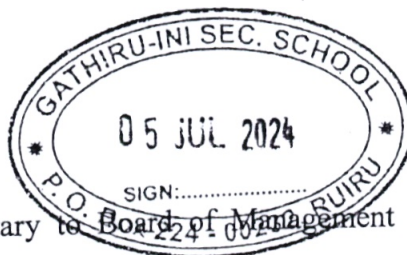
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.....  
**Name:** Prof. Daniel W. Muthoo  
**Designation:** Chairman, School Board of Management  
**Date:**

(Handwritten signature)

.....  
**Name:**  
**Designation:** School Principal & Secretary to Board of Management  
**Date:** 14/06/2024



.....  
**Name:**  
**Designation:** Bursar/ Finance Officer  
**Date:**

(Handwritten signature)



# REPUBLIC OF KENYA

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

## REPORT OF THE AUDITOR-GENERAL ON GATHIRU-INI SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 – KIAMBU 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 Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Gathiru-ini Secondary School - Kiambu County set out on pages 1 to 31, which comprise the statement of assets and

liabilities as at 30 June, 2023 and the statement of receipts and payments, statement of cash flows, 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 Gathiru-ini Secondary School - Kiambu County as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with 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. Accuracy and Presentation of Financial Statements**

- i. The statement of cash flows reflects an unexplained and an unsupported adjustments in respect to accounts receivables and accounts payables balance of Kshs.12,084,430 and Kshs.(4,436,404) respectively.
- ii. The table of contents was not properly aligned with the statement of the school management responsibility and the report of the independent Auditor.
- iii. Annex 2 reflects assets totalling Kshs.8,797,036 however, re-computation of the same revealed to Kshs.7,245,936 resulting to unreconciled and unexplained variance of Kshs.1,551,100.
- iv. The statement of budgeted versus actual amounts reflects original budget of Kshs.51,899,416 while final budget expenditure reflects Kshs.48,749,416 however, the movement has not been disclosed.

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

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

The statement of assets and liabilities and as disclosed in Note 10 to the financial statements reflects a balance of Kshs.2,041,998 in respect to bank balances as at 30 June, 2023 which includes Kshs.83,245 held in a local savings account which was not supported with a cashbook, bank statements, monthly bank reconciliation statements and certificate of bank balance as at 30 June, 2023.

Further, the statement of assets and liabilities and as disclosed in Note 11 to the financial statements reflects a balance of Kshs.38,492 in respect to cash balances which represents notes and coins held in the school as at 30 June, 2023. However, Management did not provide Board of survey report to confirm the balance. In addition, review of the cash column of available cash books revealed that the School had cash

balances totalling Kshs.81,987 in three (3) accounts resulting to an unreconciled variance of Kshs.43,495.

In the circumstances, the accuracy and completeness of cash in hand balance of Kshs.38,492 could not be confirmed.

### **3. Accounts Receivables**

#### **3.1 Variances in Accounts Receivables**

The statement of assets and liabilities reflects accounts receivable balances of Kshs.22,796,075.65 as disclosed in Note 13 to the financial statements. However, re-computation of the movement in the accounts receivables made up of an opening balance of Kshs.18,059,671 total amount for the period of Kshs.48,184,763.05 and total actual receipts for the period of Kshs.48,184,763.05 results to a balance of Kshs.18,059,671 leading to unreconciled and unexplained variance of Kshs.4,436,404.65.

#### **3.2 Long Outstanding Student Accounts Receivables**

The statement of assets and financial liabilities reflects accounts receivables balance of Kshs.22,496,076 in respect of fees arrears as disclosed in Note 13 to the financial statements. Included in the balance are receivables amounting to Kshs.13,382,121 which had been outstanding for more than three (3) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.22,496,076 could not be confirmed.

### **4. Accounts Payables**

#### **4.1 Unsupported Accounts Payables**

The statement of assets and liabilities and as disclosed in Note 14 to the financial statement reflects a balance of Kshs.17,673,858 in respect to accounts payables which includes a balance of Kshs.15,705,210 in respect to trade creditors which further includes a balance of Kshs.1,073,771 owing to creditors which has been outstanding for more than three (3) years. The balance of Kshs.17,673,858 was not supported by ledgers, invoices and account statements were not provided for audit.

#### **4.2 Variance in Accounts Payable**

The statement of assets and liabilities reflects accounts payables balances of Kshs.17,673,858 as disclosed in Note 14 to the financial statements. However, re-computation of the movement made up of an opening balance of Kshs.5,589,428 total amount for the period of kshs.55,188,125 and total actual payments for the period of

Kshs.54,407,060 results to a balance of Kshs.6,370,493 leading to an unreconciled and unexplained variance of Kshs.11,303,364.

In the circumstances, the accuracy and completeness of the accounts payables balance of Kshs.17,673,858 could not be confirmed.

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

### **Key Audit Matters**

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

### **Other Matter**

### **Unresolved Prior Year Matters**

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

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

As required by Article 229(6) of the Constitution, 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. Un-Balanced Budget**

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.45,399,416 and Kshs.48,749,416 in respect to approved revenue and expenditure respectively resulting to a variance of Kshs.3,350,000 contrary to Section 33(c) of the Public Finance Management (National Government) Regulations, 2015 which states that budget revenue and expenditure appropriations shall be balanced.

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

## **2. Un Approved Expenditure**

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.45,399,416 and Kshs.48,184,763.05 respectively, resulting to overfunding of Kshs.2,785,347.05 or 6% of the budget. Similarly, the school expended Kshs.59,405,827 against an approved budget of Kshs.48,749,416 resulting to over-expenditure of Kshs.1,914,920 or 4 % of the budget. This was contrary to Regulations 40(2) of the Public Finance Management (National Government) Regulations, 2015 stipulates that each Accounting Officer prior to incurring any expenditure under paragraph (1), Accounting Officers shall seek the approval of the National Treasury, and if approval is granted by the Cabinet Secretary, it shall be communicated to the Accounting Officers through a notification which shall be copied to the Auditor-General and the Controller of Budget.

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

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

During the year under review, Management submitted the financial statements to the Auditor-General on 18 April, 2023 which was after the statutory date of 30 September, 2022. This is contrary to Section 47(1) of the Public Audit Act, 2015 which requires financial statements to be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.

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

## **4. Failure to Transfer of Infrastructure Funds from the Operations Bank Account**

The statement of receipts and payments reflects operations grants amount of Kshs.8,730,218 as disclosed in Notes 2 and 3 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.2,920,000 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.1,931,000 was transferred to infrastructure account, leaving a balance of Kshs.989,000 as at 30 June, 2023. This was contrary to Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 directs that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen days upon receipt of the funds in the operations account.

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

## **5. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association**

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.41,365,491.50 as disclosed in Note 9 to the financial statements. Included in the expenditure is an amount of Kshs.789,500 transferred to Kenya

Secondary Schools 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.789,500 could not be confirmed.

## **6. Lack of 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 law.

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

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

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

### **Basis for Conclusion**

#### **1. Untagged Assets**

Physical verification of assets done in May, 2024 revealed that the school has several fixed assets that have been acquired over some time and all of the assets have not been coded/tagged with unique identification codes.

In the circumstances, the effectiveness of safeguarding the assets owned by the school could not be confirmed.

## **2. Failure to Maintain Bursaries/Scholarships Vote Head**

During the year, the school received bursary disbursements and scholarships from the National Government Constituencies Development Fund and other donors in respect to needy students. However, Management did not maintain a list of beneficiaries for both bursary grants and scholarships indicating the name of beneficiary, admission number, amount received and the financier/ donors during the year. This is contrary to Regulation 100(1) of the Public Finance Management (National Government) Regulations, 2015 provides that Accounting Officers shall keep in all offices concerned with receiving cash or making payments a cash book showing the receipts and payments and shall maintain such other books and registers as may be necessary for the proper maintenance and production of the accounts of the Vote for which he or she is responsible.

In the circumstances, the effectiveness of monitoring of bursary and scholarship funds could not be confirmed.

## **3. Shortage of Textbooks**

Review of the school's library records revealed that there was a shortage in respect to various set books used by form three and form four students. The total number of learners in form three and form four in the year was five hundred and fifty-nine (559) whereas there were only four hundred and twenty-four (424) copies of each of the eight set books resulting in a deficit of one hundred and thirty-five (135) books per set book.

In the circumstances, the inadequate students per book ratio may inconvenience learners hence affecting their academic performance.

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

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

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

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



amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

**Nairobi**

**19 September, 2024**

6. Statement of Receipts and Payments For the Year Ended 30<sup>th</sup> June 2023

Receipts			
Government grants for tuition	1	1,990,962	2,503,472
Government grants for operations	2	6,799,218	7,417,805
Government Grants for infrastructure	3	1,931,000	3,625,198
School fund income- parents' contributions	4	37,463,583.05	50,986,140
Miscellaneous incomes	5	-	-
<b>Total Receipts</b>		<b>48,184,763.05</b>	<b>64,532,615</b>
Payments			
Tuition	6	4,002,491	2,465,418
Operations	7	9,039,077.85	8,048,583.00
Infrastructure	8	781,065.00	3,292,460.00
Boarding and school fund	9	41,365,491.50	45,941,112
<b>Total Payments</b>		<b>55,188,125.85</b>	<b>59,747,573</b>
<b>Surplus/Deficit</b>		<b>(7,003,362.30)</b>	<b>4,785,042</b>

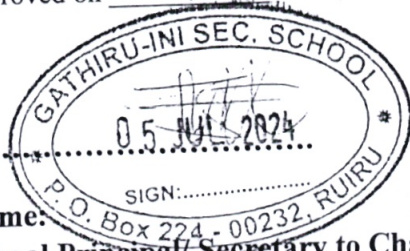
The school financial statements were approved on 05/07 2024 and signed by:

Paul Mwaura

Name: Paul Mwaura

Bursar/ Finance Officer

Date: 05/07/24



Name: Mwonge J.W  
School Principal/ Secretary to Chair BOM

Date: 05/07/24

Mr. Daniel wambiri

Name: Mr. Daniel wambiri  
BOM

Date: 05/07/24

**GATHIRU-INI SECONDARY SCHOOL**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

**7. Statement of Assets and Liabilities As At 30<sup>th</sup> June 2023**

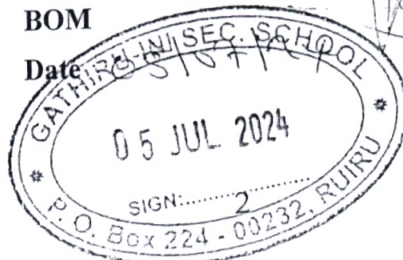
<b>Financial Assets</b>			
<b>Cash and cash equivalents</b>			
Bank balances	10	2,041,998.05	1,432,527
Cash balances	11	38,492	3,300
Short term investments	12	-	-
<b>Total cash and cash equivalent</b>		<b><u>2,080,490.05</u></b>	<b><u>1,435,827</u></b>
Account's receivables	13	22,496,075.65	18,059,671
<b>Total financial assets</b>		<b><u>24,576,565.70</u></b>	<b><u>19,495,498</u></b>
<b>Financial liabilities</b>			
Accounts payables	14	17,673,858	5,589,428
<b>Net financial assets</b>		<b><u>6,902,708</u></b>	<b><u>13,906,070</u></b>
<b>Represented by</b>			
Accumulated fund b/fwd	15	13,906,070	9,121,028
Surplus/deficit for the year		(7,003,362)	4,785,042
<b>Net financial position</b>		<b><u>6,902,708</u></b>	<b><u>13,906,070</u></b>

The school's financial statements were approved on 05/07 2023 and signed by:

Name: [Signature]  
 Chair BOM  
 Date: 05/07/24

Name: Morgan J. W  
 School Principal/ Secretary to  
 BOM  
 Date: [Signature]

Name: Paul Mwaure  
 Bursar/ Finance Officer  
 Date: [Signature]



:

8. Statement of Cash Flows for the Year Ended 30<sup>th</sup> June 2023

<b>Cash from Operating Activities</b>			
<b>Receipts</b>			
Government grants for tuition		1,990,962	2,503,472
Government grants for operations		6,799,218	7,417,805
Government grants for infrastructure		1,931,000	3,625,198
School fund income- parents contributions/ fees		37,463,583.05	50,986,140
Other income		-	-
<b>Total receipts</b>		<b>48,184,763.05</b>	<b>64,532,615</b>
<b>Payments</b>			
Cash outflows for tuition		4,002,491	2,465,418
Cash outflows for operations		9,039,077.85	8,048,583
Cash outflows Boarding/lunch and school fund payments		41,365,491.50	45,941,112
<b>Total payments</b>		<b>54,407,060.65</b>	<b>56,455,113</b>
<b>Adjusted for</b>		<b>(4,436,404.65)</b>	<b>4,093,450</b>
Account receivable		12,084,430	(459,804)
Account payable			
<b>Net cash inflow/outflow from operating activities</b>		<b>1,425,728.05</b>	<b>3,524,248</b>
<b>Cash flow from investing activities</b>			
Acquisition of assets		(781,065)	(3,292,460)
Proceeds from sale of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
<b>Net cash inflow/outflows from investing activities</b>		<b>(781,065)</b>	<b>(3,292,460)</b>
<b>Cash flow from Financing activities</b>			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
<b>Net cash inflow/outflow from financing activities</b>		<b>-</b>	<b>-</b>

**GATHIRU-INI SECONDARY SCHOOL**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

<b>Net increase/decrease in cash and cash equivalents</b>		<b>644,663.05</b>	<b>231,788</b>
Cash and cash equivalent at beginning of the FY		1,435,827	1,204,039
<b>Cash and cash equivalent at end of the FY</b>		<b>2,080,490.05</b>	<b>1,435,827</b>

*Narration*

- Cash and Cash Equivalent is the summation of Note 11, 12 and 13.
- The above presentation of cash flow statement uses the direct method of cash flow presentation which is encouraged under IPSAS.

The school's financial statements were approved on 05/07 2024 and signed by:

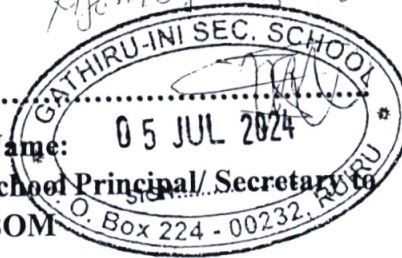
Dr. Daniel Wambui

Name:

Chair BOM

Date:

05/07/24



Name:

School Principal/Secretary to BOM

Date:

Paul Mwaaura

Name:

Bursar/ Finance Officer

Date:

05/07/24

**GATHIRU-INI SECONDARY SCHOOL****Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023****9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30<sup>th</sup> June 2023**

Statement Of Budgeted Versus Actual Amounts for The Year Ended 30 <sup>th</sup> June 2023					
Receipts					
<b>(1) Capitation Grant on Tuition</b>					
Teaching / Learning Materials	1,959,546	-	1,959,546	1990,962	100%
<b>(2) Capitation Grant on Operations</b>					
Personnel Emoluments	350,000	-	350,000	2,500,512	71%
Repairs And Maintenance	230,000	-	230,000	-	-
Local Transport / Travelling	673,000	-	673,000	500,000	74%
Electricity And Water	1,230,000	-	1,230,000	757,714	62%
Medical	230,000	-	230,000	37,800	16%
Administration Costs	2,355,820	-	2,355,820	2,103,191.75	60%
Activity	1,544,800	-	1,544,800	900,000	58%
<b>3) FDSE for infrastructure</b>					
Maintenance & Improvement MoE	2,300,000	-	2,300,000	1,931,000	84%
M&I parents' contribution	-	-	-	-	-
Economic Stimulus Programs	-	-	-	-	-



**GATHIRU-INI SECONDARY SCHOOL****Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

Transition Infrastructure Grants	-	-	-	-	-
Administration Block	-	-	-	-	-

<b>(4) Fees Charged on Parents</b>					
Personnel Emoluments	2,325,000		2,325,000	2,903,381	125%
Repairs And Maintenance	1,800,000		1,800,000	1,809,080	100%
Local Transport / Travelling	487,500		487,500	513,282	105%
Electricity And Water	3,675,000		3,675,000	3,687,567	100%
Medical	-		-	95,305	-
Administration Costs	1,387,500		1,387,500	1,077,940	78%
Activity	112,500		112,500	74,096	66%
Fee on Boarding Equipment and stores	20,538,750		20,538,750	23,412,067.05	73%
Uniform	4,200,000		4,200,000	3,890,865	93%
5) Other Income	-		-		-
<b>Total Income</b>	<b>45,399,416</b>		<b>45,399,416</b>	<b>48,184,763.05</b>	
<b>(6) Expenditure For Tuition</b>					
Text books					-
Exercise Books	300,000		300,000	1,029,420	83%
Laboratory equipment and apparatus	1,500,000		1,500,000	2,255,850	67%
Teaching / Learning Materials	1,959,546		1,959,546	400,959	17%

**GATHIRU-INI SECONDARY SCHOOL**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

Library Materials	1,570,000		1,570,000	313,148	22%
Internal Exams	100,000		100,000	-	-
Bank Charges	-		-	3,114	-



<b>(7) Expenditure For Operations</b>					
Personnel Emoluments	3,500,000	-	350,000	1,543,700	44%
Repairs And Maintenance	230,000	-	230,000	2,596,805	388%
Local Transport / Travelling	673,000	-	673,000	273,679	41%
Electricity And Water	1,230,000	-	1,230,000	505,000	51%
Medical	230,000	-	230,000	-	0%
Administration Costs	2,355,820	-	2,355,820	2,827,762.85	75%
Activity	1,544,800	-	1,544,800	1,034,300	53%
BES	-	-	-	257,831	0%
<b>(8) Expenditure For infrastructure</b>					
Construction of Classroom	2,180,000	-	2,180,000	781,065.00	36%
<b>(9) Expenditure For school fund/lunch/boarding</b>					
Personnel Emoluments	2,325,000		2,325,000	2,800,190	120%

**GATHIRU-INI SECONDARY SCHOOL****Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

Repairs And Maintenance	1,800,000		1,800,000	3,856,709	214%
Local Transport / Travelling	487,500		487,500	2,177,744	447%
Electricity And Water	3,675,000		3,675,000	1,199,567	33%
Medical	-		-	31,415	-
Administration Costs	1,387,500		1,387,500	3,458,238	249%
Activity	112,500		112,500	1,646,440	146%
Fee on Boarding Equipment and stores	20,538,750		20,538,750	21,374,312	84%
Uniform	4,200,000		4,200,000	4,417,889 0	19%
Insurance	-		-	140,168	-
Teaching Materials	-		-	150,000	0%
Bank Charges				6,919.50	0%
<b>Totals</b>	<b>51,899,416</b>		<b>48,749,416</b>	<b>50,664,336</b>	

*Commentary on significant underutilization (below 90% of utilization) and any overutilization above 100%*

**Comments**

- i. On the Capitation grant on Operational account under PE we have 71% of utilization since the government didn't disburse enough capitation as expected.**
- ii. On the Capitation grant on Operational account under LT&T we have 74% of utilization since the government didn't disburse enough capitation as expected.**
- iii. On the Capitation grant on Operational account under EWC we have 62% of utilization since the government didn't disburse enough capitation as expected.**
- iv. On the Capitation grant on Operational account under medical we have 16% of utilization since the government didn't disburse enough capitation as expected.**
- v. On the Capitation grant on Operational account under medical we have 18% of utilization since the government didn't disburse enough capitation as expected.**

**GATHIRU-INI SECONDARY SCHOOL**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

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- vi. On the Capitation grant on Operational account under administration costs we have 60% of utilization since the government didn't disburse enough capitation as expected.
- vii. On the Capitation grant on Operational account under activity we have a 58% of utilization since the government didn't disburse enough capitation as expected. viii. On the Capitation grant on FDSE for infrastructure we had 84% of utilization due to receiving of less capitation for infrastructure development from the government.
- ix. On the fees charged on parents under Personnel emoluments we have a 125% of utilization. This is because the most of the parents were able to clear fees balances.
- x. On the fees charged on parents under LT&t we have a 105% of utilization. This is because the most of the parents were able to clear fees balances.
- xi. On the fees charged on parents under administration costs we have a 78% of utilization. This is because some parents were not able to clear fees balances.
- xii. On the fees charged on parents under activity costs we have a 66% of utilization. This is because some parents were not able to clear fees balances.
- xiii. On the fees charged on parents under BES we have a 73% of utilization. This is because some parents were not able to clear fees balances.
- xiv. On the Payments on tuition under exercise books, teaching and learning materials and library materials we have 83%, 17% and 22% respectively of utilization. This is because some of the teaching and learning materials (exercise books and printing papers) we had planned to purchase were not purchased because of low capitation from the government.
- xv. On the Payments on tuition under laboratory materials and equipment we have 67% of utilization. This is because some of the laboratory chemicals and equipment we had planned to purchase were not purchased because of low capitation from the government.
- xvi. On the payments on Operational account under PE we have a 44% of utilization. The expenditure we had budgeted for was based on the full distribution of capitation which was not the case, we therefore used school fund account to pay for salaries to office workers.
- xvii. On the payments on Operational account under repairs we have a 388% of utilization. The expenditure we had budgeted was below the actual expenditure because we had an urgent repairs which had to be done and had not been budgeted for. xviii. On the payments on Operational account under LT&T we have a 41% of utilization. The expenditure we had budgeted for was based on the full distribution of capitation.
- xix. On the payments on Operational account under EWC we have a 51% of utilization. The expenditure on the votehead was reduced and was facilitated by the school fund account.

- xx. On the payments on Operational account under medical we have a 0% of utilization since there no cases of medical issues at school.
- xxi. On the payments on Operational account under administration we have a 75% of utilization since the government didn't disburse all the money for administration as expected.
- xxii. On the payments on Operational account under activity we have a 53% of utilization since the government didn't disburse all the money for activity.
- xxiii. On the payments on infrastructure under classroom construction we have a 36% of utilization since we were requested to pay only the 36 percent of the cost of the classroom and the rest to be catered for by the ministry of education under CBC program. xxiv. On the expenditure for school fund under personnel emoluments we have a 120% of utilization. Some workers who were supposed to be paid using operations account were paid using school fund due to inadequate funds in the operations account.
- xxv. On the expenditure for school fund under repairs we have a 214% of utilization. The expenditure we had budgeted was below the actual expenditure because we had an urgent repairs which had to be done and had not been budgeted for. xxvi. On the expenditure for school fund under LT&T we have a 447% of utilization. There were increased activities than we had anticipated and this required transport facilitation. xxvii. On the expenditure for school fund under EWC we have a 33% of utilization. The parents did not clear fees balances and therefore we could not pay our suppliers on time.
- xxviii. On the expenditure for school fund under administration we have a 249% of utilization. There were more administration expenditure such as frequent repairs of office machinery among other. This are issues which cropped up but had not been planned for leading to exhaustion of our vote head for administration. xxix. On the expenditure for school fund under activity we have a 146% of utilization. Games activities were many and consumed a lot of money than we had anticipated.
- xxx. On the expenditure for school fund under BES we have 84% of utilization. This is because we couldn't collect enough money from parents and therefore we had to reduce our expenditure.

**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 2023.

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

Teaching / Learning Materials	1,990,962.25	1,958,872
Ref/Library materials	-	544,600
<b>Total</b>	<b>1,990,962.25</b>	<b>2,503,472</b>

**2 Government Grants for Operations**

Personnel Emoluments	2,500,512	4,888,414.60
Repairs And Maintenance	-	-
Local Transport / Travelling	500,000	431,390.60
Electricity And Water	757,714.20	300,000.00
Medical	37,800	-
Administration Costs	2,103,191.75	1,798,000.00
Activity	900,000	-
<b>Total</b>	<b>6,799,218</b>	<b>7,417,805</b>



**3 Government Grants for infrastructure**

Maintenance & Improvement	1,931,000	3,625,198
<b>Total</b>	<b>1,931,000</b>	<b>3,625,198</b>

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

BES & Stores	23,412,067.05	35,482,090
Personal emoluments	2,903,381	2,777,517
R.M and Improvements	1,809,080	4,576,749
Activity	74,096	1,526,041
E.W and conservancy	3,687,567	2,103,920
LT&T	513,282	1,955,705
Administration	1,077,940	1,710,068
medical	95,305	-
Uniforms	3,890,865	854,050.00
<b>Total</b>	<b>37,463,583.05</b>	<b>50,986,140</b>

**5 Miscellaneous Incomes**

Rent Income	-	-
Income From Farming Activities	-	-
Insurance Compensation	-	-
<b>Total</b>	-	-

**6 Tuition expenditure**

Exercise books	1,029,420	1,070,046
Lab chemicals & equipment	2,255,850	490,685
Teaching /learning materials	400,959	555,205
Library/reference materials	313,148	348,000
Bank charges	3,114	1,482
<b>Total</b>	<b>4,002,491</b>	<b>2,465,418</b>

**7 Operations expenditure**

Administration cost	2,827,762.85	1,932,484
Personal Emoluments	1,543,700	4,392,363
LT&T	273,679	337,040
E.W.C	505,000	108,580
RMI	2,596,805	742,435
Activity	1,034,300	273,935
Medical	-	31,960
BES	257,831	190,886
Exams	-	38,900
<b>Total</b>	<b>9,039,077.85</b>	<b>8,048,583,</b>

**8 Infrastructure expenditure**

Construction of one classroom	781,065.00	3,292,460
<b>Total</b>	<b>781,065.00</b>	<b>3,292,460</b>

**9 Boarding and School Fund expenditure**

BES & Stores	21,374,312	31,902,747
Personal emoluments	2,800,190	1,962,529
R.M and Improvements	3,856,709	4,842,380
Medical	31,415	94,730
E.W and conservancy	1,199,567	995,975
LT&T	2,177,744	1,925,474

**GATHIRU-INI SECONDARY SCHOOL****Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

Administration	3,458,238	3,046,537
Uniform	4,417,889	1,093,780
Exams	29,900	-
SES	-	76,960
Activity	1,646,440	-
Insurance	140,168	-
Teaching Materials	150,000	-
fees refund	76,000	-
bank charges	6,919.50	-
School Farm	-	
<b>TOTAL</b>	<b>41,365,491.50</b>	<b>45,941,112</b>

**10. Bank Accounts**

Operations account	Active	1102685275 (KCB Githunguri branch)	264,290.60	43,990.50
School fund /Boarding Account	Active	1102678449 (KCB Githunguri branch)	1,175,941	1,239,446
Tuition Account	Active	1102684686 (KCB Githunguri branch)	39,025.50	21,284.25
Infrastructure Account	Active	1254950419 (KCB Githunguri branch)	479,495.00	44,560.00
Savings Account	Dormant	1102093556 (KCB Githunguri branch)	83,245.95	83,245.95
<b>Total</b>			<b>2,041,998.05</b>	<b>1,432,527</b>

**11. Cash In Hand**

Notes and Coins	38,492	3,300
<b>Total</b>	<b>38,492</b>	<b>3,300</b>

**Notes to the Financial Statements (continued)**

**12. Short Term Investments**

Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit accounts	-	-
Other Investments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**13. Accounts Receivable**

Fees Arrears	22,496,075.65	18,059,671
<b>Other Non-Fees Receivables</b>		
Salary Advances (list/schedule attached)	-	-
Imprest (list/schedule attached)	-	-
Rent arrears (list/schedule attached)	-	-
<b>Total</b>	<b>22,496,075.65</b>	<b>18,059,671</b>

**13 b Ageing Analysis of Accounts Receivable**

	<b>Current FY</b>	<b>% of the total</b>	<b>Comparative FY</b>	<b>% of the total</b>
Less than 1 year	6,223,217	28%	4,677,648	26%
Between 1- 2 years	-	0%	-	0%
Between 2-3 years	2,890,738	13%	2,391,610	13%
Over 3 years	13,382,121	59%	10,990,511	61%
<b>Total</b>	<b>22,496,075.65</b>	<b>100%</b>	<b>18,059,769</b>	<b>100%</b>

**Notes to the Financial Statements (continued)**

**14. ACCOUNTS PAYABLE**

Trade Creditors (See Ageing Below and Appendix 1)	15,705,210	4,192,381
Prepaid Fees	272,149	1,090,224.00 -
Retention Monies	-	-
Unpaid salaries and statutory deductions	-	-
Caution money	-	-
Caution money	220,500	220,500
Pocket money	49,298	49,298
Computer project	21,025	21,025
Kinotesacco	16,000	16,000
Farm account	-	-
Water development	1,389,676	-
<b>Total</b>	<b>17,673,858</b>	<b>5,589,428</b>

## 14b. Ageing Analysis of Accounts Payable

	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	14,631,439	93%	2,619,591	63%
Between 1- 2 years	-	0%	-	0%
Between 2-3 years	-	0%	1,572,790	37%
Over 3 years	1,073,771	7%	-	0%
<b>Total</b>	<b>15,705,210</b>	<b>100%</b>	<b>4,192,381</b>	<b>100%</b>

## Notes to the Financial Statements (continued)

## 15. FUND BALANCE BROUGHT FORWARD

Bank Balances	1,432,527	1,199,193
Cash Balance	3,300	4,846
Short Term Investments	-	-
Receivables	18,059,671	13,966,221
Payables	(5,589,428)	(6,049,232)
<b>TOTAL</b>	<b>13,906,070</b>	<b>9,121,028</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**

Bank Loans	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Others (specify)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**17. Biological assets**

Cattle		-	-
Goats		-	-
Trees	824	320,000	275,000
Coffee Or Tea Plantation	2480	-	-
Poultry		-	-
Others (specify)		-	-
<b>Total</b>		<b>320,000</b>	<b>275,000</b>

**18. Borrowings**

Borrowings at beginning of the year	-	-
Borrowings during the year	-	-
Repayments during the year	(-)	(-)



<b>Balance at the end of the year</b>	-	-
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**Other important disclosure notes**

**19. Stock/ Inventory**

Food stuffs	93,000	63,000
Lab consumables	1,329,000	330,000
Farm produce	-	-
Medication	-	-
Construction Materials	58,000	27,000
Others (specify)	-	-
	<b>1,480,000</b>	<b>420,000</b>


*(Stock measured at lower of cost and net realisable value.)*

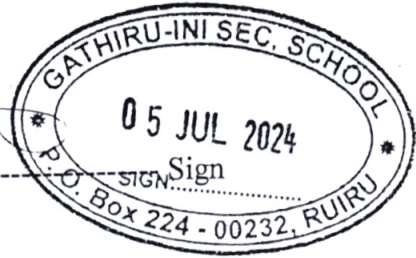
**GATHIRU-INI SECONDARY SCHOOL**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

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**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.


  
and Date  
Principal  
Njoroge J.W.



**GATHIRU-INI SECONDARY SCHOOL**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

**Annexes**

**Annex I - Analysis of Pending Accounts Payable**

Construction Of Buildings						
1.Kabos general works	583,360.00	July 2022		583,360.00		To be cleared when FDSE will be disbursed
2.Mugutha general enterprises	49,000.00	July 2022		49,000.00		To be cleared when FDSE will be disbursed
<b>Sub-Total</b>	<b>632,360</b>			<b>632,360</b>	-	
Supply Of Goods						
3.Mainspur hardware	1,071,140.00	Jan 2023	-	1,071,140.00	-	To be cleared when FDSE will be disbursed
4.Bentage supplies	74,770.00	April 2023	-	74,770.00	-	To be cleared when FDSE will be disbursed
5.Belak arts	65,000.00	May 2023	-	65,000.00	-	To be cleared when FDSE will be disbursed

**GATHIRU-INI SECONDARY SCHOOL****Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

6.Kingatrian arts	55,000.00	July 2022	-	55,000.00	-	To be cleared when FDSE will be disbursed
7.Shademwa investments	97,300.00	Aug 2022	-	97,300.00		To be cleared when FDSE will be disbursed
8.Tricotech enterprises	512,000.00	July 2022	-	512,000.00		To be cleared when FDSE will be disbursed
9.Dantech systems	30,650.00	June 2022	-	30,650.00		To be cleared when FDSE will be disbursed
10.Readmore bookshop & stationer ltd	105,460.00	July 2022	-	105,460.00		To be cleared when FDSE will be disbursed
11.Mucklin enterprises	70,000.00	June 2022	-	70,000.00		To be cleared when FDSE will be disbursed
12.Jayson Muchangi	126,500.00	July 2022		126,500.00		To be cleared when FDSE will be disbursed
13.Ngewamo enterprises	578,380.00	July 2021		143,380.00	435,000.00	To be cleared when funds will be available from school fund account

**GATHIRU-INI SECONDARY SCHOOL****Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

14. Knitstar enterprises	4,961,160.00	July 2021		4,417,889.00	543,271.00	To be cleared when funds will be available from school fund account
15. Jumuki enterprises	530,210.00	July 2022		530,210.00	-	To be cleared when funds will be available from school fund account
16. Alice Wanjiku Nganga	445,000.00	July 2022		445,000.00	-	To be cleared when funds will be available from school fund account
17. Akiyda 2000 ltd	315,250.00	July 2021		219,750.00	95,500.00	To be cleared when funds will be available from school fund account
18. Nutrigrain cereals	743,500.00	Jan 2023		743,500.00		To be cleared when funds will be available from school fund account
19. Jessica Kanyi Marigi	62,400.00	Jan 2023		62,400.00		To be cleared when funds will be available from school fund account

**GATHIRU-INI SECONDARY SCHOOL****Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

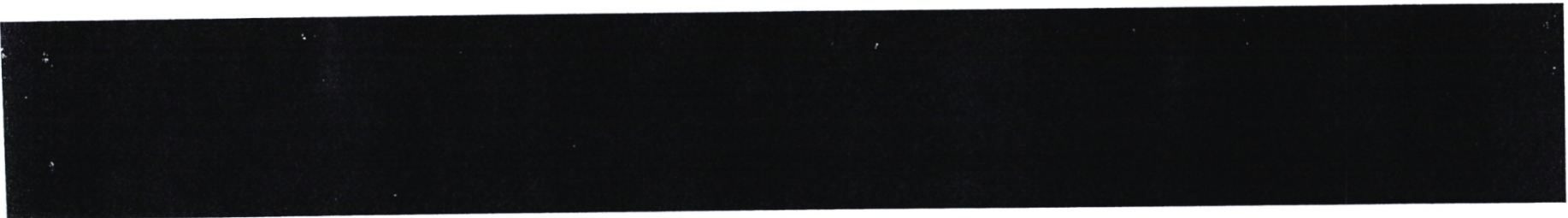
20.Hellen WanjiruNdungu	34,420.00	June 2023	-	34,420.00	-	To be cleared when funds will be available from school fund account
21.Damaris mabi	64,960.00	June 2023	-	64,960.00	-	To be cleared when funds will be available from school fund account
22.Clevinet enterprises	2,916,830.00	June 2023	-	2,916,830.00	-	To be cleared when funds will be available from school fund account
23.Githunguri dairy	148,650.00	Jan 2023	-	148,650.00	-	To be cleared when funds will be available from school fund account
24.Vantech enterprises	28,000.00	June 2023	-	28,000.00	-	To be cleared when FDSE will be disbursed
25.Jopeshe ventures	779,420.00	July 2022		779,420.00		To be cleared when FDSE will be disbursed
26.Vipan logistics ltd	1,256,850.00	July 2022		1,256,850.00		To be cleared when FDSE will be disbursed
<b>Sub-Total</b>	<b>15,072850.00</b>			<b>15,072850.00</b>		

**GATHIRU-INI SECONDARY SCHOOL**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

<b>Grand Total</b>	<b>15,705,210.00</b>			<b>14,631,439.00</b>	<b>1,073,771.00</b>	
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**Annex 2 – Summary of Fixed Assets Register**



Land	23 ACRES	-	-	-	-	-	-
Utensils	-	2015-2021	GATHUINI	580,410.00	-	-	580,410.00
Table	2	-	GATHUINI	8,000.00	-	-	8,000.00
Jikos	7	-	GATHUINI	2004000	-	-	2004000
Boiler	1	-	GATHUINI				
Games Equipment	-	2015-2021	GATHUINI	277,691.00	-	-	277,691.00
ICT materials	-	2014-2021	GATHUIN	44,360.00	-	-	44,360.00

**GATHIRU-INI SECONDARY SCHOOL**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

<b>boarding area</b>			GATHUINI		-	-	
Dorms	12	-	GATHUINI	-	-	-	-
Beds	382	-	GATHUINI	-	-	-	-
Lockers	750	-	GATHUINI	-	-	-	-
Chairs	750	-	GATHUINI	-	-	-	-
Pit latrine	18	-	GATHUINI	-	-	-	-
School bus	1	-	GATHUINI	-	-	-	-
School van	1	-	GATHUINI	-	-	-	-
Bathrooms	21	-	GATHUINI	-	-	-	-
Urinals	8	-	GATHUINI	-	-	-	-
<b>Tuition area</b>			GATHUINI		-		
Classes	16	-	GATHUINI		-		
New CBC classroom	2	2022/2023	GATHUINI	-	781,015		781,015
Computer lab	1	-	GATHUINI		-		
Laboratories	2	-	GATHUINI		-		
Undergoing lab	2		GATHUINI	3,292,460	-		3,292,460
Library	1		GATHUINI		-		
Administration Block	1		GATHUINI	-	-		
Store	3	-	GATHUINI	-	-	-	-
Garage	2	-	GATHUINI	-	-	-	-
Generators	2	-	GATHUINI	-	-	-	-
Tv sets	3	2016	GATHUINI	138,000.00	-	-	138,000.00
Ground shakers Students	1	-	GATHUINI	-	-	-	-



**GATHIRU-INI SECONDARY SCHOOL**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

Water pump	1	2016	GATHUINI	120,000	-	-	120,000
Dining hall	1	-	GATHUINI	-	-	-	-
Motor bike	1	-	GATHUINI	-	-	-	-
Teachers Houses	16	-	GATHUINI	-	-	-	-
Farm store	1	-	GATHUINI	-	-	-	-
Trees farm	-	-	GATHUINI	-	-	-	-
Computers	20	-	GATHUINI	-	-	-	-
Office Furnitures		-	GATHUINI	-	-	-	-
<b>TOTAL</b>				<b><u>8,016,021.00</u></b>	<b><u>781,015</u></b>	-	<b><u>8,797,036</u></b>