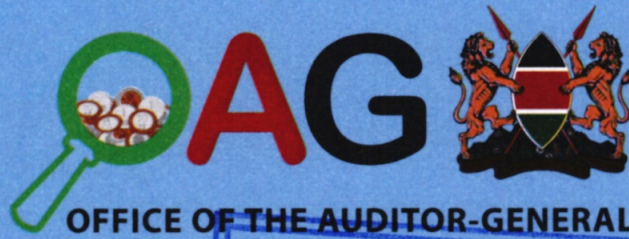


REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

REPORT 27 NOV 2024

DAY.

Wednesday

TABLED
BY:

Leader of Majority

CLERK AT
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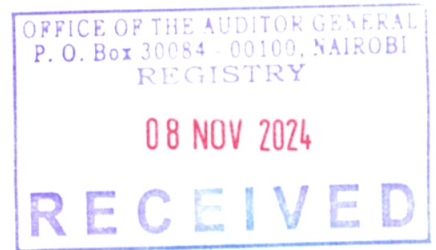
THE AUDITOR-GENERAL

ON

GRIFTU SECONDARY SCHOOL

**FOR THE ENDED
30 JUNE, 2022**

WAJIR COUNTY



GRIFTU SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE

FINANCIAL YEAR ENDED

30TH JUNE 2022

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

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I. Key School Information And Management For The Year Ended 30th June 2022

(a) Background information

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

The school was registered in **29/03/2001** under registration number **GP/A/1618/2001** and is currently categorized as **EXTRA COUNTY** public school established, owned or operated by the Government.

The school is a day/boarding school and had **454** number of students as at **30th June 2022**. It has 8 streams and 15 teachers of which 4 teachers are employed by the School Board of Management.

(b) School Board of Management – Board Members

The School Board of Management established under Section 55 of the Basic Education Act, 2013; is composed of the following members:

Ref:	Name of Board Member	Designation	Date of appointment
1	Abdi Hussein Ahmed	Chairman	17th July 2019
2	Ibrahim Khalif Gedi	Secretary - Principal	16 th June, 2022
3	Adan A Hass	Member	17th July 2019
4	Naima Ahmed Elmi	Member	17th July 2019
5	Mohamed Yussuf	Member	17th July 2019
6	Mohamed Daud	Member	17th July 2019
7	Halima A Abdille	Member	17th July 2019
8	Fatuma Mohamed	Member – Rep CEB	17th July 2019
9	Harun Musa Osman	Member Rep Teachers	17th July 2019
10	Mohamed Abdi, Mohamed Bulle and Abdi Adan	3 Members - Sponsor	17th July 2019
11	Yussuf Osman	Member - Community	17th July 2019
12	Meimuna Gaiye	Member Special Needs	17th July 2019
13	Adan Ahmed	Rep Students	17th July 2021

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 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 paragraph 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	Abdi Hussein Ibrahim Khalif Adan A. Hassan Yussuf Osman Musa Osman	Chair SEC Member Member Member	2
2	Audit Committee	Mohamed Bule Mohamed Abdi Mohamed Yussuf Meimuna Gaiye Abdi Adan	Chair Sec Member Member Member	1
3	Finance, procurement and general purposes Committee	Abdi Hussein Ibrahim Khalif Halima A Abdulla Musa Osman	Chair SEC Member Member	1
4	Academic Committee	Harun Musa Ibrahim Khalif Fatuma Mohamed Mohamed Daud	Chair SEC Member Member	2
5	Development Committee	Ibrahim Khalif Naima Ahmed	Chair SEC	1

		Mohamed Yussuf Jimale Shimoy	Member Member	
6	Discipline and welfare Committee	Abdi Hussein Ibrahim khalif Harun Musa Yussuf Osman	Chair SEC Member Member Member	1
7	Adhoc Committee (if any during the year)	Nil		0

(d) School Operation Management

For the financial year ended 30th June, 2022 the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSCNumber
1	Principal	Ibrahim Khalif Gedi	616155
2	Deputy Principal	Harun Musa Osman	624005
3	School Bursar	Yussuf Shariff Ibrahim	

(e) Schools contacts

Post Office Box: 250-70200
 Telephone: 0722410086
 E-mail: griftusecondaryschool@gmail.com

(f) School Bankers

The following school operated account numbers of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Account: School Fund Account(Main)
Account Number: 1133237312
2. Name of Account : Tuition Account
Account Number: 1105180425

Name of Account: Operation Account
Account Number: 1105180670
4. Name of Account: Infrastructure Account
Account Number: 1290389594

All domiciled at KCB Wajir Branch.

(Ensure all bank accounts operated by the school are disclosed and that all Pay Bill Numbers are also disclosed)

(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

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

a) **Financial performance:**

(Under this section, the following information should be given:

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

YEAR	SURPLUS	DEFICIT
2018	1,462,442.45	-
2019	50,031.10	-
2020/2021	1,151,074.50	-

- *Capitation grants from the Ministry of Education for the last three years*

YEAR	FDSE GRANTS RECEIVED		TOTAL
	OPERATION	TUITION	
2018	7,141,973.30	2,592,880.80	9,734,854.10
2019	4,383,582.60	926,987.30	5,310,569.90
2020/2021	3,662,465.75	405,752.75	4,068,218.50

- *Ratio of capitation grant per student over the last three years*

YEAR	ENROLMENT	CAPITATION PER STUDENT
2018	604	16,124.16
2019	404	13,130.56
2020/2021	302	13,463.42

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

YEAR	PARENTS CONTRIBUTION /FEES
2018	10,461,867
2019	7,503,928
2020/2021	6,058,090

- A three-year overview of growth in expenditure of the school

YEAR	EXPENDITURE
2018	9,027,126
2019	8,898,321
2020/2021	6,180,850

- Movement of debtors and creditors of the school over the last three years

YEAR	RECEIVABLES	PAYERBLES
2018	2,284,630	848,690
2019	1,731,338	1,690,150
2020/2021	3,161,674	1,850,550

- Movement of cash and bank balances over the last three years

YEAR	CASH & BANK BALANCE	
	CASH	BANK
2018	0	26,284.05
2019	0	4,159.95
2020/2021	0	51,110.45

Graphical presentation, ratios, tables, and pie charts should be used to show/ indicate trends).

b) Teacher Student ratio:

Enrolment	Number of teachers employed by the Teachers Service Commission	Number of teachers employed by BOM
473	12	04

(Include the teacher to student ratio, number of teachers recruited and posted to the school within the year, number of teachers that were transferred/ retired during the period as well as number of teachers employed by TSC, and number employed by BOM. One may also include how many teachers the school has for each subject in order to indicate shortage/ allocation of resources)

c) Mean score in the 2022 KCSE:

Year	Mean score	Mean grade
2020	5.3	C-
2021	5.87	C
2022	6.4	C

d) Number of Candidates in the 2022 KCSE:

Year	Number of candidates
2020	124
2021	190

(Tabulate the number of candidates sitting for KCSE over the last three years).

e) Capacity of the school:

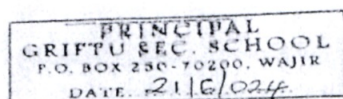
Enrolment	Dormitories	Laboratories	Toilets	DH
550	11	2	17	1

f) Development projects carried out by the school:

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

IBRAHIM KHALIF GEDI

Sign:.....



School Principal

III. Statement of school management responsibility for the year ended at 30th June 2022

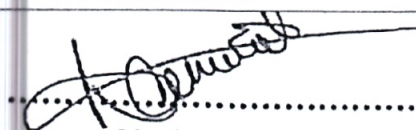
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant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

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

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

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2022, and of the school's financial position as at that date.


ABDI ADAN AHMED



Designation: Chairman, School Board of Management

Date: 22/7/2023

IBRAHIM KHALIF GEDI


Sign: 

Designation: School Principal & Secretary to Board of Management

Date: 22/7/2023

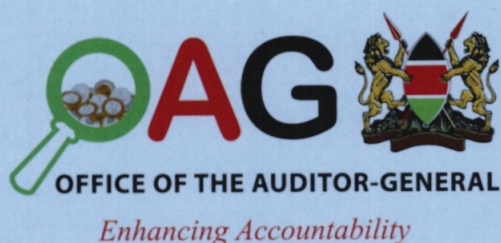
YUSSUF SHARIFF IBRAHIM

YUSSUF SHARIFF IBRAHIM

Sign: 

Designation: Bursar/ Finance Officer

REPUBLIC OF KENYA



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

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

REPORT OF THE AUDITOR-GENERAL ON GRIFTU SECONDARY FOR THE YEAR ENDED 30 JUNE, 2022 – WAJIR COUNTY

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- 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 Griftu Secondary School – Wajir County set out on pages 2 to 16, which comprise of the statement of financial assets and

liabilities as at 30 June, 2022 and the statement of receipts and payments, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Griftu Secondary School – Wajir County as at 30 June, 2022 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Long Outstanding Accounts Receivables

The statement of financial assets and financial liabilities and as disclosed in Note 11 to the financial statements reflects a balance of Kshs.5,517,670 in respect of accounts receivables. However, an amount of Kshs.1,800,000 relates to school fees arrears that has been outstanding for more than one year. The School has not developed a mechanism to ensure payment of school fees in time and some students have since left school with arrears of school fees. As a result, the recoverability of the outstanding amounts is doubtful.

In the circumstances, the fair value of the accounts receivables balance could not be confirmed

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Griftu 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.

Other Matter

Unresolved Prior Year Matter

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

Report of the Auditor General on Griftu Secondary School for the year ended 30 June, 2022 –Wajir County

Resource, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues as at 30 June, 2022.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion of 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. Late Submission of Financial Statements

During the year under review, Management did not submit the financial statements to the Auditor-General by the statutory date of 30 September, 2022. The financial statements were submitted on 11 March, 2024, which was one year and five months after the statutory deadline. This was contrary to Section 47(1) of the Public Audit Act, 2015 which requires that financial statements should be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate. Late submission of financial statements adversely affects the Office of the Auditor-General in meeting its statutory timelines.

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

2. Non-Compliance with the Public Sector Accounting Standards Board

Review of the financial statements revealed that the values in the financial statements are not rounded to the nearest Kenya Shillings as provided in the Public Sector Accounting Standards Board PSASB Template for Schools under the significant accounting policy on statements of compliance and basis of preparation of the financial statements.

In the circumstances, Management did not comply with the PSASB reporting template requirements.

3. Failure to Prepare School Improvement Plan

During the year under review, Management did not have an approved School Improvement Plan (SIP) showing priority areas to ensure the School has adequate textbooks, reference books and supplementary readers as required in Section 2.2.1 of the Operation Manual from the Ministry of Education resulting to the Ministry distributing fewer set books compared with the actual number of students in the School by 190 copies. In absence of SIP, the School risks over /under supply of textbooks or receipt of books not needed.

4. Failure to Reconcile Student Enrolment Data

Review of student records revealed unexplained variance in student numbers between the National Education Management Information System (NEMIS) and School registers resulting in tuition fees under disbursement on both capitation grants for tuition and operation fees of Kshs.2,062,343 as analyzed below:

Month	No. of Students Per NEMIS	No. of Students as Per Register	Capitation Grant per Student	Total expected capitation per school Register (Kshs)	Actual Capitation Received (Kshs)	Capitation Not Received (Kshs)
July, 2021 Operations	235	430	4,500	1,935,000	1,057,500	877,500
July, 2021 Tuition	235	430	730	313,900	171,550	142,350
Form 1 2022 Tuition	75	100	730	73,000	54,750	18,250
Form 1 Operations	75	100	4,500	450,000	337,500	112,500
October, 2021 Operations	391	510	3,554	1,812,540	1,389,614	422,926
October, 2021 Tuition	391	510	700	357,000	273,700	84,000
January, 2022 Operation	401	470	2,074	974,639	831,554	143,085
January, 2022 Tuition	401	470	478	224,660	191,678	32,982
April, 2022 Operation	408	465	2,955	1,374,075	1,205,640	168,435
April, 2022 Tuition	408	465	1,051	488,715	428,400	60,315
Total						2,062,343

Management explained that the difference was due non-registration of students in the NEMIS register due to lack of birth certificates and cases of over age students. This was contrary to the Ministry of Education Circular No. MOE.HQ/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, Management was in breach of the circular and the underfunding of the School may have affected service delivery to the students.

5. Long Outstanding Accounts Payables

The statement of financial assets and financial liabilities reflects a balance of Kshs.3,773,892 in respect of accounts payables as disclosed in Note 12 to the financial statements. Included in the balance is an amount of Kshs.120,000 which has been outstanding for more than one year. No explanation was provided for the delayed settlement of the long outstanding accounts payables.

In the circumstances, the School risks being sued by suppliers which may lead to loss of funds through legal costs, penalties and interest for non-settlement of obligations when due.

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 EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the 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. Failure to Establish Board of Management Committees and Other Internal Controls Structures

During the year under review, Management did not establish Board Committee. This was Contrary to Section 61(2) of the Basic Education Act, 2013 which requires the Board of Management to establish Finance, Procurement and General Purposes Committee, Academic Standards, Quality and Environment Committee, Ethics and Integrity Committee, Audit Committee and Human Rights and Student Welfare Committee to perform such functions and discharge such responsibilities as the Board may deem necessary.

Further, the School Management did not prepare and implement key internal control policies. The School lacked an IT Strategy Committee and an IT Steering Committee. This resulted in inadequacy in IT governance, which forms a critical part of the school governance structure.

In addition, the School did not have a Disaster Management and Recovery Policy including fire suppression systems and a Business and IT Continuity Plan including off-site back-ups and also lacked Accounting Software to manage accounts payables, accounts receivables, ledgers, invoices and assets.

In the circumstances, the existence of effective internal controls and governance mechanisms could not be confirmed.

2. Lack of Fixed Assets Register

Management did not maintain an asset register indicating the item, cost, location and serial/tag number. Further, Management did not provide land ownership documents for a parcel of land where the school is built.

In the circumstances, the ownership and security of the School assets could not be confirmed

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

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

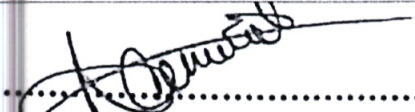
Nairobi

17 September, 2024

Report of the Auditor General on Griftu Secondary School for the year ended 30 June, 2022 –Wajir County

V) Statement of receipts and payments for the ended 30th june 2022


Description Of Vote Head	Note	2021 - 2022	2020-2021
		Kshs	
RECEIPTS			
Capitation grants for tuition	1	1,238,478.00	405,558.00
Capitation grants for operations & infrastructure	2	5,292,689.00	2,936,091.00
School Fund Income- Parents' Contributions	3	14,035,177.00	3,321,168.00
School Fund Income- Other receipts	4	-	
Proceeds from borrowings			
TOTAL RECEIPTS		20,566,344.00	6,662,816.00
PAYMENTS			
Payments for Tuition	5	1,948,606.00	404,480.00
Payments for operations and infrastructure	6	6,120,194.00	2,933,100.00
Boarding and school fund payments	7	11,181,116.00	3,160,265.00
TOTAL PAYMENTS		19,249,916.00	6,497,845.00
SURPLUS/DEFICIT		1,316,428.00	164,971.00



Name: ABDI AHMED

B.O.M Chairperson

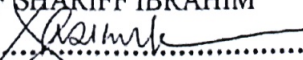
Date: 22/7/2024



Name: IBRAHIM K. GEDI

School Principal/Secretary BOM

Date: 22/7/2024



Name: YUSSUF SHARIF

Bursar/Finance Officer

Date: 22/7/2024

VI) Statement of financial assets and liabilities for the year ended 30th June 2022


	Note	2021 - 2022	2020-2021
		Kshs	
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	222,060.25	51,110.45
Cash Balances	9	1,700.00	
Short term Investment	10	-	
Total Cash and Cash Equivalents		223,760.25	51110.45
Account's receivables	11	5,517,670.00	1,800,000.00
TOTAL FINANCIAL ASSETS		5,741,430.25	1,851,110.45
FINANCIAL LIABILITIES			
Accounts Payable	12	3,773,892.00	1,200,000.00
NET FINANCIAL ASSETS		1,967,538.25	651,110.45
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	651,110.45	486,139.95
Surplus/Deficit for the year		1,316,428.10	164,970.97
NET FINANCIAL POSITION		1,967,538.55	651,110.92



Name: ABDI AHMED

B.O.M Chairperson

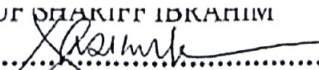
Date: 22/7/2024



Name: IBRAHIM K. GEDI

School Principal/Secretary BOM

Date: 22/7/2024

 YUSSUF SHARIF IBRAHIM
 Sign: 

Name: YUSSUF SHARIF

Bursar/Finance Officer

Date: 22/7/2024

VII) statement of cash flow for the year ended 30th june 2022

		2021 - 2022	2020-2021
		Kshs	
Receipts from operating activities			
Capitation grants for tuition	1	1,238,478	405,557.75
Capitation grants for operations	2	5,292,689	2,936,091
School fund income- Parents contributions/ fees	3	14,035,177.00	2,202,306
School fund income- other receipts	4		
Total receipts		20,715,600	5,543,954.00
Payments			
Payments for Tuition	5	1,948,606.00	404,480.00
Payments for operations	6	6,120,194.00	2,933,100.00
Boarding and school fund payments	7	11,181,116.00	2,160,265.00
Total payments		19,249,916.00	5,497,845.00
Net cash flow from operating activities		172,649	46,109.00
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		-	
Acquisition of Assets		-	
Proceeds from investments		-	
Net cash flows from Investing Activities		-	
NET CASHFLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
Net cash flows from Investing Activities			
NET INCREASE IN CASH AND CASH EQUIVALENT		172,649	46,109.00
Cash and cash equivalent at BEGINNING of the year		51,110	5001.45
Cash and cash equivalent at END of the year		223,760	51,110.45

VIII) STATEMENT OF BUDGET VERSES ACTUAL AMOUNT FOR THE ENDED 30TH JUNE 2022

VII. Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Text books						
Exercise books						
Laboratory equipments and apparatus						
Teaching/learning materials	1,238,477.00		1,238,477.00	1,238,477.00		100 %
Chalks						
Internal exams						
Reference books						
Profit				-	-	
0				-	-	
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	1,657,322.50		1,657,322.50	1,657,322.50		100 %
Repairs and maintenance						
Local transport / travelling	702,056.05		702,056.05	702,056.05		
Electricity and water	1,020,000.00	0	1,020,000.00	1,020,000.00		100 %
Medical						
Administration costs	722,310.75		722,310.75	722,310.75		100 %
M&I	1,191,000.00		1,191,000.00	1,191,000.00		100 %
OTHERS(PE ,EWC ,LT&T, ADM)						
(3) FEES CHARGED ON PARENTS						

LUNCH	2,325,000		2,325,000			99.2%
Repairs and maintenance	281,700		281,700	229,000	52,700-	81%
Local transport / travelling	203,450		203,450	229,000	(25,550)-	112%
Electricity and water	1,189,400		1,189,400	1,987,500	(798,100)-	167%
Medical	328,650		328,650		-	
Administration costs	469,500		469,500	775,200	(305,700)-	165%
Activity	344,300		344,300		-	
Pe			970,300	919,000	51,300-	94%
Fee on Boarding Equipment and Stores	6,228,900		6,228,900	6,177,807	51,093-	99%
P					-	
OTHER INCOME					-	
<i>Fee on Boarding Equipment and Stores</i>				-		
<i>Electricity, water & C</i>				-		
<i>LT&T</i>				-		
<i>Repairs and Maintenance</i>				-		
<i>Personal Emoluments</i>				-		
<i>Admin Costs</i>				-		
<i>Activity</i>				-		
<i>Pocket Money</i>				-		
<i>Caution Money</i>				-		
<i>Rent income</i>				-		
<i>Income from farming activities</i>				-		
<i>Insurance compensation</i>	-			-		
<i>Income from Posho mill</i>				-		
<i>Income from Bus Hire</i>				-		
<i>Fee for hire of ground and equipment</i>				-		
<i>Income from grants and donations*</i>	-			-		
<i>Interest income</i>				-		
<i>Dividends income</i>	-			-		
TOTAL INCOME	17,902,066.3	0	17,902,066.3	16,848,673.3	(1,053,393)	94%

(1) EXPENDITURE FOR TUITION					
Text books					
Exercise books					
Laboratory equipments and apparatus					
Teaching/learning materials	1,945,812	1,945,812	1,945,812.00		100 %
Chalks					
Internal exams					
Reference books					
Bank charges	2,794,00	2,794,00	2,794,00		100 %
				-	
PAYMENTS FOR OPERATIONS AND INFRASTRUCTURE ACCOUNT		0		-	
Personal Emoluments	1,626,960	1,626,960	1,626,960		100 %
Service Gratuity	-	-	-		
Administration Cost	660,364	660,364	660,364		100 %
Repairs and maintenance & improvements	3,124,070	3,124,070	3,124,070		-
Local transport / travelling	149,000	149,000	149,000		100 %
Electricity and water	559,800	559,800	559,800		100 %
MI					
Medical	63,890	63,890	63,890		100 %
SMASSE	0		-		
ADM COST			-		
LUNCH			-		
OTHERS(PE,EWC,LT&T AND ADM	0		-		
	0				
BOARDING AND SCHOOL FUND PAYMENTS					
Activity	344,300	344,300		(344,300)	
lunch Programme	2,325,000	2,325,000	2,100,000	225,000	90%
Bus hire					

Refund						
ation Money						
Personnel emoluments	970,300		970,300	2,570,700	(1,600,400)	264 %
MI						
Repairs and maintenance & Improvements	281,700		281,700	210,000	71,700	74%
Local transport / travelling	203,450		203,450	75,000	128,450	36%
Electricity and water	1,189,400		1,189,400	250,150	939,250	21%
Medical Expenses						
Administration costs	469,500		469,500	968,436	(498,936)	206 %
Lunch Programme						
Bank Charges						
Expenses on Income Generating Activities						
Fee on Boarding Equipment and Stores	6,228,900		4,128,900	3,452,488	676,412	83%
Refund						
Insurance Cost (Life Property)						
Loan Principal repayment						
Loan Interest repayment					-	
Acquisition of Assets					-	
TOTAL	20,142,446	0	20,142,446	17,756,670.00	2,385,865	88%

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* recognizes 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 imprestor 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 work 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 30th June 2022.

X) Notes to the financial statements for the year ended 30th june 2022

1. CAPITATION GRANT FOR TUITION

	2021 - 2022	2020-2021
	Kshs	
Text books		
Exercise books		180,000.00
Laboratory equipments and apparatus		25,235.00
Teaching/learning materials	1,238,477.80	169,150.00
Chalks		3,320.75
Internal exams		27,852.00
Reference books		
Profit		
Total	1,238,477.80	405,557.75

2. CAPITATION GRANT FOR OPERATIONS AND INFRASTRUCTURE ACCOUNT

	2021 -2022	2020-2021
	Kshs	
Personnel emoluments	1,657,322.50	1,468,045.37
Repairs and maintenance		
Local transport / travelling	702,056.05	489,348.45
Electricity and water	1,020,000.00	489,348.45
Medical		
Administration costs	722,310.75	489,348.45
M&I	1,191,000.00	
Other Votehead		
Grant		
Total	5,292,689.30	2,936,090.72

3. PARENTS CONTRIBUTION/FEEES - SCHOOL FUND ACCOUNT

	2021 - 2022	2020-2021
	Kshs	ksh
BES	9,895,477.00	1,948,435.50
LUNCH		
Repairs and maintenance	229,000.00	71,700
Local transport / travelling	229,000.00	36,962.00
Electricity and water	1,987,500.00	58,000.00
Medical		
Administration costs	775,200.00	226,070.00
Operation		
Personal emolument	919,000.00	
Activity		980,000.00
Total	14,035,177.00	3,321,1678.00

5. PAYMENTS FOR TUITION

	2021 - 2022	2020-2021
	Kshs	
Text books		
Exercise books		179,800.00
Laboratory equipments and apparatus		25,680.00
Teaching/learning materials	1,945,812.00	169,200.00
chalks		3,380.00
Internal exams		25,940.00
Reference books		
Bank charges	2,794.00	480.00
Total	1,948,606.00	404,480.00

6. PAYMENTS FOR OPERATIONS AND INFRASTRUCTURE ACCOUNT

	2021 - 2022	2020-2021
	Kshs	
Personal Emoluments	1,626,960.00	1,558,760.00
Service Gratuity	-	
Administration Cost	660,364.00	380,000.00
Repairs and maintenance & improvements		
Local transport / travelling	149,000.00	379,850.00
Electricity and water	559,800.00	550,000.00
MI	3,124,070.00	
Medical		63,890.00
SMASSE		
ADM COST		
LUNCH		
Others (PE,EWC,LT&T AND ADM		
Bank charge		600.00
TOTAL	6,120,194.00	2,933,100.00

7. BOARDING AND SCHOOL FUND PAYMENTS

	2021 -2022	2020-2021
	Kshs	
Personnel emoluments	2,570,700.00	165,560.00
MI		
Repairs and maintenance & Improvements	210,000.00	50,550.00
Local transport / travelling	75,000.00	106,000.00
Electricity and water	250,150.00	86,555.00
Medical Expenses		
Administration costs	968,436.00	180,700.00
Lunch Programme		2,570,900.00
Fee on Boarding Equipment and Stores	7,106,830.00	
Acquisition of Assets		
TOTAL	11,181,116.00	3,160,265.00

8. BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2021 – 2022	2020-2021
		Kshs	
Tuition Account		3,474.00	3,790.00
Operations Account		292.00	3,827.00
School Fund Account/Boarding		213,965.00	43,494.00
Savings Account			
Infrastructural Account		4,330.00	
Farm Account			
Total		222,060.00	51,111.00

9. CASH IN HAND

Description	2021 - 2022	2020-2021
	Kshs	
Tuition Account	-	
Operation Account	1,700.00	
School Fund account		
Total	1,700.00	

11. ACCOUNTS RECEIVABLE

Description	2021 - 2022	2020-2021
	Kshs	
Fees arrears	5,517,670.00	1,800,000.00
Other non-fees receivables		
Salary advances		
Imprest		
Total	5,517,670.00	1,800,000.00

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

Description	2021 - 2022	2020-2021
	Kshs	
Fees arrears for current year	3,717,670.00	1,118,861.50

Fees arrears for the previous year	1,800,000.00	681,138.50
Fees arrears for prior periods (over two years)		
Total	5,517,670.00	1,800,000

12. ACCOUNTS PAYABLE

Description	2021 -2022	2020-2021
	Kshs	
Trade creditors (See ageing below and appendix 1)	3,773,892.00	1,200,000.00
Prepaid fees		
Retention monies/clearance account		
Total	3,773,892.00	1,200,000.00

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

Description	2021 -2022	2020-2021
	Kshs	
Trade creditors for current year	3,653,892.00	1,000,000.00
Trade creditors for the previous year	120,000.00	200,000.00
Trade creditors for prior periods (over two years)		
Total	3,773,892.00	1,200,000.00

13. FUND BALANCE BROUGHT FORWARD

Description	2021 - 2022	2020-2021
	Kshs	
Bank balances	51,110.45	5,001.45
Cash balances		
Short Term Investments		
Receivables	1,800,000.00	681,139.
Payables	(1,200,000.00)	200,000.00
Total	651,110.45	486,139.95

TRIAL BALANCE AS AT 30TH JUNE 2022

		DR	CR
Cash and Cash equivalents			
	Bank Balances	51,110	
	Cash Balances		
	Short term investments	-	
	Receivables	1,800,000	
Payments			
	Payments for Tuition	404,480	
	Payments for operations	2,933,100	
	Boarding and school fund payments	3,160,265	
Receipts	Capitation grants for tuition		405,558
	Capitation grants for operations		2,936,091
	School Fund Income- Parents' Contributions		3,321,168
	School Fund Income- Other receipts		-
	Proceeds from borrowings		1,200,000
Prior Year Adjustment			
Fund Balance b/f			486,140
TOTAL		8,348,955	8,348,956

GRIFTU SECONDARY SCHOOL
 PUBLIC SECONDARY SCHOOL
 ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE YEAR ENDED 30TH JUNE 2023

TRIAL BALANCE AS AT 30TH JUNE 2023

		DR	CR
Cash and Cash equivalents			
	Bank Balances	2,690,485	
	Cash Balances	1,700	
	Short term investments	-	
	Receivables	7,505,774	
Payments			
	Payments for Tuition	1,008,784	
	Payments for operations	4,108,696	
	Boarding and school fund payments	8,455,950	
Receipts	Capitation grants for tuition		1,390,851
	Capitation grants for operations		6,198,868
	School Fund Income- Parents' Contributions		10,220,404
	School Fund Income- Other receipts		-
	Proceeds from borrowings		3,993,732
Prior Year Adjustment			
Fund Balance b/f			1,967,534
TOTAL		23,771,389	23,771,389