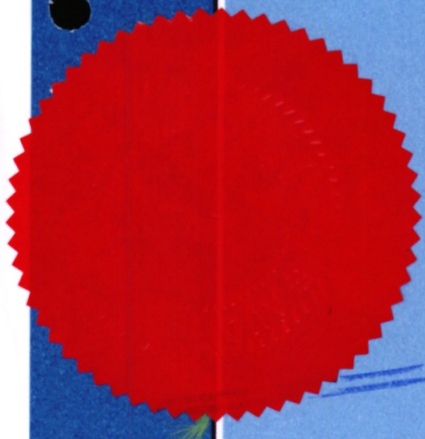


REPUBLIC OF KENYA



*Enhancing Accountability*



NATIONAL ASSEMBLY  
PAPERS LAID  
ON: 13 NOV 2024 TUESDAY  
TABLED BY: HON. OWEN BAYA  
DEPUTY MINISTER  
CLERK-AT-THE-TABLE: INZOFU MWALE

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**GIAKANJA BOYS HIGH SCHOOL**

**FOR THE YEAR ENDED**

**30 JUNE, 2022**

**NYERI COUNTY**

NATIONAL ASSEMBLY  
**RECEIVED**  
09 NOV 2024  
DEPUTY CLERK  
J.W.N  
P.O. Box 41842 - 00100, Nairobi



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

31 JUL 2024

RECEIVED



---

*GIAKANJA BOYS HIGH SCHOOL*

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE 2022**

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

Giakanja Boys High School

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

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## 1. Key School Information and Management

### (a) Background information

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

The school was registered in November 08, 2019 under registration number 19S 0030 0165 and is currently categorized as an Extra county public school established, owned or operated by the Government.

The school is a boarding school and had 1154 number of students as at 30<sup>th</sup> June 2022. It has 6 streams and 44 teachers of which 5 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	Mr Joseph M Karueru	Chairman	04.03.2019
2	Mr Onesmus Mwangi	Secretary- Principal	04.03.2019
3	Mr William K Ndumia	Member	04.03.2019
4	Mrs Jane Maina	Member	04.03.2019
5	Mr Charles W Kaguora	Member	04.03.2019
6	Mr Partrick Mathenge	Member	04.03.2019
7	Mr Nixon Mathenge	Member	04.03.2019
8	Ms Roseline Wahito	Member	04.03.2019
9	Mrs Gracee N Kinyua	Member Rep Teachers	04.03.2019
10	Mrs Mary Wanjohi	Members - Sponsor	04.03.2019
11	Mr Silas Kimamo Warui	Member - Sponsor	04.03.2019
12	Ven Charles Itegi	Member - Rep CEB	04.03.2019
13	Mr Stephen Karanja	Member Special Interest	04.03.2019
14	Ms Martha Muya	Member Special Needs	04.03.2019
15	Mr John Mundia	Rep Students	04.03.2019
16	Ms Consolata Mwaniki	Member Co-Opted	04.03.2019
17	Mr Charles Waithaka	Member Co-Opted	04.03.2019
18	Mr Eliud Kiboi	Member PA Representative	04.03.2019

**The functions of the School Board of Management are to:**

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013.
- Ensure and assure the provision of proper and adequate facilities for the School.
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School.
- Determine cases of pupils' discipline and make reports to the CEB.
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB.
- Administer and manage the resources of the School.
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule para 21 and 23 of the Basic Education Act, 2013.

**(c) Committees of the Board**

Ref :	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Joseph Karueru Mary Wanjohi Martha Muya Peter Githara Onesmus Mwangi	BOM Chairman Member Member Member Principal/ sec.	3
2	Audit Committee	Joseph Karueru  Charles waithaka  Peter Githara  Onesmus Mwangi	Chaiman  Memeber  Member  Principal/ sec	1
3	Finance,procurement and general purposes Committee	Joseph K Mathenge  Charles waithaka  Peter Githara  Onesmus Mwangi	Chaiman  Memeber  Member  Secretary/Principal	2
4	Academic Committee	Mary wanjohi	Chaiman	1

		Stephen Karanja Susan mureithi Onesmus Mwangi Mary Ndungu Nicholas Maina	Member Member Principal Dean Deputy principal(Admn)	
5	Development Committee	Charles Kaguora Peter Githara Joseph Karueru Mary Nderitu Onesmus Mwangi SCDE Nicholas Maina Public works	Chairman PA chairman Bom Chairman Member Member Member Member/ DP Co-opt	1
6	Discipline and welfare Committee	Stephen karanja Mary wanjohi	Member Member	1
7	Adhoc Committee (if any during the year)			1

**(a) 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:

REF	DESIGNATION	NAME	TSC NUMBER
1	PRINCIPAL	ONESMUS M MWANGI	337000
2	DEPUTY PRINCIPAL	NICHOLAS M RUNGURUA	405515
3	DEPUTY PRINCIPAL	DANIEL K MUCHIRI	314707
4	SCHOOL BURSAR	ROSE MURIUKI	BOM

**(b) Schools contacts**

Post Office Box: 166-10100  
Telephone: 0703751860  
E-mail: [giakanjaboys@gmail.com](mailto:giakanjaboys@gmail.com)  
Website: [www.giakanjahigh.ac.ke](http://www.giakanjahigh.ac.ke)  
Facebook: N/A  
Twitter: N/A

**(c) School Banks**

Provide details of the school banks.

Name of Bank: KCB  
Branch: NYERI  
Postal Address: 1101854022

Name of Bank: KCB  
Branch: NYERI  
Postal Address: 1217268618

Name of Bank: KCB  
Branch: NYERI  
Postal Address: 1101863455

Name of Bank: KCB  
Branch: NYERI  
Postal Address: 1108773664

Name of Bank: Cooperative Bank  
Branch: NYERI  
Postal Address: 01129379843400

Name of Bank: EQUITY BANK  
Branch: NYERI  
Postal Address: 1150296724498

Name of Bank: KCB  
Branch: NYERI  
Postal Address: 1107569265

Name of Bank: KCB  
Branch: NYERI  
Postal Address: 1108591604

Name of Bank: EQUITY  
Branch: NYERI  
Postal Address: 1150277474974

MPESA Paybill No. 247247 Account No 724498#adm.no attached to Equity bank account  
1150296724498

Mpesa Paybill No. 400222 Account No 166166#adm no attached to co-operative bank  
account 11129379843400

**g) Independent Auditors**

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



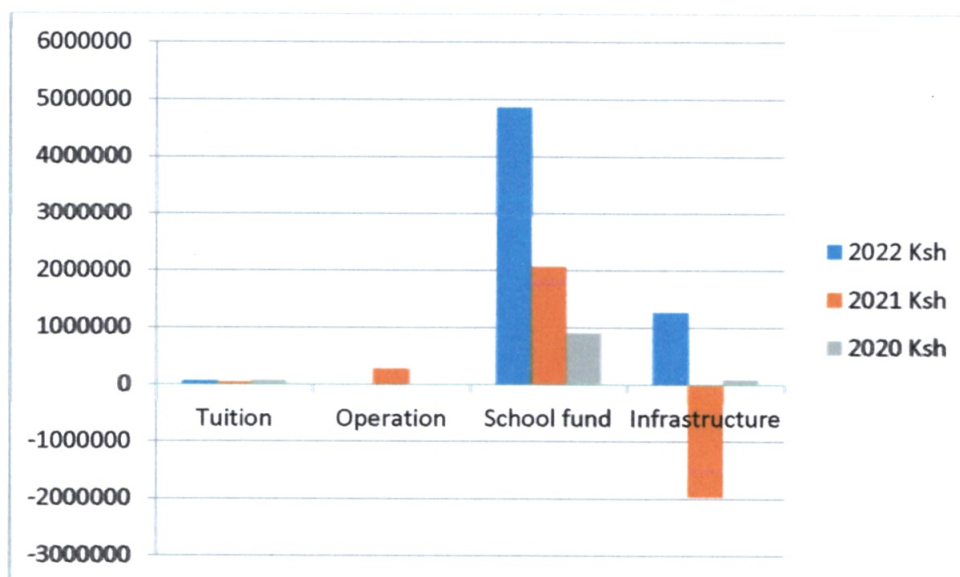
## 11. Summary Report of Performance of The School

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

### a) Financial performance:

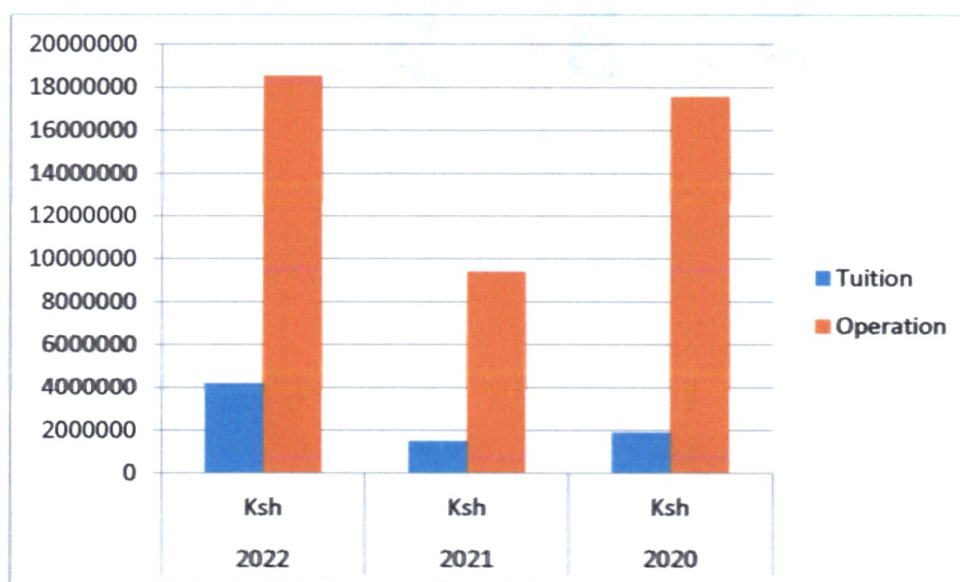
Surplus/ deficit for the year and a comparison of the same

Accounts	2022	2021	2020
	Ksh	Ksh	Ksh
Tuition	65230	51930	76,644
Operation	2544	285,435	646
School fund	4859517	2066109	904,515
Infrastructure	1264346	(1961467)	98,766
Total	6191637	442,007	1080571



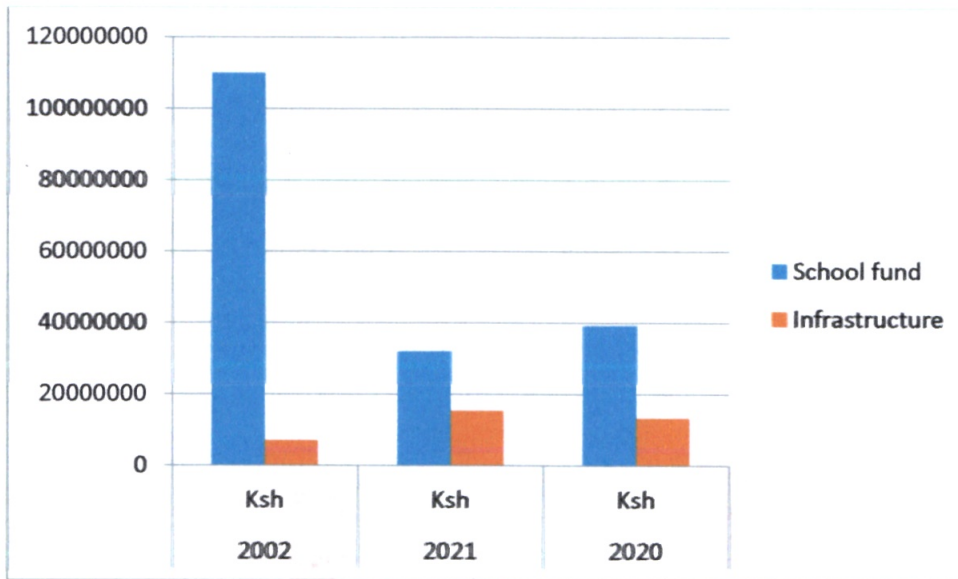
### Capitation grants from the Ministry of Education

Accounts	2022	2021	2020
	Ksh	Ksh	Ksh
Tuition	4213591	1494650	1895546
Operation	18529301	9410506	17564050
<b>Total</b>	<b>22742892</b>	<b>10905156</b>	<b>19459596</b>



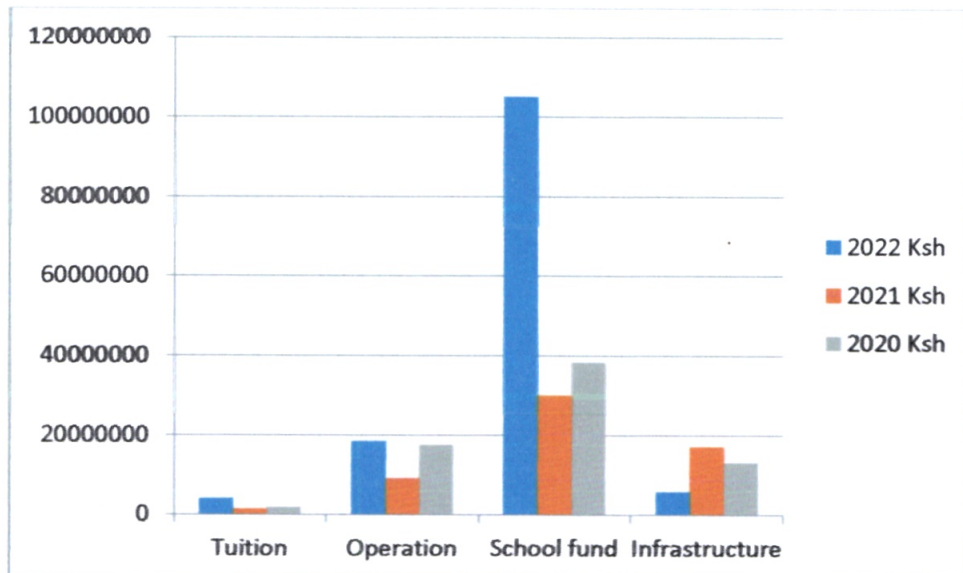
- Growth of other income(s) earned by the school.

Accounts	2022	2021	2020
	Ksh	Ksh	Ksh
School fund	109972668	32173486	39299165
Infrastructure	7031000	15265500	13311084
<b>Total</b>	<b>117003668</b>	<b>47438986</b>	<b>52610249</b>



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

Accounts	2022	2021	2020
	Ksh	Ksh	Ksh
Tuition	4148361	1442720	1818902
Operation	18526757	9125071	17563404
School fund	105113151	30107377	38394650
Infrastructure	5766654	17226967	13212298
<b>Total</b>	<b>133554923</b>	<b>57902135</b>	<b>70989254</b>



- Movement of debtors of the school

Accounts	2022	2021	2020
School Fund	Ksh	Ksh	Ksh
Debtors	13968067	14966068	27161930
Total	13968067	14966068	27161930



- Movement of creditors of the school

Accounts	2022	2021	2020
	Ksh	Ksh	Ksh
Creditors	8795066	1573676	6,803,214
Total	8795066	1573676	6,803,214



b) Teacher Student ratio: 1:24

c) Mean score in the 2022 KCSE: 5.8788

YR	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E	X	ENT	MS	MG
2018	0	0	1	4	17	24	47	43	24	12	2	0	0	174	5.57	c
2019	0	1	9	23	25	21	23	36	32	25	4	0	0	199	5.8788	C
2020	0	1	12	25	39	36	38	30	12	2	0	0	0	195	6.9384	C+
2021	0	1	9	23	25	41	63	66	40	25	4	0	1	298	5.8788	C

d) Number of Candidates in the 2022 KCSE:

Year/No of students	2021	2020
2022	298	195

e) Capacity of the school:

Year	Enrolment
2022	1264
2021	1278
2020	1154

# REPUBLIC OF KENYA

Telephone: +254-(20) 3214000  
E-mail: 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 GIAKANJA BOYS HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 – NYERI COUNTY

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Giakanja Boys High School – Nyeri County set out on pages 1 to 16, which comprise of the statement financial assets and liabilities as at 30 June, 2022 and the statement of receipts and payments, statement

of cash flows and notes to the financial statements for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Giakanja Boys High School– Nyeri 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**

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

The statement of financial assets and financial liabilities and Note 13 to the financial statements reflects accounts receivables balance of Kshs.13,968,067 in respect of fees arrears. However, included in the balance are receivables amounting to Kshs.9,685,848 which had been outstanding for more than two (2) years.

In the circumstances, the accuracy, completeness and recoverability of the receivables balance of Kshs.9,685,848 could not be confirmed.

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

The statement of financial assets and financial liabilities and Notes 10, 11 and 12 to the financial statements reflects cash and cash equivalents balance of Kshs.9,965,946. However, the balance was not supported with bank reconciliation statements, certificate of bank balance confirmation and cash survey report.

In the circumstances, the accuracy, completeness and existence of cash and cash equivalents balance of Kshs.9,965,946 could not be confirmed.

#### **3. Inaccuracies in the Financial Statements**

The statement of budgeted versus actual amounts lacked total income and payments. Further, the budget lines for some items were left blank. In addition, the statement of assets and liabilities reflects accumulated fund brought forward of Kshs.8,947,311 while the balance from the previous year was Kshs.17,184,297 resulting in unexplained variance of Kshs.8,236,986. No explanation was provided for the anomaly.

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

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Giakanja Boys High School- Nyeri County 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 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, 2022.

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Unapproved Expenditure**

The statement of receipts and payments and Note 7 to the financial statements reflects operations amount of Kshs.18,526,757. Included in the amount is an expenditure of Kshs.865,400 for installation of Closed-Circuit Television (CCTV) Network which was not supported with budgetary approvals.

In the circumstances, the regularity and value for money realized from the expenditure of Kshs.865,400 could not be confirmed.



## **2. Excess Supply of Books**

During the year under review, the Ministry of Education distributed textbooks to public secondary schools through Kenya Institute of Curriculum Development (KICD). Examination of records revealed that the Institute distributed 1,464 books to the School while only 892 books were issued to the students, resulting to an unexplained excess text books of 572 books in the School store.

In the circumstances, value for money on the excess text books could not be confirmed.

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

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

In the circumstances, Management was in breach of the Ministry of Education Operation Manual.

## **4. Lack of Procurement Plan**

The statement of receipts and payments reflects an amount of Kshs.139,746,560 and Kshs.133,554,923 in respect of total receipts and payments respectively. However, during the year, Management did not prepare an annual procurement plan as part of the annual budget preparation process. Further, no procurement budget was provided for audit review. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that 'a procuring entity shall prepare a procurement plan for each financial year as part of the annual budget preparation process'.

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

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

The financial statements for the year 2021/2022 were submitted on 15 February, 2023 to the Auditor-General and not on the statutory date of 30 September, 2022. This is contrary to Section 47(1) of the Public Audit Act, 2015 which requires that financial statements to be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.

In the circumstances, the 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 are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Lack of Ownership Documents**

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.215,711,000 in respect of fixed assets which includes land with a balance of Kshs.90,000,000. However, land ownership document was not provided for audit.

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

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

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

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

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is

necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

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

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

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

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

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

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

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

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

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


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

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

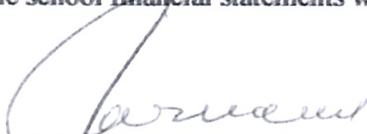
Nairobi


27 September, 2024


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

Description Of Vote Head	Note	July2021- June2022	Jan 2021-June 2021
		Kshs	Kshs
<b>Receipts</b>			
capitation grants for tuition	1	4213591	1494642
capitation grants for operations	2	18529301	9410506
School fund income- parents' contributions	3	87584774	11583172
School fund income- Other receipts	4	22387894	20590314
infrastructure	5	7031000	15265500
<b>Total Receipts</b>		<b>139746560</b>	<b>58344142</b>
<b>Payments</b>			
Payments Tuition	6	4148361	1442720
Payments Operations	7	18526757	9125071
Boarding and school fund	8	105113151	30107377
Infrastructure	9	5766654	17226967
<b>Total Payments</b>		<b>133554923</b>	<b>57902135</b>
<b>Surplus/Deficit</b>		<b>6191637</b>	<b>442007</b>

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

  
 Name: JOSEPH P.M. KARVER  
 Chair BOM

  
 Name: ONESMUS MWARAGI  
 School Principal/ Secretary to BOM

  
 Name: Florence Nyambura  
 Bursar/ Finance Officer

Date: 20/07/24

Date: 30/7/2024

Date: 20/07/24


THE PRINCIPAL  
 GIAKANJA BOYS HIGH SCHOOL  
 P. O. Box 166-10100, NYERI  
 SIGN.....DATE.....


**3. Report of The Independent Auditors**


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

Description Of Vote Head	Note	July2021- June2022	Jan 2021-June 2021
		Kshs	Kshs
<b>Receipts</b>			
capitation grants for tuition	1	4213591	1494642
capitation grants for operations	2	18529301	9410506
School fund income- parents' contributions	3	87584774	11583172
School fund income- Other receipts	4	22387894	20590314
infrastructure	5	7031000	15265500
<b>Total Receipts</b>		<b>139746560</b>	<b>58344142</b>
<b>Payments</b>			
<b>Payments Tuition</b>	6	4148361	1442720
<b>Payments Operations</b>	7	18526757	9125071
Boarding and school fund	8	105113151	30107377
Infrastructure	9	5766654	17226967
<b>Total Payments</b>		<b>133554923</b>	<b>57902135</b>
<b>Surplus/Deficit</b>		<b>6191637</b>	<b>442007</b>

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

  
 Name: JOSEPH P.M. KARURU  
 Chair BOM

  
 Name: ONESMUS MWANGI  
 School Principal/ Secretary to BOM

  
 Name: FLORENCE NYAMBURA  
 Bursar/ Finance Officer

Date: 30/07/2024

Date: 30/7/2024

Date: 30/07/24

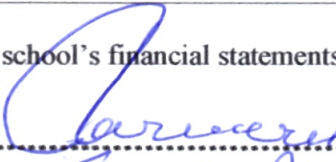
THE PRINCIPAL  
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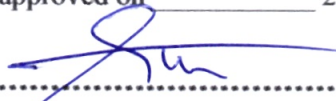



5. Statement of Assets and Liabilities As At 30<sup>th</sup> June 2022

Description	Note	July 2021-June 2022	Jan 2021-June 2021
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash and cash equivalents</b>			
Bank balances	10	7964987	1790697
Cash balances	11	959	1208.10
Short term investments	12	2000000	2000000
<b>Total cash and cash equivalent</b>		<b>9965946</b>	<b>3791905</b>
Accounts receivables	13	13968067	14966068
<b>Total financial assets</b>		<b>23934013</b>	<b>18757973</b>
<b>Financial liabilities</b>			
Accounts payables	14	(8795066)	(1573676)
<b>Net financial assets</b>		<b>15138947</b>	<b>17184297</b>
<b>Represented by</b>			
Accumulated fund b/fwd	15	8947311	16742290
Surplus/deficit for the year		6191636	442007
<b>Net financial position</b>		<b>15138947</b>	<b>17184297</b>

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

  
 Name: JOSEPH P.M. KARWETU  
 Chair BOM  
 Date: 30/07/2024

  
 Name: ONESMUS MWANGI  
 School Principal/ Secretary to BOM  
 Date: 30/7/2024

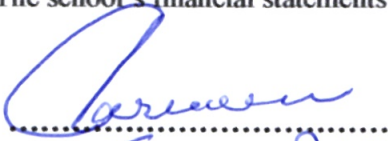
  
 Name: Florence Nyambura  
 Bursar/ Finance Officer  
 Date: 30/07/2024

THE PRINCIPAL  
 GIAKANJA BOYS HIGH SCHOOL  
 P. O. Box 166-10100, NYERI  
 SIGN.....DATE.....

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

Description	Note	July 2021- June 2022	Jan 2021-June 2021
		Kshs	Kshs
<b>Cash from Operating Activities</b>			
<b>Receipts</b>			
Capitation grants for tuition	1	4213591	1494650
Capitation grants for operations	2	18529301	9410506
School fund income- parents contributions/ fees	3	87584774	11583172
School fund income	4	22387894	20590314
Infrastructure	5	7031000	15265500
<b>Total receipts</b>		<b>139746559</b>	<b>58344142</b>
<b>Payments</b>			
payments for tuition	6	4148361	1442720
payments for operations	7	18526757	9125071
Boarding and school fund payments	8	105113151	30107377
Infrastructure	9	5766654	17226967
<b>Total Payments</b>		<b>133554923</b>	<b>57902135</b>
<b>Net cash from operating activities</b>		<b>6191637</b>	<b>442007</b>
<b>Cash flow from investing activities</b>			
Purchase of investments		1008594	
<b>Net cash inflow/outflows from investing activities</b>		<b>7200231</b>	
<b>Net increase/decrease in cash and cash equivalents</b>		<b>7200231</b>	<b>442,007</b>
Cash and cash equivalent at beginning of the FY		<b>2765715</b>	2323708
<b>Cash and cash equivalent at end of the FY</b>		<b>9965946</b>	<b>2765715</b>

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



Name: Joseph P.M. Karuezu  
Chair BOM

Date: 30/7/2024



Name: OAESMUS MWANGI  
School Principal/ Secretary to BOM

Date: 30/7/2024

THE PRINCIPAL  
GIAKANJA BOYS HIGH SCHOOL  
P. O. Box 166-10100, NYERI  
SIGN.....DATE.....



Name: Florence Nyambura  
Bursar/ Finance Officer

Date: 30/07/2024

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Receipts</b>					
<i>(1) Capitation Grant on Tuition</i>					
Reference Materials	200000	-	200000	-	0
Exercise Books	1500000	-	1500000	1695615	113%
Laboratory Equipment	1449800	-	1449800	714700	49%
Internal Exams	550000	-	550000	250900	46%
Teaching / Learning Materials	599500	-	599500	1323756	220%
chalk	55200	-	55200		0
Exam and assessment				178620	0
<i>(2) Capitation Grant on Operations</i>					
Personnel Emoluments	2816000	-	2816000	5697000	200%
Repairs And Maintenance	5500000	-	5500000	6884914	120%
Local Transport / Travelling	2018500	-	2018500	1468500	70%
Electricity And Water	3223000	-	3223000	2438912	70%
Medical	200000	-	200000	350000	170%
Administration Costs	2282500	-	2282500	887974	30%
Activity	1650000	--	1650000	-	0
<i>(3) Fees Charged on Parents</i>					
Personnel Emoluments	8769200	--	8769200	14546791	166%
Repairs And Maintenance	2200000	-	2200000	37122223	169%
Local Transport / Travelling	2839100	-	2839100	4781353	168%

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Electricity And Water	6932200	-	6932200	6500457	94%
Administration Costs	3867600	-	3867600	7377794	191%
Activity	877800	-	877800	1504074	171%
Fee On Boarding Equipment and Stores	33423500	-	33423500	49214320.50	147%
<b>Other income</b>					
Rent income	95040	-		27000	28%
Income from farming activities	1500000	-		657280	44%
<b>Total Income</b>					
<i>(6) Expenditure For Tuition</i>					
Textbooks Reference Materials	200000		200000	285780	142%
Exercise Books	1500000		1500000	701739	47%
Laboratory Equipment	1449800		1449800	1467920	101%
Internal Exams	550000		550000	132000	24%
Teaching / Learning Materials	599500		599500	1536922	256%
Chalks	55200		55200		
Teachers Guides				24000	
<i>(7) Expenditure For Operations</i>					
Personnel Emoluments	2816000		2816000	550000	10%
Repairs, Maintenance & Improvements	5500000		5500000	9788371	177%
Local Transport / Travelling	2018500		2018500	515673	26%
Electricity, Water and Conservancy	3223600		3223600	3146532	98%
Medical	200000		200000	-	
Administration Costs	2282500		2282500	3753567	164%

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Rent Expenses	5000		6200	6200	124%
<b>Totals</b>					

**Reasons for under expenditure and over expenditure.**

- i. The government did not release the total amount of capitation as required.
- ii. The parents were unable to pay the school fees as per the fees structure thus unable to meet the budgeted.
- iii. The rate of inflation made the goods prices to go high than the budgeted prices.

**Significant Accounting Policies**

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

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

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

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

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

**2. Recognition of receipts and payments**

The *school* recognises all receipts from the various sources when the event occurs, and the related cash has actually been received by the *school*. In addition, the *school* recognises all expenses when the event occurs, and the related cash has actually been paid out by the *school*. Income arising from school fees is recognised when the event occurs whether cash is received or not. Expenditure arising from operations is recognised when the event occurs irrespective of receipt of cash.

**3. In-kind contributions**

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

**4. Cash and cash equivalents**

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

**5. Accounts Receivable**

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. Accounts receivables also include school fees billed to parents for services rendered but not paid. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

**6. Accounts Payable**

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Payables also include expenditure incurred for the purchase of goods, works and services that has been rendered and not settled. This is an enhancement to the cash accounting policy adopted for public secondary schools. Other liabilities are disclosed in the financial statements.

**7. Non-current assets**

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

**8. Budget**

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

**9. Comparative figures**

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

**10. Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2022.

Notes To The Financial Statements

**1 Capitation Grants for Tuition**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Exercise Books	1695615	
Laboratory Equipment	714700	1442712
Internal Exams	250900	
Teaching / Learning Materials	1323756	51930
Chalks	178620	8
Teachers Guides	50000	
<b>Total</b>	<b>4213591</b>	<b>1494650</b>

**2 Capitation Grants for Operations**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel Emoluments	5697000	4939020
Repairs And Maintenance	6884914	
Local Transport / Travelling	1468500	441286
Electricity And Water	2438911	2308000
Medical	350000	760000
Administration Costs	887975	730800
Activity	550000	230800
NHIF	252000	
<b>Total</b>	<b>18529301</b>	<b>9410506</b>

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

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments	14538735	4897723
Repairs and maintenance	3710823	836321
Local transport / travelling	4779546	1069272
Electricity and water	6495931	2673651
Administration costs	7374028	1760248
Activity	1503276	345957
Fee On Boarding Equipment and Stores	49182435	
<b>Total</b>	<b>87584774</b>	<b>11583172</b>



#### 4 Other Receipts – School Fund Account

Description	2021-2022	2020-2021
	Kshs	Kshs
Fee On Boarding Equipment andStores		13858312
Rent Income	89020	49915
Income From Farming Activities	671240	754420
Prepayments		1573676
Others	21627634	
Uniform		96302
Fees Recoveries		4252689
Advance		5000
<b>Total</b>	<b>22387894</b>	<b>20590314</b>

#### 5 Capitation Grants for infrastructure

Description	2021-2022	2020-2021
	Kshs	Kshs
Received from MOE	7031000	13085500
Received from Savings		2180000
<b>Total</b>	<b>7031000</b>	<b>15265500</b>

Notes to the Financial Statements (continued)

**6 Tuition**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Textbooks And Reference Materials	285780	
Exercise Books	701739	
<b>Laboratory Equipment</b>	<b>1467920</b>	<b>381,010</b>
Internal Exams	132000	
Teaching / Learning Materials	1536922	1006410
Chalks		120
<b>Creditors paid</b>		<b>55180</b>
Teachers Guides	24000	
<b>Total</b>	<b>4148361</b>	<b>1442720</b>

**7 Operations**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel Emoluments	550000	1710000
<b>Administration Cost</b>	<b>3753567</b>	<b>1109410</b>
Repairs And Maintenance & Improvements	9788371	4460971
Local Transport / Travelling	515673	200037
Electricity And Water	3146532	1286756
<b>Creditors paid</b>		<b>117140</b>
Activity Expenses	231145	
Insurance Cost	541469	240757
<b>Total</b>	<b>18526757</b>	<b>9125071</b>

Notes to the Financial Statements (continued)

8 Boarding and School Fund

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments	9340058	4071009
Service Gratuity		2530872
Repairs And Maintenance & Improvements	9663799	994319
Local Transport / Travelling	4208635	1383026
Electricity And Water	5779424	521398
Activity Expenses	1700620	22500
Administration Costs	7579621	2039517
Advance		15000
Expenses On Income Generating Activities Farm		425607
Fee On Boarding Equipment and Stores	44342737	13907112
Rent Expenses	6200	27000
Creditors paid		4150017
Rd Cheques		20000
Others	22492057	
<b>Total</b>	<b>105113151</b>	<b>30107377</b>

9 Infrastructure

Description	2021-2022	2020-2021
	Kshs	Kshs
Maintenance and Improvement	5766654	17226967
<b>Total</b>	<b>5766654</b>	<b>17226967</b>

Notes to the Financial Statements (continued)

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2021-2022	2020-2021
	Active/Dormant		Kshs	Kshs
Tuition Account		1101863455	131160	65930
Operations Account		1108773664	339860	337316
School Fund		1101854022	4355889	(503876)
Savings Account 1		1108591604	514890	282866
Savings Account 2		1107569265	906986	306986
Project account		1150277474974	378259	201688
Infrastructural Account		1217268618	1337943	73597
<b>Total</b>			<b>7964987</b>	<b>764507</b>

11 Cash In Hand

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition Account		
Operation Account		
School Fund Account	959	1208
<b>Total</b>	<b>959</b>	<b>1208</b>

12 Short Term Investments

Description	2021-2022	2020-2021
	Kshs	Kshs
Fixed Deposit accounts	2000000	2000000
Other Investments		
<b>Total</b>	<b>2000000</b>	<b>2000000</b>

Notes to the Financial Statements (continued)

13 Accounts Receivable

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees Arrears	13932867	14961068
<b>Other Non-Fees Receivables</b>		
Salary Advances	35200	5000
Imprest		
<b>Total</b>	<b>13968067</b>	<b>14966068</b>

13 b Ageing Analysis of Accounts Receivable

Description	2021-2022		2020-2021	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	1469594			%
Between 1- 2 years	2777425			%
Between 2-3 years	9685848			%
Over 3 years				%
<b>Total (should tie to note 13 a)</b>	<b>13932867</b>			<b>%</b>

14 Accounts Payable

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix I)	5604044	
Prepaid Fees	3191022	1573676
Retention Monies		
<b>Total</b>	<b>8795066</b>	<b>1573676</b>

Notes to the Financial Statements (continued)

14b. Ageing Analysis of Accounts Payable

Description	2021-2022		2020-2021	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	5604044			%
<b>Total (should tie to note 14)</b>	<b>5604044</b>			<b>%</b>

15 Fund Balance Brought Forward

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank Balances	1773102	322360
Cash Balances	1208	1348
Short Term Investments	2000000	2000000
Receivables	13968067	14966068
Payables	(8795066)	(1573676)
<b>Total</b>	<b>8947311</b>	<b>15716100</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 Biological assets

Description	Numbers	2021-2022	2020-2021
		Kshs	Kshs
Cattle	10	500000	
Goats			
Trees	100	500000	
pigs			
<b>Total</b>		<b>1000000</b>	

**Other important disclosure notes**

**17. Stock/ Inventory**

Description	2020-2021	
	Kshs	Kshs
Food stuffs	234090	-
Lab consumables	68090	-
Farm produce		-
Medication		-
Construction Materials	125000	-
Others (specify)		-
	<b>427180</b>	-

**18. Progress On Follow Up Of Auditor Recommendations**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

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

THE PRINCIPAL  
 GIAKANJA BOYS HIGH SCHOOL  
 P. O. Box 166-10100, NYERI  
 SIGN: \_\_\_\_\_ DATE: 30/7/2024

Sign and Date  
 Principal

8. Annexes

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

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Construction Of Buildings</b>						
1. PAM COMPLEX				425500		
2 BELLIMAX BUILDING				285420		
<b>Sub-Total</b>				<b>710920</b>		
<b>Supply Of Goods</b>						
1. OASIS STORES AND SUPERMARKET				2040220		
2. PRISAH ENTERPRISES				305000		
3. LANES ENTRPRISES				428340		
4. MAWARA STORES				1088940		
5. GIAKANJA SUNRISE				223430		
6. AEL GREENS				341000		
7. PIWESTA ENTERPRISES				251094		
<b>Sub-Total</b>				<b>4678024</b>		
<b>Supply Of Services</b>						
1.DAGIKA INVESTMENTS				90000		
2. MERCURY POSHO MILL				24400		



Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
3. WAIHURA TRADERS				13200		
4. AMOSWELL NETWORKING				87500		
<b>SUB TOTAL</b>				<b>215100</b>		
<b>Grand Total</b>				<b>5604044</b>		

### Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 <sup>st</sup> July 20XX	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 <sup>th</sup> June 20XX
Land	90,000,000			90,000,000
Buildings And Structures	95,000,000	5000000		100,000,000
Motor Vehicles	3,000,000			3,000,000
Office Equipment, Furniture And Fittings	1,000,000			1,000,000
Textbooks	100,000			100,000
ICT Equipment	861,000			861,000
Tools And Apparatus	200,000	50000		250,000
Other Machinery And Equipment	400,000			400,000
Intangible Assets- Soft Ware	100,000			100,000
<b>Total</b>	<b>215,711,000</b>	<b>5050000</b>		<b>215,711,000</b>