

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 01 JUL 2026

DAY.

WEDNESDAY

REPORT

TABLED
BY:

HON. OWEN BAYA, M.P.

CLERK-AT
THE-TABLE:

CHRISTINE NDIRITU

OF

THE AUDITOR-GENERAL

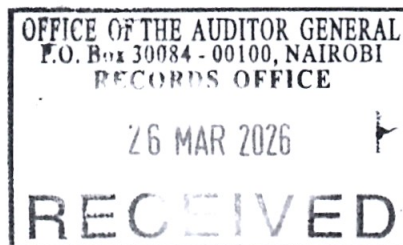
ON

PARLIAMENT
OF KENYA
LIBRARY

MARIAKANI SECONDARY SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2023

KILIFI COUNTY



MARIAKANI SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2023

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



MARIKANI SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2023**

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

Table of Contents

Page

1. Key School Information And Management.....	iv
2. Summary Report Of Performance Of The School.....	viii
4. Movements in Debtors and Creditors	x
3. Statement Of School Management Responsibility.....	xiv
4. Report Of The Independent Auditors	xv
5. Statement Of Receipts And Payments Period To 30 th June 2023.....	1
6. Statement Of Financial Assets And Financial Liabilities As At 30 th June 2023	2
7. Statement of Cash Flows for The Period Ended 30 th June 2023	3
8. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30 th June 2023	5
9. Significant Accounting Policies	10
10. Notes To The Financial Statements	12

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 located in KILIFI County, KALOLENI Sub-County

The school was registered in February 2010 under registration number GP/A/7730/09 and is currently categorized as a COUNTY public school established, owned or operated by the Government.

The school is a boarding school and had 1087 number of students as at 30th June 2023. It has 5 streams and 36 teachers of which 17 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	Ramadhan Kimanthi	Chairman	8th July, 2022
2	Ngome Joshua Malidzo	Secretary - Principal	8th July, 2022
3	Raphael Bombo Ndeme	Member	8th July, 2022
4	Charles M. Ndegwa	Member	8th July, 2022
5	Khuzeima Abdallah	Member	8th July, 2022
6	Ruth Wambani Nyongesa	Member	8th July, 2022
7	Mwamure Thoya	Member	8th July, 2022
8	Suleiman Ngowa	Member	8th July, 2022
9	Lilian Senti	Member	8th July, 2022
10	Abdulkarim Mohammed	Member	8th July, 2022
11	Benjamin Mae	Member	8th July, 2022
12	Vincent Kai	Member	8th July, 2022
12	Phillis Pendo	Member	8th July, 2022
14	Raphael Shanga	Member – Rep CEB	8th July, 2022
15	Pauline Kuvuna Dzombo	Member Rep Teachers	8th July, 2022
		3 Members - Sponsor	
16	Teresia Zawadi Baya	Member - Community	8th July, 2022
17	Vespus Chenja	MemberSpecial Needs	8th July, 2022
	Abdul Mkuzi	Rep Students	

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 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	Ramadhan Kimanthi Fredrick Mwamure Raphael Bombo Ruth Kukubo Ngome J. Malidzo	B.O.M Chair P.A Executive Chair B.O.M Member B.O.M Member B.O.M Secretary	0 out of 1
2	Audit Committee	Khuzeima Abdallah Teresia Zawadi Baya Abdulkarim Mohammed Suleiman Ngowa Phyliss Pendo	Member Member Member Member Member Member	0 out of 1
3	Finance,procurement and general purposes Committee	Ramadhan Kimanthi Vincent Kai Charles M. Ndegwa Khuzeima Abdalla Phyliss Pendo Renalda Wakio	Member Member Member Member Member Bursar	0 out of 1
4	Academic Committee	Fredrick Mwamure Pauline Dzombo Raphael Bombo Ramadhan Kimanthi Ruth Kukubo Charles M. Ndegwa	Member Member Member Member Member Member	1 out of 1
5	Development Committee			

6	Discipline and welfare Committee	Ruth Kukubo Fredrick Mwamure Raphael Bombo Vespus Chenja Ramadhan Kimanthi Teresia Zawadi Baya	Member Member Member Member Member Member	3 out of 3
7	Adhoc Committee (if any during the year)			

(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	NGOME JOSHUA MALIDZO	322324
2	Deputy Principal	MATHEW KIMAMO WAITHAKA	375262
3	School Bursar	RENALDA SEVERA WAKIO	24370156

(e) Schools contacts

Post Office Box: 34 - 80113
Telephone: 0723381437
E-mail: mari.seco@yahoo.com
Website: www.mariseco.co.ke
Facebook:
Twitter:

(f) School Bankers

The following school operated 5 numbers of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: Kenya Commercial Bank
Branch: Mariakani
Account Number: 1107816076 – Tuition Account
2. Name of Bank: Kenya Commercial Bank
Branch: Mariakani
Account Number: 1107816777 – Operational Account
3. Name of Bank: Kenya Commercial Bank
Branch: Mariakani
Account Number: 1107798108 – Main Account
4. Name of Bank: Kenya Commercial Bank
Branch: Mariakani
Account Number: 1280693088 – Infrastructure Account
5. Name of Bank: Kenya Commercial Bank
Branch: Mariakani
Account Number: 1280693355 – Gratuity Account
6. Name of Bank: Equity Bank (Kenya) LTD
Branch: Kilifi
Account Number: 1060281066426
7. MPESA Pay Bill No. 822360 attached to 1107798108 bank account

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

5 Independent Auditors

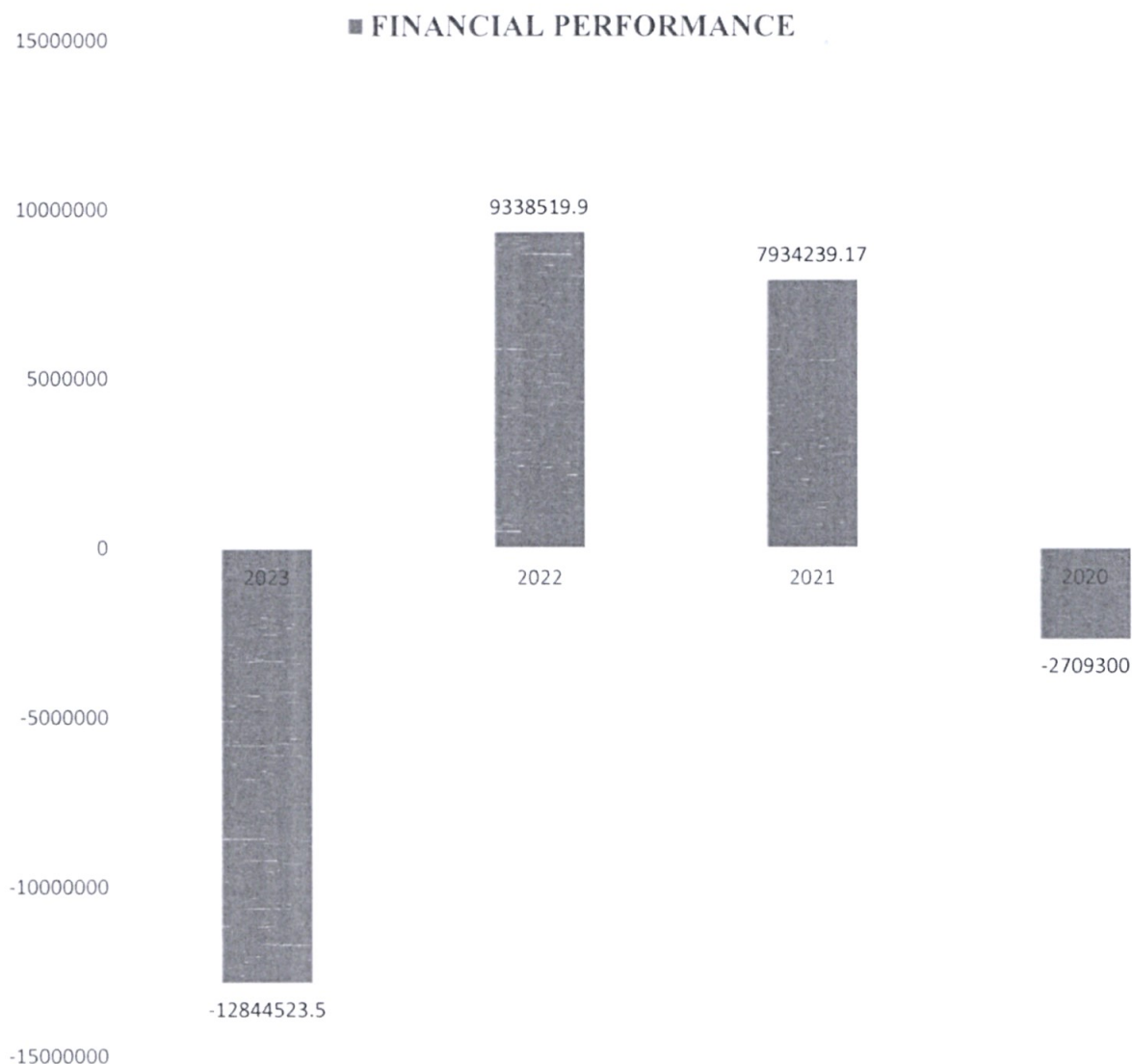
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

2. 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:

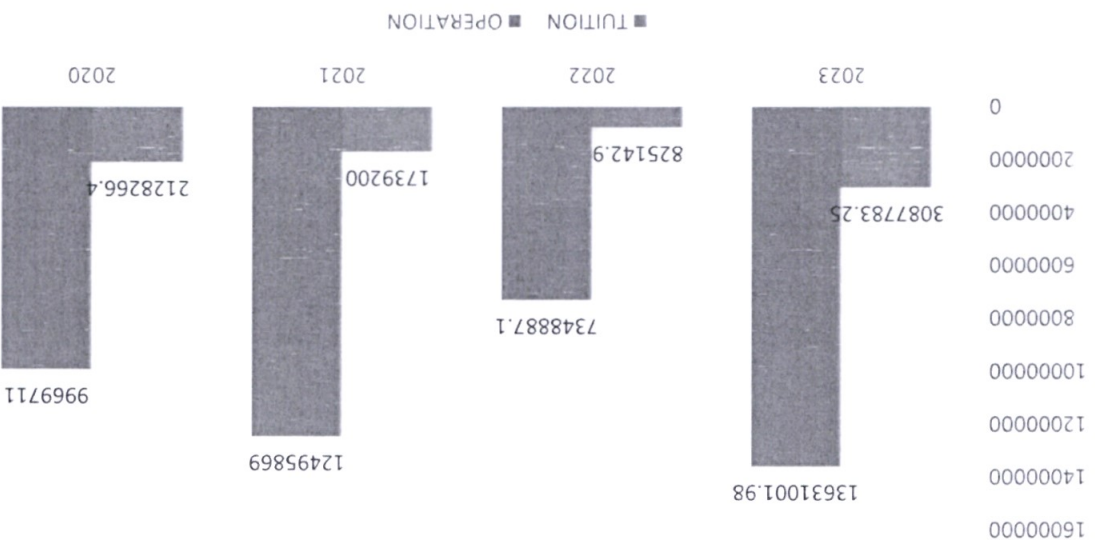
a) Financial performance:

<i>YEAR</i>	<i>DESCRIPTION</i>	<i>AMOUNT</i>	<i>PAGE REFERENCE</i>
2023	DEFICIT	12,844,523.50	Pg 1
2022	SURPLUS	9,338,519.90	Pg 1
2021	SURPLUS	7,934,239.17	Pg 1
2020	DEFICIT	2,709,300.00	



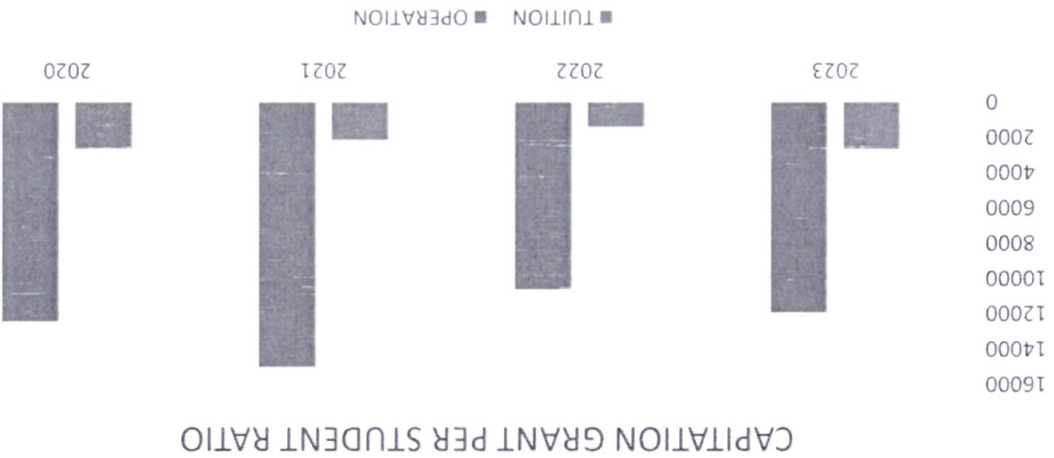
2. Capitation Grant from Ministry

ACCOUNT	2023	2022	2021	2020
TUITION	3,087,783.25	825,142.90	1,739,200.00	2,128,266.40
OPERATION	13,631,001.98	7,348,887.10	12,495,869.00	9,969,711.00



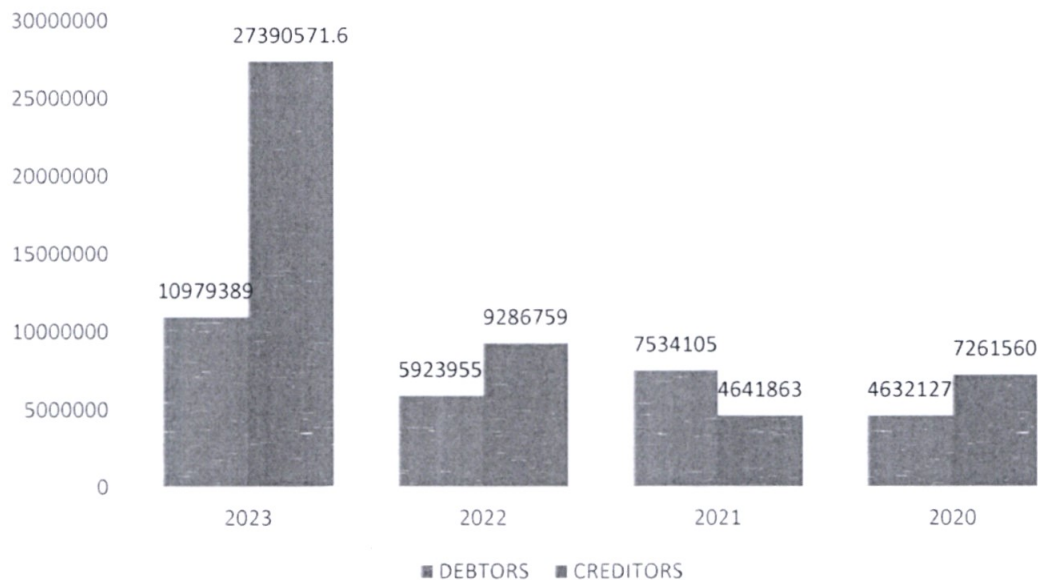
3. Capitation Grant per Student Ratio

ACCOUNT	2023	2022	2021	2020
TUITION	1:2,726.00	1:1,441.50	1:2,195.00	1:2,677.30
OPERATION	1:11,975.50	1:10,666.00	1:15,047.55	1:12,471.63



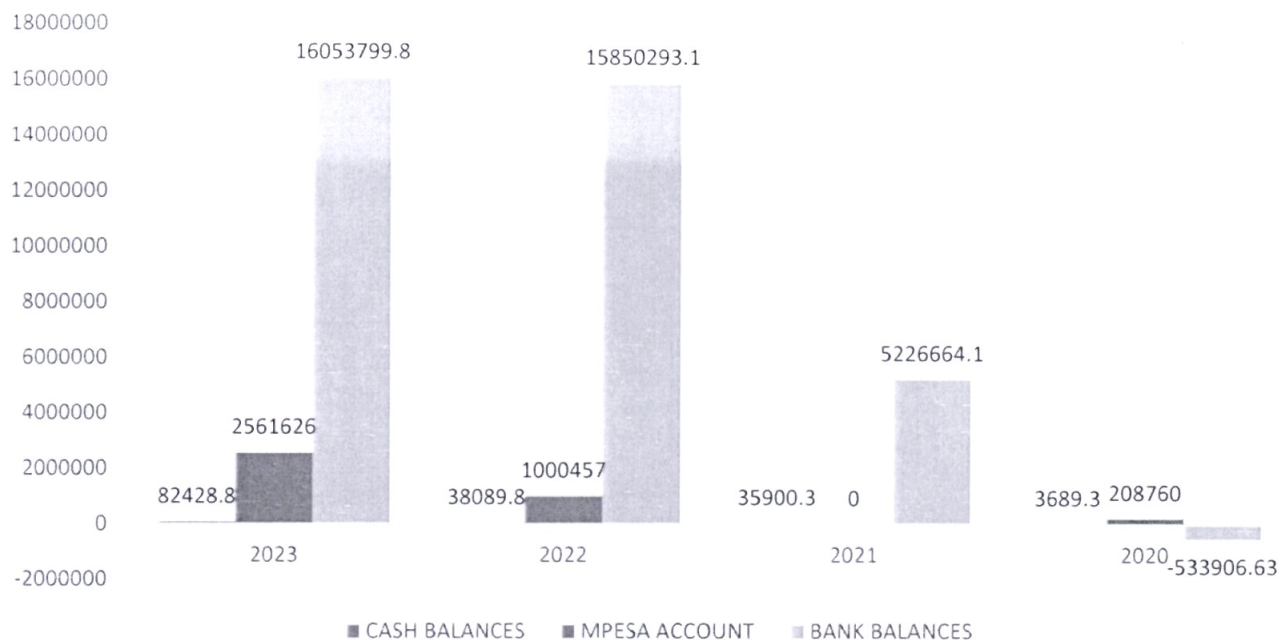
4. Movements in Debtors and Creditors

<i>DESCRIPTION</i>	<i>2023</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>
DEBTORS	10,979,389.00	5,923,955.00	7,534,105.00	4,632,127.00
CREDITORS	27,390,571.60	9,286,759.00	4,641,863.00	7,261,560.00



5. Movement in Cash and Bank balances

<i>DESCRIPTION</i>	<i>2023</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>
Cash balances	82,428.80	38,089.80	35,900.30	3,689.30
Mpesa Account	2,561,626.00	1,000,457.00		208,760.00
Bank balances	16,053,799.80	15,850,293.10	5,226,664.10	(533,906.63)

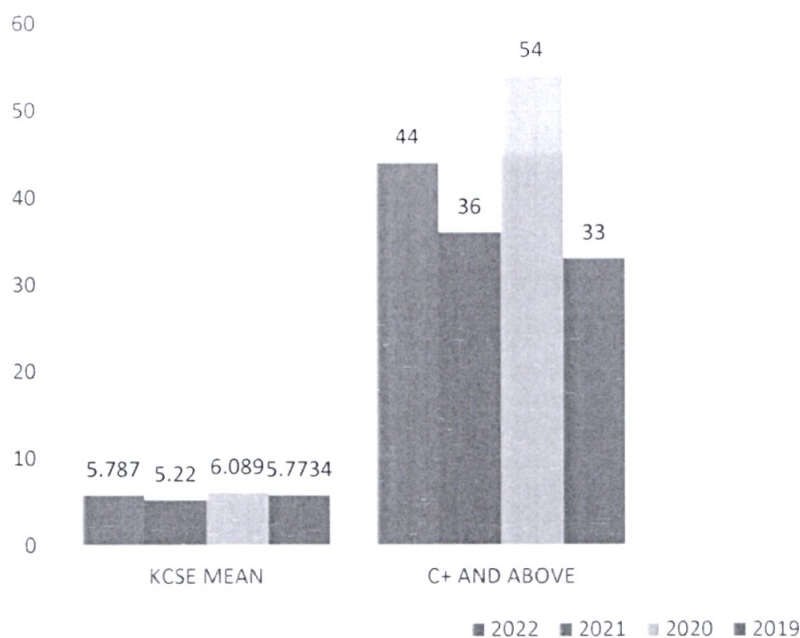


a) **Teacher Student ratio:**

S/NO	DESCRIPTION	
1	Teacher per Student Ratio	1:31
2	Number of Teachers recruited within the year	1
3	Teacher transferred/retired within the year	4
4	TSC Teacher employed	3
5	BOM Teachers employed	17
6	Teacher per Subject Ratio	1:56

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

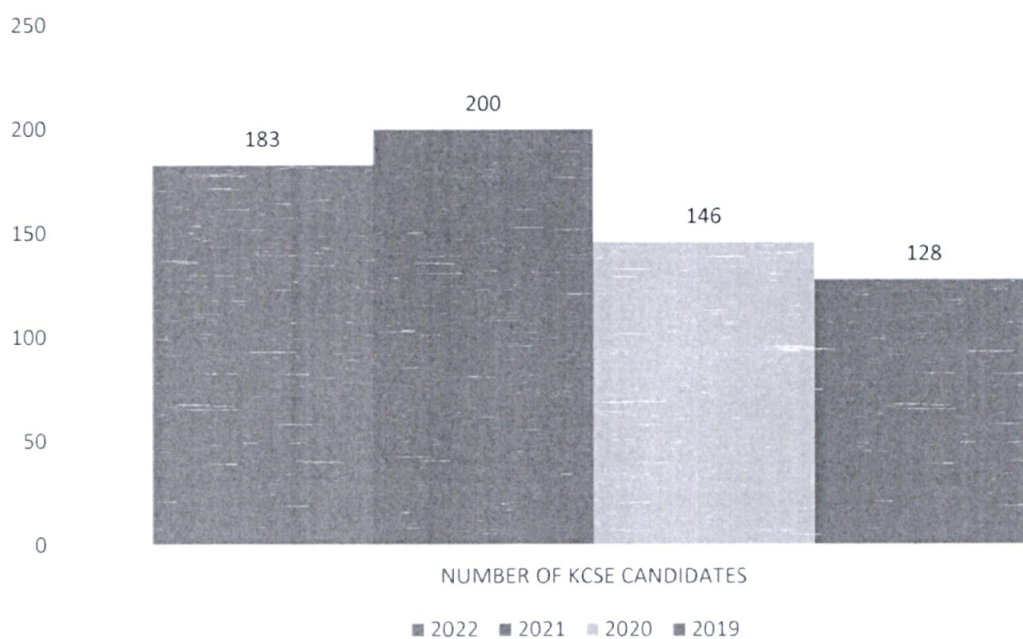
DESCRIPTION	2022	2021	2020	2019
KCSE Mean score	5.787	5.220	6.0890	5.7734
Number of students transitioned to Institute of higher learning	44	36	54	33



c) Number of Candidates in the 2022 KCSE:

DESCRIPTION	2022	2021	2020	2019
Number of student sitting for KCSE	183	200	146	128

or otherwise as compared to the school's set score.



d) **Capacity of the school:**

DESCRIPTION	2023	2022	2021	2020
Student/Laboratory Ratio	1:362	1:346	1:358	1:345
Student/Toilet Ratio	1:108	1:104	1:102	1:102
Student/Dormitory Ratio	1:155	1:115	1:114	1:107

Summary Report of the Performance of the School (Continued)e) **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).

Projects	Source of Fund	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected Completion Time
4 Door Modern Toilet	M&I	36.9% complete	567,195.00	209,760.00	DECEMBER 2023
10 Door Ablution Block	M&I	46.9% complete	1,700,433.00	798,746.10	DECEMBER 2023
Dormitory	M&I	40.8% complete	7,922,759.00	3,223,334.41	JANUARY 2024



School Principal

PRINCIPAL
MARIAKANI SECONDARY SCHOOL
P. O. Box 34 -80113, MARIAKANI
Date:.....Sign:.....

3. Statement Of School Management Responsibility

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

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

The Board of Management of *Mariakani 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, 2023, and of the school's financial position as at that date.

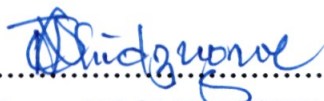


.....
Name: RAMADHAN KIMANTHI HAMAD

Designation: Chairman, School Board of Management

Date: 16/10/2023

PRINCIPAL
MARIAKANI SECONDARY SCHOOL
P. O. Box 34 -80113, MARIAKANI



Date:.....Sign:.....

.....
Name: NGOME JOSHUA MALIDZO

Designation: School Principal & Secretary to Board of Management

Date: 16/10/2023



.....
Name: RENALDA SEVERA WAKIO

Designation: Bursar/ Finance Officer

Date: 16/10/2023

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 MARIAKANI SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 – KILIFI COUNTY

PREAMBLE

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

- A. Report on 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 the 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; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Mariakani Secondary School set out on pages 1 to 20, which comprise of the statement of assets and liabilities as at

Report of the Auditor-General on Mariakani Secondary School for the year ended 30 June, 2023 – Kilifi County

30 June, 2023 and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Mariakani Secondary School as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with the 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. Variances in the Financial Statements

The statement of receipts and payments reflects payments for tuition amount of Kshs.5,438,490 while the ledger reflects an amount of Kshs.2,614,795 resulting in unexplained variance of Kshs.2,823,695. Further, the statement reflects payments for operations of Kshs.10,464,036 while the ledger reflects an amount of Kshs.9,752,687 resulting in unexplained variance of Kshs.711,349. In addition, the statement of financial assets and financial liabilities reflects accounts payables of Kshs.33,248,744 while the ledger reflects an amount of Kshs.27,390,571 resulting in unexplained variance of Kshs.5,858,173.

In the circumstances, the accuracy and completeness of the above amounts reflected in the financial statements could not be confirmed.

2. Unsupported School Fund Income

The statement of receipts and payments and as disclosed in Note 4 and Note 5 to the financial statements reflects school fund income – parents' contributions and other receipts of Kshs.59,650,172 and Kshs.5,776,856 respectively which were not supported with detailed ledger analysis indicating the source of the receipts, amount, student name, period of collection and payment method.

In the circumstances, the accuracy and completeness of school fund income – parents' contributions of Kshs.59,650,172 and other receipts of Kshs.5,776,856 could not be confirmed.

3. Unsupported Payments

The statement of receipts and payments reflects payments for operations amount of Kshs.10,464,036 and boarding and school fund amount of Kshs.72,826,390 which were not supported with detailed ledger transactions indicating the date, amount, payee and

description of goods received or service rendered. Further, examination of sampled payments amounting to Kshs.1,666,300 revealed payments without support documentation such as requisitions, local purchase orders/service orders, delivery notes and inspection reports.

In the circumstances, the accuracy and completeness of school fund payments of Kshs.72,826,390 and operations amount of Kshs.10,464,036 could not be confirmed.

4. Inaccuracies in Cash and Cash Equivalents

The statement of financial assets and financial liabilities and as disclosed in Note 10 and Note 11 to the financial statements reflects cash and cash equivalents balance of Kshs.18,710,329 out of which Kshs.16,066,274 relates to bank balances held in eight (8) bank accounts. However, Management did not prepare bank reconciliation statements for five (5) bank accounts and cash in hand balance of Kshs.2,644,054 was not supported with board of survey certificate and memorandum cashbook. Further, review of bank statements revealed cash withdrawals amounting to Kshs.18,686,260 made without authorizations by the principal, supporting imprest warrants, surrender documents or memorandum cashbooks.

In the circumstances, the accuracy and completeness of cash and cash equivalents of Kshs.18,710,329 could not be confirmed.

5. Unsupported Accounts Receivables

The statement of financial assets and financial liabilities and as disclosed in Note 13 to the financial statements reflects accounts receivables balance of Kshs.37,496,361 which was not supported with ledgers.

In the circumstances, the accuracy and completeness of accounts receivables balance of Kshs.37,496,361 could not be confirmed.

6. Unsupported Accounts Payables

The statement of financial assets and financial liabilities and as disclosed in Note 14 to the financial statements reflects accounts payables balance of Kshs.33,248,744. Included in the balance are trade creditors of Kshs.31,263,729 and prepaid fee of Kshs.1,982,615 which were not supported with invoices, local purchase orders or local service orders, delivery notes and inspection and acceptance reports. Further, included in the trade creditors balance is Kshs.3,475,540 that has been outstanding for more than two years.

In the circumstances, the accuracy, completeness and occurrence of accounts payables balance of Kshs.33,248,744 could not be confirmed.

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

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final budget income of Kshs.62,329,000 and actual on comparable basis of Kshs.63,388 232 resulting to over receipts of Kshs.1,059,232. Similarly, the School spent Kshs.78,787,375 against actual receipts of Kshs.63,388,232, resulting in an over-expenditure of Kshs.15,399,143 or 24% against actual receipts.

The over expenditure is indicative of unrealistic budget assumptions during budget formulation process.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Information

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

In connection with my audit on the School's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact, I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Delayed Transfer of Infrastructure Funds

The statement of receipts and payments and as disclosed in Note 2 to the financial statements reflects government grants for operations of Kshs.9,076,002 out of which Kshs.1,190,000 was transferred to infrastructure account after twenty (20) days. This was contrary to Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directs that infrastructure grants as well as maintenance and improvement funds be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

2. Unbalanced Budget

The statement of budgeted versus actual amounts reflects total income budget of Kshs.62,329,000 and total expenditure budget of Kshs.62,236,120 resulting to an unexplained variance of Kshs.92,880. This was contrary to Regulation 33(c) of the Public Finance Management (National Government) Regulations, 2015, which states that the budget should be balanced.

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

3. Failure to Prepare Annual Procurement Plan

The statement of receipts and payments reflects total payments of Kshs.92,964,253. However, during the year, Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that 'a procuring entity should prepare a procurement plan for each financial year as part of the annual budget preparation process'. In addition, Management had not made training arrangements to capacity build the existing personnel in the stores.

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

4. Irregular Procurement of Goods and Services

The statement of receipts and payments reflects total payments of Kshs.92,964,253. Review of procurement processes revealed that goods worth Kshs.2,035,670 were procured without advertising while the use of direct procurement on goods amounting to Kshs.958,500 was not justified. Further, goods worth Kshs.2,035,670 were taken on charge without certification from inspection and acceptance committee and failure to raise professional opinions. This was contrary to Section 44(1) and (2)(g) of the Public Procurement and Asset Disposal Act, 2015 which states that an accounting officer of a public entity shall ensure the procurement and asset disposal process of the public entity comply with the Act.

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

5. Late Submission of Financial Statements

During the year under review, Management submitted the financial statements to the Auditor-General on 25 January, 2024 instead of the statutory deadline of 30 September, 2023. This was contrary to Section 47(1) of the Public Audit Act, 2015 with states that the financial statements required under the Constitution, the Public Finance Management Act, 2012 and any other legislation, shall be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Failure to Reconcile Student Enrolment Data

The statement of receipts and payments reflects capitation grants for tuition amount of Kshs.3,087,783 and capitation grants for operations of Kshs.9,076,001. Analysis of

National Education Management Information System (NEMIS) data of July 2022 revealed an enrolment of one thousand one hundred and thirty-two (1,132) students while School enrolment reflected one thousand and thirty-two (1,032) resulting in unreconciled variance of one hundred (100) students. In September 2022, NEMIS reflected an enrolment of one thousand one hundred and seventeen (1,117) students while School enrolment reflected one thousand and thirteen (1,013) students resulting in unreconciled variance of one hundred and four (104) students. Further, in January 2023, NEMIS reflected an enrolment of one thousand one hundred and sixteen (1,116) students while School enrolment reflected one thousand and ninety-seven (1,097) students resulting in unreconciled variance of nineteen (19) students. In April 2023, NEMIS reflected an enrolment of one thousand one hundred and ninety (1,190) students while School enrolment reflected one thousand and ninety-eight (1,098) resulting in unreconciled variance of ninety-two (92) students.

In the circumstances, the existence of effective measures in the reconciliation of NEMIS and School enrolment data could not be confirmed.

2. Failure to Conduct Internal Audit

During the year under review, the Internal Audit Unit in the Ministry of Education did not conduct an internal audit and risk assessment of Mariakani Secondary School, contrary to section 73(3)(b) of the Public Finance Management Act, 2012 which requires that internal auditor shall conduct internal audit which includes risk based, value for money and systems audits aimed at strengthening internal controls mechanisms that could have impact on achievement of strategic objectives of the entity.

In the circumstances, the effectiveness of internal control could not be confirmed.

3. Long Outstanding Accounts Receivables

The statement of financial assets and financial liabilities and as disclosed in Note 13 to the financial statements reflects accounts receivables balance of Kshs.37,496,361. Included in the balance is fees arrears amounting to Kshs.24,740,019 which has been outstanding for over two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on full recoverability of the accounts receivables balance.

In the circumstances, the existence of effective mechanisms for debt management could not be confirmed.

4. Failure to Maintain Fixed Assets Register

Annex 2 to the financial statements reflects summary of fixed assets register with a balance of Kshs.16,977,400. However, management did not maintain an asset register indicating the purchase price of the asset, tag number, location and status of the assets.

In the circumstances, the effectiveness of internal controls on management of fixed assets could not be confirmed.

5. Failure to Prepare School Improvement Plan

During the year under review, Management did not have an approved School Improvement Plan (SIP) which is a key strategic planning tool that guides academic performance targets, infrastructure development, resource allocation, and overall institutional growth.

In the circumstances, the effectiveness of overall governance and strategic directions of the School could not be confirmed.

6. Weaknesses in The Management of Board Affairs

Review of the School's governance arrangements revealed the board of management did not make declarations of conflict of interest nor were the minutes of meetings signed by the chair and secretary to the board.

In the circumstances, the effectiveness of overall Governance could not be confirmed.

7. Lack of an Approved Risk Management Policy

During the year under review, Management operated without a documented Risk Management Policy. As such, there was no framework in place to identify, assess, prioritize, monitor and control or mitigate any risks. This was contrary to paragraph 2.3 of the Ministry of Education operation manual for utilization of learner capitation grant and other school fund June 2020 which provides that a School should have a risk management framework.

In the circumstances, the effectiveness of risk management could not be confirmed.

8. Use of Manual Systems

During the year under review, it was observed that Management has been using manual system in preparation of financial statements, maintenance of ledgers and maintaining students' data. However, manual systems have low efficiency, high rates of human error, time-consuming to maintain, often resulting in inconsistent data, limited security, and an inability to provide real-time information.

In the circumstances, the effectiveness of internal controls on manual systems used by the School could not be confirmed.

9. Weakness in-Textbooks Management

Review of the School's textbook management system for learning materials received from the Kenya Institute of Curriculum Development (KICD) revealed significant control

deficiencies. The School's issuance registers were incomplete and failed to capture essential bibliographic details such as the full title, publisher, and edition of textbooks issued to students, making it difficult to accurately track and reconcile books issued against the School's master inventory.

In the circumstances, the weak textbook management controls and inadequate record keeping may result in loss or misappropriation of learning materials.

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

Responsibilities of the Management and Board of Management

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

In preparing the financial statements, Management is responsible for assessing the School's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

The Board of Management is 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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

27 April, 2026

5. Statement Of Receipts And Payments Period To 30th June 2023

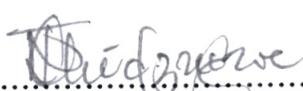
Description Of Vote Head	Note	2022-2023	2021-2022
		Kshs	Kshs
Receipts			
Capitation grants for tuition	1	3,087,783.25	3,337,658.20
Capitation grants for operations	2	9,076,001.96	22,226,575.60
Capitation Grants for Infrastructure	3	4,555,000.00	
School fund income- parents' contributions	4	59,650,172.00	63,826,376.00
School fund income- other receipts	5	5,776,856.00	5,888,623.00
Proceeds from borrowings		-	-
Total Receipts		82,143,313.21	95,279,232.80
Payments			
Payments for tuition	6	5,438,490.40	4,054,332.30
Payments for operations	7	10,464,036.50	14,648,477.00
Boarding and school fund payments	8	72,826,390.30	67,237,903.60
Infrastructure Payments	9	4,235,336.51	
Total Payments		92,964,253.71	85,940,712.90
Surplus/Deficit		(10,820,940.50)	9,338,519.90

The school financial statements were approved on _____ 2023 and signed by:


 Name: RAMADHAN K. HAMAD

Chair BOM

Date: 16/10/2023


 Name: NGOME JOSHUA MALIDZO
 School Principal/ Secretary to BOM

Date: 16/10/2023


 Name: RENALDA SEVERA WAKIO

Bursar/ Finance Officer

Date: 16/10/2023

PRINCIPAL
 MARIAKANI SECONDARY SCHOOL
 P.O. BOX 34-80111
 Sign: _____

6. Statement Of Financial Assets And Financial Liabilities As At 30th June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	16,066,274.85	15,862,248.15
Cash balances	11	2,644,054.80	1,038,546.80
Short term investment	12	-	-
Total cash and cash equivalent		18,710,329.65	16,900,794.95
Account's receivables	13	37,496,361.35	31,666,474.35
Total financial assets		56,206,691.00	48,567,269.30
Financial liabilities			
Accounts payables	14	(33,248,744.68)	(14,788,382.48)
Net financial assets		22,957,946.32	33,778,886.82
Represented by			
Accumulated fund b/fwd	15	33,778,886.82	24,440,366.92
Surplus/deficit for the year		(10,820,940.50)	9,338,519.90
Net financial position		22,957,946.32	33,778,886.82

The school's financial statements were approved on _____ 2023 and signed by:

.....
Name: RAMADHAM
KIMANTHI HAMAD

Chair BOM

Date: 16/10/2023

.....
Name: NGOME JOSHUA
MALIDZO
School Principal/ Secretary to
BOM

Date: 16/10/2023

.....
Name: RENALDA SEVERA
WAKIO

Bursar/ Finance Officer

Date: 16/10/2023

PRINCIPAL
MARIAKANI SECONDARY SCHOOL
P. O. Box 34-80113, MARIAKANI

Date: Sign:

7. Statement of Cash Flows for The Period Ended 30th June 2023

Description	Notes	2022-2023	2021-2022
		Kshs	Kshs
Operating activities			
Receipts			
Capitation grants for tuition	1	3,087,783.25	3,337,658.20
Capitation grants for operations	2	13,631,001.96	22,226,575.60
School fund income- parents contributions/ fees	3	46,669,447.00	66,113,112.00
School fund income- other receipts	4	12,928,102.00	5,888,623.00
Total receipts		76,316,334.21	97,565,968.80
Payments			
Payments for tuition	5	2,614,795.20	4,054,332.30
Payments for operations	6	9,153,761.50	14,648,477.00
Boarding and school fund payments	7	58,502,906.30	67,237,903.60
Total payments		70,271,463.00	85,940,712.90
Net cash flow from operating activities		6,044,871.21	11,625,255.90
Cashflow from investing activities			
Proceeds from sale of assets		-	-
Acquisition of assets		(4,235,336.51)	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash flows from investing activities		-	-
Cashflow from borrowing activities			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
Net cash flow from financing activities		-	-
Net increase in cash and cash equivalents		1,809,534.70	11,625,255.50
Cash and cash equivalent at beginning of the year		16,900,794.95	5,275,539.45
Cash and cash equivalent at end of the year		18,710,329.65	16,900,794.95

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

Reports and Financial Statements For the year ended 30th June 2023

8. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2023

Receipt/Expenses Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
	Kshs	Kshs	Kshs		Kshs	Kshs
Receipts						
(1) <i>Capitation Grant on Tuition</i>						
Textbooks And Reference Materials	-	-	-	-	-	-
Exercise Books	882,360.00	-	882,360.00	-	882,360.00	0.0%
Laboratory Equipment	557,280.00	-	557,280.00	-	557,280.00	0.0%
Internal Exams	417,960.00	-	417,960.00	-	417,960.00	0.0%
Teaching / Learning Materials	2,693,520.00	-	2,693,520.00	3,087,783.25	(394,263.25)	114.6%
Chalks	-	-	-	-	-	-
Exams And Assessment	92,880.00	-	92,880.00	-	92,880.00	0.0%
Teachers Guides	-	-	-	-	-	-
(2) <i>Capitation Grant on Operations</i>						
Personnel Emoluments	3,200,000.00	-	3,200,000.00	3,805,112.11	(605,112.11)	118.9%
Repairs And Maintenance	6,000,000.00	-	6,000,000.00	4,555,000.00	1,445,000.00	75.9%
Local Transport / Travelling	645,000.00	-	645,000.00	-	645,000.00	0%
Electricity And Water	2,925,000.00	-	2,925,000.00	3,377,697.93	(452,697.93)	115.5%
Medical	2,000,000.00	-	2,000,000.00	111,600.00	1,888,400.00	5.58%
Administration Costs	1,130,000.00	-	1,130,000.00	1,365,016.42	(235,016.42)	120.8%
Activity	1,500,000.00	-	1,500,000.00	416,575.50	1,083,424.50	27.8%

Reports and Financial Statements For the year ended 30th June 2023

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Gratuity	-	-	-	-	-	-
Smasse	-	-	-	-	-	-
<i>(3) Fees Charged on Parents</i>						
Personnel Emoluments	5,100,000.00	-	5,100,000.00	5,735,877.00	(635,877.00)	112.5%
Repairs And Maintenance	2,000,000.00	-	2,000,000.00	2,357,416.00	(357,416.00)	117.9%
Local Transport / Travelling	1,050,000.00	-	1,050,000.00	1,284,948.00	(234,948.00)	122.4%
Electricity And Water	4,900,000.00	-	4,900,000.00	5,373,855.00	(473,855.00)	109.7%
Medical	-	-	-	-	-	-
Administration Costs	1,850,000.00	-	1,850,000.00	2,144,119.00	(294,119.00)	115.9%
Activity	-	-	-	-	-	-
Smasse	-	-	-	-	-	-
Fee On Boarding Equipment and Stores	25,385,000.00	-	25,385,000.00	29,773,232.00	(4,388,232.00)	117.3%
<i>Other Income</i>						
Rent Income	-	-	-	-	-	-
Income From Farming Activities	-	-	-	-	-	-
Insurance Compensation	-	-	-	-	-	-
Income From Posho Mill	-	-	-	-	-	-
Income From Bus Hire	-	-	-	-	-	-
Fee For Hire of Ground And Equipment	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-
Income From Any Other Investment	-	-	-	-	-	-

Reports and Financial Statements For the year ended 30th June 2023

Receipt/Expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c % Kshs
Total Income	62,329,000.00		62,329,000.00	63,388,232.21	(1,059,232.21)	-
(1) Expenditure For Tuition						
Textbooks And Reference Materials	-	-	-	-	-	-
Exercise Books	882,360.00	-	882,360.00	650,000.00	232,360.00	73.7%
Laboratory Equipment	557,280.00	-	557,280.00	1,898,796.00	(1,341,516.00)	340%
Internal Exams	417,960.00	-	417,960.00	-	417,960.00	0%
Teaching / Learning Materials	2,693,520.00	-	2,693,520.00	2,887,163.00	(193,643.00)	107%
Chalks	-	-	-	-	-	-
Exams And Assessment	-	-	-	-	-	-
Teachers Guides	-	-	-	-	-	-
Administration Costs	-	-	-	-	-	-
Bank Charges	-	-	-	2,530.00	2,530.00	-
(2) Expenditure For Operations						
Personnel Emoluments	3,200,000.00	-	3,200,000.00	4,344,599.50	(1,144,599.50)	135.8%
Repairs, Maintenance & Improvements	6,000,000.00	-	6,000,000.00	312,000.00	5,688,000.00	5.2%
Local Transport / Travelling	645,000.00	-	645,000.00	-	645,000.00	0%
Electricity, Water and Conservancy	2,925,000.00	-	2,925,000.00	2,259,015.00	665,985.00	77.2%
Medical	2,000,000.00	-	2,000,000.00	-	-	-
Administration Costs	1,130,000.00	-	1,130,000.00	2,079,677.00	(949,677.00)	184%
Activity Expenses	1,500,000.00	-	1,500,000.00	1,468,745.00	-	-

Reports and Financial Statements For the year ended 30th June 2023

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Gratuity	-	-	-	-	-	-
Smasse	-	-	-	-	-	-
<i>(3) Expenditure For School Fund</i>						
Personnel Emoluments	5,100,000.00	-	5,100,000.00	4,081,795.00	1,018,205.00	80%
Repairs, Maintenance and Improvements	2,000,000.00	-	2,000,000.00	4,353,562.00	(2,353,562.00)	217%
Local Transport / Travelling	1,050,000.00	-	1,050,000.00	2,521,636.00	(1,471,636.00)	240%
Electricity, Water and Conservancy	4,900,000.00	-	4,900,000.00	3,590,620.00	1,309,380.00	73%
Medical Expenses	-	-	-	-	-	-
Administration Costs	1,850,000.00	-	1,850,000.00	1,523,690.30	326,309.70	82.4%
Activity	-	-	-	-	-	-
Gratuity	-	-	-	-	-	-
Infrastructure Account	-	-	-	-	-	-
Boarding Equipment and Stores	25,385,000.00	-	25,385,000.00	46,813,547.00	(21,428,547.00)	184%
Expenditure For Income Generating Activity	-	-	-	-	-	-
Insurance Costs	-	-	-	-	-	-
Other Expenses On Investments	-	-	-	-	-	-
Rent Expenses	-	-	-	-	-	-
Bank Charges	-	-	-	-	-	-
Loan Interest Repayment	-	-	-	-	-	-
Loan Principal Repayment	-	-	-	-	-	-
Acquisition Of Assets	-	-	-	-	-	-

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Totals	62,236,120.00	-	62,236,120.00	78,787,375.80	(16,551,255.80)	80.9%

- i. Underutilization was brought about budgeting for more students and having Less
- ii. Government disbursement are not 100% released

9. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

Significant Accounting Policies (Continued)**5. Accounts Receivable**

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2023.

10. Notes To The Financial Statements

1 Capitation Grant for Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Textbooks And Reference Materials	-	-
Exercise Books	-	-
Laboratory Equipment	-	-
Teaching / Learning Materials	3,087,783.25	3,337,658.20
Chalks	-	-
Teachers Guides	-	-
Total	3,087,783.25	3,337,658.20

2 Grant for Operations Capitation

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	3,805,112.11	4,008,214.80
Repairs And Maintenance	0	12,813,250.00
Local Transport / Travelling	0.00	369,402.20
Electricity And Water	3,377,697.93	3,529,805.80
Medical	111,600.00	204,400.00
Administration Costs	1,365,016.42	1,301,502.80
Activity	416,575.50	-
Total	9,076,001.96	22,226,575.60

3 Grant for Infrastructure Capitation

Description	2022-2023	2021-2022
	Kshs	Kshs
Repairs And Maintenance	4,555,000.00	00
Total	4,555,000.00	00

4 Parents Contribution/Fees - School Fund Account

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	6,717,115.00	9,790,168.00
Repairs and maintenance	2,657,173.00	3,069,892.00
Local transport / travelling	1,448,328.00	1,787,203.00
Electricity and water	6,191,767.00	6,158,319.00
Medical	35,163.00	104,835.00
Administration costs	2,435,361.00	2,678,133.00
Activity	455,563.00	756,546.00
B.E.S	39,709,700.00	39,481,280.00
Total	59,650,172.00	63,826,376.00

Notes To The Financial Statements (Continued)**5 Other Receipts – School Fund Account**

Description	2022-2023	2021-2022
	Kshs	Kshs
Fee On Boarding Equipment and Stores	-	-
Rent Income	-	-
Income From School Canteen	1,010,750.00	1,516,350.00
Insurance Compensation	-	-
Tender Fees	44,000.00	103,000.00
School Bus Accident Levy	4,722,106.00	4,269,273.00
Fee For Hire of Ground and Equipment	-	-
Income From Grants and Donations*	-	-
Interest Income	-	-
Dividends Income	-	-
Total	5,776,856.00	5,888,623.00

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

6 Payments for Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Textbooks And Reference Materials	62,000.00	16,250.00
Exercise Books	650,000.00	360,000.00
Laboratory Equipment	1,898,796.60	1,639,519.10
Internal Exams	-	-
Teaching / Learning Materials	2,825,163.80	2,037,723.20
Chalks	-	-
Exams And Assessment	-	-
Teachers Guides	-	-
Administration Costs	-	-
Bank Charges	2,530.00	840.00
Total	5,438,490.40	4,054,332.30.00

Notes to the Financial Statements (Continued)

7 Payments for Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	4,344,599.50	4,809,350.00
Service Gratuity	-	-
Administration Cost	2,079,677.00	3,118,328.00
Repairs And Maintenance & Improvements	312,000.00	5,066,000.00
Local Transport / Travelling	-	-
Electricity And Water	2,259,015.00	1,654,799.00
Medical	1,468,745.00	-
Activity Expenses	-	-
Smasse	-	-
Insurance Cost	-	-
Bank Charges	-	-
Acquisition Of Assets	-	-
Total	10,464,036.50	14,648,477.00

Notes to the Financial Statements (Continued)

8 Boarding and School Fund Payments

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	6,775,145.00	7,279,304.00
Service Gratuity	-	-
Repairs And Maintenance & Improvements	4,353,562.00	5,080,818.60
Local Transport / Travelling	2,521,636.00	2,776,840.00
Electricity And Water	3,590,620.00	2,862,674.00
Medical Expenses	238,337.00	301,731.00
Administration Costs	1,523,690.30	1,792,883.00
Bank Charges	-	-
Expenses On Income Generating Activities - canteen	1,445,764.00	1,441,569.00
Fee On Boarding Equipment and Stores	47,227,256.00	40,096,392.00
Tender Fees	26,000.00	65,000.00
School Bus Accident Levy	1,500,000.00	2,276,063.00
Activity	3,624,380.00	710,129.00
Games Kits	-	-
Insurance Cost (<i>Life Property</i>)	-	-
Loan Principal Repayment	-	-
Loan Interest Repayment	-	-
Acquisition Of Assets	-	-
Total	72,826,390.30	67,237,903.60

9 Payments for Infrastructure

Description	2022-2023	2021-2022
	Kshs	Kshs
4 Door Modern Toilet	209,760.00	00
10 Door Ablution Block	798,746.10	00
Dormitory	3,223,334.41	00
Bank Charges	3,475.00	-
Total	4,235,336.51	00

Notes To The Financial Statements (Continued)

10 Bank Accounts

Name Of Bank, Account No. & Currency	Bank Account Number	2022-2023	2021-2022
		Kshs	Kshs
Tuition Account	1107816076	603,906.55	130,918.50
Operations Account	1107816777	1,557,559.74	1,527,469.28
School Fund Account/Boarding	1107798108	495,646.02	479,219.32
Savings Account		12,475.05	12,475.05
Parent Association Development Account	1105870715	-	-
Equity Bank Kenya Limited	1060281066426	1,025,024.00	1,660,666.00
Infrastructural Account	1280693088	12,371,163.49	12,051,000.00
Gratuity Account	1280693355	500.00	500.00
Total		16,066,274.85	15,862,248.15

11 Cash In Hand

Description	2022-2023	2021-2022
	Kshs	Kshs
Tuition Account	-	-
Operation Account	-	-
School Fund account	2,644,054.80	1,038,546.80
Total	2,644,054.80	1,038,546.80

12 Short Term Investments

Description	2022-2023	2021-2022
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit	-	-
Equity Stock	-	-
Other Investments	-	-
Total	-	-

Notes To The Financial Statements (Continued)

13 Accounts Receivable

Description	2022-2023	2021-2022
	Kshs	Kshs
Fees Arrears	37,486,361.35	31,663,974.35
Other Non-Fees Receivables	-	-
Salary Advances	-	-
Operational Account	-	-
Imprest	10,000.00	2,500.00
Total	37,496,361.35	31,666,474.35

Ageing of the fees / non fees arrears below

Description	2022-2023	2021-2022
	Kshs	Kshs
Fees Arrears For Current Year	10,979,389.00	5,923,955.00
Fees Arrears received during the year	(5,157,002.00)	(3,685,251.00)
Fees Arrears For The Previous Year	6,923,955.00	7,534,105.00
Fees Arrears For Prior Periods (Over Two Years)	24,740,019.35	21,891,165.35
Total	37,486,361.35	31,663,974.35

14 Accounts Payable

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	31,263,729.68	12,762,299.48
Prepaid Fees	1,982,615.00	2,026,083.00
Kudheha Union	2,400.00	-
Main Account		
Retention Monies	-	-
Total	33,248,744.68	14,788,382.48

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

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade Creditors for Current Year	27,390,571.60	9,286,759.60
Trade Creditors paid during the Year	(8,889,141.40)	(6,784,903.00)
Trade Creditors for The Previous Year	9,286,759.00	4,641,863.00
Trade Creditors for Prior Periods (Over Two Years)	3,475,540.48	5,618,579.88
Total	31,263,729.68	12,762,299.48

Notes To The Financial Statements (Continued)

15 Fund Balance Brought Forward

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank Balances	16,066,274.85	15,862,248.15
Cash Balances	2,644,054.80	1,038,546.80
Short Term Investments	-	-
Receivables	37,496,361.35	31,663,974.35
Payables	(33,248,744.68)	(14,785,882.48)
Total	22,957,946.32	33,778,886.82

Other important disclosure notes

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

16 Non-current Liabilities Summary

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank Loan(S)	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Total	-	-

17 Biological assets

Description	Numbers	2022-2023	2021-2022
		Kshs	Kshs
Cattle		-	-
Goats		-	-
Trees		1,370	870
Coffee Or Tea Plantation		-	-
Poultry		-	-
Total		1,370	870

18 Borrowings

Description	2022-2023	2021-2022
	Kshs	Kshs
a) Borrowings		
Borrowing at beginning of the year	-	-
Borrowings during the year	-	-
Repayments of during the year	-	-
Balance at end of the year	-	-

Other important disclosure notes

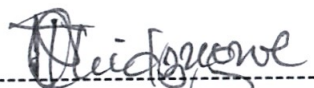
19 Stock/ Inventory

Description	2022-2023	2021-2022
	Kshs	Kshs
b) Inventory		
Stock/ inventory at beginning of the year	244,915,000.00	242,065,000.00
Stock/ inventory purchased during the year	48,056,900.00	45,489,398.50
Stock/ inventory issued during the year	(45,376,000.00)	(42,639,398.50)
Balance at end of the year	247,595,900.00	244,915,000.00

20 Progress On Follow Up Of Auditor Recommendations

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

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Measures to ensure that fees arrears are recovered to enable the school maximise its revenue.	To engage respective class teachers in fees collection through communication with parents and follow up on the same.	Resolved.	



Sign and Date: 16/10/2023

Principal

PRINCIPAL
MARIAKANI SECONDARY SCHOOL
P. O. Box 34 -80113, MARIAKANI

Signature:

Annex 1 - Analysis Of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2023	Outstanding Balance 2022	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1.						
2.						
Sub-Total						
Supply Of Goods						
3. Dura Discoveries -Firewood	812,000.00	1 st July, 2022	452,000.00	360,000.00	114,000.00	
4. Top Mariakani Stationery - Stationeries	1,118,680.00	1 st July, 2022	320,900.00	797,780.00	590,430.00	
5. Darussalam Wholesalers - Foodstuffs	23,352,110.0	1 st July, 2022	9,625,210.00	13,726,900.0	3,607,600.00	
6. Makidy General Traders	224,000.00	1 st July, 2022	168,000.00	56,000.00	412,775.00	
7. Hilkath Ventures – Lesson Preparation Books	598,500.00	1 st July, 2022	320,000.00	278,500.00	200,000.00	
8. Sky Point Technologies Ltd – Tonners & Cartridges'	929,000.00	1 st July, 2022	540,000.00	389,000.00	403,000.00	
9. Calmax Ventures – Learning Materials	671,500.00	1 st July, 2022	312,000.00	31,900.00	337,500.00	
10. Friendship Enterprises	4,368,650.00	1 st July, 2022	2,433,800.00	1,934,850.00	1,147,250.00	
11. Nelkatz Enterprises	4,034,395.00	1 st July, 2022	1,755,000.00	2,279,395.00	252,500.00	
12. Sham Hardware Ltd	1,576,925.00	1 st July, 2022	948,015.00	628,910.00	146,550.00	
13. Rehema Charo	26,000.00	1 st July, 2022	0	26,000.00	238,450.00	

MARIAKANI SECONDARY SCHOOL

Reports and Financial Statements For the year ended 30th June 2023

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2023	Outstanding Balance 2022	Comments
14. Friendship Enterprises – Prefects Uniforms				694,800.00	229,400.00	
15. Gendaxy Supplies Ltd	528,000.00	1 st July, 2022	216,000.00	312,000.00	95,100.00	
16. Gentrade Supplies	2,499,386.60	1 st July, 2022	600,590.00	1,898,796.60	979,163.60	
17. Ayam Book Centre	1,773,550.00	1 st July, 2022	294,000.00	1,479,550.00	596,841.00	
18. Stage View Pharmacy	65,080.00	1 st July, 2022	0	65,080.00	30,000.00	
19. Bonstech Computers				783,960.00		
Sub-Total						
Supply Of Services						
20. Kemwach Enterprises	427,100.00	1 st July, 2022	320,900.00	102,600.00	106,200.00	
21. Arasan Traders				150,000.00	150,000.00	
22. Bora Bora Hardware Limited				301,320.00	301,320.00	
23. Nasky Technologies Limited				661,250.00	661,250.00	
24. Albyz Enterprises Limited				1,504,000.00	1,504,000.00	
25. Kansbag Limited				170,250.00	170,250.00	
26. Celcom Africa				20,000.00	20,000.00	
27. Benedict Ogolio				18,000.00	18,000.00	
28. Metrowise Investments				650,720.00	650,720.00	
29. The County Luxury Comfort Hotels Ltd				1,207,500.00		
30. Kalmar Marketing Services Ltd				337,050.00		
Sub-Total						

MARIAKANI SECONDARY SCHOOL

Reports and Financial Statements For the year ended 30th June 2023

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstandin g Balance 2023	Outstandin g Balance 2022	Comments
Grand Total				31,263,729.6 0	12,762,299.0 0	

Annex 2 – Summary Of Fixed Assets Register

Asset Class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2023
Land 1		MARIAKANI				
Land 2		MARIAKANI				
Buildings And Structures		MARIAKANI				
Motor Vehicles						
Office Equipment, Furniture And Fittings	24/07/2021	MARIAKANI	3,668,400.00	-	-	3,668,400.00
ICT Equipment, And Other ICT Assets	18/11/2021	MARIAKANI	483,000.00	-	-	483,000.00
Tools And Apparatus	01/02/2022	MARIAKANI	10,268,000.00	-	-	10,268,000.00
Textbooks						
Other Machinery And Equipment	30/07/2021	MARIAKANI	1,270,000.00	551,000.00	-	1,821,000.00
Heritage And Cultural Assets	27/07/2021	MARIAKANI	252,000.00	-	-	252,000.00
Intangible Assets- Soft Ware	10/09/2021	MARIAKANI	485,000.00	-	-	485,000.00
Total			16,426,400.00	551,000.00		16,977,400.00