

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 02 JUN 2026

DAY

Thursday

REPORT

BY:

Deputy Majority Whip
(Hon. NG'AMU W. G. 10)

CLERK-AT
THE-TABLE:

Halima Ahmed

OF

THE AUDITOR-GENERAL

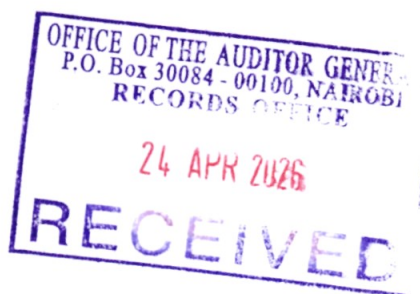
ON

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OF KENYA
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MAKURI GIRLS SECONDARY SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2023

THARAKA NITHI COUNTY



MAKURI GIRLS 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. Acronyms and Definition of Key Terms	ii
1. KEY SCHOOL INFORMATION AND MANAGEMENT	iii
2. Summary Report of Performance of The School	vii
3. Statement of School Management Responsibility	xiv
4. Report Of The Independent Auditors (<i>To be attached</i>).....	xv
5. Statement Of Receipts and Payments For the Year Ended 30 th June 2023	1
6. Statement of Assets and Liabilities As At 30 th June 2023	2
7. Statement of Cash Flows for the Year 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	9
10. Notes To The Financial Statements.....	11
11. Annexes.....	18

1. Acronyms and Definition of Key Terms

A. Acronyms.

BOM	Board of Management
CEB	County Education Board
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
FY	Financial Year
FDSE	Free Day Secondary Education
TSC	Teachers Service Commission
SMASSE	Strengthening of Mathematics and Science in Secondary Education

B. Definition of Key Terms

Comparative Year- Means the prior period.

1. KEY SCHOOL INFORMATION AND MANAGEMENT**(a) Background information**

The School domiciled in Kenya and its operations are governed under the Basic Education Act. 2013. It is located in Tharaka/Nithi County, Maara Sub County.

The school is registered in 12/7/2021 under registration number 13S00300791 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 1235 number of students as at 30th June 2023. It has six streams and 48 teachers of which 11 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. JASPER GITONGA	Chairman	30 TH JUNE 2022
2	MS KAHURA NANCY	Secretary – Principal	30 TH JUNE 2022
3	MRS. DOROTHY KAGENDO KITHINJI	VICE CHAIR PERSON	30 TH JUNE 2022
4	ENG. DENIS MWENDA KINYUA	Member	30 TH JUNE 2022
5	MR. ADAM'S MURAGE	Member	30 TH JUNE 2022
6	ROMANS MWENDA BENSON	Member	30 TH JUNE 2022
7	ERASTUS MUGENDI INGANE	Member	30 TH JUNE 2022
8	KENN MWITI	Member – Rep CEB	30 TH JUNE 2022
9	MRS. LENITY MUYIA	Member Rep Teacher	30 TH JUNE 2022
10	MRS. BETH KAWIRA MARETE	3 Members - Sponsor	30 TH JUNE 2022
11	JULIUS MURIUKI	Member	30 TH JUNE 2022
12	JOSEPH KABII CHABARI	Member	30 TH JUNE 2022
13	ALICE GACHERI NYAGA	Member community	30 TH JUNE 2022
14	MR. HENRY MAWIRA	Member special Needs	30 TH JUNE 2022
15	BLESSY KATHAMBI	Rep Students	30 TH JUNE 2022

The functions of the School Board of Management are to:

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, of 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.

(a) Committees of the Board

Ref	Name of committee	Name of Members	Designation	Number of meetings attended during the year
1.	Executive committee	Ms Nancy Kahura Mr. Mr.Jasper Gitonga Mrs. Dorothy Kagendo Mr. Bernard Kiambi	Principal Chairman Vice Chairman P.A. Chairman	2
2.	Audit Committee	Mr. Joseph Kabii Chabari Mrs. Beth Kawira Marete Pastor Romans mwenda	Chairman Vice Chairman Member	0
3.	Finance, Procurement and general purposes committee	Eng. Erastus Mugendi Kirusa Mrs. Dorothy Kagendo Mrs. Beth Kawira Marete	Chairlady Vice Chairman Member	0
4,	Academic committee	Mrs. Doriothy Kagendo Mrs. Linet Muyia Eng. Mwenda Kinyua	Chair person	0
5.	SIC committee	Eng Erastus MUgendi Mrs. Murigu J.K. Mr. Jaspher Gitonga Ms. Nancy Kahura Mr. Bernard Kiambi SCDE (Mandatory)	Chairman Secretary B.O.M Chairman Principal P.A. Chairman Member	0

	Discipline and Welfare Committee	Mrs Dorothy Kagendo Ms Nancy Kahura Jasper Gitonga Mr. Bernard Kiambi Alice Gacheri Nyaga	Chair person Principal(B.O.M Secretary) BOM chairman P.A Chairman Member	0
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(b) School operation Management

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

Ref	Designation	Name	Tsc.No/I.D
1.	Principal	Ms Nancy N. Kahura	334505
2.	Deputy Principal	Mrs. Jeniffer Kaari Ileri	371661
3.	School Bursar	Eunice Mwendwa Muthamia	22011913

(c) Schools contacts

Post Office Box: Box 38 - 60401 CHOGORIA

Telephone: 0733429929/0743157886

E-mail: makurigirlssec@yahoo.com

Website:

Facebook: MAKURI GIRLS SECONDARY SCHOOL

Twitter:

(d) School Bankers

The following school operated 5 number OF Bank accounts in the following banks.

1. Name of bank: Kenyua Commercial Bank
Branch: Chogoria
Account Number: 1103770357
2. Name of bank: Kenyua Commercial Bank
Branch: Chogoria
Account Number: 1103508717
3. Name of bank: Kenyua Commercial Bank
Branch: Chogoria
Account Number: 1103772473
4. Name of bank: Equity Bank
Branch: Chuka
Account Number: 0210291771216
5. MPESA pay Bill Number 0743157886 attached to K.C.B bank account
6. Infrastructure a/c equity bank
Branch: Chuka
Account Number: 0210282418021

(e) 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

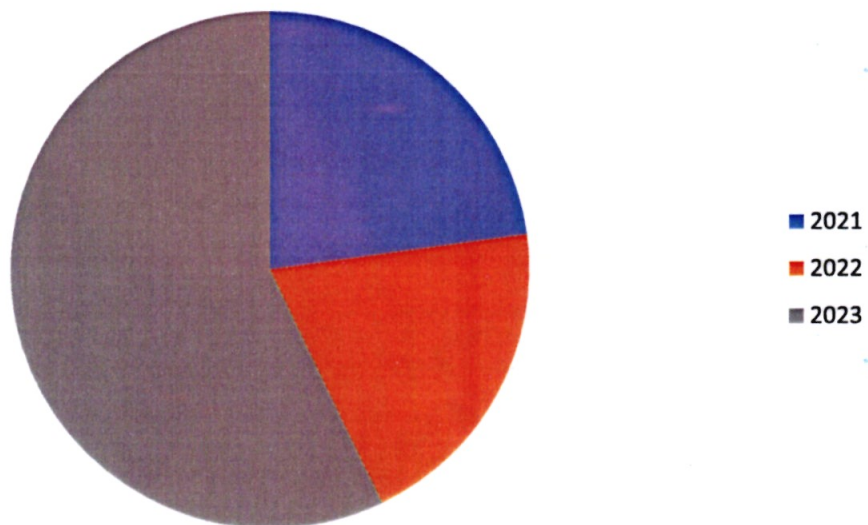
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) Financial performance:

1. SURPLUS/DEFICIT FOR THE YEAR.

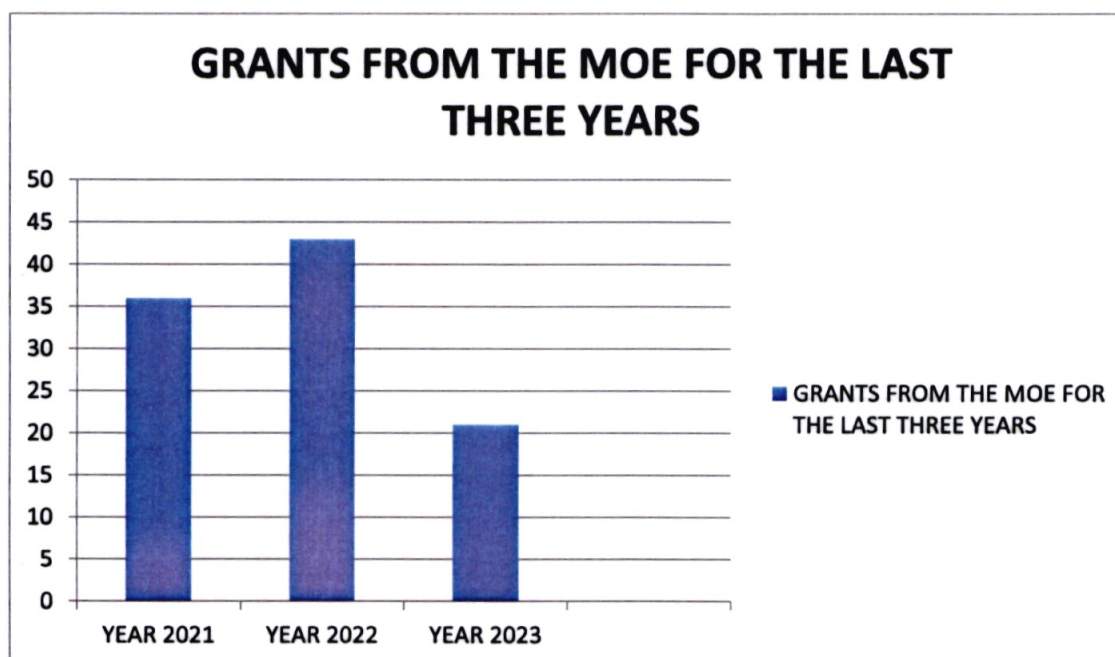
TOTAL	YEAR 2021	YEAR 2022	YEAR 2023
12,010,438	2,711,173	2,437,593	6,861,672.00
360°	82	73 °	205°

SURPLUS/DEFICIT FOR THE YEAR.



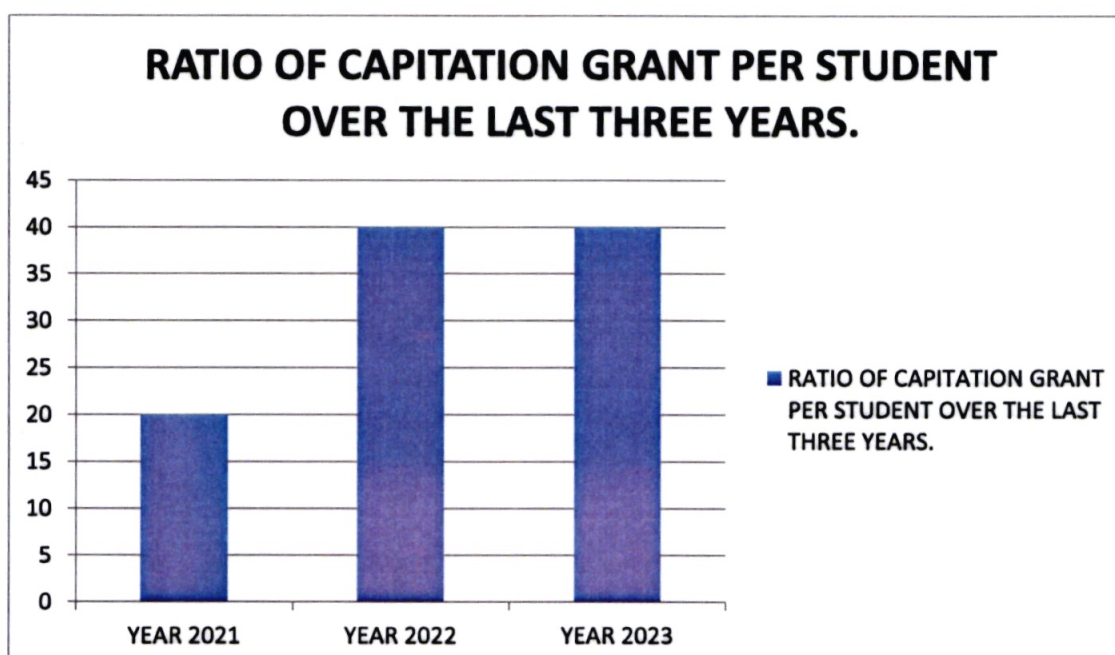
CAPITATION GRANTS FROM THE MOE FUNDS FOR THE LAST THREE YEARS.

TOTAL	YEAR 2021	YEAR 2022	YEAR 2023
50,759,101.30	10,771,094	21,863,884.30	18124123
100%	21%	43%	36%



RATIO OF CAPITATION PER STUDENT OVER THE LAST THREE YEARS.

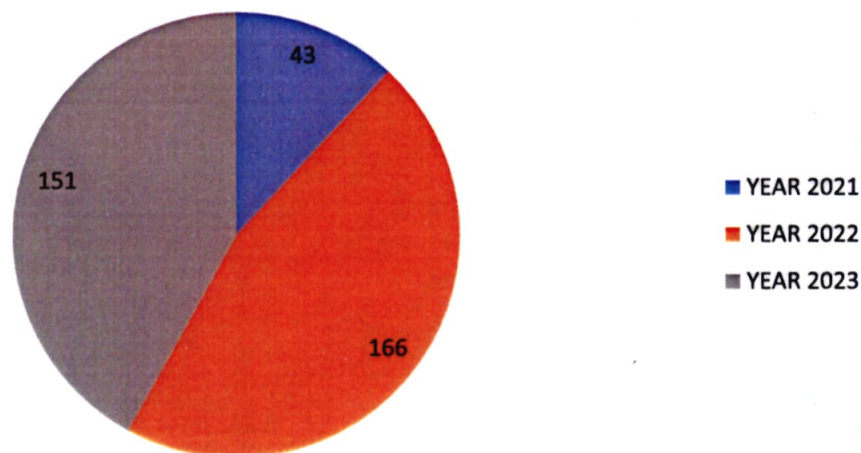
TOTAL	YEAR 2021	YEAR 2022	YEAR 2023
42,724	1:8382	1:17015	1:17327
	20%	40%	40%



INCOME FROM SCHOOL FUND A/C

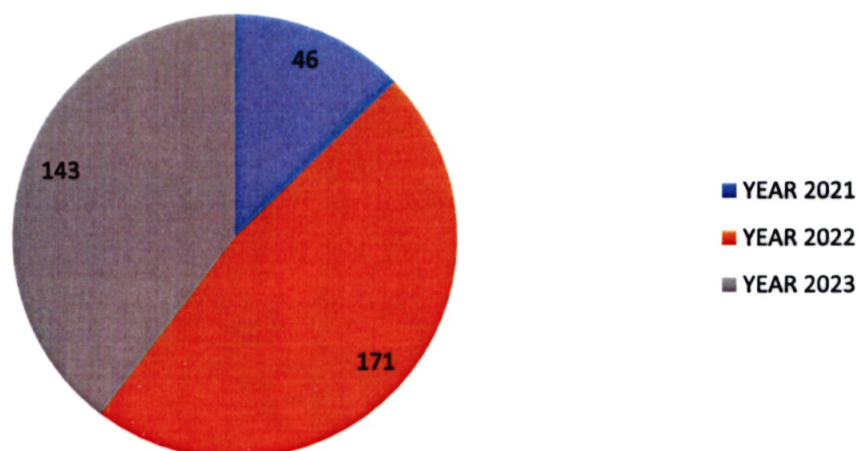
TOTAL	YEAR 2021	YEAR 2022	YEAR 2023
153,371,324	18255306	70835889	64,280,129
360°	43°	166°	151°

INCOME FROM SCHOOL FUND ACCOUNT

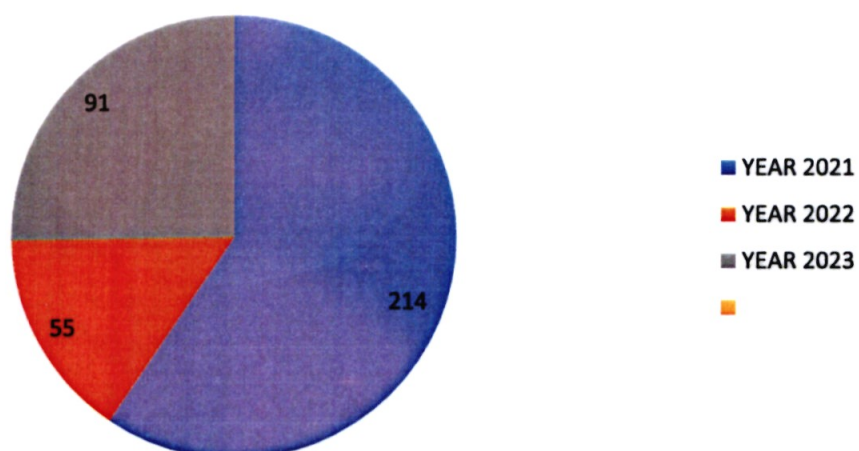


EXPENDITURE FROM SCHOOL FUND A/C.

TOTAL	YEAR 2021	YEAR 2022	YEAR 2023
149,833,207	18,998,028	71,139,857	59,695,322
360°	46°	171°	143°

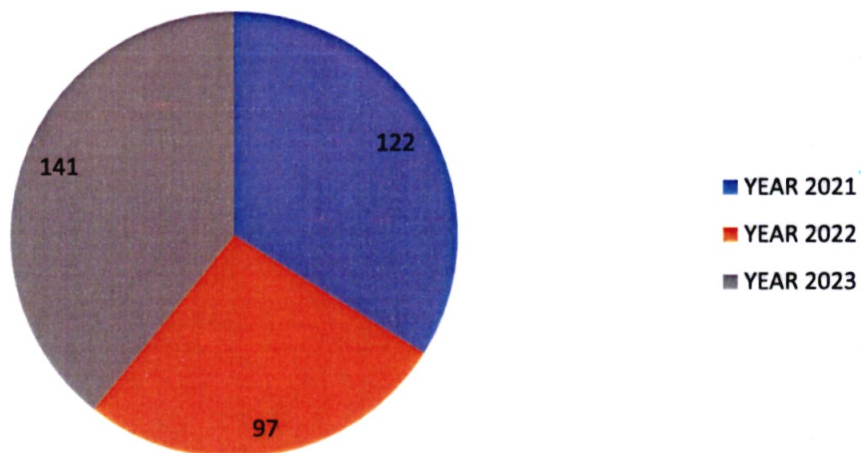
EXPENDITURE FROM SCHOOL FUND A/C**DEBTORS**

TOTAL	YEAR 2021	YEAR 2022	YEAR 2023
28,704,004	17,062,997	4,368,711	7,272,296
360	214	55	91

DEBTORS**SUNDRY CREDITORS.**

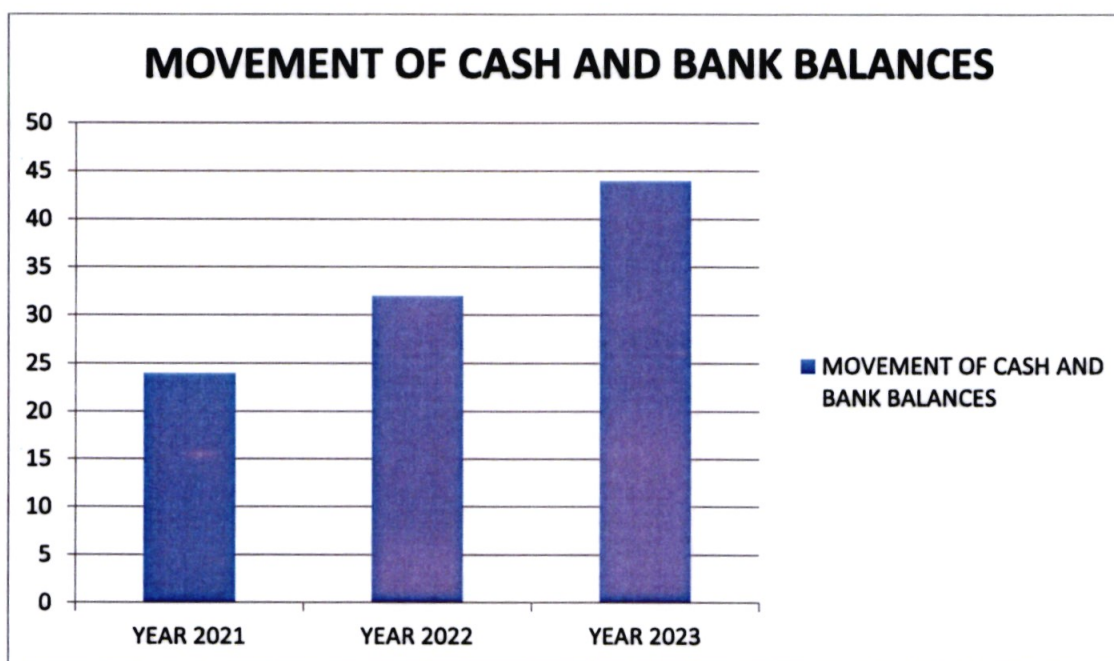
TOTAL	YEAR 2021	YEAR 2022	YEAR 2023
9,351,231	3,171,411	2,517,825	3,661,995
360	122	97	141

SUNDRY CREDITORS



MOVEMENT OF CASH AND BANK BALANCES

TOTAL	YEAR 2021	YEAR 2022	YEAR 2023
25,127,206.99	6,135,007.67	7929123	11,063,076.32
100%	24%	32%	44%

**B**

SERIAL	SUBJECT COMBINATION	EMPLOYEE R TSC	B.O. M	TOTAL	TRANSFERED	EMPLOYEE D	RETIRED	SHORTAGE
1.	ENG/LIT	7	3	10	0	0	0	0
2.	CHEM/GEO	1	0	1	0	0	0	0
3.	MATHS/PHY	3	2	5	0	0	0	1
4.	MATHS/CHEM	3	2	5	0	0	0	2
5.	MATHS/BIO	1	2	3	0	0	0	0
6.	MATHS/B.STUDIES	3	1	4	0	0	0	0
7.	BIO/CHEMISTRY	2	1	3	0	0	0	2
8.	BIO/AGRIC	2	3	5	1	0	0	2
9.	PHYSICS/CHEM	0	1	1	0	0	0	0
10.	HIST/GEO	2	0	2	0	0	0	0
11.	HIST/CRE	6	2	8	1	0	0	1
12.	HIST/KISW	3	2	5	0	0	0	1
13.	KISW/CRE	1	1	2	0	0	0	0
14.	KISW/GEO	2	1	3	0	0	0	0
15.	C.R.E/GEO	3	0	3	0	0	0	0
16.	GEO/B.STUDIES	1	0	1	0	0	0	0
17.	HOMESCIENCE/BIO	1	0	1	0	0	1	0
18.	GERMAN	0	1	1	1	0	0	1
19.	COMPUTER	0	1	1	0	0	1	1

(C) Mean score in the K.C.S.E 2022 - 2020

YEAR	ENTRY	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E	MEAN SCORE	MEAN GRADE
2022	360	-	-	-	3	11	15	59	135	102	26	6	-	4.8778	C-
2021	332	-	-	1	3	14	24	73	93	71	46	7	0	4.9879	C-
2020	251	-	-	2	3	10	19	51	77	59	18	12	-	5.1	C-

(d) Number of Candidates in K.C.S.E 2022 - 2020

YEAR	ENTRY
2022	360
2021	332
2020	251

(e) Capacity of the school

	No.	Capacity	Comment
Laboratories	4	1285	Adequate
Dormitories	12	1285	Adequate
Classes	24	1285	Adequate
Dining Hall	1	1285	Adequate
Toilets	Pit latrines – 51 Flush toilets - 60	1285	Adequate
Administration Block	1	8	Adequate
Staffroom	2	60	Adequate
Store	2	1	Adequate
Library	1	100	Adequate

(f) Development Project – There was no project undertaken during the period.

.....


School Principal

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 *MAKURI GIRLS 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: Samuel Mami

Designation: Chairman, School Board of Management

Date: 22/04/2026



.....

Name: Wacany Kahua

Designation: School Principal & Secretary to Board of Management

Date: 22/04/2026



.....

Name: Eunice Muriuki

Designation: Bursar/ Finance Officer

Date: 22/04/2026

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 MAKURI GIRLS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 – THARAKA NITHI 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 Makuri Girls Secondary School set out on pages 1 to 16, which comprise of the statement of assets and liabilities as at

Report of the Auditor-General on Makuri Girls Secondary School for the year ended 30 June, 2023 – Tharaka Nithi 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 Makuri Girls Secondary School as at 30 June, 2023 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 Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracy in the Disclosure of School Fund Income

The statement of receipts and payments reflects Kshs.64,280,129 in respect to school fund income from parents' contribution. However, the statement of cash flows reflects corresponding actual school fund income of Kshs.59,831,441 resulting in an unexplained variance of Kshs.4,448,688.00.

In the circumstances, the accuracy and completeness of School fund income amounting to Kshs.64,280,129 could not be confirmed.

2. Unsupported Cash and Cash Equivalents

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.11,063,076 as disclosed in Notes 10 and 11 to the financial statements. Included in the balance are three (3) bank accounts with account balances Kshs.(5,738.95), Kshs.1,011,461, Kshs.1,401,420 and account 1103772473 under Tuition that was unlawfully overdrawn by Ksh.5,738.95. Cash books and bank reconciliation statements were not provided for the three accounts and the cash balances were not supported with board of survey report as at 30 June, 2023.

In the circumstances, the accuracy, completeness, existence and fair presentation of cash and cash equivalents balance of Kshs.2,565,126 could not be confirmed.

3. Lack of Ownership Documents for Land

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.233,482,733 in respect of fixed assets. Included in this balance is Kshs.880,000 in respect to land owned by the School. The School land acreage was unknown. Further, land ownership documents were not provided for audit and no explanation or disclosure was provided on the method of depreciation including the rate used to depreciate the other assets. Tagging of the assets for ease of identification was not done and the

management did not insure assets with the exception of motor vehicle in the institution hence exposure to risk of total loss in case of a disaster or theft.

In the circumstances, the accuracy, existence and completeness of the fixed assets register could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Makuri Girls Secondary School 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 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 are responsible for the Other Information set out on page i to xiv which comprises of Key School Information and Management, Summary Report of 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 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. Failure to Prepare School Improvement Plan

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

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

2. Failure to Submit for Approval the Estimates of Revenue and Expenditure

Audit review revealed that the school management failed to submit estimates of revenue and expenditure for approval to the cabinet secretary of education in the manner and format issued by the Cabinet Secretary, contrary to provisions of Section 16(1) and (2) of the Basic Education Act, 2013.

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. Board of Management - Failure to Submit Annual Report on Governance

A review of the Board of Management (BOM) documents and minutes held by various committees during the year revealed that there was no evidence that the BOM submitted on annual basis report on governance to the Director general of basic education as required by the Basic Education Act, 2013.

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

2. Lack of Internal Audit Function

During the year under review, the School had not established a functionally independent internal audit department to oversee its internal operations as required by Regulation 166 (1) and (2) of the Public Finance Management (National Government), 2015 which states that, the internal audit unit of a National Government entity is to assess effectiveness of the School through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury. Further, the audit committee failed to hold any meeting during the year. In the circumstances, the School did not benefit from the oversight role and advice from the audit committee and the internal audit function.

In the circumstances, the existence of an effective oversight mechanisms could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

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

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

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 ISSAI 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

11 May, 2026

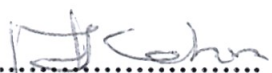
5. Statement Of Receipts and Payments For the Year Ended 30th June 2023

DESCRIPTION OF VOTE HEAD	Note	2023/ 2022	2022/ 2021
		Kshs	Kshs
RECEIPTS			
Government grants for tuition	1	3,408,647.00	4,417,102.00
Government grants for operations	2	14,715,476.00	17,446,782.30
Government grants for infrastructure	3	8,500,000.00	
School Fund Income- Parents' Contributions	4	64,280,129.00	69,797,974
Miscellaneous incomes	5	1,088,000.00	1,037,915.00
TOTAL RECEIPTS		91,992,252.00	92,699,773
PAYMENTS			
Payments for Tuition	6	3,452,325.00	4,427,928.00
Payments for operations	7	19,785,838.00	14,694,395.00
Payments for infrastructure	8	-	
Boarding and school fund payments	9	59,695,322.00	71,139,857
TOTAL PAYMENTS		82,935,535.00	90,262,180
SURPLUS/DEFICIT		9,056,717.00	2,437,593

The school financial statements were approved on 30/08/2023 and signed by:


.....

Name: SAMUEL
MAJARI
Chair BOM


.....
Name: MARY KAHU
School Principal/ Secretary to
BOM

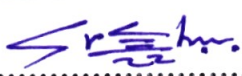

.....
Name: EMILY
MWENDO
Bursar/ Finance Officer

DATE: 22/04/2024 Date: 22/04/2024

6. Statement of Assets and Liabilities As At 30th June 2023

	Note	2023/ 2022	2022/ 2021
		Kshs	Kshs

FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	10	10,905,091.32	7,680,419.32
Cash Balances	11	157,985.00	248,704.00
Short term Investment	12	-	-
Total Cash and Cash Equivalents		11,063,076.32	7,929,123.32
Account's receivables	13	8,817,399.00	4,368,711.00
TOTAL FINANCIAL ASSETS		19,880,475.32	12,297,834.32
FINANCIAL LIABILITIES			
Accounts Payable	14	3,661,995.00	2,941,026.00
NET FINANCIAL SSETS		16,218,480.32	9,356,808.32
REPRESENTED BY			
Fund balance b/fwd 1st July..2022	15	9,356,808.32	2,437,593
Surplus/Defict for the year		9,056,717.00	7,680,419.32
NET FINANCIAL POSITION		18,413,525.32	1,676,389.00


.....

Name: Samuel Makuri
Chair BOM

Date: 22/04/2024


.....

Name: Nancy Kahan
School Principal/ Secretary to BOM

Date: 22/04/2024


.....

Name: Eunice Mureithi
Bursar/ Finance Officer

Date: 22/04/2024

7. Statement of Cash Flows for the Year Ended 30th June 2023

		2023/ 2022	2022/ 2021
		Kshs	Kshs
Receipts from operating activities			
Capitation grants for tuition	1	3,408,647.00	4,417,102
Capitation grants for operations	2	14,715,476.00	17,446,782
Capitation grants for infrastructure	3	8,500,000	
School fund income- Parents contributions/ fees	4	59,831,441.00	67,866,698
Other income	5	1,088,000.00	
Total receipts		87,543,564.00	89,730,582.30
Payments			
Cash outflows for Tuition		3,452,325.00	4,427,928
Cash outflows for operations		19,434,408.00	14,694,395
Cash outflows for infrastructure		2,050	
Boarding/lunch and school fund payments		61,520,828.00	69,571,869
Total payments		84,409,611.00	88,694,192
Net cash flow from operating activities		3,133,953.00	2,437,593
NET INCREASE IN CASH AND CASH EQUIVALENT	d=a+b+c	3,133,953.00	2,858,263
Cash and cash equivalent at BEGINNING of the year	e	7,929,123.32	-
Cash and cash equivalent at END of the year	f=d+e	11,063,076.32	2,858,263

The school's financial statements were approved on 30/08/2023 and signed by:

.....
 Name: SAMUEL MASONI
 Chair BOM

.....
 Name: Nancy Kahua
 School Principal/ Secretary to BOM

.....
 Name: Emmanuel Murendu
 Bursar/ Finance Officer

Date: 22/04/2024

Date: 22/04/2024

Date: 22/04/2024

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilisation
RECEIPTS						
<i>(1) CAPITATION GRANT ON TUITION</i>						
Textbooks and reference materials	112,200		112,200	242,149	129,949.00	215.82
Exercise books	893,200		893,200	723,578	-169,622.00	81.01
Laboratory equipment	1,169,300		1,169,300	1,383,986	214,686.00	118.36
Teaching / learning materials	693,000		693,000	1,058,934	365,934.00	152.80
Total	2,867,700		2,867,700	3,408,647	540,947	118.86
<i>(2) CAPITATION GRANT ON OPERATIONS</i>						
Personnel emoluments	6,330,500		6,330,500	4,083,204	2,247,296.00	64.50
Repairs and maintenance	5,000,000		5,000,000	4,912,000	88,000.00	98.24
Local transport / travelling	2,016,300		2,016,300	347,220	1,669,080.00	17.22
Electricity and water	3,466,100		3,466,100	1,621,163	1,844,937.00	46.77
Medical	2,198,900		2,198,900	257,400	1,941,500.00	11.71
Administration costs	1,729,200		1,729,200	2,541,218	812,018.00	146.96
Activity	1,381,600		1,381,600	953,271	428,329.00	69.00
Gratuity	22,122,600		22,122,600	14,715,476	-7,407,124	66.52
TOTALS			-	-		

MAKURI GIRLS SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2023

(3) FEES CHARGED ON PARENTS						
Personnel emoluments	4,697,000	-	4,697,000	5,173,425	476,425	110%
Repairs and maintenance	3,200,000	-	3,200,000	3,260,480	60,480	102%
Local transport / travelling	715,000	-	715,000	1,093,010	378,010	153%
Electricity and water	7,390,000	-	7,390,000	7,134,990	-255,010	97%
Administration costs	2,535,000	-	2,535,000	2,654,880	119,880	105%
Activity	450,000	-	450,000	449,895	-105	100%
Fee on Boarding Equipment and Stores	32,913,000	-	32,913,000	34,919,984	2,006,984	106%
Income from farming activities	5000	-	5000	5,000	0	100%
Income from savings a/c	1,415,000	-	1,415,000	1,415,000	0	100%
Income from Bus Hire	1,083,000	-	1,083,000	1,083,000	0	100%
TUITION A/C	1,802,927	-	1,802,927	1,802,927	0	100%
Biometric	92,100	-	92,100	92,100	0	100%
Form three uniform	814,069	-	814,069	814,069	0	100%
TOTAL	57,112,096		57,112,096	59,898,760	2,786,664	105%
(1) EXPENDITURE ON TUITION						
Textbooks and reference materials	312,200	-	312,200	282,800	-29,400	91%
Exercise books	1,293,200	-	1,293,200	1,430,500	137,300	111%
Laboratory equipment	1,169,300	-	1,169,300	1,386,635	217,335	119%
Teaching / learning materials	693,000	-	693,000	348,430	-344,570	50%
Bank Charges	3,960	-	3,960	3960	0	100%
TOTALS	3,471,660.00		3,471,660.00	3,452,325.00	-19,335	99%
(2) EXPENDITURE ON OPERATIONS						
Personnel emoluments	3,330,500	-	3,330,500	3,269,102	-61,398	98.16

Repairs, maintenance & improvements	8,500,000	-	8,500,000	8,500,000	0	100.00
Local transport / travelling	16,300	-	16,300	99,400	83,100	609.82
Electricity, water and conservancy	1,066,100	-	1,066,100	995,120	-70,980	93.34
Medical	0	-	0	2,900	2,900	N/A
Administration costs	3,729,200		3,729,200	4,644,698	915,498	124.55
Activity Expenses	1,081,600	-	1,081,600	874,640	-206,960	80.87
Bank charges	19,410	-	19,410	19,410	0	100.00
NHIF/NSSF/WELFARE	1,029,138	-	1,029,138	1,029,138	0	100.00
SUBTOTAL	18,772,248		18,772,248	19,434,408		103.53
(3) EXPENDITURE FOR SCHOOL FUND						
Activity	1,500,000	-	1,500,000	1,482,260.00	-17,740	98.82
Bus hire	1,500,000	-	1,500,000	1,463,449.00	-36,551	97.56
Personnel emoluments	4,500,000		4,500,000	4,219,581.00	-280,419	93.77
Repairs and maintenance & Improvements	1,390,000		1,390,000	1,402,945.00	12,945	100.93
Local transport / travelling	500,000		500,000	490,350.00	-9,650	98.07
Electricity and water	5,500,000		5,500,000	5,085,143.00	-414,857	92.46
Administration costs	3,463,449		3,463,449	3,578,111.00	114,662	103.31
Bank Charges	35,208		35,208	35,208.00	0	100.00
Fee on Boarding Equipment and Stores	34000000		34,000,000	38,847,441.00	4,847,441	114.26

NHIF	40,750.00		40,750	40,750.00	0	100.00
NSSF	133,582.00		133,582	133,582.00	0	100.00
Savings account	1,451,487.00		1,451,487	1,451,487.00	0	100.00
Others (specify)-uniforms,welfare	1,465,015.00		1,465,015	1,465,015.00	0	100.00
TOTAL	55,479,491		55,479,491	59,695,322.00	4,215,831	107.60

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

Under textbooks, reference materials, and teaching and learning materials, additional funds were allocated towards equipping the school with a modern library. This included procurement of revision books for all subjects, teaching and learning materials, as well as revision examinations and booklets to enhance academic performance.

On exercise books, the capitation provided by the Government was insufficient to cater for the student population, which exceeded 1,000 learners. As a result, the school incurred additional expenditure to ensure that all students had adequate learning materials.

Under laboratory equipment, increased expenditure was incurred to equip the school laboratory with improved and higher-quality equipment to support effective delivery of practical subjects.

Further, under the Boarding Equipment and Stores (BES) account, the additional expenditure was attributed to several key interventions. These included the installation of a new hot water system to improve student welfare, installation of new and modern curtains in the dormitories, and procurement of home science equipment to meet curriculum requirements.

Additionally, an emergency situation arose due to sinking toilets within the dormitory area, which posed a significant safety and health risk. The administration undertook urgent remedial works to fill and stabilize the affected areas, resulting in reallocation of funds within the BES vote to address the hazard.

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 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 30th June 20XX.

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

	DESCRIPTION		2023/ 2022	2022/ 2021
			Kshs	Kshs
	Exercise books		723,578.00	569,414
	Laboratory equipments and apparatus		1,383,986.00	1,334,936.00
	Teaching/learning materials		1,058,934.00	1,254,529.00
	chalks			34,076.00
	Exams and assessment			348,062
	Reference books		242,149.00	876,085
	Total		3,408,647.00	4,417,102.00

2 Government Grants for Operations

	DESCRIPTION		2023/ 2022	2022/ 2021
			Kshs	Kshs
	Personnel emoluments		4,083,204.00	5,531,127
	Repairs and maintenance		4,912,000.00	5,893,500
	Local transport / travelling		347,220.00	512,395
	Electricity and water		1,621,163.00	2,273,092.00
	Medical		257,400.00	243,400.00
	Administration costs		2,541,218.00	2,217,318.30
	Activity		953,271.00	775,950.00
	Total		14,715,476.00	17,446,782.30

3 Government Grants for infrastructure

DESCRIPTION	2023/ 2022	2022/ 2021
	Kshs	Kshs
Maintainance & Improvement	8,500,000.00	8,500,000.00
Total	8,500,000.00	8,500,000.00

4 School Fund Income - Parents Contribution/Fees

DESCRIPTION	2023/ 2022	2022/ 2021
	Kshs	Kshs
Fee on Boarding Equipment and Stores	39,390,046	43,209,894.00
Personnel emoluments	5,818,749	7,237,258.00
Repairs and maintenance	3,590,960	3,144,700.00
Local transport / travelling	1,129,995	1,046,505.00
Electricity and water	8,592,600	8,268,864.00
Administration costs	2,940,315	2,759,922.00
Project	73,000.00	
Activity	462995	838,076.00
Saving account	1,415,000.00	940,000.00
Others (specify)-uniforms,biometric	866,469.00	655,275.00
TUITION		1,697,480
Total	64,280,129.00	69,797,974

5 Miscellaneous Incomes

DESCRIPTION	2023/ 2022	2022/ 2021
	Kshs	Kshs
Income from farming activities	5,000.00	7,000.00

	Income from Bus Hire		1,083,000.00	1,030,915.00
	Total		1,088,000.00	1,037,915.00

6 PAYMENTS FOR TUITION

	DESCRIPTION		2023/ 2022	2022/ 2021
			Kshs	Kshs
	Exercise books		1,430,500.00	1,840,700.00
	Laboratory equipments and apparatus		1,386,635	956,860.00
	REFERENCE/LIBRARY MATERIALS		282800	698,200.00
	Teaching/learning materials		348,430	923,360
	Bank charges		3,960.00	8,808.00
	Total		3,452,325	4,427,928.00

7 PAYMENTS FOR OPERATIONS

			2023/ 2022	2022/ 2021
			Kshs	Kshs
	Personal Emoluments		3,269,102.00	4,009,068.00
	Administration Cost		4,996,128.00	5,810,169.00
	Repairs and maintenance & improvements		8,500,000.00	271,540.00
	Local transport / travelling		99,400.00	73,231.00
	Electricity and water		995,120.00	2,174,971.00
	Medical		2,900.00	0.00
	Activity Expenses		874,640.00	672,860.00

	Bank Charges		19,410.00	23,840.00
	Others (specify)- Welfare,NHIF,NSSF		1,029,138.00	1,658,716.00
	TOTAL		19,785,838.00	14,694,395.00

8 Infrastructure

Description	2023/ 2022	2022/ 2021
	Kshs	Kshs
Others (BANK CHARGES)	2,050.00	00
Total	2,050.00	00

9 Boarding And School Fund

DESCRIPTION	2023/ 2022	2022/ 2021
	Kshs	Kshs
Activity	1,415,345.00	587,625
Bus hire	1,463,449.00	1,015,416
Personnel emoluments	4,229,716	4,598,259.00
Repairs and maintenance & Improvements	1969080	3,159,984.00
Local transport / travelling	490,950.00	769,190.00
Electricity and water	4,956,826	5,073,505.00
Administration costs	3764911	3,909,504.00
CREDITORS		900500
Bank Charges	35,208.00	26,538.00
Fee on Boarding Equipment and Stores	38,922,291	48,551,779.00
NHIF	40,750.00	0.00
NSSF	133,582.00	0.00
Savings account	1059699	1,500,598

MAKURI GIRLS SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2023

	Others (specify)-uniforms,welfare		1,213,515	
	TOTAL		59,695,322.00	71,139,857

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2023/2022	2022/2021
	Active/Dormant		Kshs	Kshs
Tuition Account	ACTIVE		(5,738.95)	37,939.05
Operations Account	ACTIVE		1,011,460.58	5,765,289.58
School Fund Account/Boarding	ACTIVE		1,401,419.69	1,877,190.69
Infrastructural Account	ACTIVE		8,497,950.00	
Total			10,905,091.32	7,680,419.32

11 Cash In Hand

Description	2023/2022	2022/2021
	Kshs	Kshs
Notes and Coins	157,985.00	248,704.00
Total	157,985.00	248,704.00

12 Accounts Receivable

Description	2023/2022	2022/2021
	Kshs	Kshs
Fees Arrears	8,817,399.00	4,368,711.00
Total	8,817,399.00	4,368,711.00

13 b Ageing Analysis of Accounts Receivable

Description	2023/2022		2022/2021	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	7,272,296.00	82%	4,368,711.	100%
Between 1- 2 years	1,545,103.00	18%		
Total (should tie to note 13 a)	8,817,399.00	100%	4,368,711	100%

13 Accounts Payable

Description	2023/2022	2022/2021
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	3,661,995.00	2,941,026.00
Prepaid Fees		
Total	3,661,995.00	2,941,026.00

14a. Ageing Analysis of Accounts Payable

Description	2023/2022		2022/2021	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	3,661,995.00	%	2,517,825	%
Total (should tie to note 14)	3,661,995.00	%	2,517,825	%

14 Fund Balance Brought Forward

Description	2023/ 2022	2022/ 2021
	Kshs	Kshs
Bank balances	7,680,419.32	7,037,545.55
Cash balances	248,704.00	143,538
Receivables	4,368,711.00	1,399,520
Payables	(2,941,026.00)	900,500
Total	9,356,808.32	7,680,103.55

15 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)

Sign and Date 22/07/2023
Principal Mary Kahan

MAKURI GIRLS SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2023

11. Annexes

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	
Supply of goods						
1. WILLY AND WILLY	108,600			NIL	108,600	
2. PAUL COMFORT LOGISTICS	135,110			NIL	135,110	
3. DPL FESTIVE LTD	1,020,310		700,000	NIL	320,310	
4. THE ELITE SCHOLARSHIP	66,000			NIL	66,000	
5. WEAVER BIRD GARMETS	251,500			NIL	251,500	
6. ORIENT PUBLISHERS	1,298,880			NIL	1,298,880	
7. DESCANA MACHINE	189,000			NIL	189,000	
8. BITITEC SYSTEMS AND SUPPLIES	104,400			NIL	104,400	
9. VICTOLIZ SOLUTIONS	198,030		140,000	NIL	58,030	
10. LENHAM ENTERPRISES	1,930,165		1,100,000	NIL	830,165	
SUPPLY OF SERVICES						
1. PATRICK MBAKA	671,000		371,000	NIL	300,000	
2.						
Grand Total	5,972,995		2311000		3661995	

Annex 2 – Summary of Fixed Assets Register

Asset class	Date purchased	Historical Cost b/f (Kshs) 1 st JULY 2022	Historical Cost c/f (Kshs) 30 th June 2023
Land 1	1-Jan-1987	700,000	700,000
Land 2	1-Jan-1999	180,000	180,000
Buildings and structures	2-Oct-2015	159,544,800	159,544,800
Motor vehicles	14-NOV-2008	7,100,000	7,100,000
Office equipment, furniture and fittings	2-Jan-09	18,222,674	18,222,674
ICT Equipment, and Other ICT Assets	2-Sep-2019	5,925,000	5,925,000
Tools and apparatus	2-Sep2019	17,911,190	17,911,190
Textbooks	17-Jul-21	16,022,069	16,022,069
Other Machinery and Equipment	2-Sep-14	5,877,000	5,877,000
Heritage and cultural assets			
Intangible assets- soft ware	2-Sep-2019	2,200,000	2,200,000
Total		233,482,733	233,482,733