REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID
DATE: 26 FEB 2025 DAY. Wed
TABLED BY: Hon. Samuel Chepkonga, MP
CLERK-AT THE-TABLE: M. Modo

REPORT

OF

THE AUDITOR-GENERAL

ON

MUKURWEINI BOYS HIGH SCHOOL

FOR THE YEAR ENDED 30 JUNE, 2022

NYERI COUNTY

Revised 30th June 2022.

MUKURWEINI BOYS HIGH SCHOOL
PUBLIC SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

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

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I. 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 **NYERI** County, **MUKURWEINI** Sub-County.

The school was registered in **8TH NOVEMBER, 2019** under registration number **19S 0030 0163**and is currently categorized as **EXTRA COUNTY** public school established, owned or operated by the Government.

The school is a boarding school and had**718** number of students as at **30th June 2022**.It has**4** streams and **31** teachers of which **5** teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

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

Ref:	Name of Board Member	Designation	Date of appointment
1	Patrick Gichuki Wachira	Chairman/Sponsor	5/3/2022
2	Mwatha O.K	Secretary/ Principal	5/3/2022
3	David Nduhiu Ngunjiri	Member-Special needs	5/3/2022
4	Mary Wangari Hunja	Member - Special interest	5/3/2022
5	Grace Wanjiru Maina	Member – Sponsor	5/3/2022
6	Samuel Gathua Kiambo	Member – Sponsor	5/3/2022
7	Elija Isaac Mukuria	Member – Rep. C.E.B.	5/3/2022
8	Jane Wanja Mwangi	Member - Rep. Teachers	5/3/2022
9	Onesmus Githinji	Member -Local community	5/3/2022
10	Samuel Ngunjiri Wachira	Member -Local community	5/3/2022
11	Peter Wambugu Mureithi	Member - Local community	5/3/2022
12	Robertson Wahome	Students Rep.	5/3/2022
13	Patrick Gichuhi	Students Rep	5/3/2022
14	Alex Macharia Kariuki	Member -Sponsor	5/3/2022
15	Agnes Muturi	Students Rep	5/3/2022
16	Peninah Njeri Macharia	Memeber-Local community	5/3/2022
17	Hannah Njoki Kaguchia	Member –Local community	5/3/2022

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	-Patrick Gichuki -Mwatha O.K -Grace Maina - Patrick Gichuhi - Eng. Peninah Njeri	**Chairman** **Secretary** **Member** **Member** **Member**	1 out of 4
2	AuditCommittee	- Grace Maina - Robertson Wahome - Peter W ambugu	**Chairperson** **Secretary** **Member**	1 out of 4
3	Finance,procurement and general purposes Committee	-David Nduhiu -Ngamu Gathogo -Patrick Gichuki -Mwatha O.K -Sub-County Director -Patrick Gichuhi	**Chairman** **Secretary** **Member** **Member** **Member** **Member**	1 out of 4
4	Academic ,Standard quality and Environment Committee.	-Eng. Peninah -Jane Mwangi -Alex Macharia -Samuel Wachira	**Chairman** **Secretary** **Member** **Member**	1 out of 4
5	Development Committee	-Mwatha O.K Patrick Gichuki -Samuel Gachina - Dr. Esther W Gikonyo -Josephine Waithera	**Chairman** **Secretary** **Member** **Member** **Member**	1out of 4
6	Discipline , Ethics, Integrity, Human rights and Students' and welfare Committee	-Hannah Kaguchia -Mary Maina -Ngamau Gathogo	**Chairman** **Secretary** **Member**	1 ou of 4

(d) School operation Management

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

Ref:	Designation	Name	TSC Number/ID NO.
1	Principal	MWATHA O.K	236730
2	Deputy Principal	JOHN NGAMAU	349108
3	School Bursar	GLADYS WANGUI KAHARI	22049933

(e) Schools contacts

Post Office Box: 94-10103, MUKURWEINI
Telephone: 0712764902
E-mail: mbhschool@gmail.com
Website: N/A
Facebook: N/A
Twitter: N/A

(f) School Bankers

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

1. Name of Bank: KCB
   Branch: MUKURWEINI
   Account Number: 1103068091

2. Name of Bank: KCB
   Branch: MUKURWEINI
   Account Number: 1104240610

3. Name of Bank: KCB
   Branch: MUKURWEINI
   Account Number: 1104236575

4. Name of Bank: KCB
   Branch: MUKURWEINI
   Account Number: 1113712775

5. MPESA PayBill No. 522123, attached to 33577K bank account 1103068091

6. Name of Bank: EQUITY
   Branch: MUKURWEINI
   Account Number: 0830260604285

7. Name of Bank: WAKULIMA COMMERCIAL SACCO
   Branch: MUKURWEINI
   Account Number: 121014769902

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

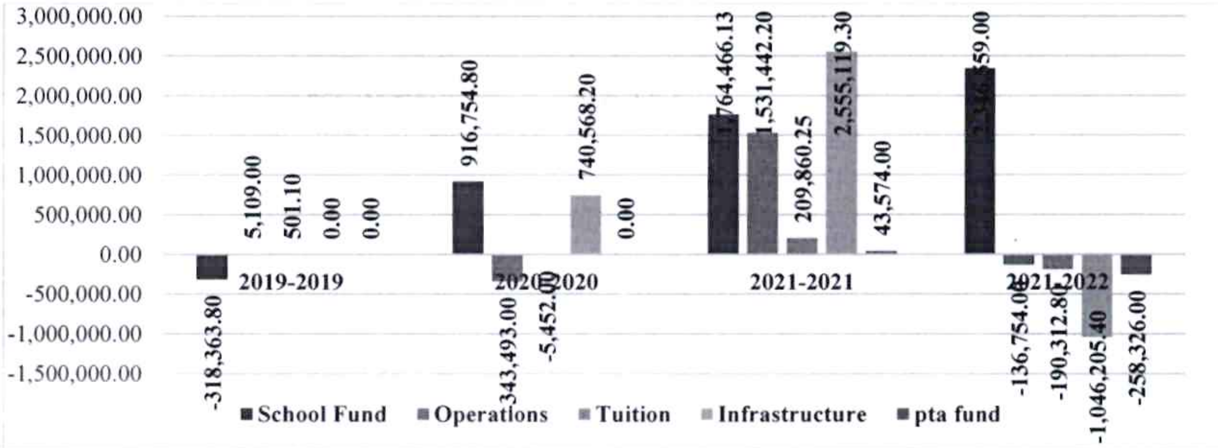
II. Summary Report Of Performance Of The School

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

a) **Financial performance**:

Under this section, it reflects the actual financial performance trend for the last three years period between **1st January 2019 to 30th June 2022** and it is summarised below.

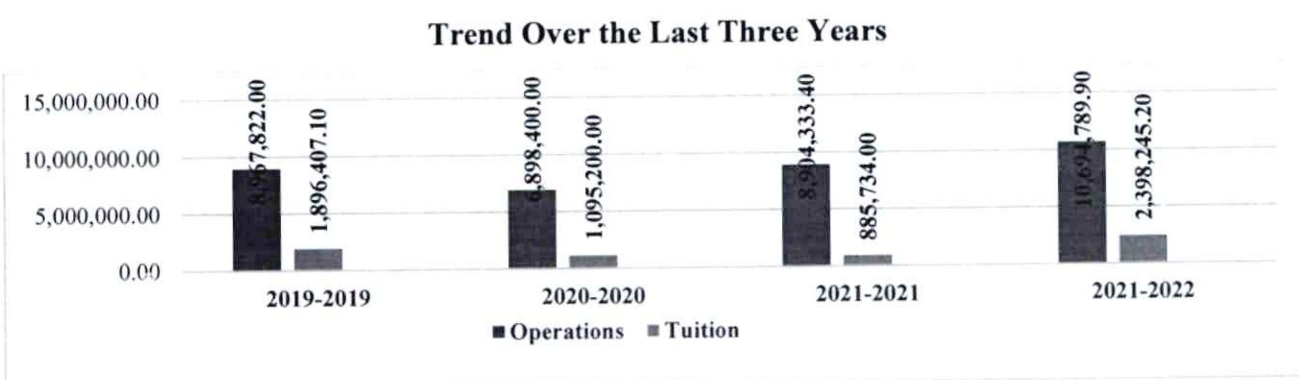
SURPLUS /DEFICIT FOR THE YEAR AND A COMPARISON OF THE SAME FOR THE LAST FOUR YEARS					
S/N	**ACCOUNTS**	**2021/2022**	**2021/2021**	**2020-2020**	**2019-2019**
1	SCHOOL FUND	2,346,559.00	1,764,466.13	916,754.80	(318,363.80)
2	OPERATIONS	(136,754.00)	1,531,442.20	(343,493.00)	5,109.00
3	TUITION	(190,312.80)	209,860.25	(5,452.00)	501.10
4	INFRASTRUCTURE	(1,046,205.40)	2,555,119.30	740,568.20	-
5	PTA FUND ACCOUNT	(258,326.00)	43,574.00	-	-
6	FARM ACCOUNT	-	-	-	-
	TOTAL	**714,960.80**	**6,104,461.88**	**1,308,377.30**	**310,839.30**
	INCREASE/DECREASE	**(5,389,501.08)**	**4,796,084.22**	**997,538.03**	**(1,395,443.85)**

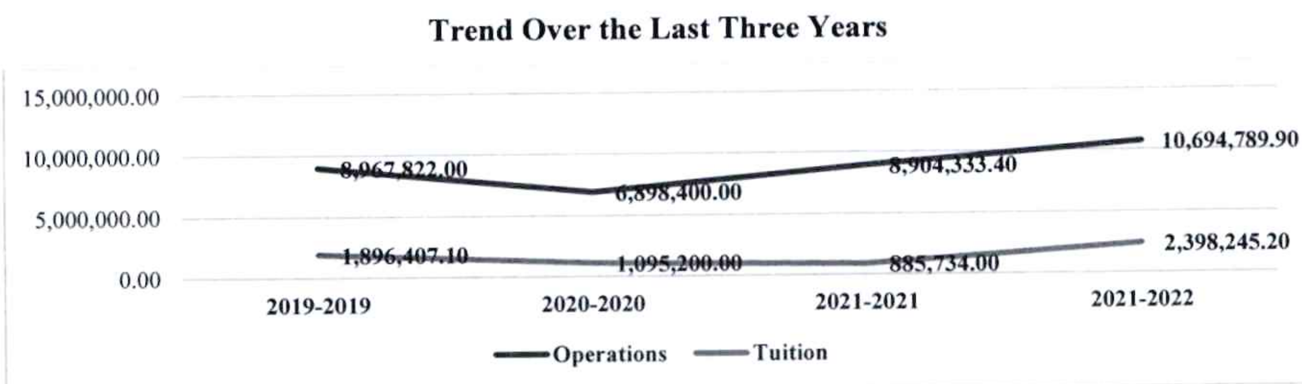


The surplus the year 2020 increased by Kshs 997,538.03 from deficit of Kshs 1,395,443.85 in the year 2019 which was attributed by non-usage of all infrastructure funds due to closure of school during COVID -19 pandemic period. In 2021, the surplus increased by Kshs 4,796,084.22.72 from Kshs 997,538.03 in the year 2020 due to delay ing receiving approval letter of usage of infrastructure funds from the ministry that delayed the RMI project. In the year 2022, RMI project funds were greatly utilised therefore reducing surplus from Kshs 4,796,084.22in 2021 to deficit of Kshs 5,389,501.08

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL(Continued)

CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS					
SNO	**ACCOUNTS**	**2021/2022**	**2021/2021**	**2020/2020**	**2019-2019**
			KSHS	**KSHS**	**KSHS**
1	Operations Account	10,694,789.90	8,904,333.40	6,898,400.00	8,967,822.00
2	Tuition Account	2,398,245.20	885,734.00	1,095,200.00	1,896,407.10
	Total	**13,093,035.10**	**9,790,067.40**	**7,993,600.00**	**10,864,229.10**
	Increase/Decrease	3,302,967.70	1,796,467.40	(2,870,629.90)	1,648,036.10
	No of Students	**718**	643	643	596
	Ratio of Capitation per student	**1:18,235**	**1:15,226**	**1:12,432**	**1:18,229**





SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL(Continued)

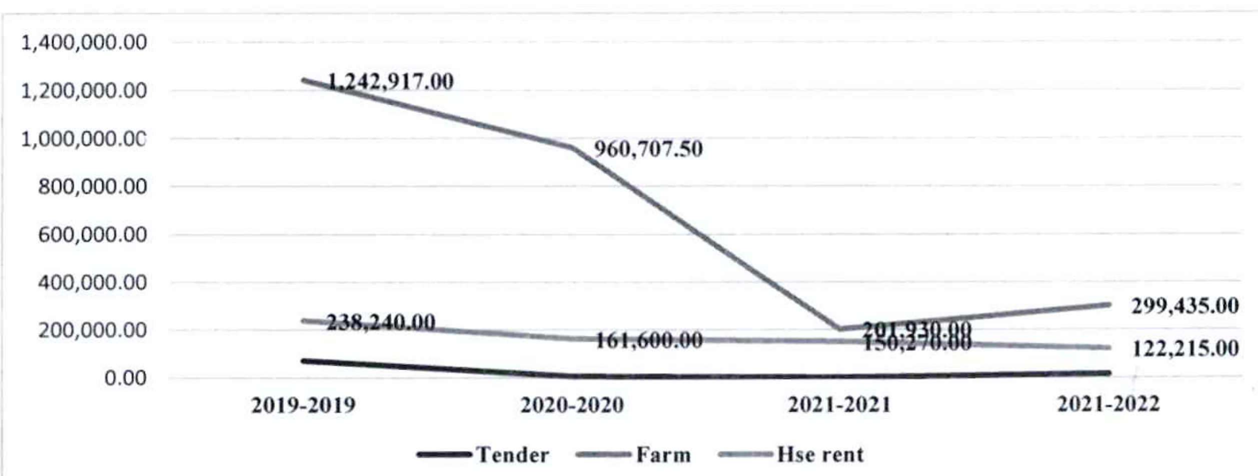
The total capitation for the year 2019 was Kshs10,864,229.10compared to Kshs7,993,600 in 2020 which is a deficit of Kshs 2,870,629.10 This was attributed by COVID -19 which led to closure of schools for the whole year(2020), therefore refducing release of FSE funds from the MOE. In 2021, total capitation received was Kshs 9,790,067.40 which was an increase of Kshs 1,796,467.40 due to resumption of normal learning in schools and timely release of FSE funds. In 2021/2022 financial year, ran from 1st July 2021 to 30th June 2022, the whole year which covered four (4) terms The capitation received by school was Kshs 13,093,035 10 an increase of Kshs 3,302,967.70 in 2021/2022 compared with Kshs 9,790,067.40 received in 2021/2021 which ran for just 6 months unlike 2021/2022 which ran for 12 months. Rise of number of students facilitated to increase in FSE funds.

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL(Continued)

OVERVIEW OF NET GROWTH OF OTHER INCOME(S) (Note 21)					
S/N	ACCOUNTS	2021/2022	2021/2021	2020/2020	2019-2019
		KSHS	KSHS	KSHS	KSHS
1	Tender	14,000.00	-	5,000.00	72,000.00
2	Farm	299,435.00	201,930.00	960,707.50	1,242,917.00
3	House Rent	122,215.00	150,270.00	161,600.00	238,240.00
	Total	**435,650.00**	**352,200.00**	**1,127,307.50**	**1,553,157.00**
	Increase/Decrease	**83,450.00**	**(775,107.50)**	**(425,849.50)**	**855,537.00**

Trend Over the Last Three Years

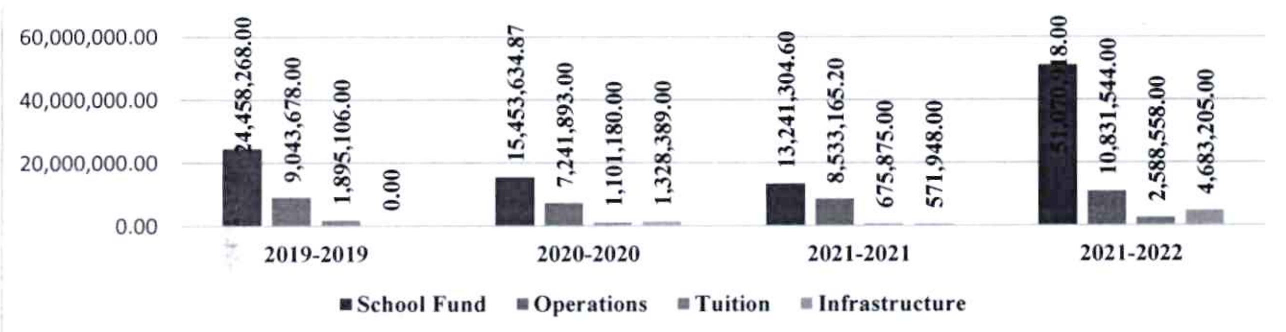
Trend Over the Last Three Years



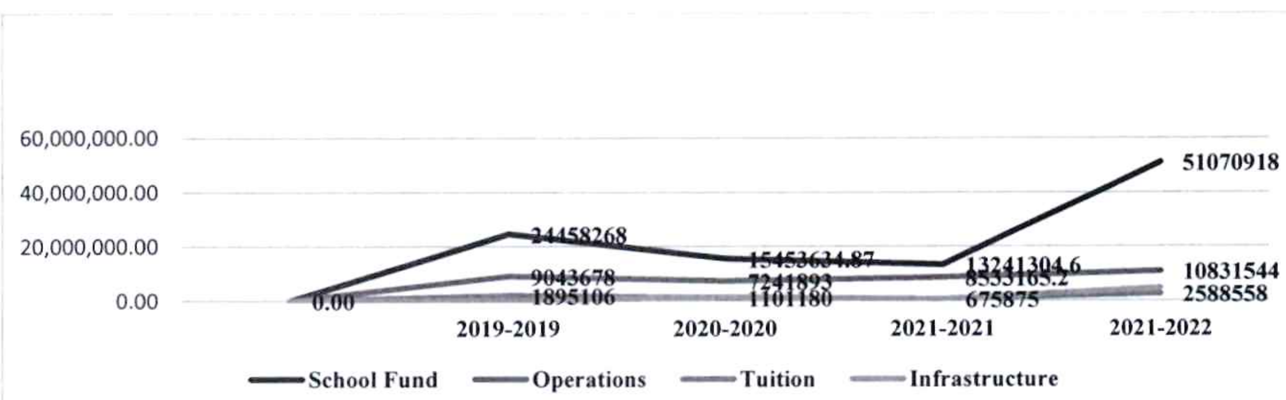
SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL(Continued)

OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL					
SNO	**ACCOUNTS**	**2021/2022**	**2021/2021**	**2020/2020**	**2019**
		Kshs	**Kshs**	**Kshs**	**Kshs**
1	School Fund Account	51,070,918.00	13,241,304.60	15,626,836.87	24,458,268.00
2	Operations Account	10,831,544.00	8,533,165.20	7,241,893.00	9,043,678.00
3	Tuition Account	2,588,558.00	675,875.00	1,101,180.00	1,895,106.00
4	Infrastructure Account	4,683,205.00	571,948.00	1,328,389.00	-
	Total	**69,174,225.00**	**23,022,292.8**	**25,298,298.87**	**35,397,052.00**
	Increase/Decrease	**46,151,932.20**	**(2,096,008.00)**	**(10,098,753.00)**	**5,641,224.15**

Trend Over the Last Three Years



Trend Over the Last Three Years

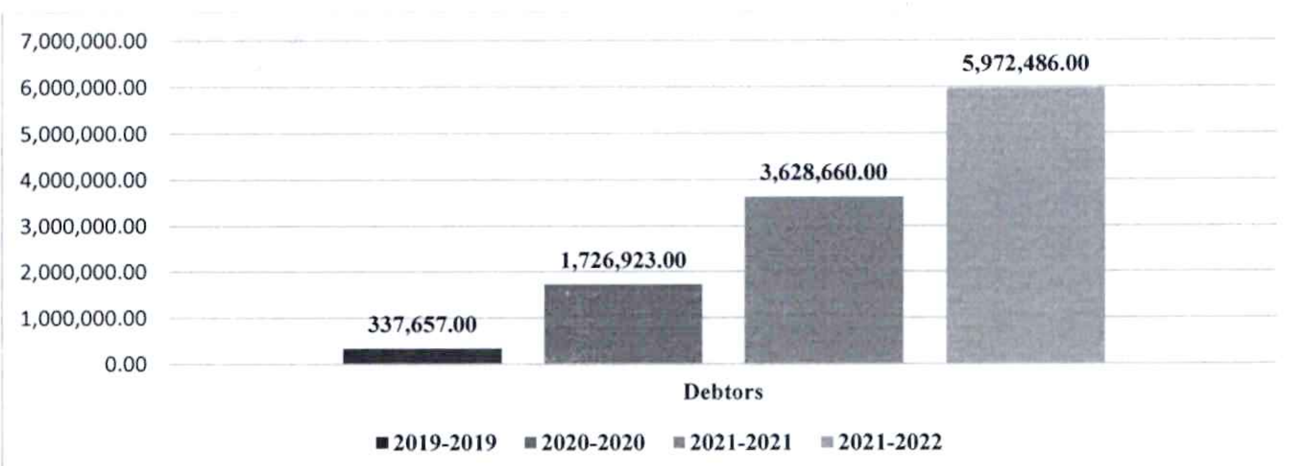


SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL(Continued)

Expenditure reduced with Kshs10,271,955.13 in 2020 compared to 2019 due to abrupt closure of schools due to COVID-19. The year 2021/2021 covered 6 months therefore reducing expenditure to Kshs23,022,293 from Kshs25,125,096.87 with a deficit of Kshs2,102,804.10. In 2021combined expenditure with balance sheet items as per the IPSAS guidelines therefore increasing expenditure to Kshs69,174,225.40 and increase of Kshs 46,151,932. Increase in number of students also led to increase in expenditure.

MOVEMENT OF DEBTORS OF THE SCHOOL					
SNO	**ACCOUNTS**	**2021-2022**	**2021-2021**	**2020-2020**	**2019-2019**
1	**School Fund Account**	**KSHS**	**KSHS**	**KSHS**	**KSHS**
a	Debtors	5,972,486.00	3,628,660.00	1,726,923.00	337,657.00
	Total	5,972,486.00	3,628,660.00	1,726,923.00	337,657.00
	Increase/Decrease	**2,343,826.00**	**1,901,737.00**	**1,389,266.00**	**(1,214,368.00)**

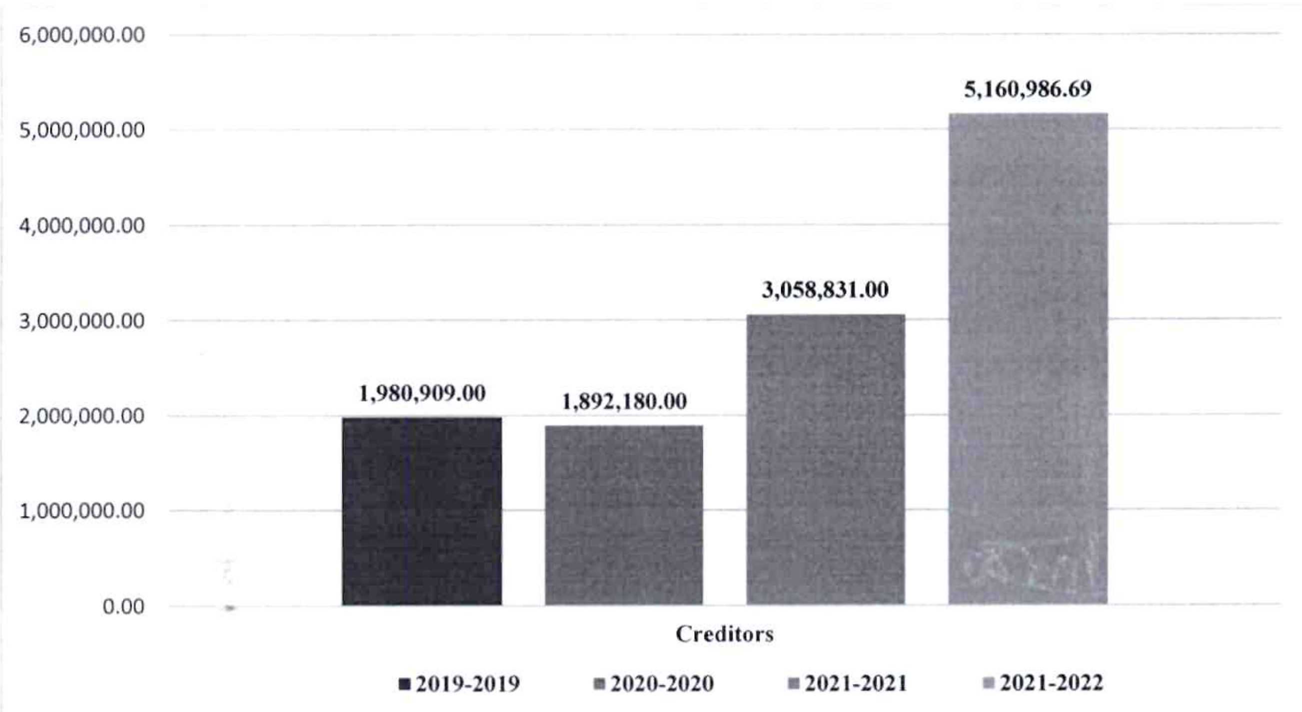
Trend Over the Last Three Years



Total debtors in 2020 increased byKshs 1,389,266.00 due to closure of schools so fees could not be collected. By June 2021, students were about to close for midterm break which ran from 3rd June 2021-7th July 2021 to collect the remainder of fees balance. On 30th June 2022, it was end of term 1. The number of students had increased from 643 in 2021/2021 to 718 in 2021/2022. This led to increase of fees debtors by Kshs 2,343,826.00

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL(Continued)

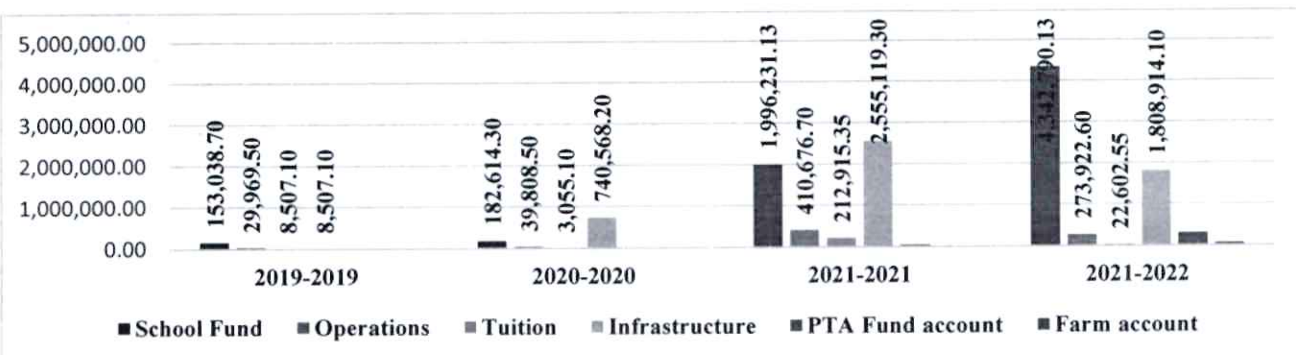
MOVEMENT OF CREDITORS OF THE SCHOOL					
SNO	**ACCOUNTS**	**2021-2022**	**2021-2021**	**2020-2020**	**2019-2019**
1	**School Fund Account**	**KSHS**	**KSHS**	**KSHS**	**KSHS**
a	Creditors	5,160,986.69	3,058,831.00	1,892,180.00	1,980,909.00
	Total	5,160,986.69	3,058,831.00	1,892,180.00	1,980,909.00
	Increase/Decrease	**2,102,155.69**	**1,166,651.00**	**(88,729.00)**	**486,772.00**



Total creditors in 2021/2022 increased from Kshs**3,058,831.00 in 2021/2021 to** Kshs **5,160,986.69 since 2021/2021 covered a period of 6 months only whereas 2021/2022 covered 12 months. Overpaid fees to some extent increased the number of creditors**

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL(Continued)

	MOVEMENT OF CASH AND BANK BALANCES				
S/N	ACCOUNTS	2021-2021	2021-2021	2020-2020	2019-2019
		KSHS	KSHS	KSHS	KSHS
1	School Fund Account	4,342,790.13	1,996,231.13	182,614.83	153,038.70
2	Operations Account	273,922.60	410,676.70	39,808.50	29,969.50
3	Tuition Account	22,602.55	212,915.35	3,055.10	8,507.10
4	Infrastructure Account	1,808,914.10	2,555,119.30	740,568.20	8,507.10
5	PTA Fund account	301,900.00	43,574.00	-	-
6	Farm account	52,334.00	-	-	-
	Total	**6,802,463.38**	**5,218,516.48**	**966,046.63**	**191,515.30**
	Increase/Decrease	**1,583,946.90**	**4,252,469.85**	**774,531.33**	**(363,381.50)**



In 2020, cash and bank balances Kshs 774,531.33 since there were no RMI funds. In 2021, due to increased no of students and resumption of learning in schools led to increased capitation and BES funds. An increase of Kshs **4,252,469.85** was noted. Cash and bank balances increased in 2021/2022 by Kshs **1,583,946.90** since the books were closed after 12 months unlike in 2021/2021 when they were closed after 6 months, where there were more fees collections. The increased number of students from 643 to 718 in 2021/2021 and 2021/2022 respectively made it possible to have huge balances of cash and bank.

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL(Continued)

b) **Teacher Student ratio**:

Between the month of June 2021 and June 2022, the status of the teaching staff is as follows:

There are **26** teachers posted by the Teachers Service Commission and **5**recruited by the Board of Management.

There was **one retiree** in December 2021. Although the teacher student ratio lies at **1:23.** We have a shortage of **14** teachers from the given CBE. This is due to subject specialization in Form 3 and Form 4 and 100% transition.

c) **Mean score in the 2021, 2020 and 2019KCSE**:

YEAR	ENROLMENT	MEAN	TRANSITION	TRANSITION (%)	SCHOOL TARGET	COMMENTS
2021	118	4.63	17	14.6	7.0	There was a slight –ve deviation of 0.76 and transition rate to university of 14.6%. Mathematics was the most improved subject with +ve 0.39. Geography was the best performed subject with C+ of 7.21
2020	118	5.407	29	24.68	6.0	There was a +ve deviation 0f 0.55 and a transition rate to university of 25.4%. business studies was most improved subject with +3.4
2019	78	4.857	12	15.38	5.5	There was a +ve deviation of 0.94. Transition rate to university was 15.38%

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL(Continued)

d) Number of Candidates in the 2021 KCSE:

YEAR	2021	2020	2019
NO. OF STUDENTS(Boys)	118	118	78

e) Capacity of the school:

S/N	FACILITY	NO.
1.	Number of students	718
2.	Dormitories	6
3.	Dining hall	1
4.	Toilets	30
5.	Bathrooms	50
6.	Computer laboratory	1
7.	Science laboratories	3
8.	Classes	18

SUMMARY REPORT OF THE PERFORMANCE OF THE SCHOOL (continued)

f) Development projects carried out by the school:

S/N	Project	Year	Status	Amount	Fund Source
1.	**Construction of Septic tank**	***2021-2022***	Complete	4,813,559.20	Maintenance & Improvement from MOE
2.	**Ablutiom block**	***2020-2021***	Complete	4,160,269.24	Maintenance & Improvement from MOE
3.	**-Renovation of dining hall** **-Dining hall table and benches** **-Bathrooms repairs and plumbing** **-Beds repiars and purchase** **-Kitchen repairs and enery saving jikos**	***2019***	Complete	1,200,000 1,000,000 600,000 600,000 1,200,000 **4,600,000**	Maintenance & Improvement from MOE

MUKURWE-INI BOYS HIGH SCHOOL
SNR. PRINCIPAL
09 AUG 2024
P. O. Box 94, MUKURWE-INI

……………………………

School Principal

III. Statement Of School Management Responsibility

Section 81 (1) of the Public Finance Management Act, 2012requires that, at the end of each financial year each National Government School l 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 **MUKURWEINI BOYS' HIGH SCHOOL** accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

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

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Patrick Wachira

Designation: Chairman, School Board of Management

Date: ...2/8/2024......

MUKURWE-INI BOYS HIGH SCHOOL
SNR. PRINCIPAL
03 AUG 2024
Sign:..........
P. O. Box 94, MUKURWE-INI

....

Wamweya J.H

Designation: School Principal& Secretary to Board of Management

Date: ....

....

Gladys Kahari

Designation: Bursar/ Finance Officer

Date: ....2/8/24..........

REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON MUKURWEINI BOYS HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 – NYERI COUNTY

PREAMBLE

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

A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.

B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Mukurweini Boys High School - Nyeri County set out on pages 1 to 20, which comprise of the statement of assets and liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and summary 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Mukurweini Boys High School – Nyeri County as at 30 June, 2022 and 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 and the Basic Education Act, 2013.

Basis for Qualified Opinion

Long Outstanding Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs. 5,972,486 in respect of fees arrears as disclosed in Note 12 to the financial statements. However, included in the balance are receivables amounting to Kshs.1,653,023 which had been outstanding for more than two (2) years and Kshs. 328,360 relates to fees arrears from past students.

In the circumstance, the accuracy, completeness and recoverability of the accounts receivable balance of Kshs. 5,972,486 could not be confirmed.

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

The statement of receipts and payments and as disclosed in Note 7 and 8 to the financial statements reflects payments for operations and boarding and School fund payments balances of Kshs.2,588,558 and Kshs.10,831,544 respectively. The School transferred activity funds totalling Kshs.334,800 to Kenya Secondary School Heads Association, a private entity that is not subject to PFM Act, 2012 or any other public finance regulations. This is contrary to Regulation 23(2)c of the Public Finance Management (National Government) Regulations, 2015 which requires that an Accounting Officer shall, before transferring any funds to an entity within or outside Government, ensure that there is a written assurance from the entity that it shall implement effective, efficient and transparent financial management and internal control systems, or, if such written assurance is not or cannot be given, render the transfer of the funds subject to conditions and remedial measures requiring the entity to establish and implement effective, efficient and transparent financial management and internal control systems.

In the circumstances, the School may not have received value for money for the Kshs.334,800 transferred to KESSHA.

2. Failure to Transfer Infrastructure Funds from the Operations Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.10,694,790 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the grants is an amount of Kshs.3,581,000 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, an amount of Kshs.3,717,140 was transferred to infrastructure account, leaving a balance of Kshs.765,860 as at 30 June, 2021. Further, the amount of Kshs.3,581,000 was transferred more than fifteen days of receipt. This was contrary to The Ministry of Education Circular 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

3. Unconfirmed Students Enrolment Data

The statement of receipts and payments reflects capitation grants for tuition, capitation grants for operations and infrastructure grants totalling Kshs.13,093,035. Comparison of data from National Education Management and information System (NEMIS) with records from the County Director of Education revealed that during the financial year 2021/2022, NEMIS reflected seven hundred and seven (707) students while records from the school records reflected seven hundred and twenty-four (724) students, resulting to a variance of seventeen (17) students and an underfunding of the School by an amount of Kshs. 68,091. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

In the circumstances, underfunding of the School may have affected service delivery to the students.

4. 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.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on the 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

Lack of Internal Audit Function and Audit Committee

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

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

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the to express an opinion on the financial statements.

- Perform such other procedures as I consider necessary in the circumstances.

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

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

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

23 September, 2024

I. Statement Of Receipts And Payments Period To 30th June 2022

Description Of Vote Head	Note	2021-2022	2020-2021
		Kshs	Kshs
		12 Months	**6 Months**
Receipts			
Capitation grants for tuition	1	2,398,245.20	885,735.25
Capitation grants for operations	2	10,694,789.90	8,904,033.40
School fund income- parents' contributions	3	24,650,922.00	4,521,909.00
School fund income- other receipts	4	29,318,885.00	10,576,586.00
Infrastructure	5	3,937,000.00	2,386,500.00
Total Receipts		**70,999,842.1**	**27,274,763.65**
Payments			
Payments for tuition	6	2,588,558.00	675,875.00
Payments for operations	7	10,831,544.00	8,533,165.20
Boarding and school fund payments	8	51,070,918.00	13,241,304.60
Payments for infrastructure	9	4,683,205.40	571,948.90
Total Payments		**69,174,225.40**	**23,022,293.70**
Surplus/Deficit		**1,825,617.10**	**4,252,469.95**

The school financial statements were approved on 2/8/ 2024 and signed by:

…………………………	…………………………	…………………………
Patrick Wachira	Wamweya J.H	Gladys Kahari
Chair BOM	**School Principal/ Secretary to BOM**	**Bursar/ Finance Officer**
Date: 2/8/2024	**Date:**……………	**Date:** 2/8/24

PRINCIPAL
MUKURWEINI BOYS HIGH SCHOOL
03 AUG 2024
MUKURWE-INI

V. Statement Of Financial Assets And Financial Liabilities As At 30th June 2022

Description	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances(closing)	10	6,656,904.57	5,171,774.18
Cash balances	11	145,559.00	46,743.00
Short term investment			
Total cash and cash equivalent		**6,802,463.57**	**5,218,517.18**
Account's receivables	12	5,972,486.00	3,628,660.00
Total financial assets		**12,774,949.57**	**8,847,177.18**
Financial liabilities			
Accounts payables	13	(5,160,986.00)	(3,058,831.00)
Net financial assets		**7,613,963.57**	**5,788,346.18**
Represented by;			
Accumulated fund b/fwd	14	5,788,346.00	1,535,874.00
Surplus/deficit for the year		1,825,617.57	4,252,469.95
Net financial position		**7,613,963.57**	**5,788,346.58**

The school's financial statements were approved on 2/8/ 2024 and signed by:

………………………………	………………………………	………………………………
Patrick Wachira	Wamweya J.H	Gladys Kahari
Chair BOM	**School Principal/ Secretary to BOM**	**Bursar/ Finance Officer**
Date: ……2/8/2024……	**Date:**………………	**Date:**……2/8/24……

MUKURWE-INI BOYS HIGH SCHOOL
PRINCIPAL
02 AUG 2024
Sign:……………
P. O. Box 94, MUKURWE-INI

VI. Sstatement Of Cash Flows for The Period Ended 30th June 2022

Description	Notes	2021-2022 Kshs	2021-2021 Kshs
Operating activities			
Receipts			
Receipts			
Capitation grants for tuition	1	2,398,245.00	885,735.00
Capitation grants for operations	2	10,694,790.00	8,904,033.00
School fund income- parents contributions/ fees	3	24,650,922.00	4,521,909.00
School fund income- other receipts	4	29,318,885.00	10,576,585.00
Infrastructure	5	3,937,000.00	2,386,500.00
Total receipts		**70,999,842.00**	**27,274,762.00**
Payments		-	
Payments for tuition	6	2,588,558.00	675,875.00
Payments for operations	7	10,831,544.00	8,533,165.00
Boarding and school fund payments	8	51,070,918.00	13,241,305.00
Payment for infrastructure	9	4,683,205.00	571,949.00
Total payments		**69,174,225.00**	**23,022,294.00**
Cashflow from investing activities			
Proceeds from sale of assets		-	-
Acquisition of assets		-	-
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		1,825,617.0	4,252,468.00
Cash and cash equivalent at beginning of the year		5,788,346.87	1,535,879.00
Cash and cash equivalent at end of the year		7,613,963.87	5,788,347.00

VII. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2022

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
Receipts						
(1) Capitation Grant on Tuition						
Textbooks And Reference Materials	1,084,500.00	-464,328.00	620,172.00	-	620,171.00	0%
Exercise Books/Graph books/Papers	1,138,000.00	-	1,138,000.00	611,538.00	526,462.00	53.70%
Laboratory Equipment	816,750.00	-	816,750.00	1,474,507.20	-657,757.20	180.50%
Internal Exams	151,500.00	-	151,500.00	272,200.00	-120,700.00	179.70%
Teaching / Learning Materials	134,860.00	-	134,860.00	-	134,860.00	0%
Chalks	29,818.00	-	29,818.00	-	29,818.00	0%
Exams And Assessment	-	-	-	-	-	0%
Teachers Guides	127,500.00	-	127,500.00	-	127,500.00	0%
TOTAL	**3,482,928.00**	-464,328.00	**3,018,600.00**	**2,358,245.20**	**660,354.80**	**78%**
(2) Capitation Grant on Operations						-
Personnel Emoluments	2,340,000.00	-312,000.00	2,028,000.00	4,569,424.20	-2,541,424.20	225.30%
Repairs And Maintenance	4,500,000.00	-600,000.00	3,900,000.00	3,736,750.00	163,250.00	95.80%

Local Transport / Travelling	1,730,250.00	-989,250.00	741,000.00	480,509.68	260,490.32	64.80%
Electricity And Water	1,590,000.00	-212,200.00	1,378,000.00	707,941.51	670,058.49	51.40%
Medical	1,500,000.00	-200,000.00	1,300,000.00	141,400.00	1,158,600.00	10.90%
Administration Costs	1,140,000.00	-152,000.00	988,000.00	707,941.51	280,058.49	71.70%
Activity	1,125,000.00	-150,000.00	975,000.00	-	975,000.00	0%
SMASSE	150,000.00	-	150,000.00	-	-	0%
Gratuity	0	0	0	0	0	0
TOTAL	**14,075,250.00**	**-2,615,450.00**	**11,460,000.00**	**10,343,966.90**	**3,507,457.30**	**91.46%**
(3) Fees Charged on Parents						
Personnel Emoluments	4,795,500.00	1,018,100.00	5,813,600.00	5,647,890.00	165,710.00	97.10%
Repairs And Maintenance	1,500,000.00	750,000.00	2,250,000.00	1,871,075.00	378,925.00	83.20%
Local Transport / Travelling	-	-	1,363,050.00	1,354,329.00	8,721.00	99.40%
Electricity And Water	1,750,500.00	891,100.00	2,641,600.00	2,598,763.00	42,837.00	98.40%
Medical	-	-	-	57,142.00	-57,142.00	0%
Administration Costs	1,331,250.00	628,500.00	1,959,750.00	2,068,567.00	-108,817.00	105.50%
Activity	375,000.00	31,250.00	406,250.00	408,095.00	-1,845.00	100.50%
SMASSE	-	-	-	-	-	-
Fee On Boarding Equipment and Stores	15,622,500.00	6,168,750.00	21,791,250.00	22,199,255.00	-408,005.00	101.90%
TOTAL	**25,374,750.00**	**9,487,700.00**	**36,225,500.00**	**36,205,116.00**	**20,384.00**	**99.94%**
Other Incomes						
Rent Income	324,000.00	-	324,000.00	122,215.00	201,785.00	37.70%
Income From Farming Activities	1,160,000.00	-	1,160,000.00	299,435.00	860,565.00	25.80%

Insurance compensation	-	-	-	-	-	-
Income from posho mill	-	-	-	-	-	-
Income from bus hire	-	-	-	-	-	-
Fees for hire of ground and equipment	-	-	-	-	-	-
Interest income	-	-	-	-	-	-
Income from any other investment	-	-	-	-	-	-
Total Income	**1,484,000.00**		**1,484,000.00**	**421,650.00**	**1,062,350.00**	**28.40%**
Income for Infrastructure a/c						
RMI	-	-	3,937,000.00	3,937,000.00	-	100%
Bank charges	-	-	-	-	-	-
TOTAL			**3,937,000.00**	**3,937,000.00**	-	**100%**
Grand total receipts	**44,416,928.00**	**6,407,922.00**	**56,125,100.00**	**53,265,978.10**	**5,250,546.10**	**95%**
(1) Expenditure For Tuition						
Textbooks And Reference Materials	1,084,500.00	-464,328.00	620,172.00	-	620,172.00	0%
Exercise Books	1,138,000.00	-	1,138,000.00	611,538.00	526,462.00	53.70%
Laboratory Equipment	816,750.00	-	816,750.00	1,692,315.00	-875,565.00	207.20%
Internal Exams	151,500.00	-	151,500.00	272,200.00	-120,700.00	179.70%
Teaching / Learning Materials	134,860.00	-	134,860.00	-	134,860.00	0%
Chalks	29,818.00	-	29,818.00	-	29,818.00	0%
Exams And Assessment	-	-	-	-	0	0%
Teachers Guides	127,500.00	-	127,500.00	-	127,500.00	0%
Administration Costs	-	-	-	-	-	0%

Bank Charges	-	-	-	2,505.00	-2,505.00	0%
RD CHEQUE	-	-	-	10,000.00	-10,000.00	0%
TOTAL	**3,482,928.00**	**-464,328.00**	**3,018,600.00**	**2,588,558.00**	**430,042.00**	**85.60%**
(2) Expenditure For Operations						
Personnel Emoluments	2,340,000.00	-	2,300,523.00	3,868,694.00	-1,568,171.00	177.30%
Repairs, Maintenance & Improvements	4,500,000.00	-	3,900,000.00	3,937,900.00	-37,900.00	101%
Local Transport / Travelling	1,730,250.00	-	741,000.00	1,051,313.00	-310,313.00	131.80%
Electricity, Water and Conservancy	1,590,000.00	-	1,378,000.00	976,620.00	401,380.00	70.90%
Medical	1,500,000.00	-	1,300,000.00	0	1,300,000.00	0%
Administration Costs	1,140,000.00	-	988,000.00	393,367.00	594,633.00	39.80%
Activity Expenses	1,125,000.00	-	975,000.00	603,650.00	371,350.00	61.90%
Gratuity	-	-	-	-	-	-
SMASSE	150,000.00	-	150,000.00	-	-	0%
TOTAL	**14,075,250.00**		**11,732,523.00**	**10,831,544.00**	**750,979.00**	**92.30%**
(3) Expenditure For School Fund						
Personnel Emoluments	4,795,500.00	1,018,100.00	5,813,600.00	2,502,858.00	3,310,742.00	43.10%
Repairs, Maintenance and Improvements	1,500,000.00	750,000.00	2,250,000.00	3,474,542.00	-1,224,542.00	154.40%
Local Transport / Travelling	-	-	1,363,050.00	2,576,381.00	-121,331.00	189%
Electricity, Water and Conservancy	1,750,500.00	891,100.00	2,641,600.00	2,263,939.00	377,661.00	85.70%
Medical Expenses	-	-	-	152,223.00	152,223.00	0%
Administration Costs	1,331,250.00	628,500.00	1,959,750.00	1,943,288.00	16,462.00	99.2
Activity	375,000.00	31,250.00	406,250.00	461,165.00	-54,915.00	113.20%
Gratuity	-	-	-	-	-	-
Lunch programme	-	-	-	-	-	-

Boarding Equipment and Stores	15,622,500.00	6,168,750.00	21,791,250.00	21,510,051.00	281,199.00	98.70%
Expenditure For Income Generating Activity:						
- Rent Expenses	200,000.00	-	200,000.00	12,850.00	187,150.00	6.40%
- School Farm	688,800.00	-	688,800.00	925,540.00	-236,740.00	134.40%
Insurance costs	-	-	-	-	-	-
other expenses on investments	-	-	-	-	-	-
Rent expenses	-	-	-	-	-	-
Bank charges	-	-	-	-	-	-
Loan interest repayment	-	-	-	-	-	-
Loan principal repayment	-	-	-	-	-	-
Acquisition of assets	-	-	-	-	-	-
TOTAL	**888,800.00**	-	**888,800.00**	**938,390.00**	**-49,590.00**	**105.60%**
TOTAL	**26,263,550.00**	**9,487,700.00**	**37,114,300.00**	**35,822,837.00**	**2,687,909.00**	**97.00%**
Expenditure for Infrastructure a/c						
RMI	-	-	4,682,140.40	4,682,140.40	-	100%
Bank charges	-	-	-	1,065.00	-1,065.00	0%
TOTAL	-	-	**4,682,140.40**	**4,683,205.40**	**-1,065.00**	**100.02%**
Total expenditures	**43,821,728.00**	**9,023,372.00**	**56,547,563.00**	**53926144.4**	**3,867,865.00**	**11.23%**

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

VIII. 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 complywith 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 yearare 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 2022.

IX. Notes To The Financial Statements

1 Capitation Grant for Tuition

Description	2021-2022	2021-2021
	Kshs	Kshs
Textbooks And Reference Materials		
Exercise Books		
Laboratory Equipment		
Internal Exams		
Teaching / Learning Materials	**2,398,245.20**	885,735.25
Chalks		
Exam and assessment		
Teachers guide		
Total	**2,398,245.20**	**885,735.25**

2 Capitation Grant for Operations

Description	2021-2022	2021-2021
	Kshs	Kshs
Personnel emoluments	4,841,347.20	2,247,354.30
Repairs and maintenance	3,767,750.00	2,555,750.00
Local transport / travelling	528,409.68	3,438,801.30
Electricity and water	707,941.51	331,813.90
Medical	141,400.00	-
Administration costs	707,941.51	330,313.90
Activity	-	-
Total	**10,694,789.90**	**8,904,033.40**

3 Parents Contribution/Fees - School Fund Account

Description	2021-2022	2021-2021
	Kshs	Kshs
Local transport / travelling	1,354,329.00	527,242.00
Electricity, Water & Conservancy	2,598,763.00	1,015,550.00
Repairs and maintenance	1,871,075.00	556,642.00
Activity	408,095.00	74,305.00
Personnel emoluments	6,495,249.00	1,549,425.00
Administration costs	11,923,411.00	798,745.00
Total	**24,650,922.00**	**4,521,909.00**

Notes To The Financial Statements (Continued)

4 Other Receipts – School Fund Account

Description	2021-2022 Kshs	2021-2021 Kshs
Boarding, Equipment & Stores	28,586,576.00	10,180,811.00
Rent income	122,215.00	150,270.00
Income from farming activities	351,769.00	201,930.00
PTA Fund	258,325.00	43,575.00
Insurance compensation	-	-
Income from posho mill	-	-
Income from bus hire	-	-
Fee for hire of ground and equipment	-	-
Income from grants and donations	-	-
Income interest	-	-
Dividends income	-	-
Total	**29,318,885**	**10,576,586.00**

The sources of funds includes:
NG-CDF bursaries, County government bursaries, NGAAF bursaries, Nairobi City Bursaries, sponsorship from Churches, Children's' Homes , SafaricomMpesa Foundation, The410 bridge organization, equity bank wings to fly and other charitable organizations and individual well-wishers

5. Infrastructure

PROJECT	2021-2022	2021-2021
	KSHS	KSHS
ABLUTION BLOCK	-	2,386,500.00
SEPTIC TANK	3,937,000.00	-
TOTAL	**3,937,000.00**	**2,386,500.00**

6.Payments For Tuition

Description	2021-2022 Kshs	2021-2021 EP
Exercise books	611,538.00	112,500.00
Laboratory equipment	1,692,315.00	371,850.00
Teaching / learning materials	-	-
Internal exams	272,200.00	180,100.00
library/ reference materials	-	10,000.00
Returned cheque	10,000.00	-
Bank Charges	2,505.00	1,425.00

Total	**2,588,558.00**	**675,875.00**

Notes To The Financial Statements (Continued)

7.Payments For Operations

Description	2021-2022 Kshs	2020-2021 Kshs
Personnel emoluments	3,868,694.00	3,935,198.20
Service gratuity	-	-
Repairs and maintenance	3,937,900.00	2,386,500.00
Local transport / travelling	1,051,313.00	322,249.00
Electricity and water	976,620.00	581,141.00
Administration costs	393,367.00	1,290,177.00
Activity expenses	603,650.00	17,900.00
Smasse	-	-
Insurance cost	-	-
Bank charges	-	-
Acquisition of assets	-	-
Total	**10,831,544.00**	**8,533,165.20**

8. Boarding And School Fund Payments

Description	2021-2022 Kshs	2020-2021 Kshs
Personnel emoluments	3,309,083.00	1,117,308.00
Fees on Boarding, Equipment & Stores	26,565,148.00	8,545,243.00
Service gratuity	-	0
Local transport / travelling	2,576,381.00	743,076.00
Electricity, Water & Conservancy	2,263,939.00	625,482.70
Repairs and maintenance and improvements	3,474,542.00	932,463.90
Medical expenses	152,223.00	18,405.00
Administration costs	11,791,212.00	968,781.00
Lunch programme	-	0
Bank charges	-	0
Expenses on income generating activities(Farm)	925,540.00	243,930.00
House rent expenses	12,850.00	46,615.00
Insurance cost(life property)	-	0
Loan principal repayment		0
Loan interest repayment	-	0
Acquisition of assets	-	0
Total	**51,070,918.00**	13,241,304.60

Notes To The Financial Statements (Continued)

9. INFRASTRUCTURE

Description	2021-2022	2020-2021
	Kshs	Kshs
KCB- INFRASTUCTURE	4,683,205.40	569,673.90
	-	2,275.00
TOTAL	**4,683,205.40**	**571,948.90**

10. Bank Accounts

Name Of Bank, Account No. & Currency	Bank Account Number	2021-2022	2020-2021
		Kshs	Kshs
Tuition Account	1104236575	22,602.55	212,915.35
Operations Account	1104240610	273,730.60	363,933.70
School Fund Account/Boarding	1103068091	4,197,423.13	1,996,231.13
Savings account	-	-	-
Parents association development account	0830260604285	301,900.00	43,574.70
Income generating account	121014769902	52,334.19	-
Infrastructural account	1116712775	1,808,914.10	2,555,119.30
Total		**6,656,904.57**	**5,171,774.18**

11.Cash In Hand

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition account	**0.00**	0.00
School fund account	145,367.00	0.00
Operations account	192.00	46,743.00
Total	**145,559.00**	**46,743.00**

Notes To The Financial Statements (Continued)

12.Accounts Receivable

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees arrears	5,972,486.00	3,628,660.00
Other Non-fees receivables	0.00	0.00
Salary advances	0.00	0.00
Imprest	0.00	0.00
Total	**5,972,486.00**	**3,628,660.00**

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees arrears for current year-2022	2,864,212.00	2,009,438.00
Fees arrears for the previous year-2021	2,009,438.00	1,653,023.00
Fees arrears for prior periods (over two years)-2020	1,653,023.00	274,862.00
Less: Recoveries 2022	(524,500.00)	(29,687.00)
Less: Recoveries 2021	(29,687.00)	(278,976.00)
Total	**5,972,486.00**	**3,628,660.00**

13.Accounts Payable

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	3,718,704.00	2,333,002.00
Prepaid fees(2021)	1,442,282.00	725,829.00
Retention monies	-	-
Total	**5,160,986.00**	**3,058,831.00**

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

Description	2021-2022 Kshs	2020-2021 Kshs
Trade creditors for current year-2022	1,913,002.00	2,086,361.00
Trade creditors for the previous year-2021	2,086,361.00	1,227,414.00
Trade creditors for prior periods (Over two years)- 2020	1,227,414.00	1,794,493.00
Less: paid during the year-2021	(983,573.00)	(1,791,693.00)
Less: paid during the year -2022	(524,500.00)	(983,573.00)
Total	**3,718,704.00**	**2,333,002.00**

SURPLUS/DEFICIT FOR THE YEAR		
Description	**2021-2022**	**2021-2021**
	Kshs	**Kshs**
Tuition	(190,312.80)	209,860.25
Operations	(136,754.10)	370,868.00
Boarding and School Fund	2,588,234.00	1,857,191.00
Infrastructure	(746,205.40)	1,814,552.00
PTA fund	258,325.30	0.00
Farm account	52,334.00	0.00
Total	**1,852,617.00**	**4,252,471.25**

14.Fund Balance Brought Forward

Description	2021-2022 Kshs	2021-2021 Kshs
Bank balances	5,171,774.18	2,161,014.00
Cash balances	46,743.00	11,805.00
Short term investments	0.00	0.00
Receivables	**3,628,660.00**	1,927,885.00
Payables	(3,058,831.00)	(2,564,830.00)
Total	**5,788,346.18**	**1,535,874.00**

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.

15.Non current liabilities summary

Description	Numbers	2021-2022	2020-2021 Kshs
Bank loan(s)	0.00	0.00	0.00
Outstanding leases	0.00	0.00	0.00
Hire purchase	0.00	0.00	0.00
Gratuity and leave provision	0.00	0.00	0.00
Total	**0.00**	**0.00**	**0.00**

16.Biological assets

Description	Numbers	2021-2022	2020-2021 Kshs
Cattle	8	890,000.00	890,000.00
Goats	-	-	-
Pigs	24	200,000.00	200,000.00
Trees	1,050	3,150,000.00	4,500,000.00
Coffee or tea plantation	-	-	-
Poultry	-	-	-
Total		**4,240,000.00**	**5,590,000.00**

17.Borrowings

Description	2021-2022 Kshs	2020-2021 Kshs
a) Borrowings		
Borrowings at the beginning of the year	0.00	0.00
Borrowing during the year	0.00	0.00
Repayments during the year	**0.00**	0.00
Balance at end of year	**0.00**	0.00

Other important disclosure notes

18.Stock/ Inventory

Description	2021-2022	2020-2021 Kshs
a) Inventory		
Stock/ inventory at beginning of the year	2,054,025.00	1,760,000.00
Stock/ inventory purchased during the year	24,121,211.55	6,596,946.00
(Less):Stock/ inventory issued during the year	24,921,459.00	(6,302,921.00)
Balance at end of the year	**1,253,777.55**	**2,054,025.00**

5 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)*

MUKURWE-INI BOYS HIGH SCHOOL
SNR. PRINCIPAL
02 AUG 2024
SIGN: ....
Box 94, MUKURWE-INI

Sign and Date
Principal

Annex 1 - Analysis Of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2021	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1. SUN JUA LTD	4,288,926.00	**30/6/2022**	4,063,770.00	225,156.00		
2. WASKER ENTERPRISES	4,160,269.24	**30/6/2022**	4,082,629.24	77,640.00		
Sub-Total	**8,449,195.24**		**8,146,399.24**	**302,796.00**		
Supply Of Goods						
GITHUNYA ENTERPRISES	159,225.00	30/6/2021	-	159,225.00		
MUKURWEINI AGROVET	71,910.00	30/6/2021	-	71,910.00		
FARMERS PARLOUR	29,170.00	30/6/2021	-	29,170.00		
CLASSIC FOOD STORES	606,020.00	30/6/2021	-	606,020.00		
EDWIN NGARI KAGENDO	67,320.00	30/6/2021	-	67,320.00		
ESTHER WANGUI GITHAIGA	18,600.00	30/6/2021	-	18,600.00		
ESTACY INVESTMENTS	2,100.00	30/6/2021	-	2,100.00		
BULZOI INVESTMENTS	56,250.00	30/6/2021	-	56,250.00		
NGAMWA SEC.	8,000.00	30/6/2021	-	8,000.00		

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2021	Comments
MARKIMU ENTERPRISES	98,800.00	30/6/2021	-	98,800.00		
MUKURWEINI AGROVET	32,580.00	30/6/2021	-	32,580.00		
JANKA ELECTRICALS	44,940.00	30/6/2021	-	44,940.00		
CYBER SCHOOL TECHNOLOGY	29,000.00	30/6/2021	-	29,000.00		
PEMUELST STATIONERS	87,000.00	30/6/2021	-	87,000.00		
NELSON MUNYAKA	4,920.00	30/6/2021	-	4,920.00		
NAMUGA SACCO	67,026.00	30/6/2021	-	67,026.00		
JAMES KIAMBO NGURE	2,600.00	30/6/2021	-	2,600.00		
JOSPGIKA KEY CUTTING	10,850.00	30/6/2021	-	10,850.00		
KABETHI HOLDINNGS	15,600.00	30/6/2021	-	15,600.00		
JOSEPH GIKUNJU	238,808.00	30/6/2021	-	238,808.00		
JANE MWANGI	147,667.00	30/6/2021	-	147,663.00		
ANTHONY M.GITHINJI	7,350.00	30/6/2021	-	7,350.00		
GITHUNYA ENTERPRISES	361,000.00	**30/6/2022**	-	361,000.00		
MUKURWEINI AGROVET	91,700.00	**30/6/2022**	-	91,700.00		
MAFUKO INDUSTRIES	203,490.00	**30/6/2022**	-	203,490.00		

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2021	Comments
ESTHER WANGUI GITHAIGA	17,500.00	**30/6/2022**	-	17,500.00		
ESTACY INVESTMENTS	36,575.00	**30/6/2022**	-	36,575.00		
LOISE MWIHAKI	17,600.00	**30/6/2022**	-	17,600.00		
MARKIMU ENTERPRISES	146,050.00	**30/6/2022**	-	146,050.00		
ANTHONY MWANGI	1,900.00	**30/6/2022**	-	1,900.00		
NELSON MUNYAKA	4,920.00	**30/6/2022**	-	4,920.00		
NAMUGA SACCO	54,709.00	**30/6/2022**	-	54,709.00		
SCHOOL EQUIPMENT CENTRE	90,332.00	**30/6/2022**	-	90,332.00		
MAGITECH SUPPLIERS	584,400.00	**30/6/2022**	-	584,400.00		
Sub-Total	**3,415,912.00**		**8,146,399.24**	**1,610,176**		
Supply Of Services						
3.						
Sub-Total						
Grand Total	**11,865,107.00**		**8,146,399.24**	**3,718,704.00**		

Annex 2 – Summary Of Fixed Assets Register

Asset Class	Date purchased	Location	Historical Cost b/f (Kshs) 1st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2022
Land	Balance b/f01/01/2021		81,000,000.00		-	**81,000,000.00**

Asset Class	Date purchased	Location	Historical Cost b/f (Kshs) 1st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2022
Buildings and Structure	Balance b/f01/01/2021		32,700,000.00	**6,000,000.00**	-	**38,700,000.00**
Motor Vehicles	Balance b/f01/01/2021		2,720,000.00	-	-	**2,720.000.00**
Office Equipment, furniture and fittings	Balance b/f01/01/2021		2,000,000.00		-	**2,000,000.00**
ICT Equipment and Other ICT Assets	Balance b/f01/01/2021		1,850,000.00	-	-	**1,850,000.00**
Tools and Apparatus	Balance b/f01/01/2021		1,000,000.00	**500,000.00**	-	**1,500.000.00**
Textbooks	Balance b/f01/01/2021		5,000,000.00	-	-	**5,000,000.00**
Other Machinery and Equipment	Balance b/f01/01/2021		1,700,000.00	**800,000.00**	-	**2,500,000.00**
Intangible assets-software	Balance b/f01/01/2021		48,000.00	**200,000.00**	-	**248,000.00**
Total			**128,018,000.00**	**7,500,000.00**		**135,518,000.00**