

REPUBLIC OF KENYA



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REPORT
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DATE: 12 MAR 2025 DAY: WEDNESDAY
OF
Tabled BY: DEPUTY MAJORITY WHIP
(HON. NAOMI WAGG MP)
J. LETEREVE

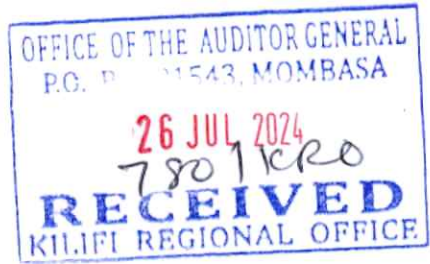
THE AUDITOR-GENERAL

ON

MARAFI BOYS SECONDARY SCHOOL

**FOR THE SIX (6) MONTHS' PERIOD
ENDED 30 JUNE, 2021**

KILIFI COUNTY



**MARAFI BOYS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th June 2021**

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

MARAFA SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

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MARAFI SECONDARY SCHOOL
Reports and Financial Statements
For the year ended 30th June 2021

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 Kilifi County, Magarini Sub-County

The school was registered in **07/2015** under registration number **0353000/0039** and is currently categorized as a **County** (*National, Extra County, county and Sub County*) public school established, owned or operated by the Government.

The school is a day/boarding school and had 454 number of students as at *30th June 2021*. It has **11** streams and **25** teachers of which **6** 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	Paul Mwambire	Chairman	4th July 2019
2	Warra Mangi	Secretary - Principal	4th July 2019
3	Joseph Katana Charo	Member	4th July 2019
4	Franklin Karema	Member	4th July 2019
5	Daniel Kahindi Wanje	Member	4th July 2019
6	Hamisi Thethe	Member	4th July 2019
7	Lillian Jumwa	Member	4th July 2019
8	Paul Mwambire	Member-Rep CEB	4th July 2019
9	John Muturi Nyaga	Member Rep Teachers	4th July 2019
	Wilberforce Mwakiru Ngetso		4th July 2019
	Patrick Kadenge		
10	Zamda Omar	3 Members - Sponsor	
11	Gabriel Murithi	Member - Community	4th July 2019
12	Mercyline Kibamba	Member Special Needs	4th July 2019
	Furaha Peter	Rep Students	4th July 2019

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	1. Paul Mwambire 2. Warra Mangi 3. Daniel Wanje 4. Zamda Omar 5. Gabriel Mureithi		6
2	Audit Committee	1. Wilberforce Mwakiru 2. Mercyline Kibamba 3. Daniel Kahundi Wanje 4. Gabriel Mureithi	Chairman	3
3	Finance, procurement and general purposes Committee	1. Gabriel Mureithi 2. Frankline Karema 3. Joseph Charo 4. Lillian Jumwa	Chairman Secretary	N/A
4	Academic Committee	1. Mercyline Kibamba 2. John Muturi Nyaga 3. Gabriel Mureithi	Chairperson Secretary	3
5	Development Committee	1. Warra Mangi 2. Wilberforce Mwakiru 3. Gabriel Mureithi 4. Mercyline Kibamba		3
6	Discipline and welfare Committee	1. Daniel Wanje 2. Mercyline Kibamba 3. Gedion Badiva Gumundi	Chairman	
7	Adhoc Committee (if any during the year)			n/a

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(d) School operation Management

For the financial year ended *30th June 2021* the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	Warra Mangi	358246
2	Deputy Principal	Lennox Kombo	323814
3	School Bursar	Tomas Ombere	11344419 (id no)

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(d) Schools contacts

Post Office Box: 4-80207, Madina Malindi
Telephone: 0717 614 123
E-mail: marafasecondary@ymail.com
Website:
Facebook:
Twitter:

(e) School Bankers

The following school operated 6 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. **SCHOOL FUND**
Name of Bank: Kenya commercial bank
Branch: Malindi
Account Number: 1107991234

Tuition Account
2. Name of Bank: KCB
Branch: Malindi
Account Number: 1104229056

3. **Operations Account**
Name of Bank: KCB
Branch: Malindi
Account Number: 1104238497

4. **School bus account**
Name of Bank: KCB
Branch: Malindi
Account Number: 1124139826

5. **Service Gratuity account**
Name of Bank: KCB
Branch: Malindi
Account Number: 1121903304

6. **Infrastructure Account**
Name of Bank: KCB
Branch: Malindi
Account Number: 1109797052

MPESA Pay Bill No. 522 123 attached to 60011k (1107991234) bank account

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(f) Independent Auditors

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

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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

1. SURPLUS/DEFICIT

YEAR	OPERATION	TUITION	MAIN A/C	TOTALS
2019	1,225,808.79	(366,695.30)	680,787.33	1,539,900.82
2020	790,968.64	185,552.00	2,300,862.00	3,277,382.64
2021	1,025,051.95	119,722.00	24,435,47.00	1,169,209.42
TOTALS	3,041,829.38	(61,421.30)	3,006,084.80	5,986,492.88



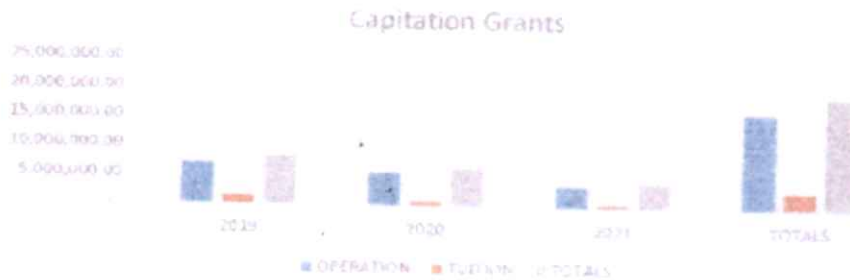
The surplus in 2019 was kshs 1,539,900.82. It increased to kshs 3,277,382.64 in 2020. This is attributed to non-utilization of all infrastructure funds. The same can also be observed in 2021

2. CAPITATION GRANTS

YEAR	OPERATION	TUITION	TOTALS
2019	6,853,206.50	1,449,233.70	8,302,440.20
2020	5,698,650.00	825,536.00	6,524,186.00
2021	3,707,356.95	588,534.00	4,295,890.95
TOTALS	16,259,213.45	2,863,303.70	19,122,517.15

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SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL. (continued)



The capitation grants for the financial year 2019 was kshs 8,302,440.20. This figure decreased to kshs 6,524,186 in 2020 and kshs 4,295,890.95 in 2021. This is attributed to 1. Decrease in the amount of capitation from the ministry due to covid-19 and 2. decrease in student's enrollment. The capitation grant for the current period is only for 6 months.

3. RATIO OF CAPITATION GRANT PER STUDENTS

YEAR	OPERATION	TUITION
2019	1,14,072	1,2,975
2020	1,13,600	1,1,970
2021	1,8,349	1,1,325

4. GROWTH OF OTHER INCOMES

YEAR	Tender fee	T/shirts	Hire of bus
2019	10,000.00	514,080.00	494,311.00
2020		285,126.00	59,000.00
2021	1,000.00	18,750.00	
TOTALS	11,000.00	817,956.00	553,311.00

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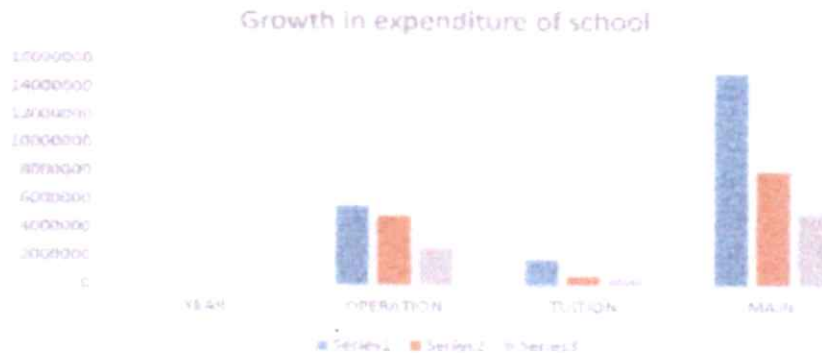
SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL. (continued)



The growth in other income generating activities for the financial year 2021 was kshs 19,750.00 compared to kshs 344,126.00 in 2020 representing a decrease of kshs 324,376.00. The growth in other income for 2019 was kshs 1,018,391.00. Financial years 2021 and 2020 were both affected by covid-19 which due to government regulations hindered outdoor activities thus many of the school facilities remained unutilized.

5. GROWTH IN EXPENDITURE OF SCHOOL FOR THE LAST 3 YEARS

YEAR	OPERATION ACCOUNT	TUITION ACCOUNT	MAIN ACCOUNT
2019	5,627,397.71	1,815,929.00	15,061,700.67
2020	4,907,681.36	639,984.00	8,055,590.00
2021	2,682,305.00	468,812.00	5,081,291.53



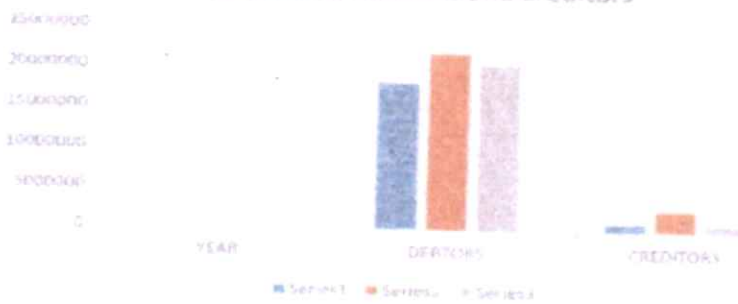
The expenditure of the school in 2019 was kshs 22,505,027.38. This figure fell to kshs 13,603,255.36 in 2020 and kshs 8,232,408.56 in 2021. This is largely attributed to prolonged closure of school in 2020 due to covid-19. In 2021 we have reported for only 6 months.

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (continued)

6. MOVEMENT OF DEBTORS AND CREDITORS

YEAR	DEBTORS	CREDITORS
2019	18,201,813.30	1,008,809.34
2020	21,542,458.30	2,592,604.00
2021	20,237,185.30	517,845.00

Movement of debtors and creditors



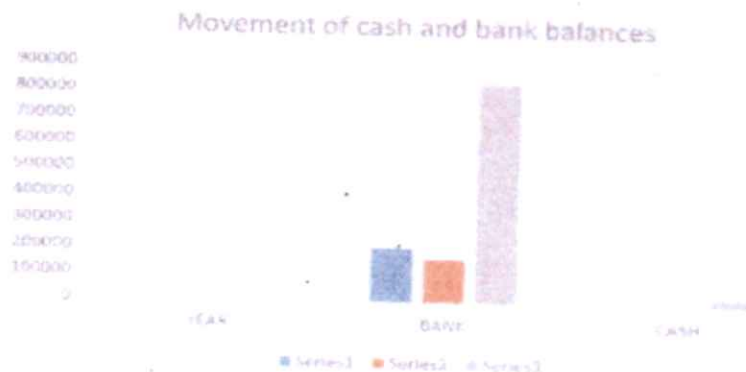
The debtors as at 30th June 2021 decreased by 5.74% to 20,287,575.30 compared to kshs 21,542,458.30 as at the end 2020 financial year. The main reason for this being improved fee collection

7. MOVEMENT OF CASH AND BANK BALANCES

YEAR	BANK	CASH
2019	207,351.42	170.00
2020	166,748.72	310.00
2021	841,115.64	26,666.00

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b) Teacher Student ratio

School Enrolment in 2021	Number of Teachers	Number of Streams	TSC Teachers Posted in 2021	TSC Teachers Transferred in 2021	BOM Teachers Recruited in 2021	TSC Interns Posted in 2021
454	17	11	3	1	1	1

C.B.E FOR THE YEAR 2021

Number of streams: FORM 1-4, FORM 2-2, FORM 3-3, FORM 4-3

SUBJECT	FORM 1	FORM 2	FORM 3	FORM 4	TOTAL PERIODS	T.R
ENGLISH	24	12	24	24	84	3.111
KISWAHILI	20	10	18	18	76	2.814
MATHEMATICS	24	12	21	21	78	2.888
BIOLOGY	16	8	15	10	49	1.814
PHYSICS	16	8	5	5	34	1.259
CHEMISTRY	16	8	15	15	54	2.000
HISTORY	12	6	12	12	42	1.555
GEOGRAPHY	12	6	5	10	33	1.222
C R E	12	6	5	10	33	1.222
AGRICULTURE	8	3	4	4	19	0.703
COMPUTER	4	6	4	4	18	0.666
BUSINESS	12	3	4	4	23	0.851
					543	20.111

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SHORT FALL

PRINCIPAL (27-6) - 21 PERIODS
DEPUTY PRINCIPAL (27-12) - 15 PERIODS
H.O.D JOB GROUP L (27-18)9 - 81 PERIODS
TOTAL SHORTFALL 117 PERIODS
T.R FROM SHORTFALL = $117/27 = 4.333$
TOTAL T. R = $20.111 + 4.333 = 24.444$
NUMBER OF TEACHERS IN THE SCHOOL - 17
SHORT FALL = 8

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

YEAR	ENROLMENT	MEAN	TRANSITION	TRANSITION (%)	SCHOOL TARGET	COMMENTS
2021	108	3.5	46	42.59	4.5	Negative deviation of 0.8086. All subjects registered negative deviations in the mean. However at the transition of D+ and above, 46 students qualified to join tertiary institutions.
2020	81	4.3086	55	67.90	4.5	Positive deviation of 0.1268. Transition rate at D- and above. All students qualified for courses in tertiary institutions.
2019	55	4.1818	36	65.45	4.5	Positive deviation of 1.0818. Transition rate in the popular grades of D-. All 36 qualified for middle level colleges and universities.

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d) Number of Candidates in 2018, 2019, 2020 & 2021 KCSE:

S/N	YEAR	ENTRY
1	2021	106
2	2020	81
3	2019	55
4	2018	67

e) Capacity of the School.

Basic School Infrastructure


Enrolment			No. of Classrooms		Toilets/Pit Latrines		No. of Other Facilities					ICT Learning	
Boarders	Day scholars	Total	Permanent	Temporary	Staff	Boys	Labs	Workshops	Libraries	Kitchen	Dormitory	No. of Computer/ Tablets	Internet (Yes/No)
264	190	454	14	0	2	20	1	0	1	1	3	6	Yes

f) Development projects carried out by the school:

S/NO	PROJECTS	COST	SOURCE OF FUNDS
1	Construction of 2 Classrooms	1,900,000	Ministry of Education
2	Repairs of Dining Hall	700,000	Parents
3	Services/Repair of School Bus	300,000	Parents

Sign

School Principal


SCHOOL PRINCIPAL
 MARAFI SECONDARY SCHOOL
 MARAFI, NAKURU COUNTY

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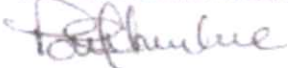
III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY


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 of Kenya from time to time.

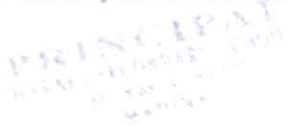
Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to keep all proper books and records of accounts of the income, expenditure and assets of the institution.


The Board of Management of (*Marafa Boys 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, 2021, and of the school's financial position as at that date.

Name: Paul Mwambire
Designation: Chairman, School Board of Management
Sign: 
Date: 30/04/2022

Name: Warra Mangi
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 30/04/2022



Name: Thomas Ombere
Designation: Bursar/ Finance Officer
Sign: 
Date: 30/04/2021

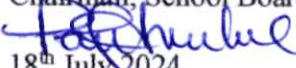
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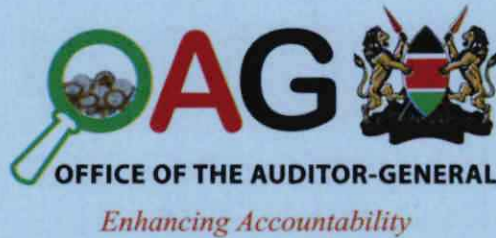
Name: Paul Mwambire
Designation: Chairman, School Board of Management
Sign: 
Date: 18th July 2024

Name: Seif Juma Dzilla
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 18th July 2024

Name: Tomas Ombere
Designation: Bursar/ Finance Officer
Sign: 
Date: 18th July 2024

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 MARAFA BOYS SECONDARY SCHOOL FOR SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021 – KILIFI 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 intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Marafa Boys Secondary –Kilifi County set out on pages 18 to 26 which comprise of the statement of financial assets and

financial liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the six months ended 30 June, 2021, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution 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 the Marafa Boys Secondary for six (6) months' ended 30 June, 2021, and of its financial performance and its cash flows for the period 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

1. Inaccuracies in Capitation Grants

The statement of receipts and payments reflects total capitation grants amounting to Kshs.4,320,391 made up of capitation grants for tuition and operations amount of Kshs.588,534 and Kshs.3,731,857 respectively, as disclosed in Notes 1 and 2 to the financial statements. Review of the National Education Management Information System (NEMIS) capitation disbursements made to the School against the amount received by the School revealed an amount of Kshs.5,140,753 whereas the School records reflects an amount of Kshs.5,140,753, resulting to an unexplained variance of Kshs.820,363.

In the circumstances, the accuracy and completeness of capitation grants for tuition and operations of Kshs.588,534 and Kshs.3,731,857 respectively could not be confirmed.

2. Unsupported Other Receipts

The statement of receipts and payments reflects Kshs.3,618,776 in respect of other receipts, as disclosed in Note 4 to the financial statements. The receipts included income generated from sale of tender documents, lunch programme, board of management teachers' salaries, dining hall project, and sale of games kit. However, Management did not provide a supporting schedule of the reported amounts. In addition, the School did not have a separate bank account for own generated revenue.

In the circumstance, the accuracy of other receipts collected totaling Ksh.3,618,776 could not be ascertained.

3. Unsupported Payments

The statement of receipts and payments reflects total payments in relation to tuition, operations, boarding and School fund amounting to Kshs.8,256,909 as detailed in Note

5, 6, and 7 to the financial statements. However, examination of payment vouchers amounting to Kshs.2,120,781 revealed that Management made payments without proper support documents such as requisitions, local purchase orders, delivery notes, inspection reports, goods received notes and certificate of payments.

In the circumstances, the regularity, accuracy and completeness of the tuition, operations, boarding and School fund amounting to Kshs.8,256,909 could not be confirmed.

4. Unsupported Cash and Cash Equivalentents

The statement of financial assets and financial liabilities reflects cash and cash equivalentents balance of Kshs.2,871,028 and as detailed in Note 8 and 9 to the financial statements. However, the bank balances were not supported by bank certificates and bank reconciliation statements. Further, board of survey report to support the cash at hand was not provided for audit.

In the circumstances, the accuracy and completeness of the Kshs.2,871,028 in respect of cash and cash equivalentents could not be confirmed.

5. Accounts Receivables

5.1. Unsupported Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.20,237,185 disclosed in Note 10 to the financial statements. However, the supporting schedules, detailed aging analysis and issued invoices were not provided for audit review. Further, significant accounting policies on accounts receivables as disclosed in Note 10 is silent on the treatment of the students' fees balances which is the major source of income for the School.

5.2. Long Outstanding Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.20,237,185. Included in the accounts receivables balances are fee arrears amounting to Kshs.20,234,954 as disclosed in Note 10 to the financial statements. However, included in the balance are receivables amounting to Kshs.15,813,813 which had been outstanding for more than two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy, completeness and recoverability of the receivables balance of Kshs.20,237,185 could not be confirmed.

6. Unsupported Accounts Payables

The statement of financial assets and financial liabilities reflect accounts payables of Kshs.5,172,606 as disclosed in Note 11 of the financial statement. The School however, did not provide aging analysis and supporting schedules to support accounts payables balance of Kshs.5,172,606.

In the circumstance, the existence and validity of the accounts payables balance amounting to Kshs.5,172,606 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.24,709,521 and Kshs.9,426,118 respectively, resulting to an under-funding of Kshs.15,283,403 or 62% of the budget. However, the School spent a balance of Kshs.8,256,909 against actual receipts of Kshs.9,426,118 resulting to an under-utilization of Kshs.1,169,209 or 13% of actual receipts. The under-funding and under-utilization affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter

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 of Kenya, 2010, and based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in use of Public Resources section of my report I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Late Submission of Financial Statements for Audit

During the period under review, Management submitted the financial statements to the Auditor-General on 17 May, 2024 instead of the statutory deadline of 30 September, 2021. This was contrary to the Ministry of Education circular

Ref:MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the School's financial statements should be ready by 30 September, 2021 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

2. Use of Cash to Procure Goods, Works and Services

The statement of receipts and payments reflects total payments amounting to Kshs.8,256,909 as detailed in Note 5,6, and 7. The audit noted that the School used cash totaling Kshs.997,675 to purchase goods and services instead of procuring using other suitable methods contrary to the procedure for low value procurement provided under schedule 2 of the Public Procurement Regulations, 2020.

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

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

The statement of receipts and payments reflects boarding and School fund payments amount of Kshs. 5,081,291 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.24,000 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by Schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs. 24,000 could not be confirmed.

4. Failure to Transfer Infrastructure Funds from the Operations Bank

The statement of receipts and payments reflects operations grants amount of Kshs.3,731,857 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.1,809,500 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, only Kshs.898,000 was transferred to infrastructure account, leaving a balance of Kshs.911,500 as at 30 June, 2021.

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

5. Lack of Approved Budget and Procurement Plan

The statement of receipts and payments reflects an amount of Kshs. 9,426,118 and Kshs.8,256,909 in respect of total receipts and total payments respectively. However, during the year, Management did not prepare an annual procurement plan as part of the

annual budget preparation process. This was contrary to Regulations 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that 'a procuring entity prepare a procurement plan for each financial year as part of the annual budget preparation process.

In the circumstances, Management was in breach of the law

6. Non-Adherence to Procurement Laws

The statement of receipts and payments reflects boarding and School fund payments amount of Kshs. 5,081,291 as disclosed in Note 7 to the financial statements. The audit noted that the School made procurements worth Kshs.2,120,781 without proper requisitions as per Regulations 71 of the Public Procurement and Asset Disposal Regulations, 2020 which states that the head of the user department shall initiate the procurement process through a requisition.

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

5. Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements

The financial statements presented for audit did not include all information provided in the format prescribed and published by the Public Sector Accounting Standards Board (PSASB). The statement of cashflows did not have notes to the financial statements as provided for in the template. Further, numbering of the notes to the financial statements in the statement of financial assets and financial liabilities did not agree with the numbering in the notes to the financial statements section of the financial statements. Further, lack relevant information may affect users' reliance on the financial statements for decision making.

In the circumstances, Management was in breach of the PSASB guidelines.

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 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 matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my

report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance, were not effective.

Basis for Conclusion

1. Lack of a Functional Audit Committee

During the period under review, Marafa Boys did not have an audit committee. The School did not comply as required by Regulations 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 audit could not confirm whether the School benefited from the oversight role and advice from the audit committee and the internal audit function.

2. Lack of Fixed Assets Register and Assets Ownership Documents

Annex 2 to the financial statements reflects summary of fixed assets register with a balance of Kshs.84,203,500. This includes land and motor vehicle. However, land ownership documents and motor vehicle logbooks were not provided for audit. Further, the fixed assets register provided had no information of cost, date of acquisition, location of the assets and depreciated amounts.

In the circumstance, the ownership, safe custody of fixed assets and value of assets owned 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 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

Responsibility of Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the School's financial reporting process, reviewing the effectiveness of how the entity 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 controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls 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 controls 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 School 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 controls.

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

- Conclude on the appropriateness of Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to sustain its services.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Corporation to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and 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

18 September, 2024

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IV. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2021

DESCRIPTION OF VOTE HEAD	Note	2020-2021	2019-2020
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition	1	588,534.00	825,536.00
Capitation grants for operations	2	3,731,856.95	5,698,650.00
School Fund Income- Parents' Contributions	3	1,486,951.00	2,815,628.00
School Fund Income- Other receipts	4	3,618,776.00	7,540,824.00
Proceeds from borrowings			
TOTAL RECEIPTS		9,426,117.95	16,880,638.00
PAYMENTS			
Payments for Tuition	5	468,812.00	639,984.00
Payments for operations	6	2,706,805.00	4,907,681.36
Boarding and school fund payments	7	5,081,291.53	8,055,590.00
TOTAL PAYMENTS		8,256,908.53	13,603,255.36
SURPLUS/DEFICIT		1,169,209.42	3,277,382.64

The school financial statements were approved on 18th July, 2024 and signed by:

Sign: 

Name Paul Mwambire

Chair BOM

Date: 18th July 2024

Sign 

Name: Seif Juma Dzilla

School Principal/
Secretary to BOM

Date: 18th July 2024

Sign 

Name: Tomas Ombere

Bursar/
Finance Officer

Date: 18th July 2024

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V. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT
 30TH JUNE 2021

	Note	2020-2021 Kshs	2019-2020 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	2,844,362.27	2,171,994.85
Cash Balances	9	26,666.00	310.00
Short term Investment	10	0.00	0.00
Total Cash and cash equivalent		<u>2,871,028.27</u>	<u>2,172,304.85</u>
Account's receivables	10	20,237,185.30	21,542,458.30
TOTAL FINANCIAL ASSETS		23,108,213.57	23,714,763.15
FINANCIAL LIABILITIES			
Accounts Payables	11	5,172,605.76	6,948,364.76
NET FINANCIAL ASSETS		17,935,607.81	16,766,398.39
REPRESENTED BY			
Accumulated Fund b/fwd	12	16,766,398.39	13,489,015.75
Surplus/Deficit for the year		1,169,209.42	3,277,382.64
NET FINANCIAL POSITION		17,935,607.81	16,766,398.39

The School's financial statements were approved on 18/07/2024 and signed by:

Name: Paul Mwambire
 Chairman, BoM

Sign: 


Date: 18/07/2024

Name: Seif Juma Dzilla
 School Principal/Secretary
 to BoM

Sign: 

Date: 18/07/2024

Name: Tomas Ombere
 Bursar/Finance

Sign: 

Date: 18/07/2024

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VI. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2021

	2020-2021	2019-2020
	Kshs	Kshs
Receipts for operating income		
Capitation grants for tuition	588,534.00	825,536.00
Capitation grants for operations	3,937,706.95	629,6291.40
School fund income- Parents contributions/ fees	5,861,948.00	8,775,797.16
School fund income- other receipts	2,559,930.00	0.00
Total receipts	12,948,118.95	15,897,624.56
Payments		
Payments for Tuition	587,314.00	730,482.00
Payments for operations	2,438,315.00	5,216,049.00
Boarding and school fund payments	8,462,096.53	8,729,556.16
Total payments	11,487,725.53	1,467,6087.26
Net cash flow from operating activities	1,460,393.42	1,221,537.3
CASHFLOW FROM INVESTING ACTIVITIES		
Proceeds from Sale of Assets	xxx	xxx
Acquisition of Assets	(761,670.00)	(xxx)
Proceeds from investments	xxx	xxx
Purchase of investments	(xxx)	(xxx)
Net cash flows from Investing Activities	xxx	xxx
CASHFLOW FROM BORROWING ACTIVITIES		
Proceeds from borrowings/ loans	xxx	xxx
Repayment of principal borrowings	xxx	xxx
Net cash flow from financing activities	xxx	xxx
NET INCREASE IN CASH AND CASH EQUIVALENTS	698,723.42	1,221,537.30
Cash and cash equivalent at BEGINNING of the year	2,172,304.85	950,767.55
Cash and cash equivalent at END of the year	2,871,028.27	2,172,304.85

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

VII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2021

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						
<i>(1) CAPITATION GRANT ON TUITION</i>						
Textbooks and reference materials						
Exercise books	434,224.00		434,224.00	34,124.00	400,100.00	7.85
Laboratory equipment	575,866.00		575,866.00	230,325.00	345,541.00	39.99
Internal exams						
Teaching / learning materials	524,600.00		524,600.00	291,757.00	232,843.00	55.61
Chalks	67,809.00		67,809.00	4,490.00	63,319.00	6.62
Exams and assessment	234,489.00		234,489.00	27,838.00	206,651.00	11.87
Teachers guides						
	1,836,988.00		1,836,988.00	588,534.00		
<i>(2) CAPITATION GRANT ON OPERATIONS</i>						
Personnel emoluments	3,000,600.00		3,000,600.00	1,780,194.00	1,220,406.00	59.32
Repairs and maintenance	2,215,000.00		2,215,000.00	898,000.00	1,317,000.00	40.54
Local transport / travelling	524,600.00		524,600.00	416,996.00	107,604.00	79.48
Electricity and water	524,200.00		524,200.00	296,469.95	227,730.05	56.55
Medical						
Administration costs	732,857.00		732,857.00	340,197.00	392,660.00	46.42
Activity	658,607.00		658,607.00		658,607.00	
Gratuity						
SMASSE						

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Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
TOTALS	7,655,864.00		7,655,864.00	3,731,856.95	3,924,007.05	
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	1,851,840.00		1,851,840.00	616,521.00	1,235,319.00	33.29
Repairs and maintenance	685,800.00		685,800.00	12,600.00	673,200.00	1.83
Local transport / travelling	291,600.00		291,600.00	107,425.00	184,175.00	36.83
Electricity and water	922,050.00		922,050.00	172,962.00	749,088.00	18.75
Medical						
Administration costs	629,973.00		629,973.00	207,165.00	422,808.00	32.88
Activity	178,425.00		178,425.00	5,350.00	173,075.00	2.99
SMASSE						
Fee on Boarding Equipment and Stores	6,622,011.00		6,622,011.00	1,672,200.00	4,949,811.00	25.25
OTHER INCOME						
Lunch program	1,743,300.00		1,743,300.00	570,598.00	1,166,702.00	33.07
Income for Bom teachers salary	2,291,670.00		2,291,670.00	617,202.00	1,674,468.00	26.93
Sale of games kit/t-shirts				18,750.00	18,750.00	
Income from dining hall proj				13,740.00	13,740.00	
Income from sale of tender				1,000.00	1,000.00	
Fees Arrears for year 2021				772,142	772,142.00	
Prepaid fees b/f -2020				318,072	318,072.00	
TOTALS	15,216,669.00		15,216,669.00	5,105,727.00	10,110,942.00	
				9,426,117.95		
(1) EXPENDITURE FOR TUITION						

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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
Textbooks and reference materials						
Exercise books	434,224.00		434,224.00	112,200.00	322,024.00	25.83
Laboratory equipment	575,866.00		575,866.00	151,832.00	424,034.00	26.36
Internal exams						
Teaching / learning materials	524,600.00		524,600.00	204,300.00	320,300.00	38.94
Chalks	67,809.00		67,809.00			
Exams and assessment	234,489.00		234,489.00			
Teachers guides						
Administration costs						
Bank Charges				480.00		
	1,836,988.00		1,836,988.00	468,812.00	1,368,176.00	
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	3,000,600.00		3,000,600.00	1,111,360.00	1,889,240.00	37.03
Repairs, maintenance & improvements	2,215,000.00		2,215,000.00	761,670.00	1,453,330.00	34.38
Local transport / travelling	524,600.00		524,600.00	132,700.00	391,900.00	25.29
Electricity, water and conservancy	524,200.00		524,200.00	148,884.00	375,316.00	28.40
Medical						
Administration costs	732,857.00		732,857.00	552,191.00	180,666.00	75.34
Activity Expenses	658,607.00		658,607.00		658,607.00	
Gratuity						
SMASSE						
Bank charges						
TOTALS	7,655,864.00		7,655,864.00	2,706,805.00	4,950,059.00	

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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
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel emoluments	1851,840.00		1,851,840.00	1,270,970.00	580,870.00	68.63
Repairs, maintenance and improvements	685,800.00		685,800.00	200,265.00	485,535.00	29.20
Local transport / travelling	291,600.00		291,600.00	184,350.00	107,250.00	63.22
Electricity, water and conservancy	922,050.00		922,050.00	353,385.00	568,665.00	38.32
Medical Expenses						
Administration costs	629,973.00		629,973.00	394,644.53	235,328.47	62.64
Activity	178,425.00		178,425.00	11,720.00	166,705.00	6.56
Gratuity						
Lunch programme	1,743,300.00		1,743,300.00	764,097.00	979,203.00	43.83
Boarding Equipment and Stores	6,622,011.00		6,622,011.00	1,367,700.00	5,254,311.00	20.65
Expenditure bom salaries	2,291,670.00		2,291,670.00	482,160.00	1,809,510.00	21.03
Expenditure on dining hall				52,000.00	52,000.00	
Other expenses						
Rent Expenses						
Bank Charges						
Loan Interest Repayment						
Loan Principal Repayment						
TOTALS	15,216,669.00		15,216,669.00	5,081,291.53	10,135,377.47	
TOTALS EXPENDITURE				8,256,908.53		

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

- i. Xxx
- ii. Xxx

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 20~~XX~~²¹

MARAFA SECONDARY SCHOOL
MAIN ACCOUNT TRIAL BALANCE AS AT 30th JUNE, 2021

VOTEHEADS&ACCOUNTS	L/F	BUDGET	DEBIT	CREDIT	COMMIT	BALANCE
OPENING BAL 1.1.19						
CASH				100.00		
BANK				63,468.59		
BUS A/C 1124139826				24,692.83		
EXPENDITURE						
FEE ARREARS	1	2,919,199.00				
B.O.M TEACHERS SALARY	2	2,291,670.00	482,160.00			1,809,510.00
BOARDING EQUIPMENT & STORES	3	6,622,011.00	1,367,700.00			5,254,311.00
REPAIR MAINTENANCE & IMPROV	4	685,800.00	200,265.00			485,535.00
LOCAL TRANSPORT & TRAVELLING	5	291,600.00	184,350.00			107,250.00
ADMINISTRATION COSTS	6	629,973.00	394,644.53			235,328.47
ELECTRICITY WATER & CONSERV	7	922,050.00	353,385.00			568,665.00
ACTIVITIES	8	178,425.00	11,720.00			166,705.00
PERSONAL EMOLUMENTS	9	1,851,840.00	1,270,970.00			580,870.00
LUNCH PROGRAME	10	1,743,300.00	764,097.00			979,203.00
		18,135,868.00				
INCOME						
FEE ARREARS	1	2,919,199.00		1,894,925.00		1,024,274.00
B.O.M TEACHERS SALARY	2	2,291,670.00		617,202.00		1,674,468.00
BOARDING EQUIPMENT & STORES	3	6,622,011.00		1,672,200.00		4,949,811.00
REPAIR MAINTENANCE & IMPROV	4	685,800.00		12,600.00		673,200.00
LOCAL TRANSPORT & TRAVELLING	5	291,600.00		107,425.00		184,175.00
ADMINISTRATION COSTS	6	629,973.00		189,165.00		440,808.00
ELECTRICITY WATER & CONSERV	7	922,050.00		172,962.00		749,088.00
ACTIVITIES	8	178,425.00		5,350.00		173,075.00
PERSONAL EMOLUMENTS	9	1,851,840.00		616,521.00		1,235,319.00
LUNCH PROGRAME	10	1,743,300.00		573,598.00		1,169,702.00
		18,135,868.00				
OTHERS						
PREPAYMENT	11		21,035.00	528,020.00		
COUNTY BURSARY	12		875,500.00	872,500.00		
GAMES KIT	13			18,750.00		
SALARY ADVANCE	14		19,000.00	56,700.00		
SACCO SHARES & LOANS	15		130,250.00	130,250.00		
NSSF	16		225,420.00	262,270.00		
NHIF	17		62,200.00	86,600.00		
UNION DUES	18			2,700.00		
PAYE	19		2,800.00	2,400.00		
SUNDRY CREDITORS	20		1,459,600.00			
DINNING HALL PROJECT	21		52,000.00	13,740.00		
TENDER FEE	22			1,000.00		
CONSTITUENCY BURSARY	23		430,000.00	430,000.00		
LOCAL BURSARY	24		155,000.00	155,000.00		
SAVING/DEPOSIT ACCOUNTS						
BUS A/C 1124139826			24,692.83			
CLOSING BALANCES						
CASH			1,491.00			
BANK			21,859.06			
			8,510,139.42	8,510,139.42		

MARAFI SECONDARY SCHOOL
OPERATION ACCOUNT TRIAL BALANCE AS AT 30th JUNE, 2021

VOTEHEADS&ACCOUNTS	L/F	BUDGET	DEBIT	CREDIT	COMMIT	BALANCE
OPENING BAL 1.1.19						
CASH				210.00		
BANK				2,856.63		
SERVICE GRATUITY ACCOUNT				5,649.30		
INFRASTRUCTURE ACCOUNT				1,974,904.00		
EXPENDITURE						
REPAIR MAINT&IMPROVEM	1	2,215,000.00	761,670.00			1,453,330.00
LOCAL TRANSPORT&TRAV	2	524,600.00	132,700.00			391,900.00
ELECTRICITY WATER &CONSREV.	3	524,200.00	148,884.00			375,316.00
ADMINISTRATION COSTS	4	732,857.00	552,191.00			180,666.00
ACTIVITIES	5	658,607.00				658,607.00
PERSONAL EMOLUMENTS	6	3,000,600.00	1,111,360.00			1,889,240.00
MEDICAL	7	1,048,811.00				1,048,811.00
		8,704,675.00				
INCOME						
REPAIR MAINT&IMPROVEM	1	2,215,000.00		898,000.00		1,317,000.00
LOCAL TRANSPORT&TRAV	2	524,600.00		416,996.00		107,604.00
ELECTRICITY WATER &CONSREV.	3	524,200.00		296,469.95		227,730.05
ADMINISTRATION COSTS	4	732,857.00		340,197.00		392,660.00
ACTIVITIES	5	658,607.00				658,607.00
PERSONAL EMOLUMENTS	6	3,000,600.00		1,780,194.00		1,220,406.00
MEDICAL	7	1,048,811.00				1,048,811.00
		8,704,675.00				
OTHERS						
SACCO	8		32,100.00	32,100.00		
CREDITORS	9		397,430.00			
NSSF	10		36,850.00	110,550.00		
NHIF	11		24,400.00	36,600.00		
INCOME TAX	13		2,400.00	2,100.00		
INFRASTRUCTURE ACCOUNT	15		1,972,904.00			
SALARY ADVANCE	16			24,500.00		
SAVINGS/DEPOSIT ACCOUNTS						
SERVICE GRATUITY ACCOUNT			5,649.30			
CLOSING BALANCES						
CASH			25,175.00			
BANK			717,613.58			
			5,921,326.88	5,921,326.88		

MARAFA SECONDARY SCHOOL
TUITION ACCOUNT TRIAL BALANCE AS AT 30th JUNE, 2021

VOTEHEAD & ACCOUNTS	L/F	BUDGET	DEBIT	CREDIT	COMM	BALANCE
<u>OPENING BAL 1.1.19</u>						
CASH				nil		
BANK				100,423.50		
<u>EXPENDITURE</u>						
EXERCISE BOOKS	1	434,224.00	112,200.00			322,024.00
TEACHING AND LEARNING	2	524,600.00	204,300.00			320,300.00
LABORATORY EQUIPMENT	3	575,866.00	151,832.00			424,034.00
EXAMINATION ASSESSMENT	4	67,809.00				67,809.00
CHALK AND DUSTERS	5	234,489.00				234,489.00
		1,836,988.00				
<u>INCOME</u>						
EXERCISE BOOKS	1	434,224.00		34,124.00		
TEACHING AND LEARNING	2	524,600.00		291,757.00		
LABORATORY EQUIPMENT	3	575,866.00		230,325.00		
EXAMINATION ASSESSMENT	4	67,809.00		27,838.00		
CHALK AND DUSTERS	5	234,489.00		4,490.00		
		1,836,988.00				
<u>OTHERS</u>						
SUNDRY CREDITORS	10		118,502.00			
BANK CHARGES	11		480.00			
<u>CLOSING BALANCES</u>						
CASH						
BANK			101,643.00			
			688,957.00	688,957.50		

IX. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials		
Exercise books	34,124.00	189,080.00
Laboratory equipment	230,325.00	244,854.00
Internal exams	27,838.00	145,842.00
Teaching / learning materials	291,757.00	223,000.00
Chalks	4,490.00	26,760.00
Exams and assessment		
Teachers guides		
Total	588,534.00	829,536.00

2 CAPITATION GRANT FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	1,780,194.00	1,826,250.00
Repairs and maintenance	898,000.00	1,962,250.00
Local transport / travelling	416,996.00	223,000.00
Electricity and water	296,469.95	451,050.00
Medical		89,200.00
Administration costs	340,197.00	428,750.00
Activity		178,400.00
Board of management teacher's salary		540,000.00
Totals	3,731,856.95	5,698,650.00

3 PARENTS CONTRIBUTION/FEEES - SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	810,327.00	647,801.00
Repairs and maintenance	54,100.00	629,948.00
Local transport / travelling	138,025.00	332,709.00
Electricity and water	241,784.00	442,148.00
Medical	0.00	0.00
Administration costs	216,765.00	449,258.00
Activity	25,950.00	313,764.00
Total	1,486,951.00	2,815,628.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
Fee on Boarding Equipment and Stores	2,051,500.00	4,161,163.00
Board of management teacher's salary	742,300.00	1,702,559.00
Lunch program	776,486.00	1,332,976.00
Income sale of tender documents	1,000.00	0.00
Income from dining hall project	28,740.00	0.00
Income from sale of games kit/t-shirts	18,750.00	285,126.00
Fee for hire of bus		59,000.00
Income from donations	0	0
Interest income	0	0
Dividends income	0	0
Total	3,618,776.00	7,540,824.00

5 PAYMENTS FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials		
Exercise books	112,200.00	259,200.00
Laboratory equipment	151,832.00	0.00
Internal exams	0.00	51,272.00
Teaching / learning materials	204,300.00	306,942.00
Chalks	0.00	21,000.00
Exams and assessment		
Teachers guides		
Administration Costs		
Bank Charges	480.00	1,570.00
Total	468,812.00	639,984.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 PAYMENTS FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	1,111,360.00	2,408,013.00
Service Gratuity	0.00	0.00
Administration Cost	552,191.00	558,269.36
Repairs and maintenance & improvements	761,670.00	809,861.00
Local transport / travelling	132,700.00	70,300.00
Electricity and water	148,884.00	520,108.00
Medical	0.00	7,780.00
Activity Expenses	0.00	163,350.00
Board of management teacher's salary	0.00	370,000.00
Insurance Cost		
Bank Charges		
Acquisition of Assets		
TOTAL	2,706,805.00	4,907,681.36

7 BOARDING AND SCHOOL FUND PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	1,270,970.00	3,145,993.00
Activities	11,720.00	297,100.00
Repairs and maintenance & Improvements	200,265.00	213,665.00
Local transport / travelling	184,350.00	132,150.00
Electricity and water	353,385.00	390,595.00
Medical Expenses	0.00	0.00
Administration costs	394,644.53	677,930.00
Lunch Programme	764,097.00	504,233.00
Bank Charges	0.00	0.00
Expenses on Income Generating Activities		0.00
Fee on Boarding Equipment and Stores	1,367,700.00	1,861,110.00
Board of management teacher's salary	482,160.00	304,184.00
Expenses on dining hall project	52,000.00	
Hire of school bus		98,040.00
Purchase of games kit and t-shirts		430,590.00
Acquisition of Assets		
TOTAL	5,081,291.53	8,055,590.00

Expenses on income generating activities** should include all costs relating to the school earnings on other receipts as recorded in note 4. These costs should include farm maintenance, posho mill maintenance, ground maintenance and costs incurred during hire of school bus among others.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2020-2021	2019-2020
		Kshs	Kshs
Tuition Account	1104229056	101,643.50	100,423.50
Operations Account	1104238497	717,613.58	2856.63
School Fund Account/Boarding	1107991234	21,859.06	63,468.59
Savings Account-Bus Account	1124139826	24,692.83	24,692.83
Service gratuity	1121903304	5,649.30	5,649.30
Infrastructural Account	1109797052	1,972,904.00	1,974,904.00
Total		2,844,362.77	2,171,994.85

9 CASH IN HAND

Description	2020-2021	2019-2020
Tuition Account	nil	nil
Operation Account	25,175.00	210.00
School Fund account	1,491.00	100.00
Total	26,666.00	310.00

10 SHORT TERM INVESTMENTS

Description	2020-2021	2019-2020
	Kshs	Kshs
Cooperative shares	0.00	0.00
Treasury Bills	0.00	0.00
Fixed deposit	0.00	0.00
Equity stock	0.00	0.00
Other investments	0.00	0.00
Total	0.00	0.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 ACCOUNTS RECEIVABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears	20,234,954.30	21,357,737.30
Other non-fees receivables-nssf	nil	106,790.00
-Nhif	nil	29,500.00
-Paye	2,231.00	1,931.00
-Salary Advance	0.00	46,500.00
Total	20,237,185.30	21,542,458.30

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

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears for current year	772,142.00	3,648,999.00
Fees arrears for the previous year	3,648,999.00	1,305,021.00
Fees arrears for prior periods (over two years)	15,813,813.30	16,403,717.30
Total	20,234,954.30	21,357,737.30

12 ACCOUNTS PAYABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors	0.00	1,975,532.00
Prepaid fees	506,985.00	318,072.00
Nssf	3,760.00	00.00
Nhif	7,100	0.00
Funded Accounts	4,654,760.76	4,654,760.76
Totals	5,172,605.76	6,948,364.76

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

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors for current year	nil	1,975,532.00
Trade creditors for the previous year	nil	
Trade creditors for prior periods (over two years)	nil	
Total	nil	1,975,532.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 FUND BALANCE BROUGHT FORWARD

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank balances	2844362.27	2,171,994.85
Cash balances	26,666.00	310.00
Short Term Investments	nil	nil
Receivables	20,237,185.30	21,542,458.30
Payables	(5,172,605.76)	(6,948,364.76)
Total	17,935,607.81	16,766,398.39

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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.

14 Non-current Liabilities Summary

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank loan(s)	NIL	NIL
Outstanding Leases	NIL	NIL
Hire purchase	NIL	NIL
Gratuity and leave provision	NIL	NIL
Total	NIL	NIL

15 Biological assets

Description	Numbers	2020-2021	2019-2020
		Kshs	Kshs
Cattle		800,000.00	800,000.00
Goats			
Trees			
Coffee or tea plantation			
Poultry			
Total		800,000.00	800,000.00

16 Borrowings

Description	2020-2021	2019-2020
	KShs	KShs
a) Borrowings		
Borrowing at beginning of the year	NIL	NIL
Borrowings during the year	NIL	NIL
Repayments of during the year	NIL	NIL
Balance at end of the year	NIL	NIL

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Other important disclosure notes

17 Stock/ Inventory

Description	2020-2021	2019-2020
	KShs	KShs
b) Borrowings		
Stock/ inventory at beginning of the year		
Stock/ inventory purchased during the year		
Stock/ inventory issued during the year		
Balance at end of the year		

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18 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

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

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 20XX	Outstanding Balance 20XX-1	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Supply of goods						
4.						
5.						
6.						
Sub-Total						
Supply of services						
7.						
8.						
9.						
Sub-Total						
Grand Total						

MARAFI SECODARY SCHOOL
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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2021
Land 1	Bal b/f01/01/2021	Marafa	7,500,000.00			7,500,000.00
Land 2	Bal b/f01/01/2021	Marafa				
Buildings and structures	Bal b/f01/01/2021	Marafa	61,646,000.00			61,646,000.00
Motor vehicles	Bal b/f01/01/2021	Marafa	5,000,000.00			5,000,000.00
Office equipment, furniture and fittings	Bal b/f01/01/2021	Marafa	292,000.00			292,000.00
ICT Equipment, and Other ICT Assets	Bal b/f01/01/2021	Marafa	932,000.00			932,000.00
Tools and apparatus	Bal b/f01/01/2021	Marafa	50,000.00			50,000.00
Textbooks	Bal b/f01/01/2021	Marafa	7,223,500.00			7,223,500.00
Other Machinery and Equipment	Bal b/f01/01/2021	Marafa	1,350,000.00			1,350,000.00
Heritage and cultural assets	Bal b/f01/01/2021	Marafa				
Intangible assets- soft ware	Bal b/f01/01/2021	Marafa	210,000.00			210,000.00
Total			84,203,500.00			84,203,500.00

