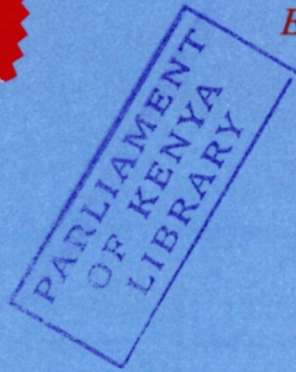


REPUBLIC OF KENYA



*Enhancing Accountability*



THE NATIONAL ASSEMBLY  
PAPERS LAID

**REPORT**

DATE: 05 DEC 2024

DAY:  
Thursday

**OF**

TABLED  
BY:

Hon. Kimani Ichung'ueth  
(Leader of the Majority Party)

CLERK-AT  
THE TABLE:

Amastada

**THE AUDITOR-GENERAL**

**ON**

**BLESSED MUGUTHA SECONDARY  
SCHOOL**

**FOR THE YEAR ENDED  
30 JUNE, 2023**

**KIAMBU COUNTY**

OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
REGISTRY  
24 JUL 2024  
**RECEIVED**



---

# **BLESSED MUGUTHA SECONDARY SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE 2023**

---

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

*BLESSED MUGUTHA SEC SCHOOL*

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

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*BLESSED MUGUTHA SEC SCHOOL*

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

**1. Key School Information and Management**

**(a) Background information**

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

The school was registered in 03/2012 under registration number PU/S/2/8700/12 and is currently categorized as a SUBCOUNTY public school established, owned or operated by the Government.

The school is a day school and had 512 number of students as at 30<sup>th</sup> June 2023. It has 2 streams and 23 teachers of which 2 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	JOHN MBUGUA MIRINGU	Chairman	07/03/2022
2	JOSEPH NJOROGE MURIUKI	Secretary - Principal	07/03/2022
3	REV PAUL IRUNGU M	Member	07/03/2022
4	DR ISAAC WAWERU	Member	07/03/2022
5	LUCAS MWAURA	Member	07/03/2022
6	GEOFFREY NGUTUKU	Member	07/03/2022
7	EUNICE WANJIKU	Member	07/03/2022
8	LUCAS MWAURA	Member – Rep CEB	07/03/2022
9	FLORENCE K RUTERE	Member Rep Teachers	07/03/2022
10	MAUREEN WINNY STRONG MR.KINOTI KIOGORA	3 Members - Sponsor	07/03/2022
11	JOSEPH KINUTHIA	Member - Community	07/03/2022
12	SARAH W.WAITHAKA	Member Special Needs	07/03/2022
13	BRIAN TONGAI	Rep Students	07/07/2023

**BLESSED MUGUTHA SEC SCHOOL**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

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

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

**(c) Committees of the Board**

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1. JOHN MBUGUA 2. ISAAC WAWERU 3. JOSEPH N. MURUIKI 4. HANNAH WARUINU	Chairman v. chairman secretary  Parent association rep	3 out of 3 ..... .....3.....
2	Audit Committee			0 out of 3
3	Finance, procurement and general purposes Committee	Lucas mwaura  Isaac Waweru	chairman	3
4	Academic Committee	Geoffrey Ngutuku		1 out of 3

*BLESSED MUGUTHA SEC SCHOOL*

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

5	Development Committee	Paul Irungu Isaac Mwaura John Mbugwa Sarah Wanjiku	Chairman Member Member member	3
6	Discipline and welfare Committee	Eunice wanjiku Hannah Warwinu Geoffrey Ngutuku	Chairperson	
7	Adhoc Committee (if any during the year)tender			

**BLESSED MUGUTHA SEC SCHOOL**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

**(d) School operation Management**

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

Ref:	Designation	Name	Identification
1	Principal	JOSEPH NJOROGE MURIUKI	TSC No.314260
2	Deputy Principal	PERPETUAL WAMORO MUTURA	TSC No.290088
3	School Bursar	FELISTAS WANJIKU MBUGWA	ICPAK No. -----
4	Other (specify)		

**(e) Schools contacts**

Post Office Box: 1708-002332  
Telephone: 0722996890  
E-mail: [blessedmuguthasecondary@gmail.com](mailto:blessedmuguthasecondary@gmail.com)  
Website:  
Facebook:  
Twitter:

**(f) School Bankers**

Provide details of the school bankers.

Name of Bank: National Bank  
1 .01021059855400(tuition)  
2.01024059855400(operations)  
3. 01022242009200(infrastructure)  
Branch Ruiru  
Postal Address.  
EQUITY BANK LIMITED  
Account no 087019699118(school funds)  
Branch Ruiru

**(g) Independent Auditors**

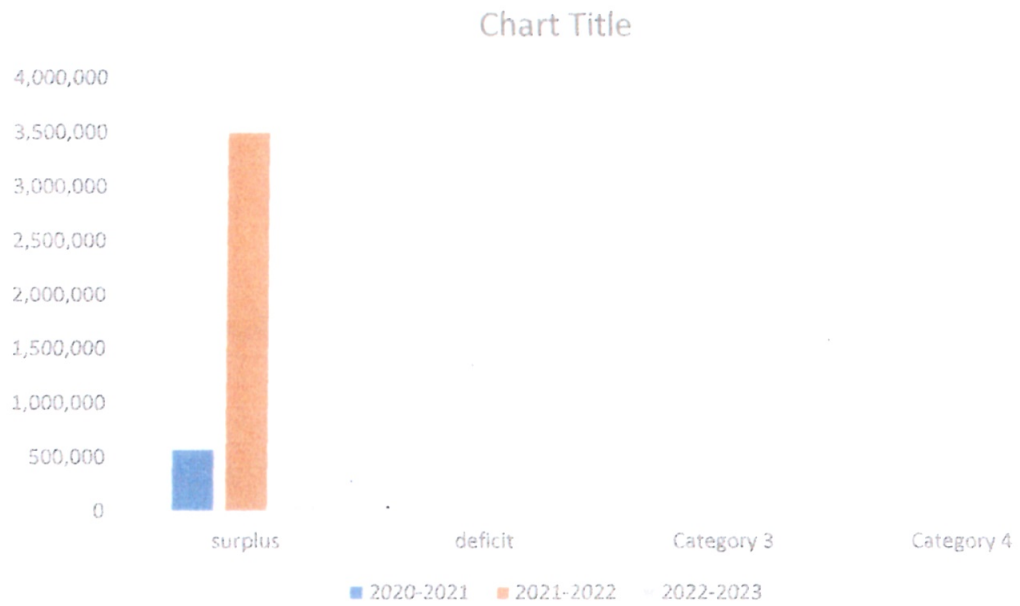
Office of the Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084  
GPO 00100  
Nairobi, Kenya

2. Summary Report of Performance of Blessed Mugutha Sec

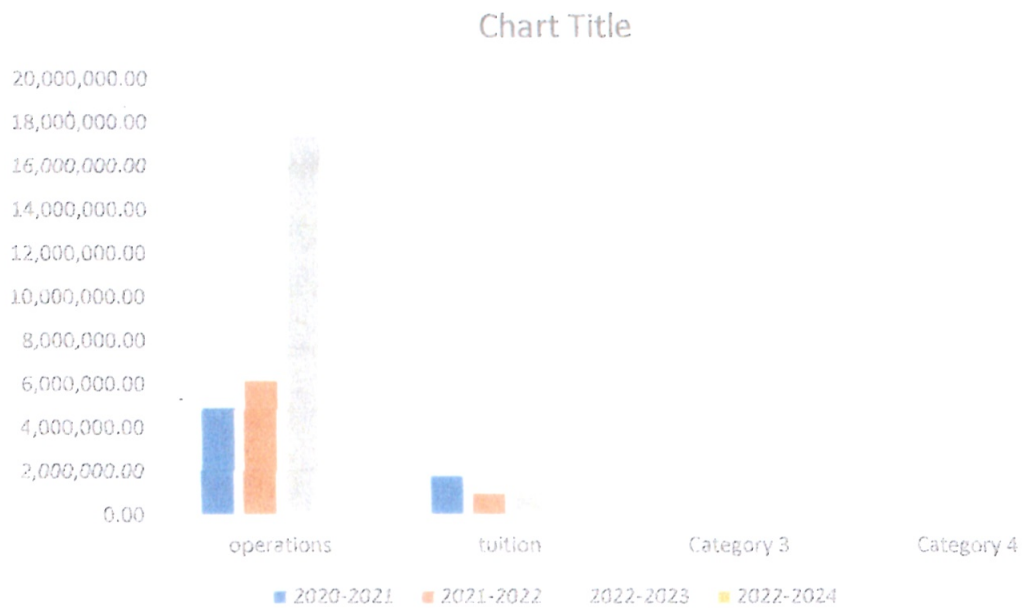
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) Financial performance:

Surplus/deficit



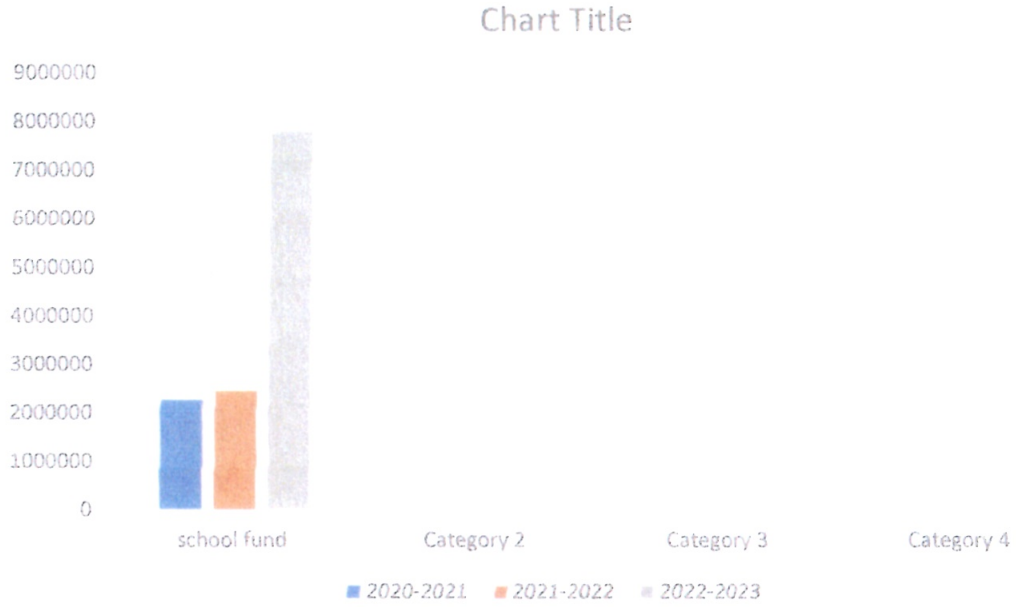
- Capitation grants from the Ministry of Education for the last three years



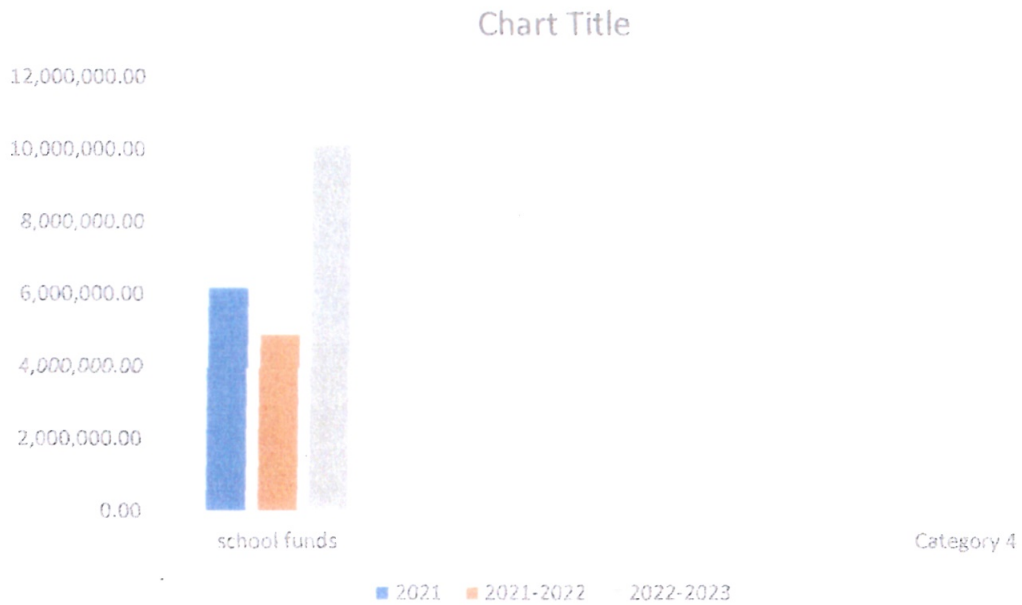
**BLESSED MUGUTHA SEC SCHOOL**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

- *A three-year overview of growth of other income(s) earned by the school.*

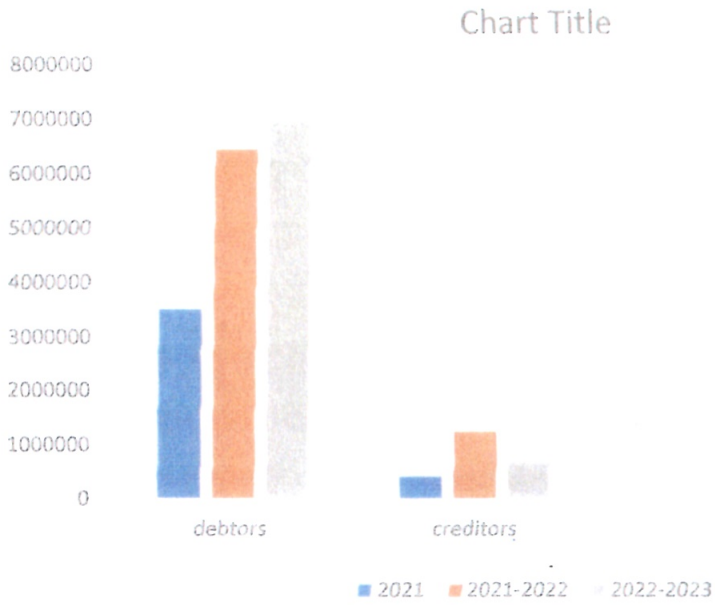


- *A three-year overview of growth in expenditure of the school*

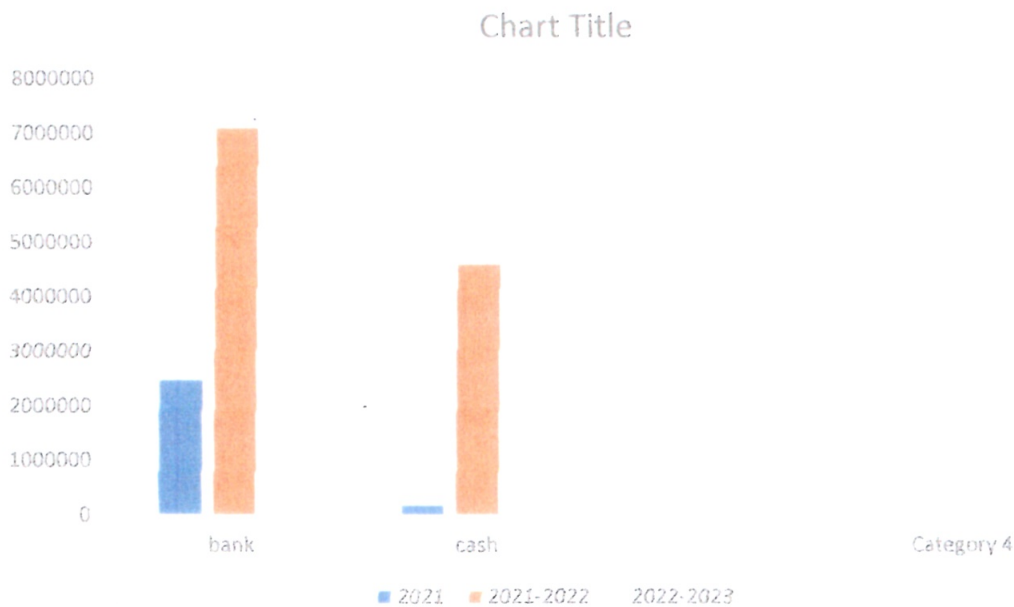


**BLESSED MUGUTHA SEC SCHOOL**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

- *Movement of debtors and creditors of the school over the last three years*



*Movement of cash and bank balance*



**BLESSED MUGUTHA SEC SCHOOL**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

**b) Teacher Student ratio: 1:23**

<i>subject</i>	<i>Teachers per subject</i>	<i>Surplus/shortage</i>	<i>No recruited /posted during the year</i>	<i>Teachers transferred/retired</i>	<i>TSC</i>	<i>BOM</i>	
<i>Eng/lit</i>	4		1		4		
<i>Math/bio</i>	2				2		
<i>Math/phy</i>	2	<i>shortage</i>			1	1	
<i>Math/bst</i>	1				1		
<i>Math/chem</i>	3			1	2	1	
<i>Math/geo</i>	1				1		
<i>Geo/bio</i>	1				1		
<i>Bio/Agric</i>	1				1		
<i>Bst/econs</i>	1				1		
<i>Hist/cre</i>	2		2	1	2		
<i>Hist/kiswa</i>	2		1		2		
<i>Kiswa/cre</i>	2				2		

**c) Mean score in the 2022 KCSE 2.67**

<i>YEAR</i>	<i>ENTRY</i>	<i>MEAN SCORE</i>	<i>Transition to university</i>
2020	88	2.906	1
2021	89	2.48	1
2022	110	2.67	2

**d) Number of Candidates in the 2022 KCSE: 110**

<i>YEAR</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>
<i>NO OF STUDENTS</i>	88	89	110

**e) Capacity of the school:**

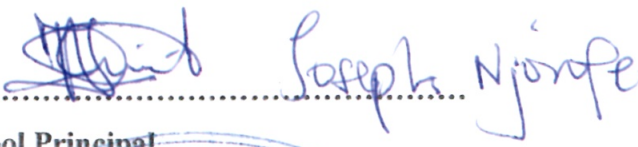
<i>No of students</i>	<i>facility</i>	<i>remarks</i>
512	<i>Classrooms 11</i>	<i>inadquate</i>
	<i>Dining hall</i>	<i>adquate</i>
	<i>Laboratories 2</i>	<i>inadquate</i>
	<i>Library 1</i>	<i>Inadequate due to size</i>
	<i>Toilets boys 12</i>	<i>inadquate</i>
	<i>Girls 6</i>	<i>inadquate</i>

*BLESSED MUGUTHA SEC SCHOOL*

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

**f) Development projects carried out by the school:**

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Water tower	Mif	complete	297,958.00	297,958.00	completed
Recarpeting dining hall	Mif	complete	843,110.00	843,110.00	completed
Repairing& improvement of kitchen	Mif	complete	613,770.00	613,770.00	completed
Repairing of staffroom & corridors	School funds	complete	199,090.00	199,090.00	completed
Construction of dean's office	School funds	complete	193,440.00	193,440.00	completed

  
.....

**School Principal**



**BLESSED MUGUTHA SEC SCHOOL**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

**3. Statement of School Management Responsibility**

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

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

The Board of Management of *BLESSED MUGUTHA SEC* 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 30<sup>th</sup> June, 2023, and of the school's financial position as at that date.

.....  


**Name: JOHN MBUGUA MIRINGU**

**Designation:** Chairman, School Board of Management

**Date:** 24/7/2024

.....  


**Name: JOSEPH NJOROGE MURIUKI**

**Designation:** School Principal & Secretary to Board of Management

**Date:**



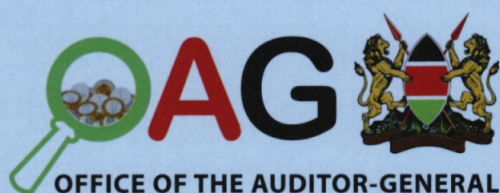
.....  


**Name: FELISTAS W.MBUGWA**

**Designation:** Bursar/ Finance Officer

**Date:** 22/7/2024

# REPUBLIC OF KENYA



*Enhancing Accountability*

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 BLESSED MUGUTHA SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023– KIAMBU COUNTY**

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### **PREAMBLE**

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure 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**

#### **Adverse Opinion**

I have audited the accompanying financial statements of Blessed Mugutha Secondary School – Kiambu County set out on pages 1 to 23, which comprise the statement of

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*Report of the Auditor-General on Blessed Mugutha Secondary School for the year ended 30 June, 2023– Kiambu County*

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

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of the Blessed Mugutha Secondary School – Kiambu County as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and do not comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Adverse Opinion**

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

A review of the financial statements submitted for audit revealed the following inaccuracies:

- i. The statement of cash flow reflects nil total payments of cash from operating Activities. However, the amount differs with the recomputed amount of Kshs.18,251,687 resulting to unreconciled variance of Kshs.18,251,687.
- ii. The statement of budgeted versus actual amounts reflects actual total receipts amounting to Kshs.16,904,900. However, the amount differs from the corresponding total receipts amounting to Kshs.17,511,901 resulting in an unreconciled variance of Kshs.607,001.
- iii. The statement of budgeted versus actual amounts reflects original receipts budget amounting to Kshs.16,904,900. However, the amount differs with the recomputed amount of Kshs.15,595,537 resulting in an unreconciled variance of Kshs.1,309,363.
- iv. The statement of budgeted versus actual amounts reflects final receipts budget amounting to Kshs.16,904,900. However, the amount differs with the recomputed amount of Kshs.15,595,537 resulting in an unreconciled variance of Kshs.1,309,363.
- v. The statement of budgeted versus actual amounts reflects actual total receipts amounting to Kshs.16,904,900. However, the amount differs with the recomputed amount of Kshs.15,595,537 is reflected in the statement of receipts and payments resulting in an unreconciled variance of Kshs.1,309,363.
- vi. The statement of budgeted versus actual amounts reflects actual total payments amounting to Kshs.18,263,613. However, the amount differs the corresponding total

- payments amounting to Kshs.18,359,770 reflected in the statement of receipts and payments resulting in unreconciled variance of Kshs.96,157.
- vii. The statement of receipts and payments reflects school fund income-parents contribution amounting to Kshs.10,217,053 which differs with the amount of Kshs.9,315,181 reflected in Note 4 to the financial statements resulting in an unreconciled variance of Kshs.901, 872.
  - viii. The statement of receipts and payments reflects operations payments amounting to Kshs.5,561,100 which differs with the amount of Kshs.6,506,246 reflected in Note 7 to the financial statements resulting in unreconciled variance of Kshs.945,146.
  - ix. The statement of receipts and payments reflects boarding school fund payments amounting to Kshs.11,302,935 which differs with the amount of Kshs.10,800,897 reflected in Note 9 to the financial statements resulting in unreconciled variance of Kshs.502,038.
  - x. The statement of receipts and payments reflects miscellaneous income amounting to Kshs.507,246 which differs with the nil amount reflected in Note 5 to the financial statements resulting in an unreconciled variance of Kshs.507,246.
  - xi. The statement of receipts and payments reflects payments for tuition totaling Kshs.1,752,470 which differs with the amount of Kshs.1,055,310 reflected in Note 6 to the financial statements resulting in an unreconciled variance of Kshs.697,160.
  - xii. Note 10 to the financial statements reflects opening bank accounts balance amounting to Kshs.7,105,386. However, the amount differs with the recomputed amount of Kshs.7,104,886 resulting in an unreconciled variance of Kshs.500.
  - xiii. Note 1 to the financial statements reflects government grants for tuition opening balance amounting to Kshs.1,420,854. However, the amount differs with the recomputed amount of Kshs.1,278,7689 resulting in an unreconciled variance of Kshs.142,085.
  - xiv. Note 14 to the financial statements reflects accounts payable opening balance amounting to Kshs.1,467,163. However, the amount differs with the recomputed amount of Kshs.1,256,286 resulting in unreconciled variance of Kshs.210,877.
  - xv. Note 13b to the financial statement reflects accounts receivable amounting to Kshs.7,931,075 in. However, the amount differs with the recomputed amount of Kshs.7,152,003 resulting in unreconciled variance of Kshs.779,072.
  - xvi. The statement of assets and liabilities reflects accounts payables totaling Kshs.1,199,198. However, the amount differs with the amount of Kshs.697,160 reflected Annex 1 of the financial statements resulting in unreconciled variance of Kshs.502,038.

- xvii. Review of the statement of receipts and payments, and the statement of cash flow for the year ended 30 June, 2023 revealed the following inconsistencies between the opening balance and the closing balances for the audited financial statement for the year ended 30 June, 2022:

Item	Current Year Financial Statements Amount (Kshs.)	Audited Finance Statements Amount (Kshs.)	Variance (Kshs.)
Boarding and School Fund Payment	4,597,209	4,946,209	349,000
<b>Cash Flow</b>			
Government Grants for Infrastructure	2,613,500	1,000	1,613,500
Cash outflows for tuition	1,418,930	1,568,984	(150,054)
Cash outflows for Operations	6,911,265	4,298,765	2,612,500
Net Increase in Cash and Cash Equivalents	4,991,025	4,840,970	150,055
Cash and Cash Equivalents at the Beginning of the Year	2,651,468	2,801,523	(150,055)

Further, a review of the notes to the financial statements revealed the following discrepancies between the opening balance and the closing balances for the audited financial statement for the year ended 30 June, 2022:

Item	Current Year Financial Statements Amount (Kshs.)	Audited Finance Statements Amount (Kshs.)	Variance (Kshs.)
<b>School Fund Income Parents Contribution. (Note 3)</b>			
Fee on Lunch	8,807,935	9,393,923	(585,988)
PA Levies	292,111	0	292,111
Others (new students transfers)	215,135	0	215,135
<b>Payment for Tuition (Note 5)</b>			
Exercise books	543,708	429,908	113,800
Lab Equipment	407,278	521,078	(113,800)
Exams and Assessment	223,622	0	223,622
<b>Payment for Operations (Note 6)</b>			

<b>Item</b>	<b>Current Year Financial Statements Amount (Kshs.)</b>	<b>Audited Finance Statements Amount (Kshs.)</b>	<b>Variance (Kshs.)</b>
Personnel Emoluments	2,650,180	2,513,888	136,292
Admin Cost	1,627,457	1,663,370	(35,913)
RMI	2,612,500	0	2,612,500
Electricity and Water	87,270	107,270	(20,000)
<b>School Fund Expenses (Note 8)</b>			
Lunch Programme	4,519,099	4,401,759	117,340

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

## **2.0. Unsupported Cash and Cash Equivalents**

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs. 4,608,751 as disclosed in Note 10 and 11 to the financial statements. Included in this balance are Infrastructure Account, tuition account and Operations account with account balances of Kshs.1,722,937, Kshs.206,401 and Kshs.505,621, respectively. However, the bank balances were not supported by cash books, bank certificates and bank reconciliation statements.

In the circumstances, the accuracy, completeness, existence of bank balance of Kshs.4,608,751 could not be confirmed.

## **3.0. Unsupported Receipts and Payments**

The statement of receipts and payments reflects total receipts and payments totaling Kshs.17,511,901 and Kshs.18,616,505 respectively. However, ledgers to support the financial statement figures and the respective notes were not provided for audit review.

In the circumstance, the accuracy and completeness of the receipts and payments could not be confirmed.

## **4.0. Unsupported Personnel Emoluments Expenditure**

The statement of receipts and payments reflects payments for operations amounting to Kshs.5,561,100 as further disclosed in Note 7 to the financial statements. The amount includes personnel emoluments totalling Kshs.3,174,325 in respect of salaries to Board of Management staff. Review of the monthly payrolls revealed that the school had nine (9) non-teaching staff and three (3) teaching staff. However, engagement contracts of the twelve (12) staff had expired but had not been renewed.

In the circumstances, the accuracy, completeness and propriety of on personnel emoluments amounting to Kshs.3,174,325 could not be confirmed.

#### **5.0. Unsupported Accounts Receivables**

The statement of assets and liabilities reflects accounts receivables totaling Kshs.6,976,728 as further disclosed Note 13 to the financial statements. However, accounts receivables schedules, detailed aging analysis, and ledger details were not provided for audit review.

In the circumstances, the accuracy and existence of accounts receivables totaling Kshs.6,976,728 could not be confirmed.

#### **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.16,904,900 and Kshs.16,904,900 respectively, However, the School spent a balance of Kshs.18,263,613 against actual receipts of Kshs.16,904,900, resulting to an over-utilization of Kshs.1,358,713.00 or 8% of actual receipts.

The over-utilization of the budget could be as a result unrealistic budgeting process.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Blessed Mugutha Secondary School – Kiambu County Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse 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, because of the significance of the matters discussed in the Basis for Adverse Opinion, Basis for Conclusion on Lawfulness

and Effectiveness in Use of Public Resources and Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

## **Basis for Conclusion**

### **1.0. 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) as follows;

#### **1.1 Incomplete of Summary of Fixed Asset Register**

Annex 2 of the financial statement on summary of fixed asset register does not reflect the current values of the assets, date purchased, location, historical costs, additions during the year and disposals during the year. Further, the assets register was not provided.

#### **1.2 Mismatch of Notes to the Financial Statements**

A review of the Statement of Financial Assets and Financial Liabilities revealed the following mismatch between the financial statement and their respective notes.

<b>Component</b>	<b>Financial Statement</b>	<b>Notes</b>
<b>Receipts</b>		
School Fund Income-Parents Contribution	4	3
Infrastructure Income	3	Not Disclosed
School fund income-parents contribution	4	3
Miscellaneous Income	5	4
Payment for Tuition	6	5
Payments for Operation	7	6
Infrastructure Payments	-	7
Boarding and School Fund	9	8

In the circumstances, Management was in breach of the PSASB guidelines. Further, lack relevant information may affect users' reliance on the financial statements for decision making.

## **2.0. Lack of a Procurement Plan**

The statement of receipts and payments reflects an amount of Kshs. 17,511,901 and Kshs. 18,616,505 in respect of total receipts and payments respectively. However, during the year Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 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

## **3.0. Lack of Approved Budget**

The statement of receipts and payments reflects an amount of Kshs. 17,511,901 and Kshs. 18,616,505 in respect of total receipts and payments respectively. However, the audit of the school's budgeting processes revealed that the School did not have in place approved budget estimates of revenue and expenditure. This was contrary to Section 16(1) of the Basic Education Act, 2013 which states that a Board of Management of a public institution of basic education shall prepare annual estimates of revenue and expenditure for the institution under its charge, in such form and at such times as the Cabinet Secretary may prescribe.

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

## **4.0. Failure to Transfer Infrastructure Funds from the Operations Bank Account**

The statement of receipts and payments reflects capitation grants for operations amounting to Kshs.5,537,643 as further disclosed in Note 2 to the financial statements. The amount includes repairs and maintenance funds amounting to Kshs.1,849,000 which was supposed to be transferred to the infrastructure account within 15 days as required by Ministry of Education Circular Ref. No: MOE.HQS/3/13/3. However, the funds were not transferred within 15 days.

Further, review of records revealed that Kshs.950,000 was transferred to the infrastructure account instead of Kshs.1,849,000 resulting to Kshs.899,000 not transferred.

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

## **5.0. 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.11,302,935 as disclosed in Note 9 to the financial statements. Included in the expenditure is an amount of Kshs.769,470 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.769,470 could not be confirmed.

#### **6.0. Single Sourcing of Learning Materials**

The statement of receipts and payments reflects tuition payments amounting to Kshs.1, 752,470 as disclosed in Note 6 to the financial statements. The amount includes payment for supply of exercise books, laboratory chemicals and equipment totalling Kshs.999,570 which were directly procured. This was contrary to 103 of the Public Procurement and Asset Disposal Act, 2015 which requires the procurement method used to be competitive, transparent and fair.

Further, goods received notes, stores ledgers and goods issue notes were not provided. In the circumstances, Management was in breach of the law.

#### **7.0. Irregular Tender Evaluation and Award**

Statement of receipts and payments reflects Payments for operation totaling Kshs.6, 506,246 as disclosed in Note 7 to the financial statements. The amount includes acquisition of assets expenditure amounting to Kshs.1,839,838 as shown below:

<b>Project Details</b>	<b>Amount (Kshs)</b>
Proposed Installations of floor to existing Dining hall.	853,000
Proposed Renovation and Refurbishment works to kitchen	689,618
Proposed Construction of 2 No. Water tower	297,220
<b>Total</b>	<b>1,839,838</b>

However, review of procurement records revealed the following anomalies:

- i. The tender opening committee and evaluation committee was not appointed in by the accounting officer. This was contrary to sections 46(1) and 78(1) of the Public Procurement and Asset Disposal Act, 2015 which requires the accounting officer to establish both committees.
- ii. The successful bidders were not informed that their tenders have been successful and the bidders' letters acceptance of the award of contract was not received. This

was contrary to Section 87(3) of Public Procurement and Assets Disposal Act, 2015.

- iii. There was no contract signed between the School and the successful bidders. This was contrary to section 135 (1) of the Public Procurement and Asset Disposal Act, 2015 which states that the existence of a contract shall be confirmed through the signature of a contract document incorporating all agreements between the parties and such contract shall be signed by the accounting officer or an officer authorized in writing by the accounting officer of the procuring entity and the successful tenderer.

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

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

During the year/period 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, because of the significance of the matters discussed in the Basis for Adverse Opinion, Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources and Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

## **Basis for Conclusion**

### **1.0. 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), 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.

### **2.0. Lack of Risk Assessment Policy and Disaster Recovery Plan**

A review of internal controls revealed that the Management had not developed a risk management policy and risk assessments were not performed for the year under review. This was contrary to Regulation 165(1) and 170(1) of the Public Finance Management Regulations (National Government), 2015 which requires each National Government entity to develop risk management strategies and a system of risk management.

Further, a disaster recovery plan or business continuity plan was not in place to ensure that the company recovers its functionality in case of an unplanned incident or disaster.

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

### **3.0. Weakness in the Information Communication Technology Environment**

Review of the Information Technology Internal Controls revealed the following;

- i. The School did not have an approved ICT Policy, IT security policy, policy on physical access to IT environment and IT continuity and disaster recovery plan in place to guide ICT operations. Such policies are vital in effective and efficient management of the Institution's IT resources.
- ii. The school did not constitute an IT strategic committee which is important in performing the oversight function and formulation of policies to ensure that IT department functions properly to assist in the achievement of organizational objectives in an economical, efficient, and effective way.
- iii. The school did not have an IT steering committee and periodic IT reports which are supposed to assess the status of implementation of IT systems and suggest corrective measures.

Further, all of the procedures and functions in the finance and accounting department were manually performed as the department is yet to embrace information communication technology in all of its operational areas.

In the circumstances, management is in breach of the internal control's guidelines.

#### **4.0. Non - Compliance with Prescription on Principals, Board of Management and Committees' Terms of service**

The School Board of Management did not prepare an Annual Work plan or Schedule of Activities for the year under review. This was contrary to Parameter 1.9(1) of Mwongozo - The Code of Governance for Corporations, 2015 which states that Board members should ensure the development of annual Board work plan.

Further, Management did not provide attendance registers for board meetings and payment schedules provided to confirm the allowances paid to the members of the Board of Management and as such was not possible to confirm whether the meetings reported to be conducted took place.

In the circumstances, the Board of Management was in breach of the law and the Schools Governance is ineffective.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standard requires 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 controls, risk management and overall 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 School's 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 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 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 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 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 continue as a going concern or to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the 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 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**

**25 September, 2024**


**BLESSED MUGUTHA SEC SCHOOL**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

**5. Statement Of Receipts and Payments For the Year Ended 30<sup>th</sup> June 2023**

Description Of Vote Head	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Receipts</b>			
Government grants for tuition	1	1,249,959	1,420,854
Government grants for operations	2	5,537,643	6,288,879
infrastructure	3	00	00
School fund income- parents' contributions	4	10,217,053	9,448,824
Miscellaneous incomes	5	507,246	736,968
<b>Total Receipts</b>		<b>17,511,901</b>	<b>17,840,624</b>
<b>Payments</b>			
Tuition	6	1,752,470	1,662,730
Operations	7	5,561,100	4,597,607
infrastructure		00	00
Boarding and school fund	9	11,302,935	4,597,209
<b>Total Payments</b>		<b>18,616,505</b>	<b>11,206,546</b>
<b>Surplus/Deficit</b>		<b>(1,104,604)</b>	<b>6,634,078</b>

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

.....  


**Name: John Mbugua M**

**Chair BOM**

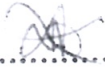
**Date:** 24/7/2024

.....  


**Name: Joseph N. Muriuki**  
**School Principal/ Secretary to BOM**

**Date:**



.....  


**Name: Felistas W. Mbugwa**

**Bursar/ Finance Officer**

**Date:** 22/7/2024

**BLESSED MUGUTHA SEC SCHOOL**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

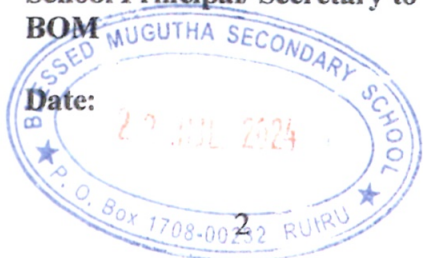
**6. Statement of Assets and Liabilities As At 30<sup>th</sup> June 2023**

Description	Note	2022-2023 Kshs	2021-2022 Kshs
<b>Financial Assets</b>			
<b>Cash and cash equivalents</b>			
Bank balances	10	4,608,721	7,105,386
Cash balances	11	30	537,106
Short term investments	12	00	00
<b>Total cash and cash equivalent</b>		<b>4,608,751</b>	<b>7,642,493</b>
Account's receivables	13	7,931,075	6,059,025
<b>Total financial assets</b>		<b>12,539,826</b>	<b>13,701,518</b>
<b>Financial liabilities</b>			
Accounts payables	14	(1,199,198)	(1,256,286)
<b>Net financial assets</b>		<b>11,340,628</b>	<b>12,445,232</b>
<b>Represented by</b>		<b>11340,628</b>	<b>12,445,232</b>
Accumulated fund b/ foward	15	12,445,232	5,811,154
Surplus/deficit for the year		( 1,104,604)	6,634,078
<b>Net financial position</b>		<b>11,340,628</b>	<b>12,445,232</b>

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

.....  
 Name: John Mbugua  
 Chair BOM  
 Date: 24/7/2024

.....  
 Name: \_\_\_\_\_  
 School Principal/ Secretary to  
 BOM  
 Date: 27 JUL 2024



.....  
 Name: FELICIA S W. MBUGUA  
 Bursar/ Finance Officer  
 Date: 22/7/2024

**BLESSED MUGUTHA SEC SCHOOL**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

**7. Statement of Cash Flows for the Year Ended 30<sup>th</sup> June 2023**

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Cash from Operating Activities</b>			
<b>Receipts</b>			
Government grants for tuition		1,254,959	1,420,854
Government grants for operations		5,537,643	6,288,879
Government grants for infrastructure		950,000	2,613,500
School fund income- parents contributions/ fees		8,807,935	6,500,930
Other income		507,246	736,968
<b>Total receipts</b>		<b>17,057,783</b>	<b>17,561,131</b>
<b>Payments</b>			
Cash outflows for tuition		1,055,310	1,418,930
Cash outflows for operations		5,616,408	6,911,265
Cash outflows lunch and school fund payments		11,579,969	4,239,186
infrastructure			725
<b>Total payments</b>			<b>12,570,106</b>
<b>Net cash inflow/outflow from operating activities</b>		<b>(1,193,904)</b>	<b>4,991,025</b>
<b>Cash flow from investing activities</b>			
Acquisition of assets		(1,839,838)	00
Proceeds from sale of Assets		00	00
Proceeds from investments		00	00
Purchase of investments		(00)	(00)
<b>Net cash inflow/outflows from investing activities</b>		<b>(1,839,838)</b>	<b>4,991,025</b>
<b>Cash flow from Financing activities</b>			
Proceeds from borrowings/ loans	18	00	00
Repayment of principal borrowings		(00)	(00)
<b>Net cash inflow/outflow from financing activities</b>		<b>(00)</b>	<b>00</b>
<b>Net increase/decrease in cash and cash equivalents</b>		<b>(3,033,742)</b>	<b>4,991,025</b>
Cash and cash equivalent at beginning of the FY		7,642,493	2,651,468
<b>Cash and cash equivalent at end of the FY</b>		<b>4,608,751</b>	<b>7,642,493</b>

Note: Cash and Cash Equivalent is the summation of Note 10, 11 and 12.

(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).

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

.....

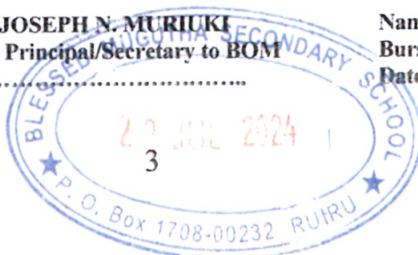
.....

.....

Name: JOHN MBUGUA M  
Chair BOM  
Date: 24/7/2024

Name: JOSEPH N. MURIUKI  
School Principal/Secretary to BOM  
Date: .....

Name: FELISTAS W. MBUGWA  
Bursar/financial Officer  
Date: 22/7/2024



8. statement Of Budgeted Versus Actual Amounts for The Year Ended 30<sup>th</sup> June 2023

Receipt/Expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b Kshs	Actual On Comparable Basis d Kshs	% Of Utilization e=d/c % Kshs
<b>Receipts</b>					
<b>(1) Capitation Grant on Tuition</b>					
Reference Materials	00.00	00	00.00	00.00	0%
Exercise Books	674,978	00	674,978	67,978	100%
Laboratory Equipment	374,988	00	374,988	374,988	100%
Internal Exams	00	00	00	00	0%
Teaching / Learning Materials	137,496	00	137,496	137,496	100%
White board accessories	62,497	00	62,497	62,497	100%
	<b>1,249,959</b>	<b>00</b>	<b>1,249,959</b>	<b>1,249,959</b>	<b>100%</b>
<b>(2) Capitation Grant on Operations</b>					
Personnel Emoluments	1,716,284	00	1,716,284	1,716,284	100%
Repairs And Maintenance	1,849,000	00	9000	9000	100%
Local Transport / Travelling	00	00	00.00	00	0%
Electricity And Water	722,674	00	722,674	722,674	100%

**BLESSED MUGUTHA SEC SCHOOL**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

Receipt/Expenses Item	Original Budget		Adjustments		Final Budget		Actual On Comparable Basis		% Of Utilization
	a	Kshs	b	Kshs	c=a+b	Kshs	d	Kshs	
Medical	92,400		00		92,400.		92,400		100%
Administration Costs	894,810		00		894,810.		894,810		100%
Activity	262,475		00		262,475.		262,475		100%
Gratuity	00		00		00.00		00		100%
	<b>5,537,643</b>		<b>00</b>		<b>3,697,643</b>		<b>3,697,643</b>		<b>100%</b>
<b>3) FDSE for infrastructure</b>									
Maintenance & Improvement MoE	00		00		00		00		0%
M&I parents' contribution	00		00		00		00		0%
Economic Stimulus Programs	00		00		00		00		0%
Transition Infrastructure Grants	00		00		0		00		0%
Administration Block	00		00		00		00		0%
<b>(4) Fees Charged on Parents</b>									
Personnel Emoluments	00		00		00		00		0%
Repairs And Maintenance	00		00		00		00		0%
Local Transport / Travelling	00		00		00		00		0%
Electricity And Water	00		00		00		00		0%
Medical	00		00		00		00		0%
Administration Costs	00		00		00		00		0%
Activity	00		00		00		00		0%
SMASSE	00		00		00		00		0%
Fee On Lunch programme	8,807,935		00		8,807,935		8,807,935		100%

Receipt/Expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b Kshs	Actual On Comparable Basis d Kshs	% Of Utilization e=d/c % Kshs
<b>5) Miscellaneous Income</b>					
Loans / Borrowing	00	00	00	00	0%
Rent income	00	00	00	00	0%
Income From Farming Activities	00	00	00	00	0%
Insurance Compensation	00	00	00	00	0%
Income From Posho Mill	00	00	00	00	0%
Income From Bus Hire	00.00	-00.00	00.00	00.00	0%
Fee For Hire of Ground and Equipment	00.00	00.00	00.00	00.00	0%
Interest Income	00.00	00.00	00.00	00.00	0%
Income From Any Other Investment	00.00	00.00	00.00	00.00	0%
<b>GRAND Total Income</b>	<b>16,904,900.70</b>		<b>16,904,900.40</b>	<b>16,904,900.40</b>	
<b>(6) Expenditure For Tuition</b>					
Textbooks	00.00	00.00	00.00	00.00	0%
Reference Materials	00.00	00.00	00.00	00.00	0%
Exercise Books	674,977.60	00.00	674,977.60	1,108,560.00	164%
Laboratory Equipment	374,987.53	00.00	374,987.53	115,950.00	30.9%
Internal Exams	00.00	00.00	00.00	00.00	0%
Teaching / Learning Materials	137,495.94	00.00	137,495.94	419,720.00	305%
Chalks(white board assessories)	62,497.43	00.00	62,497.43	10,800.00	17.3%
Exams And Assessment	00.00	00.00	00.00	00.00	0%
Teachers Guides	00.00	00.00	00.00	00.00	0%

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Administration Costs	00.00	00.00	00.00	00.00	0%
Bank Charges	240.00	00.00	240.00	240.00	100%
Total for tuition	<b>1,250,198.50</b>	<b>00.00</b>	<b>1,250,198.50</b>	<b>1,655,270.00</b>	
<b>(7) Expenditure For Operations</b>					
Personnel Emoluments	1,716,283.60	00.00	1,716,283.60	1,716,283.60	100%
Repairs, Maintenance & Improvements	1,849,000.00	00.00	1,849,000.00	909,000.00	49.16%
Local Transport / Travelling	00.00	00.00	00.00	00.00	00.00
Electricity, Water and Conservancy	722,674.30	00.00	722,674.30	214,730.00	29.7%
Medical	92,400.00	00.00	92,400.00	00.00	0%
Administration Costs	894,810.00	00.00	894,810.00	763,093.00	0.85%
Activity Expenses	262,475.00	00.00	262,475.00	503,570.00	192%
Gratuity	00.00	00.00	00.00	00.00	0%
SMASSE	00.00	00.00	00.00	00.00	0%
<b>Total for operations</b>	<b>5,537,642.90</b>	<b>00.00</b>	<b>5,537,642.90</b>	<b>4,106,676.60</b>	
<b>(8) Expenditure For infrastructure</b>					
Kitchen repair & expansion & improvement	613,770.00	00.00	613,770.00	613,770.00	100%
Dinning hall floor	843,110.00	00.00	843,110.00	843,110.00	100%
Construction water tower	297,958.00	00.00	297,958.00	297,958.00	100%
Construction of dorm	00.00	00.00	00.00	00.00	0%
Purchase of equipment	00.00	00.00	00.00	00.00	0%

Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023

Receipt/Expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b Kshs	Actual On Comparable Basis d Kshs	% Of Utilization e=d/c % Kshs
Total for infrastructure	1,754,838.00	00.00	1,754,838.00	1,754,838.00	0%
<b>(9) Expenditure For school fund/lunch/boarding</b>					
Personnel Emoluments	00.00	00.00	00.00	00.00	00.00
Repairs, Maintenance and Improvements	00.00	00.00	00.00	00.00	00.00
Local Transport / Travelling	00.00	00.00	00.00	00.00	00.00
Electricity, Water and Conservancy	00.00	00.00	00.00	00.00	00.00
Medical Expenses	00.00	00.00	00.00	00.00	00.00
Administration Costs	00.00	00.00	00.00	00.00	0%
Activity	00.00	00.00	00.00	00.00	0%
Gratuity	00.00	00.00	00.00	00.00	0%
Lunch Programme	10,826,105	00.00	10,826,105.00	10,826,105.00	94.4%
Boarding Equipment and Stores	00.00	00.00	00.00	00.00	0%
Expenditure For Income Generating Activity	00.00	00.00	00.00	00.00	0%
Insurance Costs	00.00	00.00	00.00	00.00	0%
Other	00.00	00.00	00.00	00.00	0%
Rent Expenses	00.00	00.00	00.00	00.00	0%
Bank Charges	16,880.00	00.00	16,880.00	16,880.	0%
Loan Interest Repayment	00.00	00.00	00.00	00.00	0%
Loan Principal Repayment	00.00	00.00	00.00	00.00	0%
Acquisition Of Assets	00.00	00.00	00.00	00.00	0%

Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Totals	19,385,664.40	00.00	19,385,664.40	18,263,613.00	89.36%

]

- i. Activity have over utilization due the payment of activity levies for subcounty and county and also activities facilitation
- ii. Teaching and learning materials include stationery as well as printing papers and toners

**5. Accounts Receivable**

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

**6. Accounts Payable**

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

**7. Non-current assets**

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

**8. Budget**

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

**9. Comparative figures**

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

**10. Subsequent events**

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

**5. Accounts Receivable**

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

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**BLESSED MUGUTHA SEC SCHOOL**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

**10. Notes To The Financial Statements**

**1 Government Grants for Tuition**

Description	2022-2023	2021-2022
	Kshs	Kshs
Reference Materials	00.00	00
Exercise Books	674,978	539,925
Laboratory Equipment	374,988	312,588
Internal Exams	00	213,128
Teaching / Learning Materials	137,496	170,503
Others (specify) *white board accessories	62,497	42,626
<b>Total</b>	<b>1,249,959</b>	<b>1,420,854</b>

**2 Government Grants for Operations**

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	1,716,283	1,620,651.64
Repairs And Maintenance	1,849,000	2,237,250.00
Local Transport / Travelling	00	810,325.82
Electricity And Water	722,674	810,325.82
Medical	92,400	87,000.00
Administration Costs	894,810	810,325.82
Activity	262,475	00.00
Other Vote Heads (specify)*	00	00.00
<b>Total</b>	<b>5,537,643</b>	<b>6,375,879.00</b>

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

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	00.00	00.00
Repairs and maintenance	00.00	00.00
Local transport / travelling	00.00	00.00
Electricity and water	00.00	00.00
Medical	00.00	00.00
Administration costs	00.00	00.00
Activity	00.00	00.00
Fee on LUNCH	8,807,935	9,448,824
PA Levies(desks new students	292,111	408,887
Others (specify)New students transfer cases	215,135	328,081
<b>Total</b>	<b>9,315,181</b>	<b>10,185,792</b>

**4 Miscellaneous Incomes**

Description	2022-2023	2021-2023
	Kshs	Kshs
Rent Income	00.00	00.00
Income From Farming Activities	00.00	00.00
Insurance Compensation	00.00	00.00
Income From Posho Mill	00.00	00.00
Income From Bus Hire	00.00	00.00
Fee For Hire of Ground and Equipment	00.00	00.00
Income From Grants and Donations*	00.00	00.00
Interest Income	00.00	00.00
Dividends Income	00.00	00.00
Loans/Borrowings*	00.00	00.00
Other Income (specify)*	00.00	00.00
<b>Total</b>	<b>00.00</b>	<b>00.00</b>

**BLESSED MUGUTHA SEC SCHOOL**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

**Notes to the financial statements continued**

**5 Tuition**

Description	2022-2023	2021-2022
	Kshs	Kshs
Exercise Books	797,100	543,708
Textbooks	00	00
Reference materials	00	42,924
Laboratory Equipment	90,550	407,278
Teaching / Learning Materials	119,420	171,697
Exams And Assessment	.00	223,622
White board pens, ink & dusters	48,000	143,081
Bank Charges	240	420
Others (specify)	00	00
<b>Total</b>	<b>1,055,310</b>	<b>1,532,730</b>

**6 Operations**

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	3,174,325	2,650,180
Service Gratuity	00	00
Administration Cost	763,093	1,627,457
Repairs And Maintenance & Improvements	9,000	2,612,500
Local Transport / Travelling	00	189,520
Electricity And Water	214,730	87,270
Medical	00	00
Activity Expenses	503,570	43,180
Acquisition of assets	1,839,838	00
Others (bank charges)	1690	00
<b>Total</b>	<b>6,506,246</b>	<b>7,210,107</b>

BLESSED MUGUTHA SEC SCHOOL

Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023

Notes to the Financial Statements (continued)

7 Infrastructure

Description	2022-2023	2021-2022
	Kshs	Kshs
Construction of classrooms	00.00	00.00
Construction of laboratory	00.00	00.00
Construction of dormitory	00.00	00.00
Purchase of furniture	00.00	00.00
Purchase of equipment	00.00	00.00
Purchase of apparatus	00.00	00.00
Drilling of boreholes	00.00	00.00
Others	00.00	00.00
<b>Total</b>	<b>00.00</b>	<b>00.00</b>

8 School Fund

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	00	00
Service Gratuity	00	00
Repairs And Maintenance & Improvements	00	00
Local Transport / Travelling	00	00
Electricity And Water	00	00
Medical Expenses	00	00
Administration Costs	00	00
Lunch Programme	10,324,067	4,519,099
Bank Charges	16,880	12,660
Expenses On Income Generating Activities	00	00
Fee On Boarding Equipment and Stores	00	00
Rent Expenses	00	00
Insurance Cost ( <i>Life Property</i> )	00	00
Loan Principal Repayment	00	00
Loan Interest Repayment	00	00
Acquisition Of Assets	00	00
desks	276,200	329,360
Others	183,750	215,090
<b>Total</b>	<b>10,800,897</b>	<b>5,076,209.00</b>

*BLESSED MUGUTHA SEC SCHOOL*

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

**Notes to the Financial Statements (continued)**

**10 Bank Accounts**

<b>Account Name &amp; Currency</b>	<b>Status</b>	<b>Bank Account Number</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Active/Dormant</b>		<b>Kshs</b>	<b>Kshs</b>
Tuition Account	ACTIVE	01021059855400	206,401.25	6,253.00
Operations Account	ACTIVE	01024059855400	505,628.80	582,222.00
School Fund Account/Boarding	ACTIVE	0870296995118	2,173,753.05	3,903,636.05
Savings Account	-	-	00.00	00.00
Parent Association Development Account	DORMANT	0870183834001	00.00	00.00
Income Generating Activities Account	-	-	00.00	00.00
Infrastructural Account	ACTIVE	01022242009200	1,722,937.00	2,612,775.00
<b>Total</b>			<b>4,608,720.10</b>	<b>7,105,387.00</b>

**11 Cash In Hand**

<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Notes and Coins	30.00	537,106.00
<b>Total</b>	<b>30.00</b>	<b>537,106.00</b>

**12 Short Term Investments**

<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Cooperative Shares	00.00	00.00
Treasury Bills	00.00	00.00
Fixed Deposit accounts	00.00	00.00
Other Investments	00.00	00.00
<b>Total</b>	<b>00.00</b>	<b>00.00</b>

Notes to the Financial Statements (continued)

13 Accounts Receivable

Description	2022-2023	2021-2022
	Kshs	Kshs
Fees Arrears	7,152,003	6,059,025
<b>Other Non-Fees Receivables</b>	00	00.00
Salary Advances (list/schedule attached)	00.00	00.00
Imprest (list/schedule attached)	779,072	00.00
Rent arrears (list/schedule attached)	00	00.00
<b>Total</b>	<b>7,931,075</b>	<b>6,059,025</b>

13 b Ageing Analysis of Accounts Receivable

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	Current F	% of the total	Comparative FY	% of the total
Less than 1 year	2,719,324	43.8%	2,816,787	45.38%
Between 1- 2 years	578,536	7.9%	1,299,488	20.94%
Between 2-3 years	726,927	10.1%	281,758	4.54%
Over 3 years	3,127,216	38.1%	1,660,992	29.13%
<b>Total (should tie to note 13 a)</b>	<b>7,931,075</b>	<b>100%</b>	<b>6,059,025</b>	<b>100%</b>

14 Accounts Payable

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	697,160	1,076,153
Prepaid Fees	502,038	180,133
Retention Monies	00	00
Unpaid salaries and statutory deductions	00	00
Caution money	00	00
Other payables ( <i>specify</i> )	00	00
<b>Total</b>	<b>1,199,198</b>	<b>1,467,163</b>

*BLESSED MUGUTHA SEC SCHOOL*  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

**Other important disclosure notes**

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

**16 Non-current Liabilities Summary**

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank Loans	00.00	00.00
Outstanding Leases	00.00	00.00
Hire Purchase	00.00	00.00
Gratuity And Leave Provision	00.00	00.00
Others (specify)	00.00	00.00
<b>Total</b>	<b>00.00</b>	<b>00.00</b>

**17 Biological assets**

Description	Numbers	2022-2-23	2021-2022
		Kshs	Kshs
Cattle		00.00	00.00
Goats		00.00	00.00
Trees		300,000	250,000
Coffee Or Tea Plantation		00.00	00.00
Poultry		00.00	00.00
Others (specify)		00.00	00.00
<b>Total</b>		<b>300,000.00</b>	<b>250,000.00</b>

**18 Borrowings**

Description	Kshs	Kshs
Borrowings at beginning of the year	00.00	00.00
Borrowings during the year	00.00	00.00
Repayments during the year	(00.00)	(00.00)
<b>Balance at the end of the year</b>	<b>00.00</b>	<b>00.00</b>

**Other important disclosure notes**

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

**16 Non-current Liabilities Summary**

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank Loans	00.00	00.00
Outstanding Leases	00.00	00.00
Hire Purchase	00.00	00.00
Gratuity And Leave Provision	00.00	00.00
Others (specify)	00.00	00.00
<b>Total</b>	<b>00.00</b>	<b>00.00</b>

**17 Biological assets**

Description	Numbers	2022-2-23	2021-2022
		Kshs	Kshs
Cattle		00.00	00.00
Goats		00.00	00.00
Trees		300,000	250,000
Coffee Or Tea Plantation		00.00	00.00
Poultry		00.00	00.00
Others (specify)		00.00	00.00
<b>Total</b>		<b>300,000.00</b>	<b>250,000.00</b>

**18 Borrowings**

Description	Kshs	Kshs
Borrowings at beginning of the year	00.00	00.00
Borrowings during the year	00.00	00.00
Repayments during the year	(00.00)	(00.00)
<b>Balance at the end of the year</b>	<b>00.00</b>	<b>00.00</b>

**BLESSED MUGUTHA SEC SCHOOL**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

**Other important disclosure notes**

**19 Stock/ Inventory**

<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Food stuffs	139,777	112,628
Lab consumables	503,240	362,743
Farm produce	00.00	00.00
Medication	00.00	00.00
Construction Materials	0.00	00.00
Others (specify)	00.00	00.00
	<b>643,017</b>	<b>475,371</b>


*BLESSED MUGUTHA SEC SCHOOL*

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

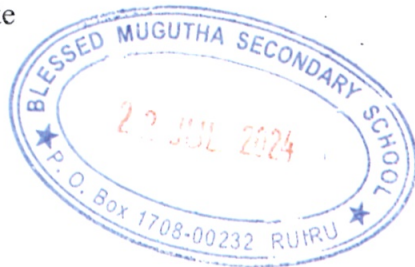
**20 Progress On Follow Up Of Auditor Recommendations**

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

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

 Joseph Njoroge

-----  
Sign and Date  
Principal



*BLESSED MUGUTHA SEC SCHOOL*

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

**11. Annexes**

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

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022-2023	Outstanding Balance Comparative 2021-2022	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Construction Of Buildings</b>	00.00					
1.	00.00					
2.	00.00					
3.	00.00					
<b>Sub-Total</b>	<b>00.00</b>					
<b>Supply Of Goods</b>	00.00					
4. NYONJO INVESTMENT	1,136,160	1/6/2022	824,70	311,460	00	
5. CECLA ENTERPRISES	419,720	1/6/2022	119,420	300,300	00	
6.GELKY LAB	458,450	1/6/2022	433,050	25,400	113,800	
7 ANVIC ENTERPRISES	100,000	1/6/2022	40,000	60,000	00	
6.	00					
7.	00					
8.						
<b>Sub-Total</b>						
<b>Grand Total</b>	<b>2,114,330</b>		<b>1,417,170.00</b>	<b>697,160</b>	<b>113,800</b>	

*BLESSED MUGUTHA SEC SCHOOL*

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

**Annex 2 – Summary of Fixed Assets Register**

<b>Asset Class</b>	<b>Historical Cost b/f (Kshs) 1<sup>st</sup> July 2022</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost c/f (Kshs) 30<sup>th</sup> June 2023</b>
Land				
Buildings And Structures	250,000,000	00.00		300,000,000
Motor Vehicles	00	00		00
Office Equipment, Furniture And Fittings	1,000,000	400,000		00
Textbooks				
ICT Equipment	200,000.00	100,000.00		300,000
Tools And Apparatus	2,506,000.00	24,000.00		2,530,000
Other Machinery And Equipment	1000,000.00	00.00		1,000,000
Heritage And Cultural Assets	30,000	13,450		43,450
Intangible Assets- Soft Ware	74,000	42,000		114,000
<b>Total</b>				