

REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

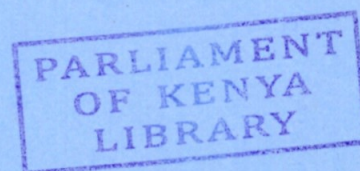
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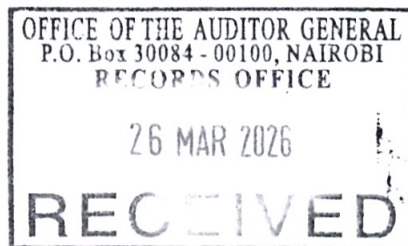
MARIAKANI SECONDARY SCHOOL

**FOR THE YEAR ENDED
30 JUNE, 2022**

KILIFI COUNTY

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 01 JUL 2026	
DAY: WEDNESDAY	
TABLED BY:	HON. OWEN BAYA, M.P.
CLERK-AT THE-TABLE:	CHRISTINE NDIRITU





MARIAKANI SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2022**

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

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1. Acronyms and glossary of terms

2. Key School Information And Management

(a) Background information

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is located in KILIFI County, KALOLENI Sub-County

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

The school is a day/boarding school and had 1037 number of students as at 30th June 2022. It has 5 streams and 34 teachers of which 12 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

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

Ref:	Name of Board Member	Designation	Date of appointment
1	Ramadhan Kimanthi	Chairman	5th July, 2019
2	Ngome Joshua Malidzo	Secretary - Principal	5th July, 2019
3	Raphael Bombo Ndeme	Member	5th July, 2019
4	Margaret Maitha	Member	5th July, 2019
5	Khuzeima Abdallah	Member	5th July, 2019
6	Ruth Wambani Nyongesa	Member	5th July, 2019
7	Mwamure Thoya	Member	5th July, 2019
8		Member – Rep CEB	5th July, 2019
9	Selina Masha	Member Rep Teachers	5th July, 2019
10		3 Members - Sponsor	5th July, 2019
11	Ruddy Karisa	Member - Community	5th July, 2019
12	Jamila Tabulo	MemberSpecial Needs	5th July, 2019
	Musa Hamad	Rep Students	

Key School Information and Management (Continued)**The function of the School Board of Management include:**

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

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Ramadhan Kimanthi Rama Shombo Raphael Bombo Ruth Kukubo Ngome J. Malidzo	B.O.M Chair P.A Executive Chair B.O.M Member B.O.M Member B.O.M Secretary	3 out of 4
2	Audit Committee	Khuzeima Abdallah Ruddy Karisa Suleiman Ngowa Phyiss Pendo	Member Member Member Member	2 out of 3
3	Finance,procurement and general purposes Committee	Ramadhan Kimanthi Vincent Kai Rama Shombo Khuzeima Abdalla Phyliss Pendo Renalda Wakio	Member Member Member Member Member Bursar	1 out of 3
4	Academic Committee	Fredrick Mwagona Selina Kabibi Raphael Bombo Ramadhan Kimanthi Ruth Kukubo	Member Member Member Member Member	3 out of 4
5	Development Committee			
6	Discipline and welfare Committee	Ruth Kukubo Rama Shombo	Member Member	4 out of 5

MARIAKANI SECONDARY SCHOOL

Reports and Financial Statements For the year ended 30th June 2022

		Raphael Bombo Margaret Maitha Ramadhan Kimanthi	Member Member Member	
7	Adhoc Committee (if any during the year)			

(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	NGOME JOSHUA MALIDZO	322324
2	Deputy Principal	ALFRED OKECH MAENDE	376746
3	School Bursar	RENALDA SEVERA WAKIO	24370156

(e) Schools contacts

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

(f) School Bankers

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

1. Name of Bank: Kenya Commercial Bank
Branch: Mariakani
Account Number: 1107816076 – Tuition Account
2. Name of Bank: Kenya Commercial Bank
Branch: Mariakani
Account Number: 1107816777 – Operational Account

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

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

(G) Independent Auditors

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

MARIAKANI SECONDARY SCHOOL

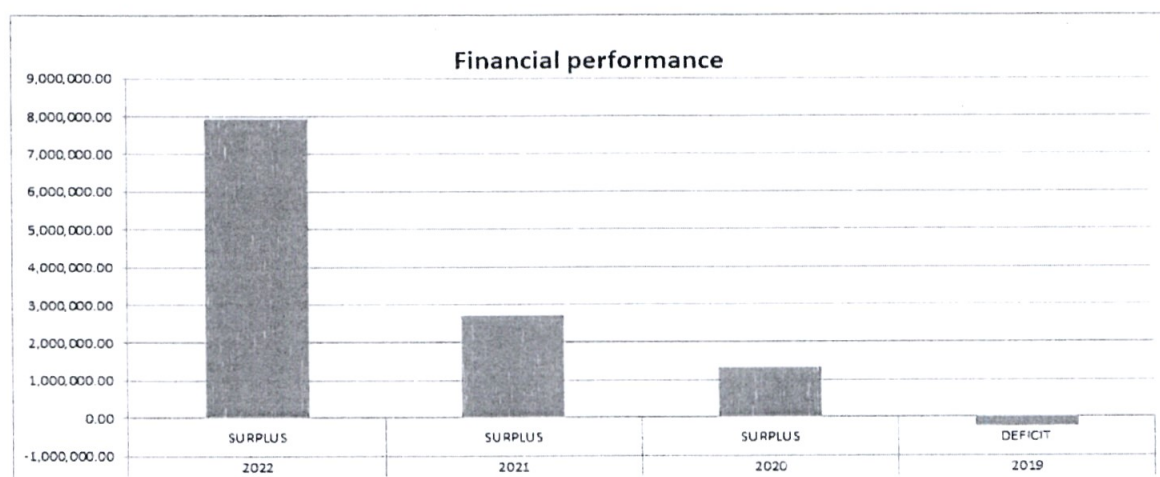
Reports and Financial Statements For the year ended 30th June 2022

3. 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:

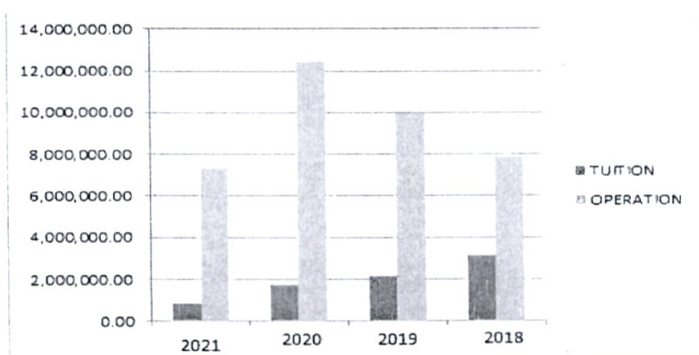
a) Financial performance:

YEAR	DESCRIPTION	AMOUNT	PAGE REFERENCE
2022	SURPLUS	9,338,519.90	Pg 1
2021	SURPLUS	7,934,239.17	Pg 1
2020	SURPLUS	2,709,300.00	Pg 1
2019	DEFICIT	1,338,899.40	



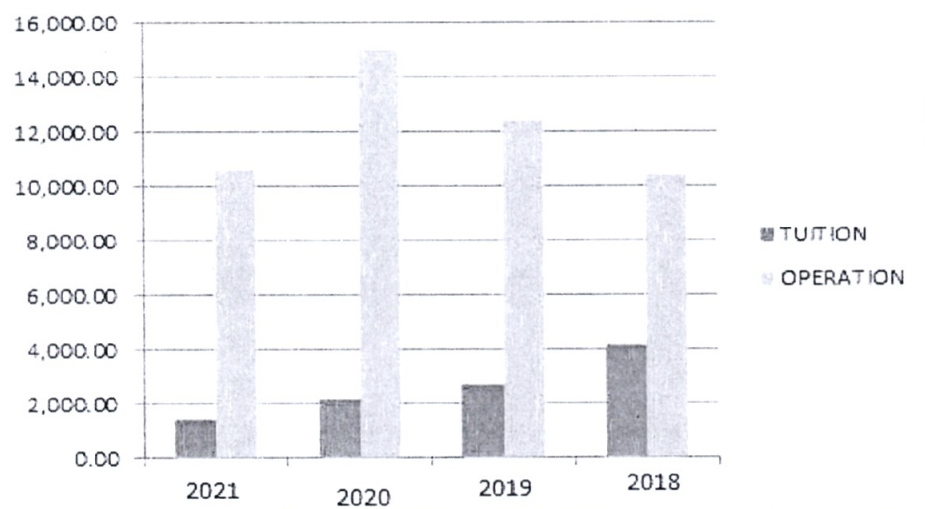
2. Capitation Grant from Ministry

ACCOUNT	2021	2020	2019	2018
TUITION	825,142.90	1,739,200.00	2,128,266.40	3,125,112.00
OPERATION	7,348,887.10	12,495,869.00	9,969,711.00	7,883,271.84



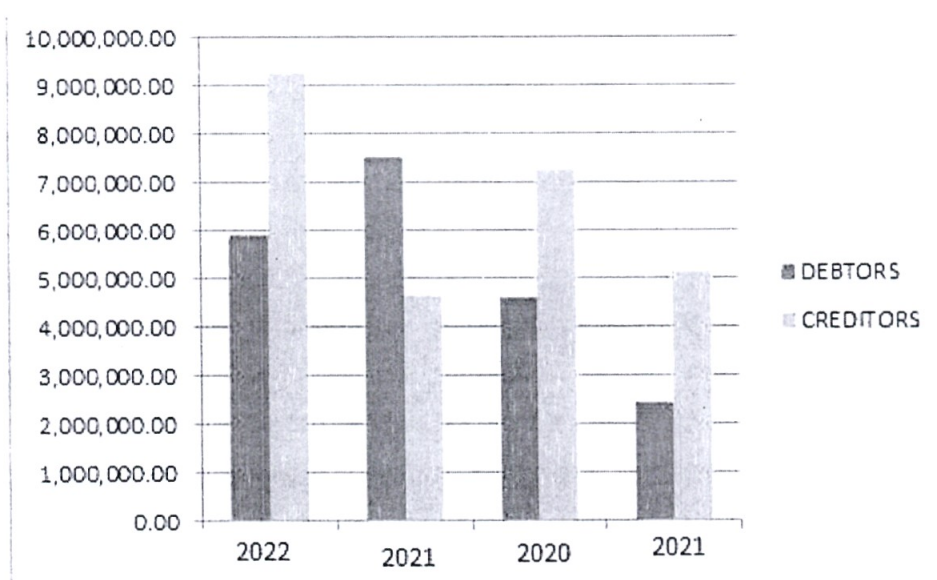
3. Capitation Grant per Student Ratio

ACCOUNT	2021	2020	2019	2018
TUITION	1:1,441.50	1:2,195.00	1:2,677.30	1:4,150
OPERATION	1:10,666.00	1:15,047.55	1:12,471.63	1:10,473.64



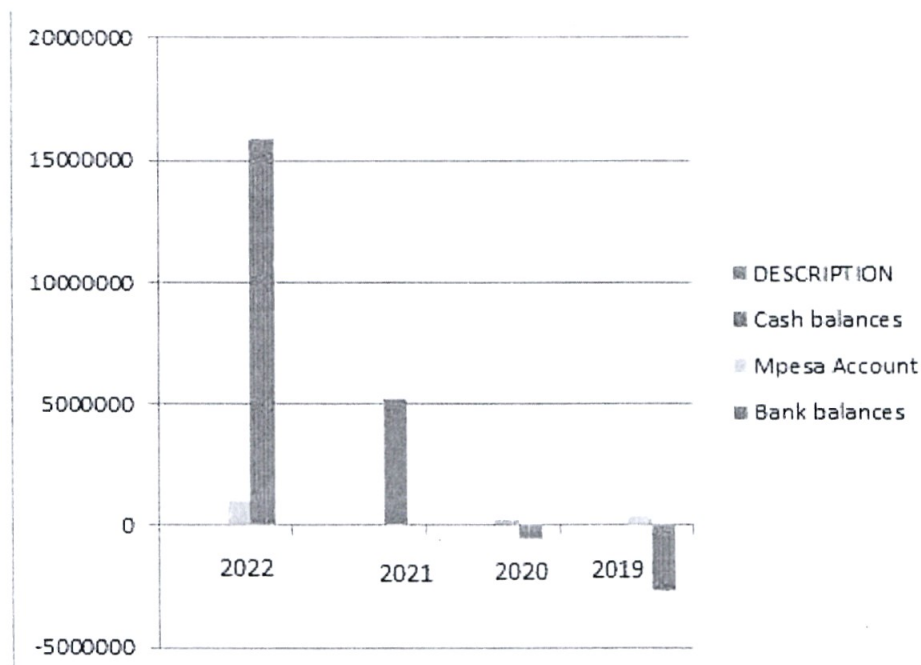
4. Movements in Debtors and Creditors

DESCRIPTION	2022	2021	2020	2019
DEBTORS	5,923,955.00	7,534,105.00	4,632,127.00	2,442,310.00
CREDITORS	9,286,759.00	4,641,863.00	7,261,560.00	5,158,100.00



5. Movement in Cash and Bank balances

DESCRIPTION	2022	2021	2020	2019
Cash balances	38,089.80	35,900.30	3,689.30	13,194.30
Mpesa Account	1,000,457.00		208,760.00	397,090.00
Bank balances	15,850,293.10	5,226,664.10	(533,906.63)	(2,663,484.29)

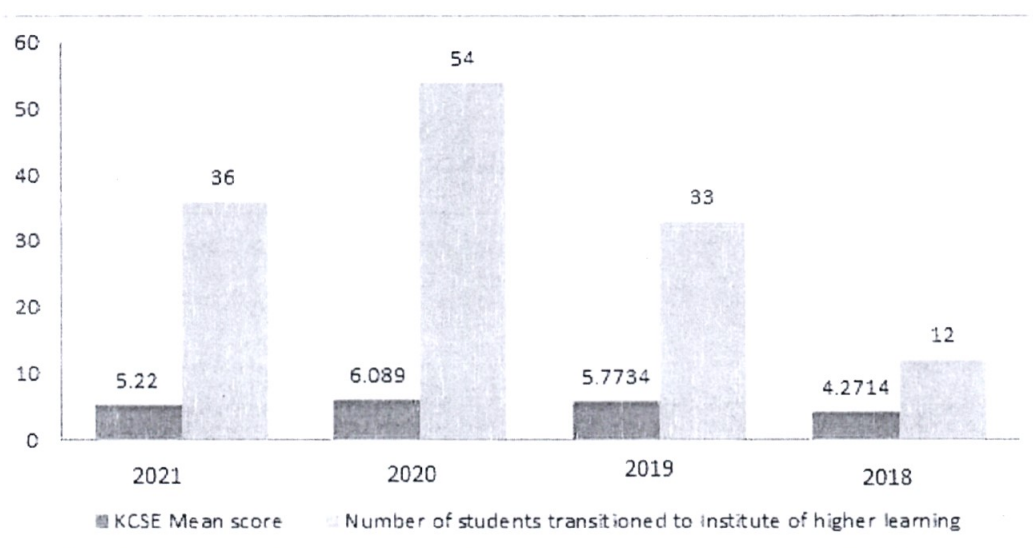


a) Teacher Student ratio:

S/NO	DESCRIPTION	
1	Teacher per Student Ratio	1:52
2	Number of Teachers recruited within the year	0
3	Teacher transferred/retired within the year	2
4	TSC Teacher employed	0
5	BOM Teachers employed	16
6	Teacher per Subject Ratio	1:45

b) Mean score in the 2021 KCSE:

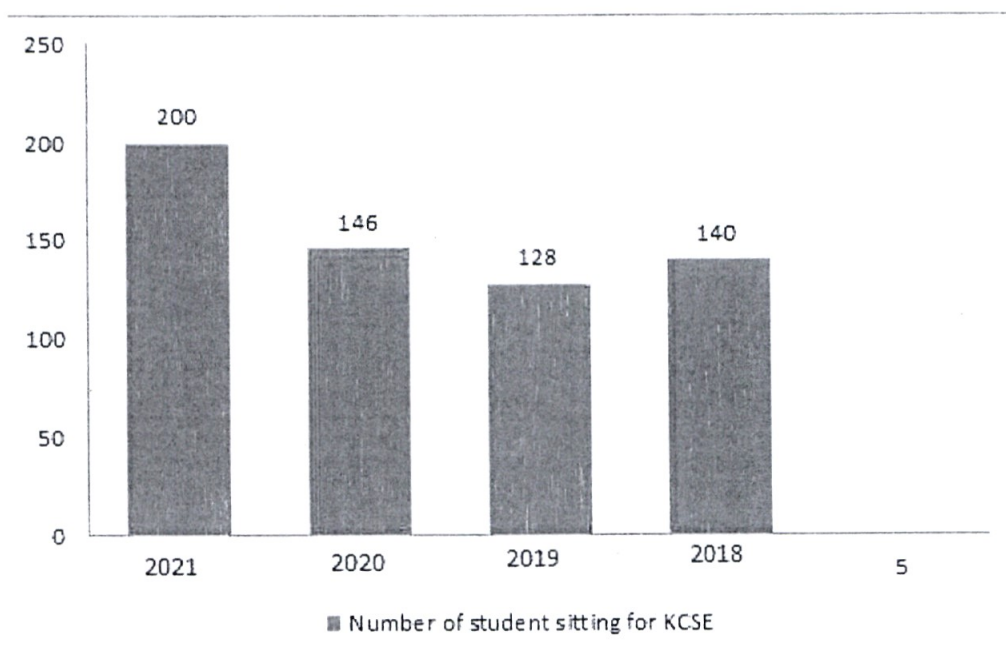
DESCRIPTION	2021	2020	2019	2018
KCSE Mean score	5.220	6.0890	5.7734	4.2714
Number of students transitioned to Institute of higher learning	36	54	33	12



c) Number of Candidates in the 2021 KCSE:

DESCRIPTION	2021	2020	2019	2018	
Number of student sitting for KCSE	200	146	128	140	

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



d) Capacity of the school:

DESCRIPTION	2022	2021	2020	2019
Student/Laboratory Ratio	1:346	1:358	1:345	1:340
Student/Toilet Ratio	1:104	1:102	1:102	1:107
Student/Dormitory Ratio	1:115	1:114	1:107	1:105

Summary Report of the Performance of the School (Continued)

e) Development projects carried out by the school:

(No projects were carried out during the Year)


.....
School Principal

PRINCIPAL
MARIAKANI SECONDARY SCHOOL
P. O. Box 34 -80113, MARIAKANI
Date: 21/11/22 Sign:

4. Statement Of School Management Responsibility

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

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

The Board of Management of *Mariakani Secondary School* accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

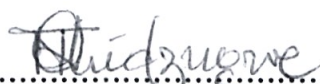
The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2022, and of the school's financial position as at that date.



.....
Name: RAMADHAN KIMANTHI HAMAD

Designation: Chairman, School Board of Management

Date: 21/11/2022



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

.....
Name: NGOME JOSHUA MALIDZO

Designation: School Principal & Secretary to Board of Management

Date: 21/11/2022



.....
Name: RENALDA SEVERA WAKIO

Designation: Bursar/ Finance Officer

Date: 21/11/2022

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON MARIAKANI SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 – KILIFI COUNTY

PREAMBLE

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

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Mariakani Secondary School set out on pages 1 to 21, which comprise of the statement of financial assets and financial

liabilities as at 30 June, 2022 and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Mariakani Secondary School as at 30 June, 2022 and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Variances in the Financial Statements

The statement of receipts and payments reflects payments for tuition amount of Kshs.4,054,332 while the ledger reflects an amount of Kshs.3,228,110 resulting in unexplained variance of Kshs.826,221. Further, the statement reflects payments for operations of Kshs.14,648,477 while the ledger reflects an amount of Kshs.14,050,976 resulting to unexplained variance of Kshs.597,501. In addition, the statement of financial assets and financial liabilities reflects accounts payable balance of Kshs.14,788,382 while the ledger reflects an amount of Kshs.9,286,759 resulting in unexplained variance of Kshs.5,501,623.

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

2. Unsupported School Fund Income

The statement of receipts and payments reflects school fund income - parents contributions and other receipts of Kshs.63,826,376 and Kshs.5,888,623 respectively which were not supported with detailed ledgers indicating the date, source of receipts, amount, student name, period of collection and payment method.

In the circumstances, the accuracy and completeness of school fund income – parents' contributions and other receipts of Kshs.63,826,376 and Kshs.5,888,623 respectively could not be confirmed.

3. Unsupported Payments

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects boarding and school fund payments of Kshs.67,237,904 which was not supported with ledgers indicating the transactions date, amount, payee and description of goods received or service rendered. Further, the statement reflects payments for operations of Kshs.14,648,477 out of which payments amounting to

Kshs.1,902,148 were made without support documentation such as requisitions, local purchase orders, delivery notes and inspection reports.

In the circumstances, the accuracy and completeness of boarding and school fund payments of Kshs.67,237,903 and operations amount of Kshs.14,648,477 could not be confirmed.

4. Inaccuracies in Cash and Cash Equivalents

The statement of financial assets and financial liabilities and as disclosed in Note 8 and Note 9 to the financial statements reflects cash and cash equivalents balance of Kshs.16,900,795 out of which Kshs.15,862,248 relates to bank balances held in eight (8) bank accounts. However, Management did not prepare bank reconciliation statements for five (5) bank accounts and cash in hand balance of Kshs.1,038,546 was not supported with board of survey certificate and memorandum cashbook. Further, review of bank statements revealed cash withdrawals amounting to Kshs.15,610,493 made without authorizations by the principal, supporting imprest warrants, surrender documents or memorandum cashbooks.

In the circumstances, the accuracy and completeness of cash and cash equivalents of Kshs.16,900,795 could not be confirmed.

5. Unsupported Accounts Receivables

The statement of financial assets and financial liabilities and as disclosed in Note 11 to the financial statements reflects accounts receivables balance of Kshs.31,666,474 which was not supported with ledgers.

In the circumstances, the accuracy and completeness of accounts receivables balance of Kshs.31,666,474 could not be confirmed.

6. Unsupported Accounts Payables

The statement of financial assets and financial liabilities and as disclosed in Note 12 to the financial statements reflects accounts payables of Kshs.14,788,382. Included in the balance are trade creditors amounting to Kshs.12,762,299 and prepaid fee of Kshs.2,026,083 which were not supported with invoices, local purchase orders or local service orders, delivery notes and inspection and acceptance reports. Further, included in the trade creditors balance is Kshs.5,618,579 that has been outstanding for more than two years.

In the circumstances, the accuracy, completeness and occurrence of accounts payables balance of Kshs.14,788,382 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Mariakani Secondary School Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe

that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget of Kshs.96,593,552 and actual on comparable basis of Kshs.81,565,710 resulting to under-funding of Kshs.15,027,842 or 16% of the budget. However, the School spent an amount of Kshs.75,451,836 against actual receipts of Kshs.81,565,710, resulting in an under-utilization of Kshs.6,113,874 or 7% against actual receipts.

The under-funding and under-utilization may have affected the planned activities and may have impacted negatively on service delivery to the School.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on

Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Delayed Transfer of Infrastructure Funds

The statement of receipts and payments and as disclosed in Note 2 to the financial statements reflects government grants for operations of Kshs.22,226,575 out of which Kshs.1,162,000 and Kshs.1,022,000 earmarked for infrastructure development was received in operations account on 3 August, 2021 and 08 October, 2021 and transferred to infrastructure account on 21 February, 2022 and 18 May, 2022 resulting in delays of 203 days and 223 days respectively. This was contrary to Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directs that infrastructure grants as well as maintenance and improvement funds be transferred to the School infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

2. Unbalanced Budget

The statement of budgeted versus actual amounts reflects total income budget of Kshs.96,593,552 and total expenditure budget of Kshs.93,286,459 resulting to an unbalanced budget of Kshs.3,307,093. This was contrary to Regulation 33(c) of the Public Finance Management (National Government) Regulations, 2015, which states that the budget should be balanced.

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

3. Failure to Prepare Annual Procurement Plan

The statement of receipts and payments reflects total payments of Kshs.85,940,712. 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 addition, Management had not made training arrangements to capacity build the existing personnel in the stores.

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

4. Irregular Procurement of Goods and Services

The statement of receipts and payments and as disclosed in Note 5, Note 6 and Note 7 to the financial statements reflects total payments of Kshs.85,940,712. Review of procurement processes revealed that goods worth Kshs.4,850,000 were procured without

advertising while use of direct procurement on goods amounting to Kshs.1,958,500 was not justified. Further, goods amounting to Kshs.7,839,977 were taken on charge without certification from inspection and acceptance committee and failure to raise professional opinions. This was contrary to Section 44(1) and (2)(g) of the Public Procurement and Asset Disposal Act, 2015 which states that an accounting officer of a public entity shall ensure the procurement and asset disposal process of the public entity comply with the Act.

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

5. Late Submission of Financial Statements

During the year under review, Management submitted the financial statements to the Auditor-General on 03 January, 2025 instead of the statutory deadline of 30 September, 2022. This was contrary to Section 47(1) of the Public Audit Act, 2015 with states that the financial statements required under the Constitution, the Public Finance Management Act, 2012 and any other legislation, shall be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Failure to Reconcile Student Enrolment Data

The statement of receipts and payments reflects capitation grants for tuition and operations of Kshs.3,337,658 and Kshs.22,226,575 respectively. Analysis of National Education Management Information System (NEMIS) data in July 2021 revealed an enrolment of six hundred and ninety-seven (697) students while School enrolment reflected nine hundred and ninety-one (991) students resulting in unreconciled variance

of two hundred and ninety-four (294) students. In October 2021, NEMIS reflected an enrolment of nine hundred and ninety-two (992) students while School enrolment reflected nine hundred and forty-four (944) students resulting in unreconciled variance of forty-eight (48) students. In January 2022, NEMIS reflected an enrolment of one thousand and twenty (1,020) students while School enrolment reflected one thousand and forty-eight (1,048) students resulting in unreconciled variance of twenty-eight (28) students. Further, in April 2022, NEMIS reflected an enrolment of one thousand and twenty-two (1,022) students while School enrolment reflected one thousand and thirty-two (1,032) students resulting in unreconciled variance of ten (10) students.

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

2. Long Outstanding Accounts Receivables

The statement of financial assets and financial liabilities and as disclosed in Note 11 to the financial statements reflects accounts receivables of Kshs.31,666,474. Included in the balance is fees arrears amounting to Kshs.21,891,165 which has been outstanding for over two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on full recoverability of the accounts receivables balance.

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

3. Failure to Maintain Fixed Assets Register

Annex 2 to the financial statements reflects summary of fixed assets register with a balance of Kshs.16,426,400. However, Management did not maintain an asset register indicating the purchase price of the asset, tag number, location and status of the assets.

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

4. Failure to Prepare School Improvement Plan

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

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

5. Weaknesses in The Management of Board Affairs

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

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

6. Lack of an Approved Risk Management Policy

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

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

7. Use of Manual Systems

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

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

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

Responsibilities of the Management and Board of Management

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

24 April, 2026

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

Description Of Vote Head	Note	2021-2022	2020-2021
		Kshs	Kshs
Receipts			
Capitation grants for tuition	1	3,337,658.20	1,150,285.75
Capitation grants for operations	2	22,226,575.60	11,840,736.00
School fund income- parents' contributions	3	63,826,376.00	20,726,612.00
School fund income- other receipts	4	5,888,623.00	2,823,046.00
Proceeds from borrowings		-	-
Total Receipts		95,279,232.80	36,540,679.75
Payments			
Payments for tuition	5	4,054,332.30	1,395,041.00
Payments for operations	6	14,648,477.00	7,239,269.00
Boarding and school fund payments	7	67,237,903.60	19,972,130.58
Total Payments		85,940,712.90	28,606,440.58
Surplus/Deficit		9,338,519.90	7,934,239.17

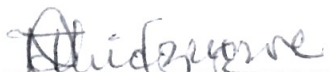
The school financial statements were approved on _____ 2022 and signed by:



Name: RAMADHAN K.
HAMAD

Chair BOM

Date: 22/11/2022



Name: NGOME JOSHUA
MALIDZO
School Principal/ Secretary to
BOM

Date: 22/11/2022

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



Name: RENALDA SEVERA
WAKIO

Bursar/ Finance Officer

Date: 22/11/2022

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

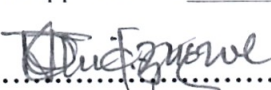
Description	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	8	15,862,248.15	5,239,639.15
Cash balances	9	1,038,546.80	35,900.30
Short term investment	10	-	-
Total cash and cash equivalent		16,900,794.95	5,275,539.45
Account's receivables	11	31,666,474.35	29,425,770.35
Total financial assets		48,567,269.30	34,701,309.80
Financial liabilities			
Accounts payables	12	(14,788,382.48)	(11,930,237.88)
Net financial assets		33,778,886.82	22,771,071.45
Represented by			
Accumulated fund b/fwd.	13	24,440,366.92	14,836,832.75
Surplus/deficit for the year		9,338,519.90	7,934,239.17
Net financial position		33,778,886.82	22,771,071.92

The school's financial statements were approved on _____ 2022 and signed by:


 Name: RAMADHAM
 KIMANTHI HAMAD

Chair BOM

Date: 21/11/2022


 Name: NGOME JOSHUA
 MALIDZO

School Principal/ Secretary to
 BOM

Date: 21/11/2022


 Name: RENALDA SEVERA
 WAKIO

Bursar/ Finance Officer

Date: 21/11/2022

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

8. Statement of Cash Flows for The Period Ended 30th June 2022

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Operating activities			
Receipts			
Capitation grants for tuition	1	3,337,658.20	1,150,285.75
Capitation grants for operations	2	22,226,575.60	11,840,736.00
School fund income- parents contributions/ fees	3	66,113,112.00	20,726,612.00
School fund income- other receipts	4	5,888,623.00	2,823,046.00
Total receipts		97,565,968.80	36,540,679.75
Payments			
Payments for tuition	5	4,054,332.30	1,395,041.00
Payments for operations	6	14,648,477.00	7,239,269.00
Boarding and school fund payments	7	67,237,903.60	19,972,130.58
Total payments		85,940,712.90	28,606,440.58
Net cash flow from operating activities		11,625,255.90	7,934,239.17
Cashflow from investing activities			
Proceeds from sale of assets		-	-
Acquisition of assets		-	(2,349,719.00)
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash flows from investing activities		-	-
Cashflow from borrowing activities			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
Net cash flow from financing activities		-	-
Net increase in cash and cash equivalents		11,625,255.50	5,584,520.73
Cash and cash equivalent at beginning of the year		5,275,539.45	(308,981.28)
Cash and cash equivalent at end of the year		16,900,794.95	5,275,539.45

(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).

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Receipts						
(1) Capitation Grant on Tuition						
Textbooks And Reference Materials	-	-	-	-	-	-
Exercise Books	1,089,715.00	-	1,089,715.00	-	1,089,715.00	0.0%
Laboratory Equipment	668,240.00	-	668,240.00	-	384,640.00	0.0%
Internal Exams	516,181.00	-	516,181.00	-	516,181.00	0.0%
Teaching / Learning Materials	3,426,497.00	-	3,426,497.00	3,337,658.00	88,839.00	2.7%
Chalks	-	-	-	-	-	-
Exams And Assessment	98,719.00	-	98,719.00	-	98,718	0.0%
Teachers Guides	-	-	-	-	-	-
(2) Capitation Grant on Operations						
Personnel Emoluments	5,875,000.00	-	5,875,000.00	4,008,215.00	1,866,785.00	46.6%
Repairs And Maintenance	7,410,000.00	-	7,410,000.00	5,192,750.00	2,217,250.00	42.7%
Local Transport / Travelling	596,575.00	-	596,575.00	369,402.00	227,173.00	61.5%
Electricity And Water	3,612,375.00	-	3,612,375.00	3,529,806.00	82,569.00	2.34%
Medical	2,470,000.00	-	2,470,000.00	-	2,470,000.00	0.0%
Administration Costs	1,395,550.00	-	1,395,550.00	1,301,503.00	94,047.00	7.2%
Activity	1,852,500.00	-	1,852,500.00	-	1,852,500.00	0.0%

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Gratuity	-	-	-	-	-	-
Smasse	-	-	-	-	-	-
(3) Fees Charged on Parents						
Personnel Emoluments	11,528,725.00	-	11,528,725.00	9,790,168.00	1738,557.00	84.9%
Repairs And Maintenance	3,470,000.00	-	3,470,000.00	3,069,892.00	400,180.00	88.46%
Local Transport / Travelling	1,896,750.00	-	1,896,750.00	1,787,203.00	109,547.00	94.2%
Electricity And Water	6,351,500.00	-	6,351,500.00	6,158,319.00	19,3181.00	96.9%
Medical	-	-	-	104,835.00	-	-
Administration Costs	2,984,750.00	-	2,984,750.00	2,678,133.00	306,617.00	89.8%
Activity	-	-	-	756,546.00	-	-
Smasse	-	-	-	-	-	-
Fee On Boarding Equipment and Stores	41,350,475.00	-	41,350,475.00	39,481,280.00	1,869,195.00	95.48%
Other Income						
Rent Income	-	-	-	-	-	-
Income From Farming Activities	-	-	-	-	-	-
Insurance Compensation	-	-	-	-	-	-
Income From Posho Mill	-	-	-	-	-	-
Income From Bus Hire	-	-	-	-	-	-
Fee For Hire of Ground And Equipment	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-
Income From Any Other Investment	-	-	-	-	-	-

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
Total Income	96,593,552.00		96,593,552	81,565,710.00	15,605,694.00	-
<i>(1) Expenditure For Tuition</i>						
Textbooks And Reference Materials	-	-	-	16,250.00	16,250.00	0%
Exercise Books	1,071,564.00	-	1,071,564.00	360,000.00	711,564.00	33.6%
Laboratory Equipment	688,240.00	-	688,240.00	660,355.50	59,409.90	95.6%
Internal Exams	359,026.00	-	359,026.00	-	359,026.00	0%
Teaching / Learning Materials	1,698,929.00	-	1,698,929.00	1,180,452.20	518,476.80	69.5%
Chalks	-	-	-	-	-	-
Exams And Assessment	-	-	-	-	-	-
Teachers Guides	-	-	-	-	-	-
Administration Costs	-	-	-	-	-	-
Bank Charges	-	-	-	840	840	-
<i>(2) Expenditure For Operations</i>						
Personnel Emoluments	5,902,000.00	-	5,902,000.00	4,809,350.00	1,092,650.00	82.9%
Repairs, Maintenance & Improvements	7,410,000.00	-	7,410,000.00	5,066,000.00	2,344,000.00	68.4%
Local Transport / Travelling	796,575.00	-	796,575.00	-	796,575.00	0%
Electricity, Water and Conservancy	3,612,375.00	-	3,612,375.00	1,654,799.00	1,957,576.00	45.8%
Medical	-	-	-	-	-	-
Administration Costs	1,895,550.00	-	1,895,550.00	1,814,878.00	167,980.00	95.7%
Activity Expenses	-	-	-	-	-	-

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Gratuity	-	-	-	-	-	-
Smasse	-	-	-	-	-	-
<i>(3) Expenditure For School Fund</i>						
Personnel Emoluments	11,528,725.00	-	11,528,725.00	7,279,304.00	4,249,421.00	63.14%
Repairs, Maintenance and Improvements	5,470,000.00	-	5,470,000.00	5,080,818.60	389,182.00	92.8%
Local Transport / Travelling	2,896,750.00	-	2,896,750.00	2,776,840.00	119,910.00	72%
Electricity, Water and Conservancy	6,051,500.00	-	6,051,500.00	2,862,674.00	3,188,826.00	47.3%
Medical Expenses	-	-	-	-	-	-
Administration Costs	2,284,750.00	-	2,284,750.00	1,792,883.00	491,867.00	78.5%
Activity	-	-	-	-	-	-
Gratuity	-	-	-	-	-	-
Infrastructure Account	-	-	-	-	-	-
Boarding Equipment and Stores	41,350,475.00	-	41,350,475.00	40,096,392.00	1,254,083.00	96.9%
Expenditure For Income Generating Activity	-	-	-	-	-	-
Insurance Costs	-	-	-	-	-	-
Other Expenses On Investments	-	-	-	-	-	-
Rent Expenses	-	-	-	-	-	-
Bank Charges	-	-	-	-	-	-
Loan Interest Repayment	-	-	-	-	-	-
Loan Principal Repayment	-	-	-	-	-	-
Acquisition Of Assets	-	-	-	-	-	-

MARIAKANI SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2022

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Totals	93,286,459.00	-	93,286,459.00	75,451,836.30	17,717,636.70	80.9%

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

10 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 2022.

11. Notes To The Financial Statements

1 Capitation Grant for Tuition

Description	2021 – 2022	JAN-JUNE 2021
	Kshs	Kshs
Textbooks And Reference Materials	-	316,928.50
Exercise Books	-	-
Laboratory Equipment	-	303,600.00
Teaching / Learning Materials	3,337,658.20	529,757.25
Chalks	-	-
Teachers Guides	-	-
Total	3,337,658.20	1,150,285.75

2 Capitation Grant for Operations

Description	2021 – 2022	JAN-JUNE 2021
	Kshs	Kshs
Personnel Emoluments	4,008,214.80	1,847,560.00
Repairs And Maintenance	12,813,250.00	7,734,250.00
Local Transport / Travelling	369,402.20	230,182.00
Electricity And Water	3,529,805.80	1,472,831.20
Medical	204,400.00	-
Administration Costs	1,301,502.80	555,912.80
Activity	-	-
Total	22,226,575.60	11,840,736.00

3 Parents Contribution/Fees - School Fund Account

Description	2021 – 2022	JAN-JUNE 2021
	Kshs	Kshs
Personnel emoluments	9,790,168.00	3,088,999.00
Repairs and maintenance	3,069,892.00	558,145.00
Local transport / travelling	1,787,203.00	284,348.00
Electricity and water	6,158,319.00	1,369,465.00
Medical	104,835.00	142,123.00
Administration costs	2,678,133.00	505,030.00
Activity	756,546.00	71,111.00
B.E.S	39,481,280.00	14,707,391.00
Total	63,826,376.00	20,726,612.00

Notes To The Financial Statements (Continued)

MARIAKANI SECONDARY SCHOOL

Reports and Financial Statements For the year ended 30th June 2022

4 Other Receipts – School Fund Account

Description	2021 – 2022	JAN-JUNE 2021
	Kshs	Kshs
Fee On Boarding Equipment and Stores	-	-
Rent Income	-	19,500.00
Income From School Canteen	1,516,350.00	963,050.00
Insurance Compensation	-	-
Tender Fees	103,000.00	31,000.00
School Bus Accident Levy	4,269,273.00	1,809,496.00
Fee For Hire of Ground and Equipment	-	-
Income From Grants and Donations*	-	-
Interest Income	-	-
Dividends Income	-	-
Total	5,888,623.00	2,823,046.00

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

5 Payments For Tuition

Description	2021 – 2022	JAN-JUNE 2021
	Kshs	Kshs
Textbooks And Reference Materials	16,250.00	16,047.00
Exercise Books	360,000.00	1,060,796.00
Laboratory Equipment	1,639,519.10	259,718.00
Internal Exams	-	-
Teaching / Learning Materials	2,037,723.20	58,000.00
Chalks	-	-
Exams And Assessment	-	-
Teachers Guides	-	-
Administration Costs	-	-
Bank Charges	840.00	480.00
Total	4,054,332.30.00	1,395,041.00

Notes To The Financial Statements (Continued)

6 Payments For Operations

Description	2021 – 2022	JAN-JUNE 2021
	Kshs	Kshs
Personnel Emoluments	4,809,350.00	2,511,875.00
Service Gratuity	-	-
Administration Cost	3,118,328.00	714,420.00
Repairs And Maintenance & Improvements	5,066,000.00	3,471,100.00
Local Transport / Travelling	-	-
Electricity And Water	1,654,799.00	541,874.00
Medical	-	-
Activity Expenses	-	-
Smasse	-	-
Insurance Cost	-	-
Bank Charges	-	-
Acquisition Of Assets	-	-
Total	14,648,477.00	7,239,269.00

Notes To The Financial Statements (Continued)

7 Boarding And School Fund Payments

Description	2022-2021	2021-2020
	Kshs	Kshs
Personnel Emoluments	7,279,304.00	2,959,674.00
Service Gratuity	-	-
Repairs And Maintenance & Improvements	5,080,818.60	2,197,187.00
Local Transport / Travelling	2,776,840.00	795,450.00
Electricity And Water	2,862,674.00	1,027,253.52
Medical Expenses	301,731.00	235,130.00
Administration Costs	1,792,883.00	795,696.50
Bank Charges	-	-
Expenses On Income Generating Activities - canteen	1,441,569.00	700,327.00
Fee On Boarding Equipment and Stores	40,096,392.00	11,233,413.56
Tender Fees	65,000.00	28,000.00
School Bus Accident Levy	2,276,063.00	-
Activity	710,129.00	-
Games Kits	-	-
Insurance Cost (Life Property)	-	-
Loan Principal Repayment	-	-
Loan Interest Repayment	-	-
Acquisition Of Assets	-	-
Total	67,237,903.60	19,972,130.58

(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	2022-2021	2021-2020
		Kshs	Kshs
Tuition Account	1107816076	130,918.50	21,371.00
Operations Account	1107816777	1,527,469.28	558,620.68
School Fund Account/Boarding	1107798108	479,219.32	216,172.42
Savings Account		12,475.05	12,475.05
Parent Association Development Account	1105870715	-	-
Equity Bank Kenya Limited	1060281066426	1,660,666.00	-
Infrastructural Account		12,051,000.00	4,430,500.00
Gratuity Account		500.00	500.00
Total		15,862,248.15	5,239,639.15

9 Cash In Hand

Description	2022-2021	2021-2020
	Kshs	Kshs
Tuition Account	-	-
Operation Account	-	-
School Fund account	1,038,546.80	35,900.30
Total	1,038,546.80	35,900.30

10 Short Term Investments

Description	2022-2021	2021-2020
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit	-	-
Equity Stock	-	-
Other Investments	-	-
Total	-	-

Notes To The Financial Statements (Continued)

11 Accounts Receivable

Description	2022-2021	2021-2020
	Kshs	Kshs
Fees Arrears	31,663,974.35	29,425,270.35
Other Non-Fees Receivables	-	-
Salary Advances	-	-
Operational Account	-	-
Imprest	2,500.00	500.00
Total	31,666,474.35	29,425,770.35

Ageing of the fees / non fees arrears below

Description	2022-2021	2021-2020
	Kshs	Kshs
Fees Arrears For Current Year	5,923,955.00	7,534,105.00
Fees Arrears received during the year	(3,685,251.00)	(3,762,560.00)
Fees Arrears For The Previous Year	7,534,105.00	4,632,127.00
Fees Arrears For Prior Periods (Over Two Years)	21,891,165.35	21,021,598.35
Total	31,663,974.35	29,425,270.35

12 Accounts Payable

Description	2022-2021	2021-2020
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	12,762,299.48	10,260,442.88
Prepaid Fees	2,026,083.00	1,668,595.00
Kudheihha Union	-	1,200.00
Main Account		
Retention Monies	-	-
Total	14,788,382.48	11,930,237.88

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

Description	2022-2021	2021-2020
	Kshs	Kshs
Trade Creditors for Current Year	9,286,759.60	4,641,863.00
Trade Creditors paid during the Year	(6,784,903.00)	(5,675,229.00)
Trade Creditors for The Previous Year	4,641,863.00	7,261,560.00
Trade Creditors for Prior Periods (Over Two Years)	5,618,579.88	4,032,248.88
Total	12,762,299.48	10,260,442.88

Notes To The Financial Statements (Continued)

13 Fund Balance Brought Forward

Description	2022-2021	2021-2020
	Kshs	Kshs
Bank Balances	5,239,639.15	(521,430.58)
Cash Balances	35,900.30	211,449.30
Short Term Investments	-	-
Receivables	29,425,270.35	25,653,725.35
Payables	(10,260,442.88)	(11,293,808.88)
Total	24,440,366.92	14,836,832.75

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	2022-2021	2021-2020
	Kshs	Kshs
Bank Loan(S)	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Total	-	-

15 Biological assets

Description	Numbers	2022-2021	2021-2020
		Kshs	Kshs
Cattle		-	-
Goats		-	-
Trees		870	620
Coffee Or Tea Plantation		-	-
Poultry		-	-
Total		870	620

16 Borrowings

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

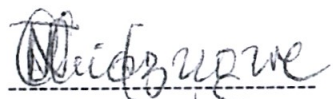
Other important disclosure notes**17 Stock/ Inventory**

Description	2022-2021	2021-2020
	Kshs	Kshs
b) Inventory		
Stock/ inventory at beginning of the year	242,065,000.00	242,065,000.00
Stock/ inventory purchased during the year	45,489,398.50	25,122,620.00
Stock/ inventory issued during the year	(42,639,398.50)	(25,122,620.00)
Balance at end of the year	244,915,000.00	242,065,000.00

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)
	Measures to ensure that fees arrears are recovered to enable the school maximise its revenue.	To engage respective class teachers in fees collection through communication with parents and follow up on the same.	Resolved.	



Sign and Date: 21/11/2022
Principal

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

MARIAKANI SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2022

Annex 1 - Analysis Of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 20XX-1	Comments
	a	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1.						
2.						
Sub-Total						
Supply Of Goods						
3. Dura Discoveries -Firewood	546,000.00	1 st Jan 2022	432,000.00	114,000.00	36,000.00	
4. Top Mariakani Stationery - Stationeries	691,230.00	1 st Jan 2022	100,800.00	590,430.00		
5. Darulsalaam Wholesalers - Foodstuffs	11,484,810.0	1 st Jan 2022	7,877,210.00	3,607,600.00	2,512,190.00	
6. Msenangu Butchery - Meat	745,030.00	1 st Jan 2022	332,255.00	412,775.00		
7. Hilkath Ventures – Lesson Preparation Books	671,500.00	1 st Jan 2022	471,500.00	200,000.00	200,000.00	
8. Sky Point Technologies Ltd – Tonners & Cartridges'	1,243,610.00	1 st Jan 2022	840,610.00	403,000.00	171,740.00	
9. Hilkath Ventures – Learning Materials	671,500.00	1 st Jan 2022	334,000.00	337,500.00	157,500.00	
10. Friendship Enterprises	3,581,050.00	1 st Jan 2022	2,433,800.00	1,147,250.00		
11. Nelkatz Enterprises	545,500.00	1 st Jan 2022	293,000.00	252,500.00		
12. Sham Hardware Ltd	1,094,565.00	1 st Jan 2022	948,015.00	146,550.00		
13. Island Uniforms – Staff Uniforms	238,450.00	1 st Jan 2022	0	238,450.00		
14. Friendship Enterprises – Prefects Uniforms				229,400.00		

MARIAKANI SECONDARY SCHOOL

Reports and Financial Statements For the year ended 30th June 2022

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 20XX-1	Comments
15. Mariecho Enterprises	473,420.00	1 st Jan 2022	378,320.00	95,100.00	400,890.00	
16. Gentrade Supplies	1,939,341.60	1 st Jan 2022	960,178.00	979,163.60		
17. Ayam Book Centre	890,841.00	1 st Jan 2022	294,000.00	596,841.00		
18. Innovation Enterprises	30,000.00	1 st Jan 2022	0	30,000.00		
Sub-Total						
Supply Of Services						
19. Kemwach Enterprises	427,100.00	1 st Jan 2022	320,900.00	106,200.00	48,000.00	
20. Arasan Traders				150,000.00	150,000.00	
21. Bora Bora Hardware Limited				301,320.00	301,320.00	
22. Nasky Technologies Limited				661,250.00	2,163,050.00	
23. Albyz Enterprises Limited				1,504,000.00	1,504,000.00	
24. Kansbag Limited				170,250.00	170,250.00	
25. Celcom Africa				20,000.00	20,000.00	
26. Benedict Ogolio				18,000.00	18,000.00	
27. Metrowise Investments				650,720.00	1,252,159.00	
28. The County Luxury Comfort Hotels Ltd					379,400.00	
29. Kalmar Marketing Services Ltd					736,143.00	
30. Kingsport's House:- Games Equipment's					39,800.00	
Sub-Total						
Grand Total				12,762,299.00	10,260,442.00	

Annex 2 – Summary Of Fixed Assets Register

Asset Class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2022
Land 1		MARIAKANI				
Land 2		MARIAKANI				
Buildings And Structures		MARIAKANI				
Motor Vehicles						
Office Equipment, Furniture And Fittings	24/07/2021	MARIAKANI	3,575,000.00	93,400	-	3,668,400.00
ICT Equipment, And Other ICT Assets	18/11/2021	MARIAKANI	343,000.00	140,000.00	-	483,000.00
Tools And Apparatus	01/02/2022	MARIAKANI	7,845,000.00	2,423,000.00	-	10,268,000.00
Textbooks						
Other Machinery And Equipment	30/07/2021	MARIAKANI	1,250,000.00	120,000.00	100,000.00	1,270,000.00
Heritage And Cultural Assets	27/07/2021	MARIAKANI	240,000.00	12,000.00	-	252,000.00
Intangible Assets- Soft Ware	10/09/2021	MARIAKANI	250,000.00	235,000.00	-	485,000.00
Total			13,503,000	3,023,400	(100,000)	16,426,400