

REPUBLIC OF KENYA



*Enhancing Accountability*

PARLIAMENT  
OF KENYA  
LIBRARY

**REPORT**

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 20 NOV 2024	DAY.
TABLED BY:	Deputy Leader of Majority Party
CLERK-AT-TABLE:	WILLIS OBIENO

**THE AUDITOR-GENERAL**

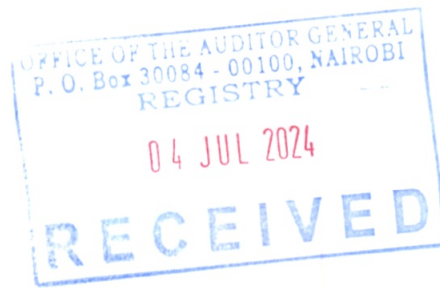
**ON**

**MERU SCHOOL**

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

**MERU COUNTY**





*Revised 30<sup>th</sup> June 2022.*



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# ***MERU SCHOOL***

**PUBLIC SECONDARY SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE 2022**

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

**PUBLIC SECONDARY SCHOOLS - MERU SCHOOL**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

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**PUBLIC SECONDARY SCHOOLS - MERU SCHOOL**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

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**PUBLIC SECONDARY SCHOOLS - MERU SCHOOL**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

**I. Key School Information And Management**

**MERU SCHOOL**

**(a) Background information**

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

The school was re-registered in **MAY 2012** under registration number **PU/S/3/1673/12** and is currently categorized as a **National** public school established, owned or operated by the Government.

The school is a boarding school and had **1980** number of students as at *30<sup>th</sup> June 2022*. It has **37** streams and **89** teachers of which **15** 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	Eng. David N. Rukunga	Chairman - Sponsor	16TH MAY 2019
2	Mr. Lawrence K. Kariuki	Secretary - Principal	16TH MAY 2019
3	Dr. Viona N. Ojiambo	Member – Rep. Parents/Local Community	16TH MAY 2019
4	Mr. Hilole Hussein	Member – Rep. Parents/Local Community	16TH MAY 2019
5	Mrs. Anne K. Ntoiti	Member – Rep. Parents/Local Community	16TH MAY 2019
6	Dr. Faith Ngugi Nkuru	Member– Rep. Parents/Local Community	16TH MAY 2019
7	Dr. Mercy N. Thurania	Member – Rep. Parents/Local Community	16TH MAY 2019
8	Rev. Josphat Nturibi	Member – Rep. Parents/Local Community	16TH MAY 2019
9	Dr. Karau Bundi	Member – Rep. CEB	16TH MAY 2019
10	Mrs. Mary M. Muiruri	Member - Rep Teachers	16TH MAY 2019
11	Eng. David N. Rukunga	Member – Rep. Sponsor	16TH MAY 2019
12	Mrs. Nancy G. Gitonga	Member – Rep. Sponsor	16TH MAY 2019
13	Mr. Julius Kithinji	Member – Rep. Sponsor	16TH MAY 2019
14	Mrs. Penina Kambura Mutwiri	Member -Special Needs	16TH MAY 2019
15	Mr. Manasses K. Kariuki	Member - Special Interest Group	16TH MAY 2019
16	Rev. Joshua M. Rutere	Member – Co-opted	16TH MAY 2019
17	Ms. Francisca Kaipoi	Member – Co-opted	16TH MAY 2019

**PUBLIC SECONDARY SCHOOLS - MERU SCHOOL**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

**Key School Information and Management (Continued)**

**The function of the School Board of Management include:**

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

**(c) Committees of the Board**

Ref	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	<b>Executive Committee</b>	ENG. DAVID N. RUKUNGA	Chairman B.O.M.	2 out of 2
		MR. LAWRENCE K. KARIUKI	Secretary/Principal	2 out of 2
		REV. JOSHUA M. RUTERE	Chairman P.A.	2 out of 2
		DR. MERCY N. THURANIRA	V/Chairperson B.O.M.	2 out of 2
		REV. JOSPHAT NTURIBI	Member	2 out of 2
2	Audit Committee	DR. FAITH N. NGUGI	Secretary	1 out of 2
		MRS. PENINA K. MUTWIRI	Member	1 out of 2
		REV. JOSPHAT M. RUTERE	Chairman	1 out of 2
3	Finance, procurement and general purposes Committee	MRS. NANCY G. GITONGA	Secretary	2 out of 2
		REV. JOSPHAT NTURIBI	Chairman	2 out of 2
		REV. JOSHUA M. RUTERE	Member	2 out of 2
		MS. FRANCISKA KAIPOI	Member	2 out of 2
4	Academic Committee	MRS. ANN K. NTOITI	Chairperson	2 out of 2

**PUBLIC SECONDARY SCHOOLS - MERU SCHOOL**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

		DR. VIONA N. OJIAMBO MRS. MARY M. MUIRURI MR. JULIUS K. KIRIMA	Secretary Member Member	2 out of 2 2 out of 2 2 out of 2
5	Development Committee	REV. JOSPHAT NTURIBI  MR. LAWRENCE K. KARIUKI ENG. DAVID N. RUKUNGA MR. JOSEPH NJERU REV. JOSHUA RUTERE MRS. NANCY GITONGA	Chairperson Member Member Member Member Secretary	2 out of 2 2 out of 2 2 out of 2 2 out of 2 2 out of 2 2 out of 2
6	Discipline and welfare Committee	DR. BUNDI KARAU  DR. MERCY N. THURANIRA  MR. MANASSES K. KARIUKI MR. HILOLE HUSSEIN	Member Chairperson Secretary Member	3 out of 3 3 out of 3 3 out of 3 3 put of 3
7	Adhoc Committee (if any during the year)	MS. CHARITY MUKIRI KAMUNDI  MR. FRANCIS G. MUTWIRI  MR. ENOCK W. WANGILA  MR. ROBERT RUKARIA MR. MARK W. NAMASWA MS. FRIDAH K. ARIMI MR. JUMA S. ISAAC MS. JOY MAKENA	Secretary Chairman Member Member Member Member Member Member	1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1

**PUBLIC SECONDARY SCHOOLS - MERU SCHOOL**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

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**(d) School operation Management**

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

Ref:	Designation	Name	TSC Number
1	Principal	Mr. Lawrence K. Kariuki	272913
2	Deputy Principal – Administration	Mr. Mutwiri F. Gitonga	458790
3	Deputy Principal – Academics	Mr. Kathuru Joseph Gitari	215458
4	School Bursar	Ms. Charity Mukiri Kamundi	ID/23075203

**(e) Schools contacts**

Post Office Box: 103 – 60200 Meru  
 Telephone: 0794 338381  
 E-mail: [meruschool2015@gmail.com](mailto:meruschool2015@gmail.com)  
 Website: [www.meruschool.ac.ke](http://www.meruschool.ac.ke)

**(f) School Bankers**

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

1. Name of Bank: Equity Bank of Kenya  
 Branch: Makutano Meru  
 Account Number: 1040298414943
2. Name of Bank: Kenya Commercial Bank  
 Branch: Makutano Meru  
 Account Number: 1254174192
3. Operations Account – 1040280219529 – Equity Bank Makutano Branch Meru  
 01021039005500 – National Bank – Meru Branch
4. Tuition Account – 1040219535 – Equity Bank Makutano Branch Meru  
 01025039706600 – National Bank – Meru Branch
5. Infrastructure Account – 1254174214 – KCB Makutano Branch Meru
6. Fund Account – 1104161850 – KCB – Meru Branch
7. Caution Money Account – 1102258911 – KCB – Meru Branch
8. MPESA Pay Bill No. Business Number 247247  
 attached to Equity Bank account  
 A/C No. 1040298414943
9. MPESA Pay Bill No. Business Number 522123  
 attached to KCB Bank account  
 A/C No. 1254174192

**PUBLIC SECONDARY SCHOOLS - MERU SCHOOL**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

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**(g) Independent Auditors**

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

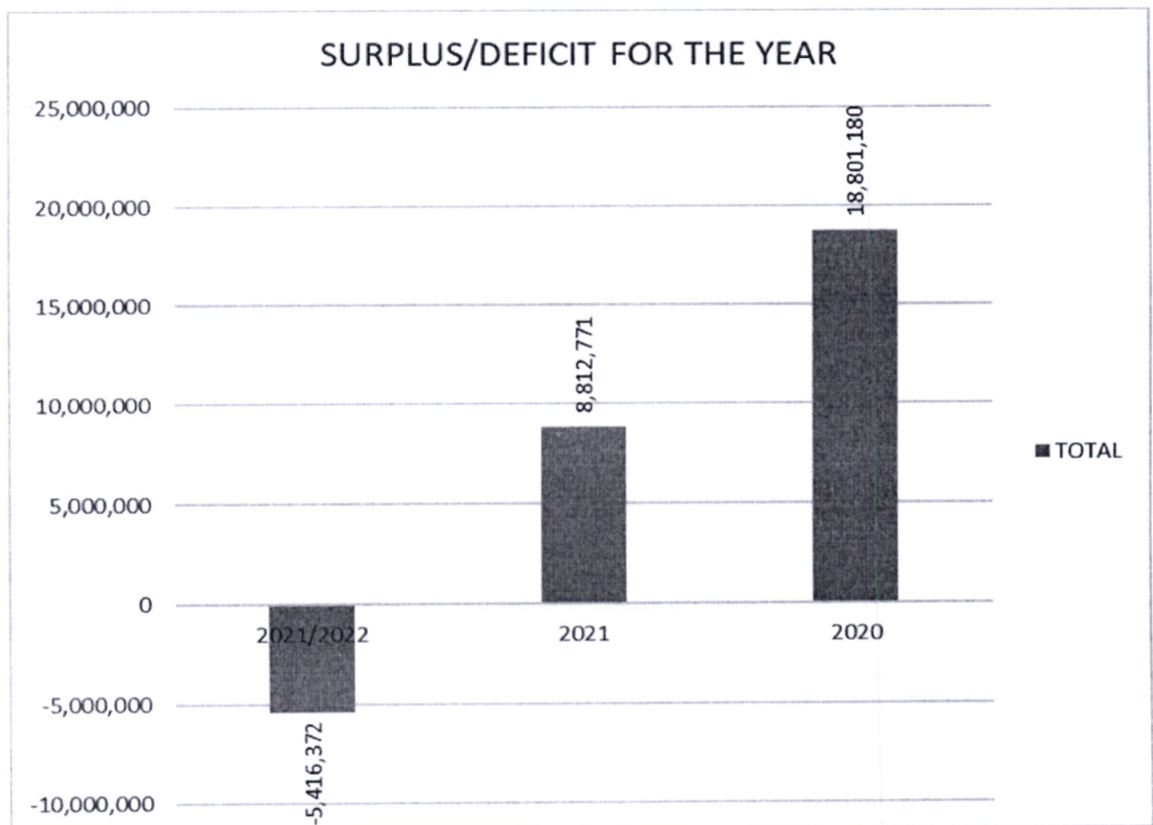
**PUBLIC SECONDARY SCHOOLS - MERU SCHOOL**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

**II. Summary Report Of Performance Of The School**

**a) Financial performance:**

**SURPLUS/ DEFICIT FOR THE YEAR AND A COMPARISON OF THE SAME FOR THE LAST THREE YEARS**

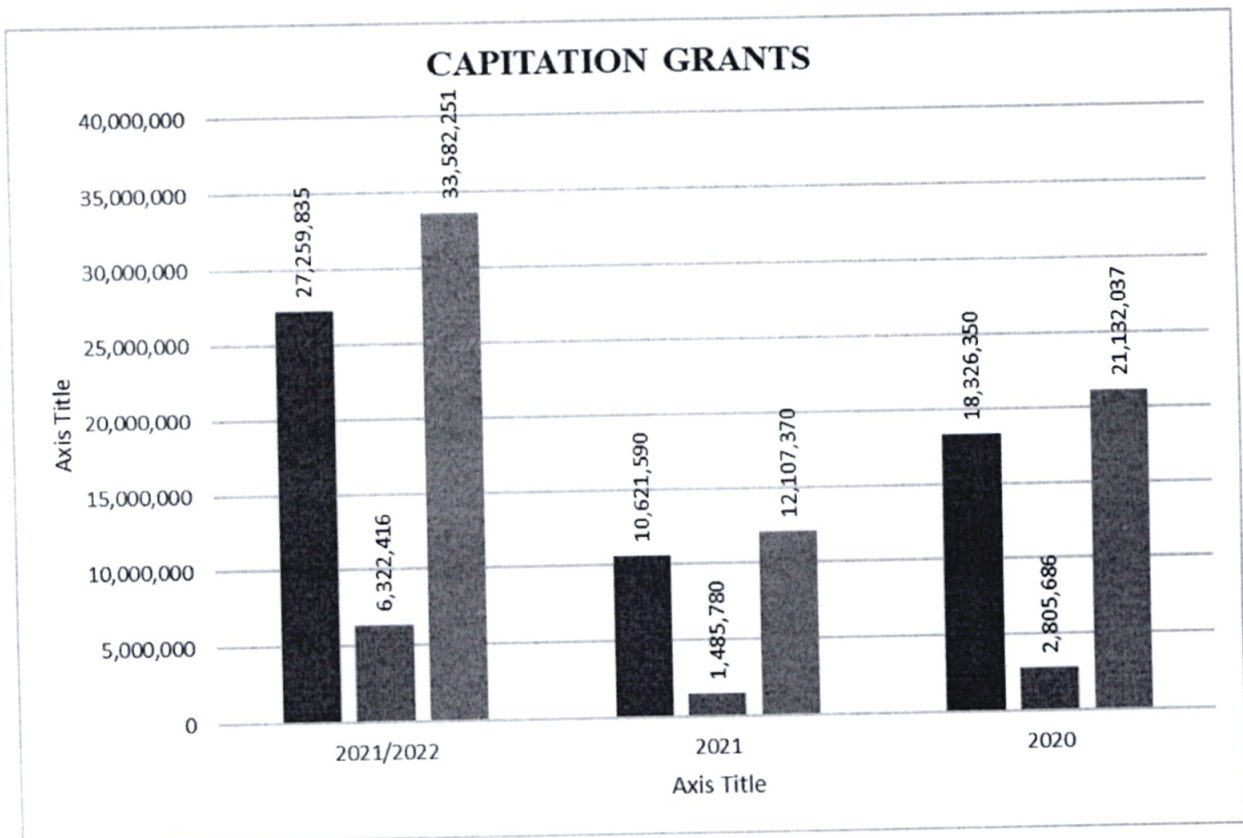
	2021/2022	2021	2020
	KSHS.	KSHS.	KSHS.
TOTAL	(5,416,372)	8,812,771	18,801,180



**PUBLIC SECONDARY SCHOOLS - MERU SCHOOL**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

**CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS**

ACCOUNTS	2021/2022	2021	2020
	KSHS.	KSHS.	KSHS.
Operations Account	27,259,835	10,621,590	18,326,350
Tuition Account	6,322,416	1,485,780	2,805,686
Totals	33,582,251	12,107,370	21,132,037
No. of students	1950	1574	1567
Ratio per capitation per student	1:17222	1:09945	1:13485

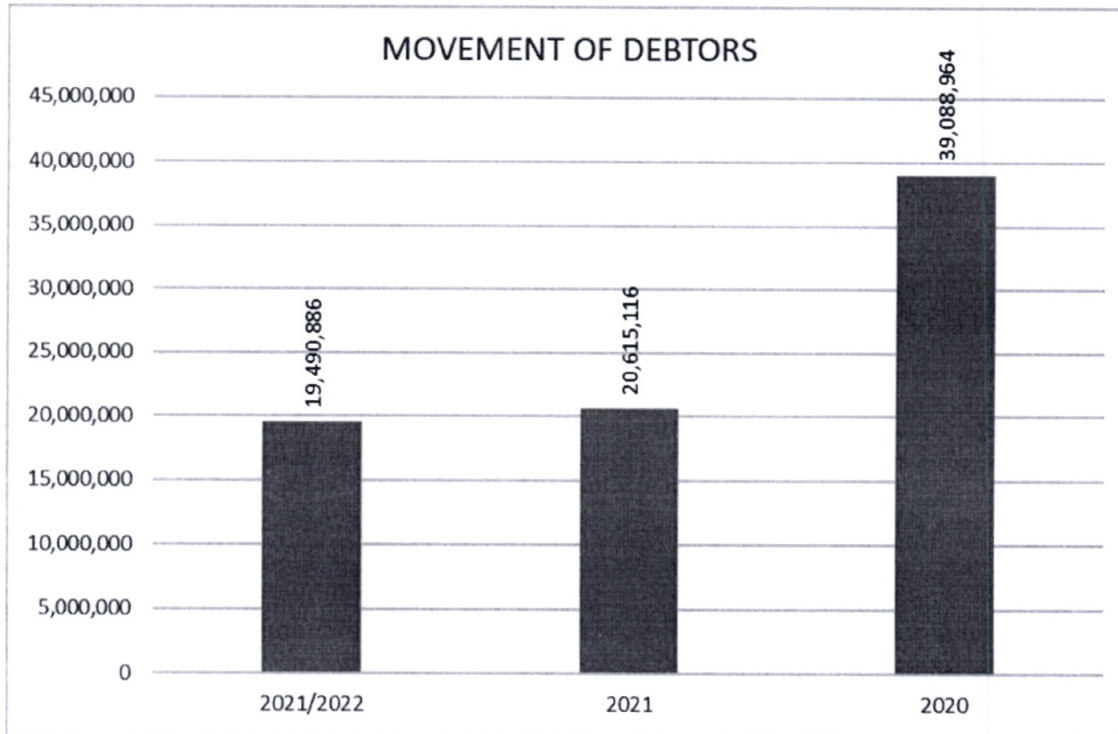


**PUBLIC SECONDARY SCHOOLS - MERU SCHOOL**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

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**MOVEMENT OF DEBTORS OF THE SCHOOL OVER THE LAST THREE YEARS**

	<b>2021/2022</b>	<b>2021</b>	<b>2020</b>
Total	19,490,886	20,615,116	39,088,964

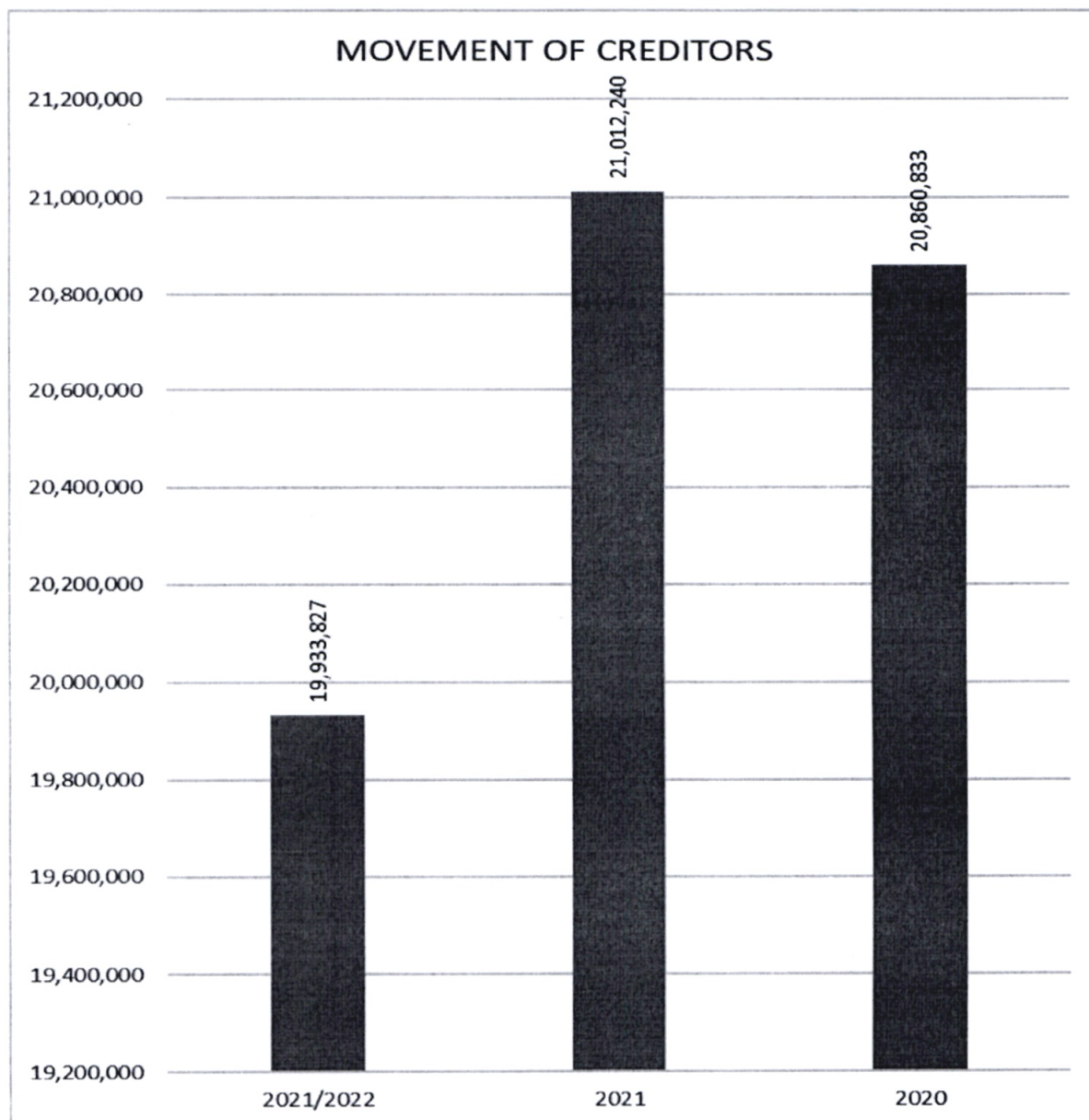


**PUBLIC SECONDARY SCHOOLS - MERU SCHOOL**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

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**MOVEMENT OF CREDITORS OF THE SCHOOL OVER THE LAST THREE YEARS**

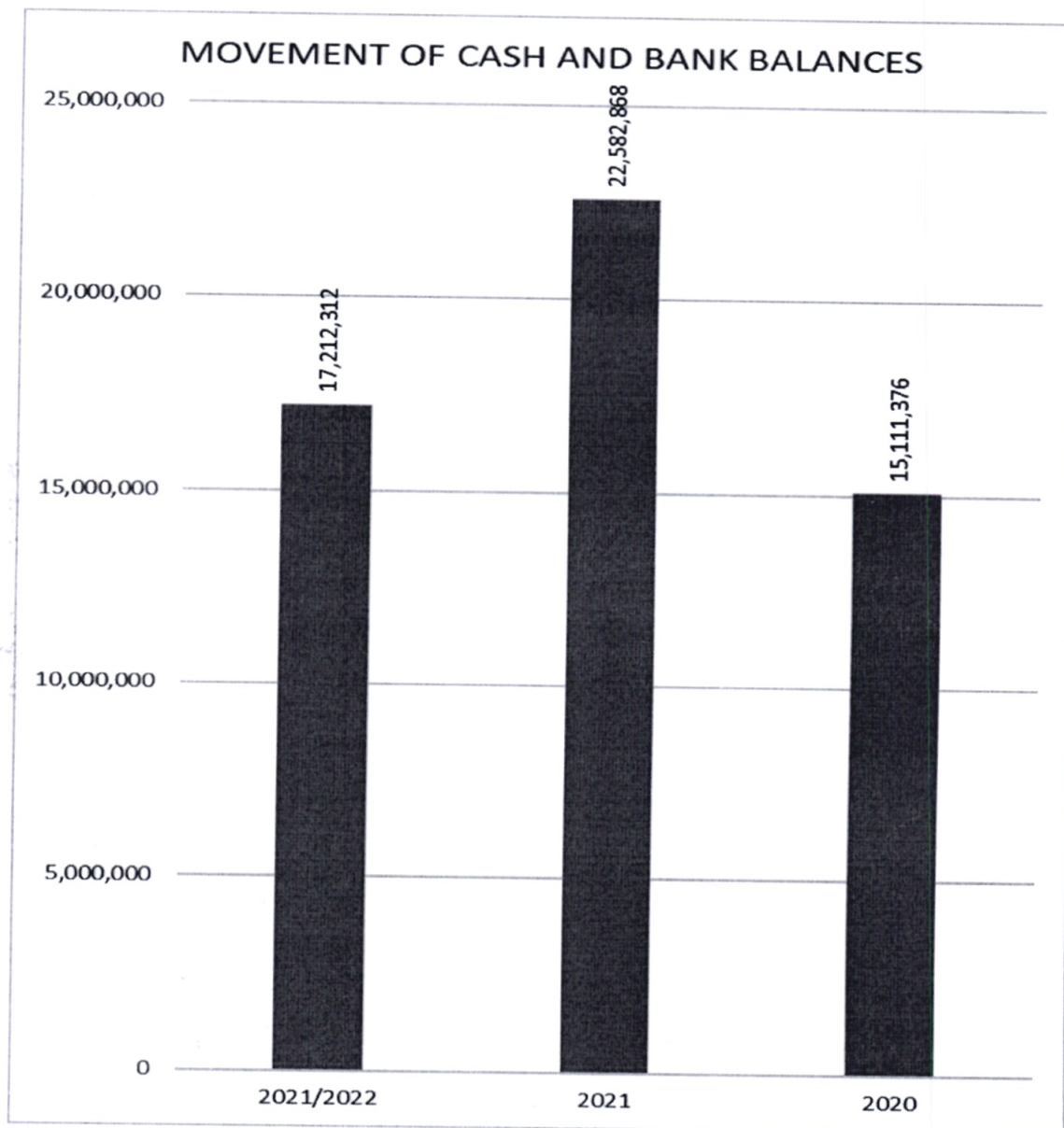
	<b>2021/2022</b>	<b>2021</b>	<b>2020</b>
Total	19,933,827	21,012,240	20,860,833



**PUBLIC SECONDARY SCHOOLS - MERU SCHOOL**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

**MOVEMENT OF CASH AND BANK BALANCES OVER THE LAST THREE YEARS**

	<b>2021/2022</b>	<b>2021</b>	<b>2020</b>
Total	17,212,312	22,582,868	15,111,376



**PUBLIC SECONDARY SCHOOLS - MERU SCHOOL**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

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b) **Teacher Student ratio:**

Teacher to student Ratio = **15 : 37**

*Number of teachers recruited and posted to the school within the year,*

Number of teachers recruited and posted to the school within the year = **6**

*Number of teachers that were transferred/ retired during the period*

Number of Teachers that were transferred during the period = **4**

*as well as number of teachers employed by TSC, and number employed by BOM.*

Number of teachers employed by TSC = **74**

Number employed by B.O.M. = **15**

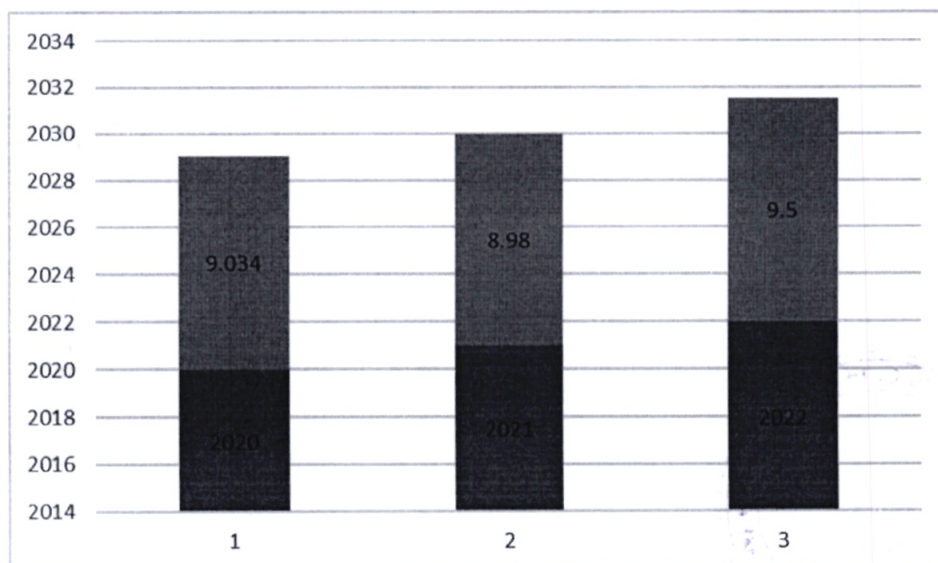
**NO. OF TEACHES PER EACH SUBJECT**

ENGLISH	8	
KISWAHILI	8	
MATHEMATICS	10	
BIOLOGY	6	
PHYSICS	8	
CHEMISTRY	6	
HISTORY	6	
GEOGRAPHY	4	
C.R.E.	5	
I.R.E.	1	
ART & DESIGN	2	
FRENCH	1	
MUSIC	1	
COMPUTER STUDIES	5	
BUSINESS STUDIES	<u>5</u>	
	<b>74</b>	<b>B.O.M. TEACHERS 14</b>
CBE	<b>89</b>	
SHORTAGE/DEFICIT	<b>15</b>	

**PUBLIC SECONDARY SCHOOLS - MERU SCHOOL**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

c) Mean score in the 2020, 2021 and 2022 KCSE:

YEAR	ENROLMENT	MEAN	TRANSITION	TRANSITION (%)	SCHOOL TARGET	DEV
2020	320	9.034 B	297	92%	10.5	There was a positive deviation +0.352
2021	399	8.98 B	366	92%	10.5	There was a negative deviation of -0.05
2022	325	9.5018 B+	319	98%	10.5	There was a positive deviation of +0.52



d) Number of Candidates in the 2020, 2021 and 2022 KCSE:

YEAR	ENTRY
2020	320
2021	399
2022	325

**PUBLIC SECONDARY SCHOOLS - MERU SCHOOL**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

e) **Capacity of the school:**

**No. of Students in the school - 1980**

DORMITORIES – 12

DINING HALL – 2

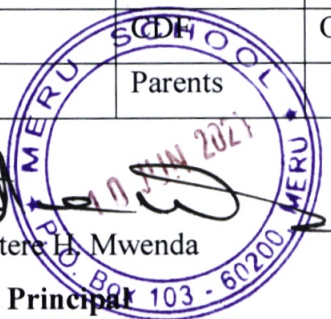
THE LABORATORIES – 7

TOILETS – 54

f) **DEVELOPMENT PROJECTS CARRIED OUT BY THE SCHOOL:**

PROJECT NAME	SOURCE OF FUNDS	STATUS	INITIAL COST	AMOUNT SPENT	EXPECTED COMPLETION TIME
Storey Classroom	MOE				
	CDF	Completed	45,364,494	45,364,494	14 <sup>th</sup> February 2022
	Parents				
Ultra Modern Dormitory	MOE				
	CDF	On going	80,119,813	35,346, 097	December 2023
	Parents				

  
 Mr. Rutere H. Mwenda  
 School Principal



**PUBLIC SECONDARY SCHOOLS - MERU SCHOOL**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

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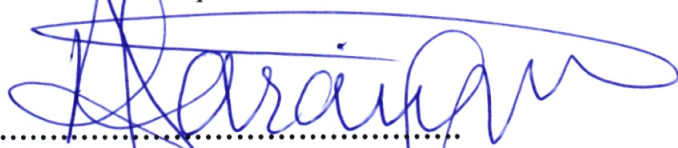
**III. Statement Of School Management Responsibility**

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board (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 **MERU 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 30<sup>th</sup> June, 2022, and of the school's financial position as at that date.



.....  
**Name:** Eng. David N. Rukunga

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

**Date:**



.....  
**Name:** Mr. Rutere H. Myenda

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

**Date:** 10/6/24



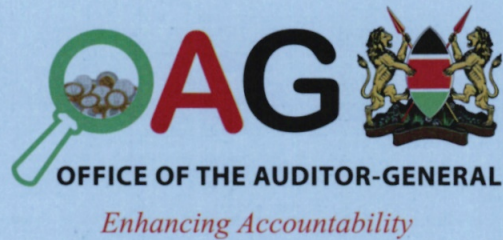
.....  
**Name:** Ms. Charity Mukiri Kamundi

**Designation:** Bursar/ Finance Officer

**Date:** 10/6/24

# REPUBLIC OF KENYA

Phone: +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 MERU SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 - MERU 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 the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the 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.

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Meru School – Meru County set out on pages 1 to 23, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2022, statement of receipts and payments, statement of cash flows and statement of budgeted and 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 Meru School – Meru County as at 30 June, 2022 and of its financial performance and its cash flows for the period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

## **Basis for Qualified Opinion**

### **1. Variances in Receipts Balances**

The statement of receipts and payments reflects total receipts of Kshs.227,101,430 which differs with the amount of Kshs.171,549,831 in the statement of budgeted versus actual amounts. The resultant variance of Kshs.55,551,599 was not explained or reconciled.

In the circumstances, the accuracy and completeness of the receipts balances in the two statements could not be confirmed.

### **2. Long Outstanding Accounts Receivables**

The statement of financial assets and financial liabilities as at 30 June, 2022 reflects accounts receivables balance of Kshs.19,490,886 as disclosed in Note 11 to the financial statements. The balance comprise of fee arrears of Kshs.11,792,247 for current year and Kshs.7,455,639 for previous periods. The balance further includes salary advance Kshs.142,600 and other non-fees receivables Kshs.100,400. In addition, Management did not have a debtor's policy in place which gives guidelines on recovery and write off.

In the circumstances, the recoverability of the accounts receivables balance of Kshs.19,490,886 as at 30 June, 2022 is doubtful.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Meru 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 and actual on a comparable basis of Kshs.165,811,050 and Kshs.171,549,831 respectively, resulting to an over-funding of Kshs.5,738,781 or 3% of the budget. However, the School

spent a balance of Kshs.232,517,801 against actual receipts of Kshs,171,549,831 resulting to an over-utilization of Kshs.60,967,970 or 35% of actual receipts. In addition, the budget was not balanced.

The over-funding and over-utilization is an indicator of an unrealistic budgeted estimates and the over-expenditure was not approved.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Matter**

### **Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised under Report on Financial Statements, Report on Lawfulness and Effectiveness in use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance.

However, Management had not resolved the issues as at 30 June, 2022.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Overdrawn Bank Account**

The statement of financial assets and financial liabilities as at 30 June, 2022 reflects cash and cash equivalents balance of Kshs.17,212,312 as per Note 8 and 9 to the financial statements. However, the Fund account at Kenya Commercial Bank had a negative account balance of (Kshs.950,000) as at 30 June, 2022 contrary to Section 28(4) of the Public Finance Management Act, 2012 which states that, no accounting officer of a National Government entity shall no cause the bank account of the entity to be overdrawn beyond a limit authorized by the Board of the entity.

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

## **2. Failure to Prepare a School Improvement Plan**

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

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

## **3. Failure to Transfer of Infrastructure Funds from Operations Bank Account**

The statement of receipts and payments reflects operations grants amount of Kshs.27,070,387 as disclosed in Note 6 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.7,065,000 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, only Kshs.5,911,183 was transferred to infrastructure account, leaving a balance of Kshs.1,153,817 as at 30 June, 2022. This was contrary to The Ministry of Education Circular Ref. No: MOE.HQS/3/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

## **4. Non-Compliance with Public Sector Accounting Standards Board (PSASB) reporting Requirements**

The statements of receipts and payments is titled as statement for the period to 30 June, 2022 while the statement of cash flows is titled as statement for the period ended 30 June, 2022 contrary to the reporting template.

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

## **5. Late Submission of Financial Statements**

During the year under review, Management submitted the financial statements to the Auditor-General on 17 November, 2023 instead of the statutory deadline of 30 September, 2022. This was contrary to the Ministry of Education circular Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the School's

financial statements should be ready by 30 September, 2022 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

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

## REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

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

#### **Anomalies in Board of Management**

Review of board of management records revealed that the tenure of the Board members expired on 16 May, 2022 after being in office for three (3) years. Further, the School did not keep personal files of members of Board of Management. It was therefore not possible to confirm if the Chairman and other board members possessed all the requisite requirements to members of the board as stipulated in Regulation 6(b) of the Basic Education Regulations, 2015.

In the circumstances, the effectiveness in overseeing the operations of 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 Management and those Charged with Governance**

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

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

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

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

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

## **Auditor-General's Responsibilities for the Audit**

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them, and that public resources are applied

in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal controls 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 policies and procedures may deteriorate.

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the 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**

**28 October, 2024**

**PUBLIC SECONDARY SCHOOLS - MERU SCHOOL**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

**I. Statement Of Receipts And Payments Period To 30<sup>th</sup> June 2022**

Description Of Vote Head	Note	2021-2022 Kshs	2020-2021 Kshs
<b>Receipts</b>			
Capitation grants for tuition	1	6,322,416	1,485,780
Capitation grants for operations	2	27,259,835	10,621,590
School fund income- parents' contributions	3	56,760,607	18,168,678
School fund income- other receipts	4	136,758,572	54,408,612
Proceeds from borrowings			
<b>Total Receipts</b>		<b>227,101,430</b>	<b>84,684,660</b>
<b>Payments</b>			
Payments for tuition	5	4,593,370	3,914,653
Payments for operations	6	27,070,387	9,643,991
Boarding and school fund payments	7	200,854,045	62,313,244
<b>Total Payments</b>		<b>232,517,803</b>	<b>75,871,888</b>
<b>Surplus/Deficit</b>		<b>(5,416,372)</b>	<b>(8,812,771)</b>


The school financial statements were approved on 16<sup>th</sup> June 2022 and signed by:



**Name:** Eng. David N. Rukunga

**Chair BOM**

**Date:** 10/6/24

**Name:** Mr. Rutere H. Mwenda  
**School Principal/ Secretary to BOM**

**Date:** 10/6/2024



**Name:** Ms. Charity Mukiri K.

**Bursar/ Finance Officer**

**Date:** 10/6/2024

**PUBLIC SECONDARY SCHOOLS - MERU SCHOOL**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

**II. Statement Of Financial Assets And Financial Liabilities As At 30<sup>th</sup> June 2022**

Description	Note	2021-2022 Kshs	2020-2021 Kshs
<b>Financial Assets</b>			
<b>Cash and cash equivalents</b>			
Bank balances	8	17,000,404	22,458,397
Cash balances	9	211,908	124,471
Short term investment	10	-	-
<b>Total cash and cash equivalent</b>		<b>17,212,312</b>	<b>22,582,868</b>
Account's receivables	11	19,490,886	20,615,116
<b>Total financial assets</b>		<b>36,703,198</b>	<b>43,197,984</b>
<b>Financial liabilities</b>			
Accounts payables	12	19,933,827	21,012,240
<b>Net financial assets</b>		<b><u>16,769,371</u></b>	<b><u>22,185,744</u></b>
<b>Represented by</b>			
<b>Fund balance b/fwd 1<sup>st</sup> July</b>	13	22,185,744	13,372,972
<b>Surplus/deficit for the year</b>		(5,416,373)	8,812,772
<b>Net financial position</b>		<b><u>16,769,371</u></b>	<b><u>22,185,744</u></b>

The school's financial statements were approved on 10<sup>th</sup> June 2024 and signed by:

.....  
**Name:** Eng. David N. Rukunga

**Chair BOM**

**Date:** 10/06/2024

.....  
**Name:** Mr. Rutere H. Mwenda  
**School Principal/ Secretary to BOM**

**Date:** 10/06/2024

.....  
**Name:** Ms. Charity Mukiri K.

**Bursar/ Finance Officer**

**Date:** 10/6/2024

**PUBLIC SECONDARY SCHOOLS - MERU SCHOOL**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

**III. Statement of Cash Flows for The Period Ended 30<sup>th</sup> June 2022**

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
<b>Operating activities</b>			
<b>Receipts</b>			
Capitation grants for tuition	1	6,322,416	1,485,780
Capitation grants for operations	2	27,259,835	10,621,590
School fund income- parents contributions/ fees	3	184,190,267	70,134,489
School fund income- other receipts	4	27,914,200	4,416,727
<b>Total receipts</b>		<b>245,686,719</b>	<b>86,658,586</b>
<b>Payments</b>			
Payments for tuition	5	5,279,080	1,3000,000
Payments for operations	6	27,070,388	9,638,381
Boarding and school fund payments	7	218,707,806	68,370,615
<b>Total payments</b>		<b>251,057,274</b>	<b>79,308,996</b>
<b>Net cash flow from operating activities</b>		<b>(5,370,555)</b>	<b>7,349,590</b>
<b>Cashflow from investing activities</b>			
Proceeds from sale of assets		-	-
Acquisition of assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
<b>Net cash flows from investing activities</b>		<b>-</b>	<b>-</b>
<b>Cashflow from borrowing activities</b>			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
<b>Net cash flow from financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalent</b>		<b>(5,370,555)</b>	<b>7,349,590</b>
<b>Cash and cash equivalent at beginning of the year</b>		<b>22,582,868</b>	<b>15,233,277</b>
<b>Cash and cash equivalent at end of the year</b>		<b>17,212,313</b>	<b>22,582,867</b>

**PUBLIC SECONDARY SCHOOLS - MERU SCHOOL**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

**IV. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30<sup>th</sup> 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
<b>Receipts</b>						
<b>(1) Capitation Grant on Tuition</b>						
Textbooks And Reference Materials	-		-	-	-	-
Exercise Books	-		-	-	-	-
Laboratory Equipment	-		-	-	-	-
Internal Exams	-		-	-	-	-
Teaching / Learning Materials	-		-	-	-	-
Chalks	-		-	-	-	-
Exams And Assessment	-		-	-	-	-
Tuition	4,843,300		4,843,300	6,322,416	(1,479,116)	130%
<b>(2) Capitation Grant on Operations</b>						
Personnel Emoluments	4,782,250		4,782,250	4,347,158	435,092	91%
Repairs And Maintenance	10,175,000		10,175,000	9,509,000	666,000	93%
Local Transport / Travelling	4,782,250		4,782,250	4,347,158	435,092	91%
Electricity And Water	4,782,250		4,782,250	4,347,158	435,092	91%
Medical	1,673,750		1,673,750	362,200	1,311,550	22%
Administration Costs	4,555,240		4,555,240	4,347,158	208,082	95%
Insurance	-		-	-	-	-
<b>(3) Fees Charged on Parents</b>						
Personnel Emoluments	14,754,300		14,754,300	16,843,425	(2,089,125)	114%
Repairs And Maintenance	4,617,688		4,617,688	7,269,449	(2,651,761)	157%

**PUBLIC SECONDARY SCHOOLS - MERU SCHOOL**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> 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
Local Transport / Travelling	5,564,769		5,564,769	6,787,436	(1,222,667)	122%
Electricity And Water	14,320,578		14,320,578	13,959,158	361,420	97%
Medical	-		-	-	-	-
Administration Costs	6,518,524		6,518,524	8,316,770	(1,798,246)	128%
Activity	1,624,650		1,624,650	2,426,212	(801,562)	149%
Smasse	-		-	-	-	-
Fee On Boarding Equipment and Stores	61,721,375		61,721,375	102,797,304	(41,075,929)	167%
<b>Total</b>	<b>144,942,934</b>		<b>144,942,934</b>	<b>158,399,754</b>	<b>(13,456,820)</b>	<b>109%</b>
<b>Other Income</b>						
House rent arrears	99,600		99,600	48,700	50,900	49%
House rent	300,000		300,000	88,500	211,500	30%
Fees arrears	20,468,516		20,468,516	13,012,877	7,455,639	64%
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	-		-	-	-	-
<b>Total Income</b>	<b>165,811,050</b>		<b>165,811,050</b>	<b>171,549,831</b>		<b>103%</b>
<b>(1) Expenditure For Tuition</b>						
Textbooks And Reference Materials	-		-	-	-	-
Exercise Books	-		-	-	-	-
Laboratory Equipment	-		-	-	-	-
Internal Exams	-		-	-	-	-

**PUBLIC SECONDARY SCHOOLS - MERU SCHOOL**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> 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
Teaching / Learning Materials	-		-		-	-
Chalks	-		-	-	-	-
Exams And Assessment	-		-	-	-	-
Teachers Guides	-		-	-	-	-
Administration Costs	-		-	-	-	-
Bank Charges	-		-		-	-
Tuition	11,734,390		11,734,390	4,593,370	7,141,020	39%
<b>(2) Expenditure For Operations</b>						
Personnel Emoluments	4,782,250		4,782,250	10,872,031	6,089,781	227%
Repairs, Maintenance & Improvements	10,175,000		10,175,000	9,532,000	643,000	94%
Local Transport / Travelling	4,782,250		4,782,250	296,000	4,486,250	6%
Electricity, Water and Conservancy	4,782,250		4,782,250	2,295,353	2,486,897	48%
Medical	3,092,351	-	-	-	-	-
Administration Costs	4,782,250		4,782,250	3,866,283	915,967	81%
Activity Expenses	-	-	-	139,230	-	-
Gratuity	-	-	-	-	-	-
Smasse	-	-	-	-	-	-
Insurance cost		-		-	-	-
School Equipment and stores				69,490		
<b>(3) Expenditure For School Fund</b>						
Boarding, Equipment and Stores	81,041,920		81,041,920	83,203,580	(2,161,660)	102%
Repairs Maintenance and Improvements	18,082,500		18,082,500	29,983,073	(11,900,573)	166%
Electricity Water and Conservancy	6,378,216		6,378,216	4,640,894	1,737,322	73%
Local Transport	6,108,400		6,108,400	3,152,803	2,955,597	52%

**PUBLIC SECONDARY SCHOOLS - MERU SCHOOL**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	a+b	d	a-c-d	b-d/c %
	Kshs	Kshs			Kshs	Kshs
&Travelling						
Activity	6,981,010	-	6,981,010	1,010,242	5,970,768	14%
Administration Costs	13,558,805		13,558,805	38,155,819	(24,597,014)	281%
Personnel Emoluments	16,579,174		16,579,174	6,348,219	10,230,955	38%
Poshomill	-	-	-	164,000	-	-
Hire ground and school bus	-	-	-	743,700	-	-
School ID	-	-	-	246,800	-	-
School farm	-	-	-	88,810	-	-
Salary advance	-	-	-	181,000	-	-
Medical Expenses	-	-	-	-	-	-
Fees refund				139,822		
Gratuity	-	-	-	-	-	-
Lunch Programme	-	-	-	-	-	-
Beddings	-	-	-	6,577,000	-	-
Expenditure For Income Generating Activity	-	-	-	-	-	-
Uniform fee				21,455,000		
Insurance Costs	-	-	-	-	-	-
School equipment and stores				3,813,282		
Other Expenses On Investments	-	-	-	-	-	-
Rent Expenses	-	-	-	-	-	-
Bank Charges	-	-	-	-	-	-
Loan Interest Repayment	-	-	-	-	-	-
Loan Principal Repayment	-	-	-	-	-	-
Acquisition Of Assets	-	-	-	950,000	-	-
<b>Totals</b>	<b>192,860,766</b>		<b>192,860,766</b>	<b>232,517,801</b>		<b>121%</b>

**V. 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 30<sup>th</sup> June 2022.

**PUBLIC SECONDARY SCHOOLS - MERU SCHOOL**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

**VI. Notes To The Financial Statements**

**1 Capitation Grant for Tuition**

Description	2021-2022	2020-2021
	Kshs	Kshs
Textbooks And Reference Materials	-	-
Exercise Books	-	-
Laboratory Equipment	-	-
Internal Exams	-	-
Teaching / Learning Materials	6,322,416	945,165
Chalks	-	-
Exams And Assessment	-	-
Teachers Guides	-	-
Tuition	-	540,615
<b>Total</b>	<b>6,322,416</b>	<b>1,485,780</b>

**2 Capitation Grant for Operations**

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments	-	-
Repairs And Maintenance	9,509,000	5,517,933
Local Transport / Travelling	-	-
Electricity And Water	-	-
Medical	362,200	-
Administration Costs	-	-
Other votes	1,738,8635	5,103,656
Activity	-	-
<b>Total</b>	<b>27,259,835</b>	<b>10,621,590</b>

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	17,420,563	3,914,824
Repairs and maintenance	6,484,008	7,781,122
Local transport / travelling	6,985,542	756,934
Electricity and water	14,365,865	4,343,283
Medical	-	-
Administration costs	8,764,539	1,370,919
Activity	2,740,090	1,596
<b>Total</b>	<b>56,760,607</b>	<b>18,168,678</b>

**PUBLIC SECONDARY SCHOOLS - MERU SCHOOL**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

**Notes To The Financial Statements (Continued)**

**4 Other Receipts – School Fund Account**

Description	2021-2022	2020-2021
	Kshs	Kshs
BES	108,454,572	54,218,027
Salary Advance	38,400	-
Income From Posho Mill	40,000	-
House Rent arrears	48,700	101,000
House rent	88,500	47,000
Uniform fee	21,542,600	18,300
Beddings	6,298,600	11,600
School ID	247,200	-
Christian Union	-	12,685
<b>Total</b>	<b>136,758,572</b>	<b>54,408,612</b>

**5 Payments For Tuition**

Description	2021-2022	2020-2021
	Kshs	Kshs
Textbooks	-	-
Exercise Books	-	371,043
Laboratory Equipment and apparatus	2,389,340	2,082,100
Internal Exams	-	1,084,350
Teaching / Learning Materials	2,202,650	375,000
Chalks	-	-
Exams And Assessment	-	-
Teachers Guides	-	-
Administration Costs	-	-
Bank Charges	1,380	2,160
<b>Total</b>	<b>4,593,370</b>	<b>3,914,653</b>

**PUBLIC SECONDARY SCHOOLS - MERU SCHOOL**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

**Notes To The Financial Statements (Continued)**

**6 Payments For Operations**

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments	10,872,031	2,852,062
Service Gratuity	-	400,000
Administration Cost	3,866,283	512,484
Repairs And Maintenance & Improvements	9,532,000	5,146,850
Local Transport / Travelling	296,000	129,860
Electricity And Water	2,295,353	464,359
Medical	-	-
Activity Expenses	139,230	-
Smasse	-	-
Insurance Cost	-	132,766
Bank Charges	-	5,610
Acquisition Of Assets	-	-
School Equipment and Stores	69,490	-
<b>Total</b>	<b>27,070,387</b>	<b>9,643,991</b>

**PUBLIC SECONDARY SCHOOLS - MERU SCHOOL**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

**Notes To The Financial Statements (Continued)**

**7 Boarding And School Fund Payments**

Description	2021-2022	2020-2021
	KShs	KShs
Boarding Equipment and Stores	83,203,580	34,636,441
Repairs Maintenance and Improvements	29,983,073	11,383,728
Electricity Water and Conservancy	4,640,894	636,682
Local Transport & Travelling	3,152,803	600,081
Activity	1,010,242	-
Administration Costs	38,155,819	8,175,642
Personnel Emoluments	6,348,219	5,253,706
Posho mill	164,000	4,200
Hire ground and school bus	743,700	298,000
School ID	246,800	-
School farm	88,810	31,200
Infrastructure grant, Borehole	-	-
Bank charges	-	46,234
Salary Advance	181,000	-
Creditors paid	-	-
Expenses On Income Generating Activities	-	-
Fees Refund	139,822	-
Insurance Cost ( <i>Life Property</i> )	-	485,927
Loan Principal Repayment	-	-
Loan Interest Repayment	-	-
Beddings	6,577,000	-
Uniform fee	21,455,000	-
Tuition	3,813,282	761,402
Acquisition Of Assets	950,000	-
<b>Total</b>	<b>200,854,045</b>	<b>62,313,244</b>

**PUBLIC SECONDARY SCHOOLS - MERU SCHOOL**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

**Notes To The Financial Statements (Continued)**

**8 Bank Accounts**

Name Of Bank, Account No. & Currency	Bank Account Number	2021-2022	2020-2021
		Kshs	Kshs
Tuition Account	1040280219535 - EQUITY 01025039706600 - NBK	1,914,361 55,218	926,243
Operations Account	1040280219529 - EQUITY 01021039005500 - NBK	2,020,016 125,047	2,031,212
School Fund/Boarding Account	1040298414943 - EQUITY 1254174192 - KCB	6,971,450 6,493,705	18,673,677
Savings Account	1102258911 - KCB	194,658	194,658
Income Generating Activities Account		-	-
Infrastructural Account	1254174214 - KCB	175,946	574,551
Fund account	1104161850 - KCB	(950,000)	58,053
<b>Total</b>		<b>17,000,403</b>	<b>22,458,396</b>

**9 Cash In Hand**

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition Account	-	-
Operation Account	100,190	24,593
School Fund account	111,718	99,878
<b>Total</b>	<b>211,908</b>	<b>124,471</b>

**10 Short Term Investments**

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

**PUBLIC SECONDARY SCHOOLS - MERU SCHOOL**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

**Notes To The Financial Statements (Continued)**

**11 Accounts Receivable**

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees Arrears	19,247,886	20,468,516
Other Non-Fees Receivables	100,400	99,600
Salary Advances	142,600	47,000
Imprest	-	-
<b>Total</b>	<b>19,490,886</b>	<b>20,615,116</b>

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees Arrears For Current Year	11,792,247	12,659,965
Fees Arrears For The Previous Year		2,390,239
Fees Arrears For Prior Periods	7,455,639	5,418,312
<b>Total</b>	<b>19,247,886</b>	<b>20,468,516</b>

Description	2021-2022	2020-2021
	Kshs	Kshs
Non Fees Arrears For Current Year	49,500	66,800
Non Fees arrears recovered during the year		
Non Fees Arrears For The Previous Year	18,100	32,800
Non Fees Arrears For Prior Periods (Over Two Years)	32,800	-
<b>Total</b>	<b>100,400</b>	<b>99,600</b>

**12 Accounts Payable**

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	13,425,376	18,159,480
Prepaid Fees	6,508,450	2,852,760
Retention Monies	-	-
<b>Total</b>	<b>19,933,826</b>	<b>21,012,240</b>

**PUBLIC SECONDARY SCHOOLS - MERU SCHOOL**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

**Notes To The Financial Statements (Continued)**

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade Creditors for Current Year	11,427,376	12,946,716
Trade Creditors for The Previous Year		
Trade Creditors for Prior Periods (Over Two Years)	1,998,000	5,212,764
<b>Total</b>	<b>13,425,376</b>	<b>18,159,480</b>

**13 Fund Balance Brought Forward**

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank Balances	22,458,396	14,836,254.13
Cash Balances	124,471	397,023.00
Short Term Investments	-	-
Receivables	20,615,116	15,362,690
Payables	21,012,240	17,222,995
<b>Total</b>	<b>22,185,743</b>	<b>13,372,971</b>

**14 Non-current Liabilities Summary**

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank Loan(S)	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	620,305
<b>Total</b>	<b>-</b>	<b>620,305</b>

**15 Biological assets**

Description	Numbers	2021-2022	2020-2021
		Kshs	Kshs
Cattle		-	-
Goats		-	-
Trees	4960	2,558,000	2,558,000
Coffee Or Tea Plantation		-	-
Poultry		-	-
Pigs	52	455,000	449,000
<b>Total</b>		<b>3,013,000</b>	<b>3,007,000</b>

**PUBLIC SECONDARY SCHOOLS - MERU SCHOOL**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

**Notes To The Financial Statements (Continued)**

**16 Borrowings**

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

**Other important disclosure notes**

**17 Stock/ Inventory**

Description	2021-2022	2020-2021
	Kshs	Kshs
<b>b) Inventory</b>		
Stock/ inventory at beginning of the year	4,021,709	2,459,373
Stock/ inventory purchased during the year	45,193,390	15,404,690
Stock/ inventory issued during the year	(46,395,215)	(13,842,354)
<b>Balance at end of the year</b>	<b>2,819,884</b>	<b>4,021,709</b>

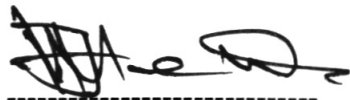
**PUBLIC SECONDARY SCHOOLS - MERU SCHOOL**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

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

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

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



Sign and Date  
 Principal

**PUBLIC SECONDARY SCHOOLS - MERU SCHOOL**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

**Annex 1 - Analysis Of Pending Accounts Payable**

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance June 2022	Outstanding Balance June 2021	Comments
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Construction Of Buildings</b>						
1. Classroom block					2,506,730	
<b>Sub-Total</b>						
<b>Supply Of Goods</b>						
1. Kenblest Foods Ltd.	10,242,385	01/07/2021	8,794,591	1,447,794		
2. Zipporah R Kimathi	3,496,880	02/07/2021	3,085,360	536,990	125,470	
3.Frigal Enterprises	964,520	04/07/2021	819,670	144,850		
2. Jaqwa Enterprises	30,633,602	28/07/2021	29,118,701	3,514,901	2,000,000	
3. Njagamwe Suppliers	2,665,840	06/07/2021	2,268,780	397,060		
4. Meru Central Dairy	3,150,040	01/07/2021	2,737,790	412,250		
5. Wagi Suppliers	702,428	04/07/2021	381,576	320,852		
6. Al-Nuur Electricals	134,360	01/07/2021	655,185	134,360	655,185	
7. Jomema Stationers	1,571,860	02/08/2021	1,866,440	70,000	364,580	
8. Smart School Technology	270,380	31/08/2021	250,380	20,000		
9. Meru Chemist	628,695	17/01/2022	382,695	246,000		
10. Kedyleen Suppliers	73,900	30/07/2021	73,000	9,900	9,000	
11. Abids Paint Shop	156,950	30/08/2021	129,100	27,850		

**PUBLIC SECONDARY SCHOOLS - MERU SCHOOL**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance June 2022	Outstanding Balance June 2021	Comments
12. Peter Rutere	1,400,000	28/08/2021	1,800,000	120,000	520,000	
13. Muriro Enterprises	7,911,195	08/07/2021	7,744,195	167,000		
14. Josfree Cleaning Company	315,500	29/08/2021	150,500	165,000		
15. Readers Quest	4,797,980	19/08/2021	4,490,640	1,249,340	942,000	
16. Descana Machines	271,000	31/07/2021	238,500	32,500		
17. Lanes Enterprises	1,833,250	13/08/2021	1,432,850	400,400		
18. Peter Mburugu	41,330	02/07/2021	34,380	9,750	2,800	
19. Three Steps	146,000	09/05/2022	70,000	76,000		
20. Cyricon Educational Supplies	59,100	01/09/2021	23,900	35,200		
21. Scenic Stationers	100,000	01/07/2021	0	100,000		
22. Strategiee General Merchants	54,000	01/07/2021	0	54,000		
23. Software for School	86,188	25/06/2022	0	86,188		
24. Britam	486,511	25/06/2022	0	486,511		
25. Visat Digital	16,000	10/04/2022	0	16,000		
26. Ashnac Glass Repair	0	01/07/2022	200,000	1,998,000	2,198,800	
27. Samtech Technologies	53,500	08/10/2021	0	53,500		
28. Moderncom Systems	198,000	23/08/2021	182,500	15,500		
29. A-One Collection	0	01/07/2021	951,000	600,000	1,551,000	
30. Eric Murithi	25,000	01/07/2021	0	25,000		
31. Wakathuma Enterprises	278,960	01/07/2021	83,960	195,000		
32. Home Health Education	15,200	01/07/2021	0	15,200		

**PUBLIC SECONDARY SCHOOLS - MERU SCHOOL**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance June 2022	Outstanding Balance June 2021	Comments
33. Meru Uniform	797,700	01/07/2021	1,263,300	105,000	570,600	
34. Michael W. Chege	129,080	01/07/2021	0	129,080		
35. Murithi David	8,400	07/06/2022	0	8,400		
36. Sanyayan Investments					521,600	
37. Nechal Enterprises					371,043	
38. Amandan Suppliers					375,000	
39. Orient Publishers					499,950	
40. Romeso Printers					39,600	
41. Osano Benard					23,200	
42. Dabuem Suppliers					19,500	
43. Mainstyle Laboratory					220,600	
44. Harriet Karimi					601,000	
45. Mafuko Industries					370,544	
46. Mutua Ibrahim					5,700	
47. G4S					237,830	
48. Destiny Inspirations					102,000	
49. Kendak Fresh					38,485	
50. Pachaz Security					139,200	
51. Boniface Kinoti					298,000	
52. Jeder Suppliers					403,000	
53. Kenya Power & Lighting Co.					5,027	

**PUBLIC SECONDARY SCHOOLS - MERU SCHOOL**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance June 2022	Outstanding Balance June 2021	Comments
54. Gallant Video Productions					1,797,500	
55. Changers Mentorship					15,000	
56. Water Resources Management					9,231	
<b>Sub-Total</b>						
<b>Supply Of Services</b>						
1.Samuel Mwathi					437,704	
2.James Gitonga					182,601	
<b>Sub-Total</b>						
<b>Grand Total</b>				<b>13,425,376</b>	<b>18,1594,80</b>	

**PUBLIC SECONDARY SCHOOLS - MERU SCHOOL**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

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

Asset Class	Date purchased	Location	Historical Cost b/f (Kshs) 1 <sup>st</sup> July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 <sup>th</sup> June 2022
Land 1	Balance b/f 01/07/2021	Kaaga	330,000,000	0	0	330,000,000
Buildings And Structures	Balance b/f 01/07/2021	Kaaga	420,000,000	38,946,993	0	465,364,494
Motor Vehicles	Balance b/f 01/07/2021	School	9,983,500	0	0	9,983,500
Office Equipment, Furniture And Fittings	Balance b/f 01/07/2021	Offices	5,123,000	254,700	0	5,377,700
ICT Equipment, And Other ICT Assets	Balance b/f 01/07/2021	ICT	2,278,000	0	0	2,278,000
Tools And Apparatus	Balance b/f 01/07/2021	Laboratory	5,665,430	0	0	5,665,430
Textbooks	Balance b/f 01/07/2021	Library	3,435,170	0	0	3,435,170
Other Machinery And Equipment	Balance b/f 01/07/2021	Kitchen and posho mill	440,000	0	0	440,000
Heritage And Cultural Assets						
Intangible Assets- Soft Ware	Balance b/f 01/07/2021	Offices	872,000	0	0	872,000
Beds, Chairs and Desks	Balance b/f 01/07/2021	Dormitories and classrooms	19,623,000	4,500,000	0	24,123,000
<b>Total</b>			<b>797,420,100</b>	<b>43,701,693</b>		<b>847,539,294</b>

