

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 01 JUL 2026

DAY.

WEDNESDAY

TABLED
BY:

HON. OXEN BAYA, M.P.

CLERK-AT
THE-TABLE:

CHRISTINE NDIRITU

REPORT

OF

THE AUDITOR-GENERAL

ON

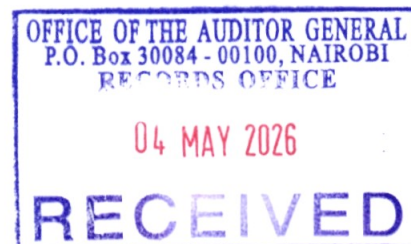
PARLIAMENT
OF KENYA
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MAGARINI GIRLS SECONDARY SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2022

KILIFI COUNTY

Revised 30th June 2022.



***MAGARINI GIRLS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL***

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

- (Magarini Girls Secondary School)

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

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I. Key School Information And Management

(a) Background information

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

The school was registered in 12/2015 under registration number 03S3000/0046 and is currently categorized as a Sub- County (*National, Extra County, county and Sub County*) public school established, owned or operated by the Government.

The school is a day/boarding school and had 500 number of students as at 30th June 2022. It has 12 streams and 21 teachers of which 09 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	DANIEL K MWENDWA	Chairman	04/07//2019
2	CAROLINE ZOKA	Secretary - Principal	04/07/2019
3	WINNIE UREMBO	Member	04/07/2019
4	WILSON MUTSOCHI	Member	04/07/2019
5	ZAMDA OMAR	Member	04/07/2019
6	GABRIEL GACHARI	Member	04/07/2019
7	DORRIS OPIYO	Member	04/07/2019
8	ALI MOHAMED MZEE	Member – Rep CEB	04/07/2019
9	DAVID NYAMEINO KERASO	Member Rep Teachers	04/07/2019
10	NDARO Tsuma	3 Members - Sponsor	04/07/2019
11	MARGARET KADZO GONA	Member - Community	04/07/2019
12	MARGARET JUMWA KARISA	MemberSpecial Needs	04/07/2019
13	REUBEN MRIMI KITHI	Member	04/07/2019
14	MANUELA TUMAINI	Rep Students	04/07/2019

Key School Information and Management (Continued)

The function of the School Board of Management include:

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

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Excutive Committee	Daniel Mwendwa Winnie Urembo Caroline Zoka Wilson Mutsochi Zamda Omar	Chair Vice Chair Secretary PA Chair Treasurer	2 out of 3 2 out of 3 2 out of 3 2 out of 3 2 out of 3
2	Audit Committee			
3	Finance,procurement and general purposes Committee	Ndaro Tsuma Zamda Omar Caroline Zoka	Chair Treasurer Secretary	3 out of 3 3 out of 3 3 out of 3
4	Academic Committee	Gabriel Gachari Edwin Kitsao Caroline Zoka Dorris Kamuye	Chair Vice Chair Secretary Member	3 out of 3 3 out of 3 3 out of 3 3 out of 3
5	Development Committee	Edwin Kitsao Winnie Urembo Caroline Zoka Ali Mzee Constance Mrira	Chair Vice Chair Secretary PA chair D/Principal	3 out of 3 3 out of 3 3 out of 3 3 out of 3 3 out of 3
6	Discipline and welfare Committee	Reuben Mrimi Edwin Kitsao Caroline Zoka Ali Mzee Winnie Urembo	Chair Vice Chair Secretary PPA Chair Treasurer	3 out of 3 3 out of 3 3 out of 3 3 out of 3 3 out of 3
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	CAROLINE ZOKA	285906
2	Deputy Principal	CONSTANCE MURIRA	239046
3	School Bursar	SAMUEL NGOWA	

(e) Schools contacts

Post Office Box: 5490-80200
Malindi
Telephone: 0724757237
E-mail: magarinigirls@gmail.com
Website: www.magarinisecondary.sc.ke
Facebook:
Twitter:

(f) School Bankers

The following school operated 4 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

- | | |
|-----------------|--------------------------|
| Name of Bank: | KCB-MAIN ACCOUNT |
| Branch: | MALINDI |
| Account Number: | 1111272174 |
| Name of Bank | EQUITY-OPERATION ACCOUNT |
| Branch | MALINDI |
| Account Number | 0450294700580 |
| Name of Bank | EQUITY- TUITION ACCOUNT |
| Branch | MALINDI |
| Account Number | 0450294700635 |
| Name of Bank | KCB-SIC ACCOUNT |
| Branch | MALINDI |
| Account Number | 1237852811 |

- MPESA Pay Bill No. xxxxxxxx attached to XX bank account

(g) Independent Auditors

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

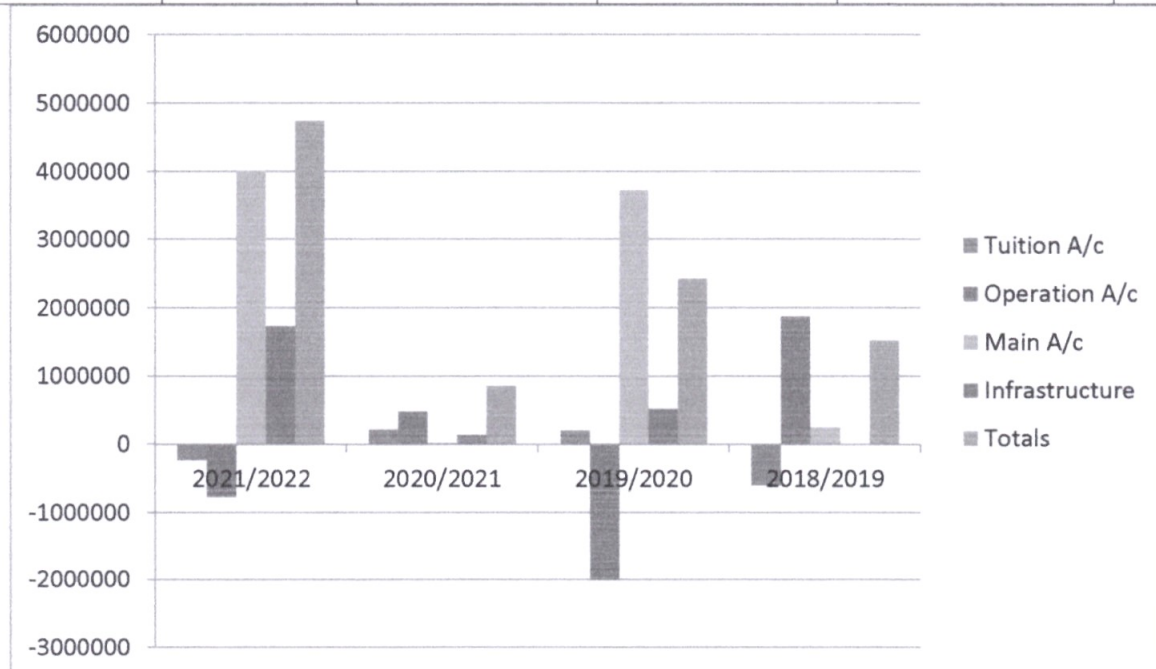
II. Summary Report Of Performance Of The School

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

a) Financial performance:

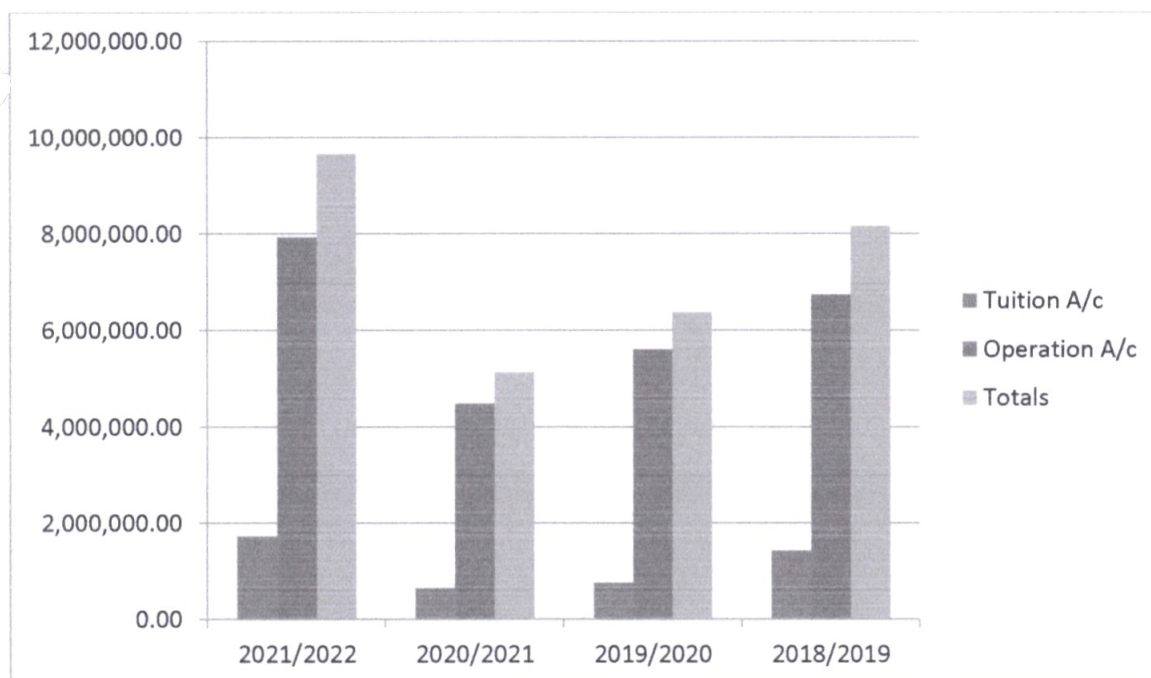
-Surplus/ deficit for the year and a comparison of the same for the last three year

Year	Tuition A/c	Operation A/c	Main A/c	Infrastructure A/c	Totals
2021/2022	(230,609.60)	(775,870.35)	4,013,484.33	1,731,425.00	4,738,429.38
2020/2021	215,977.75	480,367.15	23,067.00	139,754.00	859,165.90
2019/2020	196,614.00	(2,007,739.00)	3,721,991.00	517,878.00	2,428,744.00
2018/2019	(596,177.52)	1,878,050.55	243,779.60	-	1,525,652.63



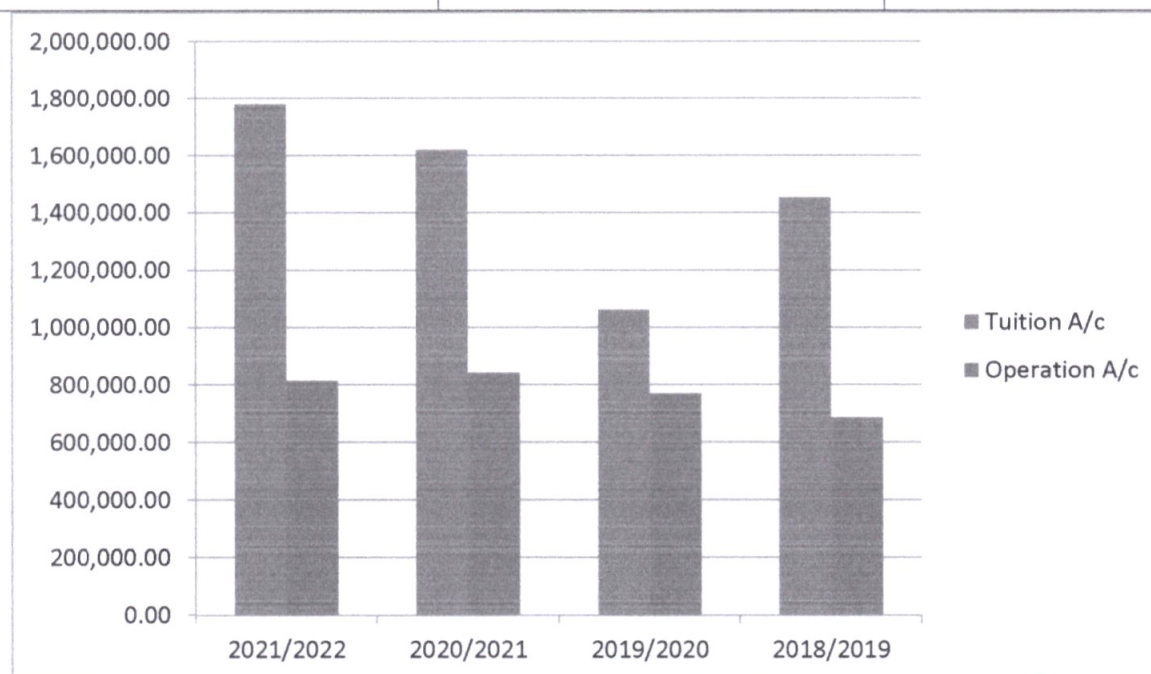
-Capitation grants from the Ministry of Education for the last three years

Year	Tuition A/c	Operation A/c	Totals
2021/2022	1,730,746.40	7,938,776.80	9,669,523.20
2020/2021	647,645.75	4,485,614.15	5,133,259.90
2019/2020	767,094.00	5,607,875.00	6,374,969.00
2018/2019	1,426,385.48	6,745,160.55	8,171,546.03



-Ratio of capitation grant per student over the last three years

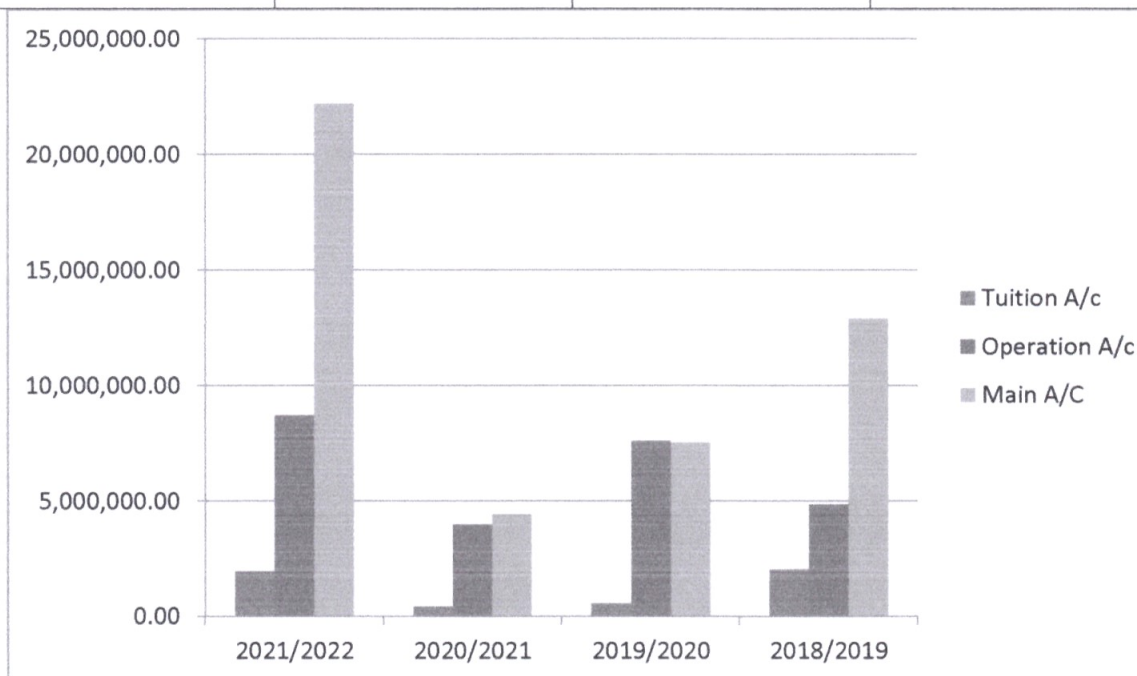
Year	Tuition A/c	Operation A/c
2021/2022	1:3503	1:1607
2020/2021	1:3280	1:1706
2019/2020	1:2187	1:1586
2018/2019	1:3325	1:1572



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

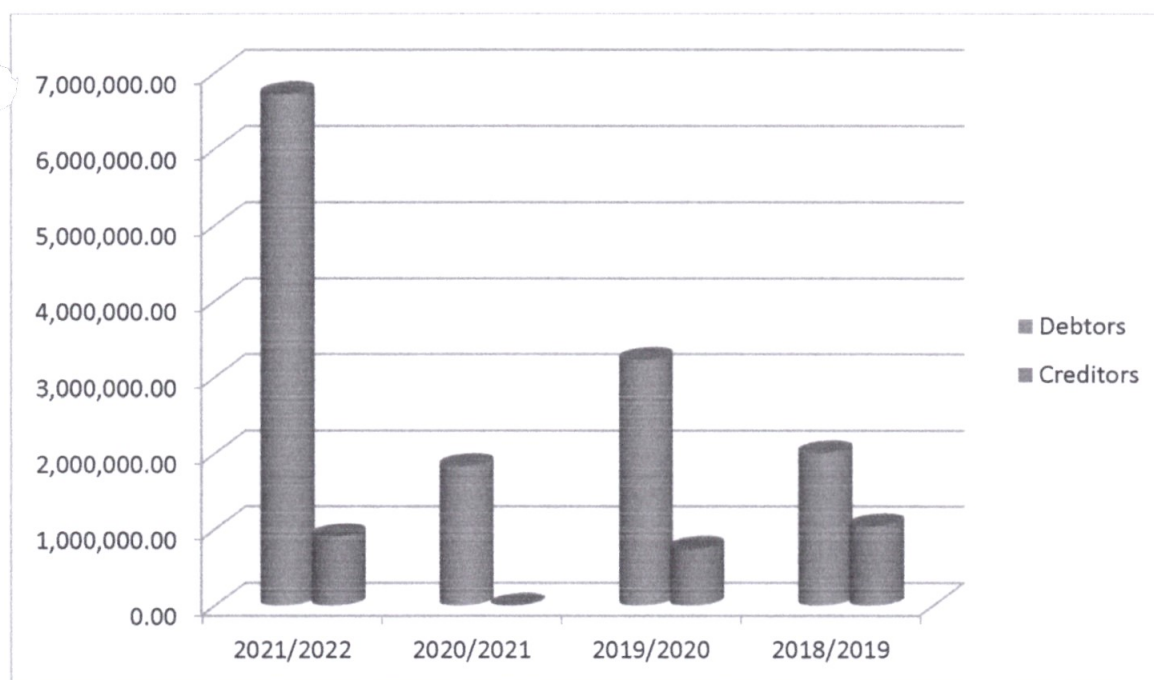
-A three-year overview of growth in expenditure of the school

Year	Tuition A/c	Operation A/c	Main A/c
2021/2022	1,961,356.00	8,714,647.15	22,215,147.67
2020/2021	431,668.00	4,005,247.00	4,436,915.00
2019/2020	570,480.00	7,615,614.00	7,545,466.00
2018/2019	2,022,563.00	4,867,110.00	12,918,773.00



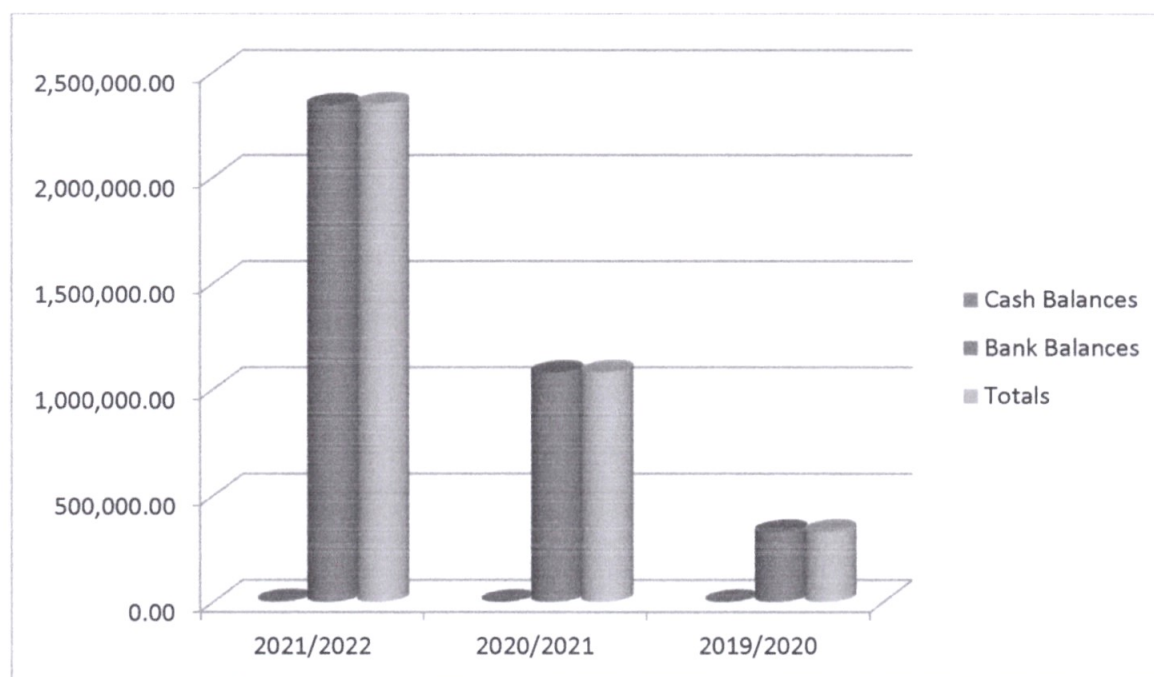
-Movement of debtors and creditors of the school over the last three years

Year	Debtors	Creditors
2021/2022	6,723,448.00	907,418.00
2020/2021	1,836,046.00	-
2019/2020	3,230,825.00	746,722.00
2018/2019	2,006,626.00	1,041,302.00



-Movement of cash and bank balances over the last three years

Year	Cash Balances	Bank Balances	Totals
2021/2022	4,983.33	2,341,713.97	2,346,697.30
2020/2021	1,598.00	1,078,525.92	1,080,123.92
2019/2020	1,424.00	329,455.02	330,879.02



 - Graphical presentation, ratios, tables, and pie charts should be used to show/ indicate trends).

b) Teacher Student ratio:

the teacher to student ratio, number of teachers recruited and posted to the school within the year, number of teachers that were transferred/ retired during the period as well as number of teachers employed by TSC, and number employed by BOM.

Description	2022	2021	2020
<i>Enrolment</i>	508	494	486
<i>Total number of teachers</i>	25	21	21
<i>Teachers recruited</i>	1	2	1
<i>Teachers transferred/ Retired</i>	TR-1 RT-0	TR-2, RT-1	RT-0
<i>Number of BOM Teachers</i>	10	8	8

Number of teachers per subject

Subject	No. of Teachers
<i>English</i>	3
<i>Kiswahili</i>	4
<i>Mathematics</i>	4
<i>Biology</i>	5
<i>Physics</i>	2
<i>Chemistry</i>	4
<i>History & Government</i>	3
<i>Geography</i>	3
<i>CRE</i>	3
<i>IRE</i>	0
<i>Agriculture</i>	1
<i>Business Studies</i>	3
<i>Computer Studies</i>	0

c) Mean score in the 2022 KCSE:

performance of the school for each over the last three years. Include the number of students that have since transitioned to institutions of higher learning. the mean score and comment on improvement or otherwise as compared to the school's set score.

<i>Year</i>	<i>No. of Candidates</i>	<i>Mean Score</i>	<i>No. of students joined institutions of higher learning</i>
2021	92	4.108	6
2020	94	3.4043	2
2019	48	3.6042	2

d) Number of Candidates in the 2021 KCSE:

<i>Year</i>	<i>No. of candidates</i>
2021	92
2020	94
2019	48

e) Capacity of the school:

<i>Description</i>	<i>Total number</i>
Student Enrolment	494
Dormitories	3
Dining Hall	1
Laboratory	2
Toilets	45
Classes	12

Summary Report of the Performance of the School (Continued)

f) Development projects carried out by the school:

(Development projects carried out in the year and ongoing projects including a disclosure of project fund sources in a tabular format).

PROJECT	AMOUNT	REMARKS
CONSTRUCTION OF 20X10X10 SEPTIC TANK AND 20FT 4M DIAMETER SOAKPIT.PLUS PAYMENT OF RETENTION MONEY FOR DORM 2	854,575KSH	TO COMPLETION AND CERTIFIED

.....
School Principal



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 (*MAGARINI GIRLS 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.

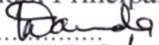
Name: DANIEL MWENDWA

Designation: Chairman, School Board of Management

Sign:..... 
Date:..... 29/4/26

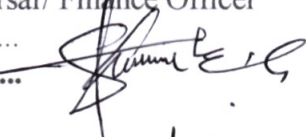
Name: CAROLINE ZOKA

Designation: School Principal & Secretary to Board of Management

Sign:..... 
Date:..... 29/4/26

Name: SAMUEL NGOWA

Designation: Bursar/ Finance Officer

Sign:..... 
Date:..... 29/4/26

REPUBLIC OF KENYA

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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 MAGARINI GIRLS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022

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 Magarini Girls Secondary School set out on pages 1 to 23, which comprise of the statement of assets and liabilities as at

Report of the Auditor-General on Magarini Girls Secondary School for the year ended 30 June, 2022

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 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 Magarini Girls Secondary School as at 30 June, 2022 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards-Cash Basis and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Variances in the Financial Statements

The review of the financial statements revealed the following variances:

- i) The statement of receipts and payments reflects total receipts of Kshs.38,484,155 while the statement of cash flow reflects Kshs.32,233,287 resulting in unexplained variance of Kshs.6,250,868.
- ii) The statement of receipts and payments reflects total payments of Kshs.33,745,726 while the statement of cash flows reflects Kshs.32,698,139 resulting in a variance of Kshs.1,047,587. Further, the monthly summaries provided to support these payments lacked details of payee, description of payment, payment voucher numbers and amounts paid.
- iii) The statement of budgeted versus actual amounts reflects total budgeted receipts and actual on comparable basis of Kshs.22,379,850 and Kshs.16,463,820 which differed with the recomputed amounts of Kshs.33,319,450 and Kshs.25,663,543 resulting to a variance of Kshs.10,939,600 and Kshs.9,199,723 respectively.
- iv) The statement of budgeted versus actual amounts reflects total budgeted expenditure and actual on comparable basis of Kshs.22,379,850 and Kshs.20,553,679 respectively which differs with the recomputed amounts of Kshs.33,319,450 and Kshs.27,885,795 resulting to a variance of Kshs.10,939,600 and Kshs.7,332,116 respectively.

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

2. Unsupported Receipts

The statement of receipts and payments reflects total receipts of Kshs.38,484,155. However, the amount was not supported with schedules detailing payee, voucher numbers and amounts paid. Further the statement and as disclosed in Note 1, Note 2 and Note 5 to the financial statements reflects government grants for tuition, operations and infrastructure of Kshs.1,730,746, Kshs.7,938,776 and Kshs.2,586,000 respectively which was not supported with students' enrolment data as well as National Education Management and Information System (NEMIS) data.

In the circumstances the accuracy and completeness of total receipts of Kshs.38,484,155 could not be confirmed.

3. Unsupported Cash and Cash Equivalents

The statement of assets and liabilities and as disclosed in Note 8 and Note 9 to the financial statements reflects cash and cash equivalents balance of Kshs.2,346,697. However, four (4) bank accounts with a balance of Kshs.1,997,926 were not supported with cash books, bank reconciliation statements, bank statements and certificate of bank balances.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.2,346,697 could not be confirmed.

4. Inaccuracies in 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.9,125,294. However, Management did not provide schedules describing the individual student details alongside the amount they owe. Further, included in the amount is Kshs.3,230,825 which had been outstanding for more than two (2) years and there was no policy on the impairment of long outstanding fees arrears.

In the circumstances, the accuracy, completeness and recoverability of accounts receivables balance of Kshs.9,125,294 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Magarini Girls 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 comparison of budget and actual amounts reflects final budget income of Kshs.22,379,850 and actual total income on a comparable basis of Kshs.16,463,820 resulting to underfunding of Kshs.5,916,030 or 26%. Further, the school spent Kshs.20,553,679 against actual receipts of Kshs.16,463,820 resulting to a variance of Kshs.4,089,859 or 25%.

The underfunding and over expenditure may have affected implementation of planned activities and service delivery to the students.

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 iv to xv 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 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. Late Submission of Financial Statements

The financial statements for the year under review were submitted to the Auditor-General on 20 February, 2026 instead of the statutory deadline of 30 September, 2022. This was contrary to Section 47(1) of the Public Audit Act, 2015 which requires that financial statements be submitted to the Auditor-General within three (3) months after the end of the fiscal year to which the accounts relate.

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

2. Delayed Transfer of Infrastructure Funds

The statement of receipts and payments and as disclosed in Note 2 to the financial statements reflect Government Grants for operations of Kshs.7,938,777. However, review of the bank statements revealed that the maintenance and improvement funds amounting Kshs.988,000 was transferred from the operations account to the infrastructure fund account after the lapse of fifteen (15) days. This was contrary to Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which requires that funds be transferred within 15 days of receipt in the operations account.

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

3. Gaps in the Procurement Process

The statement of receipts and payments reflects total payments of Kshs.33,745,726 which includes procurement of goods and services. However, Management did not prepare an Annual Procurement Plan contrary to the provisions of Section 53(2) of the Public Procurement and Asset Disposal Act, 2015 which requires an accounting officer to prepare an Annual Procurement Plan which is realistic in a format set out in the Regulations. Further, there was no functional procurement unit, no list of registered suppliers and Management did not maintain procurement records for each procurement undertaken. In addition, Management had not made training arrangements to capacity build the existing storekeeper.

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

4. Irregular Procurements on Construction and Equipping Works

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects payments for operations of Kshs.8,714,647 out of which Kshs.2,586,000 relates to acquisition of assets under School Infrastructure account. It was noted that Management awarded the contracts for the construction of one classroom block at a sum of Kshs.1,323,195, construction of ten (10) door ablution block at a sum of Kshs.899,365, equipping the science twin laboratory at a sum of Kshs.1,000,000 and equipping of the Information, Communication and Technology (ICT) room at a sum of Kshs.469,150. However, there was no evidence that ad hoc opening and evaluation committees were involved in the procurement process and individual score sheets were not provided for audit. Further, the construction of ten (10) door ablution was undertaken by a different contractor than the one notified while only two (2) suppliers instead of the minimum three (3) suppliers were evaluated for equipping of the Information, Communication and Technology (ICT) room.

In the circumstances, value for money on these contracts could not be confirmed and Management was in breach of the law.

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

The statement of receipts and payments and as disclosed in Note 8 to the financial statements reflects boarding and school fund payments amounting to Kshs.22,215,147 which includes Kshs.105,000 transferred to Kenya Secondary School Heads Association

(KESSHA) a welfare organization which is not defined in Government Funding system. This was contrary to Regulation 23(2)c of the Public Finance Management (National Government) Regulations, 2015 which requires that an Accounting Officer shall, before transferring any funds to an entity within or outside the Government, ensure that there is a written assurance from the entity that it shall implement effective, efficient and transparent financial management and internal control systems.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.105,000 could not be confirmed.

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. Weaknesses in Governance

During the year under review, it was noted that the Board of Management did not have an Annual Work Plan and the resolution to pay sitting allowance at a rate of Kshs.3,000 per board member per sitting was not provided for audit. Further, the chairman did not have a university degree contrary to Regulation 6 of the Basic Education Regulations, 2015. In addition, there was no evidence that internal audits and risk assessment were performed and there was no evidence of constituting audit committee.

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

2. Failure to Update Fixed Assets Register

Annex 2 on summary of fixed assets register reflects fixed assets balance of Kshs.62,717,000. However, physical verification revealed that the school had assets which include buildings and computers, office equipment, furniture and fittings but the fixed assets register was not updated with the assets values, dates of purchase, and details of physical locations for ease of verification and traceability.

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

3. Weaknesses in Textbook Management

Examination of records and physical confirmation at the store revealed that there was no policy, processes and or procedures for management of the text books. Further, there was no evidence that Management has set up a School Instructional Materials Selection Committee (SIMSC) to analyse annual needs assessment of the textbooks.

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

4. Weaknesses in Risk and Accounting System Management

During the year under review, Management had not established a Risk Management Policy, strategies, and risk register to mitigate against risk. Further, there was no signed contract/ service level agreement with the vendor for the supply of accounting system that was being used. In addition, the system had not yet been configured to capture miscellaneous income and the software reporting module did not generate student debtors reports as well fees payment reports.

In the circumstances, the effectiveness of risk management could not be confirmed which exposes the school to data loss, operational disruptions, unauthorized access, compromised confidentiality and integrity of financial and student information

5. Lack of Segregation of Duties

Interviews with the Management revealed that one person serves as the custodian of cash, authorizes and makes payments, and records the transactions in the petty cash book.

In the circumstances, the effectiveness of internal control system on the petty cash management could not be confirmed.

6. Unsupported Biological Assets Balances

Note 15 to the financial statements under other important disclosures reflects biological assets balance of Kshs.420,000. However, the school had cattle and trees which the method and significant assumptions applied in determining their fair values was not disclosed. Further, animals' details including acquisition dates and values, dates of birth, disposals dates and values, and dates of death were not provided for audit.

In the circumstances, the valuation of biological assets could not be confirmed.

7. Unconfirmed Inventory Balances

Note 17 to the financial statements under other important disclosures reflects inventory balance of Kshs.2,875,440. However, the inventory balance has not been supported by inventory listing, original stock taking sheets that were used to count stock balance.

In the circumstances, the value of the inventory 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 (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 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

19 May, 2026

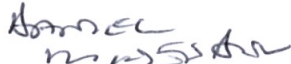
Reports and Financial Statements For the year ended 30th June 2022

V. 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	1,730,746.40	647,645.75
Capitation grants for operations	2	7,938,776.80	4,485,614.15
School fund income- parents' contributions	3	23,462,653.00	6,779,207.00
School fund income- other receipts	4	2,765,979.00	7,537,494.00
Grants for infrastructure	5	2,586,000.00	573,000.00
Total Receipts		38,484,155.20	20,022,960.90
Payments			
Payments for tuition	6	1,961,356.00	431,668.00
Payments for operations	7	8,714,647.15	4,005,247.00
Boarding and school fund payments	8	22,215,147.67	14,293,634.00
Payments for infrastructure	9	854,575.00	433,246.00
Total Payments		33,745,725.82	19,163,795.00
Surplus		4,738,429.38	859,165.90

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


.....

Name: 
Chair BOM

Date: 29/4/26


.....

Name: _____
School Principal/ Secretary to
BOM

Date: 29/4/26


.....

Name: _____
Bursar/ Finance Officer

Date: 29/4/26



VI. 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	2,341,713.97	1,078,525.92
Cash balances	9	4,983.33	1,598.00
Short term investment	10	0.00	0.00
Total cash and cash equivalent		<u>2,346,697.30</u>	<u>1,080,123.92</u>
Account's receivables	11	9,125,294.00	5,115,190.00
Total financial assets		11,471,991.30	6,195,313.92
Financial liabilities			
Accounts payables	12	-2,094,090.00	-1,555,842.00
Net financial assets		9,377,901.30	4,639,471.92
Represented by			
Accumulated fund b/fwd	13	4,639,471.92	3,780,306.02
Surplus/deficit for the year		4,738,429.38	859,165.90
Net financial position		9,377,901.30	4,639,471.92

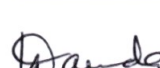
The school's financial statements were approved on _____ 2022 and signed by:

.....


Name: Daniel M. M. M.

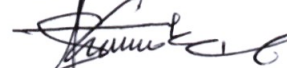
Chair BOM

Date: 29/4/22

.....


Name: Daniel M. M. M.
 School Principal/ Secretary to BOM

Date: 29/4/22

.....


Name: Daniel M. M. M.
 Bursar/ Finance Officer

Date: 29/4/22

VII. 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	1,730,746.40	647,645.75
Capitation grants for operations	2	8,391,132.80	4,485,614.15
School fund income- parents contributions/ fees	3	16,217,559.00	5,457,701.00
School fund income- other receipts	4	5,893,849.00	9,495,801.00
Total receipts		32,233,287.20	20,086,761.90
Payments			
Payments for tuition	5	1,670,768.00	594,068.00
Payments for operations	6	8,859,073.15	4,027,247.00
Boarding and school fund payments	7	22,168,297.67	14,855,956.00
Total payments		32,698,138.82	19,477,271.00
Net cash flow from operating activities		-464,851.62	609,490.90
Cashflow from investing activities			
Proceeds from sale of assets		xxx	xxx
Acquisition of assets		(xxx)	(xxx)
Proceeds from investments		xxx	xxx
Purchase of investments		(xxx)	(xxx)
Grants for infrastructure		2,586,000.00	573,000.00
Payments for infrastructure		-854,575.00	-433,246.00
Net cash flows from investing activities		1,731,425.00	139,754.00
Cashflow from borrowing activities			
Proceeds from borrowings/ loans		xxx	xxx
Repayment of principal borrowings		xxx	xxx
Net cash flow from financing activities		xxx	xxx
Net increase in cash and cash equivalents		1,266,573.38	749,244.90
Cash and cash equivalent at beginning of the year		1,080,123.92	330,879.02
Cash and cash equivalent at end of the year		2,346,697.30	1,080,123.92

(Magarini Girls Secondary School)
Reports and Financial Statements For the year ended 30th June 2022

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

Receipt/Expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
Receipts						
<i>(1) Capitation Grant on Tuition</i>						
Textbooks And Reference Materials	xxx	xxx	xxx	xxx	xxx	x
Exercise Books	xxx	xxx	xxx	xxx	xxx	x
Laboratory Equipment	xxx	xxx	xxx	xxx	xxx	x
Internal Exams	xxx	xxx	xxx	xxx	xxx	x
Teaching / Learning Materials	2,455,600.00	0.00	2,455,600.00	1,730,746.40	724,853.60	70.5%
Chalks	xxx	xxx	xxx	xxx	xxx	x
Exams And Assessment	xxx	xxx	xxx	xxx	xxx	x
Teachers Guides	xxx	xxx	xxx	xxx	xxx	x
TOTALS	2,455,600.00	0.00	2,455,600.00	1,730,746.40	724,853.60	
<i>(2) Capitation Grant on Operations</i>						
Personnel Emoluments	2,925,000.00	0.00	2,925,000.00	2,654,261.42	270,738.58	90.7%
Repairs And Maintenance	3,060,000.00	0.00	3,060,000.00	2,486,500.00	573,500.00	81.3%
Local Transport / Travelling	178,500.00	0.00	178,500.00	326,135.82	-147,635.82	182.7%
Electricity And Water	204,000.00	0.00	204,000.00	1,001,237.28	-797,237.28	490.8%
Medical	1,020,000.00	0.00	1,020,000.00	0.00	1,020,000.00	0%
Administration Costs	331,500.00	0.00	331,500.00	1,000,842.28	-669,342.28	301.9%
Activity	765,000.00	0.00	765,000.00	0.00	765,000.00	0%
Gratuity	0.00	0.00	0.00	0.00	0.00	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
Smasse	xxx	0.00	xxx	xxx	xxx	x
TOTALS	8,484,000.00	0.00	8,484,000.00	7,468,976.80	1,015,023.20	
<i>(3) Fees Charged on Parents</i>						
Personnel Emoluments	585,000.00	xxx	585,000.00	569,018.00	15,982.00	97.3%
Repairs And Maintenance	1,020,000.00	xxx	1,020,000.00	1,020,000.00	0.00	100%
Local Transport / Travelling	1,336,710.00	xxx	1,336,710.00	1,288,814.00	47,896.00	96.4%
Electricity And Water	1,245,930.00	xxx	1,245,930.00	1,001,713.00	244,217.00	80.4%
Medical	Xxx	xxx	Xxx	Xxx	Xxx	X
Administration Costs	3,333,360.00	xxx	3,333,360.00	2,605,638.00	973,983.00	70.8%
Activity	127,500.00	xxx	127,500.00	108,444.00	19,056.00	85.1%
Bom Teachers	1,785,000.00	xxx	1,785,000.00	1,562,923.00	222,077.00	87.6%
Fee On Boarding Equipment and Stores	12,946,350.00	xxx	12,946,350.00	8,307,270.00	4,639,080.00	64.2%
<i>Other Income</i>						
Rent Income	xxx	xxx	xxx	xxx	xxx	x
Income From Farming Activities	xxx	xxx	xxx	xxx	xxx	x
Insurance Compensation	xxx	xxx	xxx	xxx	xxx	x
Income From Posho Mill	xxx	xxx	xxx	xxx	xxx	x
Income From Bus Hire	xxx	xxx	xxx	xxx	xxx	x
Fee For Hire of Ground And Equipment	xxx	xxx	xxx	xxx	xxx	x
Interest Income	xxx	xxx	xxx	xxx	xxx	x
Income From Any Other Investment	xxx	xxx	xxx	xxx	xxx	x

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	22,379,850.00	xxx	22,379,850.00	16,463,820.00	6,162,291.00	
(1) Expenditure For Tuition						
Textbooks And Reference Materials	xxx	xxx	xxx	0.00	xxx	x
Exercise Books	xxx	xxx	xxx	230,000.00	-230,000.00	x
Laboratory Equipment	xxx	xxx	xxx	1,059,208.00	-1,059,208.00	x
Internal Exams	xxx	xxx	xxx	380,000.00	-380,000.00	x
Teaching / Learning Materials	2,455,600.00	0.00	2,455,600.00	0.00	2,455,600.00	0%
Chalks	xxx	xxx	xxx	xxx	xxx	x
Exams And Assessment	xxx	xxx	xxx	xxx	xxx	x
Teachers Guides	xxx	xxx	xxx	xxx	xxx	x
Administration Costs	xxx	xxx	xxx	xxx	xxx	x
Bank Charges	xxx	xxx	xxx	xxx	xxx	x
TOTALS	2,455,600.00	0.00	2,455,600.00	1,669,208.00	786,392.00	
(2) Expenditure For Operations						
Personnel Emoluments	2,925,000.00	0.00	2,925,000.00	2,925,000.00	0.00	100
Repairs, Maintenance & Improvements	3,060,000.00	0.00	3,060,000.00	1,413,908.00	1,646,092.00	46.2%
Local Transport / Travelling	178,500.00	0.00	178,500.00	178,500.00	0.00	100%
Electricity, Water and Conservancy	204,000.00	0.00	204,000.00	204,000.00	0.00	100%
Medical	1,020,000.00	0.00	1,020,000.00	0.00	1,020,000.00	0.00%
Administration Costs	331,500.00	0.00	331,500.00	331,500.00	0.00	100%
Activity Expenses	765,000.00	0.00	765,000.00	609,999.00	155,001.00	79.7%
Gratuity	0.00	0.00	0.00	0.00	0.00	x

(Magarini Girls Secondary School)
Reports and Financial Statements For the year ended 30th June 2022

Receipt/Expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
Smasse	0.00	0.00	0.00	xxx	xxx	x
TOTALS	8,484,000.00	0.00	8,484,000.00	5,662,907.00	2,821,093.00	
(3) Expenditure For School Fund						
Personnel Emoluments	585,000.00	xxx	585,000.00	158,452.00	426,548.00	27.1%
Repairs, Maintenance and Improvements	1,020,000.00	xxx	1,020,000.00	1,020,000.00	0.00	100%
Local Transport / Travelling	1,336,710.00	xxx	1,336,710.00	1,336,710.00	0.00	100%
Electricity, Water and Conservancy	1,245,930.00	xxx	1,245,930.00	829,923.00	416,007.00	66.6%
Medical Expenses	0.00	xxx	0.00	Xxx	xxx	X
Administration Costs	3,333,360.00	xxx	3,333,360.00	3,200,000.00	133,360.00	96.0%
Activity	127,500.00	xxx	127,500.00	156,200.00	-28,700.00	122.5%
Gratuity	0.00	xxx	0.00	Xxx	xxx	X
Lunch Programme	0.00	xxx	0.00	Xxx	xxx	X
Boarding Equipment and Stores	12,946,350.00	xxx	12,946,350.00	12,067,394.67	878,955.33	93.2%
Expenditure For Income Generating Activity	xxx	xxx	xxx	xxx	xxx	x
Insurance Costs	xxx	xxx	xxx	xxx	xxx	x
Other Expenses On Investments	xxx	xxx	xxx	xxx	xxx	x
Rent Expenses	xxx	xxx	xxx	xxx	xxx	x
Bank Charges	xxx	xxx	xxx	xxx	xxx	x
Bom Teachers	1,785,000.00	xxx	1,785,000.00	1,785,000.00	0.00	100%
Loan Principal Repayment	xxx	xxx	xxx	xxx	xxx	x
Acquisition Of Assets	xxx	xxx	xxx	xxx	xxx	x

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	22,379,850.00	xxx	22,379,850.00	20,553,679.67	1,926,170.33	x

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

- i. The information shown above shows that we over budgeted this is because the fees payment was not as expected due to the COVID19. And also the 100 percent transition of students made the school to expect more students whom later did not report.
- ii. Vote heads like ADM was caused by students burning the library\stationery store.

Vote head like EWC was due to the fact that the place is very dry and no water for usage. Hence the school is required to purchase water boozers at a cost of ksh 10000 per boozers that last for only 1 day and the school requires a minimum of 5 boozers in a week

IX. 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.

X. Notes To The Financial Statements**1 Capitation Grant for Tuition**

Description	2021-2022	2020-2021
	Kshs	Kshs
Textbooks And Reference Materials	0.00	0.00
Exercise Books	0.00	170,085.00
Laboratory Equipment	0.00	0.00
Internal Exams	0.00	0.00
Teaching / Learning Materials	1,730,746.40	477,560.75
Chalks	0.00	0.00
Exams And Assessment	0.00	0.00
Teachers Guides	0.00	0.00
Total	1,730,746.40	647,645.75

2 Capitation Grant for Operations

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments	2,654,261.42	1,949,489.83
Repairs And Maintenance	2,486,500.00	1,859,000.00
Local Transport / Travelling	326,135.82	178,500.00
Electricity And Water	1,001,237.28	204,000.00
Medical	0.00	0.00
Administration Costs	1,000,842.28	294,624.32
Activity	0.00	0.00
Main Account	365,000.00	0.00
Nhif Eduafya	104,800.00	0.00
Total	7,938,776.80	4,485,614.15

3 Parents Contribution/Fees - School Fund Account

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	855,807.00	1,184,029.00
Repairs and maintenance	1,020,000.00	239,707.00
Local transport / travelling	1,838,330.00	419,841.00
Electricity and water	1,535,375.00	437,118.00
Medical	0.00	0.00
Administration costs	3,231,871.00	603,438.00

Description	2021-2022	2020-2021
	Kshs	Kshs
Activity	164,459.00	37,784.00
Bom Teachers	2,222,512.00	0.00
Fee on Boarding Equipment and stores	12,594,299.00	3,857,290.00
Total	23,462,653.00	6,779,207.00

Notes To The Financial Statements (Continued)**4 Other Receipts – School Fund Account**

Description	2021-2022	2020-2021
	Kshs	Kshs
Rent Income	0.00	0.00
Income From Farming Activities	0.00	0.00
Insurance Compensation	0.00	0.00
Income From Uniforms	2,753,879.00	0.00
Income From Examinations	12,100.00	5,700.00
Income From R/D Cheques	0.00	909,812.00
Income From Bursaries	0.00	6,621,982.00
Interest Income	0.00	0.00
Dividends Income	0.00	0.00
Total	2,765,979.00	7,537,494.00

GRANTS FOR INFRASTRUCTURE ACCOUNT

Transfer from operation account	2,586,000.00	573,000.00
TOTALS	2,586,000.00	573,000.00

5 Payments For Tuition

Description	2021-2022	2020-2021
	Kshs	Kshs
Textbooks And Reference Materials	0.00	0.00
Exercise Books	230,000.00	0.00
Laboratory Equipment	1,349,796.00	323,770.00
Internal Exams	380,000.00	107,298.00
Teaching / Learning Materials	0.00	0.00
Chalks	0.00	0.00
Exams And Assessment	0.00	0.00

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Teachers Guides	0.00	0.00
Administration Costs	0.00	0.00
Bank Charges	1,560.00	600.00
Total	1,961,356.00	431,668.00

Notes To The Financial Statements (Continued)

6 Payments For Operations

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments	2,925,000.00	2,847,592.00
Service Gratuity	146,100.00	0.00
Administration Cost	376,500.00	245,715.00
Repairs And Maintenance & Improvements	1,676,838.00	0.00
Local Transport / Travelling	178,500.00	127,800.00
Electricity And Water	204,000.00	204,000.00
Medical	0.00	0.00
Activity Expenses	609,999.00	0.00
Smasse	0.00	0.00
Insurance Cost	0.00	0.00
Bank Charges	11,710.15	7,140.00
Sic Account	2,586,000.00	573,000.00
Total	8,714,647.15	4,005,247.00

Notes To The Financial Statements (Continued)**7 Boarding And School Fund Payments**

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments	158,452.00	1,181,979.00
Service Gratuity	0.00	0.00
Repairs And Maintenance & Improvements	1,020,000.00	963,900.00
Local Transport / Travelling	1,336,710.00	508,180.00
Electricity And Water	877,623.00	226,100.00
Medical Expenses	0.00	0.00
Administration Costs	3,200,000.00	258,165.00
Bom Teachers	1,785,000.00	0.00
Bank Charges	23,298.00	23,940.00
Expenses On Income Generating Activities	0.00	0.00
Fee On Boarding Equipment and Stores	12,317,394.67	3,599,576.00
Tender	10,000.00	0.00
R/D Cheques	0.00	909,812.00
Expenses on uniforms	945,470.00	0.00
Activity	156,200.00	0.00
Bursaries Expenses	0.00	6,621,982.00
Operation account	365,000.00	0.00
Refund	20,000.00	0.00
Total	22,215,147.67	14,293,634.00

PAYMENTS FOR INFRASTRUCTURE ACCOUNT

Construction of sock pit and septick (MOE)	853,340.00	0.00
Bank charges	1,235.00	252.00
Construction of Ablution Block (MOE)	0.00	432,994.00
TOTALS	854,575.00	433,246.00

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	0450294700635	118,864.71	58,886.31
Operations Account	0450294700580	-24.54	472,215.81
School Fund Account/Boarding	1111272174	224,947.80	280,922.80
Savings Account			
Parent Association Development Account			
Income Generating Activities Account			
Infrastructural Account	1237852811	1,997,926.00	266,501.00
Total		2,341,713.97	1,078,525.92

9 Cash In Hand

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition Account	0.00	0.00
Operation Account	4,425.00	125.00
School Fund account	558.33	1,473.00
Total	4,983.33	1,598.00

10 Short Term Investments

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

Notes To The Financial Statements (Continued)

11 Accounts Receivable

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees Arrears	9,111,294.00	5,115,190.00
Other Non-Fees Receivables	0.00	0.00
Salary Advances	14,000.00	0.00
Imprest	0.00	0.00
Total	9,125,294.00	5,115,190.00

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees Arrears For Current Year	6,723,448.00	1,836,046.00
Fees arrears received during the year	(2,679,025.00)	(1,958,307.00)
Fees Arrears For The Previous Year	1,836,046.00	3,230,825.00
Fees Arrears For Prior Periods (Over Two Years)	3,230,825.00	2,006,626.00
Total	9,111,294.00	5,115,190.00

12 Accounts Payable

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	1,654,140.00	1,041,302.00
Prepaid Fees	439,950.00	514,540.00
Retention Monies	0.00	0.00
Total	2,094,090.00	1,555,842.00

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade Creditors for Current Year	907,418.00	0.00
Trade creditors paid during the year	(0.00)	(746,722.00)
Trade Creditors for The Previous Year	0.00	746,722.00
Trade Creditors for Prior Periods (Over Two Years)	746,722.00	1,041,302.00
Total	1,654,140.00	1,041,302.00

Notes To The Financial Statements (Continued)

13 Fund Balance Brought Forward

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank Balances	2,341,713.97	1,078,525.92
Cash Balances	4,983.33	1,598.00
Short Term Investments		
Receivables	9,125,294.00	5,115,190.00
Payables	-2,094,090.00	-1,555,842.00
Total	9,377,901.30	4,639,471.92

Other important disclosure notes

14 Non-current Liabilities Summary

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

15 Biological assets

Description	Numbers	2021-2022	2020-2021
		Kshs	Kshs
Cattle	12	380,000.00	380,000.00
Goats		xxx	xxx
Trees	200	40,000.00	40,000.00
Coffee Or Tea Plantation		xxx	xxx
Poultry		xxx	xxx
Total		420,000.00	420,000.00

16 Borrowings

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

Other important disclosure notes

17 Stock/ Inventory **New**

Description	2021-2022	2020-2021
	Kshs	Kshs
b) Inventory		
Stock/ inventory at beginning of the year	2,455,600	2,334,950
Stock/ inventory purchased during the year	3,642,000	950,210
Stock/ inventory issued during the year	3,222,160	829,560
Balance at end of the year	2,875,440	2,455,600

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)
MOE\DSAS\SI\242	Management should settle all the trade creditors to avoid possible legal action. Inter account borrowing should be curbed by the school management strictly adhering to ministry of education policy guidelines and the full BOM APPROVED BUDGET	All the creditors were to be paid as soonest so that the school could continue with operations	The issue was resolved by the BOM	All creditors to be paid before the end of March 2021
	The management should formulate effective policies to address the issue of fees collection. Debtors for the period were KSh 2,612,9951.30	Fees committees from the school management was formed to oversee the school parents fees payment and all students who were ALUMIN should be removed to reduce the figures of debtors	The issue was resolved that parents to be emphasised to clear their fees balances	The school expect all students to clear fees balances before moving to the next term.
	FUNDED ACCOUNTS KSh 2,684,800. The school management should ensure full utilisation of all MOE grants as per the guidelines while PTA development and bus fund are utilised for the agreed activities by parents, MOE and	The school BOM proposed to strictly utilise the funds as per the guidelines from MOE	The issue was resolved	All monies for RMI be transferred to the relevant account and the usage be followed as required.

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	BOM.Caution money to be refunded to the students as per the MOE GUIDELINES and any further collection of the same be discontinued. And the school management should strictly adhere to the MOE policy guidelines and the full BOM approved budget.	The BOM Resolved to refund all caution monies and not to collect any more caution money.	The issue was resolved	No caution money issues.

Sign and Date
Principal

Annex 1 - Analysis Of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 20XX	Outstanding Balance 20XX-1	Comments
	a	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1. EPHA MERCHANT	262,930.00	31/12/2021	NIL	262,930.00	262,930.00	WAS PAID AND CLEARED AFTER 30 TH JUNE 022
2.						
3.						
Sub-Total	262,930.00			262,930.00	262,930.00	
Supply Of Goods						
4. ECONOMY FASHION	11,200.00	31/12/2021	NIL	11,200.00	11,200.00	WILL BE PAID IN 2023 FEBRUARY
5. LUISTE ELECTRICALS	47,000.00	31/12/2021	NIL	47,000.00	47,000.00	SHALL BE PAID IN 2023
6. MALI RAHISI	250,000.00	31/12/2021	NIL	250,000.00	250,000.00	SHALL BE PAID IN 2023
7. RENSHA ENTERPRISES	290,588.00	31/12/2021	NIL	290,588.00	290,588.00	SHALL BE PAID IN 2023 MARCH
Sub-Total	598,788.00			598,788.00	598,788.00	
Supply Of Services						
8. SALCOM INVESTMENT	45,000.00	31/12/2021	0	45,000.00	45,000.00	WILL BE PAID IN 2023 JANUARY
9.						
10.						
Sub-Total	45,000.00			45,000.00	45,000.00	
Grand Total	907,418.00			907,418.00	907,418.00	

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	2009	Magarini	116,000	Nil	Nil	Nil
Land 2	-	-	-	-	-	-
Buildings And Structures	2012	Magarini	45,000,000	4,600,000	120,000	49,480,000
Motor Vehicles	-	-	-	-	-	-
Office Equipment, Furniture And Fittings	2019	Magarini	418,000	30,000	-	448,000
ICT Equipment, And Other ICT Assets	2012	Magarini	1,000,000	1,787,000	400,000	1,387,000
Tools And Apparatus	2012	Magarini	200,000	4,067,000	-	4,267,000
Textbooks	2009	Magarini	1,800,000	4,200,000	-	6,000,000
Other Machinery And Equipment	2015	Magarini	435,000	-	-	435,000
Heritage And Cultural Assets	-	-	-	-	-	-
Intangible Assets- Soft Ware	2014	Magarini	100,000	600,000	-	700,000
Total			49,069,000	15,284,000	520,000	62,717,000