

REPUBLIC OF KENYA



Enhancing Accountability



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REPORT

THE NATIONAL ASSEMBLY
PAPERS I AND

DATE: 28 NOV 2023

DAY.

TUESDAY

OF

TABLED
BY:

Hon Owen Bayo, MP
Deputy majority leader

CLERK-AT
THE-TABLE:

Inaoti mwale

THE AUDITOR-GENERAL

ON

MUHU SECONDARY SCHOOL

**FOR THE YEAR ENDED
30 JUNE, 2021**

KIAMBU COUNTY



MUHU SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR STARTING 1ST JANUARY 2021 TO
30TH JUNE 2021**

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

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I. Key School Information And Management

[Customise the details in this section to suit your 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 KIAMBU County, KIKUYU Sub-County

The school was registered in 3/2010 under registration number GP/A/8293/10 and is currently categorized as a Sub County public school established, owned or operated by the Government.

The school is a day school and had 527 number of students as at 30th June 2021 It has 3 streams and 22 teachers of which 6 teachers are employed by the School Board Of Management.

(b) School Board of Management - Board Members

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

1	Mr Douglas Nyoro	Chairman	30th March 2019
2	Mr. J.K. Mwangi	Secretary - Principal	30th March 2019
3	Ruth Mwai	Member	30th March 2019
4	Grace Kahuho	Member	30th March 2019
5	Martin Njuru	Member	30th March 2019
6	Leonord Ngigi	Member	30th March 2019
7	Samuel Kibunja	Member	30th March 2019
8	Eng Stephen Kigera	Member	30th March 2019
9	Mary Wanjiku	Member	30th March 2019
10	Mary matu	Member	30th March 2019
11	Agnes Nyambura	Member	30th March 2019
12	Martin Njuru	Member	30th March 2019
13	Evanson Gachoka	Member – Rep CEB	30th March 2019
14	Stephen Mwaniki	Member Rep Teachers	30th March 2019
15	<ul style="list-style-type: none"> • Rev Kelvin Ngang'a • Evanson Gachoka • Dauglas Wainaina 	3 Members - Sponsor	30th March 2019
16	Godfery Kamae	Member - Community	30th March 2019
17	Godfrey Mbugua	Member Special Needs	30th March 2019
18	June Shierly	Rep Students	30th March 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. (i)
- 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 paragraph 21 and 23 of the Basic Education Act, 2013.

(c) Committees of the Board

1	Executive Committee	<ul style="list-style-type: none"> • Douglas Nyoro • Leonard Ngigi • Godfrey Kamae • Eng stephen Kigera • Mr. J. K mwangi 	2/2
2	Audit Committee	<ul style="list-style-type: none"> • Douglas Nyoro • Leonard Ngigi • Godfrey Kamae • Eng stephen Kigera • Mary Wairimu 	1/1
3	Finance, procurement and general purposes Committee	<ul style="list-style-type: none"> • Douglas Nyoro • Leonard Ngigi • Godfrey Kamae • Eng stephen Kigera • Mary Wairimu 	1/2
4	Academic Committee	<ul style="list-style-type: none"> • Mary Matu • Agnes Nyambura • Grace wanjiru • Stephen mwaniki • Samuel kibunja 	2/2
5	SIC	<ul style="list-style-type: none"> • Douglas Nyoro • Godfrey kamae • Eng Stephen Kigera • Ruth mwai • Leonard Ngigi • Stephen Mwaniki 	2/2
6	Discipline and welfare Committee	<ul style="list-style-type: none"> • Martin Njiru • Evanson Kamau • Mary Wanjiku • Stephen Mwaniki • Godfery Mbugua • June shierly 	1/2
7	Adhoc Committee (if any during the year)	n/a	

(a) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	MR.J.K.MWANGI	348515
2	Deputy Principal (acting)	STEPHEN KIMANI	442770
3	School Bursar	SARAH MURIGI	-

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(b) Schools contacts

Post Office Box: 649- 00902 KIKUYU
 Telephone: 0777230403/0722633492
 E-mail: muhusecondary@gmail.com
 Website: N/A
 Facebook:
 Twitter:

(c) School Bankers

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

1. Name of Bank: Equity
 Branch: KIKUYU
 Account Number: 0570291737671
2. Name of Bank: EQUITY
 Branch: KIKUYU
 Account Number: 0570291990685
3. Name of Bank: EQUITY
 Branch: KIKUYU
 Account Number: 0570273807269
4. Name of Bank: KCB
 Branch: KIKUYU
 Account Number: 1107188555
5. Name of Bank: FAMILY BANK
 Branch: KIKUYU
 Account Number: 102000005762

(d) Independent Auditors

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

MUHU SECONDARY SCHOOL

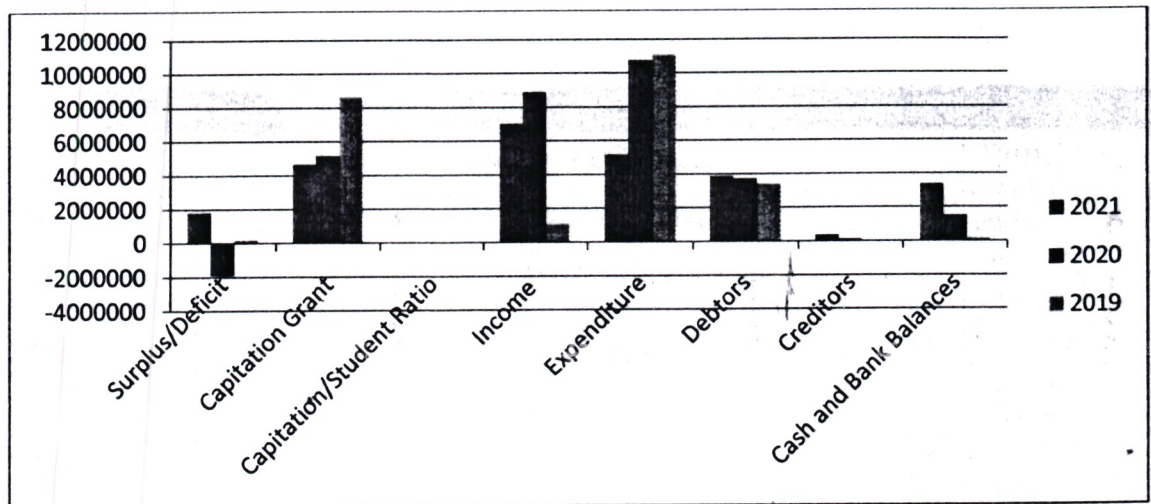
Reports and Financial Statements For the year ended 30th June 2021

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:

year	Surplus/ deficit	capitation		total	Ratio per student	income	exp	debtors	creditor	Cash&bc
		tuition	operation							
2019	223406.35	1571778.60	7177344.75	8695123.35	19194.53	11377424.35	11154018	3467068.35	0	185650.
2020	-1858695.00	859595	4322350	5181945	13,598	8,925,852	10,784,547	3746946.35	163550	151506.
2021	1868477.30	634246.75	4049851.55	4684098.3	9462	7,073,215.30	5,204,738	3897546.35	407030	340460.



Teacher Student ratio:

Number of student	527	TSC Teachers	BOM teachers	TSC posting 2021	Transfer/retirement 2021
No. of teachers	22	16	6	0	1
Teacher student ratio	24 student per teacher				

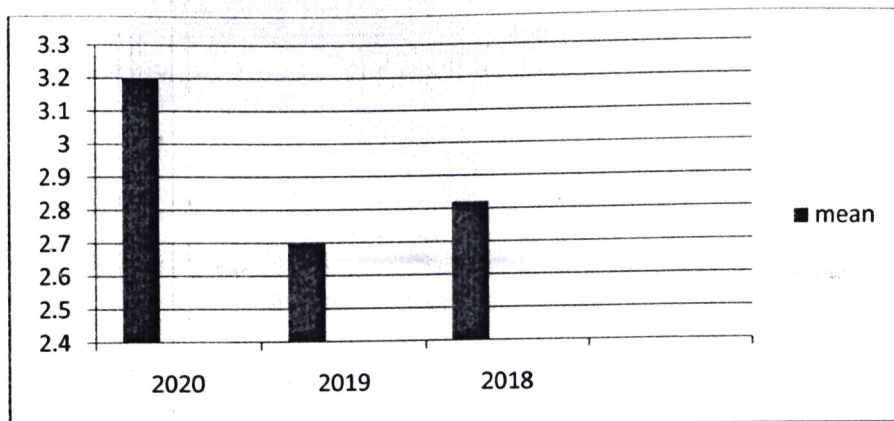
SUBJECT	HIST	GEO	CRE	BIO	AGRI	CHEM	PHYC	ENG/LIT	MATH	BUS	KISW
NO. OF TEACHERS	3	2	2	2	1	3	2	1	4	2	3

b) Mean score in the 2020 KCSE:

year	Mean score
2020	3.204
2019	2.701
2018	2.822

During the year 8 student went to university with 3 student scoring B, and 5 student having a C+.

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

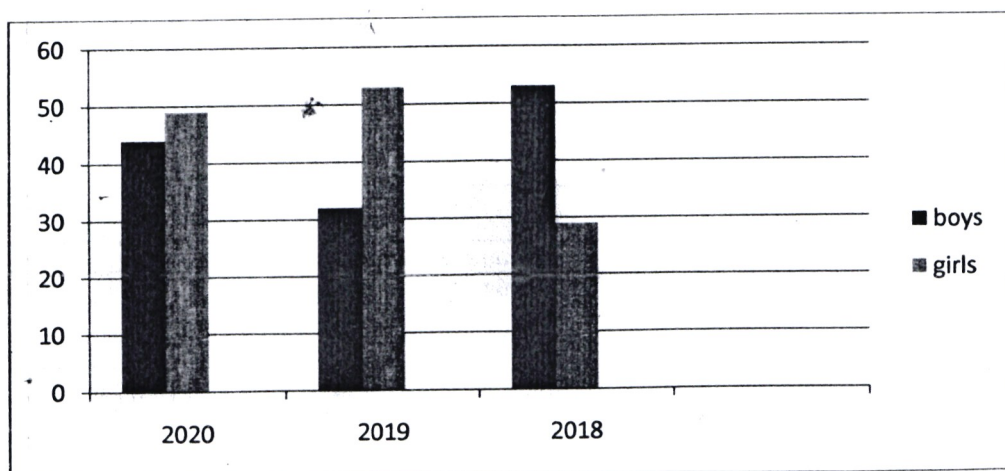


LIST OF STUDENT WHO WENT TO UNIVERSITY

s/no	Name of student	Grade
1	Rose Adhimbo	B
2	VyonneAnzweni	B
3	Ivan Mugambi	B
4	AnastactiaKerubo	C+
5	Silvia Nyambura	C+
6	Margaret Njeri	C+
7	Ann Wanjiru	C+
8	Grace Wairimu	C+

5) Number of Candidates in the 2020 KCSE:

YEAR	BOYS	GIRLS	TOTAL
2018	53	29	62
2019	32	53	85
2020	44	49	93



MUHU SECONDARY SCHOOL

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

d) Capacity of the school:

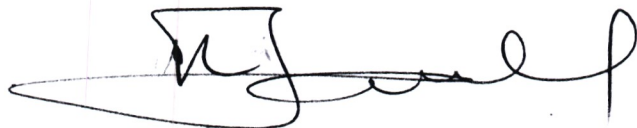
item	quantity	Remark
Student population	527	
Classrooms	18	
laboratory	1	Not enough
Teachers toilet	5	
Boys toilet	15	
Girls toilet	10	
Dinning hall	1	
Staffroom	2	
Administration block	1	

e) 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	SOURCE OF FUND
Construction of 4 classroom	3,964,540	CDF

Sign



School Principal

PRINCIPAL
 MUHU SECONDARY SCHOOL
 P. O. Box 649 KIKUYU
 DATE:.....

I. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

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

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

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

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2021, and of the school's financial position as at that date.

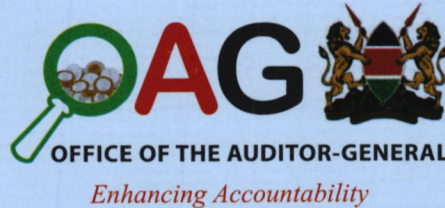
Name: Mr Douglas Nyoro
Designation: Chairman, School Board of Management
Sign:
Date: 29th June 2023

Name: Mr J.K Mwangi
Designation: School Principal & Secretary to Board of Management
Sign:
Date: 29th June 2023

Name: Sarah Murigi
Designation: Bursar
Sign:
Date: 29th JUNE 2023

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: 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 MUHU SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2021 - KIAMBU COUNTY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Muhu Secondary School - Kiambu County set out on pages 1 to 18, which comprise of the statement of financial

assets and financial liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and the statement of comparison of budget 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 the Muhu Secondary School - Kiambu County as at 30 June, 2021, 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 comply with the Public Finance Management Act, 2012 and Basic Education Act, 2013.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The annual report and financial statements presented for audit had the following inaccuracies:

- i. The statement of financial assets and financial liabilities and Note 12 to the financial statements reflects accounts payable balance of Kshs.539,530 which includes trade creditors balance of Kshs.407,030. However, analysis of pending accounts payable shown under Annex 1 reflects a balance of Kshs.343,480 resulting to an unreconciled variance of Kshs.63,550;
- ii. The statement of financial assets and financial liabilities reflects fund balance brought forward of Kshs.4,894,143 and Kshs.6,752,838 for 2020/2021 and 2019/2020 financial years respectively. However, Note 13 to the financial statements reflects fund balance brought forward for 2020/2021 and 2019/2020 financial years of Kshs.6,762,620 and Kshs.4,894,143 respectively and
- iii. The statement of budgeted versus actual amounts reflects total income under budget utilization difference column amounting to Kshs.686,548. However, re-computation of the statement revealed total income amounting to Kshs.464,133 resulting to an unreconciled variance of Kshs.222,415.

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

2. Misstatement and Unsupported Parents Contribution

The statement of receipts and payments reflects school fund income - parents' contribution amounting to Kshs.2,371,617 as disclosed in Note 3 to the financial statements. However, the revenue schedule reflects an amount of Kshs.2,149,202 resulting to an unreconciled variance of Kshs.222,415. Further, review of the fees structure revealed that the students were to contribute an amount of Kshs.12,000 for the

lunch program during the year under review. However, fees register showing the total amount billed to the students and the amount contributed was not provided for review.

In addition, review of the school fund cash book provided for audit revealed that there was lunch fee received in cash from the parents which was against the school policy indicating that all revenue should be paid through the bank. Further, the revenue collected in cash was not banked but spent at source which could be prone to misuse.

In the circumstances, the accuracy and completeness of the parents' contribution - School Fund Account receipts amounting to Kshs.2,371,617 could not be confirmed.

3. Unsupported Accounts Receivables

The statement of financial assets and financial liabilities and Note 11 to the financial statements reflects accounts receivables balance of Kshs.3,897,546, This balance relates to fees arrears from students. Review of the debtors ledger revealed accounts receivable balance of Kshs.3,746,946 for the prior years and current year debtors balance of Kshs.150,600. However, debtors age analysis showing how long the debts have been outstanding were not provided for audit. Further, Management did not explain measures put in place to ensure the debts are collected and debtors policy approved by the board of management was not provided for audit.

In the circumstances, the accuracy, completeness and recoverability of the accounts receivables balance of Kshs.3,897,546 could not be confirmed.

4. Cash and Cash Equivalents

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.3,404,604 as disclosed in Note 9 to the financial statements. However, the following anomalies were noted;

4.1 Unsupported Cash Balances

Included in the cash and cash equivalents balance of Kshs.3,404,604 was cash in hand balances of Kshs.11,364 as disclosed in Note 9 to the financial statements. However, board of survey report as at 30 June, 2021 confirming the cashbook balances for all the bank accounts was not provided for audit.

4.2 Unreconciled Cash and Cash Equivalents

Review of the sampled bank reconciliation statements from the school fund account balance of Kshs.203,546 for the months of February, March, April and June, 2021 revealed direct deposits of Kshs.258,174, Kshs.78,194, Kshs.83,574 and Kshs.39,554 respectively which had not been receipted in to the cash book. However, there was no evidence that the unreceipted deposits were recorded in the cashbook in the subsequent months.

4.3 Unaccounted for Cash Withdrawals

Review of cash book and bank statements revealed cash withdrawals for operations account and school fund account amounting to Kshs.298,500 and Kshs.305,000

respectively. However, memorandum cash book was not maintained for the account. Further, the school did not have an approved cash management policy to manage the use of cash and issue of standing imprests. In addition, there were no formal requests from the Principal for the cash withdrawals and no approved threshold limits were set for the cash withdrawals.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.3,404,604 could not be confirmed.

5. Unsupported Payment for Activity Fees

The statement of receipts and payments reflects payments for operations amounting to Kshs.2,530,958 as disclosed in Note 6 to the financial statements includes activity expenses of Kshs.128,500. Review of payment vouchers and supporting documents revealed that these were payments made to Kikuyu Sub-County Secondary School heads for activity fees. However, the payments were not supported by invoices and issued receipts. Further, the law approving and determining the rates applied was not provided for audit.

In the circumstances, the accuracy and completeness of the activity expenses of Kshs.128,500 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Muhu 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.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, 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. Non-Utilization of Capitation for Development

The statement of receipts and payments and as disclosed in Note 2 to the financial statements reflects capitation grants for operations amount of Kshs.4,049,851 which includes an amount of Kshs.1,965,000 for capitation for development. However, review of the infrastructure bank account statement revealed an unutilized balance of Kshs.3,084,116 as at 30 June, 2021. Further, review of the project files revealed that approval from the County Director of Education for implementation of the infrastructure projects was sought on 29 April, 2020 for renovation of administration block. However, no project was undertaken during the year under review hence the funds received were not utilized.

In the circumstances, value for money for capitation for development could not be confirmed.

2. Irregularities in Accounting for Capitation Grants

During the year under review, the school did not acknowledge receipt of capitation for grants for operations and tuition as was directed by the Ministry of Education by providing to the County Director of Education through the Sub-County Director of Education an allocation of funds duly signed by individual students showing their admission numbers and full names as indicated in the admission register and the amount awarded. In addition, the Principal was required to acknowledge funds received two weeks after receipt. However, it was noted that acknowledgement for the capitation for operations disbursement of Kshs.1,769,925 dated 22 April, 2021 was done after the stipulated time on 25 May, 2021.

Further, there was no evidence that official receipts were issued to the Principal Secretary - State Department of Early Learning and Basic Education as the acknowledgment receipts provided did not have the County Directors of Education received stamp. In addition, the School did not acknowledge receipt of Kshs.172,189 for capitation for tuition by a letter to the County Director of Education and there was no evidence that an official receipt was uploaded on the NEMIS platform.

In the circumstances, it was not possible to confirm the actual number of students funded during the year under review and Management was in breach of the guidelines.

3. Lack of School Improvement Plan

During the year under review, the school did not have a school improvement plan as required by the Ministry of Education operations manual for utilization of learner capitation grant and other school funds. This was contrary to the Ministry of Education Operation Manual for Utilization of Learner Capitation Grant and Other School Funds under Section 2.2 School Improvement Planning that requires the School to identify in every 3-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 guidelines.

4. Non-Compliance with the Public Sector Accounting Standards Board (PSASB) Reporting Requirements

The Public Sector Accounting Standards Board (PSASB) Guidelines on Implementation of International Public Sector Accounting Standards (IPSAS) by secondary schools in Kenya of August 20, 2021 requires the first financial statements after adoption of IPSAS to be presented for eighteen (18) months from 01 January, 2020 to 30 June, 2021 with comparatives being for twelve (12) months from 01 January, 2019 to 30 December, 2019. Further, a disclosure note ought to have been included in the financial statements that the reason for preparing for longer period is due to the adoption of IPSAS for School and the change from calendar year to Government fiscal year. In addition, a disclosure note should be made in the financial statements that the comparative information may not be comparable due to the longer period covered by the current financial period.

However, Management presented the annual report and financial statements covering only one year for financial year 2020/2021 with comparative balances for financial year 2019. Therefore, the financial statements have not been prepared for eighteen months (18) as prescribed the Public Sector Accounting Standards Board (PSASB).

Further, no disclosure was made on the change in the preparation of financial statements from calendar year to Government fiscal year or on the lack of comparability due to longer period covered by the current financial period.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Weak Controls in Management of Textbooks

Review of the inventory records revealed that the school maintained a receipts and issue register for all the text books received from the Ministry of Education and issued to students. The audit revealed that the School - maintained student card files to record all the books issued and returned by the students which were supposed to be returned at the end of the academic year. However, review of the student card files revealed that students were issued with books in the subsequent year without returning the books for the previous classes. Further, a textbook inventory analysis showing the text books received from the Ministry, text books issued to the students, number of books collected, number of books not returned and balance in stock was not provided for audit.

Further, Management did not explain measures which have been put in place to ensure all the textbooks are recovered and policy put in place for management of textbooks to eliminate loss of textbooks.

In the circumstances, it was not possible to confirm existence of effective internal controls in relation to management of text books.

2. Weak Controls on Assets Management

During the year under review, the school did not maintain an inventory management system. Further, the audit revealed that the School assets including office machines and furniture were not tagged hence it was not possible to identify the assets which could result to loss of the assets.

In the circumstances, it was not possible to confirm existence of effective internal controls systems in management of assets.

3. Irregularities on Board of Management

Review of the board of management files revealed that the board of management qualifications could not be confirmed since academic certificates were not provided for audit.

In addition, the board did not have an annual workplan or schedule of activities and there were no approved rates for allowances payable to the board. Further, the board held only one meeting during the year under review and the Board meeting minutes were not signed. Further, the audit and finance committees did not hold meetings during the year under review.

In the circumstances, the school might not have benefited from advisory and oversighting roles of the board of management.

4. Weak Controls on Cash and Bank Management

Review of the cash and cash equivalents documents for the four bank accounts revealed the following anomalies: -

- i. Bank reconciliation statements for tuition account were not prepared for each month as required by the law and bank statement for the month of June was not provided for audit;
- ii. The cash book for operations account was not officially balanced, reviewed, and approved by way of signing at the end of the financial period by a senior official;
- iii. Bank reconciliation statements for infrastructure account were not prepared for the six months under review and cash book was not prepared for the months of February, March, April and June, 2021. Further, the cash book was not officially balanced, reviewed, and approved by way of signing at the end of the financial period by a senior official and
- iv. Management did not prepare a separate cash book for the infrastructure account as required by law that each bank account shall have its own cash book.

In the circumstances, the effectiveness of the controls on management of cash 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 control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal 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 overall governance.

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

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

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

Those charged with governance are responsible for overseeing the School's financial reporting process, reviewing the effectiveness of how 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 control 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 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.


Because of its inherent limitations, internal control 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 judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to continue 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 Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


 CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 October, 2023

MUHU SECONDARY SCHOOL

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

III. Statement Of Receipts And Payments Period To 30th June 2021

DESCRIPTION OF VOTE HEAD	Note	2020-2021 Kshs	2019-2020 Kshs
RECEIPTS			
Capitation grants for tuition	1	634,247.00	859,595.00
Capitation grants for operations	2	4,049,852.00	5,871,450.00
School Fund Income- Parents' Contributions	3	2,371,617.00	2,105,207.00
School Fund Income- Other receipts	4	17,500.00	89,600.00
Proceeds from borrowings		-	-
TOTAL RECEIPTS		7,073,215.00	8,925,852.00
PAYMENTS			
Payments for Tuition	5	835,210.00	917,671.00
Payments for operations	6	2,530,958.00	7,860,876.00
Boarding and school fund payments	7	1,838,570.00	2,006,001.00
TOTAL PAYMENTS		5,204,738.00	10,784,547.00
SURPLUS		1,868,477.00	(1,858,695.00)

The school financial statements were approved on 29th JUNE 2023 and signed by:

Name: DORCUS NYUKU

Chair BOM

Date: 29th JUNE 2023

Name: J. K. MUKAWA

School Principal/ Secretary to BOM

Date: 29/06/2023

Name: SARAH MURAI

Bursar/ Finance Officer

Date: 29th JUNE 2023

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

	Note	2020-2021 Kshs	2019-2020 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	3,393,240.00	1,514,454.00
Cash Balances	9	11,364.00	608.00
Short term Investment	10	0	0
Total Cash and cash equivalent		<u>3,404,604.00</u>	<u>1,515,062.00</u>
Account's receivables	11	3,897,546.00	3,746,946.00
TOTAL FINANCIAL ASSETS		7,302,150.00	5,262,008.00
FINANCIAL LIABILITIES			
Accounts Payables	12	539,530.00	367,865.00
NET FINANCIAL ASSETS		6,762,620.00	4,894,143.00
REPRESENTED BY			
Accumulated Fund b/fwd	13	4,894,143.00	6,752,838.00
Surplus/Deficit for the year		1,868,477.00	(1,858,695.00)
NET FINANCIAL POSITION		6,762,620.00	4,894,143.00

The school's financial statements were approved on 29th June 2023 and signed by:

Name: Douglas Mwangi

Chair BOM

Date: 29/06/2023

Name: J.K. Mwangi

School Principal/ Secretary to BOM

Date: 29/06/2023

Name: SARAH MURUKU

Bursar/ Finance Officer

Date: 29th June 2023

29/06/2023

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

V. Statement of Cash Flows for The Period Ended 30th June 2021

		2020-2021	2019-2020
		KSh	KShs
Receipts for operating income			
Capitation grants for tuition	1	634,247.00	859,595.00
Capitation grants for operations	2	4,049,852.00	5,871,450.00
School fund income- Parents contributions/ fees	3	2,149,202.00	1,740,580.00
School fund income- other receipts	4	17500.00	89,600.00
Total receipts		6,850,800.00	8,561,225.00
Payments			
Payments for Tuition		670,910.00	917,670.00
Payments for operations		2,354,375.00	4,089,592.00
Boarding and school fund payments		1,888,570.00	1,842,451.00
Total payments		4,913,855.00	6,849,713.00
Net cash flow from operating activities		1,936,945.00	1,711,512.00
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		0	0
Acquisition of Assets		(47,403.00)	(3,582,384.00)
Proceeds from investments		0	0
Purchase of investments		0	0
Net cash flows from Investing Activities		(47,403.00)	(3582384.00)
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans		0	0
Repayment of principal borrowings		0	0
Net cash flow from financing activities		0	0
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,889,542.00	(1,870,872.00)
Cash and cash equivalent at BEGINNING of the year		1,515,062.00	3,385,934.00
Cash and cash equivalent at END of the year		3,404,604.00	1,515,062.00

The school's financial statements were approved on 29th June 2023 and signed by:

Name: DOUGLAS NYOKO

Name: J.K. Mwanja

Name: SARAH MWAHA

Chair BOM

Principal/ Secretary to BOM

Bursar/ Finance Officer

Date: 29th June 2023

Date: 29/56/2022

Date: 29th June 2023

[Signature]

FINANCIAL
 MUHU SECONDARY SCHOOL
 Q. B. ...

VI. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2021

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						
(1) Capitation Grant on Tuition						
Textbooks And Reference Materials	0	0	0	0	0	0
Exercise Books	0	0	0	0	0	0
Laboratory Equipment	0	0	0	0	0	0
Internal Exams	0	0	0	0	0	0
Teaching / Learning Materials	0	0	0	0	0	0
Chalks	0	0	0	0	0	0
Exams And Assessment	0	0	0	0	0	0
Teachers Guides	0	0	0	0	0	0
tuition	1056720	0	1056720	634246.75	422,473	60%
(2) Capitation Grant on Operations						
Personnel Emoluments		0	0	0	0	0
Repairs And Maintenance	1,965,000	0	1,965,000	1,965,000	0	100%
Local Transport / Travelling		0	0	0	0	0
Electricity And Water		0	0	0	0	0
Other vote heads	2,397,000	0	2,397,000	2,084,852	312,148	87%
Administration Costs		0	0	0	0	0
Activity		0	0	0	0	0
Gratuity		0	0	0	0	0

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

Receipt/Expenses Item	Original Budget a. Kshs	Adjustments b Kshs	Final Budget c=a+b Kshs	Actual on Comparable Basis d	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
Smasse	0	0	0	0	0	0
(3) Fees Charged on Parents						
Personnel Emoluments	0	0	0	0	0	0
Repairs And Maintenance	0	0	0	0	0	0
Local Transport / Travelling	0	0	0	0	0	0
Electricity And Water	0	0	0	0	0	0
Medical	0	0	0	0	0	0
Administration Costs	0	0	0	0	0	0
Activity	0	0	0	0	0	0
Smasse	0	0	0	0	0	0
Lunch	2,101,128	0	2,101,128	2,371,617	(270,489)	113%
Other Income						
Rent Income	0	0	-	-	-	-
KCSE repeaters	17500	0	17500	17500	0	100%
Insurance Compensation	0	0	-	-	-	-
Income From Posho Mill	0	0	-	-	-	-
Income From Bus Hire	0	0	-	-	-	-
Fee For Hire of Ground And Equipment	0	0	-	-	-	-
Interest Income	0	-	-	-	-	-
Income From Any Other Investment	0	-	-	-	-	-
Total Income	7,537,348	0	7,537,348	7,073,215	686,548	91%
(1) Expenditure For Tuition						

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

Receipt/Expenses Item	Original Budget		Adjustments		Final Budget		Actual on Comparable Basis		Budget Utilization	
	a	b	c	d	e=a+b	f	g=c-d	h=f/e%	i=g/h%	j=shs
	Kshs		Kshs		Kshs		Kshs		Kshs	
Textbooks And Reference Materials	-	0	0		0	0	0	0	0	0
Exercise Books	-	0	0		0	0	0	0	0	0
Laboratory Equipment	-	0	0		0	0	0	0	0	0
Internal Exams	-	0	0		0	0	0	0	0	0
Teaching / Learning Materials	-	0	0		0	0	0	0	0	0
Chalks	-	0	0		0	0	0	0	0	0
Exams And Assessment	-	0	0		0	0	0	0	0	0
Teachers Guides	-	0	0		0	0	0	0	0	0
Tuition	1056720	-	0		1056720	834490	222230	78%		
Bank Charges	720	0	0		720	720	0	100%		
(2) Expenditure For Operations										
Personnel Emoluments	1,309,980	0	0		1,309,980	1137930	172050	86%		
Repairs, Maintenance & Improvements	1,965,000	0	0		1,965,000	47403	1,917,597	2%		
Local Transport / Travelling	350,000	0	0		350,000	228,400	121,600	65%		
Electricity, Water and Conservancy	209,000	0	0		209,000	252,210	(43,210)	120%		
M&I covid	62300	0	0		62300	62300	0	100%		
Administration Costs	400,000	0	0		400,000	674155	(274155)	168%		
Activity Expenses	128,020	0	0		128,020	128500	(480)	100%		
Gratuity	0	0	0		0	0	0	0		
Smasse	0	0	0		0	0	0	0		
Bank charges	60	0	0		60	60	0	100%		

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

Receipt/Expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c = a+b Kshs	Actual on Comparable Basis d Kshs	Budget Utilization Difference e = d - c Kshs	% of Utilization f = d/c Kshs
(3) Expenditure For School Fund						
Personnel Emoluments	0	0	0	0	0	0
Repairs, Maintenance and Improvements	0	0	0	0	0	0
Local Transport / Travelling	0	0	0	0	0	0
Electricity, Water and Conservancy	0	0	0	0	0	0
Medical Expenses	0	0	0	0	0	0
Administration Costs	0	0	0	0	0	0
Activity	0	0	0	0	0	0
Gratuity	2,101,128	0	2,101,128	1823824	277304	86%
Lunch Programme	0	0	0	0	0	0
Boarding Equipment and Stores	0	0	0	0	0	0
Expenditure For Income Generating Activity	0	0	0	0	0	0
Insurance Costs	0	0	0	0	0	0
Other Expenses On Investments	0	0	0	0	0	0
Rent Expenses	0	0	0	0	0	100%
Bank Charges	14746	0	14746	14746	0	0
Loan Interest Repayment	0	0	0	0	0	0
Loan Principal Repayment	0	0	0	0	0	0
Acquisition Of Assets	0	0	0	0	0	0
Totals	7,596,954	0	7,596,954	5,204,738	2,392,936	68%

VII. 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 2021.

VIII. Notes To The Financial Statements

1 Capitation Grant for Tuition

	2020-2021	2019-2020
	Kshs	Kshs
tuition	634,246.75	859,595.00
Exercise books	0	0
Laboratory equipment	0	0
Internal exams	0	0
Teaching / learning materials	0	0
Chalks	0	0
Exams and assessment	0	0
Teachers guides	0	0
Total	634,246.75	859,595.00

2 CAPITATION GRANT FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	0	0
Repairs and maintenance	1,965,000.00	2,107,500.00
Local transport / travelling	2,084,851.55	3,441,350.00
Electricity and water	0	0
Medical	0	93,000.00
Administration costs	0	0
Activity	0	229,600.00
Total	4,049,851.00	5,871,450.00

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
lunch	2,371,617.00	2,105,207.00
Personnel emoluments	0	0
Repairs and maintenance	0	0
Local transport / travelling	0	0
Electricity and water	0	0
Medical	0	0
Administration costs	0	0
Activity	0	0
Total	2,371,617.00	2,105,207.00

Notes To The Financial Statements (Continued)

4 Other Receipts – School Fund Account

	2020-2021	2019-2020
	Kshs	Kshs
Fee on Boarding Equipment and Stores	0	
Kcse exam- repeater	17,500	53,600
Tender forms	0	36,000
Insurance compensation	0	0
Income from Posho mill	0	0
Income from Bus Hire	0	0
Fee for hire of ground and equipment	0	0
Income from grants and donations*	0	0
Interest income	0	0
Dividends income	0	0
Total	17,500.00	89,600.00

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

5 PAYMENTS FOR TUITION

	2020-2021	2019-2020
Tuition	834,490.00	916,560.00
Exercise books	0	0
Laboratory equipment	0	0
Internal exams	0	0
Teaching / learning materials	0	0
Chalks	0	0
Exams and assessment	0	0
Teachers guides	0	0
Administration Costs	0	0
Bank Charges	720.00	1,110
Total	835,210.00	917,670.00

Notes To The Financial Statements (Continued)

6 PAYMENTS FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	1,137,930.00	1,852,780.00
Service Gratuity	0	0
Administration Cost	674,155.00	609,125.00
Repairs and maintenance & improvements	0	496,100
Local transport / travelling	228,400.00	487,230
Electricity and water	252,210.00	165,562
M&I covid	62,300	51,675
Activity Expenses	128,500.00	615,600
SMASSE	0	0
Insurance Cost	0	0
Bank Charges	60	420.00
Acquisition of Assets	47,403.00	3,582,384.00
TOTAL	2,530,958.00	7,860,876.00

7 BOARDING AND SCHOOL FUND PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	0	0
Service Gratuity	0	0
Repairs and maintenance & Improvements	0	0
Local transport / travelling	0	0
Electricity and water	0	0
Medical Expenses	0	0
Administration costs	0	0
Lunch Programme	1,823,824.00	1,922,515.00
Bank Charges	14,746.00	3,486.00
Kcse exam repeater	0	59,000.00
Tender committee	0	21,000
Rent Expenses	0	0
Insurance Cost (Life Property)	0	0
Loan Principal repayment	0	0
Loan Interest repayment	0	0
Acquisition of Assets	0	0
TOTAL	1,838,570.00	2,006,001.00

Notes To The Financial Statements (Continued)

8 BANK ACCOUNTS

Name of Bank Account No. & currency	Bank Account Number	2020-2021	2019-2020
		KShs	KShs
Tuition Account		1,572.06	382,35.31
Operations Account		104,005.98	373,409.43
School Fund Account/Boarding		203,546.10	-63,769.90
Savings Account		0	0
Parent Association Development Account		0	0
Income generating activities Account		0	0
Infrastructural Account		3,084,116.00	1,166,579.00
Total		3,393,240.14	1,514,453.84

9 CASH IN HAND

Description	2020-2021	2019-2020
	KShs	KShs
Tuition Account	0	0
Operation Account	2	62
School Fund account	11,362.00	546
Total	11,364.00	608.00

10 SHORT TERM INVESTMENTS

Description	2020-2021	2019-2020
	KShs	KShs
Cooperative shares	0	0
Treasury Bills	0	0
Fixed deposit	0	0
Equity stock	0	0
Other investments	0	0
Total	0	0

Notes To The Financial Statements (Continued)

11 ACCOUNTS RECEIVABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears	3,897,546.35	3,746,946.35
Other non-fees receivables	0	0
Salary advances	0	0
Imprest	0	0
Total	3,897,546.35	3,746,946.35

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

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears for current year	150,600.00	352,000.00
Fees arrears recovered during the year	0	(72,122.00)
Fees arrears for the previous year	352,000.00	199,470.00
Fees arrears for prior periods (over two years)	3,394,946.35	3,267,598.35
Total	3,897,546.35	3,746,946.35

12 ACCOUNTS PAYABLE

Trade creditors (See ageing below and appendix 1)	407,030.00	163,550.00
Prepaid fees	132,500.00	204,315.00
Retention monies	0	0
Total	539,530.00	367,865.00

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

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors for current year	343,480.00	163,550.00
Trade creditors for the previous year	(100,000.00)	0
Trade creditors for prior periods (over two years)	163,550.00	0
Total	407,030.00	163,550.00

Notes To The Financial Statements (Continued)

13 FUND BALANCE BROUGHT FORWARD

Description	2020-2021 Kshs	2019-2020 Kshs
Bank balances	3,393,240.14	1,514,453.84
Cash balances	11,364.00	608.00
Short Term Investments	0	0
Receivables	3,897,546.35	3,746,946.35
Payables	539,530.00	(367,865.00)
Total	6,762,620.49	4,894,143.19

Other important disclosure notes

IPSAS 1 encourages an entity to disclose accrual related information in relation to an entity's assets and liabilities. The notes outlined below are disclosure notes in relation to the school's non- financial assets and liabilities.

14 Non-current Liabilities Summary

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank loan(s)	0	00
Outstanding Leases	0	0
Hire purchase	0	0
Gratuity and leave provision	0	0
Total	0	0

15 Biological assets

Description	Numbers	2020-2021	2019-2020
		Kshs	Kshs
Cattle		0	0
Goats		0	0
Trees		15,000	15,000
Coffee or tea plantation		0	0
Poultry		0	0
Total		15,000.00	15,000.00

16 Borrowings

Description	2020-2021	2019-2020
	KShs	KShs
a) Borrowings	0	0
Borrowing at beginning of the year	0	0
Borrowings during the year	0	0
Repayments of during the year	0	0
Balance at end of the year	0	0

Other important disclosure notes

17 Stock/ Inventory

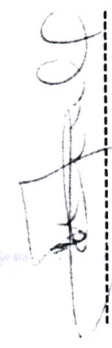
Description	2020-2021	2019-2020
	KShs	KShs
b) Borrowings		
Stock/ inventory at beginning of the year	27,000.00	0
Stock/ inventory purchased during the year	1,128,300.00	0
Stock/ inventory issued during the year	(865,447.00)	0
Balance at end of the year	289,853.00	27,000

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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 comment	Status: Resolved/ Not Resolved	Date resolved (Provide to Auditor)



 Sign and Date
 Principal

13/07/2023

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Annex 2 – Summary Of Fixed Assets Register

Asset Category	Balance	Depreciation	Accumulated Depreciation	Historical Cost of Assets
Land 1	Balb/f		15,000,000	15,000,000
Land 2	n/a		0	0
Buildings and structures	Balb/f		26,900,000	3,964,540
Motor vehicles	N/A		0	0
Office equipment, furniture and fittings	Balb/f		2,400,000	0
ICT Equipment, and Other ICT Assets	Balb/f		235,000	0
Tools and apparatus	Balb/f		2,000,000	150,000
Textbooks	Balb/f		2,500,000	50,000
Other Machinery and Equipment	Balb/f		200,000	25,000
Heritage and cultural assets	Balb/f		0	0
Intangible assets- soft ware	Balb/f		40,000	0
Total			49,275,000	4,189,540
				53,464,540

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STOCK/INVENTORY

Description	Balance at the beginning of the year	Balance at the end of the year	Inventory purchased	Inventory purchased during the year	Inventory sold during the year	Inventory used during the year	Balance at the end of the year	Balance at the end of the year
Exercise book	0	0	40 cartons	368000	15	168,000	25	200,000
Printing papers	0	0	40	118,000	50	104250	5	13750
Graph books	0	0	2	20,000	2	20000	0	0
Lesson attendance	0	0	24	0	24	0	0	0
Tk/410 toners	0	0	5	38500	5	38500	0	0
Tk/675 toner	3	27,000	0	0	3	27000	0	0
Mark book	0	0	48	16,800	24	8400	24	8400
Card file	0	0	600	42000	600	42000	0	0
Paper folder	0	0	100	25000	100	25000	0	0
Beans/kunde	0	0	1800	120,000	1120	74667	680	45333
sugar	0	0	650	84500	641	83330	9	1170
Rice	0	0	1250	125000	1250	125000	0	0
Cooking fat	0	0	130	20800	110	17600	2	3200
maize	0	0	1620	81000	1260	63000	360	18000
Cabbage	0	0	2290	68700	2290	68700	0	0
Lab equipments	0	0	0	0	0	0	0	0
		27,000		1,128,300		865,447		289,853