

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

PARLIAMENT
OF KENYA
LIBRARY

OF

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 26 FEB 2025	DAY: wed
TABLED BY: Hon. Samuel Chepkonga, MP	
CLERK-AT-THE-TABLE: M. Mado	

THE AUDITOR-GENERAL

ON

MAJANI MINGI SECONDARY SCHOOL

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

NAKURU COUNTY



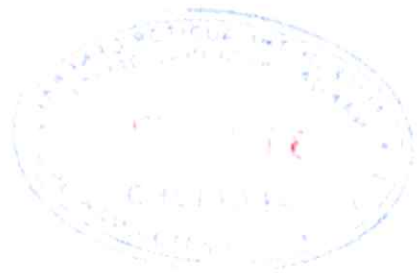
MAJANI MINGI SECONDARY SCHOOL

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)





Majani Mingi Secondary School
Annual Report and Financial Statements For the year ended 30th June 2022

Table of Contents	Page
1. Acronyms and Glossary of Terms	ii
2. Key School Information and Management	iii
3. Summary Report of Performance of The School	vi
4. Statement of School Management Responsibility	xi
5. Report Of The Independent Auditors (<i>To be attached</i>)	xii
6. Statement Of Receipts and Payments For the Year Ended 30 th June 2022	1
7. Statement of Assets and Liabilities As At 30 th June 2022	2
8. Statement of Cash Flows for the Year Ended 30 th June 2022.....	3
9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30 th June 2022.....	4
10. Significant Accounting Policies	9
11. Notes To The Financial Statements.....	11
12. Annexes.....	21

Majani Mingi Secondary School
Annual Report and Financial Statements For the year ended 30th June 2022

1. Acronyms and Glossary of Terms

BOM	Board of Management
CEB	County Education Board
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
FY	Financial Year
FDSE	Free Day Secondary Education

2. Key School Information and Management

(a) Background information

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

The school was registered in 2/14 under registration number PU/S/2/9180/14 and is currently categorized as a sub-county public school established, owned or operated by the Government.

The school is a day/boarding school and had 267 number of students as at 30th June 2022. It has 1 streams and 11 teachers of which 2 teachers are employed by the School Board of Management.

(a) 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	Ronald Tanui	Chairman	2019
2	Kemboy Z. Chemnjor	Secretary - Principal	..
3	Pamela nafula	Member	..
4	Kipkoech molel	Member	..
5	Gwendolyn kisabei	Member	..
6	David ngeno	Member	..
7	Tracy kipruto	Member	..
8	Rita wanjala	Member – Rep CEB	..
9	Rebecca lomanakaru	Member Rep Teachers	..
10	Michael odhiambo	Sponsor	..
11	Fred Lusame	Sponsor	..
12	Adwar Lopongo	Sponsor	..
13	Dorothy jemeli	Member - Community	..
14	Anjeline aoko	Member Special Needs	..
15	Sharon kemboi	Rep Students	..

The functions of the School Board of Management are to:

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

(b) Committees of the Board

Ref.	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Ronald tanui Zipporah Kemboy Michael odhiambo Kipkoech molel Pamela nafula	Chairperson Secretary BOM	3 of 5
2	Audit Committee	David ngeno		
3	Finance, procurement and general purposes Committee	Michael odhiambo		3 of 5
4	Academic Committee	Kipkoech molel		
5	Development Committee	Pamela nafula Ronald tanui Zipporah Kemboy Michael odhiambo Kipkoech molel	Chairperson	3 of 5
6	Discipline and welfare Committee	Dorothy jemeli		
7	Adhoc Committee (if any during the year)			

(c) School operation Management

Majani Mingi Secondary School
Annual Report and Financial Statements For the year ended 30th June 2022

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

Ref:	Designation	Name	Identification
1	Principal	Zipporah K. Chemnjor	TSC No.298186
2	Deputy Principal	Raphael Kimani	TSC No.352278
3	School Bursar	Alice Kangogo	ICPAK No.
4	Other (specify)		

(d) Schools contacts

Post Office Box: 493-20100
Telephone: 0713413175
E-mail: majanimingisec@gmail.com
Website:
Facebook:
Twitter:

(e) School Bankers

Provide details of the school bankers.

- Name of Bank: NATIONAL BANK
Branch: NAKURU
Account Number: 01025022168600-OPERATION
- Name of Bank: KENYA COMMERCIAL BANK (KCB)
Branch: MOGOTIO
Account Number: 1281789089

(f) Independent Auditors

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

Majani Mingi Secondary School
Annual Report and Financial Statements For the year ended 30th June 2022

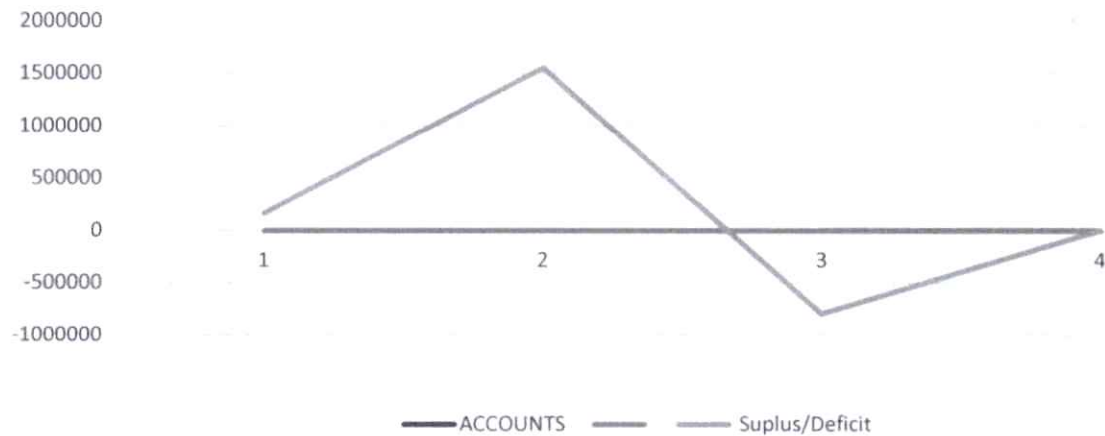
3.
3. Summary Report of Performance of The School

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

a) Financial performance:

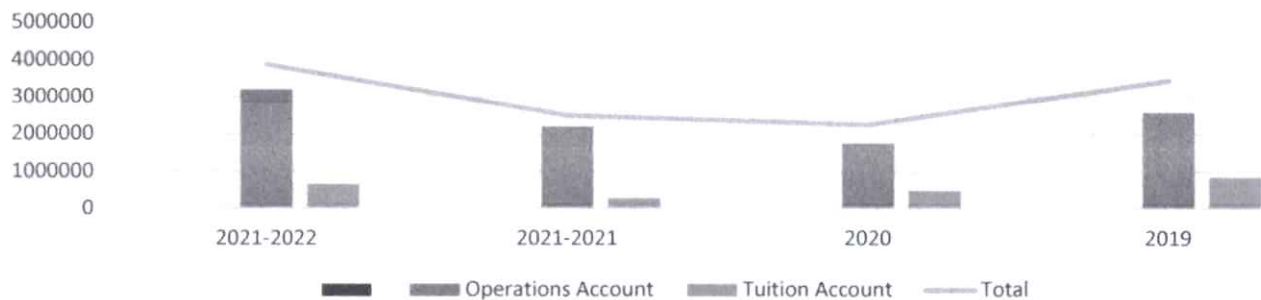
Surplus/ deficit for the year and a comparison of the same for the last three years

SNO	ACCOUNTS	2021-2022	2021-2021	2020	2019
		Kshs	Kshs	Kshs	Kshs
1	Suplus/Deficit	167,057.00	1,552,623.00	(794,057.37)	1,906.45
	TOTAL	167,057.00	1,552,623.00	(794,057.37)	1,906.45



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

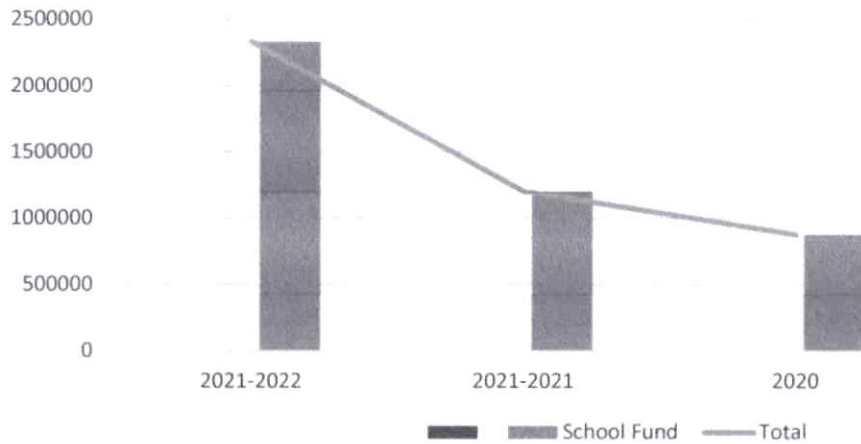
SNO	ACCOUNTS	2021-2022	2021-2021	2020	2019
		KSHS	KSHS	KSHS	KSHS
1	Operations Account	3,204,685.00	2,206,751.00	1,757,695.00	2,587,444.45
2	Tuition Account	671,149.00	286,005.75	493,129.07	858,442.50
	Total	3,875,834.00	2,492,756.75	2,250,824.07	3,445,886.95



Majani Mingi Secondary School
Annual Report and Financial Statements For the year ended 30th June 2022

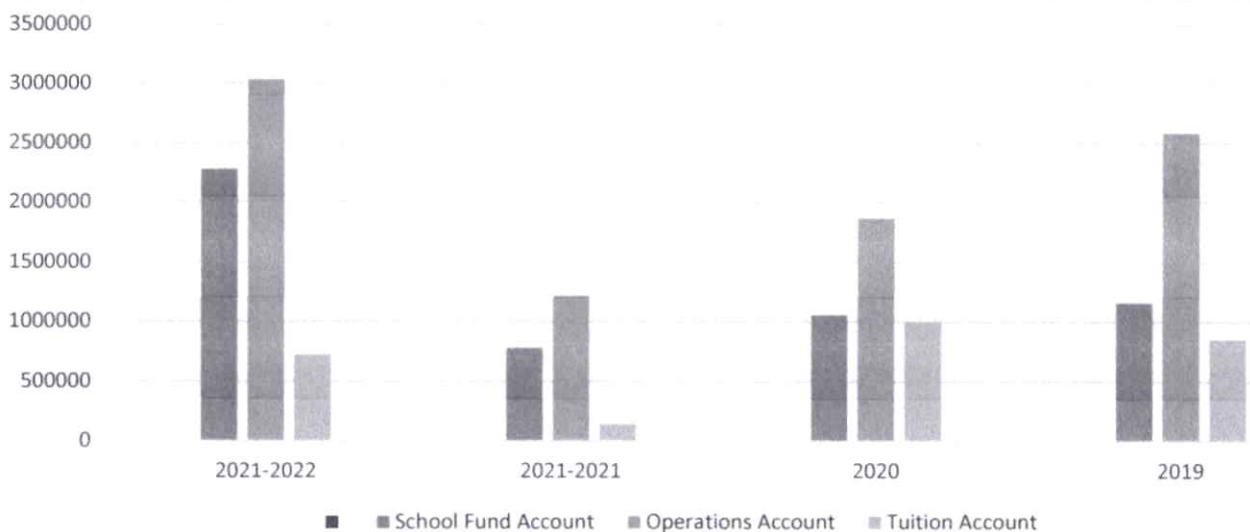
A three-year overview of growth of other income(s) earned by the school.

SNO	ACCOUNTS	2021-2022	2021-2021	2020
		KSHS	KSHS	KSHS
1	Lunch Program	2,332,750.00	1,202,730.00	878,680.00
	Total	2,332,750.00	1,202,730.00	878,680.00



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

SNO	ACCOUNTS	2021-2022	2021-2021	2020	2019
		Kshs	Kshs	Kshs	Kshs
1	School Fund Account	2,283,467.00	782,205.00	1,056,118.30	1,156,780.00
2	Operations Account	3,032,180.00	1,218,365.00	1,867,192.00	2,587,650.00
3	Tuition Account	725,880.00	142,294.00	1,000,251.14	855,450.00
	Total	6,041,527.00	2,142,864.00	3,923,561.44	4,599,880.00



Majani Mingi Secondary School
Annual Report and Financial Statements For the year ended 30th June 2022

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

SNO	ACCOUNTS	2021-2022	2021-2021	2020	2019
1	School Fund Account	KSHS	KSHS	KSHS	KSHS
a	Debtors	687,420.00	637,320.00	409,740.00	239,000.00
b	Creditors	-	-	965,000.00	55,500.00



b)Teacher Student ratio

Teachers recruited and posted	2
No of teachers transferred/retired	0
No of teachers employed by TSC	0
No of teachers employed by BOM	0

SUBJECT	NO. OF TEACHERS
Mathematics	2
Biology	2
Chemistry	1
Physics	1
Geography	4
History	2
CRE	1
Business studies	1
Kiswahili	1
English	1
Agriculture	1

Majani Mingi Secondary School
Annual Report and Financial Statements For the year ended 30th June 2022

c) Mean score in the 2021 KCSE:

YEAR	MEAN	TO UNIVERSITY
2020	2.365	4
2019	2.613	5
2018	2.756	1

Number of Candidates in the 2021 KCSE:

YEAR	NO. OF STUDENTS
2020	37
2019	44
2018	42

d) Capacity of the school:267

No. of students	laboratories	Toilets	Classrooms
267	1	16	6

Majani Mingi Secondary School
Annual Report and Financial Statements For the year ended 30th June 2022

e) Development projects carried out by the school:

YEAR 2022

PROJECT	STATUS	FUNDING
Classroom	Ongoing	MOE

Sign

School Principal



4. Statement of School Management Responsibility

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

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

The Board of Management of Majani Mingi 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: Ronald Tanui

Designation: Chairman, School Board of Management

Date: 31/7/2024



Name: Zipporah C. Kemboy

Designation: School Principal & Secretary to Board of Management

Date: 31/7/2024

Name: Alice kangogo

Designation: Bursar/ Finance Officer/clerk

Date: 31/7/2024



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 MAJANI MINGI SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 - NAKURU 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 the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Majani Mingi Secondary School - Nakuru County set out on pages 1 to 20, which comprise of the statement of assets and liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of

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

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of the Majani Mingi Secondary School – Nakuru County 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 do not comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Adverse Opinion

1. Failure to Provide Ledgers

Ledgers to support balances in the financial statements were not provided for audit. This was contrary to Regulation 104.(1) of the Public Finance Management (National Government) Regulations, 2015 which provides that all receipts and payments voucher of public moneys shall be properly supported by pre-numbered receipt and payment vouchers and shall be supported by the appropriate authority and documentation.

In the circumstances, the accuracy and completeness of amounts reflected in the financial statements could be confirmed.

2. Inaccuracies in the Financial Statements

Review of financial statements submitted for audit revealed variances as detailed below:

Item	Statement of Receipts and Payments (Kshs)	Statement of Cash Flows (Kshs)	Variance (Kshs)
Receipts			
Government Grants for Tuition	686,176	671,149	150,027
Government Grants for Operations	2,998,259	2,103,185	895,074
Government Grants for Infrastructure	690,000	1,101,500	156,799

In addition, the statement of receipts and payments reflects opening balances that differ from closing balances in the prior period as detailed below:

Item	Opening Balance 2021-2022 (Kshs)	Closing Balance in 2020-2021 (Kshs)	Variance (Kshs)
Receipts			
Government Grants for Tuition	671,149	286,006	385,143
Government Grants for Operations	2,103,185	1,393,051	710,134

Item	Opening Balance 2021-2022 (Kshs)	Closing Balance in 2020-2021 (Kshs)	Variance (Kshs)
Government Grants for Infrastructure	1,101,500	813,700	287,800
School Fund Income-Parent's Contributions	2,332,750	1,202,730	1,130,020
Payments			
Tuition	725,880	142,294	583,586
Operations	2,172,180	818,365	1,353,815
Infrastructure	860,000	400,000	460,000
Boarding and school fund	2,283,467	782,204	1,501,263

Further, the statement of assets and liabilities reflects a net financial position of Kshs.1,289,764 made up of the fund balance brought forward of Kshs.1,122,706 and the surplus of Kshs167,057. However, the net surplus of Kshs.167,057 differs from the surplus amount reflected in the statement of receipts and payments of Kshs.232,283, resulting to an unexplained variance of Kshs.65,226.

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

3. Unsupported and Long Outstanding Accounts Payables

The statement of assets and liabilities reflects accounts payable balance of Kshs.395,000 and as disclosed in Note 14 to the financial statements. However, the detailed movement schedule indicating opening balance, current payables and payments made to arrive at the balance was not provided for audit. This was contrary to Regulation 102(1) of the Public Finance Management (National Government) Regulations, 2015 which requires that financial records may be maintained in manual or electronic form.

In the circumstances, the accuracy and fair statement of accounts payables balance of Kshs.395,000 could not be confirmed.

4. Unsupported Cash and Cash Equivalents Balance

The statement of assets and liabilities reflects total cash and cash equivalents of Kshs.997,344 comprising of bank balances and cash balances of Kshs.994,809 and Kshs.2,534 respectively as disclosed in Notes 10 and 11 to the financial statements respectively. However, the bank balances of Kshs.994,809 in respect of the various bank accounts as shown below were not supported with bank reconciliation statements:

Bank Name	Bank Account	Amount (Kshs)
National Bank Ltd	01025022168800 - Tuition Account	29,662
National Bank Ltd	01025022168600 - Operation Account	304,026
Kenya Commercial Bank Ltd	1281789089 - Lunch Programme	1,422
National Bank Ltd	01024124722900 - Infrastructure Account	659,699
Total		994,809

In addition, cash book records provided in support of the cash and bank balances for the same bank account were not updated. This was contrary to Regulation 100 of the Public Finance Management (National Government) Regulations, 2015 which states that 'Accounting Officers shall keep in all offices concerned with receiving cash or making payments a cash book showing the receipts and payments and shall maintain such other books and registers as may be necessary for the proper maintenance and production of the accounts of the Vote for which he or she is responsible'.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.997,344 could not be confirmed and Management was in breach of the law.

5. Irregular and Unaccounted for Fee Receipts

The statement of receipts and payments reflects school fund income – parents contributions of Kshs.2,017,245 as disclosed in Note 4 to the financial statements. Included in the balance is Kshs.736,735 receipts of fees in cash or mobile money transfer. Further, the cashbook provided for audit reflected school fund income–parents contributions receipts amounting to Kshs.2,153,070, resulting to an unexplained variance of Kshs.135,825.

In addition, bank statements and bank deposit slips to confirm deposit of the funds in the official bank account were not provided for audit. This was contrary to Regulation 64(1)(a) of the Public Finance Management (National Government) Regulations, 2015, which provides that all public moneys collected by a receiver of revenue or collector of revenue or collected and retained by a national government entity, shall be paid into the designated bank accounts of the national government and shall not be used by any public officer in any manner between the time of their receipts and payment into the bank except as provided by law.

In the circumstances, the regularity, accuracy and completeness of the revenue amount of Kshs.2,017,245 could not be confirmed.

6. Unsupported Procurement of Goods and Services

The statement of receipts and payments reflects boarding and school fund payments of Kshs.1,204,622 as shown in Note 9 to the financial statements. However, the payment vouchers for Kshs.948,567 did not have supporting documents provided for audit. This was contrary to Regulation 99 (3), 104(1) and 118(3) of the Public Finance Management (National Government) Regulations, 2015 which requires that all receipts and payments vouchers of public moneys shall be properly supported by pre-numbered receipt and payment vouchers and shall be supported by the appropriate authority and documentation with receipts, Local Purchase Orders/Local Service Orders, quotations, invoices, delivery notes, inspection certificates, post and pre-inspection reports from County Mechanical Engineer, attendance sheets, itinerary and prior approvals.

In the circumstances, the accuracy, completeness and occurrence of the expenditure amounting to Kshs.1,204,622 could not be confirmed.

7. Unsupported and Long Outstanding Student Accounts Receivables

The statement of assets and liabilities reflects accounts receivables of Kshs.687,420 as disclosed in Note 13 to the financial statements. Included in the balance are receivables amounting to Kshs.174,080 in respect of students' fees arrears which had been outstanding for over three (3) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance. In addition, detailed aging analysis, schedules and ledgers of the receivables were not provided for audit.

In the circumstances, the accuracy, completeness and full recoverability of the outstanding receivables balance of Kshs.687,420 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Majani Mingi 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 adverse opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.4,574,561 and Kshs.5,978,470 respectively, resulting to an over-funding of Kshs.1,403,909 or 31% of the budget.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues as at 30 June, 2022.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Conclusion on Lawfulness and Effectiveness in Use of

Public Resources section of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Late Submission of Financial Statements for Audit

During the year under review, the School Management did not submit the financial statements to the Auditor-General by the statutory date of 30 September, 2022 but submitted the financial statements on 17 February, 2023. This was contrary to Section 47(1) of the Public Audit Act, 2015 which requires that financial statements should be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.

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

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

The statement of receipts and payments reflects payments for operations of Kshs.3,008,695 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.602,200 transferred to Kenya Secondary Schools Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.602,200 could not be confirmed.

3. Irregular Remuneration of Members of the Board of Management

The statement of receipts and payments reflects payments for operations of Kshs.3,008,695 as disclosed in Note 7 to the financial statements. Included in the payments is an amount of Kshs.714,080, being administration and other costs, which further includes board allowances amounting to Kshs.150,000 paid to the Board of Management and members of subcommittees. However, no evidence of approvals from the Cabinet Secretary as per Section 63 of the Basic Education Act of 2013 was provided for audit. The Section provides that the members of the Board of Management shall be paid such allowances as the Cabinet Secretary may provide by regulations upon the advice of the Salaries and Remuneration Commission. In addition, the School did not provide attendance registers and minutes of the Board meetings for audit.

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

4. Unconfirmed Students Enrollment Data

The statement of receipts and payments reflects capitation grants for tuition, capitation grants for operations and infrastructure grants totalling Kshs.4,374,435. Comparison of data from National Education Management and Information System (NEMIS) with records from the County Director of Education revealed that during the 2021/2022 financial year, NEMIS reflected two hundred and twenty-seven (227) students while records from the

County Director of Education had two hundred and twenty-five (225) students, resulting to an underfunding of the School by an amount of Kshs.98,174. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 dated 16 June, 2021 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

In the circumstances, under-funding of the School may have affected service delivery to the students.

5. Failure to Transfer Infrastructure Funds from the Operations Bank Account

The statement of receipts and payments reflects Government grants for operations and Government grants for infrastructure amounts of Kshs.2,998,259 and Kshs.690,000 as disclosed in Notes 2 and 3 to the financial statements respectively. Out of these amounts, Kshs.1,334,900 is reflected as payments for infrastructure as disclosed in Note 8 to the financial statements. However, records provided during audit indicated that Kshs.2,176,458 which included an amount of Kshs.1,079,500 was received in the operations bank account on diverse dates and was supposed to be transferred to the infrastructure account within fifteen days (15) of the receipts of funds in the operations account as per Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021. However, the School Management did not transfer any amount of the infrastructure grants received to the infrastructure.

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

6. Irregular Variation of Contract for Construction of a Classroom

The statement of receipts and payments reflects operations payments of Kshs.3,032,180 which includes an amount of Kshs.982,600 incurred on the construction of a classroom. However, records provided for audit indicated that the contract was varied by an amount of Kshs.272,300 to cater for floor terrazzo instead of tiling, thereby increasing the cost to Kshs.1,254,900. Further, the variation of the works was twenty-eight percent (28%), thereby exceeding the allowable variation limit of twenty percent (20%) by eight percent (8%).

Further, no need analysis report, quarterly reports to the County Director of Education, advertisement and annual procurement plan were provided for audit, contrary to Regulation 40 (4) of the Public Procurement and Asset Disposal Regulations, 2020.

In addition, professional opinions or evaluation minutes signed by all the evaluators were not provided for audit. This was contrary to Section 84 and Section 80 of the Public Procurement and Asset Disposal Act, 2015. Further, evidence to confirm that the works were inspected after completion was not provided for audit, contrary to Section 48(1) and (3) of the Public Procurement and Asset Disposal Act, 2015.

In the circumstances, value for money amounting to Kshs.1,254,900 could not be confirmed and 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1) (a) of the Public Audit Act, 2015, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, based on the audit procedures performed, I confirm that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Un-authorized Utilization of Cash at Source

The statement of receipts and payments reflects boarding and school fund payments balance of Kshs.782,205. However, the balance is net of Kshs.194,640 utilized at source. This was contrary to Regulation 64(4) of the Public Finance Management (National Government) Regulations, 2015 which states that 'all public moneys collected by a receiver of revenue or collector of revenue or collected and retained by a national government entity, shall be paid into the designated bank accounts of the national government and shall not be used by any public officer in any manner between the time of their receipts and payment into the bank except as provided by law'.

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

2. Failure to Develop School Improvement Plan and Poor Infrastructure

Section 2.2.1 of the Operational Manual for Utilization of Learner Capitation, Grant and Other School funds requires a school to develop improvement plan which is a road map for changes that a school needs to improve the School environment and learning outcomes. However, during the period under review, the School did not develop a School Improvement Plan to be used to measure school improvement activities and hold the School accountable, keep the School in focus in achieving the School target, prioritization of School needs, ensuring prudent utilization of resources and to improve accountability. Further, site visit conducted at the School revealed that the School lacks clearly demarcated school grounds and proper fencing.

In the circumstances, Management is in breach of the requirements of the Operation Manual for Utilization of Learner Capitation Grant and Other School Funds.

3. Management of School Assets

3.1 Summary of Fixed Assets Register

Annex 2 to the financial statements reflects a summary of fixed assets with Nil balances. However, the assets listing revealed that the School did not disclose information on date

of purchase, location, cost, additions during the year, disposals during the year, and historical cost value carried forward. This is contrary to Public Sector Accounting Standards Board template and The National Treasury's Circular Ref: AG/4/16/3/Vol.3(66) dated 6 July, 2022 which provide for the inclusion of the register in the financial statements.

In the circumstances, the School are exposed to pilferage and loss.

3.2 Lack of Fixed Assets Register

During the audit, it was noted that the School did not maintain a fixed assets register as stipulated in Section 72 of the Public Finance Management Act, 2012, which requires accounting officer to manage assets and liabilities of national government entities in a way which ensures that the national government entity achieves value for money in acquiring, using and disposing of those assets.

In the circumstances, it was difficult to keep track of the assets acquired or disposed.

3.3 Lack of Ownership Documents for Land

Annex 2 to the financial statements reflects a summary of various categories of fixed assets with Nil balances. The summary of fixed assets register includes land estimated at 10.46 acres (4.25 HA) Rongai Constituency Nakuru County as revealed by land allotment letter dated 16 May, 2022. However, no land survey plan and ownership document were provided for audit.

In the circumstances, the ownership of land could not be confirmed.

4. Lack of Internal Audit Function and Audit Committee

During the year under review, the School had not constituted an audit committee and an internal audit unit as required by Regulation 166 (1) and (2) of the Public Finance Management (National Government) Regulations, 2015 which states that, the internal audit unit of a National Government entity to assess effectiveness of the School through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury.

In the circumstances, the School did not benefit from the oversight role and advice from the audit committee and the internal audit function.

5. Lack of Approved Information Technology Security Policy

Review of the School Information Technology Systems revealed that the School did not have an approved IT Policy for governance and management of its ICT resources. Further, there was no ICT Steering Committee in place to assist in the development of ICT Policy framework to enable the School to realize long-term ICT strategic goals. Lack of an approved IT Policy may result in an unclear direction regarding maintenance of information security across the organization and safeguarding the School's ICT assets. In addition, without a sound and approved framework, users do not have any rules and procedures to follow in order to minimize risk of errors, fraud and the loss of data confidentiality, integrity and availability.

In the circumstances, the School may be exposed to financial losses or falsification of records in the absence of information and communication Technology policy.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the School's financial reporting process, reviewing the effectiveness of how 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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the 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 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 controls that are identified during the audit.

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

25 September, 2024

Majani Mingi Secondary School
Annual Report and Financial Statements For the year ended 30th June 2022

6. Statement Of Receipts and Payments For the Year Ended 30th June 2022

DESCRIPTION OF VOTE HEAD	Note	1ST JULY 2021-	1ST JAN 2021-
		30TH JUNE 2022	30TH JUNE 2021
			Kshs
RECEIPTS			
Government grants for tuition	1	686,175.75	671,149
Government grants for operations	2	2,998,258.90	2,103,185
Government grants for infrastructure	3	690,000.00	1,101,500
School Fund Income- Parents contributions	4	2,017,245.00	2,332,750
Miscellaneous incomes	5	-	
TOTAL RECEIPTS		6,391,679.65	6,208,584
PAYMENTS			
Tuition	6	611,180.00	725,880
Operations	7	3,008,695.00	2,172,180
Infrastructure	8	1,334,900.00	860,000
Boarding and school fund	9	1,204,622.00	2,283,467
TOTAL PAYMENTS		6,159,397.00	6,041,527
SURPLUS/DEFICIT		232,282.65	167,057

The school financial statements were approved on 31/7/2024 and signed by:



Name: RONALD TANUI

Chair BOM

Date: 31/7/2024



Name: ZIPPORAH C. CHERUTO
 School Principal/ Secretary

to

BOM

Date:



Name: ALICE KANOGO

Bursar/ Finance Officer

Date: 31/7/2024





Majani Mingi Secondary School
Annual Report and Financial Statements For the year ended 30th June 2022

7. Statement of Assets and Liabilities As At 30th June 2022

	Note	1ST JULY 2021- 30TH JUNE 2022	1ST JAN 2021- 30TH JUNE, 2021
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	10	994,809.36	1,335,012
Cash Balances	11	2,534.30	15,374
Short term Investment	12	-	-
Total Cash and Cash Equivalents		997,343.66	1,350,387
Account's receivables	13	687,420.00	637,320
TOTAL FINANCIAL ASSETS		1,684,763.66	1,987,707
FINANCIAL LIABILITIES			
Accounts Payable	14	395,000.00	865,000
NET FINANCIAL SSETS		1,289,763.66	1,122,707
REPRESENTED BY			
Fund balance b/fwd 1st July...	15	1,122,706.58	(429,916)
Surplus/Defict for the year		167,057.10	1,552,623
NET FINANCIAL POSITION		1,289,763.68	1,122,707

The school's financial statements were approved on 31/7/2024 and signed by:


 Name: RONALD TANVI
 Chair BOM
 Date: 31/7/2024


 Name: ZIPPORA C. LUMBOR
 School Principal/ Secretary to
 BOM
 Date: 31/7/2024


 Name: ALICE KAMBURO
 Bursar/ Finance Officer
 Date: 31/7/2024



Majani Mingi Secondary School
Annual Report and Financial Statements For the year ended 30th June 2022

8. Statement of Cash Flows for the Year Ended 30th June 2022


		1ST JULY 2021- 30TH JUNE 2022	1ST JAN 2021-30TH JUNE, 2021
		Kshs	Kshs
Receipts from operating activities			
Government grants for tuition	1	671,149.00	286,006.00
Government grants for operations	2	2,103,185.10	1,393,051.00
Government grants for infrastructure	3	1,101,500.00	813,700.00
School fund income-parents contribution/fees	4	1,758,660.00	718,990.00
Other income	5	0.00	
Total receipts		5,634,494.10	3,211,747.00
Payments			
Cash outflows for tuition	6	1,120,880.00	142,294.00
Cash outflows for operations	7	2,172,180.00	818,365.00
Cash outflows for Boarding/ school fund payments	9	2,283,467.00	782,204.70
Total Payments		5,576,527.00	1,742,863.70
Net cash flow from operating activities		57,967.10	1,468,883.30
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets			0.00
Acquisition of Assets	8	(860,000.00)	(400,000.00)
Proceeds from investments		0.00	0.00
Net cash flows from Investing Activities		(860,000.00)	(400,000.00)
NET CASHFLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
Net cash flows from Investing Activities			
NET INCREASE IN CASH AND CASH EQUIVALENT		(802,032.90)	1,068,883.30
Cash and cash equivalent at BEGINNING of the year		1,350,386.58	125,343.53
Cash and cash equivalent at END of the year		997,343.66	1,350,386.58

The school's financial statements were approved on 31/7/2024 and signed by:


 Name: RONALD TANVI

Chair BOM

Date: 31/7/2024


 Name: ZIPPODAH C. KEREBOY
 School Principal/Secretary to BOM

Date:


 Name: ALICE KANGOKO
 Bursar/ Finance Officer

Date: 31/7/2024



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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
<i>(1) CAPITATION GRANT ON TUITION</i>						
Tuition			0.00	0.00	0.00	0.00%
Exercise books	260,000.00		260,000.00	230,114.00	29,886.00	0.00%
Laboratory equipments and apparatus	300,000.00		300,000.00	314,034.50	(14,034.50)	104.68%
Teaching/learning materials	220,000.00		220,000.00	95,000.00	125,000.00	43.18%
Library materials			0.00	0.00	0.00	0.00%
Internal exams	32,000.00		32,000.00	32,000.50	(0.50)	0.00%
Reference books			0.00	0.00	0.00	0.00%
			0.00	0.00	0.00	0.00%
			0.00	0.00	0.00	0.00%
Sub totals	812,000.00		812,000.00	441,035.00	370,965.00	54.31%
<i>(2) CAPITATION GRANT ON OPERATIONS</i>						
EWC	106,268.00		106,268.00	215,000.00	(108,732.00)	202.32%
LT @T	197,293.00		197,293.00	399,575.00	(202,282.00)	202.53%
RMI	400,000.00		400,000.00	0.00	400,000.00	0.00%
Personal emolument	759,000.00		759,000.00	836,788.10	(77,788.10)	110.25%
Admin cost	550,000.00		550,000.00	619,222.00	(69,222.00)	112.59%
Activity	0.00		0.00	0.00	0.00	#DIV/0!

Majani Mingi Secondary School
Annual Report and Financial Statements For the year ended 30th June 2022

Medical and insurance	0.00	0.00	32,600.00	(32,600.00)	0.00%
Infrastructure Grant	0.00	0.00	0.00	0.00	0.00%
	0.00	0.00	0.00	0.00	0.00%
		0.00	0.00	0.00	0.00%
Sub totals	2,012,561.00	2,012,561.00	2,103,185.10	(90,624.10)	104.50%
(3) FDSE FOR INFRASTRUCTURE					
Maintenance and Improvement	400,000.00	400,000.00	1,101,500.00	(701,500.00)	275.38%
Transition infrastructure Grants		0.00	0.00	0.00	0.00%
Administration block		0.00	0.00	0.00	0.00%
Economic stimulus grants		0.00	0.00	0.00	0.00%
Others(NGCDF, County government)		0.00	0.00	0.00	0.00%
Sub total	400,000.00	400,000.00	1,101,500.00	(701,500.00)	275.38%
(4) FEES CHARGED ON PARENTS					
Boarding/Lunch	1,350,000.00	1,350,000.00	2,332,750.00	(982,750.00)	172.80%
Repairs and Maintenance		0.00	0.00	0.00	0.00%
Personal Emoluments		0.00	0.00	0.00	0.00%
LTT		0.00	0.00	0.00	0.00%
Activity		0.00	0.00	0.00	0.00%
EWC		0.00	0.00	0.00	0.00%
Admin costs		0.00	0.00	0.00	0.00%
Rent income		0.00	0.00	0.00	0.00%
Sub total	1,350,000.00	1,350,000.00	2,332,750.00	(982,750.00)	172.80%
(5) MISCELLANEOUS INCOME					
<i>Rent income</i>		0.00	0.00	0.00	0.00%
<i>Income from farming activities</i>		0.00	0.00	0.00	0.00%
<i>Insurance compensation</i>		0.00	0.00	0.00	0.00%
<i>Income from posho mill</i>		0.00	0.00	0.00	0.00%

Majani Mingi Secondary School
Annual Report and Financial Statements For the year ended 30th June 2022

<i>Income from bus hire</i>			0.00	0.00	0.00	0.00%
<i>Fee for hire of ground and equipment</i>			0.00	0.00	0.00	0.00%
<i>Income from grants and donations</i>			0.00	0.00	0.00	0.00%
<i>Interest income</i>			0.00		0.00	0.00%
<i>Loans/Borrowings</i>			0.00		0.00	0.00%
SUB TOTAL	0.00		0.00		0.00	0.00%
GRAND TOTAL INCOME	4,574,561.00		4,574,561.00	5,978,470.10	(1,403,909.10)	130.69%
(1) EXPENDITURE FOR TUITION			0.00		0.00	0.00%
Tuition			0.00	0.00	0.00	0.00%
Exercise books	260,000.00		260,000.00	225,700.00	34,300.00	0.00%
Laboratory equipments and apparatus	300,000.00		300,000.00	400,000.00	(100,000.00)	133.33%
Teaching/learning materials	220,000.00		220,000.00	95,000.00	125,000.00	43.18%
chalks			0.00	0.00	0.00	0.00%
Internal exams	32,000.00		32,000.00	5,000.00	27,000.00	0.00%
Bank charges			0.00	180.00	(180.00)	0.00%
			0.00	0.00	0.00	0.00%
sub totals	812,000.00		812,000.00	725,880.00	86,120.00	89.39%
PAYMENTS FOR OPERATIONS			0.00			
EWC	106,268.00		106,268.00	120,000.00	(13,732.00)	112.92%
LT @T	197,293.00		197,293.00	202,000.00	(4,707.00)	102.39%
RMI	400,000.00		400,000.00	0.00	400,000.00	0.00%
Personal emolument	759,000.00		759,000.00	1,070,900.00	(311,900.00)	141.09%
Admin cost	550,000.00		550,000.00	714,080.00	(164,080.00)	129.83%
Activity	0.00		0.00	65,200.00	(65,200.00)	#DIV/0!

Majani Mingi Secondary School
Annual Report and Financial Statements For the year ended 30th June 2022

Medical and insurance	0.00		0.00	0.00	0.00	0.00%
Bank charges			0.00		0.00	0.00%
			0.00		0.00	0.00%
SUBTOTALS	2,012,561.00		2,012,561.00	2,172,180.00	(159,619.00)	107.93%
INFRASTRUCTURE PAYMENTS						
Construction of classrooms	400,000.00		400,000.00	860,000.00	(460,000.00)	215.00%
Construction of laboratory			0.00	0.00	0.00	0.00%
construction of dormitory			0.00	0.00	0.00	0.00%
Purchase of furniture			0.00	0.00	0.00	0.00%
Purchase of equipment			0.00	0.00	0.00	0.00%
Purchase of apparatus			0.00	0.00	0.00	0.00%
Drilling of boreholes			0.00	0.00	0.00	0.00%
SUBTOTALS	400,000.00		400,000.00	860,000.00	(460,000.00)	215.00%
BOARDING AND SCHOOL FUND PAYMENTS						
Activity			0.00	0.00	0.00	0.00%
Academic improvement			0.00	0.00	0.00	0.00%
Bus hire			0.00	0.00	0.00	0.00%
Farm expenses			0.00	0.00	0.00	0.00%
Bursary			0.00	0.00	0.00	0.00%
Personnel emoluments			0.00	0.00	0.00	0.00%
Repairs and maintenance & Improvements			0.00	0.00	0.00	0.00%
Local transport / travelling			0.00	0.00	0.00	0.00%
Electricity and water			0.00	0.00	0.00	0.00%
Medical Expenses			0.00	4,372.00	(4,372.00)	0.00%
Administration costs			0.00	0.00	0.00	0.00%

Majani Mingi Secondary School

Annual Report and Financial Statements For the year ended 30th June 2022

Fee on Boarding Equipment and Stores	1,350,000.00	1,350,000.00	2,279,095.00	(929,095.00)	168.82%
SUBTOTALS	1,350,000.00	1,350,000.00	2,283,467.00	(933,467.00)	169.15%
TOTAL	4,574,561.00	4,574,561.00	6,041,527.00	(1,466,966.00)	132.07%

10. Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and applicable government legislations and regulations. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

This cash basis of accounting has been supplemented with accounting for; a) receivables that include school fees from parents, 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*. Income arising from school fees is recognised when the event occurs whether cash is received or not. Expenditure arising from operations is recognised when the event occurs irrespective of receipt of cash.

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.

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

Majani Mingi Secondary School
Annual Report and Financial Statements For the year ended 30th June 2022

11. Notes To The Financial Statements

1 Government Grants for Tuition

		1ST JULY 2021-30TH JUNE 2022	1ST JAN 2021- 30 JUNE 2021
Tuition			
Exercise books		230,114.00	99,976.00
Laboratory equipments and apparatus		314,034.50	71,700.00
Teaching/learning materials		95,000.00	114,330.00
Library materials			
Internal exams		32,000.50	
Reference books			
Total		671,149.00	286,006.00

2 Government Grants for Operations

		1ST JULY 2021-30TH JUNE 2022	1ST JAN 2021- 30TH JUNE 2021
EWC		215,000.00	92,268.00
LT @T		399,575.00	197,293.00
RMI			
Personal emolument		836,788.10	646,493.00
Admin cost		619,222.00	456,997.00
Activity			
Medical and insurance		32,600.00	
Infrastructure Grant			
Total		2,103,185.10	1,393,051.00

3 Government Grants for infrastructure

		1ST JULY 2021-30TH JUNE 2022	1ST JAN 2021- 30TH JUNE 2021
Maintenance and Improvement		1,101,500.00	813,700.00
Transition infrastructure Grants			
Administration block			
Economic stimulus grants			
Others(NGCDF, County government)			
Total		1,101,500.00	813,700.00

Majani Mingi Secondary School
Annual Report and Financial Statements For the year ended 30th June 2022

4 School Fund Income -Parents Contribution/Fees

		1 ST JULY 2021-30 TH H JUNE 2022	1 ST JAN 2021- 30 TH H JUNE 2021
Boarding/Lunch		2,332,750.00	1,202,730.00
Repairs and Maintenance			
Personal Emoluments			
LTT			
Activity			
EWC			
Admin costs			
Rent income			
Income from farming activities-farm			
Academic improvements			
Medical			
Income from Bus Hire			
Uniform			
Arrears			
Income from grants and donations*-Bursary			
Total		2,332,750.00	1,202,730.00

5 Miscellaneous Incomes

Description	Insert Current FY Kshs	Insert Comparative FY Kshs
Rent Income		
Income From Farming Activities		
Insurance Compensation		
Income From Posho Mill		
Income From Bus Hire		
Fee For Hire of Ground and Equipment		
Income From Grants and Donations*		
Interest Income		
Dividends Income		
Loans/Borrowings*		
Other Income (<i>specify</i>)*		
Total		

Majani Mingi Secondary School
Annual Report and Financial Statements For the year ended 30th June 2022

Notes to the Financial Statements (continued)

6 Tuition

		1ST JULY 2021-30TH JUNE 2022	1ST JAN 2021-30TH JUNE 2021
Tuition			
Exercise books		225,700.00	25,400.00
Laboratory equipments and apparatus		400,000.00	82,650.00
Teaching/learning materials chalks		95,000.00	34,062.00
Internal exams		5,000.00	
Bank charges		180.00	182.00
Total		725,880.00	142,294.00

7 Operations

		1ST JULY 2021-30TH JUNE 2022	1ST JAN 2021- 30TH JUNE 2021
EWC		120,000.00	50,000.00
LT @T		202,000.00	69,000.00
RMI			
Personal emolument		1,070,900.00	300,000.00
Admin cost		714,080.00	399,365.00
Activity		65,200.00	
Medical and insurance			
Bank charges			
TOTAL		2,172,180.00	818,365.00

Majani Mingi Secondary School
Annual Report and Financial Statements For the year ended 30th June 2022

Notes to the Financial Statements (continued)

8 Infrastructure

		1ST JULY 2021-30TH JUNE 2022	1ST JAN 2021- 30TH JUNE 2021
Construction of classrooms		860,000.00	400,000.00
Construction of laboratory			
construction of dormitory			
Purchase of furniture			
Purchase of equipment			
Purchase of apparatus			
Drilling of boreholes			
Total		860,000.00	400,000.00

9 Boarding And School Fund

		1ST JULY 2021-30TH JUNE 2022	1ST JAN 2021- 30TH JUNE 2021
Activity			
Academic improvement			
Bus hire			
Farm expenses			
Bursary			
Personnel emoluments			
Repairs and maintenance & Improvements			
Local transport / travelling			
Electricity and water			
Medical Expenses			
Administration costs		4,372.00	633.70
Fee on Boarding Equipment and Stores		2,279,095.00	781,571.00
TOTAL		2,283,467.00	782,204.70

Majani Mingi Secondary School
Annual Report and Financial Statements For the year ended 30th June 2022

Notes to the Financial Statements (continued)

10 Bank Accounts

Tuition Account		29,662.16	144,393.18
Operations Account		304,026.20	683,021.10
School Fund Account/Boarding		1,422.00	89,399.00
Savings Account			
Income generating activities Account-School Vn Project			
Infrastructural Account		659,699.00	418,199.00
Farm Account			
Total		994,809.36	1,335,012.28

11 Cash In Hand

Description			
Tuition Account			
Operation Account		768.00	768.00
School Fund account		1,766.30	14,606.30
Total		2,534.30	15,374.30

12 Short Term Investments

Cooperative Shares			
Treasury Bills			
Fixed Deposit accounts			
Other Investments			
Total			

Majani Mingi Secondary School
Annual Report and Financial Statements For the year ended 30th June 2022

Notes to the Financial Statements (continued)

13 Accounts Receivable

Description		1ST JULY	1ST JAN 2021-
		2021-30TH	30TH
		JUNE 2022	JUNE 2021
Fees arrears			
Other Non-Fees Receivables		687,420.00	637,320.00
Salary Advances(list/schedule attached)			
Imprest(list/schedule attached)			
Rent Arrears (list/schedule attached)			
Total		687,420.00	637,320.00

13b Ageing Analysis of Accounts Receivable

Description	Insert Current FY		Insert Comparative FY	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year				
Between 1-2 years	483,740.00	70.37%	387,780.00	60.85%
Between 2-3 years	29,600.00	4.31%	75,460.00	11.84%
Over 3 years	174,080.00	25.32%	174,080.00	27.31%
		0.00%		0.00%
		0.00%		0.00%
Total	687,420.00	100.00%	637,320.00	100.00%

14 Accounts Payable

Description		1ST JULY	1ST JULY
		2022-30TH	2021-30TH
		JUNE 2022	JUNE 2021
Trade creditors (See ageing below and appendix 1)		395,000.00	865,000.00
Prepaid fees			
Retention monies			
Total		395,000.00	865,000.00

14a. Ageing Analysis of Accounts Payable

Description	2022		2021	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	0.00	0 %	0.00	0 %
Between 1- 2 years	395,000	100 %	865,000	100%
Between 2-3 years		%	0.00	0 %
Over 3 years	0.00	%	0.00	0 %
Total (should tie to note 14)	395,000	100%	865,000.00	100%

Majani Mingi Secondary School
Annual Report and Financial Statements For the year ended 30th June 2022

Notes to the Financial Statements (continued)
15 Fund Balance Brought Forward

Description			
Bank balances		1,335,012.28	113,532.53
Cash balances		15,374.30	11,811 00
Short Term Investments			
Receivables		637,320.00	409,740.00
Payables		(865,000.00)	(965,000.00)
Total		1,122,706.58	(429,916.47)

Majani Mingi Secondary School
Annual Report and Financial Statements For the year ended 30th June 2022

Other important disclosure notes

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

16 Non-current Liabilities Summary

Description	Kshs	Kshs
Bank Loans		
Outstanding Leases		
Hire Purchase		
Gratuity And Leave Provision		
Others (specify)		
Total		

17 Biological assets

Description	Numbers	Kshs	Kshs
Cattle			
Goats			
Trees			
Coffee Or Tea Plantation			
Poultry			
Others (specify)			
Total			

18 Borrowings

Description	Kshs	Kshs
Borrowings at beginning of the year		
Borrowings during the year		
Repayments during the year		
Balance at the end of the year		

Majani Mingi Secondary School
Annual Report and Financial Statements For the year ended 30th June 2022

Other important disclosure notes

19 Stock/ Inventory

Description	Kshs	Kshs
Food stuffs		
Lab consumables		
Farm produce		
Medication		
Construction Materials		
Others (specify)		

Majani Mingi Secondary School
Annual Report and Financial Statements For the year ended 30th June 2022

20 Progress On Follow Up Of Auditor Recommendations

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

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

[Handwritten Signature] 31/7/2024

Sign and Date
Principal



12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
	A	B	C	D = A - C	E	
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1.						
2.						
3.						
Sub-Total						
Supply Of Goods						
4.						
5.						
Sub-Total						
Supply Of Services						
6.						
7.						
8.						
Sub-Total						
Grand Total						

Annex 2 – Summary of Fixed Assets Register

Majani Mingi Secondary School
Annual Report and Financial Statements For the year ended 30th June 2022

Asset Class	Historical Cost at (Kshs) 1 st July 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost at (Kshs) 30 th June 2022
Land	10 acres			10 acres
Buildings And Structures	7			7
Motor Vehicles				
Office Equipment, Furniture And Fittings	563			563
Textbooks	744			744
ICT Equipment	2			2
Tools And Apparatus	863			863
Other Machinery And Equipment	118			118
Heritage And Cultural Assets				
Intangible Assets- Soft Ware				
Total	2,298			2,298

Majani Mingi Secondary School
Annual Report and Financial Statements For the year ended 30th June 2022

TRIAL BALANCE AS AT 30TH JUNE 2022			
		DR	CR
Cash and Cash equivalents			
	Bank Balances	994,809.36	
	Cash Balances	2,534.30	
	Short term investments	0.00	
	Receivables	687,420.00	
Payments			
	Payments for Tuition	725,880.00	
	Payments for operations	2,172,180.00	
	Payment for infrastructure	860,000.00	
	Boarding and school fund payments	2,283,467.00	
Receipts			
	Government grants for tuition		671,149.00
	Government grants for operations		2,103,185.10
	Government grants infrastructure		1,101,500.00
	School Fund Income- Other receipts		2,332,750.00
	Other receipts		0.00
	Payables		395,000.00
Prior Year Adjustment			
Fund Balance b/f			1,122,706.58
TOTAL		7,726,290.68	7,726,290.68

