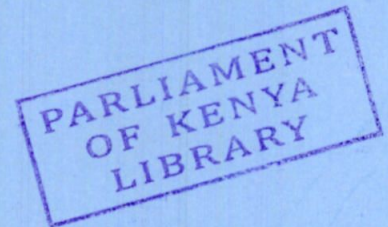


REPUBLIC OF KENYA



REPORT

OF



THE AUDITOR-GENERAL

ON

MCK KISIMA 78 SECONDARY SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2022

ISILOLO COUNTY	
THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 29 JUL 2026	
WED	
TABLED BY:	Hon. Robert pukas
CLERK-AT THE-TABLE:	J. hemorelle

Revised 30th June 2022



MCK Kisima 78 Secondary School
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2022

Transitional Financial Statements Prepared under the International Public Sector Accounting Standards (IPSAS)



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1. Acronyms and Definition of Key Terms

A. Acronyms.

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
TSC	Teachers Service Commission
SMASSE	Strengthening of Mathematics and Science in Secondary Education

B. Definition of Key Terms

Comparative Year- Means the prior period.

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 in **ISIOLO County, ISIOLO Sub-County**.

The school was registered in **April 2021** under registration number **11S30000205** 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 **205** number of students as at **30th June 2022**. It has **one** stream and **11** teachers of which **1** teacher is employed by the School Board of Management.

(b) School Board of Management - Board Members

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

Ref:	Name of Board Member	Designation	Date of appointment
1	Peter Majau	Chairman	02/10/2019
2	Jacinta Mwendu	Secretary – Principal	02/10/2019
3	Joseph Ekarani	Member	02/10/2019
4	Flavia Ekamais	Member	02/10/2019
5	Chucha Hassan	Member	02/10/2019
6	Dennis kaimenyi	Member	02/10/2019
7	Pst. Augustino Loreng	Member-chairman	02/10/2019
8	Adan Happi	Member – Rep CEB	02/10/2019
9	Lucy M. Ikiara	Member	02/10/2019
10	Habiba Wakalo	Member –	02/10/2019
11	Lawrence Mwenda	Member – rep teachers	02/10/2019
12	Peter Lesh	Member – Community	02/10/2019
13	Mary Lokom	Member Special Needs	02/10/2019
14	Paulina Amana	Member	02/10/2021
15	Amos Lochwa	Rep Students	02/10/2019
16	Betsy Mburugu	Member sponsor	02/10/2019
17	Lordman Kitewan	Member	02/10/2019
18	Isaiah Kirigia	Member	02/10/2019

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

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1.Peter Majau 2.Jacinta Mwendu 3.Agostino Loreng 4.Mary Lokom 5.Lucy M. Ikiara	Chairman Secretary Member Member Member	3 out of 04
2	Audit Committee	1.dennis Kaimenyi 2.Happi Adan 3.Peter Lesh 4.Joseph Ekanan 5.Chucha Hassan	Chairman Secretary Member Member Member	0 out of 04
3	Finance,procurement and general purposes Committee	1.Peter Majau 2.Agostino Loreng 3.Flavia Ekamais 4.Lordman Kitewan	Chairman Secretary Member Member	0 out of 04
4	Academic Committee	1.Lawrence Mwenda 2.Betsy Mburugu 3.Isaiah Kirigia 4.Habiba Wakalo	Chairman Secretary Member Member	0 out of 04
5	Development Committee	1.Flavia ekamais 2.Lordman Kitewan 3.Joseph Ekanan 4.Augostino Loreng	Chairman Secretary Member Member	0 out of 04

MCK KISIMA 78 SECONDARY SCHOOL

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

6	Discipline and welfare Committee	1.Lawrence Mwenda 2.Betsy Mburugu 3.Isaiah Kirigia 4.Habiba Wakalo 5.Mary Lokom	Chairman Secretary Member Member Member	1 out of 04

(d) School operation Management

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

Ref:	Designation	Name	Identification
1	Principal	Francis R. Severino	TSC No. 374090
2	Deputy Principal	Julius Mwiti Mathiu	TSC No. 252642
3	School Bursar	Nicholas Chokera Kaluma	ID No. 31055191

(e) Schools contacts

Post Office Box: 919-60300
 Telephone: 0710431645
 E-mail: mckkisimasecondary@gmail.com
 Website: N.A
 Facebook: MCK Kisima 78 Sec
 Twitter: N.A

(f) School Bankers

The following school operate 4 number of banks accounts and 1 pay bill number as follows:

Name of Bank: KCB
 Branch: ISIOLO
 Account No. 1226237118 school fund account.

Name of Bank: KCB
 Branch: ISIOLO
 Account No. 1223625885 tuition account.

Name of Bank: Consolidated Bank
 Branch: ISIOLO
 Account No. 10111203000215 infrastructure account.

Name of Bank: KCB
 Branch: ISIOLO
 Account No. 1222958422 operation account.

M-pesa Pay Bill no. 522123 attached to 1226237118 school fund account.

(g) Independent Auditors

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

3. Summary Report of Performance of the School

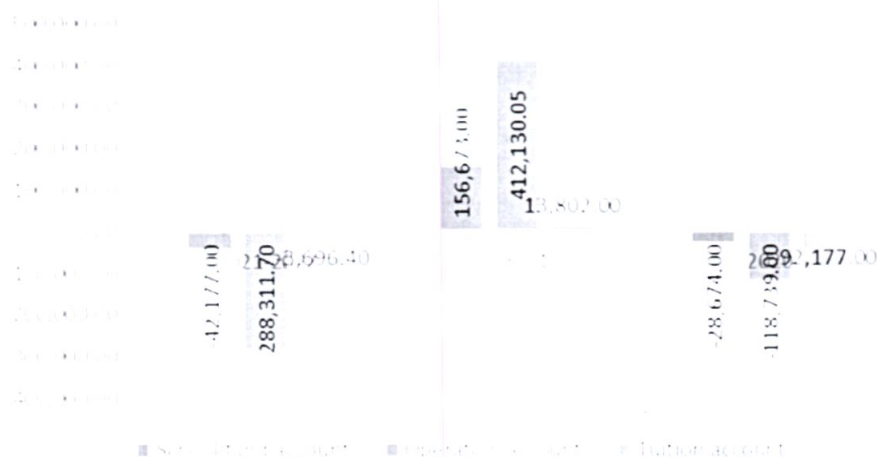
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) Financial performance:

Under this section, it reflects that the actual financial performance trend for the last three years between 1st July 2020 to 30th June 2022 which covers a period of 30 months while 30th June 2021 covers a period of 6 months and it's summarized as follows

SURPLUS/ DEFICIT FOR THE YEAR AND A COMPARISON OF THE SAME FOR THE LAST FOUR YEARS				
S/N	ACCOUNTS	2021-2022	June 2021	2020
		KSHS	KSHS	KSHS
1.	School fund account	(42,177.00)	156,673.00	(28,674.00)
2.	Operation account	(288,311.70)	412,130.05	(118,739.00)
3.	Tuition account	(3,696.40)	13,802.00	(92,177.00)
	Total	(334,185.10)	582,605.05	(239,590.00)
	Increase/Decrease	248,419.95	343,015.05	(335,948.20)

Trend over the last three years



The surplus for the year 2021-2022 decreased by 248,419.95 from the surplus of the year 2021 June due to the year was semi-annual that is 6 months.

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

CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS				
S/N	ACCOUNTS	2021-2022	2021	2020
		KSHS	KSHS	KSHS
1.	Operation account	2,674,280.30	1,108,186.05	1,170,325.00
2.	Tuition account	610,854.60	177,722.00	146,280.00
	Total	3,285,134.90	1,285,908.05	1,316,605.00
	Increase/Decrease	1,999,226.85	(30,696.95)	(149,931.80)
	No. of students	204	189	142
	Ratio of capitation per student	1:16.025.05	1:6803.75	1:9271.87

The total capitation grant for the semi-annual year 2021 kshs 1,285,908.05 as compared to kshs. 1,316,605.00 in the year 2020 representing a decrease of kshs 30,696.95 which resulted from the year 2021 was semi-annual (six months)

The total capitation grant for the year 2021-2022 was kshs 3,285,134.90 as compared to kshs. 1,285,908.05 in the semi-annual year 2021 representing a surplus of kshs 1,999,226.85 the net increase is mainly attributed by disbursement of capitation for term one, two and three based on different students population.

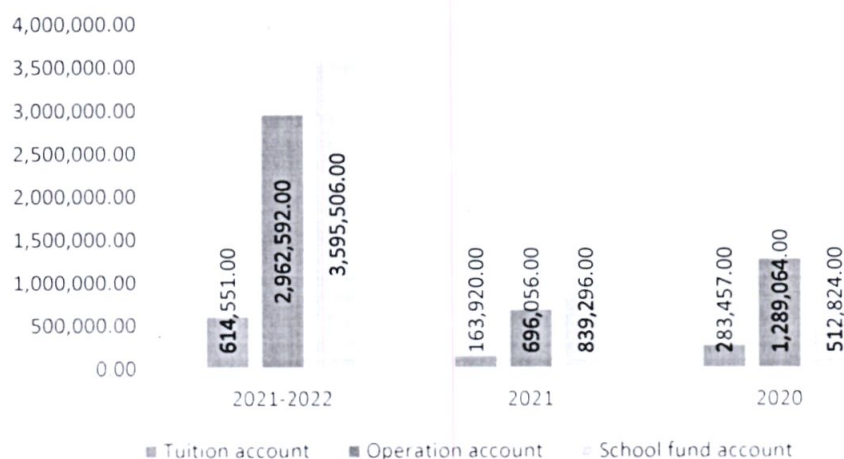
Trend over the last three years



OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL.

S/N	ACCOUNTS	2021-2022	2021	2020
		KSHS	KSHS	KSHS
1.	Tuition account	614,551.00	163,920.00	283,457.00
2.	Operation account	2,962,592.00	696,056.00	1,289,064.00
3.	School fund account	3,595,506.00	839,296.00	512,824.00
	Total	7,172,649.00	1,699,272.00	2,040,345.00
	Increase/Decrease	5,473,377.00	(341,073.00)	(256,050.00)

Trend over the last three years

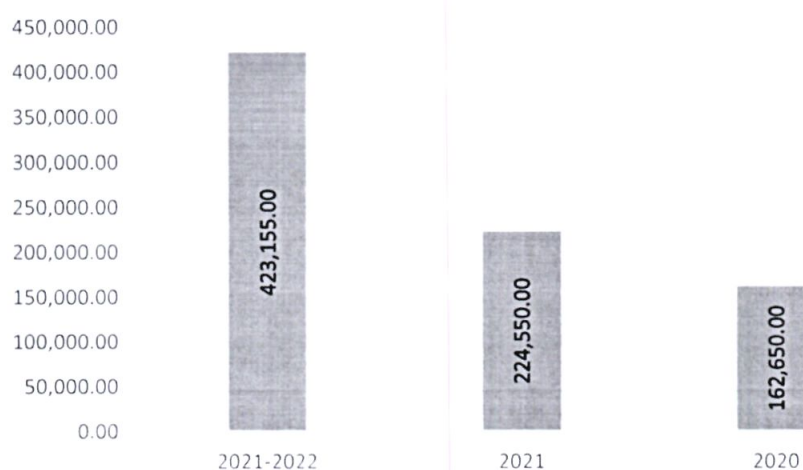


The financial year 2021-2022 shows a increase growth in expenditure which resulted from the current year covering a period of 12 months, while the previous year 2021 covered a period of 6 months.

MOVEMENT OF DEBTORS OF THE SCHOOL

S/N	ACCOUNTS	2021-2022	2021	2020
1.	School fund account			
	Debtors	423,155.00	224,550.00	162,650.00
	Total	423,155.00	224,550.00	162,650.00
	Increase/Decrease	198,605.00	61,900.00	98,150.00

Trend over the last three years

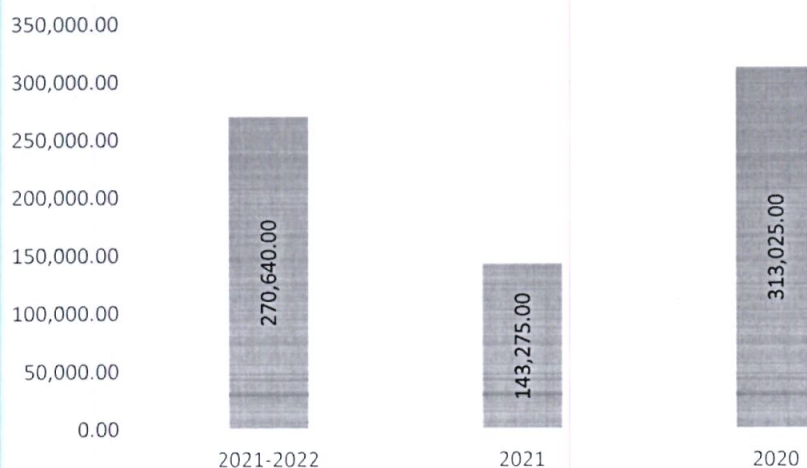


Total debtors as at 2021-2022 increased by 88.25% to kshs 423,155.00 compared to Kshs. 224,550.00 as at the semi-annual 2021. The main contributors to the increase in total debtors is students having high fees balances.

MOVEMENT OF CEDITORS OF THE SCHOOL

S/N	ACCOUNTS	2021-2022	2021	2020
	<i>School fund account</i>	KSHS	KSHS	KSHS
1.	Creditors	270,640.00	143,275.00	313,025.00
	Total	270,640.00	143,275.00	313,025.00
	Increase/Decrease	127,365.00	(16,750.00)	299,825.00

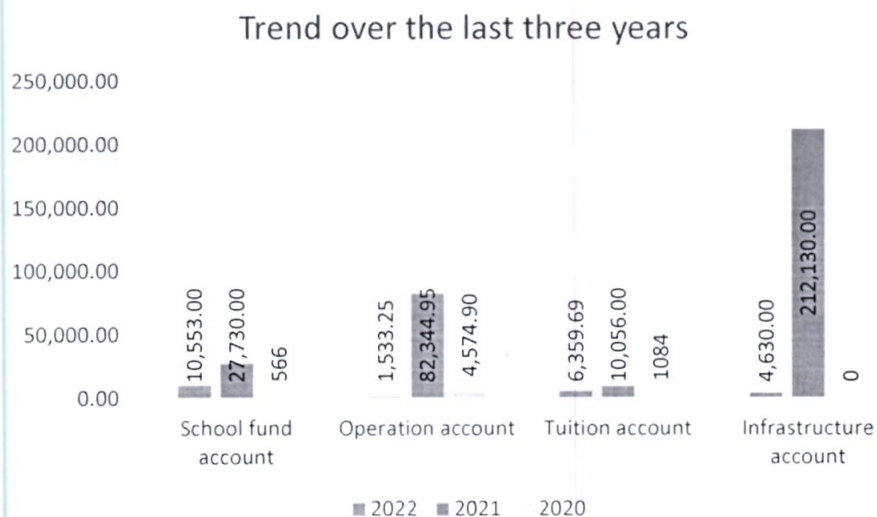
Trend over the last three years



Total creditors as at 2021-2022 increased from Kshs.143,275 to Kshs. 270,640 hence leading to increase of Kshs 127,365. The main contributors to increase in total creditors are trade.

MOVEMENT OF CASH AND BANK BALANCES

S/N	ACCOUNTS	2022	2021	2020
		KSHS	KSHS	KSHS
1.	School fund account	10,553.00	27,730.00	566.00
2.	Operation account	1,533.25	82,344.95	4,574.90
3.	Tuition account	6,359.69	10,056.00	1084.00
4.	Infrastructure account	4,630.00	212,130.00	0.00
	Total	23,075.85	332,260.95	6224.90
	Increase/Decrease	(309,185.10)	326,036.00	(7165.00)



b) Teacher Student ratio:

Between the month of June 2021 and June 2022, the status of the teaching staff is as follows:

There are 10 teachers posted by the Teachers Service Commission and 1 recruited by the Board of Management. Although the teacher student ratio lies at 1:18.

Teachers posted in the year – 1

Teachers transferred/retired in the year –1

Teachers employed by BOM – 1

Teachers employed by TSC – 10

Subject	Maths	Eng.	Kisw.	Chem.	Bio	Phy.	Hist.	CRE	IRE	Geo.	Agri.	B/S
No. of TSC teachers	2	2	3	1	1	1	1	1	1	1	1	1
No. of BOM teachers	0	0	1	0	0	0	0	1	0	0	0	0
Surplus	0	0	0	0	0	0	0	0	0	0	0	0
Shortages	1	0	0	1	1	1	2	1	0	1	1	1

c) The mean score in the 2021 KCSE

Year	Enrolment	Mean	Transition	Transition %	School target	Comments
2021	35	1.9	35	100%	3.5	Being the first KCSE class, the performance was not impressive due to the poor entry level of learners. Majority had scored below 100 marks in KCPE

d) The capacity of the school:

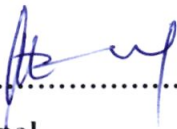
The school had a population of 180 students against 4 classes. The pit latrines for boys were 4 and 1 urinal to the ratio of 1:30 and girls' latrines 5 to the ratio of 1:25.

The school has one science lab.

The school did not have the basic facility like computer lab, administration block and fence.

e) Development projects carried out by the school:

	Projects	Year	Status	Amount (Kshs)	Fund source
1	Students lockers and chairs	2019-2020	Completed	220,000.00	Maintenance and improvement by GOK
2	Teachers desks and chairs	2019-2020	Completed	96,000.00	Maintenance and improvement by GOK
3	2 pit latrines	2020-2021	Completed	260,000.00	Maintenance and improvement by GOK
4	Purchasing of 50 lab stools and tables	2020-2021	Completed	212,000.00	Maintenance and improvement by GOK
5	4 doors pit latrines	2020-2021	Completed	563,000.00	Maintenance and improvement by GOK

.....

 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 keep all proper books and records of accounts of the income, expenditure, and assets of the institution.

The Board of Management of *MCK Kisima 78 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, 2025, and of the school's financial position as at that date.

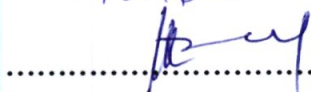


.....
Name: Ann Kimaita Nkirote

Designation: Chairman, School Board of Management

Date:

17/04/26



.....
Name: F.R. Severino

Designation: School Principal & Secretary to Board of Management

Date:

17/4/2026



.....
Name: Nicholas Chokera Kaluma

Designation: Bursar/ Finance Officer

Date:

17/4/2026

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON MCK KISIMA 78 SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 - ISIOLO 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 the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities 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 MCK Kisima 78 Secondary School set out on pages 1 to 23, which comprise of the statement of assets and liabilities

Report of the Auditor-General on MCK Kisima 78 Secondary School for the year ended 30 June, 2022 - Isiolo County

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of MCK Kisima 78 Secondary School as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Review of the financial statements revealed variances between the financial statements and the supporting ledgers as shown below:

Audit Component	Amount in Financial Statements (Kshs)	Amount in Ledgers (Kshs)	Variance (Kshs)
Operation Payments	2,962,592	2,755,092	207,500
Boarding School Fund Payments	3,595,506	3,726,066	(130,560)
Receivables	423,155	334,050	89,105
Boarding School Fund Receipts	3,623,924	3,582,889	41,035

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

2. Unsupported Tuition Expenditure

The statement of receipts and payments reflects payments for tuition amount of Kshs.614,551 as disclosed in Note 6 to the financial statements. However, the amount was not supported by relevant documents such as supplier invoices, goods received notes, inspection certificates, delivery notes and stores records.

In the circumstances, propriety of the expenditure of Kshs.614,551 could not be confirmed.

3. Unsupported Accounts Payable Balance

The statement of assets and liabilities reflects accounts payable balance of Kshs.271,285 as disclosed in Note 14 to the financial statements. However, the balance was not supported by detailed schedules and related records such as invoices, goods received notes, inspection certificates, delivery notes and stores records.

In the circumstances, the accuracy and completeness of accounts payable balance of Kshs.271,285 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the MCK Kisima 78 Secondary School Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects receipts budget and actual on comparable basis amounts of Kshs.8,554,235 and Kshs.6,909,059 respectively, resulting in under-funding of Kshs.1,645,176 or 19% of the budget. The statement also reflects actual expenditure of Kshs.7,172,649 against approved budget of Kshs.8,554,235 resulting in under-performance of Kshs.1,381,586 or 16% of the budget.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

Management is responsible for the Other Information set out on pages iii to xv, which comprise of Key School Information and Management, Summary Report of Performance of the School, and Statement of School Management Responsibility. The Other Information does not include the financial statements and our auditor's report thereon.

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

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

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 effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Late Submission of Financial Statements

The financial statements for the year ended 30 June, 2022 were submitted to the to the Auditor-General for audit on 17 March, 2026. This is 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 this case 30 September, 2022.

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

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

The statement of financial performance reflects boarding and school fund payments figure of Kshs.3,595,506 as disclosed in Note 9 to the financial statements. Included in the expenditure is Kshs.238,500 transferred to Kenya Secondary School 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.238,500 could not be confirmed.

3. Failure to Prepare School Improvement Plan

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

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

4. Irregularities in Procurement Processes

Review of the School's procurement processes revealed the following irregularities:

4.1. Lack of a Procurement Plan

The statement of financial performance reflects total expenditure for the year of Kshs.7,172,649. However, during the year, Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020, which requires a procuring entity to prepare a procurement plan for each financial year as part of the annual budget preparation process.

4.2 Lack of a Functional Procurement Unit

During the year under review, the School did not have an established procurement function managed by qualified procurement professionals as required under Section 47(2) of the Public Procurement and Asset Disposal Act, 2015 and Regulation 33 of the Public Procurement and Asset Disposal Regulations, 2020. Procurement activities were undertaken by individuals lacking the requisite qualifications.

4.3 Unstructured Procurement Processes

Review of procurement of infrastructure projects revealed absence of budgets, need analysis reports, procurement plans, failure to advertise, wrong choice of procurement methods and failure to comply with evaluation regulations.

4.4 Weaknesses in Record Keeping

During the year under review, the School failed to maintain complete procurement records including tender documents, tender advertisements, bid evaluation reports, correspondences with suppliers, contract documents, payment certificates, contract performance monitoring reports, and stores records. This was contrary to Section 68 of the Public Procurement and Asset Disposal Act, 2015 and limits audit trail and transparency.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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), 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 existence of an effective oversight mechanism could not be confirmed.

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

Responsibilities of Management and the Board of Management

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards 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 control, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

5 May, 2026

6. Statement Of Financial Performance for the Year Ended 30th June 2022

Description Of Vote Head	Note	2021-2022	June 2021
		Kshs	Kshs
Revenue			
Government grants for tuition	1	610,854.60	177,722.00
Government grants for operations	2	2,674,280.30	1,108,186.05
School fund income- parents' contributions	4	3,623,924.00	940,869.00
School fund income-other receipts	4		55,100.00
Proceeds from borrowings		-	0.00
Total Receipts		6,909,058.90	2,281,877.05
Payments			
Tuition	6	614,551.00	13,920.00
Operations	7	2,962,592.00	696,056.00
Boarding and school fund	9	3,595,506.00	839,296.00
Total payments		7,172,649.00	1,699,272.00
Surplus/Deficit		(263,590.10)	582,605.05

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



Name: Ann Kimaita Nkirote

Chair BOM

Date: 17/04/26



Name: F.R. Severino

School Principal/ Secretary to BOM

Date: 17/4/2026



Name: Nicholas Chokera kaluma

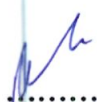
Bursar/ Finance Officer

Date: 17/4/2026

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

Description	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	23,075.85	332,260.95
Cash balances	11	-	25,000.00
Short term investments	12	-	-
Total cash and cash equivalent		23,075.85	357,260.95
Account's receivables	13	423,155.00	224,550.00
Total financial assets (a)		446,230.85	581,810.95
Financial liabilities			
Accounts payables	14	271,285.00	143,275.00
Net financial assets		174,945.85	438,535.95
Represented by			
Accumulated fund b/fwd	12	438,535.95	(144,069.10)
Surplus/deficit for the year		(263,590.10)	582,605.05
Net financial position		174,945.85	438,535.95

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


 Name: Ann Kimaita Nkirote


 Name: F.R. Severino


 Name: Nicholas Chokera kaluma

Chair BOM

Date: 17/04/2022

School Principal/ Secretary to BOM

Date: 17/4/2022

Bursar/ Finance Officer

Date: 17/4/2022

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

Description	Note	2021-2022	2020-2021
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition	1	610,54.60	177,722.00
Government grants for operations	2	2,674,280.30	1,108,187.05
School fund income- parents contributions/ fees	4	3,594,889.00	897,719.00
School fund income -Other receipts	4		0.00
Total receipts		6,880,023.90	2,183,627.05
Payments			
Payments for tuition	6	614,551.00	168,750.00
Payments for operations	7	2,962,592.00	818,286.00
Boarding/lunch and school fund payments	9	3,637,066.00	845,636.00
Total payments		7,214,209.00	1,832,672.00
Net cash inflow/outflow from operating activities		(334,185.10)	350,955.05
Cash flow from investing activities			
Acquisition of assets		-	-
Proceeds from sale of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash inflow/outflows from investing activities		-	-
Cash flow from Financing activities			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
Net cash inflow/outflow from financing activities		-	-
Net increase/decrease in cash and cash equivalents		(334,185.10)	350,955.05
Cash and cash equivalent at beginning of the FY		357,260.95	6,305.90
Cash and cash equivalent at end of the FY		23,075.85	357,260.95

MCK KISIMA 78 SECONDARY SCHOOL

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

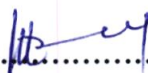
The school's financial statements were approved on _____ 2022 and signed by:



.....
Name: Ann Kimaita Nkirote

Chair BOM

Date: 17/04/26



.....
Name: Francis Riungu
Severino
School Principal/ Secretary to
BOM

Date:

17/4/2022



.....
Name: Nicholas Chokera
kaluma

Bursar/ Finance Officer

Date:

17/4/2022

(The above presentation of cash flow statement uses the direct method of cash flow presentation which is encouraged under IPSAS. Schools' should therefore adopt the direct method of cash flow as recommended by PSASB)

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Budget utilization difference	% Of Utilization
	A	B	c=a+b	d	E=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs		Kshs
Receipts						
<i>(1) Capitation Grant on Tuition</i>						
Reference Materials	-	-	-	-		-
Exercise Books	-	-	-	-		-
Laboratory Equipment	-	-	-	-		-
Internal Exams	-	-	-	-		-
Teaching / Learning Materials	1,058,960.00	0.00	1,058,960.00	610,854.60	448,105.40	57.68%
Exams And Assessment	-	-	-	-		-
Chalks						
Exams and assessment						
Teachers guides						
Sub Totals	1,058,960.00	0.00	1,058,960.00	610,854.60	448,105.40	
<i>(2) Capitation Grant on Operations</i>						
Personnel Emoluments	870,000.00	0.00	870,000.00	915,100.00	(45,100.00)	105.18%
Repairs And Maintenance	1,525,000.00	0.00	1,525,000.00	974,250.00	550,750.00	63.88%
Local Transport / Travelling	70,000.00	-	70,000.00	173,419.30	(103,419.30)	247.74%
Electricity And Water	66,000.00	0.00	66,000.00	158,861.00	(92,861.00)	240.69%
Medical	261,995.00	0.00	261,995.00	39,200.00	222,795.00	14.96%
Administration Costs	1,402,280.00	0.00	1,402,280.00	413,450.00	988,870.00	29.48%
Activity	-	-	-	-		-
Smasse						

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Budget utilization difference	% Of Utilization
	A	B	c=a+b	d	E=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs		Kshs
Gratuity	-	-	-	-		-
Sub Totals	4,195,275.00	0.00	4,195,275.00	2,674,280.30		
3) FDSE for infrastructure	-	-	-	-		-
Maintenance & Improvement MoE	-	0.00	-	0.00		0.00%
M&I parents' contribution	-	-	-	-		-
Economic Stimulus Programs	-	-	-	-		-
Transition Infrastructure Grants	-	-	-	-		-
Administration Block	-	-	-	-		-
Sub Totals	0.00	0.00	-	0.00		0.00%
(4) Fees Charged on Parents						
Personnel Emoluments	-	-	-	-		-
Repairs And Maintenance	-	-	-	-		-
Local Transport / Travelling	-	-	-	-		-
Electricity And Water	-	-	-	-		-
Medical	-	-	-	-		-
Administration Costs	-	-	-	-		-
Activity	-	-	-	-		-
Meal programme	3,300,000.00	0.00	3,300,000.00	3,159,064.00	140,936.00	95.72%
Fee On Boarding Equipment and Stores	-	-	-	464,860.00	(464,860.00)	0.00%
Sub Totals	3,300,000.00	0.00	3,300,000.00	3,623,924.00		
5) Miscellaneous Income						
Loans / Borrowing	-	-	-	-		-

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Budget utilization difference	% Of Utilization
	A	B	c=a+b	d	E=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs		Kshs
Rent income	-	-	-	-		-
Income From Farming Activities	-	-	-	-		-
Insurance Compensation	-	-	-	-		-
Income From Posho Mill	-	-	-	-		-
Income From Bus Hire	-	-	-	-		-
Fee For Hire of Ground and Equipment	-	-	-	-		-
Interest Income	-	-	-	-		-
Income From Any Other Investment	-	-	-	-		-
Total Income	8,554,235.00	0.00	8,554,235.00	6,909,058.90	1,645,176.10	80.77%
<i>(6) Expenditure For Tuition</i>						
Textbooks and reference materials	-	-	-	-		-
Reference Materials	-	-	-	-		-
Exercise Books	-	-	-	-		-
Laboratory Equipment	-	-	-	-		-
Internal Exams	-	-	-	-		-
Teaching / Learning Materials	1,058,960.00	0.00	1,058,960.00	599,693.00	459,267.00	56.63%
Chalks	-	-	-	-		-
Exams And Assessment	-	-	-	-		-
Teachers Guides	-	-	-	-		-
Meals	-	-	-	14,000.00	(14,000.00)	-0.00%
Administration Costs	-	-	-	-		-

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Budget utilization difference	% Of Utilization
	A	B	c=a+b	d	E=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Bank Charges	-	-	-	858.00	(858.00)	-0.00%
Sub totals	1,058,960.00	0.00	1,058,960.00	614,551.00		
(7) Expenditure For Operations						
Personnel Emoluments	870,000.00	0.00	870,000.00	751,790.00	118,210.00	86.41%
Repairs, Maintenance & Improvements	1,525,000.00	0.00	1,525,000.00	1,097,760.00	427,240.00	71.98%
Local Transport / Travelling	70,000.00	-	70,000.00	84,000.00	(14000.00)	120.00%
Electricity, Water and Conservancy	66,000.00	0.00	66,000.00	182,590.00	(116,590.00)	276.65%
Medical	261,995.00	0.00	261,995.00	0.00	261,995.00	0.00%
Administration Costs	1,402,280.00	0.00	1,402,280.00	845,354.00	556,926.00	60.28%
Activity Expenses	-	0.00	-	-	-	-
Gratuities	-	-	-	-	-	-
Bank charges	-	-	-	1,098.00	-	0.00%
Sub totals	4,195,275.00	0.00	4,195,275.00	2,962,592.00		
(8) Expenditure For infrastructure						
Construction of classrooms	-	0.00	-	-	-	-
Construction of LAB	-	-	-	-	-	-
Construction of DORMS	-	-	-	-	-	-
Purchase of furniture	-	-	-	-	-	-
Purchase of equipment	-	-	-	-	-	-
Purchase of machinery	-	-	-	-	-	-

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Budget utilization difference	% Of Utilization
	A	B	c=a+b	d	E=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs		Kshs
<i>Sub totals</i>	-	0.00	-	-		-
<i>(9) Expenditure For school fund/lunch/boarding</i>						
Personnel Emoluments	-	-	-	121,400.00	(121,400.00)	0.00%
Repairs, Maintenance and Improvements	-	-	-	-		-
Local Transport / Travelling	-	-	-	43,500.00	(43,500.00)	0.00%
Electricity, Water and Conservancy	-	-	-	1000	(1000)	0.00%
Medical Expenses	-	-	-	-		-
Administration Costs	-	-	-	45,000.00	(45,000.00)	0.00%
Activity	-	-	-	-		-
Gratuity	-	-	-	-		-
Lunch Programme	3,300,000.00	0.00	3,300,000.00	3,038,786.00	261,214.00	92.08%
Boarding Equipment and Stores	-	-	-	-		-
Expenditure For Income Generating Activity	-	-	-	-		-
Insurance Costs	-	-	-	-		-
Other Expenses On Investments	-	-	-	342,790.00	(342,790.00)	0.00%
Rent Expenses	-	-	-	-		-
Bank Charges	-	-	-	3,030.00	(3,030.00)	0.00%
Loan Interest Repayment	-	-	-	-		-
Loan Principal Repayment	-	-	-	-		-
Acquisition Of Assets	-	-	-	-		-
<i>Sub totals</i>	3,300,000.00	0.00	3,300,000.00	3,595,506.00		

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Budget utilization difference	% Of Utilization
	A	B	c=a+b	d	E=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs		Kshs
Totals	8,554,235.00	0.00	8,554,235.00	7,172,649.00	1,381,586.00	83.84%

[Provided below a commentary on significant under utilization (below 90% of utilization) and any over utilization above 100%]

- i. The school has only received 80.77% of the expected revenue from 1st June 2021 to 30th June 2022.
- ii. The school has only utilized 83.84% of the fee collected from 30th June 2021 to 30th June 2022.

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

Statement of Compliance

The financial statements have been prepared in accordance with the PFM Act and International Public Sector Accounting Standards (IPSAS). The entity has taken advantage of the transitional provisions under IPSAS 33, and therefore, these first/second/third/year financial statements are transitional financial statements.

Basis of Preparation

These financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period on an accrual basis unless otherwise specified (for example, statement of cash flow). Under an accrual basis, revenues are recognized when rights to assets are earned or levied rather than when cash is received, and expenses are recognized when obligations are incurred rather than when they are settled. The financial statements have been prepared and presented in Kenya Shillings to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

2. Recognition of revenue and expenditure

The school recognizes all revenue from various sources when earned and all expenses when incurred.

The capitation grants include recurrent and development grants. Recurrent capitation are recognized in the statement of financial performance while development grants are recognized in the statement of financial position after meeting the revenue recognition criteria. The conditional grants will be recognized as revenue upon fulfillment of the set conditions.

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 financial performance both as revenue and as expenditure 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 an 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 the fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Payables also include expenditures incurred for the purchase of goods, works and services that have 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 2022.

11. Notes To the Financial Statements**1 Government Grants for Tuition**

Description	2021-2022	2020-2021
	Kshs	Kshs
Textbooks and Reference Materials	-	-
Exercise Books	-	-
Laboratory Equipment	-	-
Internal Exams	-	-
Teaching / Learning Materials	610,854.60	177,722.00
Others (<i>specify</i>) *	-	-
Total	610,854.60	177,722.00

2 Government Grants for Operations

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments	915,100.00	262,225.00
Repairs And Maintenance	974,250.00	503,750.00
Local Transport / Travelling	173,419.30	122,161.00
Electricity And Water	158,861.00	90,800.05
Medical	39,200.00	-
Administration Costs	413,450.00	129,250.00
Activity	-	-
Other Vote Heads (<i>specify</i>) *		
Total	2,674,280.30	1,108,18.05

3 Government Grants for infrastructure

Description	2021-2022	2020-2021
	Kshs	Kshs
Maintenance & Improvement		-
Transition infrastructure grants		-
Administration Block		-
Economic stimulus grants		-
Other (<i>specify</i>)(NGCDF and County govt.		-
Total	-	-

4 School Fund Income - Parents Contribution/Fees

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	-	-
Repairs and maintenance		-
Local transport / travelling		-
Electricity and water		-
Medical		-
Administration costs		-
Meal programme	3,159,064.00	40,869.00
Fee on Boarding Equipment and stores		-
PA Levies*		-
Activity	4664,860.00	55,100.00
Total	3,623,924.00	995,969.00

*Includes all levies charged by the school outside the fees structure but by mutual agreement with the parents.

5 Miscellaneous Incomes

Description	2021-2022	2020-2021
	Kshs	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 (specify) *	-	-
Total	-	-

MCK KISIMA 78 SECONDARY SCHOOL

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

6 Tuition

Description	2021-2022	2020-2021
	Kshs	Kshs
Exercise Books	-	-
Textbooks	-	-
Reference materials	-	-
Laboratory Equipment	-	-
Teaching / Learning Materials	599,693.00	163,920.00
Exams And Assessment	-	-
Teachers Guides	-	-
Meals	14,000.00	
Bank Charges	858.00	-
Others (<i>specify</i>)	-	-
Total	614,551.00	163,920.00

7 Operations

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments	751,790.00	157,670.00
Service Gratuity	-	-
Administration Cost	845,354.00	245,516.00
Repairs And Maintenance & Improvements	1,097,760.00	275,870.00
Local Transport / Travelling	84,000.00	2,000.00
Electricity And Water	182,590.00	15,000.00
Medical	-	-
Activity Expenses	-	-
Insurance Cost		-
Acquisition of Assets	-	
Bank charges	1,098.00	-
Total	2,962,592.00	696,056.00

MCK KISIMA 78 SECONDARY SCHOOL

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

8 Infrastructure

Description	2021-2022	2020-2021
	Kshs	Kshs
Construction of classrooms	-	-
Construction of laboratory	-	-
Construction of dormitory	-	-
Purchase of furniture	-	-
Purchase of equipment	-	-
Purchase of apparatus	-	-
Drilling of boreholes	-	-
Others (specify)	-	-
Total	-	-

9 Boarding And School Fund

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel Emoluments	121,400.00	53,560.00
Service Gratuity	-	-
Repairs And Maintenance & Improvements	-	-
Local Transport / Travelling	43,500.00	45,950.00
Electricity And Water	1000	1000
Medical Expenses	-	-
Administration Costs	45,000.00	150,770.00
Lunch Programme	3,038,786.00	588,016.00
Bank Charges	3,030.00	-
Expenses On Income Generating Activities**	-	-
Fee On Boarding Equipment and Stores	-	-
Development funds	342,790.00	-
Insurance Cost (<i>Life Property</i>)	-	-
Loan Principal Repayment	-	-
Loan Interest Repayment	-	-
Acquisition Of Assets	-	-
Total	3,595,506.00	839,296.00

[Expenses on income generating activities**should include all costs relating to the school earnings on other receipts as recorded in note 4. these costs should include farm maintenance, posho mill maintenance, ground maintenance and costs incurred during hire of school bus among others].

MCK KISIMA 78 SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2022****10 Bank Accounts**

Account Name & Currency	Status	Bank Account Number	2021-2022	2020-2021
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	1222958422	6,359.60	10,056.00
Operations Account	Active	1223625885	1,533.25	82,344.95
School Fund Account/Boarding	Active	1226237118	10,553.00	27,730.00
Savings Account				-
Parent Association Development Account				-
Income Generating Activities Account				-
Infrastructural Account	Active	1203000215	4,630.00	212,130.00
Total			23,075.85	332,260.95

11 Cash In Hand

Description	2021-2022	2020-2021
	Kshs	Kshs
School Fund Account/Boarding	-	25,000.00
Total	-	25,000.00

12 Short Term Investments

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

13 Accounts Receivable

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees Arrears	423,155.00	224,550.00
Other Non-Fees Receivables	-	-
Salary Advances (list/schedule attached)	-	-
Imprest (list/schedule attached)	-	-
Rent arrears (list/schedule attached)	-	-
Total	423,155.00	224,550.00

13 b) Ageing Analysis of Accounts Receivable

Description	2021-2022		2020-2021	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Fees arrears for current year	334,050.00		141,100.00	
Fees arrears for previous year	89,105.00	-	83,450.00	
Fees arrears for prior periods (Over two years)	-	%	-	%
Total (should tie to note 13 a)	423,155.00		224,550.00	

14 Accounts Payable

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	94,185.00	117,745.00
Prepaid Fees	177,100.00	25,530.00
Retention Monies	-	-
Unpaid salaries and statutory deductions	-	-
Caution money	-	-
Other payables (<i>specify</i>)	-	-
Total	271,285.00	143,275.00

14a. Ageing Analysis of Accounts Payable

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	771,770.00	100%	1,152,480.00	100%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (should tie to note 14)	771,770.00	100%	1,152,480.00	100%

15 Fund Balance Brought Forward

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank Balances	23,075.85	332,260.00
Cash Balances	-	25,000.00
Short Term Investments		
Receivables	423,155.00	224,550.00
Payables	(271,285.00)	(143,475.00)
Total	174,945.85	438,535.95



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	2021-2022	2020-2021
	Kshs	Kshs
Bank Loans	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Others (specify)	-	-
Total	-	-

17 Biological assets

Description	Numbers	2021-2022	2020-2021
		Kshs	Kshs
Cattle		-	-
Goats		-	-
Trees	150	450,000.00	300,000.00
Coffee Or Tea Plantation		-	-
Poultry		-	-
Others (specify)		-	-
Total		450,000.00	300,000.00

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	-	-



Other important disclosure notes

19 Stock/ Inventory

Description	2021-2022	2020-2021
	Kshs	Kshs
Food stuffs	-	-
Lab consumables		-
Farm produce		-
Medication		-
Construction Materials		-
Others (specify)		-
	-	-



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)

 Sign and Date
 Principal

17/4/2022

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		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1.						
Sub-Total						
Supply Of Goods						
Tuition						
Manometer	18,100.00	30/6/2022	0.00	18,100.00	18,100.00	
Helelo bookshop	119,500.00	30/6/2022	0.00	119,500.00	119,500.00	
Way field	19,000	30/6/2022	0.00	19,000	19,000	
Sub total	156,610.00			156,610.00	156,610.00	
Supply Of Services						
2.						
3.						
Sub-Total						
Grand Total	156,610.00		0.00		156,610.00	



Annex 2 – Summary of Fixed Assets Register

Asset Class	Date purchased	Historical Cost b/f (Kshs) 1 st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2022
Land 1	Donated	2,000,000.00	0.00		2,000,000.00
Land 2	-				
Buildings And Structures	MOE AND CDF	11,150,000.00	0.00		11,150,000.00
Motor Vehicles					
Office Equipment, Furniture and Fittings	Balance B/F 1/7/202 1	528,000.00			528,000.00
Textbooks	Balance B/F 1/7/2021	70,000.00			70,000.00
ICT Equipment	Balance B/F 1/7/202 1	86,315.00			86,315.00
Tools And Apparatus	Balance B/F 1/7/202 1	200,000.00			200,000.00
Other Machinery and Equipment					
Heritage And Cultural Assets					
Intangible Assets- Soft Ware					
Total	-	14,034,315.00			14,034,315.00

(The school should ensure that a detailed fixed assets register is maintained).



