

REPUBLIC OF KENYA



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

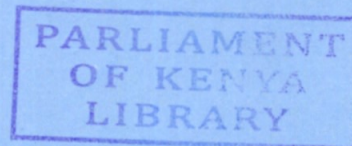
REPORT

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 16 JUN 2026	
DAY: Tuesday	
TABLED BY:	Hen. Naomi Wazir, CBS, MP (Deputy Majority Party KLB)
CLERK-AT THE-TABLE:	Comata

OF

THE AUDITOR-GENERAL

ON



**OUR LADY OF MERCY MUTUNGURU GIRLS
SECONDARY SCHOOL**

**FOR THE YEAR ENDED
30 JUNE, 2023**

KIAMBU COUNTY

Revised 30th June 2023.



**OUR LADY OF MERCY MUTUNGURU SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2023**

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



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OUR LADY OF MERCY MUTUNGURU SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

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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

OUR LADY OF MERCY MUTUNGURU SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

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 Kiambu County, Gatundu South Sub-County.

The school was registered in 03/08/2022 under registration number 22S00300787 and is currently categorized as a County public school established, operated by the Government.

The school is a boarding school and had 403 number of students as at 30th June 2023. It has 2 streams and 18 teachers of which 2 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

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

Ref:	Name of Board Member	Designation	Date of appointment
1	Mr. John Thuku Kiwara	Chairman	7/3/22
2	Ms. Florence W. Gachukia	Secretary- Principal	7/3/22
3	Dr. Irene Mukui	Member	7/3/22
4	Mr. Philip W. Kago	Member	7/3/22
5	Mr. Kamau Mbugua	Member	7/3/22
6	Mr Alphone K. Karungu	Member	7/3/22
7	Ms. Ann Ngotho	Member	7/3/22
8	Hannah N. Ng'ang'a	Member – Rep CEB	7/3/22
9	Mr. Jacob Mwangi	Member Rep Teachers	7/3/22
10	Mrs. Jane Karanja	3 Members - Sponsor	7/3/22
11	Mr. Dominic Mworio	Member - Community	7/3/22
12	Mr. Daniel Waithaka	Member Special Needs	7/3/22
13	Amina Ali	Rep Students	7/3/22

OUR LADY OF MERCY MUTUNGURU SECONDARY SCHOOL
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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.

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Jane Ruth Wambui Tabitha Gitau Teresia Kang'acha Peter Kiarie Catherine Wawira	Chairman Member Secretary Member Member	5
2	Audit Committee	Jacob Mwangi Joseph Kimata Catherine Epur	Chairman Secretary Member	1
3	Finance, procurement and general purposes Committee	John Thuku Jane Wanjiru Anne Ngotho Florence Wanjiku	Chairman Member Member Secretary	2
4	Academic Committee	Jane Ruth Wambui Antony Mwaura Maria Wacera Jacob Mwangi	Chairman Member Secretary Member	2
5	Development Committee			2
6	Discipline and welfare Committee	Jane Ruth Wambui Tabitha Gitau Teresia Kang'acha Peter Kiarie Catherine Wawira	Chairman Member Secretary Member Member	3
7	Adhoc Committee (if any during the year)	Jacob Mwangi Joseph Kimata Catherine Epur	Chairman Secretary Member	-

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School operation Management

For the financial year ended 30th June 2023 the School day-to-day management was under the following persons:

Ref:	Designation	Name	Identification
1	Principal	Ms. Florence W. Gachukia	TSC NO.271964
2	Deputy Principal	Mrs. Jane Ruth Gathumbi	TSC NO.335476
3	School Bursar	Tabitha Wanjiru Gitau	ID No. 11397433
4	Other (specify)		

(d) Schools contacts

Post Office Box: 8, GATUNDU
 Telephone: 0701655242
 E-mail: Mutungurusecond@gmail.com
 Website:
 Facebook:
 Twitter:

(e) School Bankers

- Name of Bank: Family Bank
 Branch: Gatundu
 Account Number: 004000003233
- Tuition**
 Name of Bank: Family
 Branch: Gatundu
 Account Number: 004000016715
- Operation A/C**
 Name of Bank: Equity Bank
 Branch: Gatundu
 Account Number: 0660291737170
- Infrastructure A/C**
 Name of Bank: Equity
 Branch: Gatundu
 Account Number: 0660255532176
- Savings A/C**
 Name of Bank: Equity
 Branch: Gatundu
 Account Number: 0660298413600

(f) Independent Auditors

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

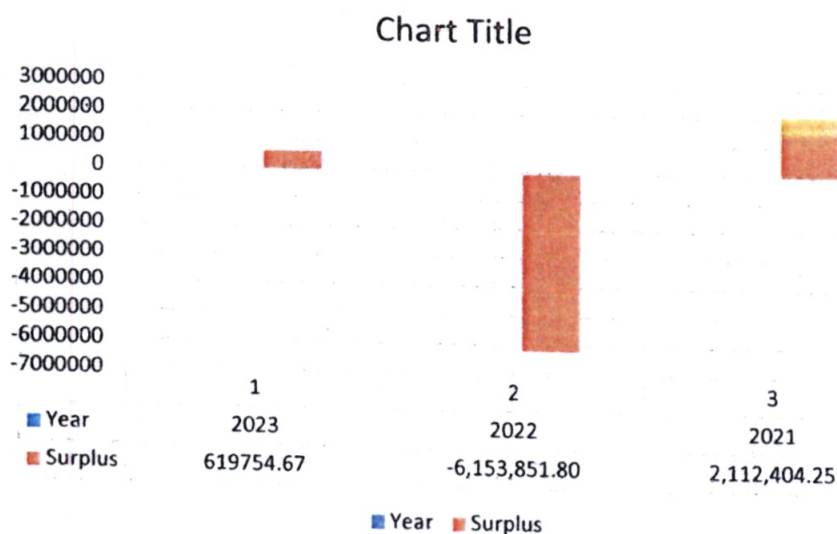
OUR LADY OF MERCY MUTUNGURU SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

3. Summary Report of Performance of The School

a) Financial performance

(i) Surplus /Deficit for the last three years.

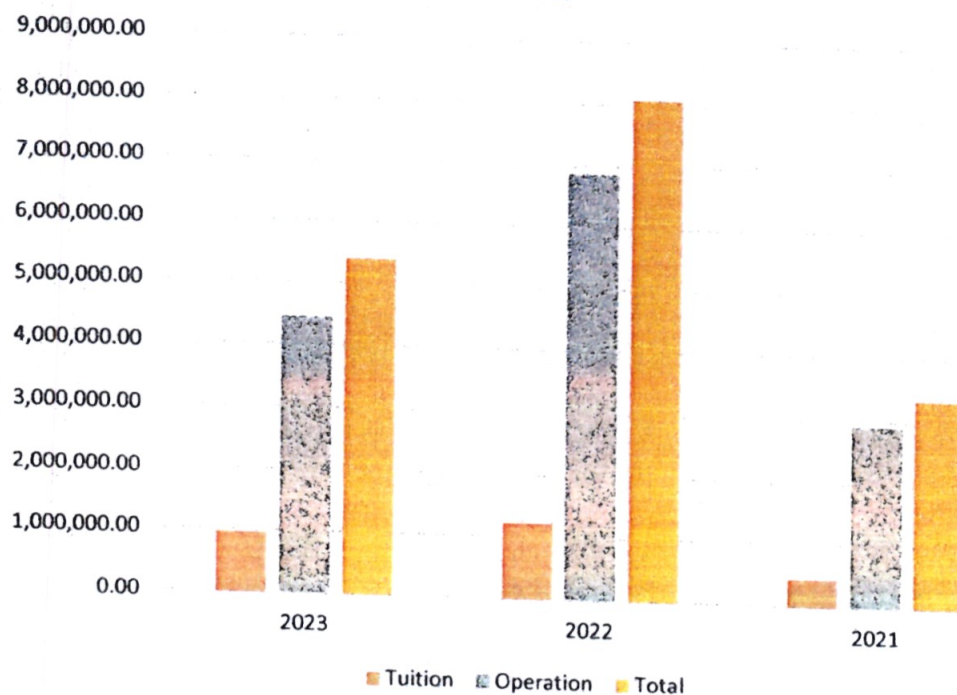
Year	Surplus	Deficit
2023	619754.67	Surplus
2022	-6,153851.80	0
2021	2,112404.25	Surplus



(ii) Capitation Grant from the ministry for the last three years

Year	Tuition	Operation	Total
2023	972,924.	4427891.72	5400815.72
2022	1,235,370.40	6,856,701.10	8,092,071.50
2021	450,710.00	2,913,027.25	3,363,747.25

**A GRAPH SHOWING CAPITATION GRANT FROM THE
 MINISTRY OF EDUCATION FOR THE LAST THREE
 YEARS**

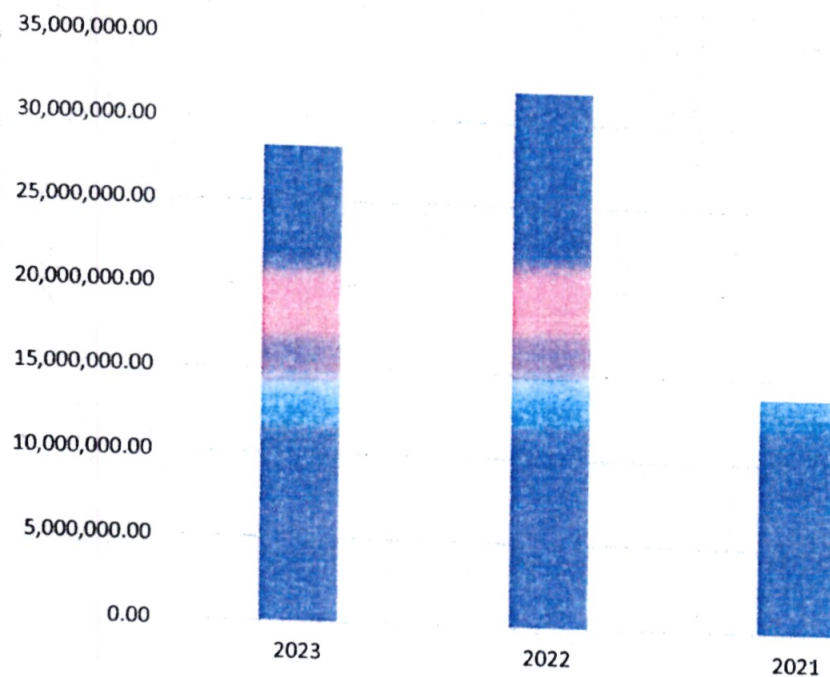


OUR LADY OF MERCY MUTUNGURU SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

(iii) A 3 year overview growth of other incomes earned by the school.

Year	Amount
2023	28,329,965.82
2022	31,865,339.10
2021	13,910,108.00

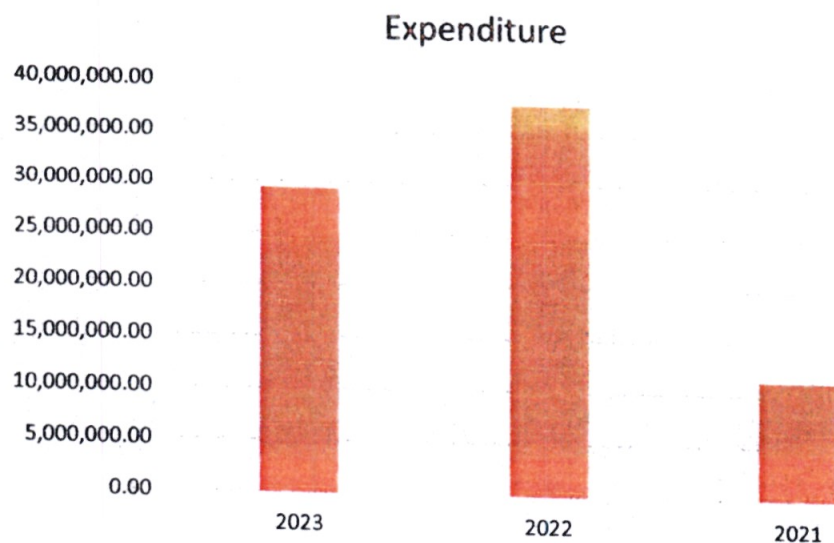
OUR LADY OF MERCY MUTUNGURU SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023



(iv) A 3 year over view of growth in Expenditure of the school.

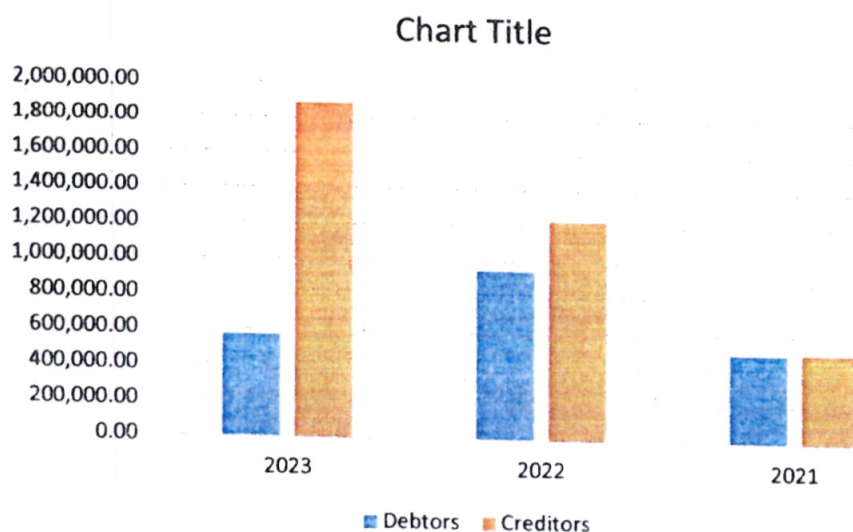
Year	Expenditure
2023	29,415,827.15
2022	37,882,848.90
2021	11,389,660.00

OUR LADY OF MERCY MUTUNGURU SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023



(v) Movement of Debtors & Creditors of the school over the last three years.

Year	Debtors	Creditors
2023	573,745.00	1,889,224.00
2022	948,995.00	1,234,017.00
2021	497,584.00	505,465.00



OUR LADY OF MERCY MUTUNGURU SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

(b) Teachers Student ratio including recruitment posted

Year	Debtors	Creditors
2023	573,745.00	1,889,224.00
2022	948,995.00	1,234,017.00
2021	497,584.00	505,465.00

c) Mean Score of the school for the last 3 years.

Year	2022	2021	2020
Mean score	2.732	2.842	3.390
Joined higher learning	0	2	3

(d) Number of candidates in the year 2022

Year	2022	2021	2020
Number of candidates	82	101	77

(e) Capacity of the School

Facilities	Students	Ratio	year
Number of candidates	399	1:24	2022

OUR LADY OF MERCY MUTUNGURU SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

a) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Classroom	Moest	rentals		1,070,455.00	31/12/2023
Toilet	Parent	ongoing		293,200.00	

 **PRINCIPAL**
 MUTUNGURU SECONDARY SCHOOL
 Box 8 - 01030, GATUNDU

School Principal DATE:.....SIGN:.....

OUR LADY OF MERCY MUTUNGURU SECONDARY SCHOOL
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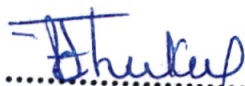
4. Statement of School Management Responsibility

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 OUR LADY OF MERCY MUTUNGURU 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, 2023, and of the school's financial position as at that date.



Name: JOHN THUKU KIWARA

Designation: Chairman, School Board of Management

Date: 25/3/26



Name: Florence Gachukia

Designation: School Principal & Secretary to Board of Management

Date: 25/3/26





Name: TABITHA GITAU

Designation: Bursar/ Finance Officer

Date: 25/3/26

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 OUR LADY OF MERCY MUTUNGURU GIRLS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 - KIAMBU COUNTY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Our Lady of Mercy Mutunguru Girls Secondary School set out on pages 1 to 20, which comprise of the statement of

assets and liabilities as at 30 June, 2023, 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, 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 Our Lady of Mercy Mutunguru Girls Secondary School as at 30 June, 2023 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 Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies of the Financial Statements

Review of the financial statements revealed that the statement of receipts and payments and Note 4 reflects comparative balance totaling Kshs.7,636,772 in respect of School fund – parents contributions/fees. However, re-computation of the amounts totalled to Kshs.21,975,709 resulting in a variance of Kshs.14,338,937 have not been explained. Further, the statement of receipts and payments and Note 5 to the financial statements reflects comparative balance totalling Kshs.21,096,921 in respect of miscellaneous incomes which upon re-computation amounted to Kshs.6,757,984. The resultant variance of Kshs.14,338,937 have not been explained.

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

2. Incomplete Ledgers to the Financial Statements

The statement of receipts and payments reflects an expenditure totalling Kshs.27,983,956 which comprises of Kshs.1,679,702, Kshs.3,154,076, Kshs.1,363,655 and Kshs.21,786,523 in respect of tuition, operations, infrastructure and boarding and school fund respectively. However, the supporting ledgers to the balances lacked key details such as date, payee description and payment voucher number.

In the circumstances, the accuracy and completeness of the above expenditure could not be confirmed.

3. Unsupported Accounts Payables

Note 14 to the financial statements reflects accounts payables balance of Kshs.7,420,028. Included in this amount is long outstanding payables amounting to Kshs.712,863 being pending accrued bills for over 2 (two) years. Further, the supporting

schedules amount of Kshs.1,234,018 provided for audit varied with financial statements balances of Kshs.7,420,028 resulting to unexplained variance of Kshs.6,186,010. This is contrary to Section 53(8) of the Public Procurement and Asset Disposal Act, 2015 which requires that an accounting officer shall not commence any procurement proceeding until satisfied that sufficient funds to meet the obligations of the resulting contract are reflected in its approved budget estimates.

In the circumstances, the accuracy and completeness of the accounts payables balance of Kshs.7,420,028 could not be confirmed.

4. Unsupported Payments

The statement of receipts and payments reflects operations and infrastructure expenditure amounts of Kshs.3,154,076 and Kshs.1,363,655 as disclosed in Note 7 and Note 8 to the financial statements. However, examination of payment vouchers amounting to Kshs.2,517,796 revealed that Management made payments without support documents such as requisitions, local purchase orders, delivery notes, inspection reports, goods received notes, certificate of payments and meeting attendance register.

In the circumstances, the accuracy and completeness of the operations and infrastructure expenditure could not be confirmed.

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

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. 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 page iii to xiv 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 my audit report thereon.

In connection with my audit on the School's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I

conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Submission of Financial Statements for Audit

The financial statements for the year under review were submitted on 15 April, 2025 instead of the statutory date of 30 September, 2023. This was contrary to Section 81 of the Public Finance Management Act, 2012 which requires that financial statements should be submitted to the Auditor-General within three months after the end of the financial year to which the accounts relate.

In the circumstances, Management was in breach of law.

2. Failure to Open a Separate Account for Other Receipts

The statement of receipts and payments reflects total receipts of Kshs.28,903,711. Included is Miscellaneous income of Kshs.2,172,096 from various income generating activities as disclosed by Note 5. However, the School did not open a separate bank account contrary to the Ministry of Education Circular Ref. No:MOE.HQS/3/13/3 dated 16 June, 2021 on Guidelines on Implementation of Free Day Secondary Education (FDSE) which requires that Schools with income generating activities open separate bank accounts for the stream of income.

In the circumstances, Management was in breach of law.

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

The statement of receipts and payments reflects operations payments amount of Kshs.3,154,076 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.465,800 transferred to Kenya Secondary School Heads Association (KESSHA) under Kiambu County chapter. 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.465,800 could not be confirmed.

4. Underfunding of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amount of Kshs.972,925 and Kshs.4,427,892, respectively as disclosed in Note 1 and Note 2 to the financial statements. During the financial year National Education Management Information System (NEMIS) reported a total number of three hundred and ten (310) students while the enrolment records provided by the School indicated a total number of Four hundred and seventeen (417) students, resulting in an unexplained variance of one hundred and seven (107) students. As a result of the variances, the School was under funded by an amount of Kshs.776,190 in the year under review.

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

5. Failure to Prepare School Improvement Plan

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

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

6. Failure to Prepare an Annual Procurement Plan

The statement of receipts and payments reflects amounts of Kshs.28,903,711 and Kshs.27,983,956 in respect of total receipts and payments respectively. 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 states that 'a procuring entity prepare a procurement plan for each financial year as part of the annual budget preparation process'.

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

7. Failure to Establish a Functional Procurement Unit

The School did not have an established procurement function managed by qualified procurement professional 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. Further, Management was engaging members without appointment letters, the same officer were engaged throughout the procurement process, there was no segregation of duties. In addition, there were absence of budgets, no procurement plans, failure to advertise, wrong choice of procurement methods and failure to comply with evaluation regulations.

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

8. Incomplete Asset Register and Lack of a Disposal Plan

Annex 2 to the financial statements reflects a summary of fixed assets register balance of Kshs.77,619,000. However, management did not maintain an updated fixed asset register. In addition, several assets at the School were not tagged and the register was not maintained in the prescribed format as it lacked key details such as historical cost, additions, and serial numbers. Further, the Management had not prepared the annual disposal plan for all the assets for financial year 2022/2023 contrary to Regulation 170(2) of the Public Procurement and Asset Disposal Regulations, 2020.

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 effect of matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Non-Adherences to the Frequency of Board Meetings

Review of the Board Minutes revealed that the Board of Management met only once during the financial year under review contrary to the requirements Section 3 of the First Schedule of the Basic Education Act, 2013 which requires the Board to meet at least three times in a year.

In the circumstances, the effectiveness of the governance mechanism at the School could not be confirmed.

2. Long Outstanding Accounts Receivables

The statement of assets and liabilities reflects accounts receivables balance of Kshs.3,863,493 in respect of fees arrears as disclosed in Note 13 to the financial statements. Included in the balance is accounts receivables balance of Kshs.1,933,619 which had been outstanding for more than three (3) years. However, there was no age analysis and policy on the impairment of long outstanding fees arrears casting doubt on full recoverability of the accounts receivables balance.

In the circumstances, the existence of effective mechanisms for debt management could not be confirmed.

3. Lack of Key Policy Documents

The statement of receipts and payments reflects a total expenditure of Kshs.27,983,956. A review of operations in the School revealed lack of key policy documents including strategic plan, and a risk management policy as required by law. Further, review of the School's IT internal control environment revealed that, the School does not have an active IT Strategy and Steering committee, IT security policy and lacks an approved operational IT policy

In the circumstance, the Schools' operations may be deemed to be inefficient.

4. Lack of Internal Audit Review

During the year under review, the School had not constituted an Audit Committee and an Internal Audit Unit as required by Regulations 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 existence of an effective oversight mechanisms could not be confirmed.

5. Failure to Constitute Committees of the Board

Review of Board Records provided no evidence that, the Board of Management of did constitute the stipulated committees of the Board contrary to Section 61 of Basic Education Act, 2013 guidelines on the committees of Board of Management.

In the circumstances, the existence of an effective oversight mechanisms could not be confirmed.

6. Weaknesses in Management of Assets

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.77,619,000 which includes land with a balance of Kshs.12,800,000. However, land

ownership documents were not provided for audit. Further, management did not maintain an updated fixed assets register. In addition, several assets at the School were not tagged. The register in place was not maintained in the prescribed format as it lacked key details such as historical cost, additions, and serial numbers

In the circumstances, the existence of effective measures in the management of assets could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the School 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 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

30 April, 2026

OUR LADY OF MERCY MUTUNGURU SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

6. Statement Of Receipts and Payments For the Year Ended 30th June 2023

Description of Vote Head	Note	2022/2023	2021/2022
		Kshs	Kshs
Receipts			
Government grants for tuition	1	972,925.00	1,235,370.00
Government grants for operations	2	4,427,892.00	6,892,701.00
Government grants for infrastructure	3	0.00	0.00
School Fund Income- Parents' Contributions	4	21,330,798.00	7,636,772.00
Miscellaneous incomes	5	2,172,096.00	21,096,921.00
Total Receipts		28,90,3711.00	36,861,764.00
Payments			
Tuition	6	1,679,702.00	1,725,285.00
Operations	7	3,154,076.00	5,176,410.00
Infrastructure	8	1,363,655.00	1,886,858.00
Boarding and school fund	9	21,786,523.00	34,227,063.00
Total Payments		27,983,956	43,015,616.00
Surplus/Deficit		919,754	(6,153,852.00)

The school financial statements were approved on _____ 2023 and signed by:



Name: John Thuku

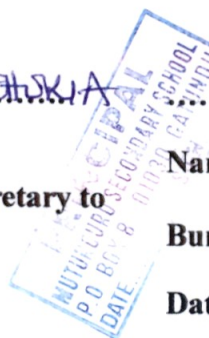
Chair BOM

Date: 20/4/26



Name: Florence Gathika
 School Principal/ Secretary to BOM

Date: 20/4/26





Name: Tabitha W. Gitau

Bursar/ Finance Officer

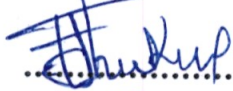
Date: 20/4/26

OUR LADY OF MERCY MUTUNGURU SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

7. Statement of Assets and Liabilities As At 30th June 2023

Description	Note	2022/2023	2021/2022
		Kshs	Kshs
Financial Assets			
Cash and Cash Equivalents			
Bank Balances	10	1,827,544.00	960,299.00
Cash Balances	11	46,072.00	81,028.00
Short term investments	12	0.00	0.00
Total Cash and cash equivalent		1,873,616.30	1,041,328.00
Accounts receivables	13	3,863,493.00	3,372,228.00
Total financial assets		5,737,109.00	4,413,556.00
Financial Liabilities			
Accounts Payables	14	7,420,028.00	7,016,229.00
Net financial assets		(1,682,919.00)	(2,602,673.00)
Represented by			
Accumulated fund b/fwd	15	(2,602,673)	3,551,178.00
Surplus/deficit for the year		919,754	(6,153,852.00)
Net financial position		(1,682,919)	(2,602,673.00)

The school's financial statements were approved on April 2026 and signed by:



Name: John T. Kiwara

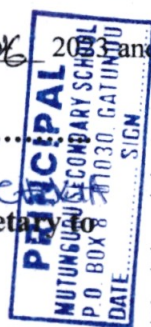
Chair BOM

Date: 20/4/26



Name: Francis Gachara
School Principal/ Secretary
BOM

Date: 20/4/26





Name: Tabitha W. Gitau

Bursar/ Finance Officer

Date: 20/4/26

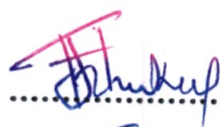
OUR LADY OF MERCY MUTUNGURU SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

8. Statement of Cash Flows for the Year Ended 30th June 2023

Description	2022/2023	2021/2022
		Kshs
Cash flow from operating activities		
Receipts		
Government grants for tuition	972,924	1,235,370.00
Government grants for operations	4,427,891	6,892,701.00
School fund income- parents contributions/ fees	9,502,720	7,636,772.00
Other income	14,000,174	21,096,920.00
		0.00
Total receipts	28,903,710	29,224,992
Payments		
Cash outflows for tuition	1,679,702	1,725,285.00
Cash outflows for operations	3,154,076	5,176,410.00
Cash outflows Boarding/lunch and school fund payments	21,786,523	34,227,063.00
Total payments	26,620,301	41,128,758.00
Net cash inflow/outflow from operating activities	2,283,409	-4,266,994.00
Changes in receivables	(491265)	-871,310
Changes in payable	403,799	5,239,852
Cash flow from investing activities		
infrastructure	(1363655)	-1,886,857.00
Acquisition of Assets		0.00
Proceeds from investments		0.00
Purchase of investments		0.00
Net cash inflow/outflow from investing activities	(1363655)	-1,886,857.00
Cash flow from financing activities		
Proceeds from borrowings/ loans		0.00
Repayment of principal borrowings		0.00
Net cash inflow/outflow from financing activities		0.00
Net increase/decrease in cash and cash equivalents	832,288	(1,785,310.00)
Cash and Cash Equivalent at BEGINNING of the Year	1041327	2,826,637.00
Cash and Cash Equivalent at End of the Year	1,873,616	1041327

OUR LADY OF MERCY MUTUNGURU SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

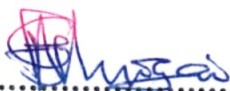
The school's financial statements were approved on _____ 2023 and signed by:



Name: John Thuku

Chair BOM

Date: 20/4/26



Name: FLORENCE GACHUA

School Principal/ Secretary to
BOM

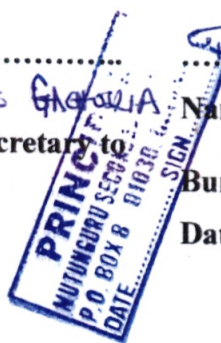
Date: 20/4/26



Name: Sabitha W. Gitau

Bursar/ Finance Officer

Date: 20/4/26



OUR LADY OF MERCY MUTUNGURU SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% of Utilization
	a	b	c=a+b	d	f = d/c %
	Kshs	Kshs			Kshs
Receipts					
(1) Capitation Grant on Tuition					
Textbooks and reference materials	0.00	0.00	0.00	0.00	NaN
Exercise books	0.00	0.00	0.00	0.00	NaN
Laboratory equipment	0.00	0.00	0.00	0.00	NaN
Internal exams	0.00	0.00	0.00	0.00	NaN
Teaching/Learning materials	9,186,722.00	9,475,944.00	18,662,666.00	972,925.00	5.00
Chalks	0.00	0.00	0.00	0.00	NaN
Exams and assessment	0.00	0.00	0.00	0.00	NaN
Teachers guides	0.00	0.00	0.00	0.00	NaN
	9,186,722.00	9,475,944.00	18,662,666.00	972,925.00	5.00
(2) Capitation Grant on Operations					
Personnel emoluments	2,384,400.00	2,224,800.00	4,609,200.00	1,204,170.00	26.00
Repairs and maintenance	0.00	0.00	0.00	1,436,000.00	∞
Local transport/ travelling	900,000.00	568,800.00	1,468,800.00	382,606.00	26.00
Electricity and water	1,220,000.00	840,000.00	2,060,000.00	646,367.00	31.00
Medical	0.00	0.00	0.00	76,000.00	∞
Administration costs	1,171,600.00	1,087,750.00	2,259,350.00	356,274.00	15.00

OUR LADY OF MERCY MUTUNGURU SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

Activity	0.00	700,000.00	700,000.00	326,475.00	47.00
Gratuity	0.00	0.00	0.00	0.00	NaN
SMASSE	0.00	0.00	0.00	0.00	NaN
	5,676,000.00	5,421,350.00	11,097,350.00	4,427,891.52	40.00
(3) FDSE for Infrastructure					
MIF	826,000.00	1,022,400.00	1,848,400.00	0.00	0.00
	826,000.00	1,022,400.00	1,848,400.00	0.00	0.00
(4) Fees Charged on Parents					
Personnel emoluments	1817200	1363200	3,180,400.00	2,182,313.00	69.00
Repairs and maintenance	826000	1022400	1,848,400.00	1,369,365.00	74.00
Local transport/ travelling	474950	276900	751,850.00	1,365,814.00	182.00
Electricity and water	2023700	2087400	4,111,100.00	2,132,100.00	52.00
Medical	0	0	0.00	328,550.00	NaN
Administration costs	1011850	788100	1,799,950.00	1,930,598.00	107.00
Activity	103250	63900	167,150.00	193,980.00	116.00
SMASSE	0	0	0.00	0.00	NaN
Fee on Boarding Equipment and Stores	10484005	11666010	22,150,015.00	11,828,078.00	51.00
SSP	1854000	0	1,854,000.00	0.00	0.00
	18,594,955.00	17,267,910.00	35,862,865.00	21,330,798.00	57.00
(5) Miscellaneous Income					
Rent Income	0	0	0.00	0.00	NaN
Income from farming activities	0	0	0.00	190,688.00	∞
Insurance compensation	0	0	0.00	0.00	NaN

OUR LADY OF MERCY MUTUNGURU SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

SSP	0	0	0.00	170,410.00	NaN
Income from Bus Hire	0	0	0.00	0.00	NaN
Fee for hire of ground and equipment	0	0	0.00	0.00	NaN
Interest income	0	0	0.00	0.00	NaN
Development	720000	4000000	4,720,000.00	1,810,998.00	38.00
	720,000.00	4,000,000.00	4,720,000.00	2,172,096.00	42.00
Total Income	35,003,677.00	37,187,604.00	72,191,281.00	28,903,711.00	39.00
(6) Expenditure For Tuition					
Textbooks and reference materials	0	0	0.00	0.00	NaN
Exercise books	0	0	0.00	306,900.00	∞
Laboratory equipment	0	0	0.00	342,592.00	∞
Internal exams	0	0	0.00	150,000.00	∞
Teaching/Learning materials	8348300	4299414	12,647,714.00	880,210.00	1.00
Chalks	0	0	0.00	0.00	NaN
Exams and assessment	0	0	0.00	0.00	NaN
Teachers guides	0	0	0.00	0.00	NaN
Administration costs	0	0	0.00	0.00	NaN
Bank charges	0	0	0.00	0.00	NaN
	8,348,300.00	4,299,414.00	12,647,714.00	1,679,702.00	7.00
(7) Expenditure For Operations					
Personnel emoluments	2384400	2224800	4,609,200.00	1,194,118.00	25.00
Repairs and maintenance	0	0	0.00	0.00	NaN
Local transport/ travelling	900000	568800	1,468,800.00	77,700.00	5.00

OUR LADY OF MERCY MUTUNGURU SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

Electricity and water	122000	840000	962,000.00	225,504.00	23.00
Medical	0	0	0.00	87,526.00	∞
Administration costs	1171600	1087750	2,259,350.00	865,144.00	31.00
Activity expenses	0	700000	700,000.00	526,330.00	75.00
Gratuity	0	0	0.00	0.00	NaN
SMASSE	0	0	0.00	0.00	NaN
	4,578,000.00	5,421,350.00	9,999,350.00	3,154,076	28.00
(8) Expenditure for Infrastructure					
MIF	1700000	1080000	2,780,000.00	1,363,655.00	49.00
	1,700,000.00	1,080,000.00	2,780,000.00	1,363,655.00	49.00
(9) Expenditure for school fund					
Personnel emoluments	1817200	2224800	4,042,000.00	1,198,890.00	30.00
Repairs and maintenance	826000	0	826,000.00	1,1914,891.00	195.00
Local transport/ travelling	474950	568800	1,043,750.00	623,950.00	60.00
Electricity and water	2023700	840000	2,863,700.00	797,972.00	28.00
Medical	0	0	0.00	345,500.00	NaN
Administration costs	1011850	1087750	2,099,600.00	1,411,136.00	67.00
Activity	800000	700000	1,500,000.00	684,305.00	46.00
Gratuity	0	0	0.00	0.00	NaN
Lunch programme	0	0	0.00	0.00	NaN
Boarding Equipment and Stores	0	11805290	11,805,290.00	11,628,786.00	95.00
Insurance Costs	0	0	0.00	935,065.00	∞
Expenses on income generating activities	0	0	0.00	183,013.00	NaN

OUR LADY OF MERCY MUTUNGURU SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

Bank charges	0	0	0.00	0.00	NaN
Loan interest repayment	0	0	0.00	0.00	NaN
Loan principal repayment	0	0	0.00	0.00	NaN
Acquisition of Assets	0	0	0.00	0.00	NaN
Development	4579890	8137800	12,717,690.00	218,005.00	2.00
SSP	1858500	0	1,858,500.00	1,845,010.00	92.00
	13,392,090.00	25,364,440.00	38,756,530.00	21,786,523.00	53.00
Total Expenditure	28,018,390.00	36,165,204.00	64,183,594.00	27,983,956.00	40.00

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.

OUR LADY OF MERCY MUTUNGURU SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

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.

11. Notes To The Financial Statements

1. Government Grants For Tuition

Description	2022/2023	2021/2022
	Kshs	Kshs
Textbooks and reference materials	0.00	0.00
Exercise books	0.00	0.00
Laboratory equipment	0.00	0.00
Internal exams	0.00	0.00
Teaching/ Learning materials	972,925.00	1,235,370.00
Chalks	0.00	0.00
Exams and assessment	0.00	0.00
Teachers guides	0.00	0.00
Total	972,925.00	1,235,370.00

2. Government Grants For Operations

Description	2022/2023	2021/2022
	Kshs	Kshs
Personnel emoluments	1,204,170.00	1,206,663.00
Repairs and maintenance	1,436,000.00	1,962,250.00
Local transport/ travelling	382,606.00	1,206,663.00
Electricity and water	646,367.00	1,206,663.00
Medical	76,000.00	73,800.00
Administration costs	356,274.00	1,236,663.00
Activity	326,475.00	0.00
Total	4,427,892.00	6,892,701.00

3. Government Grants For Infrastructure

Description	2022/2023	2021/2022
	Kshs	Kshs
Total	0.00	0.00

OUR LADY OF MERCY MUTUNGURU SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

4. School Fund Income - Parents Contribution/Fees

Description	2022/2023	2021/2022
	Kshs	Kshs
Personnel emoluments	2,182,313.00	6,346,922.00
Repairs and maintenance	1,369,365.00	918,400.00
Local transport/ travelling	1,365,814.00	0.00
Electricity and water	2,132,100.00	0.00
Fee on Boarding Equipment and Stores	11,828,078.00	14,338,937.00
Administration costs	1,930,598.00	0.00
Activity	193,980.00	254,500.00
Uniform	328,550	116,950.00
Total	21,330,798.00	21,975,409.00

5. Miscellaneous Incomes

Description	2022/2023	2021/2022
	Kshs	Kshs
Rent income	0.00	0.00
Income from farming activities	190,688.00	164,179.00
Insurance compensation	0.00	0.00
Income from Posho mill	0.00	0.00
Income from Bus Hire	0.00	0.00
Fee for hire of ground and equipment	0.00	0.00
Income from grants and donations	0.00	0.00
Interest income	0.00	0.00
Dividends income	0.00	0.00
Development fund	1,810,998.00	0.00
SSP	170,410.00	985,810.00
Bus Project	0.00	1,462,995.00
Loan	0.00	4,145,000.00
Total	2,172,096.00	6,757,983.00

OUR LADY OF MERCY MUTUNGURU SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

6. Tuition

Description	2022/2023	2021/2022
	Kshs	Kshs
Textbooks and reference materials	0.00	282,500.00
Exercise books	306,900.00	83,900.00
Laboratory equipment	342,592.00	157,970.00
Internal exams	150,000.00	0.00
Teaching/ Learning materials	880,210.00	1,171,315.00
Chalks	0.00	2,400.00
Exams and assessment	0.00	27,200.00
Teachers guides	0.00	0.00
Administration costs	0.00	0.00
Bank Charges	0.00	0.00
Total	1,679,702.00	1,725,285.00

7. Operation

Description	2022/2023	2021/2022
	Kshs	Kshs
Personnel emoluments	1,194,118.00	1,796,645.00
Service Gratuity	0.00	0.00
Administration costs	865,144.00	1,173,378.00
Repairs and maintenance & improvements	0.00	0.00
Local transport/ travelling	77,700.00	455,889.00
Electricity and water	225,504.00	737,870.00
Medical	87,526.00	248,423.00
Activity Expenses	526,330.00	564,205.00
SMASSE	0.00	0.00
Insurance Cost	177,754.00	200,000.00
Bank Charges	0.00	0.00
Acquisition of Assets	0.00	0.00
Total	3,154,076.00	5,176,410.00

8. Infrastructure

Description	2022/2023	2021/2022
	Kshs	Kshs
MIF	1,363,655.00	1,886,858.00
Total	1,363,655.00	1,886,858.00

OUR LADY OF MERCY MUTUNGURU SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

9. Boarding And School Fund

Description	2022/2023	2021/2022
	Kshs	Kshs
Personnel emoluments	1,198,890.00	2,327,582.00
Service Gratuity	0.00	0.00
Repairs and maintenance & improvements	1,914,891.00	2,859,543.00
Local transport/ travelling	623,950.00	512,750.00
Electricity and water	797,972.00	195,098.00
Medical Expenses	0.00	1,112,716.00
Administration costs	1,411,136.00	2,030,945.00
Lunch Programme	0.00	0.00
Bank Charges	0.00	0.00
Expenses on Income Generating Activities	183,013	121,624.00
Fee on Boarding Equipment and Stores	11,628,786.00	12,203,925.00
Rent Expenses	0.00	0.00
Insurance Cost (Life Property)	935,065.00	0.00
Loan Principal repayment	0.00	0.00
Loan Interest repayment	0.00	0.00
Acquisition of Assets	0.00	0.00
Activities Expenses	684,305.00	248,400.00
Sartuday Support Programme	1,714,170.00	662,750.00
Uniform	345,500	165,150.00
Development	218,005.00	0.00
SSP	130,840	1,215,980.00
Loan	0.00	4,145,000.00
Bus Project	0.00	6,425,600.00
TOTAL	21,786,523.00	34,227,063.00

OUR LADY OF MERCY MUTUNGURU SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2023****10. Bank Accounts**

Name of Bank, Account No. & Currency	2022/2023	2021/2022
	Kshs	Kshs
Tuition Account	14,535.00	24,178.00
Operations Account	271,555.00	30,999.00
School Fund Account	326,686.00	296,773.00
Development Account	464,601.00	228,288.00
Parent Association Development Account	0.00	0.00
Income generating activities Account	0.00	0.00
Infrastructural Account	750,167.00	380,062.00
Total	1,827,544.00	960,299.00

11. Cash In Hand

Description	2022/2023	2021/2022
	Kshs	Kshs
Tuition Account	0.00	0.00
Operations Account	214.00	111.00
School Fund Account	38,556.00	35,025.00
Infrastructure Account	(9,715.00)	(5,155.00)
Development Account	17,017.00	51,047.00
Total	46,072.00	81,028.00

12. Short Term Investments

Description	2022/2023	2021/2022
	Kshs	Kshs
Fixed deposit	0.00	0.00
Equity stock	0.00	0.00
Other investments	0.00	0.00
Total	0.00	0.00

OUR LADY OF MERCY MUTUNGURU SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

13. Accounts Receivable

Description	2022/2023	2021/2022
	Kshs	Kshs
Fees arrears for current year	573,745.00	948,995.00
Fees arrears for the previous year	866,515.00	411,899.00
Fees arrears for prior periods (over two years)	2,423,233.00	2,011,334.00
Other non-fees receivables	0.00	0.00
Salary advances	0.00	0.00
Imprest	0.00	0.00
Total	3,863,493.00	3,372,228.00

14. Accounts Payable

Description	2022/2023	2021/2022
	Kshs	Kshs
Trade creditors for current year	1,889,224.00	1,234,017.00
Trade creditors for the previous year	727,772.00	188,560.00
Trade creditors for prior periods (over two years)	901,423.00	712,863.00
Prepaid fees	765,689.00	735,789.00
Loan	3,135,920.00	4,145,000.00
TOTAL	7,420,028.00	7,016,229.00

15. Fund Balance Brought Forward

Description	2022/2023	2021/2022
	Kshs	Kshs
Bank balances	1,827,544.00	960,299.00
Cash balances	46,071.82	81,028.00
Short Term Investments	0.00	0.00
Receivables	3,863,493.00	3,372,228.00
(Payables)	7,420,028.00	7,016,229.00
Total	(1,682,919.00)	(2,602,673.00)

OUR LADY OF MERCY MUTUNGURU SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

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.

1 Non-current Liabilities Summary

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

2 Biological assets

Description	Numbers	Insert Current FY	Insert Comparative FY
		Kshs	Kshs
Cattle			
Goats			
Trees	230	100,030.00	100,000.00
Coffee Or Tea Plantation	1500	90,000.00	90,000.00
Poultry			
Others (specify)			
Total	1,730	190,030.00	190,000.00

3 Borrowings

Description	Kshs	Kshs
Borrowings at beginning of the year	3,808,640.00	4,145,000.00
Borrowings during the year	-	-
Repayments during the year	1,009,080.00	336,360.00
Balance at the end of the year	2,799,560.00	3,808,640.00

OUR LADY OF MERCY MUTUNGURU SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

Other important disclosure notes

4 Stock/ Inventory

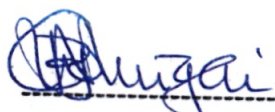
Description	2022/2023	2021/2022
	Kshs	Kshs
Food stuffs	182,600.00	16,000.00
Lab consumables	42,380.00	26,000.00
Farm produce	0.0	
Medication	4,000.00	
Construction Materials	60,000.00	0
Stationery		3,240.00
	288,980.00	45,240.00

OUR LADY OF MERCY MUTUNGURU SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

5 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

PRINCIPAL
MUTUNGURU SECONDARY SCHOOL
P.O. Box 8 - 01030, GATUNDU
DATE: 25/3/26 SIGN: 

OUR LADY OF MERCY MUTUNGURU SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2023	Outstanding Balance Comparative FY	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1. Green Rings				199,500.00		
Sub-Total				199,500.00		
Supply Of Goods						
2. Green Code				292,500.00		
3. Jeremia Kihura				56,650.00		
4. Serah Wambui				67,000.00		
5. Witikio business machine				34,000.00		
6. Dan max Solutions				57,500.00		
7. Peak veaw printer				245,000.00		
8. Cylva Lab school				294,860.00		
9. Book flyer - precise				176,410.00		
10. High Mark Services				10,000.00		
11. We learn suppliers				10,000.00		
12. Light Wings Solutions				38,500.00		
Sub-Total				1,282,410.00		

OUR LADY OF MERCY MUTUNGURU SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2023	Outstanding Balance Comparative FY	Comments
Supply Of Services						
13. Jahope insurance				177,754.00		
14. Georadius Protection				42,000.00		
15. David Mburu Gachuki				75,190.00		
16. Gaston Kenya				104,870.00		
17. Joseph Scout				7,500.00		
Sub-Total				407,314.00		
Grand Total				1,889,224.00		

OUR LADY OF MERCY MUTUNGURU SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 st July 2023	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June
Land	12,800,000.00			
Buildings And Structures	46,000,000.00			
Motor Vehicles	6,700,000.00			
Office Equipment, Furniture And Fittings	4,000,000.00			
Textbooks	2,000,000.00			
ICT Equipment	1,000,000.00			
Tools And Apparatus	2,000,000.00			
Other Machinery And Equipment	1,369,000.00			
Heritage And Cultural Assets				
Intangible Assets- Soft Ware	350,000.00			
Boilers	1,400,000.00			
Total	77,619,000.00			



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FOR THE
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