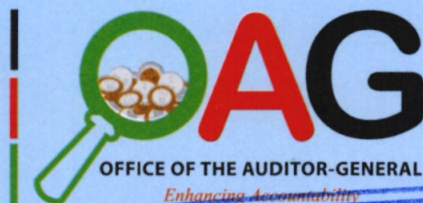


REPUBLIC OF KENYA

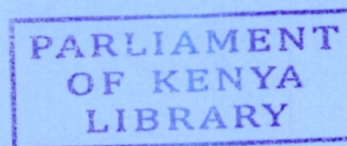


	
THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 01 JUL 2026	DAY. WEDNESDAY
REPORT BY:	HON. DWEN BAYA, M.P.
CLERK-AT-THE-TABLE:	CHRISTINE NDIRITU

REPORT
OF

THE AUDITOR-GENERAL

ON



MAGARINI GIRLS SECONDARY SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2023

KILIFI COUNTY

Revised 30th June 2023.



MAGARINI GIRLS 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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Acronyms and Glossary of Terms

Provide a list of all applicable acronyms and glossary of terms e.g.

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	

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 KILIFI County, MAGARINI Sub-County.

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

The school is a boarding school and had 530 number of students as at 30th June 2023. It has 13 streams and 27 teachers of which 12 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

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

Ref:	Name of Board Member	Designation	Date of appointment
1	DANIEL MWENDWA	Chairman	12/07/2022
2	CAROLINE ZOKA	Secretary - Principal	12/07/2022
3	WINNIE UREMBO	Member	12/07/2022
4	EDWIN KITSAO	Member	12/07/2022
5	ZAMDA OMAR	Member	12/07/2022
6	SAMSON KATANA	Member	12/07/2022
7	CHRISTINE JUMWA	Member	12/07/2022
8	ALI MOHAMMED MZEE	Member – Rep CEB	12/07/2022
9	DAVID KERASO	Member Rep Teachers	12/07/2022
10	NDARO Tsuma	3 Members - Sponsor	12/07/2022
11	FLORENCE KOMBE	Member - Community	12/07/2022
12	PRISCILLA TSANZI	Member Special Needs	12/07/2022
13	FRANCIS KALU	Member	12/07/2022
14.	DAVID KARISA CHARO	Member	12/07/2022
15	MANUELA TUMAINI	Rep Students	12/07/2022

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	Daniel Mwendwa Winnie Urembo Caroline Zoka Julius Ngonyo Zamda Omar	Chair Vice Chair Secretary PA Chair Treasurer	2 out of 3 2 out of 3 2 out of 3 2 out of 3 2 out of 3
2	Audit Committee			
3	Finance, procurement and general purposes Committee	Ndaro Tsuma Zamda Omar Caroline Zoka	Chair Treasurer Secretary	0 out of 3 0 out of 3 30 out of 3
4	Academic Committee	Gabriel Gachari Edwin Kitsao Caroline Zoka Dorris Kamuye	Chair Vice Chair Secretary Member	3 out of 3 3 out of 3 3 out of 3 3 out of 3
5	Development Committee	Edwin Kitsao Winnie Urembo Caroline Zoka Julius Ngonyo Kisaka Linnette	Chair Vice Chair Secretary PA Chair D/Principal	3 out of 3 3 out of 3 3 out of 3 3 out of 3 3 out of 3
6	Discipline and welfare Committee	Reuben Mrimi Edwin Kitsao Caroline Zoka Julius Ngonyo Winnie Urembo	Chair Vice Chair Secretary PA Chair Treasurer	3 out of 3 3 out of 3 3 out of 3 3 out of 3 3 out of 3
7	Adhoc Committee (if any during the year)			

(d) School operation Management

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

Ref:	Designation	Name	Identification
1	Principal	CAROLINE ZOKA	TSC No 285906
2	Deputy Principal	LINETTE KISAKA	TSC No. 544874
3	School Bursar	SAMUEL NGOWA	ICPAK No.
4	Other (specify)		

(e) Schools contacts

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

(f) School Bankers

Name of Bank: KCB-main account
Branch: Malindi
Account no . 1111272174

Name of Bank: EQUITY-operational Account
Branch: Malindi
Account Number: 0450294700580

Name of Bank: EQUITY-tuition Account
Branch: Malindi.
Account no: 0450294700635

Name of Bank: KCB-SIC Account
Branch: Malindi
Account no: 1237852811



(g) Independent Auditors

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

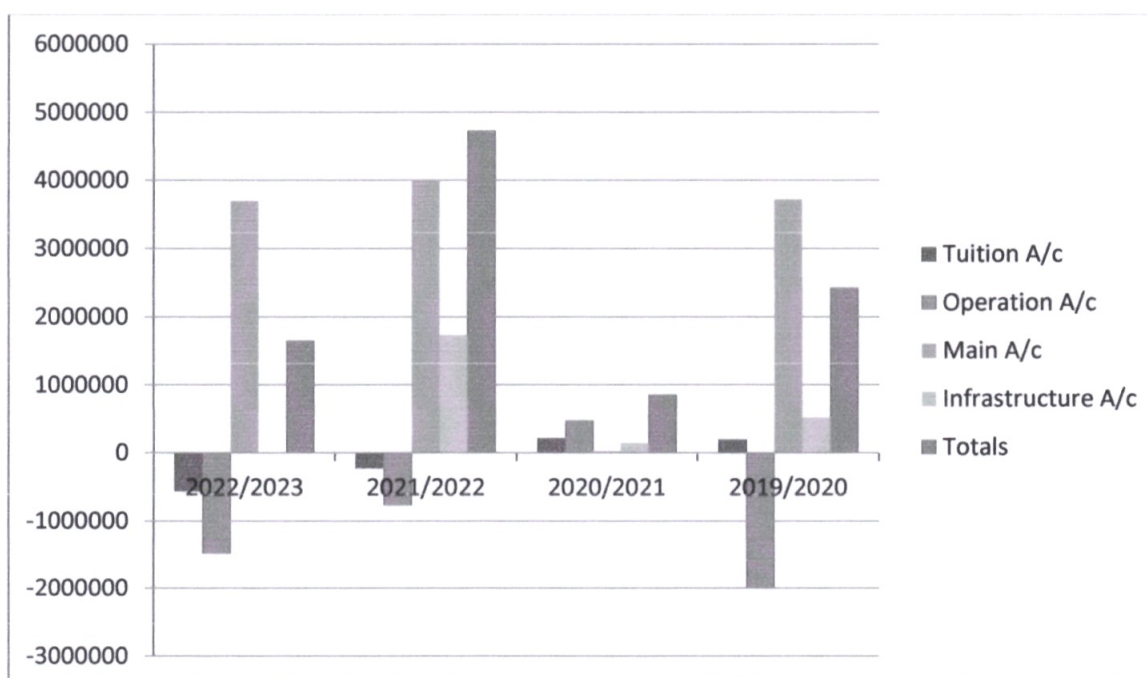
Summary Report of Performance of The School

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

a) Financial performance:

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

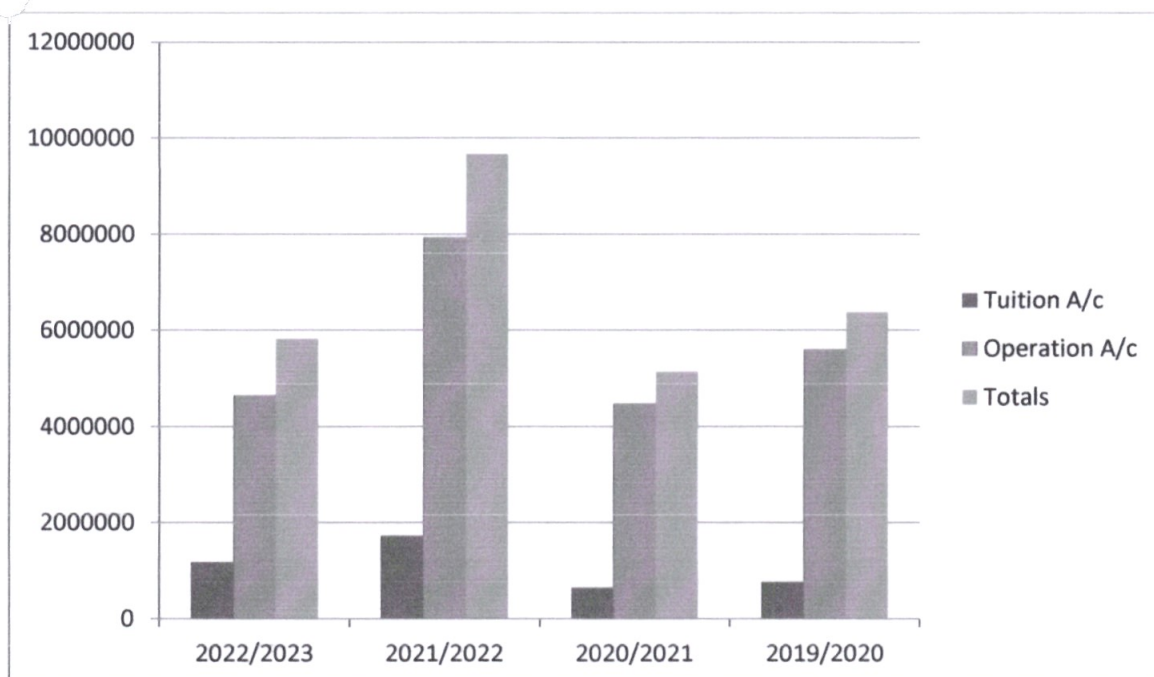
Year	Tuition A/c	Operation A/c	Main A/c	Infrastructure A/c	Totals
2022/2023	(561,668.29)	(1,482,559.77)	3,697,764.04	0.00	1,653,535.98
2021/2022	(230,609.60)	(775,870.35)	4,013,484.33	1,731,425.00	4,738,429.38
2020/2021	215,977.75	480,367.15	23,067.00	139,754.00	859,165.90
2019/2020	196,614.00	(2,007,739.00)	3,721,991.00	517,878.00	2,428,744.00



The deficit in 2022 was 1,006,479.95. It increased to 2,044,228.06 in 2023 and this was attributed by the inflation of prices of commodities in the market.

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

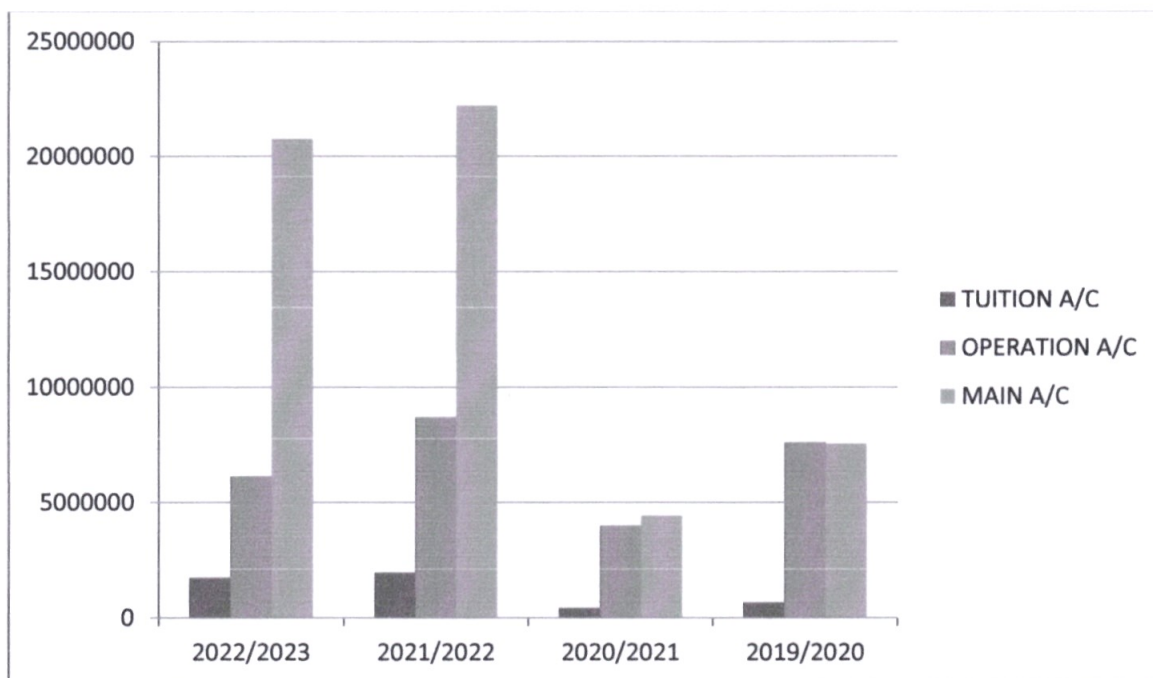
Year	Tuition A/c	Operation A/c	Totals
2022/2023	1,172,762.71	4,648,984.48	5,821,747.19
2021/2022	1,730,746.40	7,938,776.80	9,669,523.20
2020/2021	647,645.75	4,485,614.15	5,133,259.90
2019/2020	767,094.00	5,607,875.00	6,374,969.00



The capitation grants for the financial year 2022 was 9,669,523.20. This figure decreased to 5,821,747.19 in 2023. This was attributed by non full disbursement of FDSE funds from the ministry of education.

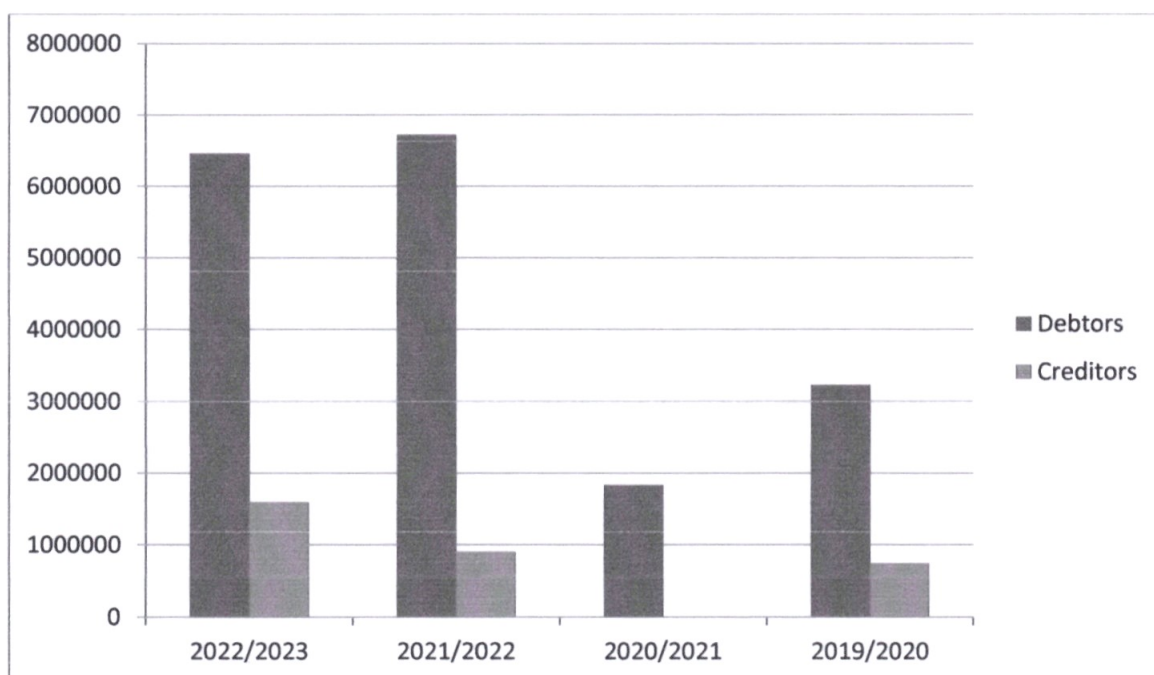
- A three-year overview of growth of other income(s) earned by the school
- A three-year overview of growth in expenditure of the school

Year	Tuition A/c	Operation A/c	Main A/c
2022/2023	1,734,431.00	6,140,544.25	20,766,853.00
2021/2022	1,961,356.00	8,714,647.15	22,215,147.67
2020/2021	431,668.00	4,005,247.00	4,436,915.00
2019/2020	670,480.00	7,615,614.00	7,545,466.00



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

Year	Debtors	Creditors
2022/2023	6,460,821.00	1,604,049.00
2021/2022	6,723,448.00	907,418.00
2020/2021	1,836,046.00	-
2019/2020	3,230,825.00	746,722.00



Graphical presentation, ratios, tables, and pie charts should be used to show/ indicate trends unless the school is new).

b) Teacher Student ratio:

(Include the teacher to student ratio, number of teachers recruited and posted to the school within the year, number of teachers that were transferred/ retired during the period as well as number of teachers employed by TSC, and number employed by BOM. One may also include how many teachers the school has for each subject in order to indicate shortage/ allocation of resources).

Description	2023/2022	2022/2021	2021/2020
Enrolment	565	508	494
Total number of teachers	27	25	21
Teachers recruited	0	1	2
Teachers transferred/ Retired	TR- 1 RT- 0	TR- 1 RT- 0	TR- 2 RT- 1
Number of BOM Teachers	13	10	8

Number of teachers per subject

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

c) **Mean score in the 2022/2021 KCSE:**

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

Year	No. of Candidates	Mean Score	Number of students joined institutions of higher learning
2022/2021	85	4.8118	6
2021/2020	92	4.108	6
2020/2019	94	3.4043	2

d) **Number of Candidates in the 2022/2023 KCSE:**

(Tabulate the number of candidates sitting for KCSE over the last three years).

Year	No. of Candidates
2022	85
2021	92
2020	94

e) **Capacity of the school:**

(Indicate the number of students in the school vis a vie the facilities like the dormitories, the dining hall, the laboratories, toilets and other amenities. This information will provide useful details for the Ministry of Education).

Description	Total number
Student Enrolment	565
Dormitories	3
Dining Hall	1
Laboratory	2
Toilets	45
Classes	12

f) Development projects carried out by the school:

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

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Construction of 1# classroom block	MOE	Completed			Completed in august 2023 and certified
Construction of 10 door ablution block	MOE	Completed			Completed in august 2023 and certified

.....
School Principal



Statement of School Management Responsibility

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

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

The Board of Management of (*Name of 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).

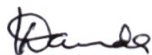
The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2023, and of the school's financial position as at that date.



.....
Name:DANIEL MWNDWA

Designation: Chairman, School Board of Management

Date: 29/4/26



.....
Name:CAROLINE ZOKA

Designation: School Principal & Secretary to Board of Management

Date: 29/4/26



.....
Name:SAMUEL NGOWA

Designation: Bursar/ Finance Officer

Date: 29/4/26

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 MAGARINI GIRLS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Magarini Girls Secondary School set out on pages 1 to 22, which comprise of the statement of assets and liabilities as at

Report of the Auditor-General on Magarini Girls Secondary School for the year ended 30 June, 2023

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 significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Magarini Girls Secondary School as at 30 June, 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 the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Variances in the Financial Statements

The statement of receipts and payments reflects total receipts of Kshs.30,295,364 while the statement of cash flows reflects Kshs.39,335,283 resulting in unexplained variance of Kshs.9,039,919. Further, the statement of receipts and payments reflects total payments of Kshs.28,641,828 while the statement of cash flows reflects total payments of Kshs.40,799,996 resulting in unexplained variance of Kshs.12,158,168.

2. Unsupported Expenditure

The statement of receipts and payments reflects total expenditure of Kshs.28,641,828. Included in total payments are expenditure items of Kshs.21,155,821 whose monthly summaries reflects Kshs.25,846,495 resulting in unreconciled variance Kshs.4,690,674. In addition, the monthly summaries provided to support these payments lacked details in respect to payee, description of payment, payment voucher numbers and amounts paid.

In the circumstances the accuracy and completeness of total receipts of Kshs.30,295,364 and total payments of Kshs.28,641,828 could not be confirmed.

3. Unsupported Government Grants for Tuition and Operations

The statement of receipts and payments and as disclosed in Note 1 and Note 2 to the financial statements reflects government grants for tuition and operations of Kshs.1,172,763 and Kshs.4,648,984 respectively. However, the amounts were not supported by the student's enrolment data as well as National Education Management and Information System (NEMIS) data.

In the circumstances, the accuracy and completeness of the government grants for tuition and operations could not be confirmed.

4. Unsupported Accounts Receivables

The statement of assets and liabilities and as disclosed in Note 13 to the financial statements reflects accounts' receivables balance of Kshs.13,242,518. However, Management did not provide ledgers describing the individual student details alongside the amount they owe.

In the circumstances, the accuracy, completeness and recoverability of accounts' receivables balance of Kshs.13,242,518 could not be confirmed.

5. Unsupported Accounts Payables

The statement of assets and liabilities and as disclosed in Note 14 to the financial statement reflects accounts payables balance of Kshs.3,093,065. Included in this balance are trade creditors amounting to Kshs.2,511,467 and prepaid fees amounting to Kshs.581,598. However, the balances were not supported with a detailed ledger and ageing analysis.

In the circumstances, the accuracy and completeness of accounts payables balance of Kshs.3,093,065 could not be confirmed.

6. Unsupported Cash and Cash Equivalents

The statement of assets and liabilities and as disclosed in Note 10 and Note 11 to the financial statements reflects cash and cash equivalents balance of Kshs.881,984. However, four (4) bank accounts with a balance of Kshs.536,455 were not supported with cash books, bank reconciliation statements, bank statements and certificate of bank balances.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.881,984 could not be confirmed.

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

Emphasis of Matter

1. Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final total income budget of Kshs.34,758,450 and actual receipts on a comparable basis Kshs.22,699,991 resulting in a shortfall of Kshs.12,088,459 or 35%. Further, the school spent Kshs.27,750,485 against the actual receipts of Kshs.22,699,991 resulting to an over expenditure of Kshs.5,050,494 or 22%.

The underfunding and over expenditure may imply unrealistic assumptions in the budget preparation process and may have affected implementation of planned activities and service delivery to the students.

2. Long Outstanding Receivables

The statement of assets and liabilities and as disclosed in Note 13 to the financial statements reflects accounts receivables balance of Kshs.13,242,518 in respect of fees arrears. Included in this amount is Kshs.1,378,389 which had been outstanding for more than three (3) three years and there was no policy on the impairment of long outstanding fees arrears.

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

My opinion is not modified in respect of these matters.

Key Audit Matters

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

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Submission of Financial Statements

The financial statements for the year under review were submitted to the Auditor-General for audit on 12 January, 2024 instead of the statutory deadline of 30 September, 2023. This was contrary to Section 47(1) of the Public Audit Act, 2015 which requires that financial statements be submitted to the Auditor-General within three (3) months after the end of the fiscal year to which the accounts relate.

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

2. Delayed Transfer of Infrastructure Funds to Operations Account

The statement of receipts and payments and as disclosed in Note 2 to the financial statements reflects government grants for operations of Kshs.4,648,984. However, maintenance and improvement funds amounting to Kshs.524,000 was transferred from the operations account to the infrastructure account after the lapse of fifteen (15) days. This was contrary to Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which requires that funds be transferred within 15 days of receipt in in operations account.

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

3. Gaps in the Procurement Process

The statement of receipts and payments reflects total payments of Kshs.28,641,828 which includes procurement of goods and services. However, Management did not prepare an annual procurement plan contrary to the provisions of Section 53 (2) of the Public Procurement and Asset Disposal Act, 2015 which requires an accounting officer to prepare an annual procurement plan which is realistic in a format set out in the Regulations. Further, there was no functional procurement unit, no list of registered suppliers and Management did not maintain procurement records for each procurement undertaken. In addition, Management had not made training arrangements to capacity build the existing storekeeper.

In the circumstances management was in breach of the law.

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

The statement of receipts and payments and as disclosed in Note 9 to the financial statements reflects boarding and school fund payments amounting to Kshs.20,766,853 which includes Kshs.124,500 transferred to Kenya Secondary School Heads Association (KESSHA) a welfare organization which is not defined in Government Funding system. This was contrary to Regulation 23(2)c of the Public Finance Management (National Government) Regulations, 2015 which requires that an Accounting Officer shall, before transferring any funds to an entity within or outside the Government, ensure that there is a written assurance from the entity that it shall implement effective, efficient and transparent financial management and internal control systems.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.124,500 could not be confirmed.

5. Irregular Procurement of Construction of Septic Tank and Soak Pit

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects payments for operations of Kshs.6,140,544 out of which Kshs.1,985,471 relates to acquisition of assets. Included are payments relating to construction of a septic tank and soak pit awarded at a sum of Kshs.228,000. However, the ad hoc opening, evaluation and inspection committees were not constituted and there was no evidence of notification to the winning bidder and whose quotations were not provided for audit. This was contrary to Section 106(3)(5) of the Public Procurement and Asset Disposal Act 2015 which states that, the successful quotation shall be the quotation with the lowest price that meets the requirements set out in the request for quotations and that the procuring entity shall place a purchase order with the person submitting the successful quotation.

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

Basis for Conclusion

1. Failure to Update Fixed Assets Register

Annex 2 on summary of fixed assets register reflects fixed assets balance of Kshs.63,195,198. However, physical verification revealed that the school had assets which include buildings and computers, office equipment, furniture and fittings but the fixed assets register was not updated with assets values, dates of purchase, and details of physical locations for ease of verification and traceability.

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

2. Weaknesses in Risk and Accounting System Management

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

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

3. Weaknesses in Textbook Management

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

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

4. Weaknesses in Governance

During the year under review, it was noted that the Board of Management did not have an annual work plan. Further, there was no evidence that internal audits and risk assessment were performed and there was no evidence of constituting audit committee.

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

5. Unsupported Biological Assets Balances

Note 17 to the financial statements under other important disclosures reflects biological assets balance of Kshs.550,000 which relates to cattle and trees. However, Management did not disclose the method and significant assumptions applied in determining the fair value of the biological assets. Further, animals' details including acquisition dates and values, dates of birth, disposals dates and values, and dates of death were not provided for audit.

In the circumstances, the internal controls on biological assets could not be confirmed.

7. Unsupported Inventory Balances

Note 19 to the financial statements under other important disclosures reflects inventory balance of Kshs.19,342,050. However, the inventory balance has not been supported by inventory listing, original stock taking sheets that were used to count stock balance.

In the circumstances, the internal controls on inventory management could not be confirmed.

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

Responsibilities of the Management and Board of Management

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

20 May, 2026

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	1,172,762.75	1,730,746.40
Government grants for operations	2	4,648,984.48	7,938,776.80
Government Grants for infrastructure	3	0.00	2,586,000.00
School fund income- parents' contributions	4	23,789,067.00	26,228,632.00
Miscellaneous incomes	5	684,550.00	0.00
Total Receipts		30,295,364.23	38,484,155.20
Payments			
Tuition	6	1,734,431.00	1,961,356.00
Operations	7	6,140,544.25	8,714,647.15
Infrastructure	8	0.00	854,575.00
Boarding and school fund	9	20,766,853.00	22,215,147.67
Total Payments		28,641,828.25	33,745,725.82
Surplus/Deficit		1,653,535.98	4,738,429.38

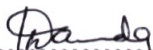
The school financial statements were approved on _____ 2023 and signed by:



Name: DANIEL MWENDWA

Chair BOM

Date: 29/4/23



Name: CAROLINE ZOKA
School Principal/ Secretary to
BOM

Date: 29/4/23



Name: SAMUEL NGOWA

Bursar/ Finance Officer

Date: 29/4/23

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

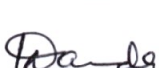
Description	Note	2022/2023	2021/2022
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	877,866.95	2,341,713.97
Cash balances	11	4,117.33	4,983.33
Short term investments	12	0.00	0.00
Total cash and cash equivalent		881,984.28	2,346,697.30
Account's receivables	13	13,242,518.00	9,125,294.00
Total financial assets		14,124,502.28	11,471,991.30
Financial liabilities			
Accounts payables	14	-3,093,065.00	-2,094,090.00
Net financial assets		11,031,437.28	9,377,901.30
Represented by			
Accumulated fund b/fwd	15	9,377,901.30	4,639,471.92
Surplus		1,653,535.98	4,738,429.38
Net financial position		11,031,437.28	9,377,901.30

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

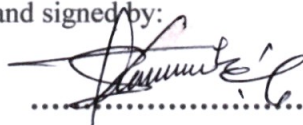

 Name: DANIEL
 MWENDWA

Chair BOM

Date: 29/4/26


 Name: CAROLINE ZOKA
 School Principal/ Secretary to
 BOM

Date: 29/4/26


 Name: SAMUEL NGOWA

Bursar/ Finance Officer

Date: 29/4/26

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

Description	Note	2022/2023	2021/2022
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition		1,172,762.75	1,730,746.40
Government grants for operations		5,263,854.48	8,391,132.80
Government grants for infrastructure		0.00	0.00
School fund income- parents contributions/ fees		32,898,666.00	22,111,408.00
Other income		0.00	0.00
Total receipts		39,335,283.23	32,233,287.20
Payments			
Cash outflows for tuition		1,094,672.00	1,670,768.00
Cash outflows for operations		4,739,943.25	8,859,073.15
Cash outflows Boarding/lunch and school fund payments		32,979,910.00	22,168,297.67
Total payments		(38,814,525.25)	(32,698,138.82)
Net cash inflow/outflow from operating activities		520,757.98	(464,851.62)
Cash flow from investing activities			
Acquisition of assets		(1,985,471.00)	(0.00)
Proceeds from sale of Assets		0.00	0.00
Proceeds from investments		0.00	0.00
Purchase of investments		(0.00)	(0.00)
Grants for infrastructure		0.00	2,586,000.00
Payments for infrastructure		0.00	(854,575.00)
Net cash inflow/outflows from investing activities		(1,464,713.02)	1,731,425.00
Cash flow from Financing activities			
Proceeds from borrowings/ loans	18	0.00	0.00
Repayment of principal borrowings		(0.00)	(0.00)
Net cash inflow/outflow from financing activities		0.00	0.00
Net increase/decrease in cash and cash equivalents		(1,464,713.02)	1,266,573.38
Cash and cash equivalent at beginning of the FY		2,346,697.30	1,080,123.92
Cash and cash equivalent at end of the FY		881,984.28	2,346,697.30

Note: Cash and Cash Equivalent is the summation of Note 10, 11 and 12.

(magarini girls secondary school)

Annual Report and Financial Statements For the year ended 30th June 2023

(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 cashflow as recommended by PSASB).

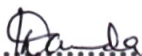
The school's financial statements were approved on _____ 2023 and signed by:



.....
**Name: DANIEL
MWENDWA**

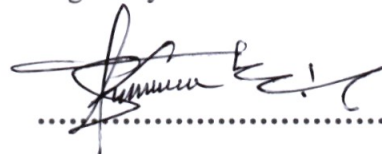
Chair BOM

Date: 29/4/26



.....
Name: CAROLINE ZOKA
**School Principal/ Secretary to
BOM**

Date: 29/4/26



.....
Name: SAMUEL NGOWA

Bursar/ Finance Officer

Date: 29/4/26

9. Statement Of Budgeted Versus Actual Amounts 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	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
(1) Capitation Grant on Tuition					
Reference Materials	125,000.00	0.00	125,000.00	112,412.75	90.00%
Exercise Books	0.00	0.00	0.00	0.00	0.00%
Laboratory Equipment	1,250,000.00	0.00	1,250,000.00	528,910.00	42.00%
Internal Exams	638,550.00	0.00	638,550.00	280,900.00	44.00%
Teaching / Learning Materials	540,650.00	0.00	540,650.00	250,540.00	46.00%
Exams And Assessment	0.00	0.00	0.00	0.00	0.00%
(2) Capitation Grant on Operations					
Personnel Emoluments	3,630,000.00	0.00	3,630,000.00	2,227,784.48	61.37%
Repairs And Maintenance	3,300,000.00	0.00	3,300,000.00	1,538,000.00	46.60%
Local Transport / Travelling	0.00	0.00	0.00	0.00	0.00%
Electricity And Water	220,000.00	0.00	220,000.00	220,000.00	100%
Medical	110,000.00	0.00	110,000.00	103,200.00	93.81%
Administration Costs	367,500.00	0.00	367,500.00	367,500.00	100%
Activity	192,500.00	0.00	192,500.00	192,500.00	100%
Gratuity	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
3) FDSE for infrastructure					
Maintenance &Improvement MoE	0.00	0.00	0.00	0.00	0.00
M&I parents' contribution	0.00	0.00	0.00	0.00	0.00
Economic Stimulus Programs	0.00	0.00	0.00	0.00	0.00
Transition Infrastructure Grants	0.00	0.00	0.00	0.00	0.00
Administration Block	0.00	0.00	0.00	0.00	0.00
(4) Fees Charged on Parents					
Personnel Emoluments	715,000.00	0.00	715,000.00	697,586.00	97.56%
Repairs And Maintenance	1,100,000.00	0.00	1,100,000.00	913,201.00	83.02%
Local Transport / Travelling	1,441,550.00	0.00	1,441,550.00	1,110,622.00	77.04%
Electricity And Water	1,343,650.00	0.00	1,343,650.00	1,196,045.00	89.01%
Medical	110,000.00	0.00	110,000.00	96,572.00	87.79%
Administration Costs	3,594,800.00	0.00	3,594,800.00	1,802,672.00	50.15%
Activity	192,500.00	0.00	192,500.00	151,152.00	78.52%
Bom Teachers	1,925,000.00	0.00	1,925,000.00	1,446,675.00	75.15%
Fee On Boarding Equipment and Stores	13,961,750.00	0.00	13,961,750.00	9,433,719.00	67.57%
5) Miscellenous Income					
Loans / Borrowing	0.00	0.00	0.00	0.00	0.00
Rent income	0.00	0.00	0.00	0.00	0.00
Income From Farming Activities	0.00	0.00	0.00	0.00	0.00
Insurance Compensation	0.00	0.00	0.00	0.00	0.00
Income From Posho Mill	0.00	0.00	0.00	0.00	0.00

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Income From Bus Hire	0.00	0.00	0.00	0.00	0.00
Fee For Hire of Ground and Equipment	0.00	0.00	0.00	0.00	0.00
Interest Income	0.00	0.00	0.00	0.00	0.00
Income From Any Other Investment	0.00	0.00	0.00	0.00	0.00
Total Income	34,758,450.00	0.00	34,758,450.00	22,669,991.23	
(6) Expenditure For Tuition					
Textbooks	0.00	0.00	0.00	0.00	0.00
Reference Materials	125,000.00	0.00	125,000.00	82,064.00	66.00%
Exercise Books	0.00	0.00	0.00	0.00	0.00
Laboratory Equipment	1,250,000.00	0.00	1,250,000.00	517,782.00	41.00%
Internal Exams	638,550.00	0.00	638,550.00	275,190.00	43.00%
Teaching / Learning Materials	540,650.00	0.00	540,650.00	218,556.00	40.00%
Chalks	0.00	0.00	0.00	0.00	0.00
Exams And Assessment	0.00	0.00	0.00	0.00	0.00
Teachers Guides	0.00	0.00	0.00	0.00	0.00
Administration Costs	0.00	0.00	0.00	0.00	0.00
Bank Charges	0.00	0.00	0.00	0.00	0.00
(7) Expenditure For Operations					
Personnel Emoluments	3,630,000.00	0.00	3,630,000.00	3,175,893.25	87.49%
Repairs, Maintenance & Improvements	0.00	0.00	0.00	0.00	0.00
Local Transport / Travelling	192,500.00	0.00	192,500.00	169,180.00	87.89%

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Electricity, Water and Conservancy	220,000.00	0.00	220,000.00	220,000.00	100%
Medical	0.00	0.00	0.00	0.00	0.00
Administration Costs	367,500.00	0.00	367,500.00	367,500.00	100%
Activity Expenses	192,500.00	0.00	192,500.00	192,500.00	100%
Gratuity	0.00	0.00	0.00	0.00	0.00
SMASSE	0.00	0.00	0.00	0.00	0.00
(8) Expenditure For infrastructure					
Construction of classrooms	0.00	0.00	0.00	0.00	0.00
Construction of LAB	0.00	0.00	0.00	0.00	0.00
Construction of DORMS	0.00	0.00	0.00	0.00	0.00
Purchase of furniture	0.00	0.00	0.00	0.00	0.00
Purchase of equipment	0.00	0.00	0.00	0.00	0.00
Purchase of machinery	0.00	0.00	0.00	0.00	0.00
(9) Expenditure For school fund/lunch/boarding					
Personnel Emoluments	715,000.00	0.00	715,000.00	0.00	0.00
Repairs, Maintenance and Improvements	1,100,000.00	0.00	1,100,000.00	1,029,397.00	93.58%
Local Transport / Travelling	1,441,550.00	0.00	1,441,550.00	1,387,450.00	96.25%
Electricity, Water and Conservancy	1,343,650.00	0.00	1,343,650.00	1,342,450.00	99.99%
Medical Expenses	110,000.00	0.00	110,000.00	0.00	0.00

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Administration Costs	3,594,800.00	0.00	3,594,800.00	2,763,688.00	76.88%
Activity	192,500.00	0.00	192,500.00	190,400.00	98.91%
Gratuity	0.00	0.00	0.00	0.00	0.00
Bom Teachers	1,925,000.00	0.00	1,925,000.00	1,896,450.00	98.52%
Boarding Equipment and Stores	13,961,750.00	0.00	13,961,750.00	13,921,985.00	99.72%
Expenditure For Income Generating Activity	0.00	0.00	0.00	0.00	0.00
Insurance Costs	0.00	0.00	0.00	0.00	0.00
Other Expenses On Investments	0.00	0.00	0.00	0.00	0.00
Rent Expenses	0.00	0.00	0.00	0.00	0.00
Bank Charges	0.00	0.00	0.00	0.00	0.00
Loan Interest Repayment	0.00	0.00	0.00	0.00	0.00
Loan Principal Repayment	0.00	0.00	0.00	0.00	0.00
Acquisition Of Assets	0.00	0.00	0.00	0.00	0.00
Totals	34,758,450.00	0.00	34,758,450.00	27,750,485.25	0.00

i. Xxx

ii. Xxx

10. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

This cash basis of accounting has been supplemented with accounting for; a) receivables that include school fees from parents, imprest, salary advances and other receivables and b) payables that include deposits and retentions and payables from operations.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the *school*, and all values are rounded to the nearest Kenya Shilling (Kshs). The accounting policies adopted have been consistently applied to all the years presented.

2. Recognition of receipts and payments

The *school* recognises all receipts from the various sources when the event occurs, and the related cash has actually been received by the *school*. In addition, the *school* recognises all expenses when the event occurs, and the related cash has actually been paid out by the *school*. Income arising from school fees is recognised when the event occurs whether cash is received or not. Expenditure arising from operations is recognised when the event occurs irrespective of receipt of cash.

3. In-kind contributions

In-kind contributions are donations that are made to the *school* in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the *school* includes such value in the statement of receipts and payments both as a receipt and as a payment in equal and opposite amounts; otherwise, the contribution is not recorded.

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various financial institutions at the end of the financial year.

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

11. Notes To The Financial Statements

1 Government Grants for Tuition

Description	2022/2023	2021/2022
	Kshs	Kshs
Reference Materials	112,412.75	0.00
Exercise Books	0.00	0.00
Laboratory Equipment	528,910.00	0.00
Internal Exams	280,900.00	0.00
Teaching / Learning Materials	250,540.00	1,730,746.40
Others (specify)*	0.00	0.00
Total	1,172,762.75	1,730,746.40

2 Government Grants for Operations

Description	2022/2023	2021/2022
	Kshs	Kshs
Personnel Emoluments	2,227,784.48	2,654,261.42
Repairs And Maintenance	1,538,000.00	2,486,500.00
Local Transport / Travelling	0.00	326,135.82
Electricity And Water	220,000.00	1,001,237.28
Medical	103,200.00	0.00
Administration Costs	367,500.00	1,000,842.28
Activity	192,500.00	0.00
Other Vote Heads (specify)*	0.00	469,800.00
Total	4,648,984.48	7,938,776.80

3 Government Grants for infrastructure

Description	2022/2023	2021/2022
	Kshs	Kshs
Maintenance & Improvement	0.00	0.00
Transition infrastructure grants	0.00	2,586,000.00
Administration Block	0.00	0.00
Economic stimulus grants	0.00	0.00
Other (specify)	0.00	0.00
Total	0.00	2,586,000.00

4 School Fund Income - Parents Contribution/Fees

Description	2022/2023	2021/2022
	Kshs	Kshs
Personnel emoluments	2,046,779.00	855,807.00
Repairs and maintenance	1,510,395.00	1,020,000.00
Local transport / travelling	1,273,332.00	1,838,330.00
Electricity and water	1,976,329.00	1,535,375.00
Medical	96,572.00	0.00
Administration costs	2,242,179.00	3,231,871.00
Activity	198,101.00	164,459.00
Fee on Boarding Equipment and stores	12,558,755.00	12,594,299.00
Bom Teachers	1,446,675.00	2,222,512.00
Prepaid fees 2022	439,950.00	0.00
Total	23,789,067.00	23,462,653.00

5 Miscellaneous Incomes

Description	2022/2023	2021/2022
	Kshs	Kshs
Rent Income	0.00	0.00
Income From Farming Activities	0.00	0.00
Insurance Compensation	0.00	0.00
Income From Posho Mill	0.00	0.00
Income From Bus fund	684,550.00	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
Loans/Borrowings*	0.00	0.00
Other Income (<i>specify</i>) *	0.00	2,765,979.00
Total	684,550.00	2,765,979.00

Notes to the Financial Statements (continued)

6 Tuition

Description	2022/2023	2021/2022
	Kshs	Kshs
Exercise Books	0.00	230,000.00
Textbooks	0.00	0.00
Reference materials	82,064.00	0.00
Laboratory Equipment	919,741.00	1,349,796.00
Teaching / Learning Materials	218,556.00	0.00
Exams And Assessment	512,990.00	380,000.00
Teachers Guides	0.00	0.00
Bank Charges	1,080.00	1,560.00
Others (<i>specify</i>)	0.00	0.00
Total	1,734,431.00	1,961,356.00

7 Operations

Description	2022/2023	2021/2022
	Kshs	Kshs
Personnel Emoluments	3,175,893.25	2,925,000.00
Service Gratuity	0.00	146,100.00
Administration Cost	397,500.00	376,500.00
Repairs And Maintenance & Improvements	0.00	1,676,838.00
Local Transport / Travelling	169,180.00	178,500.00
Electricity And Water	220,000.00	204,000.00
Medical	0.00	0.00
Activity Expenses	192,500.00	609,999.00
Bank Charges	0.00	11,710.15
Others (Acquisition of Assets)	1,985,471.00	2,586,000.00
Total	6,140,544.25	8,714,647.15

Notes to the Financial Statements (continued)

8 Infrastructure

Description	2022/2023	2021/2022
	Kshs	Kshs
Construction of Sock pit and Septic	0.00	854,575.00
Construction of laboratory	0.00	0.00
Construction of dormitory	0.00	0.00
Purchase of furniture	0.00	0.00
Purchase of equipment	0.00	0.00
Purchase of apparatus	0.00	0.00
Drilling of boreholes	0.00	0.00
Others (specify)	0.00	0.00
Total	0.00	854,575.00

9 Boarding And School Fund

Description	2022/2023	2021/2022
	Kshs	Kshs
Personnel Emoluments	0.00	158,452.00
Service Gratuity	0.00	0.00
Repairs And Maintenance & Improvements	1,055,487.00	1,020,000.00
Local Transport / Travelling	1,387,450.00	1,336,710.00
Electricity And Water	1,342,450.00	877,623.00
Medical Expenses	0.00	0.00
Administration Costs	2,763,688.00	3,200,000.00
Activitu	0.00	156,200.00
Bank Charges	27,155.00	23,298.00
Expenses On Income Generating Activities**	0.00	0.00
Fee On Boarding Equipment and Stores	14,190,623.00	12,317,394.67
Operation account	0.00	365,000.00
Bom Teachers	0.00	1,785,000.00
Loan Principal Repayment	0.00	0.00
Refund	0.00	20,000.00
Expenses on uniforms	0.00	945,470.00
Tender	0.00	10,000.00
Others (specify)	0.00	0.00
Total	20,766,853.00	22,215,147.67

Notes to the Financial Statements (continued)

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2022/2023	2021/2022
	Active/Dormant		Kshs	Kshs
Tuition Account		0450294700635	196,955.46	118,864.71
Operations Account		0450294700580	621.69	-24.54
School Fund Account/Boarding		1111272174	143,834.80	224,947.80
Savings Account			0.00	0.00
Parent Association Development Account			0.00	0.00
Income Generating Activities Account			0.00	0.00
Infrastructural Account		1237852811	536,455.00	1,997,926.00
Total			877,866.95	2,341,713.97

11 Cash In Hand

Description	2022/2023	2021/2022
	Kshs	Kshs
Notes and Coins	4,117.33	4,983.33
Total	4,117.33	4,983.33

12 Short Term Investments

Description	2022/2023	2021/2022
	Kshs	Kshs
Cooperative Shares	0.00	0.00
Treasury Bills	0.00	0.00
Fixed Deposit accounts	0.00	0.00
Other Investments	0.00	0.00
Total	0.00	0.00

Notes to the Financial Statements (continued)

13 Accounts Receivable

Description	2022/2023	2021/2022
	Kshs	Kshs
Fees Arrears	13,228,518.00	9,111,294.00
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)	14,000.00	14,000.00
Imprest (list/schedule attached)	0.00	0.00
Rent arrears (list/schedule attached)	0.00	0.00
Total	13,242,518.00	9,125,294.00

13 b Ageing Analysis of Accounts Receivable

Description	2022/2023		2021/2022	
	Kshs		Kshs	
	2022/2023	% of the total	2021/2022	% of the total
Less than 1 year	6,460,821.00	48.84%	6,723,448.00	73.80%
Between 1- 2 years	4,407,972.00	33.32%	1,050,355.00	11.52%
Between 2-3 years	981,336.00	7.42%	376,550.00	4.13%
Over 3 years	1,378,389.00	10.42%	960,941.00	10.55%
Total (should tie to note 13 a)	13,228,518.00	100%	9,111,294.00	100%

14 Accounts Payable

Description	2022/2023	2021/2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	2,511,467.00	1,654,140.00
Prepaid Fees	581,598.00	439,950.00
Retention Monies	0.00	0.00
Unpaid salaries and statutory deductions	0.00	0.00
Caution money	0.00	0.00
Other payables (<i>specify</i>)	0.00	0.00
Total	3,093,065.00	2,094,090.00

Notes to the Financial Statements (continued)

14a. Ageing Analysis of Accounts Payable

Description	2022/2023		2021/2022	
	Kshs		Kshs	
	2022/2023	% of the total	2021/2022	% of the total
Less than 1 year	1,604,049.00	63.87%	907,418.00	54.86%
Between 1- 2 years	907,418.00	36.13%	746,722.00	45.14%
Between 2-3 years	0.00	%	0.00	%
Over 3 years	0.00	%	0.00	%
Total (should tie to note 14)	2,511,467.00	100%	1,654,140.00	100%

15 Fund Balance Brought Forward

Description	2022/2023	2021/2022
	Kshs	Kshs
Bank Balances	877,866.95	2,341,713.97
Cash Balances	4,117.33	4,983.33
Short Term Investments	0.00	0.00
Receivables	13,242,518.00	9,125,294.00
Payables	(3,093,065.00)	(2,094,090.00)
Total	11,031,437.28	9,377,901.30

Other important disclosure notes

The notes outlined below are disclosure notes in relation to the school's non- financial assets and liabilities.

16 Non-current Liabilities Summary

Description	2022/2023	2021/2022
	Kshs	Kshs
Bank Loans	0.00	0.00
Outstanding Leases	0.00	0.00
Hire Purchase	0.00	0.00
Gratuity And Leave Provision	0.00	0.00
Others (specify)	0.00	0.00
Total	0.00	0.00

17 Biological assets

Description	Numbers	2022/2023	2021/2022
		Kshs	Kshs
Cattle	7	490,000.00	380,000.00
Goats		0.00	0.00
Trees	300	60,000.00	40,000.00
Coffee Or Tea Plantation		0.00	0.00
Poultry		0.00	0.00
Others (specify)		0.00	0.00
Total	307	550,000.00	420,000.00

18 Borrowings

Description	Kshs	Kshs
Borrowings at beginning of the year	0.00	0.00
Borrowings during the year	0.00	0.00
Repayments during the year	(0.00)	(0.00)
Balance at the end of the year	0.00	0.00

Other important disclosure notes

19 Stock/ Inventory

Description	2022/2023	2021/2022
	Kshs	Kshs
Food stuffs	13,961,750.00	12,692,500.00
Lab consumables	870,300.00	1,230,000.00
Farm produce	0.00	0.00
Medication	110,000.00	100,000.00
Construction Materials	4,400,000.00	3,650,000.00
Others (specify)	0.00	0.00
TOTAL	19,342,050.00	17,672,500.00

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)
MOE/DSAS/SI/242	Management should settle all the trade creditors to avoid possible legal action. Inter account borrowing should be curbed by the school management strictly adhering to ministry of education policy guidelines and the full BOM APPROVED BUDGET.	All the creditors were to be paid as soonest so that the school could continue with operations	The issue was resolved by the BOM	All creditors to be paid before the end of march 2021.
	The management should formulate effective policies to address the issues of fees collection. Debtors for the period were ksh 2,612,951.30	Fees committees from the school management was formed to oversee the school parents fees payment and all students who were alumin should be removed to reduce figures of debtors.	The issue was resolved that parents to be emphasised to clear their fees balances.	The school expect all students to clear fees balances before moving to the next term.
	FUNDED ACCOUNTS ksh 2,684,800.00. The school management should ensure full utilization of all MOE grants as per the guidelines while PTA development and bus fund are utilised for the agreed activities by parents ,MOE and NOM. Caution money to be refunded to the students as per the MOE	The school BOM proposed to strictly utilise the funds as per the guidelines from MOE. The BOM resolved to refund all caution monies and not collect any more	The issue was resolved.	All monies for RMI be transferred to the relevant account and the usage be followed as required. No caution money issues.

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Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	GUIDELINES and any further collection of the same be discontinued, And the school management should strictly adhere to the MOE policy guidelines and the full BOM APPROVED BUDGET.	caution money.		

Sign and Date
Principal

12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current 2022/2023	Outstanding Balance Comparative 2022/2023	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1.						
Sub-Total						
Supply Of Goods						
2. RENSHA ENTERPRISES	401,959.00		NIL	401,956.00	401,956.00	Will be paid in 2023/2024
3. ABIST STATIONERY	143,600.00		NIL	143,600.00	143,600.00	Will be paid in 2023/2024
4. PATSAM STATIONERY	94,200.00		NIL	94,200.00	94,200.00	Will be paid in 2023/2024
5. MALI RAHISI CEREALS	808,200.00		NIL	808,200.00	808,200.00	Will be paid in 2023/2024
6. LUISTE ELECTRICALS	26,090.00		NIL	26,090.00	26,090.00	Will be paid in 2023/2024
7. TERA MUTHINI	100,000.00		NIL	100,000.00	100,000.00	Will be paid in 2023/2024
Sub-Total	1,574,049.00			1,574,049.00	1,574,049.00	
Supply Of Services						
8. ROVE VERATILE	30,000.00		NIL	30,000.00	30,000.00	Will be paid in 2023/2024
Sub-Total						

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current 2022/2023	Outstanding Balance Comparative 2022/2023	Comments
Grand Total	30,000.00			30,000.00	30,000.00	

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 st July 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2021
Land	116,000.00	NILL	NILL	116,000.00
Buildings And Structures	49,480,000.00	NILL	NILL	49,480,000.00
Motor Vehicles	-	-	-	-
Office Equipment, Furniture And Fittings	448,000.00	62,000.00	-	510,000.00
Textbooks	6,000,000.00	-	-	6,000,000.00
ICT Equipment	1,387,000.00	45,000.00	-	1,432,000.00
Tools And Apparatus	4,267,000.00	371,198.00		4,638,198.00
Other Machinery And Equipment	438,000.00			438,000.00
Heritage And Cultural Assets	-	-		-
Intangible Assets- Soft Ware	700,000.00	-	-	700,000.00
Total	62,717,000.00	478,198.00		63,195,198.00