

REPUBLIC OF KENYA



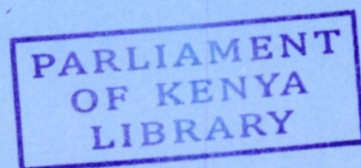
	
THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 25 JUN 2026	DAY: <i>Thur</i>
TABLED BY:	<i>Hon. Dwan Baya, MP Dep. Leader of the Majority Party</i>
CLERK-AT THE-TABLE:	<i>M. Chumo</i>

REPORT

OF

THE AUDITOR-GENERAL

ON



**ST. JOSEPH MKUNGI
SECONDARY SCHOOL**

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

NYANDARUA COUNTY



ST. JOSEPH MKUNGI SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30 June 2022**

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

ST JOSEPH MKUNGI SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30 June 2022

Table of Contents	Page
I. Key School Information and Management	2
II. Summary Report of Performance of the School	6
III. Statement of School Management Responsibility	11
IV. Report of the Independent Auditors	12
V. Statement of Receipts and Payments Period To 30 June 2022	13
VI. Statement of Financial Assets and Financial Liabilities as at 30 June 2022	14
VII. Statement of Cash Flows for the Period Ended 30 June 2022	15
VIII. Statement of Budgeted Versus Actual Amounts for the Year Ended 30 June 2022	16
IX. Significant Accounting Policies	19
X. Notes to the Financial Statements	21

ST JOSEPH MKUNGI SECODARY SCHOOL
Annual Reports and Financial Statements
For the year ended 30 June 2022

I. Key School Information and Management

(a) Background information

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

The school was registered in 15 February, 1989 under registration number PU/5/3/7513/14 and is currently categorized as an Extra County Public School established, operated by the Government.

The school is a day/boarding school and had 318 number of students as at 30 June 2022. It has 2 streams and 15 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	Simon Thairu	Chairman	2022
2	Simon Mbugua	Secretary - Principal	2019
3	Samuel Mutahi	Member	2019
3	Phylis Kamau	Member	2019
4	Monicah Wanjiku	Member	2019
5	Njoroge Gichinga	Member	2019
6	Julia .W Karanja	Member	2019
7	Thomas Mwangi	Member	2019
8	Cecilia N. Matheri	Member	2019
9	Julius Maina Kamunya	Member	2019
10	Mary N Wambugu	F3 REP	2022
11	Paul Karaya Karanu	Member	2022
12	Grace Wanjiru Kamau	Member	2022

ST JOSEPH MKUNGI SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30 June 2022

The function of the School Board of Management include:

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013
- Ensure and assure the provision of proper and adequate facilities for the School
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- 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
	Executive Committee	Simon Thairu Ngotho Simon M. Mbugua Samuel Mutahi Mathenge Cecilia Njeri Matheri Monicah Wanjiku karichu	Chairman Member Member Member	1
2	Audit Committee	Cecilia matheri Juliah karanja Samuel nyoke Paul karaja Gichinga njoroge	Secretary Chairperson Member Member	
3	Finance, procurement and general purposes Committee	Samuel Mutahi Mathenge Phylis Kamau Mr. Simon M. Mbugua Monicah Wanjiku karichu Simon m ngotho	member Secretary Member member	1
4	Academic Committee	Paul karaya Julius maina Grace kamau Juliah W. Karanja Simon M. Mbugua	Chairman Secretary Member " "	
5	Human rights and student welfair	Monicah karichu Samuel mutahi Samuel nyoike Cecilia matheri Phylis kamau	Chairman Secretary Member Member Member	

ST JOSEPH MKUNGI SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30 June 2022

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
6	Discipline and welfare Committee	Thoman Mwangi Ngugi Samuel mutahi Jane mutura Alice mugure John mwangi	Chairman Secretary Member Member Member	

(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	SIMON M. MBUGUA	261374
2	Deputy Principal	JOHN MWANGI KARIUKI	357661
3	School Bursar	IRENE NJERI	-

(e) Schools contacts

Post Office Box: 234
 Telephone: 0119717761
 E-mail: mkungicenterofecellence@gmail.comm
 Website: -
 Facebook: -
 Twitter: -

(f) School Bankers

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

- Name of Bank: KCB
 Branch: Njabini
 - Account Number:main 1104232197
 - Account number operation 1104242982
 - Tuition; 1104243466
 - Infrastructure; 1114708445
- Name of Bank: Muki Sacco
 Branch: Ndunyu Njeru
 Account Number: 011000101663
- MPESA Pay Bill No. 522123 attached to KCB bank account
- CDF account engineer branch no; 1900282237255

ST JOSEPH MKUNGI SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30 June 2022

(g) Independent Auditors

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

ST JOSEPH MKUNGI SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30 June 2022

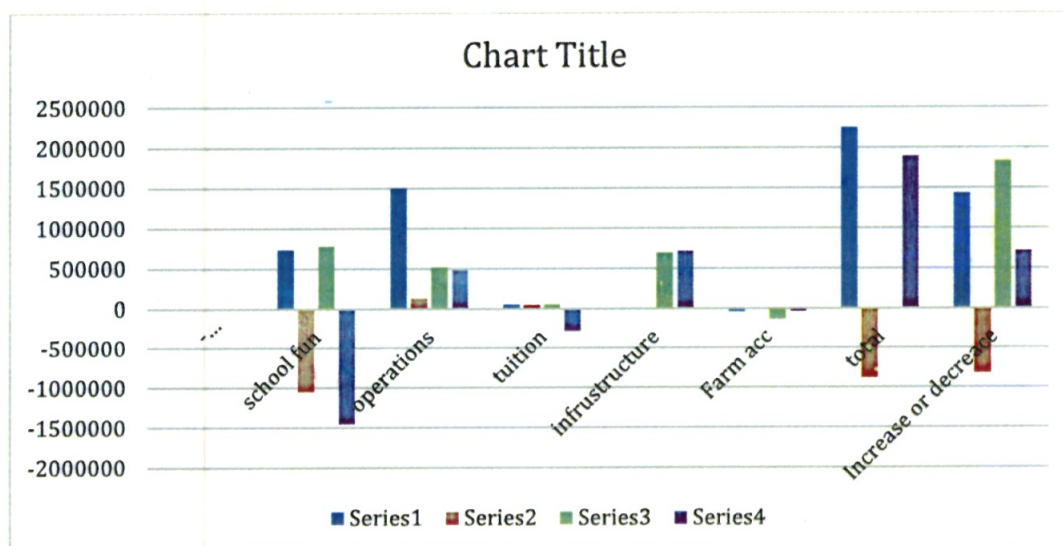
II. Summary Report of Performance of the School

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

a) Financial Performance

i). Surplus/ deficit for the year

Accounts	2022	2021	2020
School Fund	1,138,006	681,921	(1,060,042)
Operations	(204,322)	22,118	513,097
Tuition	(131,586)	41,044	47,269
Infrastructure	(597,362)	(8,113)	694,456
Farm Account	(35,393)	194,141	(134,724)
CDF	77,615		
Total	103,343	922,141	600,56



ii). Capitation grants from the Ministry of Education for the last three years

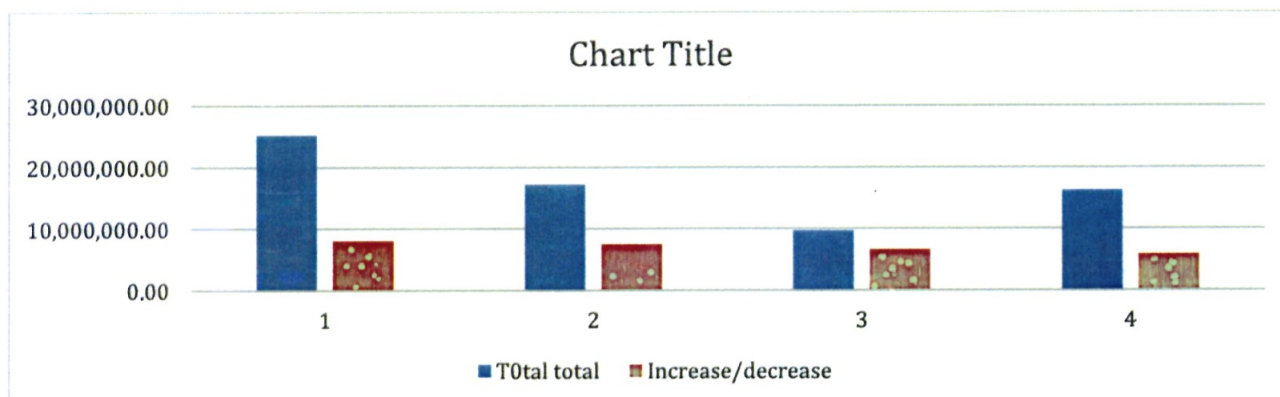
sn	Account	2022	2021	2020	2019
1	Tuition account	952877	494,952	684,500	1,210,985
2	Operations account	4189299	2,273,994	5,278,850	5,726,440
	Infrastructure	2,769,900			
Total	-	7,912,076	2,768,946	5,963,350	6,937,426
No of students	-	318	265	295	361

ST JOSEPH MKUNGI SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30 June 2022

sn	Account	2022	2021	2020	2019
Ratio of capitation per student	-	1;16173	1;10448	1;20214	1;19,217
Decrease/i ncrease	-	5,725	(9,766)	997	1161

iii). Payments over the years

No	Accounts	2022	2021	2020	2019
1	School fund Account	14,069,284	6,607,690	3,432,753	9,547,975
2	Operations	4,393,621	1,003,536	5,460,209	5,248,487
3	Tuition	1,084,463	453,662	637,231	1,493,157
	Infrastructure	3,367,262			
	CDF	922,385			
Total		23,837,015	8,064,888	9,530,193	16,289,619



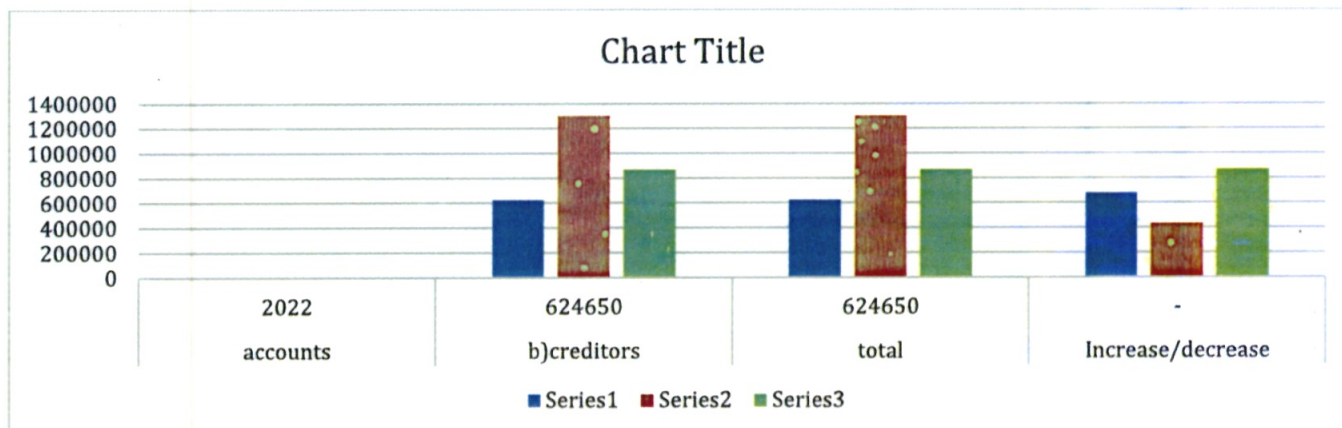
iv). Movement of debtors

S/ No	2022	2021	2020	2019
Debtors	2,096,160	1,346,938	782,793	516,925
Total	2,096,160	1,346,938	782,793	516,925

v). Movement of creditors

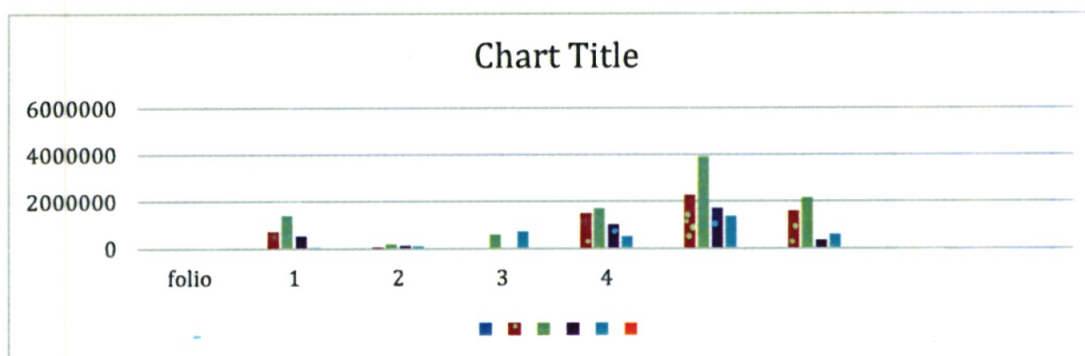
ST JOSEPH MKUNGI SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30 June 2022

sno	Details	2022	2021	2020	2019
1	Creditors	624,650	899,682	1,298,622	865,923
-	Total	624,650	899,682	1,298,622	865,923



vi). Movement of cash and bank balances over the last three years

folio	account	2022	2021	2020	2019
1	School Fund Account	732,856	1,733,024	2,490,222	1,891,831
2	Tuition Account	51,203	182,789	141,745	94,476
3	Infrastructure Account	751	598,113	6,786	714,767
4	Operations	1,501,988	1,706,310	1,684,192	512,629
5	MUKI	1,027,902			
6	CDF	77,615			
	Total	3,392,315	4,220,236	4,322,945	3,213,703



b) Teacher Student Ratio

ST JOSEPH MKUNGI SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30 June 2022

Student	Teachers	Ratio
318	15	1:21

Details	Male	Female	Total
No. of TSC Teachers	9	3	12
No. of BOM Teachers	2	1	3
No. of Mentorship	0	0	0
Total	11	4	15

c) Mean score in the 2018,20192020 and 2021KCSE

Year	Mean	Target	Comment
2018	4.51	5.818	Positive deviation of 1
2019	5.46	5.6909	The students were able to hit their target during the year
2020	6.054	6.5	Positive deviation 80% of the students made it to higher education level
2021	5.4	7.2	There was a negative deviation of 1.8 from the previous year

d) Number of Candidates in the 2022 KCSE

Year	Number of Student
2019	110
2020	93
2021	67

e) Capacity of the School

Description	No Of Rooms	Enrollment	Capacity
Dormitories	3	318	600 students
Laboratories	2	318	50 students
Toilets	24	318	600 students
Classes	12	318	600 students
Dining hall	1	318	600 students

f) Development projects carried out by the school

ST JOSEPH MKUNGI SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30 June 2022

Project	Source of Funds	Amount
Tilling of 8 classrooms	FSDE	1,425,000
Physical School renovation	FSDE and parents' contribution	1,142,580

CHIEF PRINCIPAL
ST. JOSEPH MKUNGI SEC. SCHOOL
(CENTRE OF EXCELLENCE)
P.O. Box 734-20328, NORTH KIMANGO.

20/04/2026

Sign

School Principal

ST JOSEPH MKUNGI SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30 June 2022

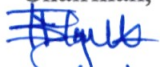
III. Statement of School Management Responsibility

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

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

The Board of Management of St. Joseph Mkungi 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 30 June, 2022, and of the school's financial position as at that date.

Name: Simon Ngotho
Designation: Chairman, School Board of Management
Sign: 
Date: 20/04/2026

Name: Simon M. Mbugua
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 20/4/26



Name: Irene Njeri
Designation: Bursar
Sign: 
Date: 20/4/26

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 ST. JOSEPH MKUNGI SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 – NYANDARUA 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 St. Joseph Mkungi Secondary School set out on pages 13 to 26, which comprise of the statement of financial assets

Report of the Auditor-General on St. Joseph Mkungi Secondary School for the year ended 30 June, 2022 – Nyandarua County

and financial liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows, statement of budgeted versus actual amounts for the year 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 St. Joseph Mkungi Secondary School as at 30 June, 2022 and of its financial performance and its cash flows for the year 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 in the Financial Statements

The statement of receipts and payment reflects capitation receipts for infrastructure of Kshs.3,769,900 which differs with the supporting ledger amount of Kshs.1,253,500 resulting in an unexplained variance off Kshs.2,516,400. Further, the statement of receipts and payments reflects school fund income-parents' contributions of Kshs.14,750,950 as disclosed in Note 4 to the financial statements. However, the amount differed with the supporting schedule amount of Kshs.14,168,641 resulting in an unexplained variance of Kshs. 582,309.

In addition, the statement of financial assets and financial liabilities reflect accounts receivables balance of Kshs.2,096,130. However, this differs with the supporting ledger balance of Kshs.1,384,364 resulting in an unexplained variance of Kshs.709,592.

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

2. Unsupported Accounts Payables

The statement of financial assets and financial liabilities reflects accounts payables balance of Kshs. 624,650 in respect of caution money as disclosed in Note 13 to the financial statements. However, no supporting documents were provided for audit.

In the circumstances, the accuracy, existence and completeness of retention monies balance of Kshs.624,650 could not be confirmed.

3. Unsupported Cash and Cash Equivalents

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.3,367,145 as disclosed at Note 10 and 11 to the financial statements. Included in this balance is a SACCO account balance of Kshs.1,027,902 which was not supported by a cash book and no bank reconciliation was performed.

Further, the amount includes a negative cash in hand balance of Kshs.25,170 for which no explanation or supporting documents was provided.

In the circumstances, accuracy and completeness of the cash and cash equivalents balance of Kshs.3,367,145 could not be confirmed.

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

Emphasis of Matter

Budgetary Controls and Performance

The statement of budgeted versus actual amounts reflects final receipts budget of Kshs.17,173,200 against actual receipts of Kshs.23,930,358 resulting to excess collection of Kshs.6,757,158 or 39 % of the budgeted funds.

The excess collection is an indication of weaknesses in the budgeting process.

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, 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 2 to 11 which comprise of Key School Information and Management, Summary Report of Performance of the School and Statement of 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. Unconfirmed Students Enrolment Data

Comparison of data from National Education Management and Information System (NEMIS) with the school enrollment records revealed inconsistencies during the financial year ending 30 June, 2022. NEMIS reflected a total of two hundred and seventy-seven (277) students while the school's enrolment records indicated a total of two hundred and sixty-five (265) students, resulting in an unexplained variance of twelve (12) students. This was attributed to delays in updating learner transfers in the NEMIS system. This was contrary to the Ministry of Education Circular MOE.CONF/G5 dated 26 November, 2019 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure accuracy of the records.

In the circumstances, inaccuracies in the NEMIS database may lead to erroneous funding decisions and affect the equitable allocation of capitation grants.

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

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.14,069,284 as disclosed in Note 9 to the financial statements. Included in the expenditure is an amount of Kshs.795,766 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.795,766 could not be confirmed.

3. Failure to Transfer Infrastructure Funds from Operations Bank Account

During the year under review, the School received capitation grants amounting to Kshs.6,959,199 from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.1,597,500 which was to be transferred to infrastructure

bank account for maintenance and improvement of the school's facilities. However, only Kshs.1,253,500 was transferred to the infrastructure account leaving Kshs.344,000 not transferred as at 30 June, 2022. This was contrary to the Ministry of Education No: Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account within fifteen (15) days upon receipt of the funds in the operations account.

In the circumstances, Management was in breach of the Ministry guidelines.

4. Lack of 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.

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 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. Lack of Internal Audit Function

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

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

2. Long Outstanding Accounts Receivables

The statement of financial assets and financial liabilities reflects a balance of Kshs.2,096,130 in respect of accounts receivable as disclosed in Note 12 to the financial statements. Included in the balance is fees arrear amounting to Kshs.501,338 which has remained outstanding for over two years. However, there was no 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.

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 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's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

Those charged with governance are responsible for overseeing the School's financial reporting process, reviewing the effectiveness of how 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

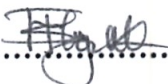
08 May, 2026

ST JOSEPH MKUNGI SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30 June 2022

V. Statement of Receipts and Payments Period To 30 June 2022

DESCRIPTION OF VOTE HEAD	Note	2021-2022	2021
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition	1	952,877	407,541
Capitation grants for operations	2	4,189,299	2,783,344
Capitation for infrastructure	3	3,769,900	590,000
School Fund Income- Parents' Contributions	4	14,750,950	6,265,860
School Fund Income- Other receipts	5	277,332	194,153
TOTAL RECEIPTS		23,940,358	10,240,898
PAYMENTS			
Payments for Tuition	6	1,084,463	366,497
Payments for operations	7	4,393,621	2,761,226
Payment for infrastructure	8	4,289,647	598,113
Boarding and school fund payments	9	14,069,284	5,592,921
TOTAL PAYMENTS		23,837,015	9,318,757
SURPLUS		103,343	922,141

The school financial statements were approved on 07/8/2023 and signed by:







Name: Simon Thairu

Name: SIMON M. MBUGUA

Name: IRENE MBUGUA

Chair BOM

School Principal/ Secretary to
BOM

Bursar

Date: 20/04/2026

Date: 20/04/2026

Date: 20/4/2026

ST JOSEPH MKUNGI SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30 June 2022

VI. Statement of Financial Assets and Financial Liabilities as at 30 June 2022

	Note	2021-2022	2021
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	10	3,392,315	4,220,436
Cash Balances	11	(25,170)	67,790.00
Total Cash and cash equivalent		3,367,145	4,288,226
Account's receivables	12	2,096,130	1,346,938
TOTAL FINANCIAL ASSETS		5,463,305	5,635,164
FINANCIAL LIABILITIES			
Accounts Payables	13	(624,650)	(899,682)
NET FINANCIAL ASSETS		4,838,625	4,735,482
REPRESENTED BY			
Accumulated Fund b/fwd	14	4,735,282	3,813,341
Surplus for the year		103,343	922,141
NET FINANCIAL POSITION		4,838,625	4,735,482

The School's financial statements were approved on 07/8/2023 and signed by:

.....



.....

Name: Simon Mairu.

Name: SIMON M. MBUGUA

Name: Irene Mbugua.

Chair BOM

School Principal/ Secretary to
BOM

Bursar/ Finance Officer

Date: 20/04/2026

Date: 20/04/2026

Date: 20/4/2026.

ST JOSEPH MKUNGI SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30 June 2022

VII. Statement of Cash Flows for the Period Ended 30 June 2022

Description		2021/2022	2021
		Kshs	Kshs
Receipts			
Capitation grants for tuition	1	952,877	407,541
Capitation grants for operations	2	4,189,299	2,783,344
Capital Grants for infrastructure	3	3,769,900	590,000
School fund income- Parents contributions/ fees	4(a)	13,726,726	5,302,775
School fund income- other receipts	5	277,332	194,153
Total receipts		22,916,134	9,277,813
Payments			
Payments for Tuition	6	1,084,463	366,497
Payments for operations	7	4,393,621	2,761,226
Payments for infrastructure	8	4,289,647	598,113
Boarding and school fund payments	9	14,069,284	5,592,921
Total payments		23,837,015	9,318,757
Net cash flow from operating activities		(920,881)	(40,944)
Net Increase in Cash and Cash Equivalents		(920,881)	(40,944)
Cash and cash equivalent at BEGINNING of the year		4,288,226	4,329,170
Cash and cash equivalent at END of the year		3,367,345	4,288,226

ST JOSEPH MKUNGI SECODARY SCHOOL
Annual Reports and Financial Statements
For the year ended 30 June 2022

VIII. Statement of Budgeted Versus Actual Amounts for the Year Ended 30 June 2022

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Textbooks and reference materials	1,243,200		1,243,200	952,877		X
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	2,820,000		2,820,200	4,189,299		X
Repairs and maintenance	1,500,000		1,500,000	590,000		X
Medical	600,000		600,000			X
Administration costs						X
Activity	450,000		450,000			X
Gratuity						X
SMASSE	60,000		60,000			X
(3) FEES CHARGED ON PARENTS						
Pe,adm,ewc,ltt	3,501,000		3,501,000	2,068,447		X
Activity	150,000		150,000	107,295		X
SMASSE						X
Fee on Boarding Equipment and Stores	6,249,000		6,249,000	12,102,023		X
OTHER INCOME						
Income from farming activities				267,332		X
TOTAL INCOME	17,173,200		17,173,200	23,930,358		
(1) EXPENDITURE FOR TUITION						

ST JOSEPH MKUNGI SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30 June 2022

Receipt/expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
Textbooks and reference materials	590,860		590,860	1,084,463		X
Internal exams	44,880		44,880			X
Teaching / learning materials	607,460		607,460			x
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	2,820,000		2,820,000	1,555,200		x
Repairs, maintenance & improvements	1,500,000		1,500,000	1,832,700		x
ewc				43,522		x
insurance	217,435		217,435	217,435		x
Medical	600,000		600,000			x
Administration costs						x
Activity Expenses	450,000		450,000	741,700		x
charges				3,064		x
(3) EXPENDITURE FOR SCHOOL FUND						
Pe,adm,ltt,ewc,	3,501,000		3,501,000	60,500		x
Repairs, maintenance and improvements	600,000		600,000	1,507,670		x
Local transport / travelling				338,350		x
Electricity, water and conservancy				403,404		x
charges				3,012		x
Administration costs				1,071,624		x
Activity	150,000		150,000	571,980		x
farm				302,725		x
Lunch programme						x
Boarding Equipment and Stores	6,249,000		6,249,000	9,810,019		x

ST JOSEPH MKUNGI SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30 June 2022

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Compar able Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
TOTALS	17,173,200		17,173,200	23,837,015		x

IX. 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.

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.

ST JOSEPH MKUNGI SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30 June 2022

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 30 June 2022

ST JOSEPH MKUNGI SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30 June 2022

X. Notes to the Financial Statements

1. Capitation Grant for Tuition

Description	2021-2022	2021
	Kshs	Kshs
Teaching / learning materials	952,877	407,541
Total	952,877	407,541

2. Capitation Grant for Operations

Description	2021-2022	2021
	Kshs	Kshs
Other voteheads LTT EWC ADM PE	4,189,299	2,783,344
Total	4,189,299	2,783,344

3. Capitation Grants for Infrastructure

Description	2021-2022	2021
	Kshs	Kshs
Infrastructure grants	2,769,900	590,000
Others (CDF)	1,000,000	
Total	3,769,900	590,000

4. Parents Contribution/Fees - School Fund Account

Description	2021-2022	2021
	Kshs	Kshs
Boarding equipment and store	12,102,023	4,940,668
Personal emoluments	660,359	316,669
Repairs and maintenance	418,541	226,870
Local transport / travelling	121,756	71,556
Electricity and water	895,891	384,203
Administration costs	445,085	187,369
Activity	107,295	138,525
Total	14,750,950	6,265,860

4(a) Parents Contribution/Fees - School Fund Account- Note to Cashflow

Description	2021-2022	2021
	Kshs	Kshs
Reported in statement of receipts and payment	14,750,950	6,265,860
Increase in fees arrears	(749,192)	(564,145)
Decrease in prepaid fees	(275,032)	(398,940)
Total	13,726,726	5,302,775

5. Other Receipts – School Fund Account

Description	2020-2021	2021
-------------	-----------	------

ST JOSEPH MKUNGI SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30 June 2022

	Kshs	Kshs
Income from farming activities	277,332	194,153
Total	277,332	194,153

6. Payments for Tuition

Description	2020-2021	2021
	Kshs	Kshs
Teaching / learning materials	1,084,463	366,467
Total	1,084,463	366,497

7. Payment for Operations

Description	2021-2022	2021
	Kshs	Kshs
Others ltt pe adm	1,555,200	2,761,226
Repairs and maintenance & improvements	1,832,700	-
Electricity and water	43,522	-
Activity Expenses	741,700	-
Insurance Cost	217,435	-
Bank Charges	3,064	-
Total	4,393,621	2,761,226

8. Payments for Infrastructure

Description	2021-2022	2021
	Kshs	Kshs
Infrastructure acc	3,367,262	598,113
Others (CDF)	922,385	-
Total	4,289,647	598,113

9. Boarding and School Fund Payments

Description	2021-2022	2021
	Kshs	Kshs
Personnel emoluments	60,500	1,220
Repairs and maintenance & Improvements	1,507,670	620,698
Local transport / travelling	338,350	144,740
Electricity and water	403,404	253,622
Administration costs	1,071,624	807,650
ACTIVITY	571,980	16,500
Bank Charges	3,012	-
Expenses on Income Generating Activities FARM	302,725	196,789
Fee on Boarding Equipment and Stores	9,810,019	3,551,702
Total	14,069,284	5,592,921

ST JOSEPH MKUNGI SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30 June 2022

10. Bank Accounts

Name of Bank, Account No. & currency	Bank Account Number	2021-2022	2021
		Kshs	Kshs
Tuition Account	1104243466	51,203	182,789
Operations Account	110424982	1,501,988	1,706,310
School Fund Account/Boarding	1104232197	732,856	1,733,224
Infrastructure account	1114708445	751	598,113
CDF Account	1900282237255	77,615	
MUKI Sacco	0110-001-01663	1,027,902	
Total		3,392,315	4,220,436

11. Cash in Hand

Description	2021-2022	2021
	Kshs	Kshs
School Fund account	(25,170)	67,790
Total	(25,170)	67,790

12. Accounts Receivable

Description	2021-2022	2021
	Kshs	ksh
Fees arrears	2,096,130	1,329,479
Total	2,096,130	1,346,938

12a. Ageing Analysis of Accounts Receivable

Description	2021-2022	2021
	Kshs	Kshs
Fees Arrears For Current Year	749,192	564,145
Fees Arrears For The Previous Year	845,600	324,633
Fees Arrears For Prior Periods (Over Two Years)	501,338	458,160
Total	2,096,130	1,346,938

13. Accounts Payable

Description	2021-2022	2021
	Kshs	Kshs
Prepaid fees		275,032
Retention monies	624,650	624,650
Total	624,650	899,682

ST JOSEPH MKUNGI SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30 June 2022

13a. Ageing Analysis of Accounts Payable

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade Creditors for Current Year		275,032
Trade Creditors for The Previous Year		624,650
Trade Creditors for Prior Periods (Over Two Years)	624,650	
Total	624,650	899,682

14. Fund Balance Brought Forward

Description	2021-2022	2021
	Kshs	Kshs
Bank balances	4,220,236	432,294
Cash balances	67,790	6,225
Receivables	1,346,938	782,793
Payables	(899,682)	(1,298,622)
Total	4,735,282	3,813,341

ST JOSEPH MKUNGI SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30 June 2022

Other important disclosure notes

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

15. Biological Assets

Description	Numbers	2021-2022	2021
Cattle	8	250,000	360,000
Goats	20	110,000	55,000
Trees	200	150,000	150,000
Total		510,000	565,000

16. Stock/ Inventory

Description	2020-2021	2021
	KShs	KShs
Stock/ inventory at beginning of the year	89,546	77,553
Stock/ inventory purchased during the year	10,569,485	1,137,890
Stock/ inventory issued during the year	10,494,365	1,125,897
Balance at end of the year	164,666	89,546

ST JOSEPH MKUNGI SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30 June 2022

17. 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)

ST JOSEPH MKUNGI SECODARY SCHOOL
Annual Reports and Financial Statements
For the year ended 30 June 2022

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2022	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Retention money	624,650			624,650		
Total	624,650			624,650		

ST JOSEPH MKUNGI SECODARY SCHOOL
Annual Reports and Financial Statements
For the year ended 30 June 2022

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 20xx
Land 1		Kirarwa		-	-1	
Land 2		Mkungi		-		
Buildings and structures		-				
Motor vehicles		-				
Office equipment, furniture and fittings						
ICT Equipment, and Other ICT Assets						
Tools and apparatus						
Textbooks						
Other Machinery and Equipment						
Heritage and cultural assets						
Intangible assets-soft ware		Jbs system				
Total						