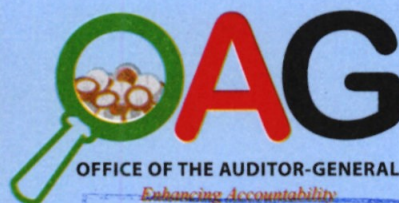


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

REPORT DATE: 01 JUL 2026

DAY.

WEDNESDAY

TABLED
BY:

HON. OWEN BAYA, M.P.

CLERK-AT
THE-TABLE:

CHRISTINE NDIRITU

THE AUDITOR-GENERAL

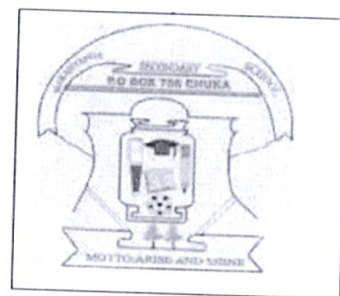
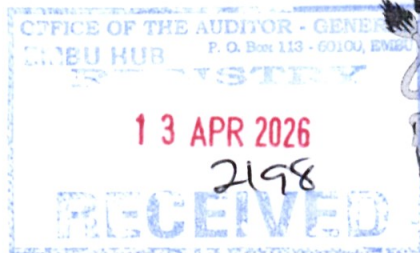
ON

PARLIAMENT
OF KENYA
LIBRARY

MAKANYANGA SECONDARY SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2023

THARAKA NITHI COUNTY



MAKANYANGA 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)

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

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1. Acronyms and Glossary of Terms

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

2. Key School Information and Management

(a) Background information

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is in **Tharaka Nithi** County, **Igambang'ombe** Sub-County.

The school was registered on **26/05/2014** under registration number **PU/S/2/9347/14** and is currently categorized as a **Sub-county** public school established, owned and operated by the Government.

The school is a **Day and Boarding** school and had **248** number of students as at **30th June 2023**. It has **2** stream and **13** teachers of which **4** 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	EDDAH GACHUKIA	Chairman	1 ST JULY 2022
2	RUGURU F. MUTEMBEI	Secretary - Principal	1 ST JULY 2022
3	CHARLES KAJATA	Member	1 ST JULY 2022
4	NAOMI MAKEMBO	Member	1 ST JULY 2022
5	ALEX KIMATHI	Member	1 ST JULY 2022
6	AGNES GAKERI	Members - Sponsor	1 ST JULY 2022
7	COLOMBA KABURI	Member – Rep CEB	1 ST JULY 2022
8	KAGIMBI F. KARIUKI	Member Rep Teachers	1 ST JULY 2022
9	LOSCO MUTWIRI	Members - Sponsor	1 ST JULY 2022
10	ISAIAH KIRIMI	Members – PTA Chairperson	1 ST JULY 2022
11	RAPHAEL MWINDI	Member – Special needs	1 ST JULY 2022
12	FRANKLIN NJABAN	Member – Sponsor	1 ST JULY 2022
13	JEDIDAH MAITI	Member – Students	1 ST JULY 2022
14	CHARLES KINYUA	Member	1 ST JULY 2022
15	FREDRICK MUGAMBI	Member	1 ST JULY 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	1. JASPER NDEKE 2. RUGURU F. MUTEMBEI 3. ISALIAH KIRIMI 4. PATRICK NGICHURU 5. EDDAH GACHUKIA	CHAIRMAN SEC/PRINCIPAL MEMBER MEMBER MEMBER	
2	Audit Committee	1. NATHAN MWITI MAJAU 2. EDDAH GACHUKIA 3. ISALIAH KIRIMI 4. EUNICE KABURI 5. MUTWIRI NJOKA	CHAIRMAN SECRETARY MEMBER MEMBER MEMBER	
3	Finance,procurement and general purposes Committee			
4	Academic Committee	1. FRANKLINE NJUE 2. JULIA NJIRU 3. LAWRENCE RIUNGU 4. IDAH WANJA	CHAIRMAN MEMBER MEMBER MEMBER	

MAKANYANGA SECONDARY SCHOOL

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

5	Development Committee	1. JASPER NDEKE 2. IGNATIUS MUGAMBI 3. ANGELA K. NYAGA 4. RUGURU F. MUTEMBEI 5. KIGIMBI F. KARIUKI 6. ISAIAH KIRIMI 7. DANIELWARUINGI	CHAIRMAN MEMBER MEMBER MEMBER MEMBER	
6	Discipline and welfare Committee	1. GILBERT MUGAMBI 2. ELIPHAS MIRITI 3. ALI GITARI 4. EDWARD RIUNGU 5. MAGDALENE MIRIKO	CHAIRMAN MEMBER MEMBER MEMBER SECRETARY	
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	RUGURU F. MUTEMBEI	TSC No: 305809
2	Deputy Principal	KAGIMBI F. KARIUKI	TSC No: 357127
3	School Bursar	JACKLINE KATHURE	ICPAK No: N/A

(e) Schools contacts

Post Office Box : 756-60400 CHUKA
Telephone :
E-mail : makanyangasecondaryschool6@gmail.com
Website :
Facebook :
Twitter :

(f) School Bankers

1. TUITION ACCOUNT

Name of Bank : CO-OPERATIVE BANK
Branch : CHUKA
Account Number : 01139057838400

2. OPERATIONS ACCOUNT

Name of Bank : CO-OPERATIVE BANK
Branch : CHUKA
Account Number : 01139057838401

3. NG-CDF ACCOUNT

Name of Bank :
Branch : N/A
Account Number :

4. SCHOOL FUND ACCOUNT

Name of Bank : EQUITY BANK
Branch : CHUKA
Account Number : 01134057838400

5. INFRASTRUCTURE ACCOUNT

Name of Bank : CO-OPERATIVE BANK
Branch : CHUKA
Account Number : 01139057838402

(g) Independent Auditors

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

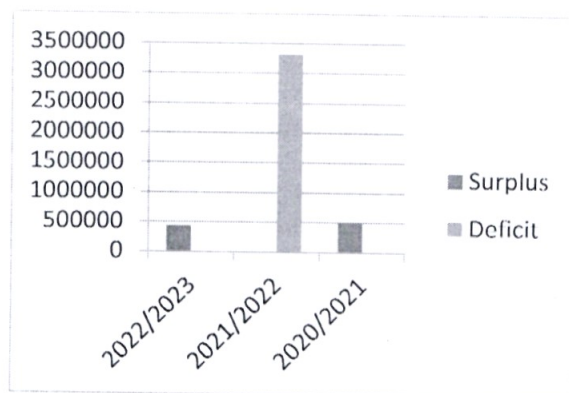
3. Summary Report of Performance of The School

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

a) Financial performance:

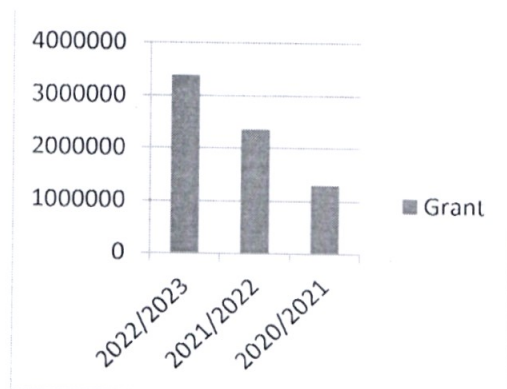
Surplus/Deficit for the year

YEAR	2022/2023	2021/2022	2020/2021
Surplus			1513464.00
Deficit	2722207.75	456703.00	



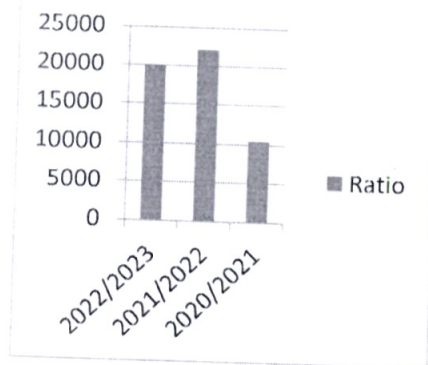
b) Capitation Grants from the Ministry of Education for the last three years

YEAR	2022/2023	2021/2022	2020/2021
Grant	4318912.25	4855718.00	2759614.00



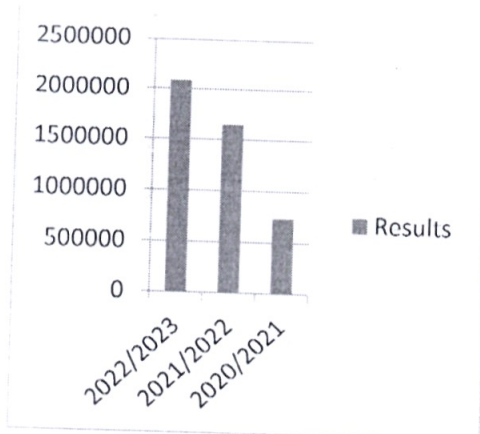
c) Ratio of capitation grant per student over the last three years

YEAR	2022/2023	2021/2022	2020/2021
Ratio	1:16484.40	1:16404.40	1:9323.02



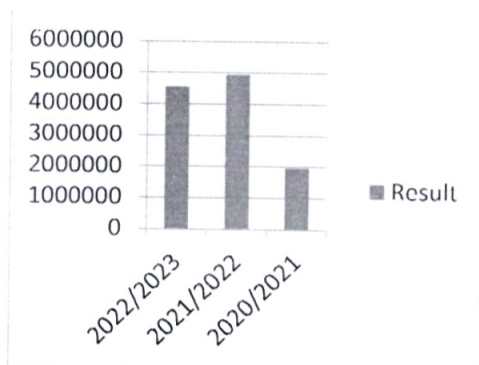
d) A three year overview of growth of other incomes earned by the school

YEAR	2022/2023	2021/2022	2020/2021
Results	6143766.00	7191821.00	6020165.00



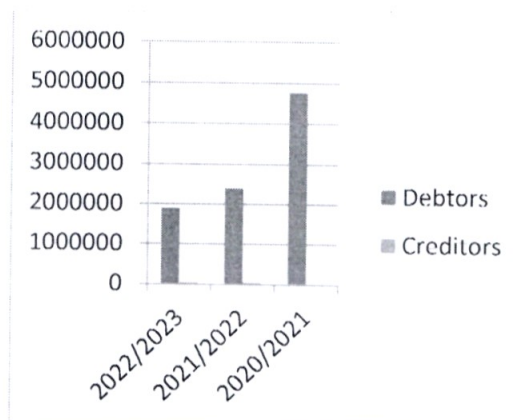
e) A three year overview of Expenditure of the school

YEAR	2022/2023	2021/2022	2020/2021
Result	11627110.00	10659948.00	6935485.00



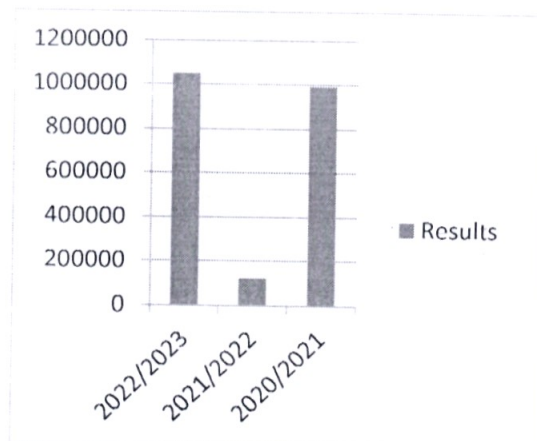
f) Movement of creditors and debtors of the school over the last three years

YEAR	2022/2023	2021/2022	2020/2021
Debtors	3578445.00	5136221.00	5021969.00
Creditors	1361000.00	855888.00	1902480.00



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

YEAR	2022/2023	2021/2022	2020/2021
Results	16577.56	688797.00	462050.00



h) Teacher Student ratio: 1:21

Staff establishment

S/No	NAME	EMPLOYER	SUBJECT
1.	RUGURU F. MUTEMBEI	TSC	DOUBLE MATHS
2.	KAGIMBI F. KARIUKI	TSC	HIS/KISW
3.	JACKIM MURIUKI	TSC	MATHS/PHY
4.	CHEPKWEMOI ISABELLA	TSC	BIO/CHEM
5.	ANTHONY KINYUA	TSC	KISW/HIST
6.	CHIMBA N MURITHI	TSC	GEO/BST
7.	KIURA M MOSES	TSC	BIO/CHEM
8.	JOANA D KITHAKA	TSC	AGR/BIO
9.	DOREEN MAKENA NDEKE	TSC	KISW/CRE
10.	DAMARIS NKIROTE KITHINJI	TSC	ENG/LIT
11.	KITHAKA MERCY NYAKIO	BOM	ENG/LIT
12.	SHADRACK MASILA	BOM	MATH/CHEM
13.	MICHAEL GITONGA	BOM	MATH/BST
14.	TIMOTHY MURIUKI	BOM	MATH/PHY

i) Mean score for the last three years

YEAR	2022	2021	2020
MEANSCORE	2.900	2.643	2.763

j) Number of Candidates for the last three years

YEAR	2022	2021	2020
CANDIDATES	70	56	76

k) Capacity of the school:

Boys	137
Girls	125
TOTAL	262

l) Physical facilities

Amenity	Unit	Capacity	Shortfall
Classrooms	10	262	-
Science laboratory	1	262	2
Computer laboratory	-	-	1
Office	1	17	-
Library	-	-	1
Dining hall	1	-	-
Toilets	24	279	-
Dormitories	3	262	-

Development projects carried out by the school:

Projects	Source of funds	Status	Amount Spent (Kshs)	Expected completion time
Classrooms construction	MOEST	Completed	1000000.00	2024 December

.....
School Principal

4. Statement of School Management Responsibility

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

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

The Board of Management of *Makanyanga Secondary School* accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

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

Sign.....

Name: **CHARITY WILLIAM (MS)**

Designation: Chairman, School Board of Management

Date: 11/4/2020

Sign.....

Name: **JELITHA KAWIRA (MRS)**

Designation: School Principal & Secretary to Board of Management

Date: 11/4/2020

Sign.....

Name: **MUNENE FRED**

Designation: Bursar/ Finance Officer

Date: 11/4/2020

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 MAKANYANGA SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 – THARAKA NITHI 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 Makanyanga Secondary School set out on pages 1 to 22, which comprise of the statement of assets and liabilities as at 30 June, 2023 and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the year then ended, and a summary

Report of the Auditor-General on Makanyanga Secondary School for the year ended 30 June, 2023 - Tharaka Nithi County

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 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 Makanyanga Secondary School as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Accuracy and Presentation of the Financial Statements

Audit review of the financial statements presented for audit revealed the following anomalies;

- i. The statement of budgeted versus actual amounts reflects actual total receipts of Kshs.8,350,902. However, the statement of cashflows under cash flows from operating activities reflects total receipts of Kshs.10,462,678 resulting to an unexplained variance of Kshs.2,111,776.
- ii. The statement of budgeted versus actual amounts reflects actual total expenditure of Kshs.10,103,110. However, the statement of cashflows under cash flows from operating activities reflects total payments of Kshs.11,134,898 resulting to an unexplained variance of Kshs.1,031,788.
- iii. The financial statements were irregularly approved and signed by a non – employee designated as the bursar/finance officer of the Board of Management of the School.
- iv. Casting down the Notes to the financial statements against the supporting ledgers revealed unreconciled variances as detailed in **Appendix I**.

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

2. Unsupported Accounts Receivable

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.3,578,445 as disclosed in Note 13 to the financial statements. However, the supporting schedules, detailed aging analysis and issued invoices were not provided for audit review.

In the circumstances, the accuracy and completeness of the accounts receivable balance of Kshs.3,578,445 could not be confirmed.

3. Unsupported Payables

The statement of assets and liabilities reflects payables balance of Kshs.1,361,000 as disclosed in Note 14 to the financial statements. However, a detailed ageing analysis of trade and other payables detailing the suppliers' information, invoice details, ageing categories and references numbers such as local purchase orders and local service orders were not provided for audit. Further, included in the balance are accounts payables balance of Kshs.1,361,000 that had been outstanding for more than one (1) year, and risk of loss of public funds through litigations, interests and penalties. This was contrary to Regulation 42(1)(a) of the Public Finance Management (National Government) Regulations, 2015 which states that, 'service payments shall be a first charge on the Consolidated Fund and the Accounting Officer shall ensure this is done to the extent possible that the government does not default on debt obligations.

In the circumstances, the accuracy, existence and completeness of payables balance of Kshs.1,361,000 could not be confirmed. Further, Management was in breach of the law.

4. Unsupported Cash and Cash Equivalents Balance

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.16,577 as disclosed in Notes 10 and 11 to the financial statements. However, the cashbook and bank reconciliation for one (1) account was not provided for audit. In addition, the balance excluded one account held at cooperative bank. Further, the cash survey report for the month of June, 2023 was not provided to confirm the cash balance of Kshs.10,430 reflected in the financial statement.

In the circumstances, the accuracy, completeness and existence of cash and cash equivalents balance of Kshs.16,577 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.9,413,680 and Kshs.8,350,902 respectively, resulting in an under-funding of Kshs.1,062,778 or 11 % of the budget. Similarly, the School spent Kshs.10,103,110 against actual receipts amount of Kshs.8,350,902 resulting in an unrealistic over-utilization of Kshs.1,752,208 or 21% of the actual receipts.

The under-funding and over-utilization resulting from an unrealistic budget estimate may have impacted negatively on the planned activities and service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Submission of the Financial Statements

During the year under review, Management submitted the financial statements to the Auditor-General on 24 July, 2025 instead of the statutory deadline of 30 September, 2023. This was contrary to Section 68 (2)(k) of the Public Finance Management Act 2012 which

states that an accounting officer shall prepare annual financial statements for each financial year within three months after the end of the financial year, and submit them to the Controller of Budget and the Auditor-General for audit

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

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

The statement of financial performance reflects total payments amount of Kshs.11,627,110. Included in the expenditure is an amount of Kshs.226,895 transferred to Kenya Secondary School Heads Association (KESSHA) as shown below. 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.226,895 could not be confirmed.

3. Unconfirmed Students Enrolment Data

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations totalling Kshs.4,318,912 comparison of data from National Education Management and information System (NEMIS) with records from the County Director of Education revealed that during the financial year, NEMIS reflected two hundred and sixty-two (262) students while records from the County Director of Education had two hundred and forty-eight (248) students, resulting in an expected under-funding by fourteen (14) students each expected to receive Kshs.22,244 totaling to Kshs.311,416. This was contrary to the Ministry of Education Circular MOE.HQS/3/10/18/(112) dated 15 November, 2022 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

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

4. Excess Supply of Books

During the period under review, the Ministry of Education distributed textbooks to public secondary schools through Kenya Institute of Curriculum Development (KICD). Examination of records revealed that the Institute distributed one hundred and eighty-seven (187) excess books to the School. However, the unexplained excess text books remained un-issued to the students at the time of the audit in March 2026.

In the circumstances, value for money on the excess one hundred and eighty-seven (187) books could not be confirmed.

5. Failure to Prepare a School Improvement Plan

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

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

6. Failure to Transfer Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.3,505,398 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. However, no money was transferred to infrastructure account as at 30 June, 2023. This was contrary to The Ministry of Education Circular Ref. No: MOE.HQS/3/10/18/ (112) dated 15 November, 2022, which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

7. Failure to Submit for Approval the Estimates of Revenue and Expenditure

Audit review revealed that the School Management failed to submit estimates of revenue and expenditure for approval to the Cabinet Secretary of Education in the manner and format issued by the Cabinet Secretary, contrary to provisions of Section 16(1) and (2) of the Basic Education Act, 2013. Therefore, by operating without an approved budget, the institution is in breach of the Basic Education Act, 2013.

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

8. 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.

9. Irregular Recruitment of Board of Management Staff

Review of the documents provided for audit revealed that the School had eight (8) non-teaching staff. However, the staff establishment, advertisement for the positions, employment contracts, short listing and records of interviews conducted were not

Report of the Auditor-General on Makanyanga Secondary School for the year ended 30 June, 2023 -Tharaka Nithi County

provided for audit review. In addition, the Board of Management failed to employ a school bursar or finance officer, which is a critical role in financial management in the school. This was contrary to Article 232(g) of the constitution 2010 which requires fair competition and merit as the basis of appointments and promotions in the public service.

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. Lack of Internal Audit Function and Audit Committee

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

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

2. Weaknesses in the Board of Management

Review of records revealed that the Board of Management and its respective committees failed to convene any meeting during the financial year under review contrary to Paragraph A2 of the Circular Ref. No OP/CAB.9/1A from the Head of Public Service dated 11 March, 2020 which stipulates that Board meetings shall be restricted to a minimum of four and capped at a maximum of six for each financial year, and in addition, the same principle shall apply to respective Committees of the Boards.

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

3. Weaknesses in Management of Assets

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.22,000,000. However, the assets including desk top computers, office desks, tables, office cabinets and chairs were not tagged. In addition, there is no evidence that the management of the school had insured the buildings with a value of Kshs.14,800,000 as required by law. Therefore, the buildings could be exposed to the risk of loss in case of fire, riots or damages.

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

4. Weaknesses in ICT Controls

An assessment of the IT environment across the school revealed multiple critical weaknesses indicating inadequate ICT governance, data protection, and systems control. The following shortcomings were observed:

- i. The School has a system used to record income. However, during the audit period, this system was not accessible and verifiable.
- ii. There is no formally approved ICT policy to guide the development, deployment, use, and management of ICT resources within the entity.
- iii. Staff use personal email (Gmail) addresses for official communication, which undermines data security and organizational accountability.
- iv. The entity lacks a documented data protection policy to ensure that the collection, handling, storage, and sharing of data comply with legal and regulatory data protection requirements.
- v. There is no centralized and updated ICT asset register to track, manage, or safeguard ICT infrastructure and equipment.
- vi. There is no formalized data backup process, exposing the entity to the risk of data loss in the event of system failure, cyberattack, or accidental deletion.
- vii. No disaster recovery plan, in the absence of a disaster recovery plan, the entity lacks the capacity to restore operations promptly following system disruptions or disasters.

In the circumstances, the efficiency in the use of IT within the School could not be confirmed.

5. Weak Controls in Inventory Management

Note 19 of the financial statements under other important disclosure Notes disclosed an inventory closing balance of Kshs.1,072,890. However, the stock take report in support of the balance was not provided for audit review. In addition, Management uses the manual stores ledgers to manage inventories instead of setting up an inventory management system to be managed by head of procurement function.

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

6. Long Outstanding Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.3,578,445 in respect of fees arrears as disclosed in Note 13 to the financial statements. Included in the balance is accounts receivable balance of Kshs.1,192,815 which had been outstanding for more than three (3) years. However, there was no detailed ageing analysis and policy on the impairment of long outstanding fees arrears casting doubt on full recoverability of the accounts receivables balance.

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

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

14 April, 2026

Appendix I

Unreconciled Variance Between the Financial Statements and the Supporting Schedules

Note to the Financial Statement	Financial Statement (Kshs.)	Supporting Schedule (Kshs.)	Variance (Kshs.)
Total Receipts	8,904,902	0	8,904,902
Note 5: Tuition Payments			
Exercise Books	309,248	180,000	129,248
Laboratory Equipment	212,716	400,000	- 187,284
Teaching / Learning Materials	196,190	105,000	91,190
Exams And Assessment	79,500	12,000	67,500
Teachers Guides	23,850	-	23,850
Bank Charges	1,320	1,320	
Stationery	-	105,000	
Note 6: Payments for Operations			
Personnel Emoluments	774,928	1,440,620	- 665,692
Administration Cost	522,854	416,441	106,413
Repairs And Maintenance & Improvements	541,000	56,700	484,300
Local Transport / Travelling	419,200	247,500	171,700
Electricity And Water	151,074	188,650	- 37,576
Medical	46,990	6,200	40,790
Activity Expenses	514,855	426,770	88,085
School Fund	-	676,640	- 676,640
Note 7: Payments for Infrastructure			

Note to the Financial Statement	Financial Statement (Kshs.)	Supporting Schedule (Kshs.)	Variance (Kshs.)
School Fund	-	151,460	- 151,460
Note 8: Payments for School Fund			
Personnel Emoluments	211,555	268,140	- 56,585
Repairs And Maintenance & Improvements	177,880	201,670	- 23,790
Local Transport / Travelling	116,880	-	116,880
Electricity And Water	85,150	-	85,150
Administration Costs	158,400	240,590	- 82,190
Fee On Boarding Equipment and Stores	6,075,505	4,129,653	1,945,852
Activity Expenses	-	244,808	- 244,808

MAKANYANGA SECONDARY SCHOOL

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

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

Description Of Vote Head	Note	2022/2023	2021/2022
		Kshs	Kshs
Receipts			
Government grants for tuition	1	813514.00	920627.00
Government grants for operations	2	3505398.25	3935091.00
Government Grants for infrastructure	3		7131821.00
School fund income- parents' contributions	4	4585990.00	60000.00
Miscellaneous incomes	5		
Total Receipts		8904902.25	12047539.00
Payments			
Tuition	6	822824.00	555770.00
Operations	7	2970901.00	2965470.00
Infrastructure	8	1008415.00	
Boarding and school fund	9	6824970.00	7138708.00
Total Payments		11627110.00	10659948.00
Surplus/Deficit		(2722207.75)	1387591.00

The school financial statements were approved on _____ 2026 and signed by:

Sign. 
Name: CHARITY WILLIAM
(M/S)

Chair BOM

Date: 11/4/26

Sign. 
Name: JELITHA KAWIRA(MRS)
School Principal/ Secretary to BOM

Date: 11/4/2020

Sign. 
Name: MUNENE FRED
Bursar/ Finance Officer

Date: 11/4/2020

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	6147.56	666582.31
Cash balances	11	10430.00	22215.00
Short term investments	12		
Total cash and cash equivalent		16577.56	688797.31
Accounts receivables	13	3578445.00	5136221.00
Total financial assets		3595022.56	5825018.31
Financial liabilities			
Accounts payables	14	(1361000.00)	868788.00
Net financial assets		2234022.56	4956230.31
Represented by			
Accumulated fund b/fwd	15	4956230.31	3581539.31
Surplus/deficit for the year		(2722207.75)	1374691.00
Net financial position		2234022.56	4956230.31

The school financial statements were approved on _____ 2026 and signed by:

Sign: 
Name: CHARITY WILLIAM
(M.O)

Chair BOM

Date: 11/4/2026

Sign: 
Name: JELITHA KAWIRA(MRS)

School Principal/ Secretary to BOM

Date: 11/4/2020

Sign: 
Name: MUNENE FRED

Bursar/ Finance Officer

Date: 11/4/2020

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		813514.00	920627.00
Government grants for operations		3505398.25	3935091.00
Government grants for infrastructure			
School fund income- parents contributions/ fees		6143766.00	7017569.00
Other income			60000.00
Total receipts		10462678.25	11933287.00
Payments			
Cash outflows for tuition		822824.00	998820.00
Cash outflows for operations		2970901.00	3349102.00
Cash outflows for infrastructure		1008415.00	
Cash outflows Boarding/lunch and school fund payments		6332758.00	7358618.00
Total payments		11134898.00	11706540.00
Net cash inflow/outflow from operating activities		(672219.75)	226747.00
Cash flow from investing activities			
Acquisition of assets			
Proceeds from sale of Assets			
Proceeds from investments			
Purchase of investments			
Net cash inflow/outflows from investing activities			
Cash flow from Financing activities			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
Net cash inflow/outflow from financing activities			
Net increase/decrease in cash and cash equivalents		(672219.75)	226747.00
Cash and cash equivalent at beginning of the FY		688797.31	462050.31
Cash and cash equivalent at end of the FY		16577.56	688797.31

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

MAKANYANGA SECONDARY SCHOOL

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

The school financial statements were approved on _____ 2026 and signed by:

Sign. 
Name: CHARITY WILLIAM
(M)

Chair BOM

Date: 11/4/26

Sign. 
Name: JELITHA KAWIRA(MRS)

School Principal/ Secretary to BOM

Date: 11/4/2020

Sign. 
Name: MUNENE FRED

Bursar/ Finance Officer

Date: 11/4/2020

MAKANYANGA SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023
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					
<i>(1) Capitation Grant on Tuition</i>					
Reference materials/Teachers Guides	30580.00		30580.00	23730.00	77.59%
Exercise Books	324500.00		324500.00	298864.00	92.09%
Laboratory Equipment	250800.00		250800.00	219795.00	87.63%
Internal Exams	90200.00		90200.00	68461.00	75.89%
Teaching / Learning Materials	215600.00		215600.00	202664.00	94.00%
<i>(2) Capitation Grant on Operations</i>					
Personnel Emoluments	814000.00		814000.00	716134.00	87.97%
Repairs And Maintenance	1100000.00		1100000.00	825000.00	75.00%
Local Transport / Travelling	609400.00		609400.00	519208.00	85.19%
Electricity And Water	231000.00		231000.00	183876.00	79.60%
Medical	66000.00		66000.00	52206.00	79.10%
Administration Costs	556600.00		556600.00	634224.25	113.94%
Activity	605000.00		605000.00	574750.00	95.00%
Gratuity					
<i>3) FDSE for infrastructure</i>					
Maintenance & Improvement MoE					
M&I parents' contribution					
Economic Stimulus Programs					
Transition Infrastructure Grants					
Administration Block					

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	A	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
(4) Fees Charged on Parents					
Personnel Emoluments	240000.00		240000.00	199920.00	83.30%
Repairs And Maintenance	180000.00		180000.00	168120.00	93.40%
Local Transport / Travelling	120000.00		120000.00	102240.00	85.20%
Electricity And Water	96000.00		96000.00	77280.00	80.50%
Medical					
Administration Costs	144000.00		144000.00	134065.00	93.10%
Activity					
SMASSE					
Fee On Boarding Equipment and Stores	3740000.00		3740000.00	3350065.00	89.57%
(5) Miscellaneous Income					
Loans / Borrowing					
Rent income					
Income From Farming Activities					
Insurance Compensation					
Income From Posho Mill					
Income From Bus Hire					
Fee For Hire of Ground and Equipment					
Interest Income					
Income From Any Other Investment					
Total Income	9413680.00		9413680.00	8350902.25	88.71%
(6) Expenditure For Tuition					
Textbooks					
Reference Materials					
Exercise Books	324500.00		324500.00	309248.00	95.29%
Laboratory Equipment	250800.00		250800.00	212716.00	84.81%
Internal Exams	90200.00		90200.00	79500.00	88.13%
Teaching / Learning Materials	215600.00		215600.00	196190.00	99.99%
Chalks					

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	A	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Exams And Assessment					
Teachers Guides	30580.00		30580.00	23850.00	77.99%
Administration Costs					
Bank Charges					
<i>(7) Expenditure For Operations</i>					
Personnel Emoluments	814000.00		814000.00	774928.00	95.20%
Repairs, Maintenance & Improvements	1100000.00		1100000.00	1386415.00	126.03%
Local Transport / Travelling	609400.00		609400.00	419200.00	68.78%
Electricity, Water and Conservancy	231000.00		231000.00	151074.00	65.40%
Medical	66000.00		66000.00	46990.00	71.19%
Administration Costs	556600.00		556600.00	522854.00	93.93%
Activity Expenses	605000.00		605000.00	514855.00	85.10%
Gratuity					
SMASSE					
<i>(8) Expenditure For infrastructure</i>					
Construction of classrooms					
Construction of LAB					
Construction of DORMS					
Purchase of furniture					
Purchase of equipment					
Purchase of machinery					
<i>(9) Expenditure For school fund/lunch/boarding</i>					
Personnel Emoluments	240000.00		240000.00	211555.00	88.14%
Repairs, Maintenance and Improvements	180000.00		180000.00	177480.00	98.60%
Local Transport / Travelling	120000.00		120000.00	116880.00	97.40%

MAKANYANGA SECONDARY SCHOOL

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	A	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Electricity, Water and Conservancy	96000.00		96000.00	85150.00	88.69%
Medical Expenses					
Administration Costs	144000.00		144000.00	158400.00	110.00%
Activity					
Gratuity					
Lunch Programme					
Boarding Equipment and Stores	3740000.00		3740000.00	4714505.00	126.05%
Expenditure For Income Generating Activity					
Insurance Costs					
Other Expenses On Investments					
Rent Expenses					
Bank Charges					
Loan Interest Repayment					
Loan Principal Repayment					
Acquisition Of Assets					
Totals	9413680.00		9413680.00	10103110.00	107.32%

Commentary on significant underutilization (below 90% of utilization) or overutilization above 100%]

- i. **Underutilization:** No serious underutilization was noted but few that occurred were caused by low enrolment against the targets of 220 learners.
- ii. **Overutilization:** No major of this was realized except in Boarding, Equipments & Stores vote-head as a result of utilization of funds collected from yr. 2021/2022 debtors.

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.

2. 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.

3. 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.

4. 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.

5. 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.

6. 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

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

11. Notes to the Financial Statements

RECEIPTS

Government Grants for Tuition

Description	2022/2023	2021/2022
	Kshs	Kshs
Reference Materials/Teachers guides	23730.00	
Exercise Books	298864.00	320900.00
Laboratory Equipment	219795.00	229800.00
Internal Exams	68461.00	37800.00
Teaching / Learning Materials	202664.00	120200.00
Stationeries		211927.00
Total	813514.00	920627.00

1 Government Grants for Operations

Description	2022/2023	2021/2022
	Kshs	Kshs
Personnel Emoluments	716134.00	1800000.00
Repairs And Maintenance	825000.00	1100000.00
Local Transport / Travelling	519208.00	160500.00
Electricity And Water	183876.00	200900.00
Medical	52206.00	
Administration Costs	634224.25	648691.00
Activity	574750.00	25000.00
Total	3505398.25	3935091.00

MAKANYANGA SECONDARY SCHOOL

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

2 Government Grants for infrastructure

Description	2022/2023	2021/2022
	Kshs	Kshs
Maintenance & Improvement		
Transition infrastructure grants		
Administration Block		
Economic stimulus grants		
NG-CDF		
Others: i)		
ii)		
Total		

3 School Fund Income - Parents Contribution/Fees

Description	2022/2023	2021/2022
	Kshs	Kshs
Personnel emoluments	199920.00	409280.00
Repairs and maintenance	168120.00	
Local transport / travelling	102240.00	
Electricity and water	77280.00	356950.00
Lunch programme		5795407.00
Medical		
Administration costs	134065.00	570184.00
Activity		
Fee on Boarding Equipment and stores	3904365.00	
Total	4585990.00	7131821.00

MAKANYANGA SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2023****4 Miscellaneous Incomes**

Description	2022/2023	2021/2022
	Kshs	Kshs
Fee on Boarding Equipment and Stores		
Rent Income		
Income From Farming Activities		60000.00
Insurance Compensation		
Income From Posho Mill		
Income From Bus Hire		
Fee For Hire of Ground and Equipment		
Income From Grants and Donations		
Interest Income		
Dividends Income		
Loans/Borrowings		
Total		60000.00

Notes to the Financial Statements (continued)**5 Payments Tuition**

Description	2022/2023	2021/2022
	Kshs	Kshs
Exercise Books	309248.00	
Textbooks		
Reference materials		
Laboratory Equipment	212716.00	400000.00
Teaching / Learning Materials	196190.00	10000.00
Exams And Assessment	79500.00	
Teachers Guides	23850.00	
Stationeries		144450.00
Bank Charges	1320.00	1320.00
Total	822824.00	555770.00

MAKANYANGA SECONDARY SCHOOL

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

6 Payments for Operations

Description	2022/2023	2021/2022
	Kshs	Kshs
Personnel Emoluments	774928.00	1621765.00
Service Gratuity		
Administration Cost	522854.00	669540.00
Repairs And Maintenance & Improvements	541000.00	314100.00
Local Transport / Travelling	419200.00	145500.00
Electricity And Water	151074.00	194200.00
Medical	46990.00	
Activity Expenses	514855.00	18085.00
Insurance Cost		
Bank charges		2280.00
Total	2970901.00	2965470.00

7 Payments for Infrastructure

Description	2022/2023	2021/2022
	Kshs	Kshs
Construction of classrooms	845415.00	
Construction of laboratory		
Construction of dormitory		
Purchase of furniture		
Purchase of equipment		
Purchase of apparatus		
Drilling of Boreholes		
Administration Costs	163000.00	
Total	1008415.00	

MAKANYANGA SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2023****Notes to the Financial Statements****8 Payments for Boarding and School Fund**

Description	2022/2023	2021/2022
	Kshs	Kshs
Personnel Emoluments	211555.00	295510.00
Service Gratuity		10000.00
Repairs And Maintenance & Improvements	177480.00	191750.00
Local Transport / Travelling	116880.00	240600.00
Electricity And Water	85150.00	254905.00
Medical Expenses		11165.00
Administration Costs	158400.00	1374420.00
Lunch Programme		4693678.00
Bank Charges		8530.00
Expenses On Income Generating Activities		54350.00
Activities		3800.00
Fee On Boarding Equipment and Stores	6075505.00	
Rent Expenses		
Insurance Cost (<i>Life Property</i>)		
Loan Principal Repayment		
Loan Interest Repayment		
Acquisition Of Assets		
PA expenses		
Total	6824970.00	7138708.00

MAKANYANGA SECONDARY SCHOOL

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

Notes to the Financial Statements

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2022/2023	2021/2022
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	01139057838400	4429.80	13739.80
Operations Account	Active	01139057838401	131.30	14723.05
School Fund Account/Boarding	Active	01134057838400	478.46	27136.46
Savings Account				
Parent Association Development Account				
Income Generating Activities Account				
Infrastructural Account	Active	01139057838402	1108.00	610983.00
Total			6147.56	666582.31

11 Cash In Hand

Description	2022/2023	2021/2022
	Kshs	Kshs
Notes and Coins	10430.00	22215.000
Total	10430.00	22215.00

12 Short Term Investments

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

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

Notes to the Financial Statements (continued)

13 Accounts Receivable

Description	2022/2023	2021/2022
	Kshs	Kshs
Fees Arrears	3578445.00	5136221.00
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)		
Imprest (list/schedule attached)		
Rent arrears (list/schedule attached)		
Total	3578445.00	5136221.00

13 b Ageing Analysis of Accounts Receivable

Description	2022/2023	% of the total	2021/2022	% of the total
	Kshs		Kshs	
Less than 1 year				
Between 1- 2 years	1491020.00	41.66%		
Between 2-3 years	894610.00	24.99%		
Over 3 years	1192815.00	33.35%		
Total (note 13 a)	3578445.00	100%		

14 Accounts Payable

Description	2022/2023	2021/2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	1361000.00	855888.00
Prepaid Fees		
Retention Monies		
Unpaid salaries and statutory deductions		
Caution money		
Other payables		
Total	1361000.00	855888.00

MAKANYANGA SECONDARY SCHOOL

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

Notes to the Financial Statements

14. Ageing Analysis of Accounts Payable

Description	2022/2023	% of the total	2021/2022	% of the total
	Kshs.		Kshs.	
Less than 1 year				
Between 1- 2 years	1361000.00	100%		
Between 2-3 years				
Over 3 years				
Total (note 14)	1361000.00	100%		

15 Fund Balance Brought Forward

Description	2022/2023	2021/2022
	Kshs	Kshs
Bank Balances	666582.00	459463.00
Cash Balances	22215.00	2587.00
Short Term Investments		0
Receivables	5136221.00	5021969.00
Payables	(868788.00)	(1902480.00)
Total	4956230.00	3581539.00

MAKANYANGA SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2023****Other important disclosure notes**

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

16 Non-current Liabilities Summary

Description	2022/2023	2021/2022
	Kshs	Kshs
Bank Loans		
Outstanding Leases		
Hire Purchase		
Gratuity And Leave Provision		
Others:		
Total		

17 Biological assets

Description	Numbers	2022/2023	2021/2022
		Kshs	Kshs
Cattle	3	90000.00	150000.00
Goats	16	112000.00	160000.00
Trees	100	200000.00	200000.00
Coffee Or Tea Plantation			
Poultry			
Banana plantation			
Donkeys	1	30000.00	30000
Total		432000.00	540000.00

18 Borrowings

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

MAKANYANGA SECONDARY SCHOOL

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

Other important disclosure notes

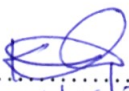
1. Stock/ Inventory

Description	2022/2023	2021/2022
	Kshs	Kshs
Food stuffs	820500.00	
Lab consumables	122740.00	
Farm produce		
Medication		
Construction Materials		
Stationery	129650.00	
Total	1072890.00	

Progress On Follow Up Of Auditor Recommendations

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

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

Sign 
 Date 11/11/2020
 Principal

PRINCIPAL
 MAKANYANGA SECONDARY SCHOOL
 P. O. Box 756 CHUKA
 Date: _____ Sign: _____

MAKANYANGA SECONDARY SCHOOL

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

12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs		
1. Software for schools	172000.00	2020	(172000.00)		100000.00	
2. Chuka Laboratory	599110.00	2021	(599110.00)		599110.00	
3. Deprimu General Supplies	362900.00	2021	(362900.00)		12900.00	
4. Elias Murithi Kirimo	22230.00	2023	(22230.00)	200500.00	22230.00	
5. Highmark Services	10000.00	2022	(10000.00)		10000.00	
6. Staff Salaried deductions	46368.00	2022	(46368.00)		46368.00	
7. Gervasio Kiura	65280.00	2023	(65280.00)	58000.00	65280.00	
8. Classic Food Store	915000.00	2023		915000.00		
9. Grace Wance	187500.00	2023				
Sub-Total	2380388.00		1277888.00	1361000.00	855888.00	
Grand-Total	2380388.00		1277888.00	1361000.00	855888.00	

Annex 2 – Summary of Fixed Assets Register

Asset Class	STATUS Old/New	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 2023
Land	Old	1500000.00			1500000.00
Buildings And Structures	Old	14800000.00			14800000.00
Motor Vehicles					
Office Equipment, Furniture And Fittings	Old	500000.00			500000.00
Textbooks	Old	5000000.00			5000000.00
ICT Equipment	Old	200000.00			200000.00
Tools And Apparatus					
Other Machinery And Equipment					
Heritage And Cultural Assets					
Intangible Assets- Soft Ware					
Total		22000000.00			22000000.00

