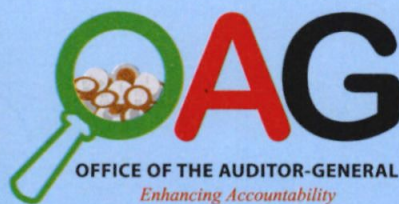


REPUBLIC OF KENYA



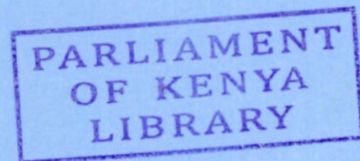
REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability



REPORT



OF

THE AUDITOR-GENERAL

ON

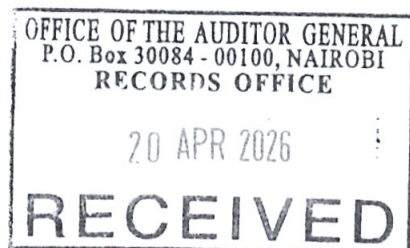
MCK KISIMA 78 SECONDARY SCHOOL

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

ISIOLO COUNTY

	
THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 29 JUL 2026	DAY: WED.
TABLED BY:	Hon. Robert Pukuso
CLERK-AT THE-TABLE:	J. Kamukoko

Revised 30th June 2023.



MCK KISIMA 78 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)

MCK KISIMA 78 SECONDARY SCHOOL

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

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

(Provide the names of the various committees of the Board established by the Board and the names of the committee members):

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1.Peter Majau 2.Jacinta Mwende 3.Agostino Loreng 4.Mary Lokom 5.Ann Kimaita	Chairman Secretary Member Member Member	01 out of 03 01 out of 03 01 out of 03 01 out of 03 01 out of 03
2	Audit Committee	1.Amina Isack 2.Fred Maingi 3.Flavia Ekamais 4.Muriuki K. Denis 5.Stanford Mwangi	Chairman Secretary Member Member Member	0 out of 03 0 out of 03 0 out of 03 0 out of 03 0 out of 03
3	Finance,procurement and general purposes Committee	1.Peter Majau 2.Agostino Loreng 3.Mary Lokom 4.Amina Isack 5.Joseph Ekarar	Chairman Secretary Member Member Member	0 out of 03 0 out of 03 0 out of 03 0 out of 03 0 out of 03
4	Academic Committee	1.Peter Majau 2.Jacinta Mwende 3.Agostino Loreng	Chairman Secretary Member	01 out of 03 01 out of 03 01 out of 03

MCK KISIMA 78 SECONDARY SCHOOL

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

		4.Stanford Mwangi 5.Ann Kimaita 6.Peter Lesh	Member Member Member	01 out of 03 01 out of 03 01 out of 03
5	Development Committee	1.Happi Adan 2.Peter Lesh 3.Peter Majau 4.Augostino Loreng 5.Chucha Hassan	Chairman Secretary Member Member Member	0 out of 03 0 out of 03 0 out of 03 0 out of 03 0 out of 03
6	Discipline and welfare Committee	1.Peter Majau 2.Joseph Ekanan 3.Fred Maingi 4.Flavia Ekamais 5.Ann Kimaita	Chairman Secretary Member Member Member	0 out of 03 0 out of 03 0 out of 03 0 out of 03 0 out of 03
7	Adhoc Committee (if any during the year)	1.Peter Majau 2.Jacinta Mwende 3.Agostino Loreng 4.Mary Lokom 5.Ann Kimaita	Chairman Secretary Member Member Member	0 out of 03 0 out of 03 0 out of 03 0 out of 03 0 out of 03

MCK KISIMA 78 SECONDARY SCHOOL

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

(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	Jacinta Mwende Mbiinzi	TSC No. 374857
2	Deputy Principal	Julius Mathiu Mwiti	TSC No. 252642
3	School Bursar	Nicholas Chokera Kaluma	ID No. 31055191

(e) Schools contacts

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

(f) School Bankers

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

Name of Bank: KCB
Branch: ISIOLO
Account No. 1226237118

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

Name of Bank: Consolidated Bank
Branch: ISIOLO
Account No. 1203000215

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

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

(g) Independent Auditors

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

MCK KISIMA 78 SECONDARY SCHOOL

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

3. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

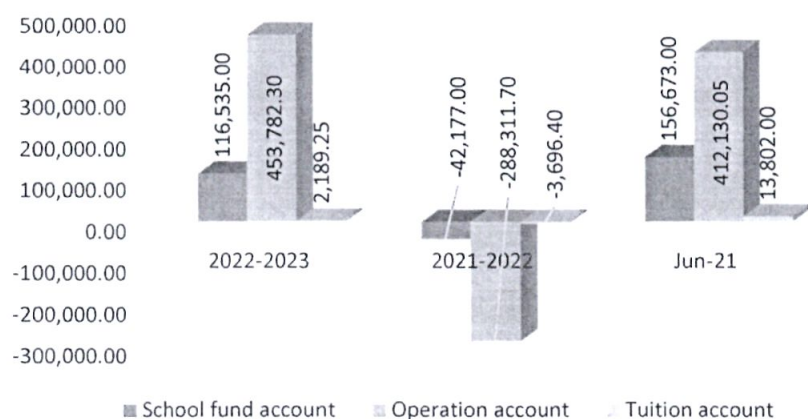
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) Financial performance:

Under this section, it reflects that the actual financial performance trend for the last three years between 1st January 2021 to 30th June 2023 while 30th June 2021 covers a period of 6 months and its summarized as follows:

SURPLUS/ DEFICIT FOR THE YEAR AND A COMPARISON OF THE SAME FOR THE LAST THREE YEARS				
S/N	ACCOUNTS	2022-2023	2021-2022	JUNE 2021
		KSHS	KSHS	KSHS
1.	School fund account	116,535.00	(42,177.00)	156,673.00
2.	Operation account	453,782.30	(288,311.70)	412,130.05
3.	Tuition account	2,189.25	(3,696.40)	13,802.00
	Total	572,506.55	(334,185.10)	582,605.05
	Increase/Decrease	238,321.45	248,419.95	343,015.05

Trend over the last three years



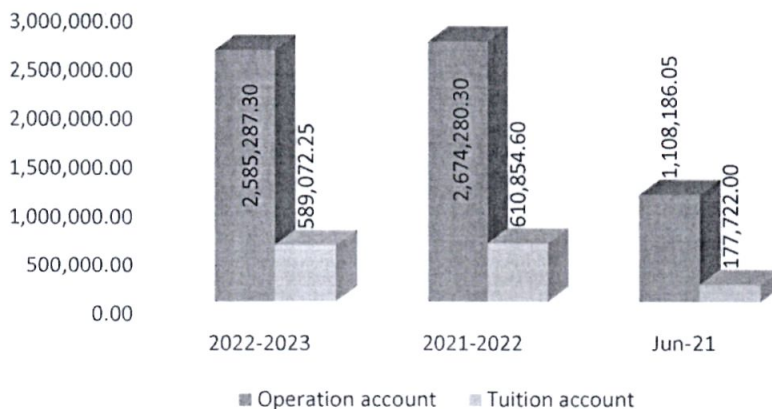
The surplus for the year 2022-2023 decreased by 334,185.10 since it was the deficit of year 2021-2022 leading to a decrease to 238,321.45 from surplus 572,506.55.

MCK KISIMA 78 SECONDARY SCHOOL

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

CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS				
S/N	ACCOUNTS	2022-2023	2021-2022	JUNE 2021
		KSHS	KSHS	KSHS
1.	Operation account	2,585,287.30	2,674,280.30	1,108,186.05
2.	Tuition account	589,072.25	610,854.60	177,722.00
3.	Total	3,174,359.55	3,285,134.90	1,285,908.05
	Increase/Decrease	(110,775.35)	1,999,226.85	(30,696.95)
	No. of students	211	204	189
	Ratio of capitation per student	1:15,044.36	1:16,025.05	1:6,803.75

Trend over the last three years



The total capitation grants for the year 2021-2022 was Kshs. 3,285,134.90 as compared to Kshs. 1,285,908.05 in the semi-annual year 1st January to 30th June 2021 representing a surplus of Kshs. 1,999,226.85 the net increase is mainly attributed by disbursement of capitation for term one, two and three based on different students' population.

The total capitation grants for the year 2022-2023 was Kshs. 3,174,359.55 as compared to Kshs. 3,285,134.90 in the year 2021-2022 representing a deficit of Kshs. 110,775.35 the net decrease is mainly attributed by disbursement of capitation for term one, two and three based on different students' population.

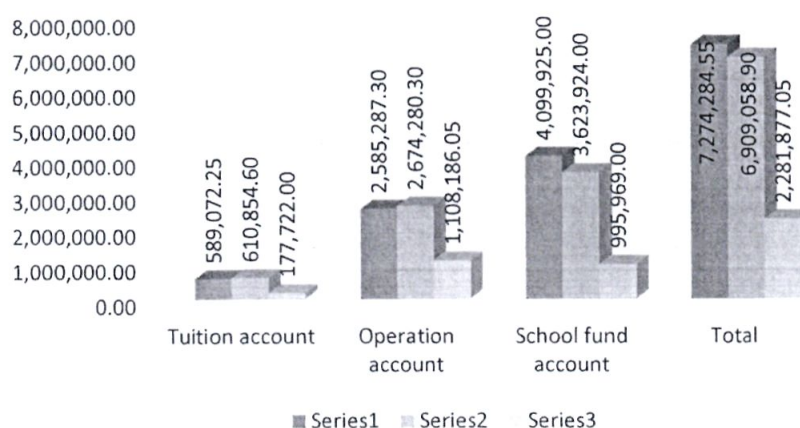
MCK KISIMA 78 SECONDARY SCHOOL

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

A THREE-YEAR OVERVIEW OF GROWTH OF OTHER INCOME(S) EARNED BY THE SCHOOL.

S/N	ACCOUNTS	2022-2023	2021-2022	JUNE 2021
		KSHS	KSHS	KSHS
1.	Tuition account	589,072.25	610,854.60	177,722.00
2.	Operation account	2,585,287.30	2,674,280.30	1,108,186.05
3.	School fund account	4,099,925.00	3,623,924.00	995,969.00
	Total	7,274,284.55	6,909,058.90	2,281,877.05
	Increase/Decrease	365,225.65	4,627,181.85	

Trend over the last three years



A THREE-YEAR OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL.

S/N	ACCOUNTS	2022-2023	2021-2022	JUNE 2021
		KSHS	KSHS	KSHS
1.	Tuition account	865,888.00	614,551.00	163,920.00
2.	Operation account	2,131,505.00	2,962,592.00	696,056.00
3.	School fund account	3,556,425.00	3,595,506.00	839,296.00
	Total	6,553,818.00	7,172,649.00	1,699,272.00
	Increase/Decrease	(618,831.00)	5,473,377.00	(341,073.00)

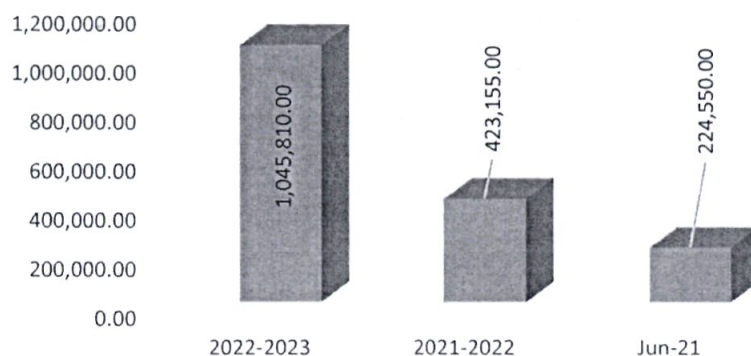
MCK KISIMA 78 SECONDARY SCHOOL

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

The financial year 2022-2023 shows a decrease growth in expenditure which resulted from the decrease in students' population from current year of 2021-2022.

MOVEMENT OF DEBTORS OF THE SCHOOL				
S/N	ACCOUNTS	2022-2023	2021-2022	JUNE 2021
		KSHS	KSHS	KSHS
1.	Debtors	1,045,810.00	423,155.00	224,550.00
	Total	1,045,810.00	423,155.00	224,550.00
	Increase/Decrease	622,655.00	198,605.00	61,900.00

Trend over the last three years
for Debtors



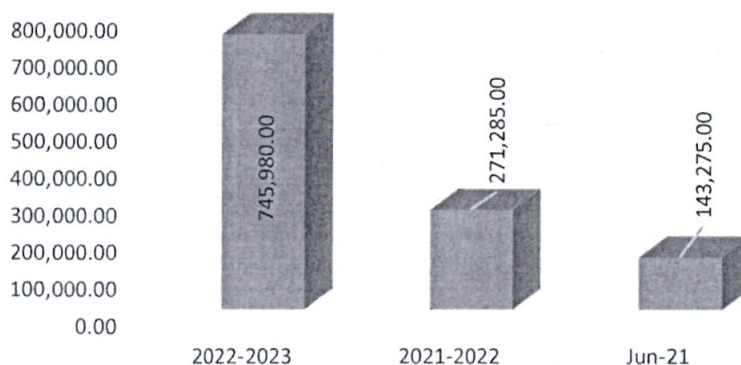
Total debtors as at 2022-2023 increased by 47.14% to Kshs. 1,045,810.00 compared to Kshs. 423,155.00 as at 2021-2022. The main contributors to increase in total debtors is the students having high fees and the form four 2021 and 2022 leaving the school with huge balances.

MOVEMENT OF CEDITORS OF THE SCHOOL				
S/N	ACCOUNTS	2022-2023	2021-2022	JUNE 2021
		KSHS	KSHS	KSHS
1.	Creditors	745,980.00	271,285.00	143,275.00
	Total	745,980.00	271,285.00	143,275.00
	Increase/Decrease	474,695.00	128,010.00	(169,750.00)

MCK KISIMA 78 SECONDARY SCHOOL

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

Trend over the last three years
for creditors



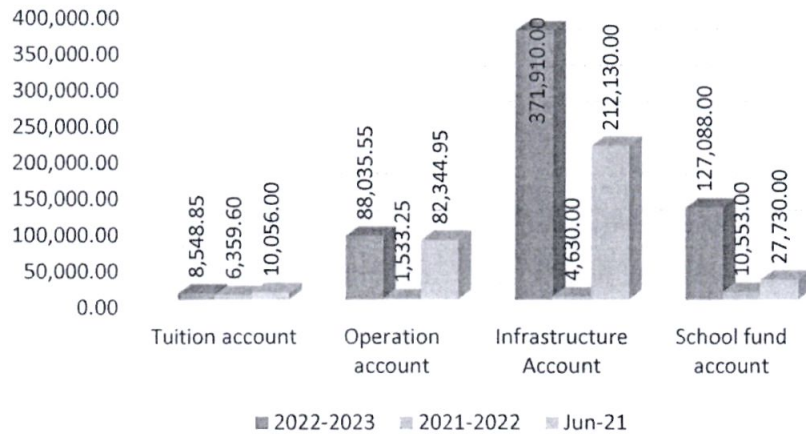
Total creditors as at 2022-2023 increased from Kshs.271,285.00 to Kshs.745,980.00 hence leading to increase of Kshs.474,695.00. The contributors to increase is total creditors in trade.

MOVEMENT OF CASH AND BANK BALANCES				
S/N	ACCOUNTS	2022-2023	2021-2022	JUNE 2021
		KSHS	KSHS	KSHS
1.	Tuition account	8,548.85	6,359.60	10,056.00
2.	Operation account	88,035.55	1,533.25	82,344.95
3.	Infrastructure Account	371,910.00	4,630.00	212,130.00
4	School fund account	127,088.00	10,553.00	27,730.00
	Total	595,582.40	23,075.85	332,260.95
	Increase/Decrease	572,506.55	(309,185.10)	326,036.00

MCK KISIMA 78 SECONDARY SCHOOL

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

Trend over the last three years



b) Teacher Student ratio:

Between the month of June 2022 and June 2023, the status of the teaching staff is as follows:

There are 10 teachers posted by the Teachers Service Commission and 1 recruited by the Board of Management. Although the teacher student ratio lies at 1:19.

Teachers posted in the year – 0

Teachers transferred/retired in the year –2

Teachers employed by BOM – 1

Teachers employed by TSC – 10

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

c) Mean score in the 2021 and 2022 KCSE:

Year	Enrolment	Mean	Transition	Transition %	School target	Comments
2022	48	2.625	48	100%	3.0	

MCK KISIMA 78 SECONDARY SCHOOL

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

2021	35	1.9143	35	100%	3.5	
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d) Number of Candidates in the 2021-2023 KCSE:

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

Year	2022	2021
Number of candidates	48	35

e) Capacity of the school:

The school had a population of 218 students against 5 classes. The pit latrines for boys were 4 and 1 urinal to the ratio of 1:30 and girls' latrines 5 to the ratio of 1:25.

The school has one science lab.

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

MCK KISIMA 78 SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2023**

f) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Student's lockers and chairs.	Maintenance and improvement GOK	Completed	220,000.00	220,000.00	2019-2020
Teacher's desks and chairs	Maintenance and improvement GOK	Completed	96,000.00	96,000.00	2019-2020
2 pits latrines	Maintenance and improvement GOK	Completed	260,000.00	260,000.00	2020-2021
Purchasing of 50 lab. Stools and tables	Maintenance and improvement GOK	Completed	212,000.00	212,000.00	2020-2021
4 doors pit latrines	Maintenance and improvement GOK	Completed	563,000.00	563,000.00	2020-2021
65 student's desks and lab. shelves	Maintenance and improvement GOK	Completed	368,000.00	368,000.00	2022-2023

.....
School Principal

MCK KISIMA 78 SECONDARY SCHOOL

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

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

The Board of Management of *MCK Kisima 78 Secondary School* accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

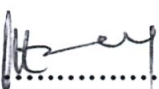
The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2023, and of the school's financial position as at that date.


.....

Name: Ann Kimaita Nkirote

Designation: Chairman, School Board of Management

Date: 17/04/26


.....

Name: F.R. Severino

Designation: School Principal & Secretary to Board of Management

Date: 17/4/2026


.....

Name: Nicholas Chokera Kaluma

Designation: Bursar/ Finance Officer

Date: 17/4/2026

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON MCK KISIMA 78 SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 - ISIOLO COUNTY

PREAMBLE

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

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

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

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of MCK Kisima 78 Secondary School set out on pages 1 to 23, which comprise of the statement of assets and liabilities as at 30 June, 2023 and the statement of receipts and payments, statement

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of MCK Kisima 78 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 Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

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

Audit Component	Amount in Financial Statements (Kshs)	Amount in the Ledger (Kshs)	Variance (Kshs)
Operation Payments	2,131,505	2,498,785	(367,280)
Boarding School Fund Payments	3,556,425	3,266,860	289,565
Receivables	1,045,810	1,198,780	(152,970)
Government Grants for Infrastructure	4,099,925	3,383,395	716,530

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

2. Unsupported Accounts Payable Balance

The statement of assets and liabilities reflects accounts payable balance of Kshs.745,980 as disclosed in Note 14 to the financial statements. However, the balance was not supported by detailed schedules and underlying records such as invoices, goods received notes, inspection certificates, delivery notes and stores records.

In the circumstances, the accuracy and completeness of the accounts payable balance of Kshs.745,980 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the MCK Kisima 78 Secondary School Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects receipts budget and actual on comparable basis amounts of Kshs.10,124,795 and Kshs.6,685,802 respectively, resulting in under-funding of Kshs.3,438,993 or 34% of the budget. The statement also reflects actual expenditure of Kshs.6,533,734 against approved budget of Kshs.10,124,795 resulting in under-performance of Kshs.3,591,061 or 35% of the budget.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion

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

Basis for Conclusion

1. Late Submission of Financial Statements

The financial statements for the year ended 30 June, 2023 were submitted to the Auditor-General for audit on 05 October, 2023. This is contrary to Section 47(1) of the Public Audit Act, 2015, which provides that financial statements should be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate, in this case 30 September, 2023.

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

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.3,556,425 as disclosed in Note 9 to the financial statements. Included in the expenditure is Kshs.381,500 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.381,500 could not be confirmed.

3. Failure to Prepare School Improvement Plan

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

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

4. Irregular Transfer of Funds to Methodist Sponsored Schools Principals Association (MESSPA)

The statement of financial performance reflects boarding and school fund payments amount of Kshs.3,556,425 as disclosed in Note 9 to the financial statements. Included in the expenditure is an amount of Kshs.60,000 transferred to Methodist Sponsored School Principals' Association (MESPA). However, MESPA 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 MESPA amounting to Kshs.60,000 could not be confirmed.

5. Irregularities in Procurement Processes

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

5.1 Lack of a Procurement Plan

The statement of receipts and payments reflects total expenditure for the year of Kshs.6,553,818. However, during the year, Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020, which requires a procuring entity to prepare a procurement plan for each financial year as part of the annual budget preparation process.

5.2 Lack of a Functional Procurement Unit

During the year under review, the School did not have an established procurement function managed by qualified procurement 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.

5.3 Unstructured Procurement Processes

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

5.4 Weaknesses in Record Keeping

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

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

6 Failure to Transfer Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.2,585,287, as disclosed in Note 2 to the financial statements, from the Ministry of Education and credited in the operations bank account. Included in the amount is Kshs.424,000 in respect of infrastructure grants which were to be transferred to

infrastructure bank account for maintenance and improvement of the school's facilities. However, only Kshs.350,000 was transferred to the infrastructure account. This was contrary to the Ministry of Education Circular Ref. No: MOE HQS 3/13/3, 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 law

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Lack of Internal Audit Function and Audit Committee

During the year under review, the School had not constituted an audit committee and an internal audit unit as required by Regulation 166(1) and (2) of the Public Finance Management (National Government) 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.

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

Responsibilities of Management and the Board of Management

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an

effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

6 May, 2026

MCK KISIMA 78 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	589,072.25	610,854.60
Government grants for operations	2	2,585,287.30	2,674,280.30
Government Grants for infrastructure	3	4,099,925.00	3,623,924.00
School fund income- parents' contributions	4	-	-
Miscellaneous incomes	5	-	-
Total Receipts		7,274,284.55	6,909,058.90
Payments			
Tuition	6	865,888.00	614,551.00
Operations	7	2,131,505.00	2,962,592.00
Infrastructure	8	-	-
Boarding and school fund	9	3,556,425.00	3,595,506.00
Total Payments		6,553,818.00	7,172,649.00
Surplus/Deficit		720,466.55	(263,590.10)

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

Name: Ann Kimaita Nkirote

Chair BOM

Date: 17/04/2026

Name: F.R. Severino.

School Principal/ Secretary to BOM

Date: 17/4/2026

Name: Nicholas Chokera kaluma

Bursar/ Finance Officer

Date: 17/4/2026

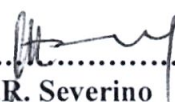
(Comparative FY refers to the financial year preceding the current financial year.)

MCK KISIMA 78 SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2023****7. Statement Of Assets and Liabilities As At 30th June 2023**

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	595,582.40	23,075.85
Cash balances	11	-	-
Short term investments	12	-	-
Total cash and cash equivalent		595,582.40	23,075.85
Account's receivables	13	1,045,810.00	423,155.00
Total financial assets		1,641,392.40	446,230.85
Financial liabilities			
Accounts payables	14	745,980.00	271,285.00
Net financial assets		895,412.40	174,945.85
Represented by			
Accumulated fund b/fwd	15	174,945.85	438,535.95
Surplus/deficit for the year		720,466.55	(263,590.10)
Net financial position		895,412.40	174,945.85

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


 Name: Ann Kimaita Nkirote


 Name: F.R. Severino


 Name: Nicholas Chokera
 kaluma

Chair BOM

Date: 17/04/2026

School Principal/ Secretary to
 BOM

Date: 17/4/2026

Bursar/ Finance Officer

Date: 17/4/2028

(Comparative FY refers to the financial year preceding the current Financial year.)

MCK KISIMA 78 SECONDARY SCHOOL

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

MCK KISIMA 78 SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2023****8. Statement of Cash Flows for the Year Ended 30th June 2023**

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition		589,072.25	610,854.60
Government grants for operations		2,585,287.30	2,674,280.30
Government grants for infrastructure		3,383,395.00	3,594,889.00
School fund income- parents contributions/ fees		-	-
Other income		-	-
Total receipts		6,557,754.55	6,880,023.90
Payments			
Cash outflows for tuition		586,883.00	614,551.00
Cash outflows for operations		2,131,505.00	2,962,592.00
Cash outflows Boarding/lunch and school fund payments		3,266,860.00	3,637,066.00
Total payments		5,985,248.00	7,214,209.00
Net cash inflow/outflow from operating activities		572,506.55	(334,185.10)
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	18	-	-
Repayment of principal borrowings		-	-
Net cash inflow/outflow from financing activities		-	-
Net increase/decrease in cash and cash equivalents		572,506.55	(334,185.10)
Cash and cash equivalent at beginning of the FY		23,075.85	357,260.95
Cash and cash equivalent at end of the FY		595,582.40	23,075.85

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

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

MCK KISIMA 78 SECONDARY SCHOOL

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

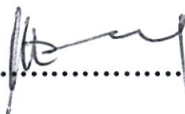
The school's financial statements were approved on _____ 2023 and signed by:



**Name: Ann Kimaita
Nkirote**

Chair BOM

Date: 17/04/2026



Name: F.R. Severino

**School Principal/ Secretary to
BOM**

Date: 17/4/2026



**Name: Nicholas Chokera
Kaluma**

Bursar/ Finance Officer

Date: 17/4/2026

(Comparative FY refers to the financial year preceding the current financial year.)

MCK KISIMA 78 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	-	-	-	-	-
Exercise Books	-	-	-	-	-
Laboratory Equipment	-	-	-	-	-
Internal Exams	-	-	-	-	-
Teaching / Learning Materials	1,058,960.00	0.00	1,058,960.00	589,072.25	55.62%
Exams And Assessment	-	-	-	-	-
Sub-Total	1,058,960.00	0.00	1,058,960.00	589,072.25	55.62%
<i>(2) Capitation Grant on Operations</i>					
Personnel Emoluments	1,320,000.00	0.00	1,320,000.00	908,052.00	87.99%
Repairs And Maintenance	1,525,000.00	0.00	1,525,000.00	863,000.00	56.59%
Local Transport / Travelling	-	-	-	-	-
Electricity And Water	156,000.00	0.00	156,000.00	133,147.80	85.35%
Medical	261,995.00	0.00	261,995.00	43,900.00	16.75%
Administration Costs	932,000.00	0.00	932,000.00	515,100.00	55.27%
Activity	270,840.00	0.00	270,840.00	122,087.50	45.07%
Gratuity	-	-	-	-	-
Sub-total	4,465,835.00	0.00	4,465,835.00	2,585,287.30	57.89%

MCK KISIMA 78 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
3) FDSE for infrastructure					
Maintenance & Improvement MoE	-	-	-	-	-
M&I parents' contribution	-	-	-	-	-
Economic Stimulus Programs	-	-	-	-	-
Transition Infrastructure Grants	-	-	-	-	-
Administration Block	-	-	-	-	-
(4) Fees Charged on Parents					
Personnel Emoluments	240,000.00	0.00	240,000.00	0.00	0.00%
Repairs And Maintenance	-	-	-	-	-
Local Transport / Travelling	-	-	-	-	-
Electricity And Water	-	-	-	-	-
Meals	4,360,000.00	0.00	4,360,000.00	3,997,725.00	91.69%
Administration Costs	-	-	-	-	-
Development	0.00	0.00	0.00	102,200.00	0.00%
SMASSE	-	-	-	-	-
Fee On Boarding Equipment and Stores	-	-	-	-	-
Sub-total	4,600,000.00	0.00	4,600,000.00	4,099,925.00	89.13%
5) Miscellaneous Income					
Loans / Borrowing	-	-	-	-	-
Rent income	-	-	-	-	-
Income From Farming Activities	-	-	-	-	-
Insurance Compensation	-	-	-	-	-

MCK KISIMA 78 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
Income From Posho Mill	-	-	-	-	-
Income From Bus Hire	-	-	-	-	-
Fee For Hire of Ground and Equipment	-	-	-	-	-
Interest Income	-	-	-	-	-
Income From Any Other Investment	-	-	-	-	-
Total Income	10,124,795.00	0.00	10,124,795.00	6,685,801.55	66.03%
(6) Expenditure For Tuition					
Textbooks	-	-	-	-	-
Reference Materials	-	-	-	-	-
Exercise Books	-	-	-	-	-
Laboratory Equipment	-	-	-	-	-
Internal Exams	-	-	-	-	-
Teaching / Learning Materials	1,058,960.00	0.00	1,058,960.00	865,888.00	81.77%
Chalks	-	-	-	-	-
Exams And Assessment	-	-	-	-	-
Teachers Guides	-	-	-	-	-
Administration Costs	-	-	-	-	-
Bank Charges	-	-	-	-	-
Sub-total	1,058,960.00	0.00	1,058,960.00	865,888.00	81.77%
(7) Expenditure For Operations					
Personnel Emoluments	1,320,000.00	0.00	1,320,000.00	801,540.00	60.72%
Repairs, Maintenance & Improvements	1,525,000.00	0.00	1,525,000.00	421,000.00	27.60%

MCK KISIMA 78 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
Local Transport / Travelling	-	-	-	-	-
Electricity, Water and Conservancy	156,000.00	0.00	156,000.00	33,930.00	21.75%
Medical	261,995.00	0.00	261,995.00	0.00	0.00%
Administration Costs	932,000.00	0.00	932,000.00	772,805.00	82.92%
Activity Expenses	270,840.00	0.00	270,840.00	95,800.00	35.37%
Gratuity	-	-	-	-	-
SMASSE	-	-	-	-	-
Sub-total	4,465,835.00	0.00	4,465,835.00	2,125,075.00	47.59%
(8) Expenditure For infrastructure					
Construction of classrooms	-	-	-	-	-
Construction of LAB	-	-	-	-	-
Construction of DORMS	-	-	-	-	-
Purchase of furniture	-	-	-	-	-
Purchase of equipment	-	-	-	-	-
Purchase of machinery	-	-	-	-	-
(9) Expenditure For school fund/lunch/boardng					
Personnel Emoluments	240,000.00	0.00	240,000.00	189,020.00	78.76%
Repairs, Maintenance and Improvements	-	-	-	-	-
Local Transport / Travelling	-	-	-	-	-
Electricity, Water and Conservancy	-	-	-	-	-

MCK KISIMA 78 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
Medical Expenses	-	-	-	-	-
Administration Costs	-	-	-	-	-
Activity	-	-	-	-	-
Gratuity	-	-	-	-	-
Lunch Programme	4,360,000.00	0.00	4,360,000.00	3,353,751.00	76.92%
Boarding Equipment and Stores	-	-	-	-	-
Expenditure For Income Generating Activity	-	-	-	-	-
Insurance Costs	-	-	-	-	-
Other Expenses On Investments	-	-	-	-	-
Rent Expenses	-	-	-	-	-
Bank Charges	-	-	-	-	-
Loan Interest Repayment	-	-	-	-	-
Loan Principal Repayment	-	-	-	-	-
Acquisition Of Assets	-	-	-	-	-
Sub-total	4,600,000.00	0.00	4,600,000.00	3,542,771.00	77.02%
Totals	10,124,795.00	0.00	10,124,795.00	6,533,734.00	64.53%

[Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization above 100%]

- The school has only received 66.03% of the expected revenue from 1st July 2022 to 30th June 2023.
- The school has only utilized 64.53% of the expected revenue from 1st July 2022 to 30th June 2023.

MCK KISIMA 78 SECONDARY SCHOOL

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

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.

MCK KISIMA 78 SECONDARY SCHOOL

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

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

MCK KISIMA 78 SECONDARY SCHOOL

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

11. Notes To The Financial Statements

1 Government Grants for Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Reference Materials	-	-
Exercise Books	-	-
Laboratory Equipment	-	-
Internal Exams	-	-
Teaching / Learning Materials	589,072.25	610,854.00
Others (specify)*	-	-
Total	589,072.25	610,854.00

**Include others as per MOE circulars*

2 Government Grants for Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	908,052.00	915,100.00
Repairs And Maintenance	863,000.00	974,250.00
Local Transport / Travelling		173,419.30
Electricity And Water	133,147.80	158,861.00
Medical	43,900.00	39,200.00
Administration Costs	515,100.00	413,450.00
Activity	122,087.50	
Other Vote Heads (specify)*	-	
Total	2,585,287.30	2,674,280.30

**Include others as per MOE circulars*

3 Government Grants for infrastructure

Description	2022-2023	2021-2022
	Kshs	Kshs
Maintenance & Improvement	789,000.00	-
Transition infrastructure grants	-	-
Administration Block	-	-
Economic stimulus grants	-	-
Other (specify)(NGCDF and County govt.	-	-

MCK KISIMA 78 SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2023**

Description	2022-2023	2021-2022
	Kshs	Kshs
Total	789,000.00	-

4 School Fund Income - Parents Contribution/Fees

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	-	-
Repairs and maintenance	-	-
Local transport / travelling	-	-
Electricity and water	-	-
Medical	-	-
Administration costs	-	-
Development	102,200.00	464,860.00
Fee on Boarding Equipment and stores	-	-
PA Levies*	-	-
Others (specify) Meal Programme	3,997,725.00	3,159,064.00
Total	4,099,925.00	3,623,924.00

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

5 Miscellaneous Incomes

Description	2022-2023	2021-2022
	Kshs	Kshs
Rent Income	-	-
Income From Farming Activities	-	-
Insurance Compensation	-	-
Income From Posho Mill	-	-
Income From Bus Hire	-	-
Fee For Hire of Ground and Equipment	-	-
Income From Grants and Donations*	-	-
Interest Income	-	-
Dividends Income	-	-
Loans/Borrowings*	-	-
Other Income (specify)*	-	-
Total	-	-

(Include an explanation on the kind and source of grants/ donations received by the school.)

**Ensure proper authorization from MOE before obtaining loans/borrowings.*

**Indicate what other income relates to including income arising from writebacks if any.*

MCK KISIMA 78 SECONDARY SCHOOL

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

Notes to the Financial Statements (continued)

6 Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Exercise Books		
Textbooks		
Reference materials		
Laboratory Equipment		
Teaching / Learning Materials	860,430.00	599,693.00
Exams And Assessment		
Teachers Guides		
Bank Charges	5,458.00	858.00
Others (<i>specify</i>) meals		14,000.00
Total	865,888.00	614,551.00

7 Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	801,540.00	751,790.00
Service Gratuity	-	-
Administration Cost	772,805.00	845,354.00
Repairs And Maintenance & Improvements	421,000.00	1,097,760.00
Local Transport / Travelling		84,000.00
Electricity And Water	33,930.00	182,590.00
Medical		
Activity Expenses	95,800.00	
Insurance Cost	-	-
Bank Charges	6,430.00	1,098.00
Others (<i>specify</i>)		
Total	2,131,505.00	2,962,592.00

MCK KISIMA 78 SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2023****Notes to the Financial Statements (continued)****8 Infrastructure**

Description	2022-2023	2021-2022
	Kshs	Kshs
Construction of classrooms	-	-
Construction of laboratory	-	-
Construction of dormitory	-	-
Purchase of furniture	-	-
Purchase of equipment	-	-
Purchase of apparatus	-	-
Drilling of boreholes	-	-
Others (specify)	-	-
Total	-	-

9 Boarding And School Fund

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	189,020.00	121,400.00
Service Gratuity		
Repairs And Maintenance & Improvements		
Local Transport / Travelling		43,500.00
Electricity And Water		1,000.00
Medical Expenses		
Administration Costs		45,000.00
Lunch Programme	3,353,751.00	3,038,786.00
Bank Charges	13,654.00	3,030.00
Expenses On Income Generating Activities**		
Fee On Boarding Equipment and Stores		
Rent Expenses		
Development Funds		342,790.00
Insurance Cost (<i>Life Property</i>)		
Loan Principal Repayment		
Loan Interest Repayment		
Acquisition Of Assets		
PA expenses		
Others (specify)		
Total	3,556,425.00	3,595,506.00

MCK KISIMA 78 SECONDARY SCHOOL

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

*(Expenses on income generating activities** should include all costs relating to the school earnings on miscellaneous receipts as recorded in note 5. These costs should include farm maintenance, posho mill maintenance, ground maintenance and costs incurred during hire of school bus among others).*

MCK KISIMA 78 SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2023****Notes to the Financial Statements (continued)****10 Bank Accounts**

Account Name & Currency	Status	Bank Account Number	2022-2023	2021-2022
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	1222958422	8,548.85	6,359.60
Operations Account	Active	1223625885	88,035.55	1,533.25
School Fund Account/Boarding	Active	1226237118	127,088.00	10,553.00
Savings Account				
Parent Association Development Account				
Income Generating Activities Account				
Infrastructural Account	Active	123000215	371,910.00	4,630.00
Total			595,582.40	23,075.85

11 Cash In Hand

Description	2022-2023	2021-2022
	Kshs	Kshs
Notes and Coins	-	-
Total	-	-

12 Short Term Investments

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

MCK KISIMA 78 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	1,045,810.00	423,155.00
Other Non-Fees Receivables	-	-
Salary Advances (list/schedule attached)	-	-
Imprest (list/schedule attached)	-	-
Rent arrears (list/schedule attached)	-	-
Total	1,045,810.00	423,155.00

13 b Ageing Analysis of Accounts Receivable

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	857,855.00	82.00%	334,050.00	78.94%
Between 1- 2 years	187,955.00	18.00%	89,105.00	21.06%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (should tie to note 13 a)	1,045,810.00	100%	423,155.00	100%

14 Accounts Payable

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	662,755.00	94,185.00
Prepaid Fees	83,225.00	177,100.00
Retention Monies	-	-
Unpaid salaries and statutory deductions	-	-
Caution money	-	-
Other payables (<i>specify</i>)	-	-
Total	745,980.00	271,285.00

MCK KISIMA 78 SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2023****Notes to the Financial Statements (continued)****14a. Ageing Analysis of Accounts Payable**

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	662,755.00	100%	17,700.00	18.79%
Between 1- 2 years	-	%	76,485.00	81.21%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (should tie to note 14)	662,755.00	100%	94,185.00	100%

15 Fund Balance Brought Forward

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank Balances	595,582.40	23,075.85
Cash Balances	-	-
Short Term Investments	-	-
Receivables	1,045,810.00	423,155.00
Payables	(745,980.00)	(271,285.00)
Total	895,412.40	174,945.85

MCK KISIMA 78 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 (specify)	-	-
Total	-	-

17 Biological assets

Description	Numbers	2022-2023	2021-2022
		Kshs	Kshs
Cattle		-	-
Goats		-	-
Trees	150	15,000	15,000
Coffee Or Tea Plantation		-	-
Poultry		-	-
Others (specify)		-	-
Total		-	-

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	-	-

MCK KISIMA 78 SECONDARY SCHOOL

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

Other important disclosure notes

19 Stock/ Inventory

Description	2022-2023	2021-2022
	Kshs	Kshs
Food stuffs	-	-
Lab consumables	-	-
Farm produce	-	-
Medication	-	-
Construction Materials	-	-
Others (specify)	-	-
	-	-

(Stock to be measured at lower of cost and net realisable value. Net realisable value is the difference between selling costs less costs to sell)

MCK KISIMA 78 SECONDARY SCHOOL

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

20 Progress On Follow Up of Auditor Recommendations

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

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

Sign and Date

Principal

17/4/2023

MCK KISIMA 78 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 Current FY	Outstanding Balance Comparative FY	Comments
	A	B	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1.	-	-	-	-	-	
2.	-	-	-	-	-	
3.	-	-	-	-	-	
Sub-Total						
Supply Of Goods						
4. Manometer scientific	148,640.00		0.00	148,640.00		
5. Helelo wayfield bookshop	49,365.00		0.00	49,365.00		
6. Way field bookshop	81,000.00		0.00	81,000.00		
7. Nyambene cereals	301,300.00		0.00	301,300.00		
8. Chairman grocery	36,000.00		0.00	36,000.00		
9. Amigos supplies	21,600.00		0.00	21,600.00		
10. Rubani textiles	15,600.00		0.00	15,600.00		
11. Waso emporium	9,250.00		0.00	9,250.00		
Sub-Total	-	-	-	-	-	-

MCK KISIMA 78 SECONDARY SCHOOL

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

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
Supply Of Services						
12.	-	-	-	-	-	-
13.	-	-	-	-	-	-
14.	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-
Grand Total	662,755.00		0.00	662,755.00		

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 st July 2023	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2023
Land				
Buildings And Structures				
Motor Vehicles				
Office Equipment, Furniture And Fittings				
Textbooks				
ICT Equipment				
Tools And Apparatus				
Other Machinery And Equipment				
Heritage And Cultural Assets				
Intangible Assets- Soft Ware				
Total				

MCK KISIMA 78 SECONDARY SCHOOL

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

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

