

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 26 FEB 2025

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REPORT

PARLIAMENT
OF KENYA
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TABLED
BY:

Hon. Samuel
Chepkanga, MP

CLERK-AT
THE-TABLE:

M. Mado

OF

THE AUDITOR-GENERAL

ON

MUKURWEINI BOYS HIGH SCHOOL

FOR THE YEAR ENDED

30 JUNE, 2023

NYERI COUNTY



Revised 30th June 2023.



MUKURWEINI BOYS HIGH SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2023

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

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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
FSDE	Free Day Secondary 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 NYERI County, MUKURWEINI Sub-County.

The school was registered in 8/11/2019 under registration number 19S00300163 and is currently categorized as an EXTRA-COUNTY public school established, owned or operated by the Government.

The school is a boarding school and had 734 number of students as at 30th June 2023. It has 4 streams and 30 teachers of which 5 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	PATRICK GICHUKI WACHIRA	Chairman	5/3/2022
2	WAMWEYA J.H	Secretary - Principal	15/2/2023
3	SAMUEL NGUNJIRI WACHIRA	Member - Community	5/3/2022
4	PETER WAMBUGU MUREITHI	Member - Community	5/3/2022
5	ROBERTSON WAHOME	Member - Community	5/3/2022
6	PATRICK GICHUHI	Member - Community	5/3/2022
7	MARY WANGARI HUNJA	Member - Special interests	5/3/2022
8	ELIJA ISAAC MUKURU	Member - Rep CEB	5/3/2022
9	JANE WANJA MWANGI	Member Rep Teachers	5/3/2022
10	GRACE WANJIRU MAINA	Member - Sponsor	5/3/2022
11	SAMUEL GITHUA KIAMBO	Member - Sponsor	5/3/2022
12	ALEX MACHARIA KARIUKI	Member - Sponsor	5/3/2022
13	ONESMUS GITHINJI	Member - Community	5/3/2022
14	DAVID NDUHIU NGUNJIRI	Member - Special Needs	5/3/2022
15	ENG. PENNINAH NJERI	Member - Community	5/3/2022
16	HANNAH NJOKI KAGUCHIA	Member - Community	5/3/2022
17	AGNES MUTURI	Member - Community	5/3/2022
18	EMMANUEL KONGO RUIHA	Rep Students	5/3/2022

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	PATRICK GICHUKI WAMWEYA J.H GRACE MAINA PATRICK GICHUHI ENG. PENINAH NJERI	CHAIRPERSON SECRETARY MEMBER MEMBER MEMBER	3 out of 6
2	AUDIT COMMITTEE	GRACE MAINA ROBERTSON WAHOME PETER WAMBUGU	CHAIRPERSON SECRETARY MEMBER	1 out of 6
3	FINANCE,PROCUREMENT AND GENERAL PURPOSES COMMITTEE	DAVID NDUHIU NGAMAU GATHOGO PATRICK GICHUKI WAMWEYA J.H SCDE PATRICK GICHUHI	CHAIRPERSON SECRETARY MEMBER MEMBER MEMBER MEMBER	3 out of 6
4	ACADEMIC COMMITTEE	ENG. PENINAH NJERI JANE MWANGI ALEX MACHARIA SAMUEL WACHIRA	CHAIRPERSON SECRETARY MEMBER MEMBER	2 out of 6
5	DEVELOPMENT COMMITTEE	DAVID NDUHIU NGAMAU GATHOGO	CHAIRPERSON SECRETARY	3 out of 6

		PATRICK GICHUKI WAMWEYA J.H SCDE PATRICK GICHUHI ENG. PENNINA NJERI	MEMBER MEMBER MEMBER MEMBER MEMBER	
6	DISCIPLINE AND WELFARE COMMITTEE	HANNAH KAGUCHIA MARY MAINA NGAMAU GATHOGO AGNES MUTURI	CHAIRPERSON SECRETARY MEMBER MEMBER	2 out of 6
7	ADHOC COMMITTEE (TENDER COMMITTEE)	NGAMAU GATHOGO GLADYS W.KAHARI BENSON T. KIMANI HASSAN W. MATEBA JACKSON KIAI	CHAIRPERSON SECRETARY MEMBER MEMBER MEMBER	3 out of 6

(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	WAMWEYA J.H	TSC No.	349949
2	Deputy Principal	NGAMAU GATHOGO	TSC No.	349108
3	School Bursar	GLADYS KAHARI	I.D No.	22049933
4	Accounts Clerk	IBRAHIM N. MUNGE	I.D No	31654427

(e) Schools contacts

Post Office Box: 94-10103, MUKURWEINI
Telephone: 0712764902
E-mail: mbhschool3@gmail.com

(f) School Bankers

1. Name of Bank: KCB
Branch: MUKURWEINI
Account Number: 1103068091
Postal Address: 450-10103
2. Name of Bank: KCB
Branch: MUKURWEINI
Account Number: 1104240610
Postal Address: 450-10103
3. Name of Bank: KCB
Branch: MUKURWEINI
Account Number: 1104236575
Postal Address: 450-10103
4. Name of Bank: KCB
Branch: MUKURWEINI
Account Number: 1113712775
Postal Address: 450-10103
5. MPESA Pay bill No. 522123, Account No. 33577K linked to KCB Bank Account 1103068091
6. Name of Bank: EQUITY
Branch: MUKURWEINI
Account Number: 0830260604285
7. Name of Bank: WAKULIMA COMMERCIAL SACCO
Branch: MUKURWEINI
Account Number: 121014769902

(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

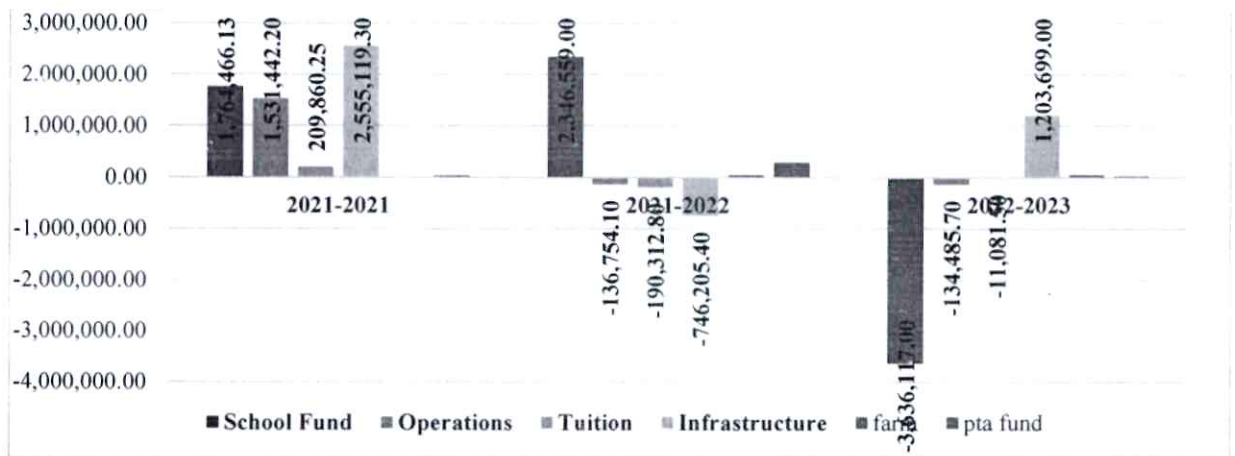
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) Financial performance:

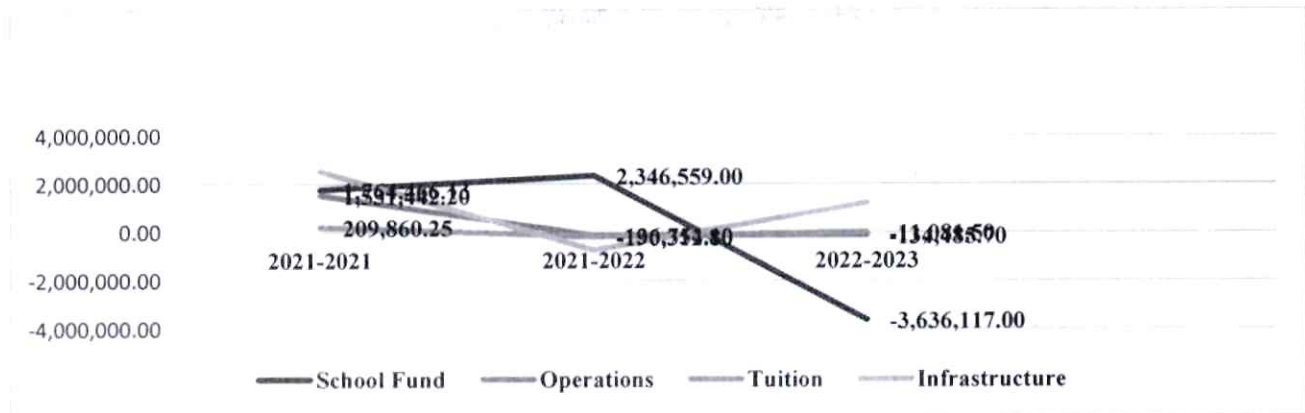
Under this section, it reflects the actual financial performance trend for the last three years period between 1st January 2021 to 30th June 2023 and it is summarised below.

SURPLUS /DEFICIT FOR THE YEAR AND A COMPARISON OF THE SAME FOR THE LAST THREE YEARS				
S/N	ACCOUNTS	2022-2023	2021-2022	2021-2021
1	SCHOOL FUND	(3,636,117.00)	2,346,559.00	1,764,466.13
2	OPERATIONS	(134,485.70)	(136,754.10)	1,531,442.20
3	TUITION	(11,081.50)	(190,312.80)	209,860.25
4	INFRASTRUCTURE	1,203,699.00	(746,205.40)	2,555,119.30
	TOTAL	(2,577,985.00)	1,273,286.90	6,060,888.05
	INCREASE/DECREASE	(3,851,272.0)	(4,787,601.05)	4,752,510.72

Over the Last Three Years



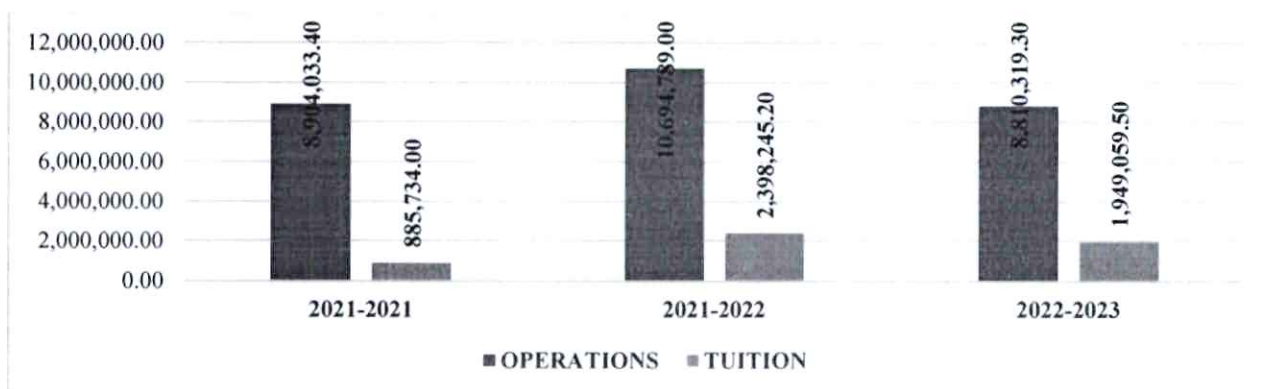
Over the Last Three Years



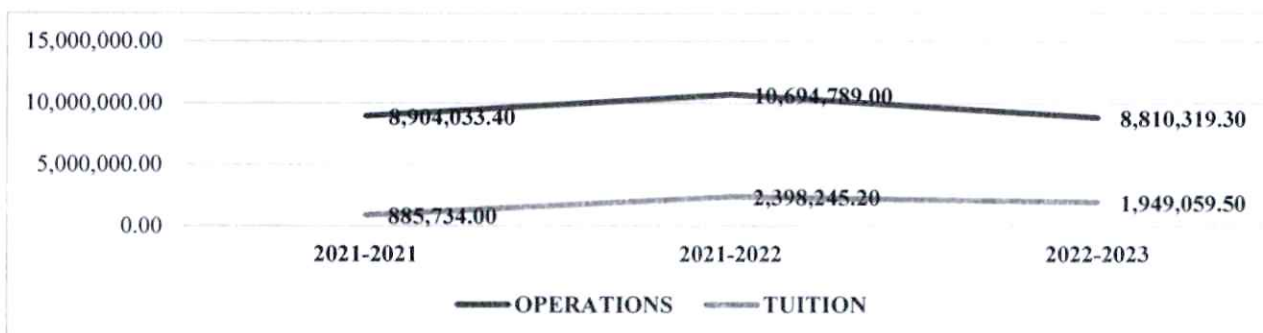
In the FY 2021/2021(JAN-JUNE) total surplus was 6,060,888.05.Schools had just resumed from the COVID 19 break. The following FY recorded a decrease in surplus to 1,273,286.90. It was a decrease of 4,787,601.05 caused by infrastructure projects undertaken during the year which significantly reduced the surplus in 2021/2022 FY .In the FY 2022/2023 there was a deficit of 2,577,985.00 led by high rate of inflation in the country.

CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS				
S/N	ACCOUNTS	2022-2023	2021-2022	2021-2021
		KSHS	KSHS	KSHS
1	Operations Account	8,810,319.30	10,694,789.90	8,904,033.40
2	Tuition Account	1,949,059.50	2,398,245.20	885,734.00
	Total	10,759,378.8	13,093,035.10	9,789,767.4
	Increase/Decrease	(2,333,656.30)	3,303,267.70	4,002,967.40
	No of Students	734	718	643
	Ratio of Capitation per student	1:14,658	1:18,235	1:15,225

Trend Over the Last Three Years



Trend Over the Last Three Years



In the FY 2021/2022 capitation increased from 9,789,767.40 in 2021/2021 to Ksh 13,093,035.10. This was led by high no. of students in FY 2021/2022 compare to FY 2021/2021.

In 2022/2023 FY, enrolment increased to 734 from 718 in FY 2021/2022, however the capitation grants from MOE had not been fully released by the close of that FY. This reduced the capitation with Ksh 2,333,656.30.

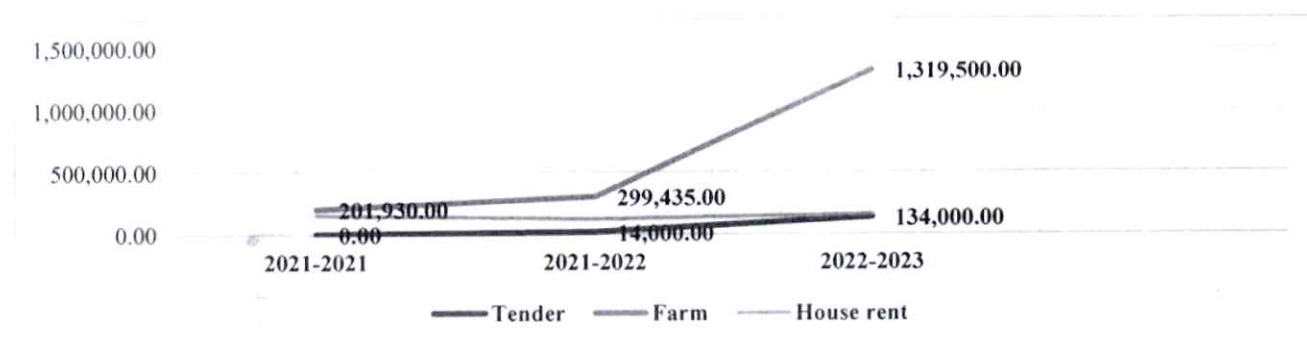
Capitation increase per student increased total capitations

OVERVIEW OF NET GROWTH OF OTHER INCOME(S) (Note 21)				
S/N	ACCOUNTS	2022-2023	2021-2022	2021-2021
		KSHS	KSHS	KSHS
1	Tender	134,000.00	14,000.00	-
2	Farm	1,319,500.00	299,435.00	201,930.00
3	House Rent	158,440.00	122,215.00	150,270.00
	Total	1,611,940.00	435,650.00	352,200.00
	Increase/Decrease	1,176,290.00	83,450.00	(775,647.50)

Trend Over the Last Three Years



Trend Over the Last Three Years



Due to interruption of learning in the year 2020 caused by COVID 19 pandemic there was insignificant supply. There was therefore extension of tenders to FY 2021/22. No tender incomes realised. Other incomes increased by Kshs 83,450.00 from 352,200 in FY 2020/21 to Kshs 435,650 in FY 2021/22.

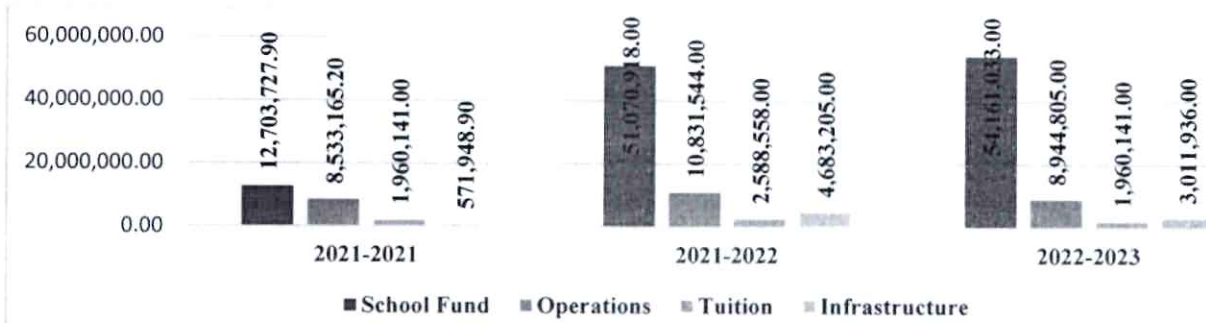
In FY 2022/23, other incomes significantly increased with 1,176,290. This was led by renovation of staff houses that increased rental incomes. Farm income also increased since farm produce were sold to the BES.

MUKURWEINI BOYS HIGH SCHOOL

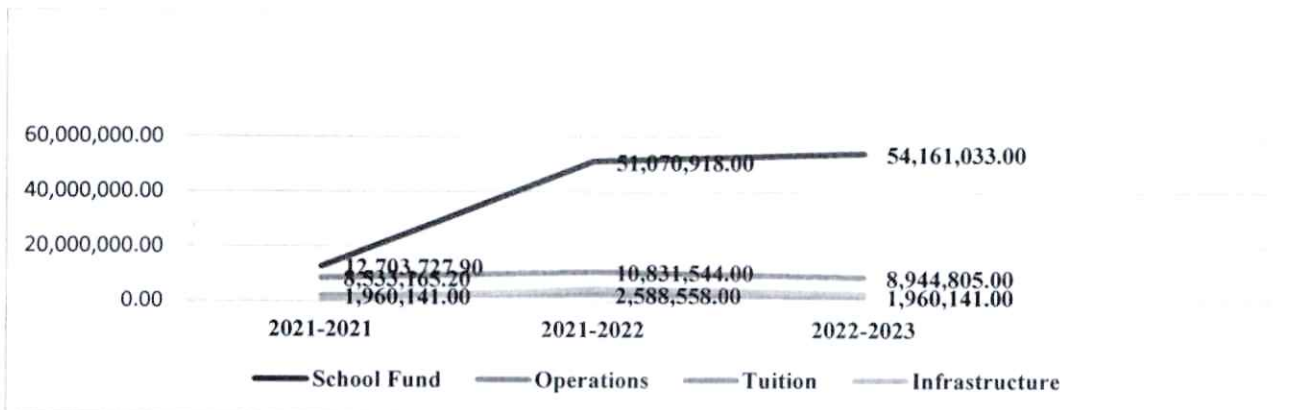
Annual Report and Financial Statements For the year ended 30th June 2023

OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL				
S/N	ACCOUNTS	2022-2023	2021-2022	2021-2021
		KSHS	Kshs	Kshs
1	School Fund Account	54,161,033.00	51,070,918.00	13,241,304.6
2	Operations Account	8,944,805.00	10,831,544.00	8,533,165.2
3	Tuition Account	1,960,141.00	2,588,558.00	675,875.00
4	Infrastructure Account	3,011,936.00	4,683,205.00	571,948.90
	Total	68,077,915.00	69,174,225.4	23,022,293.7
	Increase/Decrease	(1,096,310.40)	46,151,932	(2,095,005.17)

Trend Over the Last Three Years



Trend Over the Last Three Years



The year 2020/2021 covered 6 months with expenditure of Kshs 23,022,293.7. The FY 2021/2022 Expenditure increased significantly to Ksh 69,174,225.40 since the period was longer an ncrease of Kshs 46,151,932 was realised. In the FY2022/2023 the expenditure declined with Kshs 1,096,310.40. The infrastructure project was less costly compared to the FY 2021/2022

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL(Continued)

MOVEMENT OF DEBTORS OF THE SCHOOL				
SNO	ACCOUNTS	2022-2023	2021-2022	2021-2021
1	School Fund Account	KSHS	KSHS	KSHS
a	Debtors	7,596,772.00	5,972,486.00	3,628,660.00
	Total	7,596,772.00	5,972,486.00	3,628,660.00
	Increase/Decrease	1,624,286.00	2,343,826.00	1,901,737.00

Trend Over the Last Three Years



Trend Over the Last Three Years



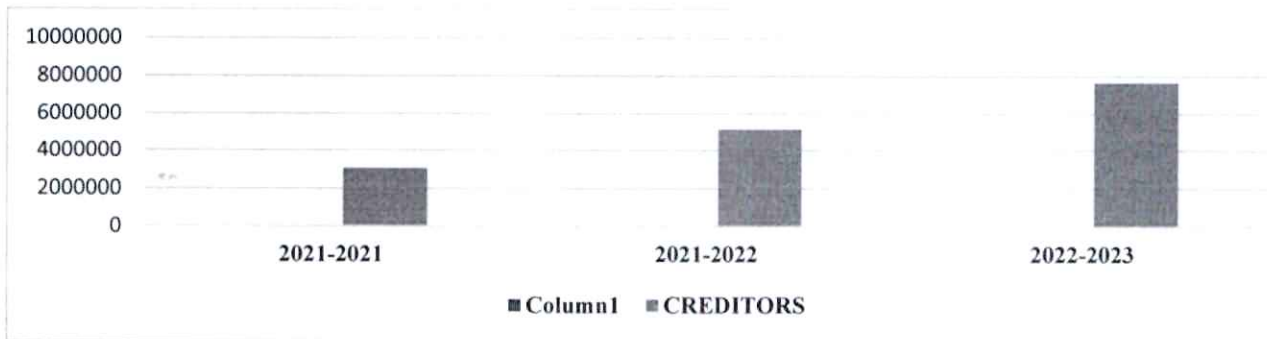
In the FY 2021/2022 debtors amounted to Kshs 5,972,486.00 cumulatively. In the FY 2022/2023 the debtors amounted to Kshs 7,596,772.00 registering an increase of Kshs 1,624,286.00 affected by the transition of the financial year i.e by the end of 30th June the term was not over and therefore the fees balances were still high which was to be cleared after midterm.

MUKURWEINI BOYS HIGH SCHOOL

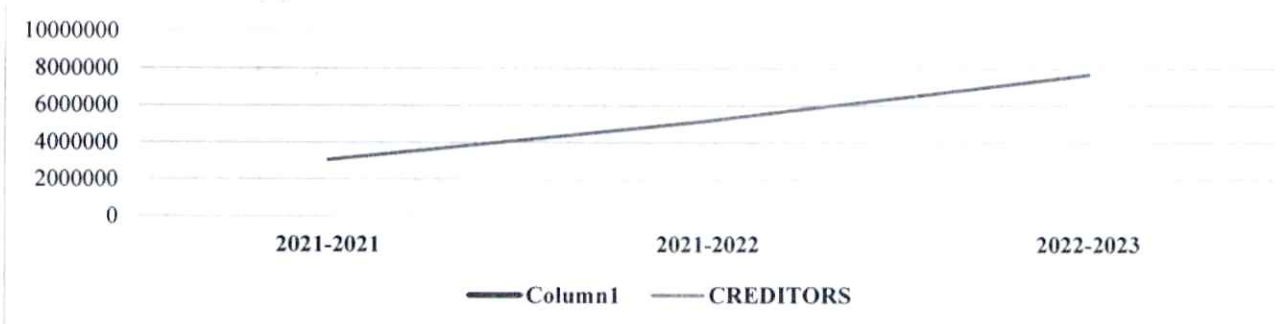
Annual Report and Financial Statements For the year ended 30th June 2023

MOVEMENT OF CREDITORS OF THE SCHOOL				
SNO	ACCOUNTS	2022-2023	2021-2022	2021-2021
1	School Fund Account	KSHS	KSHS	KSHS
a	Creditors	7,669,294.20	5,160,986.00	3,058,831.00
	Total	7,669,294.20	5,160,986.00	3,058,831.00
	Increase/Decrease	2,508,308.20	2,102,155.00	1,166,651.00

Trend Over the Last Three Years



Trend Over the Last Three Years



Total creditors in 2021/2022 increased from Kshs 3,058,831.00 in 2021/2021 to Kshs 5,160,986.00 since 2020/2021 covered a period of 6 months only whereas 2021/2022 covered 12 months. Overpaid fees to some extent increased the creditors in that FY. In the FY 2022/2023 creditors increased with Ksh 2,508,308.20. The total creditors were 7,669,294.20 compared to previous year which registered a total of Kshs 5,160,986.00

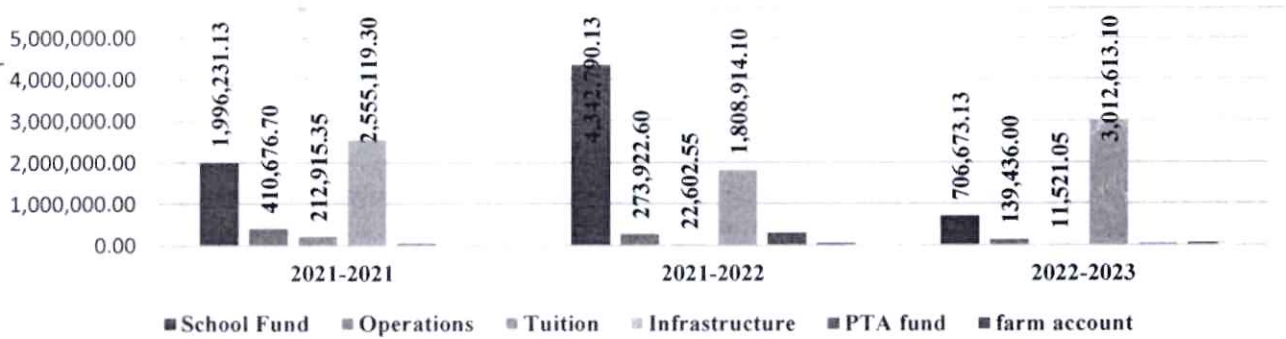
Note:

All the trade creditors previous years had been settled by the end of FY 2022/23.

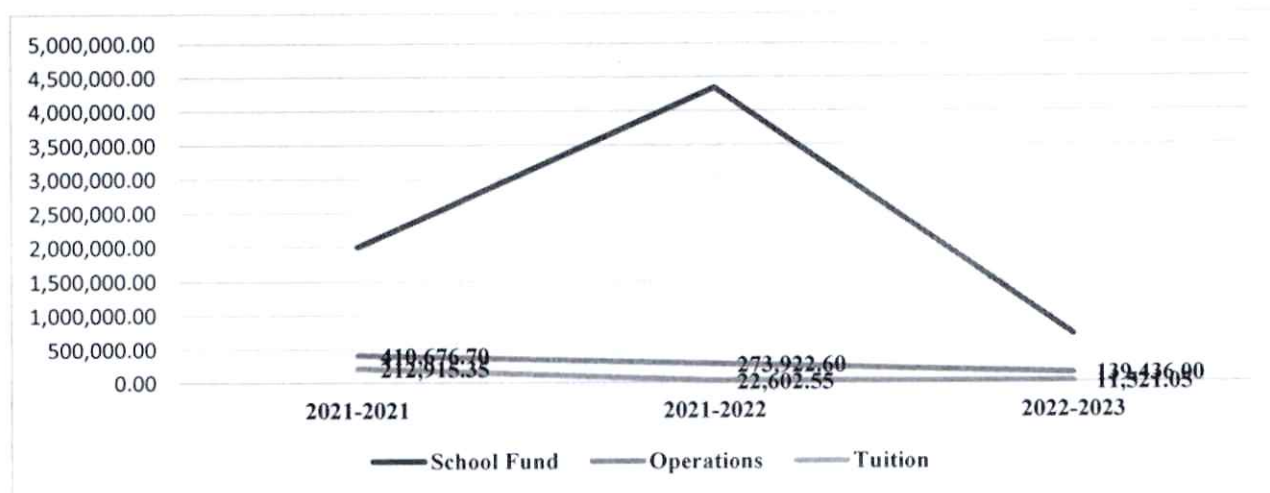
SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL(Continued)

MOVEMENT OF CASH AND BANK BALANCES				
S/N	ACCOUNTS	2022-2023	2021-2022	2021-2021
		KSHS	KSHS	KSHS
1	School Fund Account	706,673.13	4,342,790.13	1,996,231.13
2	Operations Account	139,436.00	273,922.60	410,676.70
3	Tuition Account	11,521.05	22,602.55	212,915.35
4	Infrastructure Account	3,012,613.10	1,808,914.10	2,555,119.30
5	PTA fund account	29,163.39	301,900.00	43,574.00
6	Farm account	51,608.50	52,334.00	0
	Total	3,951,015.17	6,802,463.38	5,218,516.48
	Increase/Decrease	(2,851,449.00)	1,583,947.38	4,252,469.85

Trend Over the Last Three Years



Trend Over the Last Three Years



Cash and bank balances increased in 2021/2022 by Kshs 1,583,947.38 from ksh 5,218,516.48 since the books were closed after 12 months unlike in 2020/2021 when they were closed after 6 months, where there were more fees collections. The increased number of students from 643 to 718 in 2020/2021 and 2021/2022 respectively made it possible to have huge balances of cash and bank. Cash and bank balances significantly reduce due to hiking in prices of commodities and bills in FY 2022/23. A decrease of 2,851,449.00 was noted.

b) Teacher Student ratio:

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

There are 30 teachers posted by the Teachers Service Commission and 5 recruited by the Board of Management. The total number of students in school is 734.

Within the year, 3 teachers have been transferred. There were 2 retiree by December 2022.

The 35 teachers were distributed according to their teaching subjects as follows;

S/N	Subject	Distribution of teachers as per teaching subjects
1	MATHEMATICS	10
2	ENGLISH	4
3	KISWAHILI	4
4	CHEMISTRY	6
5	BIOLOGY	4
6	PHYSICS	3
7	CRE	6
8	GEOGRAPHY	5
9	HISTORY	3
10	BUSINESS STUDIES	3
11	AGRICULTURE	1
12	COMPUTER	1

Although the teacher student ratio lies at **1:21**, we have a shortage of **5** teachers from the given CBE. This is due to subject specialization in Form 3 and Form 4 and 100% transition.

Mean score in the 2022 KCSE:

YR	ENROL.	MEAN	TRANSITION (%)	TRANSITION TO UNIVERSITY (%)	TRANSITION TO TVETS (100)	SCHOOL TARGET	COMMENTS
2022	162	4.475	100	10.49	89.51	7.4	There was a slight -ve deviation of 0.14 and transition rate to university of 10.49%.
2021	118	4.63	100	14.6	85.4	7.0	There was a slight -ve deviation of 0.76 and transition rate to university of 14.6%. Mathematics was

MUKURWEINI BOYS HIGH SCHOOL

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

							the most improved subject with +ve 0.39. Geography was the best performed subject with C+ of 7.21
2020	118	5.407	100	24.68	75.32	6.0	There was a +ve deviation of 0.05 and a transition rate to university of 25.4% business studies was most improved subject with +3.4

c) Number of Candidates in the 2022 KCSE:

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

YEAR	2022	2021	2020
NO. OF STUDENTS(Boys)	162	118	118

a) Capacity of the school:

S/N	FACILITY	NO.	COMMENT
1.	Number of students	734	Inadequate
2.	Dormitories	6	Inadequate
3.	Dining hall	1	Inadequate
4.	Toilets	30	Inadequate
5.	Bathrooms	50	Inadequate
6.	Computer laboratory	1	Inadequate
7.	Science laboratories	3	Inadequate
8.	Classes	18	Inadequate
9.	ICT Resource centre	1	Inadequate

b) Development projects carried out by the school:

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

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Refurbishment of classrooms	G.O.K Parents	Complete	5,888,230.00	4,194,040.00	1 month
Septic tank	G.O.K	Complete	4,813,559.20	4,599,375.20	3 months
Ablution block	G.O.K	complete	4,160,269.24	3,571,340.00	6 months

.....
 School Principal

02 AUG 2024
 Sign:
 P. O. Box 94, MUKURWEINI

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 *MUKURWEINI BOYS HIGH 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: PATRICK WACHIRA
Designation: Chairman, School Board of Management
Date: 2/8/2024



.....
Name:
Designation: School Principal & Secretary to Board of Management
Date: 2/8/24





.....
Name: GLADYS KAHARI
Designation: Bursar/ Finance Officer
Date:

REPUBLIC OF KENYA

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



Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON MUKURWEINI BOYS HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 – NYERI 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 Government achieves value for money and that such funds are applied for the intended purpose.
- 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, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

I have audited the accompanying financial statements of Mukurweini Boys High School – Nyeri County set out on pages 1 to 21, which comprise of the statement of assets and liabilities as at 30 June, 2023, and the statement of receipts and payments, statement of

Report of the Auditor-General on Mukurweini Boys High School for the year ended 30 June, 2023 – Nyeri County

cash flows and summary 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Mukurweini Boys High School – Nyeri County as at 30 June, 2023 and 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

Long Outstanding Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs. 7,596,772 in respect of fees arrears as disclosed in Note 13 to the financial statements. However, included in the balance are receivables amounting to Kshs.1,244,724 which had been outstanding for more than two (2) years and Kshs.542,740 relates to fees arrears from past students

In the circumstance, the accuracy, completeness and recoverability of the accounts receivable balance of Kshs.7,596,772 could not be confirmed.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

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 matters described in the Basis for Conclusion on Lawfulness

and Effectiveness in 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. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

The statement of receipts and payments and as disclosed in Note 7 and 9 to the financial statements reflects payments for operations and boarding and School fund payments balances of Kshs.8,944,805 and Kshs.54,515,274 respectively. The School transferred activity funds totalling Kshs.1,071,300 to Kenya Secondary School Heads Association, a private entity that is not subject to PFM Act, 2012 or any other public finance regulations. This is contrary to Regulation 23(2)c of the Public Finance Management (National Government) Regulations, 2015 which requires that an Accounting Officer shall, before transferring any funds to an entity within or outside Government, ensure that there is a written assurance from the entity that it shall implement effective, efficient and transparent financial management and internal control systems, or, if such written assurance is not or cannot be given, render the transfer of the funds subject to conditions and remedial measures requiring the entity to establish and implement effective, efficient and transparent financial management and internal control systems.

In the circumstances, the School may not have received value for money for the Kshs.1,071,300 transferred to KESSHA.

2. Failure to Transfer Infrastructure Funds from the Operations Bank Account

Included in the statement of receipts and payments are Government grants for Infrastructure balance of Kshs.4,215,635 and as disclosed in Note 3 to the financial statement out of which an amount of Kshs.2,139,000 relates to funds transferred later than the set 15 days as required by Ministry of Education directives from the school's operations account to the infrastructure account.

In the circumstances, management is in breach of the Ministry of Education circular and guidelines.

3. Unconfirmed Students Enrolment Data

The statement of receipts and payments reflects capitation grants for tuition, capitation grants for operations and infrastructure grants totalling Kshs14,975,013. 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 2020/2021, NEMIS reflected seven hundred and seven (707) students while records from the school records reflected seven hundred and twenty-four (724) students, resulting to a variance of seventeen (17) students and an underfunding of the School by an amount of Kshs.68,091. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 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, underfunding of the School may have affected service delivery to the students.

4. 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 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.

The audit was conducted in accordance with ISSAI 4000. The standard requires 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 are in compliance, 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 and based on the audit procedures performed, except for the matter described in the Basis for Conclusion on the 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

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), 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 School did not benefit from the oversight role and advice from the audit committee and the internal audit function.

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 control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control 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 control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to 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 are in compliance 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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. 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 and weakness 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 addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, 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 accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control 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 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures

in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

24 September, 2024

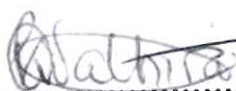
MUKURWEINI BOYS HIGH SCHOOL

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	1,949,059.50	2,398,245.20
Government grants for operations	2	8,810,319.30	10,694,789.90
Government Grants for infrastructure	3	4,215,635.00	3,937,000.20
School fund income- parents' contributions	4	48,829,216.00	52,995,827.00
Miscellaneous incomes	5	1,776,478.00	973,980.00
Total Receipts		65,580,707.80	70,999,842.30
Payments			
Tuition	6	1,960,141.00	2,588,558.00
Operations	7	8,944,805.00	10,831,544.00
Infrastructure	8	3,011,936.00	4,683,205.40
Boarding and school fund	9	54,515,274.00	51,070,918.00
Total Payments		68,432,156.00	69,174,225.40
Surplus/Deficit		-2,851,449.00	1,825,615.90

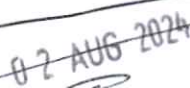
The school financial statements were approved on 2/8/24 2024 and signed by:



Name: Patrick Wachira

Chair BOM

Date: 2/8/2024


02 AUG 2024

Name: Wamweya J.H
School Principal/ Secretary to
BOM

Date: 2/8/24



Name: Gladys Kahari

Bursar/ Finance Officer

Date: 2/8/2024

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

Description	Note	2022-2023 Kshs	2021-2022 Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	3,908,999.07	6,656,904.57
Cash balances	11	42,017.00	145,559.00
Short term investments	12		
Total cash and cash equivalent		<u>3,951,016.07</u>	<u>6,802,463.57</u>
Account's receivables	13	7,596,772.00	5,972,486.00
Total financial assets		11,547,788.07	12,774,949.57
Financial liabilities			
Accounts payables	14	-6,785,273.00	-5,160,986.00
Net financial assets		4,762,515.07	7,613,963.57
Represented by			
Accumulated fund b/fwd	15	7,613,964.00	5,788,346.00
Surplus/deficit for the year		-2,851,449.00	1,825,615.90

MUKURWEINI BOYS HIGH SCHOOL

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

Net financial position		4,762,515.07	7,613,963.57
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The school's financial statements were approved on 21/8/2024 and signed by:

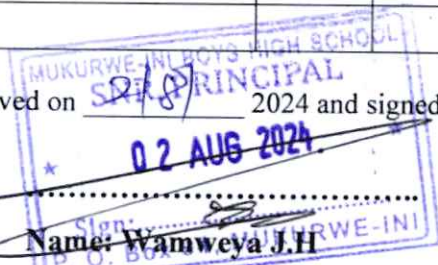


Name: Patrick Wachira

Chair BOM

Date: 2/8/2024

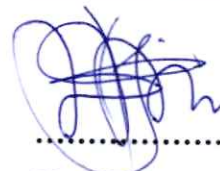
Statement of Cash Flows for the Year Ended 30th June 2023



Name: Wamweya J.H

School Principal/ Secretary to BOM

Date:



Name: Gladys Kahari

Bursar/ Finance Officer

Date: 2/8/2024


Description	Note	2022-2023	
		Kshs	2021-2022
Cash from Operating Activities			
Receipts			
Government grants for tuition	1	1,949,059.50	2,398,245.20
Government grants for operations	2	8,810,319.30	10,694,789.90
Government grants for infrastructure	3	4,215,635.00	3,937,000.20
School fund income- parents contributions /fees	4	48,829,216.00	52,995,827.00
Other incomes	5	1,776,478.00	973,980.00
Total receipts		65,580,707.8	70,999,842.3
Payments			
Cash outflows for tuition	6	1,960,141.00	2,588,558.00
Cash outflows for operations	7	8,944,805.00	10,831,544.00
Cash outflows Boarding/lunch and school fund payments	9	54,515,274.00	51,070,918.00
Cash outflows for infrastructure	8	3,011,936.00	4,683,205.40
Total payments		-68,432,156	-69,174,225.4
Net cash inflow/outflow from operating activities		-2,851,448.2	1,825,616.9

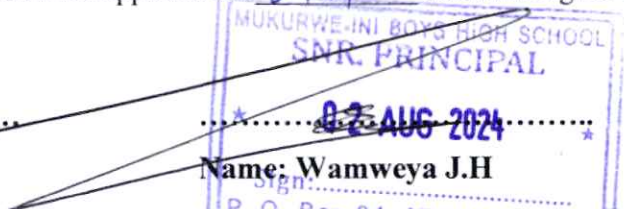
Cash flow from investing activities			
Acquisition of assets		-	-
Proceeds from sale of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash inflow/outflows from investing activities		-	-
Cash flow from Financing activities			
Proceeds from borrowings/ loans	18	-	-
Repayment of principal borrowings		-	-
Net cash inflow/outflow from financing activities		-	-
Net increase/decrease in cash and cash equivalents		-2,851,448.2	1,825,616.9
Cash and cash equivalent at beginning of the FY		7,613,963.30	5,788,346.40
Cash and cash equivalent at end of the FY		4,762,515.1	7,613,963.30

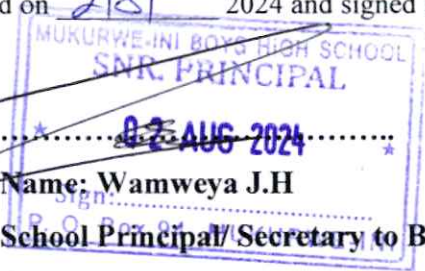
Note: Cash and Cash Equivalent is the summation of Note 10, 11 and 12.

(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).

The school's financial statements were approved on 2/8/2024 and signed by:


 Name: Patrick Wachira
 Chair BOM
 Date: 2/8/2024


 Name: Wamweya J.H
 School Principal/ Secretary to BOM
 Date:




 Name: Gladys Kahari
 Bursar/ Finance Officer
 Date: 2/8/24

8. 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 %

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Receipts	Kshs	Kshs	Kshs	Kshs	Kshs
(1) Capitation Grant on Tuition					
Reference Materials	127,500.00	0	127,500.00	643,190.00	504%
Exercise Books & Printing papers	1,138,000.00	2,750.00	1,140,750.00	448,442.50	39%
Laboratory Equipment	816,750.00	0	816,750.00	97,453.00	12%
Internal Exams	151,500.00	1,500.00	150,000.00	77,962.00	52%
Teaching / Learning Materials/chalks	164,678.00	1,178.00	163,500.00	604,208.00	370%
Text books (Recovery by MOE)	1,084,500.00	0	1,084,500.00	77,804.00	7%
Exam & assessment	0	0	0	0	0%
TOTAL	3,482,928.00	5,428.00	3,483,000.00	1,949,059.50	56%
(2) Capitation Grant on Operations					
Personnel Emoluments	2,340,000.00	0	2,340,000.00	3,685,611.90	158%
Repairs And Maintenance	4,500,000.00	0	4,500,000.00	2,875,000.00	64%
Local Transport / Travelling	855,000.00	0	855,000.00	362,878.48	42%
Electricity And Water	1,590,000.00	0	1,590,000.00	630,237.46	40%
Medical	1,500,000.00	0	1,500,000.00	146,900.00	10%
Administration Costs	1,140,000.00	0	1,140,000.00	570,237.46	50%
Activity	1,125,000.00	0	1,125,000.00	414,700.00	37%
Gratuity	0	0	0	0	0%
SMASSE	150,000.00	0	150,000.00	0	0%
TOTAL	13,200,000.00	0.00	13,200,000.00	8,685,565.30	74%
3) FDSE for infrastructure					
Maintenance &Improvement MOE	4,500,000.00	0	4,500,000.00	4,215,635.00	94%

RMI parents' contribution	1,500,000.00	0	1,500,000.00	0	0%
Economic Stimulus Programs	0	0	0	0	0%
Transition Infrastructure Grants	0	0	0	0	0%
Administration Block	0	0	0	0	0%
TOTALS	6,000,000.00	0	6,000,000.00	4,215,635.00	70%
(4) Fees Charged on Parents					
Personnel Emoluments	4,795,500.00	0	4,795,500.00	2,119,967.00	44%
Repairs And Maintenance	1,500,000.00	0	1,500,000.00	2,016,478.00	134%
Local Transport / Travelling	875,250.00	0	875,250.00	3,682,335.00	420%
Electricity And Water	1,750,500.00	0	1,750,500.00	1,001,932.00	57%
Medical	0	0	0	0	0%
Administration Costs	1,331,250.00	0	1,331,250.00	2,030,736.00	152%
Activity	375,000.00	0	375,000.00	816,815.00	218%
SMASSE	0	0	0	0	0%
Fee On Boarding Equipment and Stores	15,622,500.00	0	15,622,500.00	23,051,270.00	148%
TOTALS	26,250,000.00	0	26,250,000.00	34,719,533	134%
5) Miscellaneous Income					
Loans and Borrowing	0	0	0	0	0
Rent income	324,000.00	0	324,000.00	24,760.00	7.60%
Income From Farming Activities	1,450,000.00	0	1,450,000.00	1,319,500.00	91%
Insurance Compensation	0	0	0	0	0%
Income From Bus Hire	0	0	0	0	0%
Income from Posho Mill	0	0	0	0	0%
Total Income	1,774,000.00	0	1,774,000.00	1,344,260.00	76%
Grand total receipts	50,706,928.00	5,428.00	50,707,000.00	50,914,052.80	16%
(6) Expenditure For Tuition					

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

Textbooks	1,084,500.00	0	1,084,500.00	0	0	0%
Reference Materials/Teachers guide	127,500.00	0	127,500.00	100,000.00	78%	
Exercise Books	1,138,000.00	2,750.00	1,140,750.00	674,400.00	59%	
Laboratory Equipment	816,750.00	0	816,750.00	723,381.00	89%	
Internal Exams	151,500.00	1,500.00	150,000.00	242,500.00	162%	
Teaching / Learning Materials/chalks	164,678.00	1,178.00	163,500.00	219,500.00	134%	
Chalks	0	0	0	0	0%	
Exam and assessment	0	0	0	0	0%	
Teachers guide	0	0	0	0	0%	
Administration Costs	0	0	0	0	0%	
Bank Charges	0	0	0	0	0%	
TOTALS	3,482,928.00	5,428.00	3,483,000.00	1,959,781.00	56%	
(7) Expenditure For Operations						
Personnel Emoluments	2,340,000.00	0	2,340,000.00	1,945,306.00	83%	
Repairs, Maintenance & Improvements	4,500,000.00	0	4,500,000.00	2,888,000.00	64%	
Local Transport / Travelling	855,000.00	0	855,000.00	1,133,930.00	132%	
Electricity, Water and Conservancy	1,590,000.00	0	1,590,000.00	860,681.00	54%	
Medical & Insurance	1,500,000.00	0	1,500,000.00	5,550.00	0.40%	
Administration Costs	1,140,000.00	0	1,140,000.00	1,177,770.00	103%	
Activity Expenses	1,125,000.00	0	1,125,000.00	81,400.00	7%	
Gratuity	0	0	0	0	0	
SMASSE	150,000.00	0	150,000.00	0	0	
TOTALS	13,200,000.00		13,200,000.00	8,092,637.00	45%	
(8) Expenditure For infrastructure						
Refurbishment of classrooms	0	0	3,011,936.00	3,011,936.00	100%	
Construction of classrooms	0	0	0	0	0%	

Construction of LAB	0	0	0	0	0	0	0	0	0%
Construction of DORMS	0	0	0	0	0	0	0	0	0%
Purchase of furniture	0	0	0	0	0	0	0	0	0%
Purchase of equipment	0	0	0	0	0	0	0	0	0%
Purchase of machinery	0	0	0	0	0	0	0	0	0%
TOTALS	0	0	0	0	0	3,011,936.00	3,011,936.00	3,011,936.00	100%
(9) Expenditure For school fund/lunch/boarding									
Personnel Emoluments	4,795,500.00	0	0	0	0	4,795,500.00	2,119,967.00	2,119,967.00	44%
Repairs, Maintenance and Improvements	1,500,000.00	0	0	0	0	1,500,000.00	2,016,478.00	2,016,478.00	134%
Local Transport / Travelling	875,250.00	0	0	0	0	875,250.00	3,682,335.00	3,682,335.00	420%
Electricity, Water and Conservancy	1,750,500.00	0	0	0	0	1,750,500.00	1,001,932.00	1,001,932.00	57%
Medical Expenses	0	0	0	0	0	0	32,310.00	32,310.00	0%
Administration Costs	1,331,250.00	0	0	0	0	1,331,250.00	2,030,736.00	2,030,736.00	153%
Activity	375,000.00	0	0	0	0	375,000.00	816,815.00	816,815.00	218%
Gratuities	0	0	0	0	0	0	0	0	0%
Lunch Programme	0	0	0	0	0	0	0	0	0%
Boarding Equipment and Stores	15,622,500.00	0	0	0	0	15,622,500.00	23,051,270.00	23,051,270.00	148%
Expenditure For income Generating activities (Farm expenses)	1,671,315.00	0	0	0	0	1,671,315.00	626,911.00	626,911.00	42%
Other expenses on investments	0	0	0	0	0	0	0	0	0%
Insurance Costs	326,430.00	0	0	0	0	326,430.00	214,463.00	214,463.00	66%
Rent Expenses	324,000.00	0	0	0	0	324,000.00	24,760.00	24,760.00	8%
Bank Charges	0	0	0	0	0	0	0	0	0%

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Loan interest repayment	0	0	0	0	0%
Loan principal repayment	0	0	0	0	0%
Acquisition Of Assets	0	0	0	0	0%
TOTALS	28,571,745.00	0	28,571,745.00	35,617,977.00	125%
Total expenditures	45,254,673.00	5,428.00	48,266,681.00	48,682,331.00	

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

- 1. Some voteheads are over utilised and others underutilised.*
- 2. The same scenario happened in the financial year 2021/2022*
- 3. The budget allocations to be adjusted guided by the percentages to avoid the same in the following FY 2023/2024.*

9. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

10. 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	1,949,059.50	2,398,245.20
Others (TEXT BOOKS)*		-
Total	1,949,059.50	2,398,245.20

2 Government Grants for Operations

Description	2022-2023	2021-2022
12 MONTHS	Kshs	Kshs
Personnel emoluments	3,810,365.90	4,841,347.20
Repairs and maintenance	2,875,000.00	3,767,750.00
Local transport / travelling	362,878.48	450,509.68
Electricity and water	630,237.46	707,941.51
Medical (EDU AFYA)	146,900.00	141,400.00
Administration costs	570,237.46	707,941.51
Activity	414,700.00	0
OTHERS		
Returned cheque	0	47,900.00
Inter account borrowing	0	30,000.00
Total	8,810,319.30	10,694,789.90

3 Government Grants for infrastructure

Description	2022-2023	2021-2022
	Kshs	Kshs
Septic tank	-	3,937,000.20
Refurbishment of classrooms	4,215,635.00	-
Other NG-CDF Construction of Dormitory	-	-
Total	4,215,635.00	3,937,000.20

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4 School Fund Income - Parents Contribution/Fees

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	4,794,524.00	6,495,249.00
Repairs and maintenance	1,544,785.00	1,871,075.00
Local transport / travelling	1,224,929.00	1,354,329.00
Electricity and water	2,093,914.00	2,598,763.00
Medical	16,200.00	57,142.00
Administration costs	6,810,500.00	9,680,132.00
Activity	355,632.00	408,095.00
Fee on Boarding Equipment and stores	23,676,084.00	29,077,214.00
PA Levies*	8,312,648.00	2,186,137.00
Others (specify)		
Total	48,829,216.00	53,728,136.00

5 Miscellaneous Incomes

Description	2022-2023	2021-2022
	Kshs	Kshs
Rent Income	158,440.00	122,215.00
Income From Farming Activities	1,371,109.00	282,780.00
PTA fund	29,169.00	258,325.00
Insurance	0	0.00
Income From Posho Mill	0	0.00
Income From Bus Hire	55,000.00	0.00
Other Income (specify)*	0.00	0.00
Inter-account borrowing	0.00	0.00
Tender	134,000.00	0.00
Operations A/c	28,760.00	0.00
Total	1,776,478.00	663,320.00

Notes to the Financial Statements (continued)

6 Payment for Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Exercise Books	674,400.00	611,538.00
Textbooks	0	0
Reference materials/ Teachers Guides	100,000.00	0
Laboratory Equipment	723,381.00	1,692,315.00
Teaching / Learning Materials	219,500.00	0
Exams And Assessment	242,500.00	272,200.00
Teacher's guide	0	0
Bank Charges	360	2,505.00
Others (returned cheque)	0	10,000.00
Total	1,960,141.00	2,588,558.00

7 Payment for Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	2,751,894.00	3,868,694.00
Service Gratuity	0	0
Administration Cost	1,177,770.00	393,367.00
Repairs And Maintenance & Improvements	2,888,000.00	3,937,900.00
Local Transport / Travelling	1,179,510.00	1,051,313.00
Electricity And Water	860,681.00	976,620.00
Medical	5,550.00	0
Activity Expenses	81,400.00	603,650.00
Insurance Cost	0	0
Others (specify)	0	0
Total	8,944,805.00	10,831,544.00

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Notes to the Financial Statements (continued)

8. Payment for Infrastructure

Description	2022-2023	2021-2022
	Kshs	Kshs
Construction of Septic tank	-	4,683,205.40
Refurbishment of classrooms	3,011,936.00	-
Construction of classrooms	0	0
Total	3,011,936.00	4,683,205.40

9 Payment for Boarding And School Fund

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	2,816,369.00	3,309,083.00
Service Gratuity	0	0
Repairs And Maintenance & Improvements	2,016,478.00	3,474,542.00
Local Transport / Travelling	3,697,535.00	2,656,131.00
Electricity And Water	1,001,932.00	2,263,939.00
Medical Expenses	32,310.00	152,223.00
Administration Costs	7,659,681.00	10,706,523.00
Lunch/ Fee On Boarding Equipment and Stores	27,247,515.00	27,289,846.00
Rent Expenses	24,760.00	12,850.00
Insurance Cost (<i>Life Property</i>)	214,463.00	121,092.00
PTA expenses	9,804,231.00	1,084,689.00
Others (specify)	0	0
Total	54,515,274.00	51,070,918.00

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2022-2023	2021-2022
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	1104236575	11,521.05	22,602.55
Operations Account	Active	1104240610	139,415.90	273,730.60
School Fund Account/Boarding	Active	1103068091	664,677.13	4,197,423.13
Infrastructural Account	Active	1116712775	3,012,613.10	1,808,914.10
Farm account	Active	121014769902	51,608.50	52,334.19
P A account	Active	0830260604285	29,163.39	301,900.00
Total			3,908,999.07	6,656,904.57

11 Cash In Hand

Description	2022-2023	2021-2022
Notes and Coins	Kshs	Kshs
Operations	21.00	192.00
School Fund	41,996.00	145,367.00
Total	42,017.00	145,559.00

12 Short Term Investments

Description	2022-2023	2021-2022
	Kshs	Kshs
Cooperative Shares	0	0
Treasury Bills	0	0
Fixed Deposit accounts	0	0
Other Investments	0	0
Total	0	0

13 Accounts Receivable

Description	2022-2023	2021-2022
	Kshs	Kshs
Fees Arrears	7,588,522.00	5,972,486.00
Other Non-Fees Receivables		0
Salary Advances (list/schedule attached)	0	0
Imprest (list/schedule attached)	0	0
Rent arrears (list/schedule attached)	8,250.00	0
Total	7,596,772.00	5,972,486.00

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	3,479,586.00	45.90%	2,864,212.00	48%
Between 1- 2 years	2,864,212.00	37.70%	2,009,438.00	34%
Between 2-3 years	1,244,724.00	16.40%	1,098,836.00	18%
Total (should tie to note 13 a)	7,588,522.00	100.00%	5,972,486.00	100.00%

14 Accounts Payable

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	6,282,447.2	3,718,704.00
Prepaid Fees	502,826.00	1,442,282.00
Retention Monies	0	0
Unpaid salaries and statutory deductions	0	0
Caution money	0	0
Other payables (<i>specify</i>)	0	0
Total	6,785,273.2.	5,160,986.00

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	3,447,764.20	55%	1,913,002.00	51%
Between 1- 2 years	1,913,002.00	30%	1,805,702.00	49%
Between 2-3 years	921,681.00	15%	-	-
Over 3 years	0	-	0	-
Total (should tie to note 14)	6,282,447.2	100%	3,718,704.00	100%

15 Fund Balance Brought Forward

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank Balances	6,656,905.00	5,171,774.18
Cash Balances	145,559.00	46,743.00
Short Term Investments	0.00	0.00
Receivables	5,972,486.00	3,628,660.00
Payables	(5,160,986.00)	(3,058,831.00)
Total	7,613,964.00	5,788,346.18

Other important disclosure notes**16 Non-current Liabilities Summary**

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank Loans	0	0
Outstanding Leases	0	0
Hire Purchase	0	0
Gratuity And Leave Provision	0	0
Others (specify)	0	0
Total	0	0

17 Biological assets

Description	Numbers	2022-2023	2021-2022
		Kshs	Kshs
Cattle	12	420,000.00	890,000.00
Trees	1,200	2,400,000.00	3,150,000.00
Others (Pigs)	19	190,000.00	200,000.00
Total		3,010,000.00	4,240,000.00

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18 Borrowings

Borrowings at beginning of the year	0	0
Borrowings during the year	0	0
Repayments during the year	0	0
Balance at the end of the year	0	0

Other important disclosure notes**19 Stock/ Inventory**

Food stuffs	611,485.00	1,013,777.55
Lab consumables	200,000.00	210,000.00
Farm produce	100,000.00	30,000.00
Medication	0	0
Construction Materials	0	0
Others (specify)	0	0
Totals	911,485.00	1,253,777.55

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

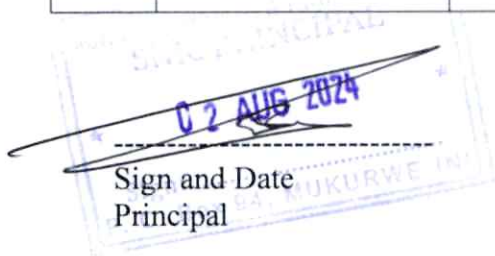
MUKURWEINI BOYS HIGH SCHOOL

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1 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)

A blue ink stamp is present, partially overlapping the signature. The stamp contains the text "MUKURWEINI BOYS HIGH SCHOOL" and "02 AUG 2024".

Sign and Date
Principal

11. 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						
GEWAWA FABRICATORS	291,855.00	30/6/2022	-	291,855.00	-	
Sub-Total	291,855.00			291,855.00	-	
Supply Of Goods						
GITHUNYA ENTERPRISES	159,225.00	30/6/2021	-	159,225.00		
MUKURWEINI AGROVET	71,910.00	30/6/2021	-	71,910.00		
FARMERS PARLOUR	29,170.00	30/6/2021	-	29,170.00		
CLASSIC FOOD STORES	24,795.00	30/6/2021	-	24,795.00		
EDWIN NGARI KAGENDO	67,320.00	30/6/2021	-	67,320.00		
ESTHER WANGUI GITHAIGA	18,600.00	30/6/2021	-	18,600.00		
ESTACY INVESTMENTS	2,100.00	30/6/2021	-	2,100.00		
BULZOI INVESTMENTS	56,250.00	30/6/2021	-	56,250.00		

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Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
NGAMWA SEC.	8,000.00	30/6/2021	-	8,000.00		
MARKIMU ENTERPRISES	98,800.00	30/6/2021	-	98,800.00		
MUKURWEINI AGROVET	32,580.00	30/6/2021	-	32,580.00		
JANKA ELECTRICALS	44,940.00	30/6/2021	-	44,940.00		
CYBER SCHOOL TECHNOLOGY	29,000.00	30/6/2021	-	29,000.00		
PEMUELST STATIONERS	87,000.00	30/6/2021	-	87,000.00		
NELSON MUNYAKA	4,920.00	30/6/2021	-	4,920.00		
NAMUGA SACCO	67,026.00	30/6/2021	-	67,026.00		
JAMES KIAMBO NGURE	2,600.00	30/6/2021	-	2,600.00		
JOSPGIKA KEY CUTTING	10,850.00	30/6/2021	-	10,850.00		
KABETHI HOLDINNGS	15,600.00	30/6/2021	-	15,600.00		
JOSEPH GIKUNJU	238,808.00	30/6/2021	-	238,808.00		
JANE MWANGI	147,667.00	30/6/2021	-	147,663.00		
ANTHONY M.GITHINJI	7,350.00	30/6/2021	-	7,350.00		
GITHUNYA ENTERPRISES	361,000.00	30/6/2022	-	361,000.00		
MUKURWEINI AGROVET	91,700.00	30/6/2022	-	91,700.00		

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Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
MAFUKO INDUSTRIES	203,490.00	30/6/2022	-	203,490.00		
ESTHER WANGUI GITHAIGA	17,500.00	30/6/2022	-	17,500.00		
ESTACY INVESTMENTS	36,575.00	30/6/2022	-	36,575.00		
LOISE MWIHAKI	17,600.00	30/6/2022	-	17,600.00		
MARKIMU ENTERPRISES	146,050.00	30/6/2022	-	146,050.00		
ANTHONY MWANGI	1,900.00	30/6/2022	-	1,900.00		
NELSON MUNYAKA	4,920.00	30/6/2022	-	4,920.00		
NAMUGA SACCO	54,709.00	30/6/2022	-	54,709.00		
SCHOOL EQUIPMENT CENTRE	90,332.00	30/6/2022	-	90,332.00		
MAGITECH SUPPLIERS	584,400.00	30/6/2022	-	584,400.00		
SAMS GEN. MERCHANTS	1,400.00	30/6/2022	-	1,400.00		
SCHOOL EQUIPMENT CENTRE	367,223.20	30/6/2022	321,307.00	45,916.20		
DAVCO STATIONERS	281,680.00	30/6/2022	-	281,680.00		
MAGITECH SUPPLIERS	498,240.00	30/6/2022	200,000.00	298,240.00		
CHAMAKA GEN. SUPPLIERS	136,500.00	30/6/2022	-	136,500.00		
CHAMAKA GEN. SUPPLIERS	32,000.00	30/6/2022	-	32,000.00		
GITHUNYA ENTERPRISES	365,280.00	30/6/2022	-	365,280.00		
ESTHER WANGUI GITHAIGA	28,620.00	30/6/2022	21,690.00	6,930.00		
EDWIN NGARI KAGENDO	236,250.00	30/6/2022	153,750.00	82,500.00		

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Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
ESTACY INV. CO LTD	3,150.00	30/6/2022	2,250.00	900.00		
MAFUKO INDUSTRIES	227,520.00	30/6/2022	141,840.00	85,680.00		
PAUL MAINA	76,570.00	30/6/2022	-	76,570.00		
ROSE WANJA KUNGU	11,000.00	30/6/2022	-	11,000.00		
MUKURWEINI AGROVET	25,650.00	30/6/2022	-	25,650.00		
ANTHONY MWANGI	6,500.00	30/6/2022	-	6,500.00		
TERESA MUNYAGA	21,000.00	30/6/2022	-	21,000.00		
FLORENCE WANJIKU	4,080.00	30/6/2022	-	4,080.00		
JOFLAM INVESTMENTS	70,400.00	30/6/2022	-	70,400.00		
PAGAMA GEN MERCHANTS	25,600.00	30/6/2022	-	25,600.00		
MARKIMU ENTERPRISES	908,600.00	30/6/2022	-	908,600.00		
DALEEON STYLES	134,750.00	30/6/2022	-	134,750.00		
SCHOOL EQUIPMENT CENTRE	105,908.00	30/6/2022	-	105,908.00		
Sub-Total	6,983,833.2		840,837.00	4,337,260.2		
Supply Of Services						
HYBRID AUTO SERVICES	297,097.00	30/6/2022	297,097.00			
Sub-Total	297,097.00		297,097.00			
Service Gratuity						
ANN MWANGI	209,445.00	30/6/2022	-	209,445.00		

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Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
MOSES MATU	219,380.00	30/6/2022	-	219,380.00		
Grand Total	8,001,610.00		1,137,934.00	6,282,447.00		

Annex 2 – Summary of Fixed Assets Register

Asset Class	Date purchased	Historical Cost b/f (Kshs) 1 st July 20XX	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 20XX
Land (27 acres)	Balance b/f 01/07/2022	81,000,000.00	-	-	81,000,000.00
Buildings And Structures	Balance b/f 01/07/2022	38,700,000.00	-	-	38,700,000.00
Motor Vehicles	Balance b/f 01/07/2022	2,720,000.00	-	-	2,720,000.00
Office Equipment, Furniture And Fittings	Balance b/f 01/07/2022	2,000,000.00	-	-	2,000,000.00
ICT Equipment	Balance b/f 01/07/2022	1,850,000.00	-	-	1,850,000.00
Tools And Apparatus	Balance b/f 01/07/2022	1,500,000.00	-	-	1,500,000.00
Textbooks	Balance b/f 01/07/2022	5,000,000.00	-	-	5,000,000.00
Other Machinery And Equipment	Balance b/f 01/07/2022	2,500,000.00	-	-	2,500,000.00
Intangible Assets- Soft Ware	Balance b/f 01/07/2022	248,000.00	-	-	248,000.00
Total		131,298,000			131,298,000

