

REPUBLIC OF KENYA



*Enhancing Accountability*



**REPORT**

**NATIONAL ASSEMBLY  
PAPERS LAID**

**DATE: 12 JUN 2025**

**DAY.**

THURSDAY

PARLIAMENT  
OF KENYA  
LIBRARY

**OF**

**TABLED  
BY:**

HON. NAOMI WAQO

DEPUTY CHIEF WHIP

**CLERK-AT  
THE-TABLE:**

ATH SHIBUKO

**THE AUDITOR-GENERAL**

**ON**

**MUSUANI SECONDARY SCHOOL**

**FOR THE YEAR ENDED  
30 JUNE, 2024**

**KITUI COUNTY**



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**MUSUANI SECONDARY SCHOOL**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>TH</sup> JUNE 2024**

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

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<b>Table of Contents</b>	<b>Page</b>
1. Acronyms and Glossary of Terms .....	ii
2. Key School Information and Management .....	iii
3. Summary Report of Performance of The School.....	x
4. Statement of School Management Responsibility .....	xv
5. Report Of The Independent Auditors <i>(To be attached)</i> .....	xvi
6. Statement Of Receipts and Payments For the Year Ended 30 <sup>th</sup> June 2024 .....	1
7. Statement of Assets and Liabilities As At 30 <sup>th</sup> June 2024 .....	2
8. Statement of Cash Flows for the Year Ended 30 <sup>th</sup> June 2024 .....	3
9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30 <sup>th</sup> June 2024 .....	5
10. Significant Accounting Policies.....	10
11. Notes To The Financial Statements .....	12
12. Annexes.....	22

**1. Acronyms and Glossary of Terms**

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

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

## 2. Key School Information and Management

*[Customise the details in this section to suit your School]*

### (a) Background information

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is in Kitui County, Migwani Sub-County in Thokoa Zone.

The school was registered in 14/03/2006 under registration number 138300012248 and is currently categorized as an Extra (*National, Extra County, County and Sub County*) public school established, owned or operated by the Government.

The school is a day/boarding school and had 278 number of students as at 30<sup>th</sup> June 2023. It has 02 double streams and 18 teachers of which none of 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	Winfred Ndumu	Chairperson	04/05/2022
2	Daniel Mwangi	Secretary – Principal	04/05/2022
3	John Mwanza	Member	04/05/2022
4	Janet Kinyambu	Member	04/05/2022
5	Michael Ngenga	Member	04/05/2022
6	Aquillas Nzendu	Co-opted Member	04/05/2022
7	Peter Maithya	Co-opted Member	04/05/2022
8	Rose Venza	Co-opted Member	04/05/2022
9	Janet Joel	Member	04/05/2022
10	Charles Mulwa	Member	04/05/2022
11	Joseph Ntoyian	Member	04/05/2022
12	Patrick Musau	Member – Rep CEB	04/05/2022
13	Veronicah Mwenga	Member Rep Teachers	04/05/2022
14	Johnson Mweta	3 Members – Sponsor	04/05/2022
15	Peter Iemunyara	Member – Community	04/05/2022
16	David Kimanzi	Member Special Needs	04/05/2022
17	Joel Musunza	Rep Students	04/07/2023

*MUSUANI SCONDARY SCHOOL*

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

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**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):

<b>Ref:</b>	<b>Name of Committee</b>	<b>Names of Members</b>	<b>Designation</b>	<b>Number of meetings attended during the year</b>
1	Executive Committee	Winfred Ndumu John Mwanza Daniel Mwangi Janet Kinyambu Michael Ngenga Charles Mulwa	<b>Chairperson</b> <b>Member</b> <b>Secretary/principal</b> <b>PA chairperson</b> <b>Member</b>	2/2 2/2 2/2 2/2 2/2 2/2
2	Audit Committee	<b>Janet Kinyambu</b> <b>Daniel Mwangi</b> <b>Esther Mutinda</b> <b>Peter Lemunyara</b> Veronichah Mwenga	<b>Chairperson</b> <b>Vicechair</b> <b>secretary</b> <b>Member</b> Member	1/1 1/1 1/1 1/1 1/1
3	Finance,procurement and general purposes Committee	<b>Janet Kinyambu</b> <b>Daniel Mwangi</b> <b>Esther Mutinda</b> <b>Peter Lemunyara</b> Veronichah Mwenga	<b>Chairperson</b> <b>Vicechair</b> <b>secretary</b> <b>Member</b> <b>Member</b>	1/1 1/1 1/1 1/1 1/1
4	Academic Committee	<b>Michael Ngenga</b> <b>Aquilas nzendu</b> <b>Eshter kilonzo</b> Winfred Ndumu Esther Mutinda Veronichah Mwenga	<b>Chairperson</b> <b>Vice chairperson</b> Secretary Member Member Member	1/1 1/1 1/1 1/1 1/1 1/1
5	Development Committee	<b>John Mweta</b> <b>Charles Mulwa</b> Esther Mutinda Daniel Mwangi Joseph Ntonyian Janet Kinyambu	<b>Chairperson</b> <b>Vicechairperson</b> Secretary Member Member Member	1/1 1/1 1/1 1/1 1/1 1/1
6	Discipline and welfare Committee	<b>Janet Kinyambu</b> <b>Peter maithya</b> Esther Mutinda Veronichah Mwenga	<i>Chairperson</i> <i>Vice chair</i> <i>Secretary</i> <i>Membmer</i>	<b>1/1</b> <b>1/1</b> <b>1/1</b> 1/1

**(d) School operation Management**

For the financial year ended 30<sup>th</sup> June 2024 the School day-to-day management was under the following persons:

Ref:	Designation	Name	Identification
1	Principal	DANIEL MWANGI	TSC No. 348850
2	Deputy Principal	ESTHER MUTINDA	TSC No.395502
3	School Bursar	ROSEPHINE MUNYOKI	22905243

**(e) Schools contacts**

Post Office Box: 647-90400  
 Telephone: 0722242293  
 E-mail: musuani.sec@gmail.com  
 Website: XXXXXXXX  
 Facebook:  
 Twitter:

**(f) School Bankers**

Provide details of the school bankers.

1. Name of Bank: Kenya Commercial Bank  
 Branch Mwingi  
 Tuition Account: 1102975842  
 Postal Address. 647-90400  
 Mwingi
2. Name of Bank: Kenya Commercial Bank  
 Branch Mwingi  
 Operations Account: 1102979996  
 Postal Address. 647-90400  
 Mwingi
3. Name of Bank: Kenya Commercial Bank  
 Branch Mwingi  
 Boarding Account: 1103025511  
 Postal Address. 647-90400  
 Mwingi
4. Name of Bank: Kenya Commercial Bank  
 Branch Mwingi  
 Infrastructure Account: 1261417259  
 Postal Address. 647-90400  
 Mwingi

5. Name of Bank: Kenya Commercial Bank  
Branch Mwingi  
Savings Account: 126181776  
Postal Address. 647-90400  
Mwingi

**MPESA LINE, ACCOUNT NUMBER 522123-**

**SCHOOL CODE: 39747 K SPACE STUDENTS,**

**NAME SPACE ADMISSION NUMBER.**

**(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, the following information should be given:*

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

<b>Particulars</b>	<b>2023-2024</b>	<b>2022-2023</b>	<b>2021-2022</b>
Surplus/deficit for the year		(1,441,766.70)	2,565,047.60

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

*I) Capitation grants from the Ministry of Education for the last three year*

<b>ACCOUNT</b>	<b>2023-2024</b>	<b>2022-2023</b>	<b>2021-2022</b>
TUTION	685,659.60	744,247.75	963,274.40
OPERATIONS	2,245,858.25	2,158,360.55	4,149,003.20
BOARDING	10,714,819.00	9,395,800.00	11,484,508.00
INFRASTRUCTURE	1,086,400.00	1,082,000.00	00.00
<b>GRAND TOTAL</b>	<b>12,820,637.80</b>	<b>13,380,408.30</b>	<b>16,596,785.60</b>

*II) A three-year overview of growth in expenditure of the school*

<b>ACCOUNT</b>	<b>2023-2024</b>	<b>2022-2023</b>	<b>2021-2022</b>
TUTION	295,868.95	987,136.00	965,756.00
OPERATIONS	2,821,930.00	2,622,498.00	3,951,591.00
BOARDING	8,936,881.20	10,321,344.00	10,305,720.00
INFRASTRUCTURE	54,418.25	891,207.00	00.00
<b>TOTAL</b>	<b>12,109,098.40</b>	<b>14,822,175.00</b>	<b>15,223,067.00</b>

III) *Movement of debtors and creditors of the school over the last three*A) **DEBTORS**

<b>YEAR</b>	<b>FORM 1</b>	<b>FORM 2</b>	<b>FORM 3</b>	<b>FORM 4</b>	<b>TOTAL</b>
2023-2024	333,169.00	277,766.00	414,419.00	572,895.00	1,598,249.00
2022-2023	161,962.00	391,905.00	546,385.00	596,879.00	1,697,131.00
2021-2022	154,400.00	479,665.00	393,155.00	1,059,690.00	2,088,251.00
<b>TOTAL</b>	<b>649,531.00</b>	<b>1,149,336.00</b>	<b>1,353,959.00</b>	<b>2,229,464.00</b>	<b>5,383,631.00</b>

B) **CREDITORS**

<b>ACCOUNT</b>	<b>2023-2024</b>	<b>2022-2023</b>	<b>2021-2022</b>
TUITION	86,110.00	337,380.00	111,310.00
OPERATIONS	36,000.00	73,000.00	00.00
BOARDING	622,290.00	310,141.00	80,630.00
OTHER ACCOUNT	00.00	00.00	00.00
<b>TOTAL</b>	<b>744,400.00</b>	<b>720,521.00</b>	<b>191,940.00</b>

C) **MOVEMENT OF CASH & BANK BALANCES FOR THE LAST THREE YEARS**

<b>ACCOUNT</b>	<b>2023-2024</b>	<b>2022-2023</b>	<b>2021-2022</b>
TUITION	241,568.10	2,255.45	19,275.70
OPERATIONS	488,699.90	15,770.65	406,908.10
BOARDING	290,724.17	88,837.37	691,490.37
INFRASTRUCTURE	1,683,762.75	1,738,181.00	1,547,388.00
SAVINGS	15,707.55	15,707.55	15,707.55
<b>TOTAL</b>	<b>2,720,462.47</b>	<b>1,860,817.02</b>	<b>2,680,769.72</b>

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

b) **Teacher Student ratio:** 1:16**TEACHING STAFF 2023/2024**

S/NO	NAME OF TEACHER	TSC/NO	SUBJECT COMBINATION	DESIGNATION
1	DANIEL MWANGI	348850	CRE/HIST	PRINCIPAL
2	ESTHER MUTINDA	395502	MATHS/CHEM	DEPUTY
3	VERONICAH MWENGA	276138	HIST/KISWA	SENIOR
4	JOSEPH NYITU	449933	AGRI/BIO	TEACHER
5	BONIFACE MWENGI	505471	BIO/CHEM	TEACHER
6	ESTHER KILONZO	516078	BST/GEO	TEACHER
7	JOEL OYUNDI	544933	PHY/CHEM	TEACHER
8	BENJAMIN KILONZI	549281	KISWA/CRE	TEACHER
9	PAUL MBALUKA	549285	MATHS/BST	TEACHER
10	JESICAH MAIWA	561785	BIO/CHEM	TEACHER
11	JUNE KOMU	638191	ENG/LIT	TEACHER
12	JOSEPH KILONZI	640895	MATH/PHY	TEACHER
13	JERUSHA MUGHAA	686674	BIO/CHEM	TEACHER
14	MARIAN MBATHA	686899	HIST/KISWA	TEACHER
15	MICHAEL NDEMWA	703027	KISWA/CRE	TEACHER
16	AUGUSTUS MUEMA	726537	MATHS/CHEM	TEACHER
17	HESBON OMBUI	770112	COMP/ENG	TEACHER
18	CHRISTYSON NJAGI	896748	BIO/CHEM	TEACHER

The subject shortfall it's **COMPUTER/MATHS**c) **Mean score in the 20XX KCSE:**

YEAR	ENTRY	MEAN SCORE	MEAN GRADE	NO. OF STUDENTS WHO JOINED HIGHER LEARNING
2023	40	4.50	C-	03
2022	65	5.26	C-	10
2021	65	5.03	C-	13

**Number of Candidates in the 2023 KCSE:**

YEAR	ENTRY	MEAN SCORE	MEAN GRADE	DEVIATION
2023	40	4.50	C-	-0.76
2022	65	5.26	C-	+0.23
2021	65	5.03	C-	+0.29

**d) Capacity of the school:**

YEAR	ENROLMENT
2023/2024	278
2022/2023	277
2021/2022	245

*There was an increase in the enrolment.*

**OTHER FACILITIES**

TITLE OF THE FACILITY	NUMBER/CAPACITY	COMMENT
<i>Classrooms</i>	<i>12</i>	<i>adquate</i>
<i>laboratories</i>	<i>04</i>	<i>adquate</i>
<i>toilets</i>	<i>56doors</i>	<i>adquate</i>
<i>dormitories</i>	<i>02-capacity 330 students</i>	<i>adquate</i>
<i>Dining hall</i>	<i>Capacity 300 students-01</i>	<i>adquate</i>

OTHER FACILITIES

e) 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
2022	Moest	Completed	1,082,000.00	890,325.00	June 2022
2021	Moest	Completed	1,289,000.00	1,208,690.00	June 2021
2020	Moest	Completed	1,324,000.00	1,235,580.00	December 2020

PRINCIPAL  
 MUSUANI SECONDARY SCHOOL  
 P. O. BOX 10000  
 MUMBAI COUNTY

.....  
 School Principal

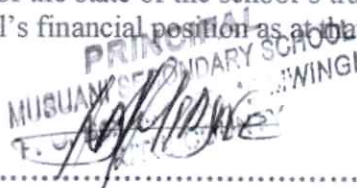
**4. Statement of School Management Responsibility**

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

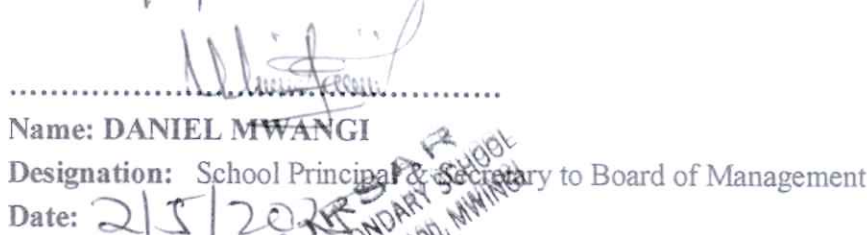
Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to be keep all proper books and records of accounts of the income, expenditure and assets of the institution.

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

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

  
MUSUANI SECONDARY SCHOOL  
KITUI COUNTY

.....  
Name: WINFRED NDUMU  
Designation: Chairman, School Board of Management  
Date: 2/5/2025

  
.....  
Name: DANIEL MWANGI  
Designation: School Principal & Secretary to Board of Management  
Date: 2/5/2025

  
.....  
Name: ROSEPHINE MUNYOKI  
Designation: Bursar/ Finance Officer  
Date: 2/5/2025

# REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke  
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HEADQUARTERS  
Anniversary Towers  
Monrovia Street  
P.O Box 30084-00100  
NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON MUSUANI SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2024 - KITUI COUNTY

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### 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.

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Musuani Secondary School - Kitui County set out on pages 1 to 21 which comprise of the statement of assets and liabilities as at 30 June, 2024 and the statement of receipts and payments, the statement

of cash flows, 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 the Musuani Secondary School – Kitui County as at 30 June, 2024, 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. Long Outstanding Student Accounts Receivables**

The statement of assets and liabilities reflects accounts receivables balance of Kshs.17,289,117 in respect of fees arrears as disclosed in Note 13 to the financial statements. Included in the balance are receivables amounting to Kshs.14,801,237 which have been outstanding for more than three (3) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy, completeness and full recoverability of the outstanding receivables balance of Kshs.14,801,237 could not be confirmed.

#### **2. Failure to Maintain Separate Cashbooks and Bank Reconciliation Statements**

The statement of assets and liabilities reflects bank balances of Kshs.2,719,275 as disclosed in Note 10 to the financial statements. Included in the amount is the boarding account balance of Kshs.289,537 which comprises of boarding bank account and bus project bank account balances. However, the school maintains one combined cashbook for both accounts and prepares joint bank reconciliation statements for the two bank accounts instead of separate records for each individual account.

In the circumstances, the accuracy, completeness and proper disclosure of bank balances of Kshs.2,719,275 could not be confirmed.

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

## **Emphasis of Matter**

### **Budgetary Control and Performance**

The statement of budgeted versus actual amounts reflects final receipts budget and actual on comparable basis of Kshs.15,100,200 and Kshs.13,655,963 respectively resulting to an under-funding of Kshs.1,444,238 or 10% of the budget. However, the School spent Kshs.12,109,098 against actual receipts of Kshs.13,655,962 resulting to an under-utilization of Kshs.1,546,864 or 11% of the actual receipts.

The under-funding and under-utilization 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 matters described in the Basis for Qualified Opinion section of my report, I have determined that there are no other key audit matters to communicate in my report.

### **Other Matter**

### **Unresolved Prior Year Matters**

In the audit report of the previous year, a number of paragraphs were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved these issues as at 30 June, 2024.

### **Other Information**

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

In connection with my audit on Musuani Secondary School - Kitui County 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.

# 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. Transfer of Funds to Kenya Secondary Schools Heads Association**

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.8,936,881 as disclosed in Note 9 to the financial statements. Included in the expenditure is an amount of Kshs.315,000 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.315,000 could not be confirmed.

### **2. Failure to Transfer of Infrastructure Funds from Operations Bank Account**

During the year under review, the Ministry of Education (MOE) transferred Kshs.3,332,259 to the School's operation account out of which Kshs.1,086,400 was in respect of infrastructure grant. However, the infrastructure grant was not transferred to the school infrastructure bank account. This was contrary to the Ministry of Education Circular Ref. MOE.HQS/3/13/3 dated 16 June, 2021, which directed that infrastructure grants as well as maintenance and improvement funds be transferred to the School infrastructure account within fifteen (15) days upon receipt of the funds in the operations account.

In the circumstances, Management was in breach of the Ministry's directive.

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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

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 controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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

## **Auditor-General's Responsibilities for the Audit**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for 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**

**27 May, 2025**

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

The school financial statements were approved on 30<sup>th</sup> June 2024 and signed by:

**Chair BOM**  
 Name: WINFRED NDUMU  
 Date: 2/5/2025

**BOM**  
 School Principal/Secretary to  
 Name: DANIEL MWANGI  
 Date: 2/5/2025

**Bursar/Finance Officer**  
 Name: ROSEPHINE MUNYOKI  
 Date: 2/5/2025

*(Stamps and signatures are present for each role, including 'BURSAR' and 'MUSUANI SECONDARY SCHOOL' stamps.)*

Description Of Vote Head	Note	Insert Current FY2023/2024	Insert Comparative FY2022/2023
		Kshs	Kshs
<b>Receipts</b>			
Government grants for tuition	1	685,659.60	744,247.75
Government grants for operations	2	2,245,459.25	2,158,360.55
Government Grants for infrastructure	3	1,086,400.00	1,082,000.00
School fund income- parents' contributions	4	8,953,045.00	8,748,900.00
Miscellaneous incomes	5	689,400.00	646,900.00
<b>Total Receipts</b>		<b>13,659,963.85</b>	<b>13,380,408.30</b>
<b>Payments</b>			
Tuition	6	295,868.95	987,136.00
Operations	7	2,821,930.00	2,622,498.00
Infrastructure	8	54,418.25	891,207.00
Boarding and school fund	9	8,936,881.20	10,321,334.00
<b>Total Payments</b>		<b>12,109,098.40</b>	<b>14,822,175.00</b>
<b>Surplus/Deficit</b>		<b>1,550,865.45</b>	<b>(1,441,766.70)</b>

6. Statement Of Receipts and Payments For the Year Ended 30<sup>th</sup> June 2024

Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024

7. Statement of Assets and Liabilities as At 30<sup>th</sup> June 2024

Description	Note	2023/2024 Kshs	2022/2023 Kshs
<b>Financial Assets</b>			
<b>Cash and cash equivalents</b>			
Bank balances	10	2,719,275.47	1,858,709.02
Cash balances	11	1,187.00	2,245.00
Short term investments	12	00.00	00.00
<b>Total cash and cash equivalent</b>		<b>2,720,462.47</b>	<b>1,860,954.02</b>
Account's receivables	13	17,289,117.40	16,763,798.40
<b>Total financial assets</b>		<b>20,009,579.87</b>	<b>18,624,752.42</b>
<b>Financial liabilities</b>			
Accounts payables	14	(1,060,890.00)	(1,226,928.00)
<b>Net financial assets</b>		<b>18,948,689.87</b>	<b>17,397,824.42</b>
<b>Represented by</b>			
Accumulated fund b/fwd 1 <sup>st</sup> July 2023	15	17,397,824.42	18,839,591.12
Surplus/deficit for the year		1,550,865.45	(1,441,766.70)
<b>Net financial position</b>		<b>18,948,689.87</b>	<b>17,397,824.42</b>

The school's financial statements were approved on 30<sup>th</sup> June 2024 and signed by:

Name: WINFRED NDUMU

Chair BOM

Date: 2/5/2025

Name: DANUEL MWANGI  
School Principal/ Secretary to BOM

Date: 2/5/2025

Name: ROSEMARY MUNYOKI

Bursar/ Finance Officer

Date: 2/5/2025

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

8. Statement of Cash Flows for the Year Ended 30<sup>th</sup> June 2024

Description	Note	2023/2024	2022-2023
		Kshs	Kshs
<b>Cash from Operating Activities (Receipts )</b>			
Government grants for tuition		685,659.60	744,247.75
Government grants for operations		2,245,459.25	2,158,360.33
Government grants for infrastructure		1,086,400.00	1,082,000.00
School fund income- parents contributions/ fees		8,137,219.00	8,840,815.00
Other income		689,400.00	646,900.00
<b>Total receipts</b>		<b>12,844,137.85</b>	<b>13,472,323.30</b>
<b>Payments</b>			
Cash outflows for tuition		446,548.95	761,066.00
Cash outflows for operations		2,858,930.00	2,550,380.00
Cash outflows Boarding/lunch and school fund payments		8,624,732.20	10,091,823.00
<b>Total payments</b>		<b>11,930,211.15</b>	<b>13,403,269.00</b>
<b>Net cash inflow/outflow from operating activities</b>		<b>913,926.70</b>	<b>69,509.30</b>
<b>Cash flow from investing activities</b>			
Acquisition of assets		(54,418.25)	(890,780.30)
Proceeds from sale of Assets		00.00	00.00
Proceeds from investments		00.00	00.00
Purchase of investments		00.00	00.00
<b>Net cash inflow/outflows from investing activities</b>		<b>(54,418.25)</b>	<b>(890,780.30)</b>
<b>Cash flow from Financing activities</b>			
Proceeds from borrowings/ loans		00.00	00.00
Repayment of principal borrowings		00.00	00.00
<b>Net cash inflow/outflow from financing activities</b>		<b>00.00</b>	<b>00.00</b>
<b>Net increase/decrease in cash and cash equivalents</b>		<b>859,508.45</b>	<b>(821,270.70)</b>
Cash and cash equivalent at beginning of the FY		1,860,954.02	2,682,224.72
<b>Cash and cash equivalent at end of the FY</b>		<b>2,720,462.47</b>	<b>1,860,954.02</b>

The school's financial statements were approved on 30<sup>th</sup> June 2024 and signed by:

Name: WINFRED NDUMU

Chair BOM

Date: 2/5/2025

Name: DANIEL MWANGI  
School Principal/ Secretary to  
BOM

Date: 2/5/2025

Name: ROSEPHINE MUNYOKI

Bursar/ Finance Officer

Date: 2/5/2025

*MUSUANI SECONDARY SCHOOL*

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

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9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30<sup>th</sup> June 2024

Receipt/Expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b Kshs	Actual On Comparable Basis d Kshs	% Of Utilization e=d/c % Kshs
<b>Receipts</b>					
<b>(1) Capitation Grant on Tuition</b>					
Reference Materials	00.00	00.00	00.00	00.00	0
Exercise Books	00.00	00.00	00.00	00.00	0
Laboratory Equipment	00.00	00.00	00.00	00.00	0
Internal Exams	00.00	00.00	00.00	00.00	0
Teaching / Learning Materials	1,036,000.00	00.00	1,036,000.00	685,659.60	71.03%
Exams And Assessment	00.00	00.00	00.00	00.00	0
<b>(2) Capitation Grant on Operations</b>					
Personnel Emoluments	00.00	00.00	00.00	00.00	00.00
Repairs And Maintenance	00.00	00.00	00.00	00.00	00.00
Local Transport / Travelling	00.00	00.00	00.00	00.00	00.00
Electricity And Water	00.00	00.00	00.00	00.00	00.00
Medical/Insurance	500,0000.00	00.00	500,000.00	229,500.00	45.90%
Administration Costs	00.00	00.00	00.00	00.00	00.00
Activity	375,000.00	00.00	375,000.00	222,797.20	59.41%
Other voteheads	2,350,000.00	00.00	2,350,000.00	1,793,561.05	76.32%
<b>3) FDSE for infrastructure</b>					
Maintenance &Improvement MoE	1,250,000.00	00.00	1,250,000.00	1,082,000.00	86.56%

Receipt/Expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b Kshs	Actual On Comparable Basis d Kshs	% Of Utilization e=d/c % Kshs
M&I parents' contribution	00.00	00.00	00.00	00.00	00.00
Economic Stimulus Programs	00.00	00.00	00.00	00.00	00.00
Transition Infrastructure Grants	00.00	00.00	00.00	00.00	00.00
Administration Block	00.00	00.00	00.00	00.00	00.00
<b>(4) Fees Charged on Parents</b>					
Personnel Emoluments	780,000.00	00.00	780,000.00	788,958.00	101.15%
Repairs And Maintenance	400,000.00	00.00	400,000.00	373,468.00	93.67%
Local Transport / Travelling	440,000.00	00.00	440,000.00	426,764.00	96.99%
Electricity And Water	800,000.00	00.00	800,000.00	761,396.00	95.17%
Medical	00.00	00.00	00.00	00.00	00.00
Administration Costs	560,000.00	00.00	560,000.00	540,600.00	96.53%
Activity	50,000.00	00.00	50,000.00	60,131.00	120.26%
SMASSSE	00.00	00.00	00.00	00.00	00.00
Boarding Equipment and Stores	5,827,000.00	00.00	5,827,000.00	6,001,728.00	102.99%
<b>5) Miscellaneous Income</b>					
Tender fees	20,000.00	00.00	20,000.00	17,000.00	00.00
KNEC EXAM	12,200.00	00.00	12,200.00	6,100.00	00.00
Income From Bus Hire	700,000.00	00.00	700,000.00	666,300.00	00.00
<b>TOTAL</b>	<b>15,100,200.00</b>		<b>15,100,200.00</b>	<b>13,655,962.85</b>	<b>90.43%</b>
<b>(6) Expenditure For Tuition</b>					
Textbooks	00.00	00.00	00.00	00.00	00.00

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Reference Materials	00.00	00.00	00.00	00.00	00.00
Exercise Books	00.00	00.00	00.00	00.00	00.00
Laboratory Equipment	00.00	00.00	00.00	00.00	00.00
Internal Exams	00.00	00.00	00.00	00.00	00.00
Teaching / Learning Materials	1,036,000.00	00.00	1,036,000.00	291,930.00	28.18%
Chalks	00.00	00.00	00.00	00.00	00.00
Exams And Assessment	00.00	00.00	00.00	00.00	00.00
Teachers Guides	00.00	00.00	00.00	00.00	00.00
Administration Costs	00.00	00.00	00.00	00.00	00.00
Bank Charges	00.00	00.00	00.00		00.00
<b>(7) Expenditure For Operations</b>					
Other vote heads	2,350,000.00	00.00	2,350,000.00	2,383,130.00	101.41%
Repairs, Maintenance & Improvements	00.00	00.00	00.00	00.00	00.00
Local Transport / Travelling	00.00	00.00	00.00	00.00	00.00
Electricity, Water and Conservancy	00.00	00.00	00.00	00.00	00.00
Medical/Insurance	500,000.00	00.00	500,000.00	216,559.00	43.31%
Administration Costs	00.00	00.00	00.00	00.00	00.00
Activity Expenses	375,000.00	00.00	375,000.00	222,241.00	59.26%
SMASSE	00.00	00.00	00.00	00.00	00.00
<b>(8) Expenditure For infrastructure</b>					
Construction of Boys Latrine	1,250,000.00	00.00	1,250,000.00	50,000.00	4.00%

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Construction of LAB	00.00	00.00	00.00	00.00	00.0
Construction of DORMS	00.00	00.00	00.00	00.00	00.00
Purchase of furniture	00.00	00.00	00.00	00.00	00.00
Purchase of equipment	00.00	00.00	00.00	00.00	00.00
Bank charges	00.00	00.00	00.00	4,418.25	00.00
<b>(9) Expenditure For school fund/lunch/boarding</b>					
Personnel Emoluments	780,000.00	00.00	780,000.00	429,470.00	55.06%
Repairs, Maintenance /improvement	400,000.00	00.00	400,000.00	377,365.00	94.34%
Local Transport / Travelling	440,000.00	00.00	440,000.00	378,400.00	86.00%
Electricity, Water and Conservancy	800,000.00	00.00	800,000.00	739,660.00	92.45%
KNEC EXAM	6,100.00	00.00	6,100.00	6,100.00	00.00
Administration Costs	560,000.00	00.00	560,000.00	556,819.20	99.43%
Activity	50,000.00	00.00	50,000.00	102,130.00	204.26%
Bus hire	700,000.00	00.00	700,000.00	590,802.00	00.00
Lunch Programme	5,827,000.00	00.00	5,827,000.00	5,739,135.00	98.49%
Tender fees	20,000.00	00.00	20,000.00	17,000.00	00.00
<b>Total</b>	<b>15,100,200.00</b>	<b>00.00</b>	<b>15,100,200.00</b>		<b>80.16%</b>
Insurance Costs	00.00	00.00	00.00	00.00	00.00

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Other Expenses On Investments	00.00	00.00	00.00	00.00	00.00
Rent Expenses	00.00	00.00	00.00	00.00	00.00
Bank Charges	00.00	00.00	00.00	00.00	00.00
Loan Interest Repayment	00.00	00.00	00.00	00.00	00.00
Loan Principal Repayment	00.00	00.00	00.00	00.00	00.00
Acquisition Of Assets	00.00	00.00	00.00	00.00	00.00
<b>Totals</b>	<b>00.00</b>	<b>00.00</b>	<b>00.00</b>	<b>00.00</b>	<b>00.00</b>

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

*The activity a fee was over used due to the increase of the levy and also the economic crises.*

## 10. Significant Accounting Policies

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

### 1. Statement of compliance and basis of preparation

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

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

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

### 2. Recognition of receipts and payments

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

### 3. In-kind contributions

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

### 4. Cash and cash equivalents

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

**5. Accounts Receivable**

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

**6. Accounts Payable**

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

**7. Non-current assets**

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

**8. Budget**

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

**9. Comparative figures**

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

**10. Subsequent events**

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

## 11. Notes to the Financial Statements

## 1 Government Grants for Tuition

Description	Insert Current FY2023/2024	Insert Comparative FY2022/2023
	Kshs	Kshs
Reference Materials	00.00	00.00
Exercise Books	00.00	00.00
Laboratory Equipment	00.00	00.00
Internal Exams	00.00	00.00
Teaching / Learning Materials	685,659.60	744,247.75
Others (specify)*	00.00	00.00
<b>TOTAL</b>	<b>685,659.60</b>	<b>744,247.75</b>

\*Include others as per MOE circulars

## 2 Government Grants for Operations

Description	Insert Current FY2023/2024	Insert Comparative FY2022/2023
	Kshs	Kshs
Personnel Emoluments	00.00	00.00
Repairs And Maintenance	00.00	00.00
Local Transport / Travelling	00.00	00.00
Electricity And Water	00.00	00.00
Medical/Insurance	229,500.00	55,400.00
Administration Costs	00.00	00.00
Activity	222,797.20	151,425.00
Other Vote Heads (specify)*	1,793,162.05	1,951,535.55
<b>Total</b>	<b>2,245,459.25</b>	<b>2,158,360.55</b>

\*Include others as per MOE circulars

**3 Government Grants for infrastructure**

Description	<i>Insert Current FY2023/2024</i>	<i>Insert Comparative FY2022/2023</i>
	<b>Kshs</b>	<b>Kshs</b>
Maintenance & Improvement	1,086,400.00	1,082,000.00
Transition infrastructure grants	00.00	00.00
Administration Block	00.00	00.00
Economic stimulus grants	00.00	00.00
<b>Total</b>	<b>1,086,400.00</b>	<b>1,082,000.00</b>

**4 School Fund Income - Parents Contribution/Fees**

Description	<i>Insert Current FY2023/2024</i>	<i>Insert Comparative FY2022/2023</i>
	<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments	788,958.00	918,058.00
Repairs and maintenance	373,468.00	416,839.00
Local transport / travelling	426,764.00	376,279.00
Electricity and water	761,396.00	1,043,951.00
Medical	00.00	00.00
Administration costs	540,600.00	543,094.00
Activity	60,131.00	88,882.00
Boarding Equipment/stores	6,001,728.00	5,361,857.00
<b>TOTAL</b>	<b>8,953,045.00</b>	<b>8,748,960.00</b>

**5 Miscellaneous Incomes**

Description	<i>FY2023/2024</i>	<i>FY2022/2023</i>
	<b>Kshs</b>	<b>Kshs</b>
Student ID Cards	00.00	00.00
Income from - Bus hire	666,300.00	621,800.00
Tender fees	17,000.00	19,000.00
KNEC Exam	6,100.00	6,100.00
<b>Total</b>	<b>689,400.00</b>	<b>646,900.00</b>

## Notes to the Financial Statements (continued)

## 6 Tuition

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Exercise Books	00.00	00.00
Textbooks	00.00	00.00
Reference materials	00.00	00.00
Laboratory Equipment	00.00	00.00
Teaching / Learning Materials	291,930.00	985,018.00
Exams And Assessment	00.00	00.00
Teachers Guides	00.00	00.00
Bank Charges	3,938.95	2,118.00
Others ( <i>specify</i> )	00.00	00.00
<b>Total</b>	<b>295,868.95</b>	<b>987,136.00</b>

## 7 Operations

Description	FY2023/2024	FY2022/2023
	Kshs	Kshs
Other Voteheads	2,383,130.00	2,442,998.00
Service Gratuity	00.00	00.00
Administration Cost	00.00	00.00
Repairs And Maintenance & Improvements	00.00	00.00
Local Transport / Travelling	00.00	00.00
Electricity And Water	00.00	00.00
Medical/Insurance	216,559.00	50,000.00
Activity Expenses	222,241.00	129,500.00
Bank charges	00.00	00.00
Others ( <i>specify</i> )	00.00	00.00
<b>Total</b>	<b>2,821,930.00</b>	<b>2,622,498.00</b>

## Notes to the Financial Statements (continued)

**8 Infrastructure**

Description	2023/2024FY	2022/2023FY
	Kshs	Kshs
Construction of classrooms	50,000.00	890,325.00
Bank charges	4,418.25	882.00
Others (specify)	00.00	00.00
<b>Total</b>	<b>54,418.25</b>	<b>891,207.00</b>

**9 Boarding and School Fund**

Description	2023/2024FY	2022/2023FY
	Kshs	Kshs
Personnel Emoluments	429,470.00	674,054.00
Tender Expenses	17,000.00	19,000.00
Repairs And Maintenance & Improvements	377,365.00	428,530.00
Local Transport / Travelling	378,400.00	263,700.00
Electricity And Water	739,660.00	1,089,175.00
KNEC Exam	6,100.00	6,100.00
Administration Costs	556,819.20	621,624.00
Activity Fees	102,130.00	255,905.00
Bus hire expenses	590,802.00	606,166.00
Boarding Equipment and Stores	5,739,135.00	6,357,800.00
Student ID Cards	00.00	00.00
<b>Total</b>	<b>8,936,881.20</b>	<b>10,322,054.00</b>

## Notes to the Financial Statements (continued)

## 10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2023/2024FY	2022/2023FY
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	1102975842	241,568.10	2,457.45
Operations Account	Active	1102979996	488,699.90	15,770.65
Boarding Account	Active	1103025511	289,537.17	86,592.37
Savings Account	Active	126181776	15,707.55	15,707.55
Infrastructure Account	Active	1261417259	1,683,762.75	1,738,181.00
<b>Total</b>			<b>2,719,275.47</b>	<b>1,858,709.02</b>

## 11 Cash In Hand

Description	2023/2024FY	2022/2023FY
	Kshs	Kshs
Tuition Account	00.00	00.00
Operations Account	00.00	00.00
Boarding Account	1,187.00	2,245.00
Infrastructure Account	00.00	00.00
<b>Total</b>	<b>1,187.00</b>	<b>2,245.00</b>

## 12 Short Term Investments

Description	2023/2024FY	2022/2023FY
	Kshs	Kshs
Cooperative Shares	00.00	00.00
Treasury Bills	00.00	00.00
Fixed Deposit accounts	00.00	00.00
Other Investments	00.00	00.00
<b>Total</b>	<b>00.00</b>	<b>00.00</b>

## Notes to the Financial Statements (continued)

## 13 Accounts Receivable

Description	2023/2024 FY	2022/2023 FY
	Kshs	Kshs
Fees Arrears	17,289,117.40	16,763,798.40
<b>Other Non-Fees Receivables</b>		
Imprest (list/schedule attached)	00.00	00.00
Rent arrears (list/schedule attached)	00.00	00.00
<b>Total</b>	<b>17,289,111.40</b>	<b>16,763,798.40</b>

## 13 b Ageing Analysis of Accounts Receivable

Description	2023/2024 FY		2022/2023 FY	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	1,598,249.00	%	1,697,131.00	%
Between 1- 2 years	820,413.00	%	654,154.00	%
Between 2-3 years	69,218.00	%	57,616.00	%
Over 3 years	14,801,237.40	%	14,358,909.40	%
<b>Total (should tie to note 13 a)</b>	<b>17,289,117.40</b>	<b>%</b>	<b>16,763,798.40</b>	<b>%</b>

## 14 Accounts Payable

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	844,990.00	720,521.00
Prepaid Fees	215,900.00	506,407.00
Retention Monies	00.00	00.00
Unpaid salaries and statutory deductions	00.00	00.00
Caution money	00.00	00.00
Other payables ( <i>specify</i> )	00.00	00.00
<b>Total</b>	<b>1,060,890.00</b>	<b>1,226,928.00</b>

## Notes to the Financial Statements (continued)

## 14a. Ageing Analysis of Accounts Payable

Description	2023/2024FY		2022/2023FY	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	744,400.00	%	720,521.00	%
Between 1- 2 years	100,590.00	%	00.00	%
Between 2-3 years	00.00	%	00.00	%
Over 3 years	00.00	%	00.00	%
<b>Total (should tie to note 14)</b>	<b>844,990.00</b>	<b>%</b>	<b>720,521.00</b>	<b>%</b>

## 15 Fund Balance Brought Forward

Description	2023/2024FY		2022/2023FY	
	Kshs		Kshs	
Bank Balances	2,719,275.47		1,858,709.02	
Cash Balances	1,187.00		2,245.00	
Short Term Investments	00.00		00.00	
Receivables	17,289,117.40		16,763,798.40	
Payables	(1,060,890.00)		(1,226,928.00)	
<b>TOTAL</b>	<b>18,949,689.87</b>		<b>17,397,824.42</b>	

**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**

<b>Description</b>	<b>2023/2024FY</b>	<b>2022/2023FY</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank Loans	00.00	00.00
Outstanding Leases	00.00	00.00
Hire Purchase	00.00	00.00
Gratuity And Leave Provision	00.00	00.00
Others (specify)	00.00	00.00
<b>Total</b>	<b>00.00</b>	<b>00.00</b>

**17 Biological assets**

<b>Description</b>	<b>Numbers</b>	<b>2023/2024FY</b>	<b>2022/2023FY</b>
		<b>Kshs</b>	<b>Kshs</b>
Cattle	00.00	00.00	00.00
Goats	00.00	00.00	00.00
Trees	750.00	750.00	750.00
Coffee Or Tea Plantation	00.00	00.00	00.00
Poultry	00.00	00.00	00.00
Others (specify)	00.00	00.00	00.00
<b>Total</b>	<b>750.00</b>	<b>750.00</b>	<b>750.00</b>

**18 Borrowings**

<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Borrowings at beginning of the year	00.00	00.00
Borrowings during the year	00.00	00.00
Repayments during the year	00.00	00.00
<b>Balance at the end of the year</b>	<b>00.00</b>	<b>00.00</b>

## Other important disclosure notes

## 19 Stock/ Inventory


Description	2023/2023FY	2022/2023
	Kshs	Kshs
Food stuffs	363,731.00	198,246.00
Lab consumables	56,197.00	70,125.00
Farm produce	00.00	00.00
Medication	00.00	00.00
Construction Materials	00.00	32,220.00
Others (specify) Office Stationary	30,260.00	53,940.00
<b>TOTAL</b>	<b>450,188.00</b>	<b>354,531.00</b>

*The stock is measured/valued at cost.*

**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)
1.	Irregular Transfer of Funds to KSSHA.	The above monies paid via KSSHA, was to facilitate the principal for the conference to Mombasa for the transport and upkeep for the period of the conference /workshop.	Not Resolved	
2.	Late Submission of Financial Statement for Audit	There were no clear guidelines on where we should submit the financial statements, thus we had submitted to the County Schools office bearing in mind that they will forward them to the office of Auditor General.	Not Resolved	
3.	Long outstanding Accounts Receivables	We would request to be guided on the policy on how to write off the outstanding arrears since majority of the students have dropped and the rest collected their certificates thus being unable for us to collect the outstanding fees receivables.	Not Resolved	
4.	Poor Management of Inventory	The school management shall strictly do the stock taking and do analysis for the quantity and rate per item thus giving the exact closing balances at the closure of the year.	Not Resolved	

  
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 Sign and Date  
 Principal

## 12. Annexes

## Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
	A	b	C	d=a-c		
Kshs	Kshs	Kshs	Kshs		Kshs	
<b>Construction Of Buildings</b>						
1. None	00	00	00	00	00	
2. None	00	00	00	00	00	
3. None	00	00	00	00	00	
<b>Sub-Total</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	
<b>Supply Of Goods</b>						
4. Patrick Nguli Stores	180,000.00	06/06/2024	00.00	180,000.00	180,000.00	
5. Ngovi Kithia Operations	295,460.00	22/06/2024	00.00	295,460.00	295,460.00	
6. Faith Greens	11,200.00	30/06/2024	00.00	11,200.00	11,200.00	
7. Lake Oil Ltd	76,400.00	23/06/2024	00.00	76,400.00	76,400.00	
8. Musuani Butchery	37,800.00	30/06/2024	00.00	37,800.00	37,800.00	
9. Flames investment	11,800.00	30/06/2024	00.00	11,800.00	11,800.00	
10. Jograna Bookshop	47,110.00	11/05/2024	00.00	47,110.00	47,110.00	
11. Deltalink Investment	39,000.00	06/06/2024	00.00	39,000.00	39,000.00	

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
12. Kalysyan Enterprises	36,000.00	09/06/2024	00.00	36,000.00	36,000.00	
<b>Sub-Total</b>	<b>734,770.00</b>			<b>734,770.00</b>	<b>734,770.00</b>	
<b>Supply Of Services</b>						
13. Mma Munaa Posho Mill	9,630.00	30/06/2024	00.00	9,630.00	9,630.00	
14.						
<b>Sub-Total</b>	<b>9,630.00</b>		<b>00.00</b>	<b>9,630.00</b>	<b>9,630.00</b>	
<b>Grand Total</b>	<b>744,400.00</b>		<b>00.00</b>	<b>744,400.00</b>	<b>744,400.00</b>	

Annex 2 – Summary of Fixed Assets Register

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Unit	Historical cost b/f (Kshs) 1 <sup>st</sup> July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 <sup>th</sup> June 2021
Land 1	2005	KITUI	3.56Acres	850,000	0	0	850,000
Land 2		KITUI	0	0	0	0	0
Buildings and structures/tanks		KITUI	10	4,950,000	1,265,033	0	6,215,033
Motor vehicles/motorbikes		KITUI	1	5,170,000	0	0	5,170,000
Office equipment, furniture and fittings		KITUI	18	4,875,000	180,000	0	5,055,000
ICT Equipment, and Other ICT Assets		KITUI	20	2,500,000	290,000	0	2,790,000
Tools and apparatus		KITUI	265	601,520	0	0	601,250
Textbooks		KITUI	568	798,450	472,000	0	1,270,450
Other Machinery and Equipment		KITUI	12	114,565	0	0	114,565
Heritage and cultural assets		KITUI	0	0	0	0	0
Intangible assets- soft ware		KITUI	2	340,000	0	0	340,000
<b>Total</b>				20,199,535	2,217,033		22,406,568

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

*MUSUANI SECONDARY SCHOOL*  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

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