

REPUBLIC OF KENYA



*Enhancing Accountability*

## REPORT

PARLIAMENT  
OF KENYA  
LIBRARY

OF

## THE AUDITOR-GENERAL

ON

## REV. MUHORO SECONDARY SCHOOL FOR THE DEAF

~~FOR THE YEAR ENDED~~

~~30 JUNE, 2022~~

THE NATIONAL ASSEMBLY  
PAPERS LAID

~~NYERI COUNTY~~ 2025

DAY	
WEDNESDAY	
TABLED BY:	DEPUTY MAJORITY WHIP (HON. NAOMI WAGWA MP)
CLERK-AT-THE-TABLE:	J. LEMERIE



*Revised 30<sup>th</sup> June 2022.*



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**REV MUHORO SECONDARY SCHOOL FOR THE DEAF  
PUBLIC SECONDARY SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE 2022**

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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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**I. Key School Information And Management**

**(a) Background information**

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

The school was registered in 1988 under registration number 19 S 0030 0103 and is currently categorized as a National Public Special School established, owned and operated by the Government.

The school is a Mixed, day & boarding school and had 366 students as at 30<sup>th</sup> June 2022. It had 3 streams and 24 teachers of whom 6 were 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:

<b>Ref</b>	<b>Name of Board Member</b>	<b>Designation</b>	<b>Date of appointment</b>
1	Mr.Erastus Manyara Njogu	Chairperson	5.3.2022
2	Mr. Migui Njagi	Member– Community	5.3.2022
3	Ms Mary Wangari Hunja	Member – Community	5.3.2022
4	Mr. Bismark Nyuguto	Member – Community	5.3.2022
5	Mr. Steven Maina	Member– Community	5.3.2022
6	Mrs Mary Ndomo	Member– Community	5.3.2022
7	Mr. Stanley Wambugu	Member– Community	5.3.2022
8	Ms. Sally Ndegwa	Member – Rep CEB	5.3.2022
9	Mr. Samuel Waithaka	Member Rep Teachers	5.3.2022
10	Rev Lucas Murigu	Member – Sponsor	5.3.2022
11	Mr. Muriithi Nyika	Member – Sponsor	5.3.2022
12	Ms Susan Thuku	Member – Special Interests	5.3.2022
13	Ms Susan Kirima	Member - Special Needs	5.3.2022
14	Ms Elizabeth Gituku	Secretary	Confirmed 23.5.2022
15	Mr Patrick Muthuuri	Chairperson PA	Copted 23.5.2022
16	Mr Robert Mathari	Member PA	Copted 23.5.2022
17	Ms Esther Wangari	Member PA	Copted 23.5.2022

**Key School Information and Management (Continued)**

**The function of the School Board of Management include:**

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013
- Ensure and assure the provision of proper and adequate facilities for the School
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School.
- Determine cases of pupils' discipline and make reports to the CEB
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB
- Administer and manage the resources of the School
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule para 21 and 23 of the Basic Education Act, 2013.

**(c) Committees of the Board**

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year [July 2021- June 2022]
1	Executive Committee	1. Mr. Erastus Manyara 2. Ms Sally Ndegwa 3. Ms Mary Hunja 4. Mr. Patrick Muthuuri 5. The Secretary	Chair Member Member Member Member	2
2	Audit Committee	1. Mr. Migui Njagi 2. Mr. Robert Wambugu 3. Mrs Mary Ndomo	Chair Member Member	-
3	Finance, procurement and general purposes Committee	1. Mr. Bismark Nyuguto 2. Mr. Erastus Manyara 3. Ms Mary Hunja	Chair Member Member	-
4	Academic Committee	1. Ms Sally Ndegwa 2. Ms Susan Kirima 3. Mr. Patrick Muthuuri 4. Mr. Samuel Waithaka	Chair Member Member Member	2
5	School Infrastructure Committee	1. Mr. Migui Njagi 2. Mr. Erastus Manyara 3. Mr. Steven Maina 4. The SCDE	Chair Member Member Member	4
6	Discipline and welfare Committee	1. Ms Susan Thuku 2. Esther Wangari 3. Rev Lucas Murigu	Chair Member Member	-
7	Adhoc Committee (if any during the year)	-		-

**(d) School operation Management**

For the financial year ended 30<sup>th</sup> June 2022 the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	Ms. Gituku Elizabeth	322669
2	Deputy Principal	-	-
3	School Bursar	John Maina Ndogo	-

**(a) Schools contacts**

Post Office Box: 278-10103 MUKURWE-INI  
 Telephone: 0719822683  
 E-mail: revmuhorosfd@gmail.com/  
 Website: www.revmuhorosfd.com  
 Facebook: -  
 Twitter: -

**(b) School Bank Accounts**

The school operated 6 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: KCB Ltd  
 Branch: MUKURWE-INI  
 Account Number: 1103061062
2. Name of Bank: KCB Ltd  
 Branch: MUKURWE-INI  
 Account Number: 1103061216
3. Name of Bank: KCB Ltd  
 Branch: MUKURWE-INI  
 Account Number: 1102780286
4. Name of Bank: KCB Ltd  
 Branch: MUKURWE-INI  
 Account Number: 1103061631
5. Name of Bank: ABSA  
 Branch: NYERI  
 Account Number: 0305611468
6. Name of Bank: EQUITY Bank Ltd  
 Branch: MUKURWE-INI  
 Account Number: 0830261349242
7. Pay Bill No247247, ACCOUNT 349242 attached to EQUITY BANK account.

**(e) Independent Auditors**

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

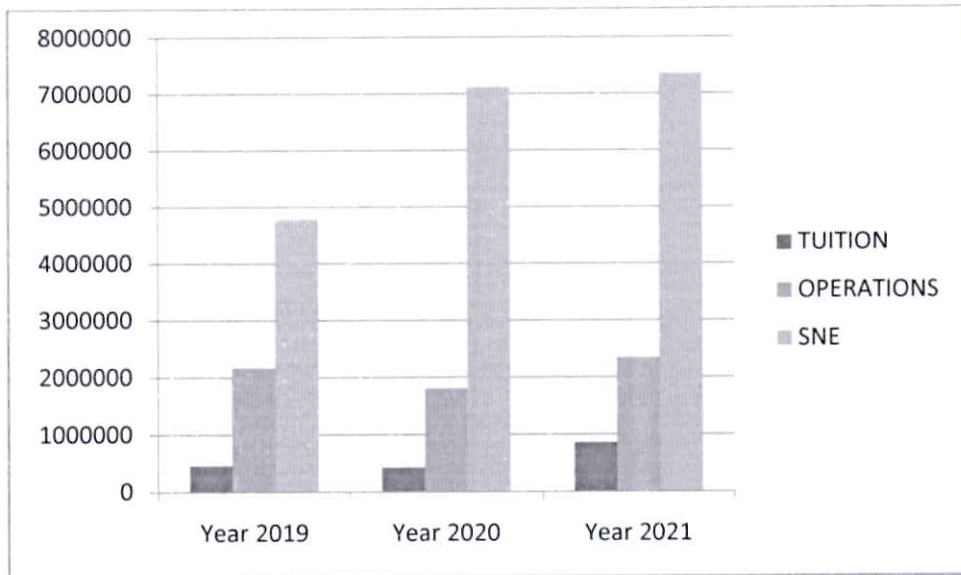
**II. Summary Report Of Performance Of The School**

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

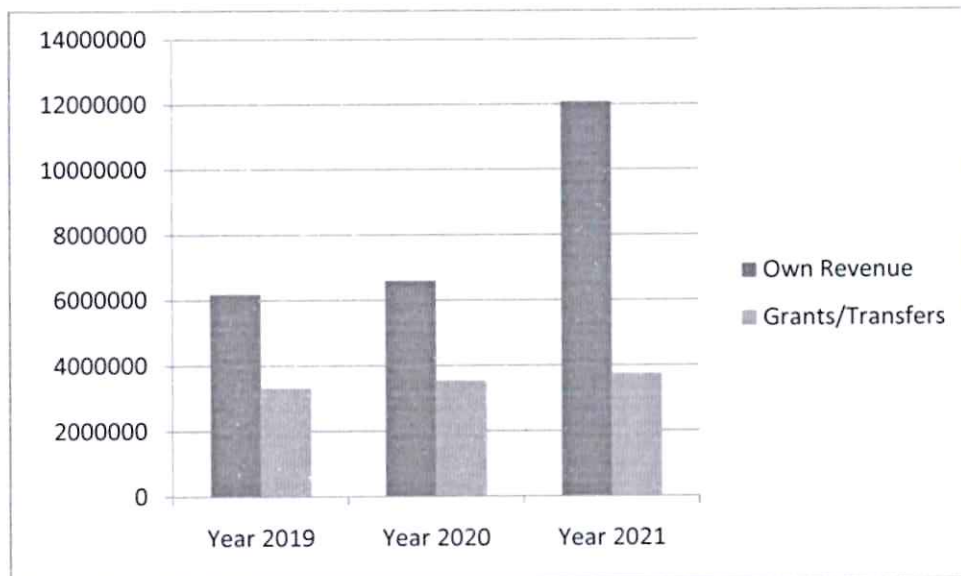
**a) Financial performance:**

*(Under this section, the following information should be given:*

- *Surplus/ deficit for the year and a comparison of the same for the last three years*
- *Capitation grants from the Ministry of Education for the last three years*



- *Ratio of capitation grant per student over the last three years*
- *A three-year overview of growth of other income(s) earned by the school.*



**III- Movement of creditors of the school over the last three years**

	2020	2021	2022
Creditors	195,190		
Cleared Through Votes	195,190		
Prepayments		69,230	89,350

**III- Movement of creditors of the school over the last three years**

	2020	2021	2022
Fees arrears b/f	4,621,782	4,621,782	5,326,652
Less received in FY		161,260	502,568
	4,460,522	4,460,522	4,824,084
Add new FY debtors		866,130	2,071,787
Fy receivables	5,326,652	5,326,652	6,895,871

**IV- Movement of debtors of the school over the last three years**

**b) Teacher Student ratio:**

Teacher to student ratio	Number of teachers recruited	Posted within the year	Number of teachers that were transferred	Retired during the period	Number of teachers employed by tsc	Number employed by bom	Current no. Of teachers	Teachers shortfall
1:16	1	0	1	2	19	6	24	9

**c) Mean score in the 2019,2020,2021 KCSE:**

Year	2021	2020	2019
MSSS	3.222	3.291	3.129

**REV MUHORO SECONDARY SCHOOL FOR THE DEAF**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

**d) Number of Candidates in 2019,2020,2021 KCSE:**

Year	2021	2020	2019
Candidature	92	79	70

**Capacity of the school:**

Enrolment			Boarding facilities					
M	F	TOTAL		Boys dormitories	Girls dormitories	Dining hall	Boys toilets	Girls toilets
			No. Available	2	2	1	17	23
180	186	366	Shortfall	1	1	1	5	2

*Summary Report of the Performance of the School (Continued)*

**c) Development projects carried out by the school:**

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

	<i>Project</i>	<i>Status</i>	<i>Funding amount(Ksh)</i>	<i>Funding source</i>
1	<i>Girls Toilets</i>	<i>Ongoing</i>	<i>320,000</i>	<i>MOE – Maintenance &amp; Improvement</i>
2	<i>56 m<sup>3</sup> Water tank</i>	<i>Complete</i>	<i>1,000,000</i>	<i>MOE- ESP</i>

.....  
**School Principal**



### III. Statement Of School Management Responsibility

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board (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 (*Name of 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, 2022, and of the school's financial position as at that date.



.....  
**Name: ERASTUS MANYARA**

**Designation:** Chairman, School Board of Management

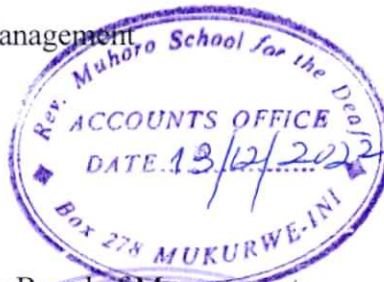
**Date:** 13/12/2022



.....  
**Name: ELIZABETH GITUKU**

**Designation:** School Principal & Secretary to Board of Management

**Date:** 13/12/2022



.....  
**Name: JOHN NDOGO**

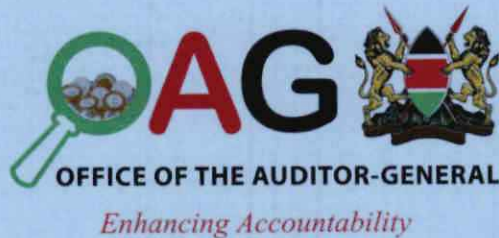
**Designation:** Bursar/ Finance Officer

**Date:** 13/12/2022



# REPUBLIC OF KENYA

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



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

## **REPORT OF THE AUDITOR-GENERAL ON REV. MUHORO SECONDARY SCHOOL FOR THE DEAF FOR THE YEAR ENDED 30 JUNE, 2022 - 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

#### **Qualified Opinion**

I have audited the accompanying financial statements of Rev. Muhoro Secondary School for the Deaf - Nyeri County set out on pages 1 to 16, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2022 and the statement of receipts and payments, statement of cash flows, the 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 Rev. Muhoro Secondary School for the Deaf – Nyeri County as at 30 June, 2022 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 of, 2012 and the Basic Education Act, 2013.

### **Basis for Qualified Opinion**

#### **1. Inaccuracies in the Financial Statements**

The financial statements presented for audit had the following inaccuracies;

- (i) The statement of budgeted versus actual amounts has not included the budgeted amounts and the receipts and expenditure amounts of Kshs.27,145,015 and Kshs.24,400,169 respectively reflected in the statement of receipts and payments.
- (ii) The statement of financial assets and financial liabilities reflects net financial position balance of Kshs.25,255,943 which excludes the surplus of Kshs.2,744,846 reflected in the statement of receipts and payments.
- (iii) The statement of financial assets and liabilities reflect a balance of Kshs.18,449,422 in respect of cash and cash equivalents which is at variance with the balance of Kshs.18,536,960 reflected in the statement of cash flows.
- (iv) The statement of receipts and payments reflects an amount of Kshs.5,996,326 relating to opening balances for payments for operations as reflected in Note 6 to the financial statements. However, the financial statements submitted for audit for the financial year ended 30 June, 2021 reflect an amount of Kshs.5,896,326 in respect of the same, resulting in a variance of Kshs.100,000 that has not been explained.
- (v) The statement of financial assets and liabilities reflects a balance of Kshs.15,792,114 relating to opening balances for cash and Cash equivalents as reflected in Note 8 and Note 9 to the financial statements. However, the financial statements submitted for audit for the financial year ended 30 June, 2021 reflected a balance of Kshs.16,485,993 in respect of the same, resulting in a variance of Kshs. 693,879 that has not been explained.
- (vi) The statement of financial assets and liabilities reflects an amount of Kshs.17,984,870 relating to opening balances for accumulated fund brought

forward as reflected in Note 13 to the financial statements. However, the financial statements for the financial year ended 30 June, 2021 reflected a balance of Kshs.17,978,816 in respect of the same, resulting in a variance of Kshs.6,054 that has not been explained.

- (vii) The statement of financial assets and liabilities reflects Kshs.23,298,568 relating to accumulated fund brought forward. However, reflected in Note 13 to the financial statements is an amount of Kshs.22,511,095 in respect of the same, resulting in variance of Kshs.787,491 that has not been explained.
- (viii) The statement of financial assets and liabilities reflects a balance of Kshs.25,255,943 relating to the net financial position. This balance is made up of accumulated fund brought forward and surplus for the year of Kshs.23,298,568 and Kshs.2,744,846 respectively. Reconciliation of the same reveals a balance of Kshs.26,043,414, resulting in a variance of Kshs.787,471 that has not been explained.
- (ix) Note 2 to the financial statements reflects an amount of Kshs.7,592,493 relating to opening balances in respect of capitation grants for operations which is at variance with the recalculated amount of Kshs.6,931,153.
- (x) Note 3 to the financial statements reflects a balance of Kshs.3,219,775 relating to opening balance in respect of parents contribution/Fees-School Fund Account which is at variance with the recalculated amount of Kshs.3,125,545.
- (xi) Note 5 to the financial statements reflects a balance of Kshs.856,868 relating to the balance in respect of payment for tuition which is at variance with the cast down figure of Kshs.826,868.
- (xii) Note 8 to the financial statements reflects a balance of Kshs.15,698,026 relating to bank balances which is at variance with the recalculated amount of Kshs.16,485,497.

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

## **2. Unsupported Accounts Receivables**

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.6,895,871 as disclosed in Note 10 to the financial statements. However, the supporting schedules and issued invoices were not provided for audit review. Further, significant accounting policies on accounts receivables in Note 5 does not disclose the treatment of the students' fees balances which is the major source of income for the School. In addition, the accounts receivables include a balance of Kshs.4,824,084 which have been outstanding for more than two (2) years.

In the circumstances, the completeness and recoverability of the accounts receivables balances of Kshs.4,824,084 could not be confirmed.

### **3. Unsupported Cash and Cash Equivalents**

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.18,449,422 as disclosed in Note 8 and Note 9 to the financial statements. However, the bank balances were not supported by cash books, certificates of bank balances and bank reconciliation statements.

In the circumstances, the completeness and existence of bank balance of Kshs.18,449,422 could not be confirmed.

### **4. Lack of Ownership Documents**

Annex 2 to the financial statements reflects a list fixed assets register with undisclosed values and whose balances have not been indicated. In addition, land ownership documents for the land in which the School is developed were not provided for audit.

In the circumstances, completeness, ownership and security of the fixed assets owned by the School could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Rev. Muhoro Secondary School for the Deaf 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.

## **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. Under Funding of Capitation Grants**

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amount of Kshs.1,006,557 and Kshs.15,085,814 respectively as disclosed in Notes 1 and Note 2 to the financial statements. During the financial year, NEMIS reported a total number of one thousand two hundred and forty eight (1,248) students while the enrolment records provided by the school indicated a total number of one thousand three hundred and fifty five (1,355) students, resulting to an

unexplained variance of one hundred and seven (107) students. As a result of the variances, the School was underfunded by an amount of Kshs.558,554.

In the circumstances, the public may not have received adequate services due to lack of adequate capitation.

## **2. Failure to Transfer Infrastructure Funds**

The statement of receipts and payments reflects operations grants amount of Kshs.15,085,814 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the grants is an amount of Kshs.1,553,500 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement the School's facilities. However, an amount of Kshs.1,379,000 was transferred to infrastructure account, leaving a balance of Kshs.174,000 as at 30 June, 2022. This is contrary to Ministry of Education Circular dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen days upon receipt of the funds in the operations account.

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

## **3. Excess Supply of Books**

During the year under review, the Ministry of Education distributed textbooks to public secondary schools through Kenya Institute of Curriculum Development (KICD). Examination of records revealed that the Institute distributed a total of one thousand three hundred and eighty-six (1,386) Kiswahili text and Set books to the School while only one hundred and twenty five (125) books were issued to the students, resulting to an unexplained excess text books of one thousand two hundred and sixty one (1,261) books in the School store.

In the circumstances, value for money on the excess text books could not be confirmed.

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

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.6,670,220 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.783,600 transferred to Kenya Secondary Schools 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 of funds transferred to KESSHA amounting to Kshs.783,600 could not be confirmed.

## **5. Failure to Prepare School Improvement Plan**

During the year/period 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.

### **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 Human Resource Policies and Procedures Guideline**

Review of the records held by the School revealed that the School did not have an approved Human Resource and Policies and Procedures manual and an approved salary structure in place. As a result, there was no proper guidance on recruitment, remuneration of teaching and non-teaching staff, and training for continuous development of employees.

In the circumstances, attainment of optimum human resources management could not be achieved.

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 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 overall 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 controls 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 controls would not necessarily disclose all matters in the internal controls 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 controls 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 controls.
- 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 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 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 controls 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 Gatundu, CBS  
AUDITOR-GENERAL

Nairobi

18 September, 2024

V. Statement Of Receipts And Payments Period To 30<sup>th</sup> June 2022

Description Of Vote Head	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>Receipts</b>			
Capitation grants for tuition	1	1,006,557	352,810
Capitation grants for operations	2	15,085,814	7,592,493
School fund income- parents' contributions	3	11,052,644	3,219,775
School fund income- other receipts	4		
Proceeds from borrowings			
<b>Total Receipts</b>		<b>27,145,015</b>	<b>11,165,078</b>
<b>Payments</b>			
Payments for tuition	5	856,868	518,161
Payments for operations	6	16,873,081	5,996,326
Boarding and school fund payments	7	6,670,220	985,992
<b>Total Payments</b>		<b>24,400,169</b>	<b>7,400,479</b>
<b>Surplus/Deficit</b>		<b>2,744,846</b>	<b>3,764,599</b>

The school financial statements were approved on 13/12/2022 and signed by:

.....  


Name: ERASTUS MANYARA  
 Chair BOM

Date: 13/12/2022

.....  


Name: ELIZABETH GITUKU  
 School Principal/ Secretary to BOM

Date: 13/12/2022



.....  


Name: JOHN NDOGO  
 Bursar/ Finance Officer

Date: 13/12/2022



VI. Statement Of Financial Assets And Financial Liabilities As At 30<sup>th</sup> June 2022

Description	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash and cash equivalents</b>			
Bank balances	8	18,443,375	15,785,564
Cash balances	9	6,047	6,550
Short term investment	10		
<b>Total cash and cash equivalent</b>		<b><u>18,449,422</u></b>	<b><u>15,792,114</u></b>
Account's receivables	10	6,895,871	5,326,652
<b>Total financial assets</b>		<b>25,345,293</b>	<b>21,118,766</b>
<b>Financial liabilities</b>			
Accounts payables	11	-89,350	-69,230
<b>Net financial assets</b>		<b>25,255,943</b>	<b>21,049,536</b>
<b>Represented by</b>			
Accumulated fund b/fwd	12	23,298,568	17,984,870
Surplus/deficit for the year		2,744,846	3,764,599
<b>Net financial position</b>		<b>25,255,943</b>	<b>21,749,415</b>

The school's financial statements were approved on **13/12/2022** and signed by:

.....  


Name: ERASTUS MANYARA  
 Chair BOM

Date: 13/12/2022

.....  


Name: ELIZABETH GITUKU  
 School Principal/ Secretary to  
 BOM

Date: 13/12/2022



.....  


Name: JOHN NDOGO  
 Bursar/ Finance Officer

Date: 13/12/2022



VII. Statement of Cash Flows for The Period Ended 30<sup>th</sup> June 2022

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
<b>Operating activities</b>			
<b>Receipts</b>			
Capitation grants for tuition	1	1,006,557	352,810
Capitation grants for operations	2	15,085,814	7,592,493
School fund income- parents contributions/ fees	3	11,052,644	3,219,775
School fund income- other receipts	4		
<b>Total receipts</b>		<b>27,145,015</b>	<b>11,165,078</b>
<b>Payments</b>			
Payments for tuition	5	856,868	518,161
Payments for operations	6	16,873,081	5,896,326
Boarding and school fund payments	7	6,670,220	985,992
<b>Total payments</b>		<b>24,400,169</b>	<b>7,400,479</b>
<b>Net cash flow from operating activities</b>		<b>2,744,846</b>	<b>3,764,599</b>
<b>Cashflow from investing activities</b>			
Proceeds from sale of assets			
Acquisition of assets			
Proceeds from investments			
Purchase of investments			
<b>Net cash flows from investing activities</b>			
<b>Cashflow from borrowing activities</b>			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
<b>Net cash flow from financing activities</b>			
<b>Net increase in cash and cash equivalents</b>		<b>2,744,846</b>	<b>3,764,599</b>
<b>Cash and cash equivalent at beginning of the year</b>		<b>15,792,114</b>	<b>12,027,515</b>
<b>Cash and cash equivalent at end of the year</b>		<b>18,536,960</b>	<b>15,792,114</b>

*(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).*

VIII. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30<sup>th</sup> June 2022

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
<b>Receipts</b>						
<i>(1) Capitation Grant on Tuition</i>						
Textbooks And Reference Materials						
Exercise Books						
Laboratory Equipment						
Internal Exams						
Woodwork						
Teaching / Learning Materials			1,200,000	1,006,557		84%
Chalks						
Exams And Assessment						
Teachers Guides				1,006,557		
<b>Total</b>						
<i>(2) Capitation Grant on Operations</i>						
Personnel Emoluments			4,600,000	4,606,978		100%
Repairs And Maintenance			1,500,000	1,471,152		98%
Local Transport / Travelling			1,500,000	1,495,859		100%
Electricity And Water			1,500,000	1,495,859		100%
Medical			400,000	355,097		89%
Administration Costs			1,500,000	1,495,870		100%
Activity						

**REV MUHORO SECONDARY SCHOOL FOR THE DEAF**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
SES			1,200,000	1,165,000		97%
Fees Refund			3,500,000	3,000,000		86%
BES						
Insurance						
Uniform						
Development						
<b>Total</b>			<b>15,085,814</b>			
Gratuity						
Smasse						
<i>(3) Fees Charged on Parents</i>						
Personnel Emoluments						
Repairs And Maintenance			750,000	796,850		106%
Local Transport / Travelling						
Electricity And Water						
Education tour			500,000	232,855		47%
Prepayment				89,350		
Arrears				502,568		
Uniform				2,071,700		
Activity			65,000	45,580		70%
Other vote heads			990,000	678,030		68%
Fee On Boarding Equipment and Stores			7,039,056	6,567,841		
<i>Other Income</i>						

**REV MUHORO SECONDARY SCHOOL FOR THE DEAF**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c%
	Kshs	Kshs			Kshs	Kshs
Insurance cost						
Fees refund						
<b>Total</b>						
Rent Income						
Income From Farming Activities						
Insurance Compensation						
Income From Posho Mill						
Income From Bus Hire			360,000	22,000	338,000	6.1
KUCCPS				6,620		
Interest Income						
Income From Any Other Investment						
<b>Total Income</b>						
<b>(1) Expenditure For Tuition</b>						
Textbooks And Reference Materials				134,873		
Exercise Books			200,000	214,000	-14,000	107
Laboratory Equipment			300,000	294,425		
Internal Exams				135,570		
Woodwork				48,000		
Teaching / Learning Materials						
Chalks						
Exams And Assessment						
Teachers Guides						

**REV MUHORO SECONDARY SCHOOL FOR THE DEAF**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Administration Costs						
Bank Charges						
<b>Total</b>				<b>856,868</b>		
<b>(2) Expenditure For Operations</b>						
Personnel Emoluments			4,080,000	4,053,176	26,824	99
Repairs, Maintenance & Improvements			1,090,000	955,356	134,644	88
Local Transport / Travelling			693,000	691,350	1,650	100
Electricity, Water and Conservancy			919,000	1,064,510	-145,510	116
Medical			273,000	86,250	186,750	32
Administration Costs			1,000,000	893,172	106,828	89
Activity Expenses			500,000	469,085	30,915	94
SES			1,200,000	1,136,618	63,382	95
			0	0	26,824	99
BES			10,598,540	5,690,953	134,644	88
Insurance			379,861	379,861	1,650	100
Uniform			0	51,150	-145,510	116
Development			0	1,401,600	186,750	32
<b>TOTAL</b>			<b>16,873,081</b>	<b>16,842,981</b>	106,828	89
Gratuity						
Smasse						
<b>(3) Expenditure For School Fund</b>						
Personnel Emoluments			0	378,090		

**REV MUHORO SECONDARY SCHOOL FOR THE DEAF**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Repairs, Maintenance and Improvements			2,500,000	2,149,685	350,315	86
Local Transport / Travelling			300,000	225,300	74,700	75
Electricity, Water and Conservancy			200,000	180,300	19,700	90
Medical Expenses			0	0	0	
Administration Costs			150,000	180,580	-30,580	120
Farm			63,000	10,900	52,100	17
Uniform			2,500,000	2,474,500	25,500	99
Activity				0	350,315	86
Gratuity				0	74,700	75
Lunch Programme				0	19,700	90
Boarding Equipment and Stores			700,000	679,341	0	
Expenditure For Income Generating Activity			0	0	-30,580	120
Insurance Costs			189,159	189,159	52,100	17
Other Expenses On Investments					25,500	99
Fees refund				202,365	350,315	86
Rent Expenses						
Bank Charges						
Loan Interest Repayment						
Loan Principal Repayment						
Acquisition Of Assets						
<b>Totals</b>				<b>6,670,220</b>		

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

- i. Xxx*
- ii. Xxx*

## IX. Significant Accounting Policies

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

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

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

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

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

### 2. Recognition of receipts and payments

The *school* recognises all receipts from the various sources when the event occurs, and the related cash has actually been received by the *school*. In addition, the *school* recognises all expenses when the event occurs, and the related cash has actually been paid out by the *school*.

### 3. In-kind contributions

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

### 4. Cash and cash equivalents

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

**Significant Accounting Policies (Continued)**

**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. This is in recognition of the government practice where the imprest payments are recognized as expenditure when fully accounted for by the imprest or AIE holders. 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. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements. Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years.

**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 2022.

**X. Notes To The Financial Statements**

**1 Capitation Grant for Tuition**

Description	2021-2022	2020-2021
	Kshs	Kshs
Textbooks And Reference Materials		38,699
Exercise Books		0
Laboratory Equipment		116,095
Internal Exams		198,017
Teaching / Learning Materials	1,006,557	
Chalks		
Exams And Assessment		
Teachers Guides		
<b>Total</b>	<b>1,006,557</b>	<b>352,810</b>

**2 Capitation Grant for Operations**

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments	4,606,978	1,524,821
Repairs And Maintenance	1,471,152	479,680
Local Transport / Travelling	1,495,859	956,743
Electricity And Water	1,495,859	73,482
Medical	355,097	18,910
Administration Costs	1,495,870	234,821
Tuition grant (SNE)	1,165,000	1,642,696
Boarding grant (SNE)	3,000,000	2,000,000
Activity	0	0
<b>Total</b>	<b>15,085,814</b>	<b>7,592,493</b>

**3 Parents Contribution/Fees - School Fund Account**

Description	2021-2022	2020-2021
	Kshs	Kshs
BES	6,567,841	0
Personnel emoluments	0	
Repairs and maintenance	796,850	157,350
Education Tour	232,855	
Prepayments	89,350	
Arrears	502,568	161,260

**REV MUHORO SECONDARY SCHOOL FOR THE DEAF**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

Description	2021-2022	2020-2021
	Kshs	Kshs
Other Vote Heads	678,030	2,756,925
Activity	45,580	3,290
Uniform	2,071,700	46,120
Examination	24,150	
Bus hire	22,000	
KUCCPS	6,620	
School ID	15,100	600
Local transport / travelling		
Electricity and water		
Medical		
Administration costs		
<b>Total</b>	<b>11,052,644</b>	<b>3,219,775</b>

**Notes To The Financial Statements (Continued)**

**4 Other Receipts – School Fund Account**

Description	2021-2022	2020-2021
	Kshs	Kshs
Fee On Boarding Equipment and Stores		
Rent Income		
Income From Farming Activities		
Insurance Compensation		
Income From Posho Mill		
Income From Bus Hire		
Fee For Hire of Ground and Equipment		
Income From Grants and Donations*		
Interest Income		
Dividends Income		
<b>Total</b>		

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

**5 Payments For Tuition**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Textbooks And Reference Materials	134,873	141,821
Exercise Books	214,000	0
Laboratory Equipment	294,425	191,170
Internal Exams	135,570	184,210
Woodwork	48,000	
Teaching / Learning Materials		
Chalks		
Exams And Assessment		
Teachers Guides		
Administration Costs		
Bank Charges		960
<b>Total</b>	<b>856,868</b>	<b>518,161</b>

Notes To The Financial Statements (Continued)

6 Payments For Operations

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments	4,053,176	1,262,252
BES	5,690,953	2,536,401
Service Gratuity		
Administration Cost	893,172	172,195
Repairs And Maintenance & Improvements	955,356	216,910
Local Transport / Travelling	691,350	925,110
Electricity And Water	1,064,510	195,698
Medical	86,250	11,950
Activity Expenses	469,085	
Smasse		
Insurance Cost	379,861	
Uniform	51,150	750
SES	1,136,618	255,060
Development	1,401,600	320,000
Bank Charges		
Acquisition Of Assets		
<b>Total</b>	<b>16,873,081</b>	<b>5,896,326</b>

Notes To The Financial Statements (Continued)

7 Boarding And School Fund Payments

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments	378,090	370,589
Service Gratuity		
Repairs And Maintenance & Improvements	2,149,685	543,381
Local Transport / Travelling	225,300	
Electricity And Water	180,300	
FARM	10,900	600
Medical Expenses	0	12,000
Administration Costs	180,580	6,800
Uniform	2,474,500	
BES	679,341	18,322
Fees refund	202,365	34,300
Lunch Programme		
Bank Charges		
Expenses On Income Generating Activities		
Fee On Boarding Equipment and Stores		
Rent Expenses		
Insurance Cost (Life Property)	189,159	
Loan Principal Repayment		
Loan Interest Repayment		
Acquisition Of Assets		
<b>Total</b>	<b>6,670,220</b>	<b>985,992</b>

*(Expenses on income generating activities\*\* should include all costs relating to the school earnings on other receipts as recorded in note 4. These costs should include farm maintenance, posho mill maintenance, ground maintenance and costs incurred during hire of school bus among others).*

**Notes To The Financial Statements (Continued)**

**8 Bank Accounts**

Name Of Bank, Account No. & Currency	Bank Account Number	2021-2022	2020-2021
		Kshs	Kshs
Tuition Account - KCB LTD	1103061380	225,423	75,733
Operations Account - KCB LTD	1103061631	9,850,559	11,637,323
School Fund Account - KCB LTD	1103061062	6,279,035	2,766,656
Savings Account - KCB LTD	1102780286	118,680	118,680
Infrastructure Dev. Account - KCB LTD	1103061216	1,054,912	523,111
Upper Tana Account	1224693744	440,000	440,000
ABSA Account	0305611469	0	6,054
Equity Account	0830261349242	474,766	917,940
<b>Total</b>		<b>18,443,375</b>	<b>15,698,026</b>

**9 Cash In Hand**

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition Account	0	
Operation Account	6,047	6,550
School Fund account		
<b>Total</b>	<b>6,047</b>	<b>6,550</b>

**10 Short Term Investments**

Description	2021-2022	2020-2021
	Kshs	Kshs
Cooperative Shares		
Treasury Bills		
Fixed Deposit		
Equity Stock		
Other Investments		
<b>Total</b>		

Notes To The Financial Statements (Continued)

11 Accounts Receivable

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees Arrears	6,895,871	5,326,652
Other Non-Fees Receivables		
Salary Advances		
Imprest		
<b>Total</b>	<b>6,895,871</b>	<b>5,326,652</b>

[Include an ageing of the fees / non fees arrears below]

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees Arrears For Current Year	2,071,787	866,130
Fees Arrears For The Previous Year 2020	0	0
Fees Arrears For Prior Periods (Over Two Years) 2019	4,824,084	4,460,522
<b>Total</b>	<b>6,895,871</b>	<b>5,326,652</b>

12 Accounts Payable

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	0	
Prepaid Fees	89,350	69,230
Retention Monies		0
<b>Total</b>	<b>89,350</b>	<b>69,230</b>

[Include an ageing of the creditor's arrears below]

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade Creditors for Current Year		
Trade Creditors for The Previous Year		
Trade Creditors for Prior Periods (Over Two Years)		
<b>Total</b>		

Notes To The Financial Statements (Continued)

**13 Fund Balance Brought Forward**

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank Balances	15,698,026	12,727,448
Cash Balances	6550	0
Short Term Investments	0	0
Receivables	6,895,871	5,326,652
Payables	(89,350)	(69,230)
<b>Total</b>	<b>22,511,095</b>	<b>17,984,870</b>

**Other important disclosure notes**

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

**14 Non-current Liabilities Summary**

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank Loan(S)		
Outstanding Leases		
Hire Purchase		
Gratuity And Leave Provision		
<b>Total</b>		

**15 Biological assets**

Description	Numbers	2021-2022	2020-2021
		Kshs	Kshs
Cattle	1	40,000	
Goats	0		
Trees	2,000	20,000	
Coffee Or Tea Plantation	60	120,000	
Poultry	0		
<b>Total</b>	<b>2061</b>		

**16 Borrowings**

Description	2021-2022	2020-2021
	Kshs	Kshs
<b>a) Borrowings</b>		
Borrowing at beginning of the year	0	
Borrowings during the year	0	
Repayments of during the year	0	
<b>Balance at end of the year</b>	<b>0</b>	

Other important disclosure notes

17 Stock/ Inventory

Description	2021-2022	2020-2021
	Kshs	Kshs
<b>b) Inventory</b>		
Stock/ inventory at beginning of the year		
Stock/ inventory purchased during the year		
Stock/ inventory issued during the year		
<b>Balance at end of the year</b>		

**REV MUHORO SECONDARY SCHOOL FOR THE DEAF**  
**PUBLIC SECONDARY SCHOOL**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2022**

**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

Ref No.	Issue / Observations from Auditor	Management comments	Status:	Time frame
1	Inaccuracies in the financial statements	The budget analysis figures, surplus cash and cash equivalents figures are now inserted. <i>See the revised 2021/2022 financial statements.</i>	Resolved	
2	Unsupported Accounts Receivables	<i>See Appendix D</i> on detailed aging analysis of school's receivables.	Resolved	
3	Unsupported Cash & Cash Equivalents	Cash, ledger summaries AND trial balances are now attached to confirm the balances. <i>See Appendix B.</i>	Resolved	
4	Lack of Ownership Documents	The fixed assets register has been updated. <i>See Appendix F</i> The school has a green card as a land ownership document pending issuance of the land title deed. <i>See Appendix G</i> for a copy of the green card.	Unresolved	June 2025
5	Under Funding of Capitation Grants	The school will liaise with the MOE on correctness of school's enrolment data to ensure all students are captured in NEMIS for fair allocation of capitation grants.	Unresolved	January 2025
6	Failure to Transfer Infrastructure Funds from Operations Account	The school management will ensure timely transfer of infrastructure grants from the operations account.	Resolved	
7	Excess Supply of Books	In future, the school will only receive text books equal to the number of learners and declare any excesses to MOE.	Unresolved	February 2025 as new books are issued.
8	Irregular Transfer of Funds to KESSHA	The school's management will comply as guided by the Ministry of Education.	Unresolved	On issuance of guidelines
9	Failure to Prepare School Improvement Plan	Attached is <i>Appendix P</i> , a copy of the School's Improvement Plan for the period. This is reviewed from time to time by the Board of Management based on the school's strategic plan	Resolved	
10	Lack of Human Resource Policies and Procedures Guideline.	The management will prepare and approve a Human Resource policies & procedures manual as advised.	Unresolved	January 2025



**Annex 1 - Analysis Of Pending Accounts Payable**

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 20XX	Outstanding Balance 20XX-1	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Construction Of Buildings</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Supply Of Goods</b>						
4.						
5.						
6.						
<b>Sub-Total</b>						
<b>Supply Of Services</b>						
7.						
8.						
9.						
<b>Sub-Total</b>						
<b>Grand Total</b>						

Annex 2 – Summary Of Fixed Assets Register

Asset Class	Date purchased	Location	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 2022
Land 1	Given by county council	MUYU MUHITO - 6 ACRES922				
Land 2	Given by county council	MUYU MUHITO				
Buildings And Structures						
Motor Vehicles	19.12.2013	1 51 seater school Bus KBW 143V ISUZU FRR				
Office Equipment, Furniture And Fittings	<b>SEE THE LIST ATTACHED</b>					
ICT Equipment, And Other ICT Assets						
Tools And Apparatus						
Textbooks						
Other Machinery And Equipment						
Heritage And Cultural Assets						
Intangible Assets- Soft Ware						

<b>Asset Class</b>	<b>Date purchased</b>	<b>Location</b>	<b>Historical Cost b/f (Kshs) 1<sup>st</sup> July 2021</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost c/f (Kshs) 30<sup>th</sup> June 2022</b>
SCHOOL BEDS 167 DECKERS	<b>Assorted dates</b>	<b>In school</b>				
<b>Total</b>						

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