

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 11 JUN 2025

DAY.

Wednesday

REPORT

TABLED

BY:

Hon. Owen Baya, MP

Deputy Leader of Majority

OF

CLERK-AT
THE-TABLE:

hon. a/c

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

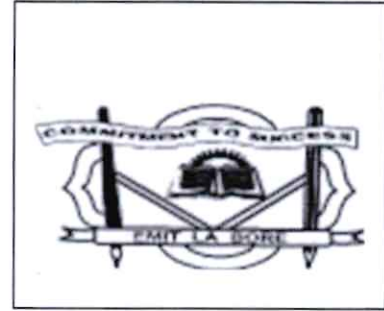
MICHINDA SECONDARY SCHOOL

FOR THE YEAR ENDED

30 JUNE, 2024

NAKURU COUNTY

Revised 30th June 2024.



MICHINDA SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2024**

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

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1. Acronyms and Glossary of Terms

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	

2. Key School Information and Management

(a) Background information

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is in NAKURU County, MOLO Sub-County.

The school was registered in 28/11/11 under registration number PU/S/3/545/11 and is currently categorized as a EXTRA COUNTY (Extra County) public school established, owned or operated by the Government.

The school is a day/boarding school and had 389 number of students as at 30th June 2024. It has 4 streams and 26 teachers of which 4 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

The School Board of Management established under Section 55 of the Basic Education Act, 2013; is composed of the following members:

Ref:	Name of Board Member	Designation	Date of appointment
1	MARY MURUGI	Chairman	23RD MAY 2022
2	SOLOMON MENGERE	Secretary - Principal	23RD MAY 2022
3	ELIJAH KIMANI	Member	23RD MAY 2022
4	MILKAH W. KARANJA	Member	23RD MAY 2022
5	RUTH NJOKI	Member	23RD MAY 2022
6	RACHAEL W. MUNGAI	Member	23RD MAY 2022
7	RUTH KAMERI	Member	23RD MAY 2022
8	MOSIKOYO .S.	Member – Rep CEB	23RD MAY 2022
9	MUCHIRI PATRICK M	Member Rep Teachers	23RD MAY 2022
10	NGETICH FAITH	3 Members - Sponsor	23RD MAY 2022
11	DENIS KIMANI	Member - Community	23RD MAY 2022
12	SUSAN NYAMBURA	Member Special Needs	23RD MAY 2022
13	ELIJA MWAURA	Rep Students	23RD MAY 2022
14	JANE WANGUI	Member	23RD MAY 2022

The functions of the School Board of Management are to:

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

(c) Committees of the Board

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

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	MURUGI MARY SOLOMON MENGERE ANDREW MASINDE JANE WANGUI RACHAEL MUNGAI	Chairlady Pricipal Member Member Member	2
2	Audit Committee	SOLOMON MENGERE FAITH NGETICH ELIJAH KIMANI ANDREW MASINDI	Pricipal Member Member Member	
3	Finance,procurement and general purposes Committee	SOLOMON MENGERE FAITH NGETICH ELIJAH KIMANI ANDREW MASINDE	Pricipal Member Member Member	1
4	Academic Committee	SOLOMON MENGERE PATRICK MUCHIRI SUSAN MACHARIA RUTH KAMERI	Pricipal Member Member Member	3

MICHINDA SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2024**

5	Development Committee	MARY MURUGI ANDREW MASINDE DANIEL MUCHIRI RUTH NJOROGE RACHEAL MUGAI	Chairlady Member Member Member Member	2
6	Discipline and welfare Committee	SOLOMON MENGERE PATRICK MUCHIRI ESTHER KIUNYALI	Pricipal Member Member	4
7	Adhoc Committee (if any during the year)			

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(d) School operation Management

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

Ref:	Designation	Name	Identification
1	Principal	MENGERE SOLOMON	348907
2	Deputy Principal	DANIEL MUCHIRI	380028
3	School Bursar	GEORGE GICHUHI	27285209
4	Other (specify)		

(e) Schools contacts

Post Office Box: P.O.BOX 50 ELBURGON
Telephone: 0702039759
E-mail: michindasecondary2019@gmail.com
Website: -
Facebook:
Twitter:

(f) School Bank Accounts

1. Name of Bank: KCB-MAIN ACCOUNT
Branch: NJORO
Account Number: 1101873671
2. Name of Bank: KCB-OPERATION ACCOUNT
Branch: NJORO
Account Number: 1101885173
3. Name of Bank: KCB-TUITION ACCOUNT
Branch: NJORO
Account Number: 1101877847
4. Name of Bank: KCB-INFR-DEVELOPMENT ACCOUNT
Branch: NJORO
Account Number: 1238103170
5. Name of Bank: NBK-MAIN ACCOUNT
Branch: MOLO
Account Number: 01021054027100
6. Name of Bank: EQUITY-CDF ACCOUNT
Branch: MOLO
Account Number: 0230292970342
(CDF)

(Ensure all bank accounts operated by the school are disclosed and that all Pay Bill Numbers are also disclosed)

(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:

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

ACCOUNT	2024	2023	2022
	SURPLUS/ DEFICIT	SURPLUS/ DEFICIT	SURPLUS/ DEFICIT
TOTAL	(301,286.00)	4,383,648.00	1,335,088.00

Capitation grants from the Ministry of Education for the last three years

ACCOUNT	2024	2023	2022
TOTAL	<u>4,355,372.00</u>	<u>4,598,282.00</u>	<u>5,736,103.00</u>

-Ratio of capitation grant per student over the last three years.

YEAR	2024	2023	2022
MOE	4,355,372	4,598,292	5,736,103.00
NO STUDENTS	420	380	389
RATIO	1:10,340	1;1,2100	1;14,746.00

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

YEAR	2024	2023	2022
TOTAL	20,335,265.00	23,667,706.00	22,846,846.00

-A three-year overview of growth in expenditure of the school

YEAR	2024	2023	2022
TOTAL	22,163,522.00	25,114,270.00	26,837,548.00

-Movement of debtors and creditors of the school over the last three years

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YEAR	2024	2023	2022
DEBTORS	37,349,93800	33,536,603.00	30,351,385.10
CREDITORS		0	0

-Movement of cash and bank balance over the last three year

YEAR	2024	2023	2022
BANK	4,964,430	5,264,443	4,241,557.00
CASH	1,525	2,799	1,376
TOTAL	4,965,955	5,267,242	4,242,933.00

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

b) Teacher Student ratio:

(Include the teacher to student ratio, number of teachers recruited and posted to the school within the year, number of teachers that were transferred/ retired during the period as well as number of teachers employed by TSC, and number employed by BOM. One may also include how many teachers the school has for each subject in order to indicate shortage/ allocation of resources).

- **Teacher student 27 teachers against 470**
- **Number of teachers recruited and posted to the school - 1**
- **Number of teachers transferred/ retired - 0**
- **Number of teachers employer by T.S.C - 1**
- **Number of teachers employed by B.O.M - 4**
- **Number of teachers for each subject and shortage and teacher to student ratio**

S/NO	SUBJECT	NUMBER OF TEACHERS	EMPLOYED BY T.S.C / B.O.M	HEAD TEACHERS REMARKS
1.	ENGLISH/LIT	4	TSC 4	SHORTAGE 1
2.	MATHS/PHYSICS	2	TSC 2	SHORTAGE 1
3.	MATHS/CHEM	3	TSC 3	SHORTAGE 1
4.	MATHS /BUSINESS	0	TSC 0	SHORTAGE 1
5.	GEO/BUSINESS	1	TSC 1	SUFFICIENT
6.	BIOLOGY/CHEM	1	TSC 1	SUFFICIENT

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7.	BIOLOGY/AGRIC	2	TSC 1 BOM 1	SHORTAGE 1
8.	HISTORY/CRE	3	TSC2 BOM 1	SHORTAGE 1
9.	GEO/HISTORY	1	TSC 1	SHORTAGE 1
10.	GEO/MATHS	1	TSC 1	SHORTAGE 1
11.	PHYSICS/CHEM	1	TSC 0 BOM 1	SHORTAGE 1
12.	KISWAHILI/CRE	2	TSC 2	SUFFICIENT
13.	KISWAHILI/BUSINES	1	TSC 0 BOM 1	SHORTAGE 1
14.	BUSINESS/ECON	1	TSC 1	SUFFICIENT
15.	HOME SCIENCE	1	TSC 1	SUFFICIENT
16.	COMPUTER STUDIES	1	TSC 1	SUFFICIENT
17.	DRAWING DESIGN	1	TSC 1	SHORTAGE 1
18.	DUILDING & COSTN	1	TSC 0 BOM 1	SHORTAGE 1
19.	FRENCH	1	TSC 0 BOM 1	SHORTAGE 1

c) Mean score in the 2023 KCSE:

Give performance of the school for each over the last three years. Include the number of students that have since transitioned to institutions of higher learning. Include the mean score and comment on improvement or otherwise as compared to the school's set score.

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

YEAR	EN R	A	A -	B+	B	B-	C+	C	C-	D+	D	D -	E	M/ S	DEV
2023	71	0	0	1	3	14	17	11	10	8	6	1	0	6.1	+0.221
2022	87	0	0	1	4	11	16	21	14	14	5	1	0	5.9	+0.601
2021	91	0	1	0	3	7	8	15	29	16	11	1	0	5.3	-0.16

d) Number of Candidates in the 2023 KCSE:

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

e) Capacity of the school:

(Indicate the number of students in the school vis a vie the facilities like the dormitories, the dining hall, the laboratories, toilets and other amenities. This information will provide useful details for the Ministry of Education).

MICHINDA SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2024**

<i>NO OF STUDENTS</i>	389
<i>CLASSES</i>	16
<i>DOMETORIES</i>	7
<i>DINNIG HALL</i>	1
<i>LABS</i>	4
<i>LIBRARY</i>	1
<i>TOILETS</i>	24

f) 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).

NO	PROJECT UNDERTAKEN	AMOUNT IN KSHS	SOURCE OF FUND	STATE OF COMPLETION	YEAR
2	CONTINUATION OF STOREY BOYS DORMITORY	3,693,798.00	MOE	GROUND FLOOR ALMOST COMPLETE	2021



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 (MICHINDA SECONDARY SCHOOL) accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2024, and of the school's financial position as at that date.

Name: MARY MURUGI

Designation: Chairman, School Board of Management

Date: 30/9/2024

Name: SOLOMON N MENGERE

Designation: School Principal & Secretary to Board of Management

Date: 30/9/2024

Name: GEORGE GICHUHI

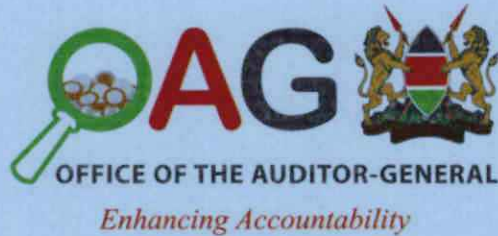
Designation: Bursar/ Finance Officer

Date: 30/9/2024



REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON MICHINDA SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2024 - NAKURU COUNTY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Michinda Secondary School - Nakuru 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. Unsupported Cash and Cash Equivalents Balance

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.4,965,955 as disclosed in Notes 9 and 10 to the financial statements. Included in this balance is School fund account of Kshs.544,583. However, the bank balance was not supported by bank reconciliation statements.

Further, a single cashbook is maintained for two (2) School fund bank accounts held in two (2) separate banks instead of each bank account having its cash book.

In the circumstances, the accuracy, completeness and existence of the cash and cash equivalents balance of Kshs.4,965, 955 could not be confirmed.

2. Unsupported Tuition Expenses

The statement of receipts and payments reflects tuition payments amounting to Kshs.540,251 as disclosed in Note 5 to the financial statements. However, review of payment vouchers amounting to Kshs.361,185 revealed that Management made

payments without proper support documents such as requisitions, contract agreement, statements of account, contract agreement, local purchase orders and service orders. In addition, the procurement method used was unclear.

In the circumstances, the regularity, accuracy and completeness of the tuition payments amounting to Kshs.361,185 could not be confirmed.

3. Unsupported Operations Expenses

The statement of receipts and payments reflects operations amount of Kshs.2,288,150 as disclosed in Note 6 to the financial statements. However, review of payment vouchers amounting to Kshs.452,240 revealed that Management made payments without the necessary supporting documents such as an approved procurement plan, requisitions, local purchase orders, inspection and acceptance reports and goods received notes. Further, the School used direct procurement method without providing proper justifications.

In the circumstances, the regularity, accuracy and completeness of the operations payments amounting to Kshs.452,240 could not be confirmed.

4. Unsupported Accounts Receivables

The statement of assets and liabilities reflects accounts receivables balance of Kshs.37,349,938 as disclosed in Note 12 to the financial statements. However, the supporting schedules, detailed aging analysis and invoices issued were not provided for audit review.

Further, the balance includes fees arrears amounting to Kshs.28,643, 503 which have been outstanding for over three (3) years. However, there was no policy on the impairment of long outstanding fees arrears raising doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy and full recoverability of the account's receivables balance of Kshs.37,349,938 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Michinda 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 audit of financial statements in Kenya. I believe

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

Key Audit Matters

Key audit matters are those matters that, in my professional 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, several issues were raised under the Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the issues had not been resolved as at 30 June, 2024. Management did not give any explanation for failure to resolve the issues or for the failure to adhere to the provisions of the Public Sector Accounting Standards Board reporting templates.

Other Information

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I

confirm that nothing else has come to my attention to cause me to believe that Public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Late Submission of Financial Statements for Audit

The School's financial statements for the year ended 30 June, 2024 were submitted to the Auditor-General for audit on 14 April, 2025 after the statutory deadline of 30 September, 2024. This was contrary to the Ministry of Education Circular Ref. MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which required the School's financial statements to be prepared and submitted for audit by 30 September of each financial year in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

2. Partial and Late Transfer of Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.3,610,924 as disclosed in Note 2 to the financial statements. Included in the amount is Kshs.1,129,650 in respect of repairs and maintenance which were intended to be transferred to the infrastructure bank account for maintenance and improvement of the School's facilities. However, only Kshs.657,000 was actually transferred to the infrastructure account, leaving a balance of Kshs.472,650 as at 30 June, 2024. Further, the amount was transferred later than the 15-day timeframe set by the Ministry of Education's Circular Ref. MOE.HQS/3/13/3, dated 16 June, 2021, which stipulated that infrastructure grants as well as maintenance and improvement funds should be transferred to the School infrastructure account within 15 days of receiving the funds in the operations account.

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

3. Non-Compliance with the Public Procurement and Asset Disposal Act, 2015

As previously reported, review of the documents provided relating to procurement of goods and services in the year under review, revealed the following irregularities:

- i. Management had not prepared a procurement plan for the financial year, contrary to Section 53 (2) of the Public Procurement and Asset Disposal Act, 2015 and Regulation 40(1) of the Public Procurement and Asset Disposal Regulations, 2020. The law requires the Accounting Officer to prepare a realistic annual procurement

plan in a format set out in the Regulations, within the approved budget before the commencement of each financial year as part of the annual budget preparation process;

- ii. The School did not have a functional procurement department contrary to Regulation 33(1) (2) of the Public Procurement and Asset Disposal Regulations, 2020. The regulation requires a procuring entity to establish a procurement function in accordance with Section 47 of the Act to be managed by qualified and experienced procurement professionals recognized in Kenya;
- iii. Goods received and issued were not supported with counter requisition and issue vouchers to confirm the user department. This was contrary to provisions of Regulation 166 of the Public Procurement and Asset Disposal Regulations, 2020 which states that an Accounting Officer of a procuring entity shall ensure proper management and distribution of inventory, stores and assets confirming that they are received and taken on charge;
- iv. There was no evidence that the school had established an inspection and acceptance committee to ensure that goods, services or works meet the required specifications. This was contrary to Section 44(c) of the Public Procurement and Asset Disposal Act, 2015 (Revised Edition 2022), which states that an Accounting Officer of a procuring entity may establish an ad hoc committee known as the inspection and acceptance committee, and;
- v. The payment vouchers were not supported with professional opinions. This was contrary to Sections 84 and 80 of the Public Procurement and Asset Disposal Act, 2015. The law states that the head of the procurement function of a procuring entity shall, alongside the report to the Evaluation Committee as secretariat comments, review the tender evaluation report and provide a signed professional opinion to the accounting officer on procurement or asset disposal proceedings.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Understaffing of Teachers

During the year under review, records provided by the School indicated an enrolment of 470 students across sixteen (16) classes comprising four (4) streams each for forms one through form four. However, the School had only twenty-two (22) teachers posted by the Teachers Service Commission (TSC) against fifty-one (51) recommended by the Curriculum Based Education (CBE) framework. Although the School Board took the initiative to recruit six (6) additional teachers to help address the shortfall, it attributed the deficit mainly to delays in posting of teachers by the TSC

In the circumstances, the adequacy of teaching staff to ensure curriculum delivery and quality education could not be confirmed.

2. Lack of Internal Audit Function and Audit Committee

During the year under review, the School had not established an Audit Committee or an Internal Audit Unit, as required by Regulation 166 (1) and (2) of the Public Finance Management (National Government) Regulations, 2015. According to the regulations, the internal audit unit of a National Government entity should carry out an annual review to assess the effectiveness of the School through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury.

In the circumstances, the School did not benefit from the oversight and advice provided by the Audit Committee and the Internal Audit Function.

3. Lack of Strategic and Operational Plans

Evaluation of internal controls and risk management revealed that the School lacked a strategic plan which provides a roadmap for success by defining the School's vision, mission and objectives, as well as outlining the strategies and actions necessary to achieve them. Further, the School did not have an operational plan, which is essential for translating the strategic plan into concrete, actionable steps for short to medium term, typically covering a timeframe of one year or less.

In the circumstances, the School did not benefit from a clear vision, strategies and procedures to assess, identify, measure, prioritize and mitigate risks.

4. Lack of Ownership Documents

Annex 2 to the financial statements reflects summary of fixed assets register with no balances indicated in respect of fixed assets which includes two (2) pieces of land and a motor vehicle. However, land ownership documents were not provided for audit.

In the circumstances, the ownership and safe custody of the fixed assets could not be confirmed.

5. Lack of a Risk Management Policy

During the year under review, the School operated without an approved Risk Management Policy to guide Management in the identification, mitigation and response to risks that may arise. This was contrary to Regulation 165(1) of the Public Finance Management (National Government) Regulations, 2015 which states that an Accounting Officer shall ensure that a national government entity develops risk management strategies, which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations.

In the circumstances, Management was unable to identify individual risks, assess significant risk areas, determine the likelihood of occurrence for identified risks and implement appropriate control measures.

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

Responsibilities of the Management and Board of Management

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.

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAI 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

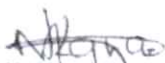
Nairobi

28 May, 2025

6. Statement Of Receipts and Payments For the Year Ended 30th June 2024

Description Of Vote Head	Note	2023-2024	2022-2023
		Kshs	Kshs
Receipts			
Government grants for tuition	1	744,448	865,892
Government grants for operations	2	3,610,924	3,732,390
Government Grants for infrastructure			1,188,000
School fund income- parents' contributions	3	16,029,179	23,062,672
School fund income-other receipts	4	4,306,086	605,034
Total Receipts		<u>24,690,637</u>	<u>29,453,988</u>
Payments			
Tuition	5	540,251	868,343
Operations	6	2,288,150	3,505,814
Infrastructure	7	0	252
Boarding and school fund	8	22,163,522	20,695,895
Total Payments		<u>24,991,923</u>	<u>25,070,304</u>
Surplus/Deficit		<u>(301,286)</u>	<u>4,383,684</u>

The school financial statements were approved on 30/9/2024 and signed by:



Name: MARY MURUGI

Chair BOM

Date: 30/9/2024



Name: S.N. MENGERE
School Principal/ Secretary to BOM

Date: 30/09/2024



Name: GEORGE GICHUHI

Bursar/ Finance Officer

Date: 30/9/2024

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



MICHINDA SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2024

5. Statement of Assets and Liabilities As At 30th June 2024

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	9	4,964,430	5,264,443
Cash balances	10	1,525	2,798
Short term investments	11		
Total cash and cash equivalent		4,965,955	5,267,241
Account's receivables	12	37,349,938	33,536,603.10
Total financial assets		42,315,893	38,803,844.10
Financial liabilities			
Accounts payables	13		225,188
Net financial assets		42,315,893	38,578,656.10
Represented by			
Accumulated fund b/fwd	14	42,617,179	34,194,972.10
Surplus/deficit for the year		(301,286)	4,383,684
Net financial position		42,315,893	38,578,656.10

The school's financial statements were approved on 30/9 2024 and signed by:



Name: MARY MURUGI

Chair BOM

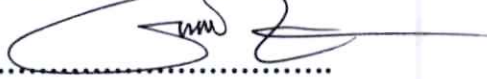
Date: 30/9/2024



Name: S. N. MENDIRE
School Principal/ Secretary to
BOM

Date:





Name: GEORGE GICHUHI

Bursar/ Finance Officer

Date: 30/9/2024

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

6. Statement of Cash Flows for the Year Ended 30th June 2024

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition	1	744,448	865,892
Government grants for operations	2	3,610,924	3,732,390
Government grants for infrastructure			1,188,000
School fund income- parents contributions/ fees	3	16,029,179	23,243,894
Other income	4	4,306,086	605,034
Total receipts		24,690,637	<u>29,635,210</u>
Payments			
Cash outflows for tuition	5	540,251	868,343
Cash outflows for operations	6	2,288,150	3,505,814
Cash outflows Boarding/lunch and school fund payments	8	22,163,522	23,881,113
Total payments		24,991,923	<u>28,255,270</u>
Net cash inflow/outflow from operating activities		(301,286)	1,379,940
CASHFLOW FROM OPARETING ACTIVITIES			
Adjustments for			
Increase in recievables			
Decrease in payables			
Cash flow from investing activities			
Acquisition of assets		0	252.00
Proceeds from sale of Assets			
Proceeds from investments			
Purchase of investments			
Net cash inflow/outflows from investing activities		0	(252.00)
Cash flow from Financing activities			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
Net cash inflow/outflow from financing activities			
Net increase/decrease in cash and cash equivalents		(301,286)	1,379,688.00
Cash and cash equivalent at beginning of the FY		5,267,241.00	3,887,533.00

MICHINDA SECONDARY SCHOOL


Annual Report and Financial Statements For the year ended 30th June 2024

Cash and cash equivalent at end of the FY		4,965,955.00	5,267,241.00
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Note: Cash and Cash Equivalent is the summation of Note 10, 11 and 12.

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

The school's financial statements were approved on 30/9 2024 and signed by:


.....
Name: **MARY MURUGI**
Chair BOM
Date: 30/9/2024


.....
Name: **N. MENGERE**
School Principal/ Secretary to BOM
Date: 30 SEP 2024



.....
Name: **GEORGE GICHUHI**
Bursar/ Finance Officer
Date: 30/9/2024

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

MICHINDA SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2024

7. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2024

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Diff btm Budget and actual amount	% Of Utilization
	a	b	c=a+b	d		e=d/c %
	Kshs	Kshs	Kshs	Kshs		Kshs
Receipts						
(1) Capitation Grant on Tuition						
Reference Materials	10,000		10,000	8,500	1,500	85%
Exercise Books	260,000		260,000	256,155	3,845	99%
Laboratory Equipment	230,000		230,000	225,000	5,000	98%
Internal Exams	200,000		200,000	195,209	4,791	98%
Teaching / Learning Materials	200,000		200,000	181,028	18,972	91%
Exams And Assessment						
Totals	900,000		900,000	865,892	34,108	
(2) Capitation Grant on Operations						
Personnel Emoluments	1,550,000		1,550,000	1,511,767	38,233	94%
Repairs And Maintenance	550,000		550,000	522,000	28,000	94%
Local Transport / Travelling	300,000		300,000	279,296	20,704	93%
Electricity And Water	350,000		350,000	334,850	15,150	95%
Medical	35,000		35,000	33,200	1,800	94%
Administration Costs	180,000		180,000	177,472	2,528	98%
Activity	210,000		210,000	207,805	2,195	98%
Transfer to infrastructure	700,000		700,000	666,000	34,000	95%

MICHINDA SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2024

Totals	3,875,000		3,875,000	3,732,390	142,610	
3) FDSE for infrastructure						
Maintenance & Improvement MoE						
M&I parents' contribution						
Economic Stimulus Programs						
Transition Infrastructure Grants						
Administration Block						
(4) Fees Charged on Parents						
Personnel Emoluments	1,600,000		1,600,000	1,618,470	-18,470	94%
Repairs And Maintenance	950,000		950,000	944,330	5,670	99%
Local Transport / Travelling	280,000		280,000	272,141	7,859	92%
Electricity And Water	1,500,000		1,500,000	1,560,861	-60,861	97%
Medical					0	
Administration Costs	720,000		720,000	714,023	5,977	99%
Activity	1,633,520		1,633,520	1,630,805	2,715	98%
bursary	302500		302500	778,750	-476,250	100%
Fee On Boarding Equipment and Stores	12,000,000		12,000,000	11,967,941	32,059	98%
Totals	18,986,020	0	18,986,020	19,487,321	-501,301	
5) Miscellenous Income						
Loans / Borrowing						
Rent income						
Income From Farming Activities	500,000		500,000	486,834	13,166	97%
Insurance Compensation					0	
Income From Posho Mill					0	
Income From Bus Hire	130,000		130,000	118,200	11,800	90%

MICHINDA SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2024

Fee For Hire of Ground and Equipment					0	
Interest Income					0	
Income From Any Other Investment					0	
Total	630000	0	630000	605,034	24,966	
Total Income	24,391,020	0	24,391,020	24,690,637		97%
<i>(6) Expenditure For Tuition</i>					0	
Textbooks					0	
Reference Materials	30,000		30,000	23,000	7,000	76%
Exercise Books	325,000		325,000	321,923	3,077	98%
Laboratory Equipment	300,000		300,000	298,900	1,100	93%
Internal Exams	210,000		210,000	205,320	4,680	97%
Teaching / Learning Materials	50,000		50,000	28,200	21,800	56%
Chalks					0	
Exams And Assessment					0	
Teachers Guides					0	
Administration Costs					0	
Bank Charges					0	
Totals	915000		915,000	877,343	37,657	
<i>(7) Expenditure For Operations</i>					0	
Personnel Emoluments	800,000		800,000	791,091	8,909	93%
Repairs, Maintenance & Improvements	560,000		560,000	559,100	900	93%
Local Transport / Travelling	0		0		0	0%
Electricity, Water and Conservancy	210,000		210,000	203,421	6,579	96%
Medical					0	

**MICHINDA SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2024**

Administration Costs	920,000		920,000	913,752	6,248	99%
Activity Expenses	380,000		380,000	372,450	7,550	
Gratuity					0	
Transfer to infrastructure						0
Totals	2,870,000		2,870,000	2,839,814	30,186	
(8) Expenditure For infrastructure					0	
Construction of classrooms					0	
Construction of LAB					0	
Construction of DORMS					0	
Purchase of furniture					0	
Purchase of equipment					0	
Purchase of machinery					0	
(9) Expenditure For school fund/lunch/boarding					0	
Personnel Emoluments	3,200,000		3,200,000	3,189,498	10,502	99%
Repairs, Maintenance and Improvements	400,000		400,000	393,155	6,845	98%
Local Transport / Travelling	440,000		440,000	434,072	5,928	98%
Electricity, Water and Conservancy	820,000		820,000	814,865	5,135	99%
Medical Expenses	20,000		20,000	17,800	2,200	85%
Administration Costs	2,000,000		2,000,000	1,978,310	21,690	98%
Activity	1,320,000		1,320,000	1,319,810	190	94%
Bursary award	302500		302,500	302,500	0	100%

MICHINDA SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2024**

Farming activities	420,000	420,000	406,400	13,600	96%
Boarding Equipment and Stores	11,287,520	11,287,520	11,251,637	35,883	93%
School id	36,000	36,000	35,300	700	97%
Bus hire	230,000	230,000	226,769	3,231	98%
Damages	130,000	130,000	125,900	4,100	96%
bursary			778,750	-778,750	
Bank Charges				0	
Loan Interest Repayment				0	
Loan Principal Repayment				0	
Acquisition Of Assets				0	
Totals	20,606,020	20,606,020	21,274,766	-668,746	93%
Total expenses	24,391,020	24,391,020	24,991,923		
deficit/surplus		0	-301,286		

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

8. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

MICHINDA SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2024****9. Notes To The Financial Statements****1. Government Grants for Tuition**

Description	2023-2024	2022-2023
	Kshs	Kshs
Reference Materials		
Exercise Books	85,000	256,155
Laboratory Equipment	165,000	225,000
Internal Exams	122,423	195,209
Teaching / Learning Materials	322,217	181,028
Others (<i>specify</i>) *chalks	49,808	8,500
Total	744,448	865,892

**Include others as per MOE circulars*

2. Government Grants for Operations

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	1,304,366	1,511,767
Repairs And Maintenance	1,129,650	1,188,000
Local Transport / Travelling	90,000	279,296
Electricity And Water	365,000	334,850
Medical		33,200
Administration Costs	588,908	177,472
Activity	133,000	207,805
Total	3,610,924	3,732,390

**Include others as per MOE circulars*

3. School Fund Income - Parents Contribution/Fees

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel emoluments	1,434,890	1,518,470
Repairs and maintenance	746,103	944,330
Local transport / travelling	208,895	260,080
Electricity and water	1,214,090	1,460,861
School id		8,269
Administration costs	546,300	714,023

MICHINDA SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2024**

Description	2023-2024	2022-2023
	Kshs	Kshs
Activity	56,679	1,630,805
Fees on Boarding Equipment and stores	11,679,878	15,767,941
Damages		46,450
Adminstration cost		1,122,966
bursary		302,500
Bom teacher	142,344	
Total	16,029,179	23,776,695

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

4.School fund income-other receipts

Description	2023-2024	2022-2023
	Kshs	Kshs
Dorm project	648,610	
INFRASTRUCTURE ACCOUNT	912,000	
Farming activities	535,390	486,834
damages		
Income From Bus Hire	69,500	118,200
Bursary awards	778,750	
School id	8,362	
Arrears recoverd	1,353,474	
Dividends Income		
Loans/Borrowings*		
Other Income (<i>specify</i>)*		
Total	4,306,086	605,034

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

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

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

Notes to the Financial Statements (continued)

5. Tuition

Description	2023-2024	2022-2023
	Kshs	Kshs
Exercise Books	49,295	321,923
Textbooks		
Reference materials		28,200
Laboratory Equipment	63,100	289,900
Teaching / Learning Materials	275,475	23,000
Exams And Assessment	112,381	205,320
Teachers Guides		
Bank Charges		
Others (<i>specify</i>)chalks	40,000	
Total	540,251	868,343

6. Operations

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	448,579	828,919
Service Gratuity		
Administration Cost	632,363	913,024
Repairs And Maintenance & Improvements	657,000	1,188,000
Local Transport / Travelling	99,000	
Electricity And Water	330,808	203,421
Medical		
Activity Expenses	120,400	372,450
Infrastructure account		
Aquisition of asset		
Total	2,288,150	3,505,814

7. Infrastructure

Description	2023-2024	2022-2023
	Kshs	Kshs
Construction of classrooms		
Construction of laboratory		
Construction of dormitory		

MICHINDA SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2024**

Purchase of furniture		
Purchase of equipment		
Purchase of apparatus		
Drilling of boreholes		
Bank charges		252
Total		252

Notes to the Financial Statements (continued)**8. Boarding and School Fund**

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	3,280,148	3,189,498
Activity	392,120	1,319,810
Repairs And Maintenance & Improvements	608,560	393,155
Local Transport / Travelling	399,350	615,294
Electricity And Water	697,971	1,040,053
Dorm project		125,900
Administration Costs	1,304,946	1,978,310
School bus	300,657	226,769
Farming activities	181,350	406,400
School id	27,750	35,300
Fee On Boarding Equipment and Stores	10,365,222	11,045,106
Bursary award	778,750	302,500
Medical expenses	3,720	17,800
INFRASTRUCTURE	3,693,798	
Arrears recoverd		
Acquisition Of Assets		
Bom teachers	68,000	
Others (specify)	61,180	
Total	<u>22,163,522.00</u>	<u>20,695,895</u>

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

MICHINDA SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2024

Notes to the Financial Statements (continued)

9. Bank Accounts

Account Name & Currency	Status	Bank Account Number	2023-2024	<i>Insert</i> 2022-2023
	Active/Dormant		Kshs	Kshs
Tuition Account KCB		1101877847	309,372	105,175
Operations Account KCB		1101885173	1,604,545	282,271
School Fund Account/Boarding NBK		01021054027100	544,583	278,969
SCHOOL FUND KCB		1101873671	1,482,080	792,380
Parent Association Development Account				
Income Generating Activities Account				
Infrastructural Account KCB		1238103170	1,023,850	3,805,648
Total			4,964,430	5,264,443

10. Cash In Hand

Description	2023-2024	2022-2023
	Kshs	Kshs
Notes and Coins	1,525	2,798
Total	1,525	2,798

11. Short Term Investments

Description	2023-2024	2022-2023
	Kshs	Kshs
Cooperative Shares		
Treasury Bills		
Fixed Deposit accounts		
Other Investments		
Total		

MICHINDA SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2024

Notes to the Financial Statements (continued)

12.Accounts Receivable

Description	2023-2024 Kshs	2022-2023 Kshs
Fees Arrears	37,349,938.00	33,536,603.10
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)		
Imprest (list/schedule attached)		
Rent arrears (list/schedule attached)		
Total	37,349,938.00	33,536,603.10

12a. Ageing Analysis of Accounts Receivable

Description	2023-2024 Kshs		2022-2023 Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	4,525,843	12	4,408,943	13.1
Between 1- 2 years	4,408,943	11.8	1,125,123	3.4
Between 2-3 years	1,125,123	3	872,050	2.6
Fees recovered	(1,353,474)	3.6	(1,223,725)	3.5
Over 3 years	28,643,503.00	76.6	28,354,212.10	84.5
Total (should tie to note 13 a)	37,349,938.00		33,536,603.10	

13.Accounts Payable

Description	2023-2024 Kshs	2022-2023 Kshs
Trade Creditors (See Ageing Below and Appendix 1)		
Prepaid Fees	0	225,188
Retention Monies		
Unpaid salaries and statutory deductions		
Caution money		
Other payables (<i>specify</i>)		
Total	0	225,188

Notes to the Financial Statements (continued)

13a. Ageing Analysis of Accounts Payable

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year				
Between 1- 2 years				
Between 2-3 years				
Over 3 years				
Total (should tie to note 14)				

14. Fund Balance Brought Forward

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank Balances	5,264,443.00	3,886,177
Cash Balances	2,798.00	1,376
Short Term Investments		
Receivables	37,349,938.00	30,351,385.10
Payables		(43,966)
Total	42,617,179.00	34,194,972.10

MICHINDA SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2024****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.

15.Non-current Liabilities Summary

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank Loans		
Outstanding Leases		
Hire Purchase		
Gratuity And Leave Provision		
Others (specify)		
Total		

16.Biological assets

Description	Numbers	2023-2024	2022-2023
		Kshs	Kshs
Cattle	8	500,000	500,000
Goats			
Trees	1500	950,000	950,000
Coffee Or Tea Plantation			
Poultry			
Others (specify)			
Total		1,450,000	1,450,000

17.Borrowings

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

Other important disclosure notes

18. Stock/ Inventory

Description	2023-2024	2022-2023
	Kshs	Kshs
Food stuffs		
Lab consumables		
Farm produce		
Medication		
Construction Materials		
Others (specify)		

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

MICHINDA SECONDARY SCHOOL

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19. Progress On Follow Up Of Auditor Recommendations

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

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



Sign and Date
Principal



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20. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1.						
2.						
3.						
Sub-Total						
Supply Of Goods						
4.						
5.						
Sub-Total						
Supply Of Services						
6.						
7.						
8.						
Sub-Total						
Grand Total						

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Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1st July 2024	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 20XX
Land	SCHOOL LAND 36.7acres			
	CLASSESS - 16 ADMIN BLOCK WITH OFFICES -1 DORMITORIES -7 LABS -4 TOILETS/BOYS -24 DINING HALL (MULTI PURPOSE) -1 KITCHEN AND FOOD STORE - 1 TEACHING AND LEARNING 1 MATERIALS STORE -1			
Buildings And Structures				
Motor Vehicles	61-SEATER BUS			
	DESKS - 500 LOCKERS -500 TABLES -50 CABINETS - 15 OFFICE CHAIRS 60 WATER DISPENSER 3			
Office Equipment, Furniture And Fittings				
Textbooks	ALL ASSORTED			

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Asset Class	Historical Cost b/f (Kshs) 1st July 2024	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 20XX
	BOOKS			
ICT Equipment	COMPUTERS -21 PRINTERS -6			
Tools And Apparatus	ALL ASSORTED LAB EQUIPMENTS			
Other Machinery And Equipment	POWER GENERATOR			
Heritage And Cultural Assets	ASSORTED MUSICAL INSTRUMENTS AND EQUIPMENTS			
Intangible Assets- Soft Ware	EXAMS AND ACCOUNTING SOFTWARES			
Total				

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

