

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 10 JUN 2025

DAY.

TUESDAY

PARLIAMENT  
OF KENYA  
LIBRARY

TABLED  
OF

HON. NAOMI WAQO,  
DEPUTY CHIEF WHIP

CLERK-AT  
THE-TABLE:

PERPETUAL MULEGA.

**THE AUDITOR-GENERAL**

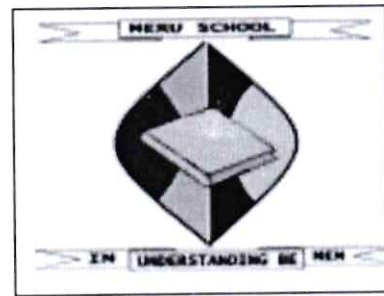
**ON**

**MERU SCHOOL**

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

**MERU COUNTY**





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**MERU SCHOOL  
ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE 2024**

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

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

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<b>Table of Contents</b>	<b>Page</b>
1 Table of Contents.....	i
2 Acronyms and Definition of Key Terms .....	ii
3. Key School Information and Management .....	iii
4. Summary Report of Performance of The School .....	vii
5 Statement of School Management Responsibility .....	xvi
6 Report Of The Independent Auditors ( <i>To be attached</i> ) ... ..	xvii
7. Statement Of Receipts and Payments for the Year Ended 30 <sup>th</sup> June 2024 .....	1
8 Statement of Assets and Liabilities As At 30 <sup>th</sup> June 2024 .....	2
9 Statement of Cash Flows for the Year Ended 30 <sup>th</sup> June 2024 .....	3
10 Statement Of Budgeted Versus Actual Amounts for The Year Ended 30 <sup>th</sup> June 2024 .....	5
11. Significant Accounting Policies .....	10
12. Notes To the Financial Statements .....	12
13 Annexes .....	21

**1. Acronyms and Definition of Key Terms**

**A. Acronyms**

BOM	Board of Management
CEB	County Education Board
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
FY	Financial Year
FDSE	Free Day Secondary Education
TSC	Teachers Service Commission
SMASSE	Strengthening of Mathematics and Science in Secondary Education

**B. Definition of Key Terms**

**Comparative Year-** Means the prior period.

## MERU SCHOOL

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

## 2. Key School Information and Management

### MERU SCHOOL

#### (a) Background information

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is in **Meru** County, **Imenti East** Sub-County.

The school was registered in **JULY 2022** under registration number **12S00301203** and is currently categorized as a **National** Public School established, owned or operated by the Government.

The school is a day/boarding school and had **2409** number of students as at **30<sup>th</sup> June 2024**. It has **10** streams in **Form 4**, **12** streams in **Form 3**, **11** streams in **Form 2** and **12** streams in **Form 1** and **102** teachers of which **20** 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	Eng. David N. Rukunga	Chairman - Sponsor	22 <sup>nd</sup> July 2022
2	Mr. Rutere H. Mwenda	Secretary- Principal	22 <sup>nd</sup> July 2022
3	Dr. Viona N. Ojiambo	Member - Parent Representative	22 <sup>nd</sup> July 2022
4	Ms. Mary Lichoro	Member - Parent Representative	22 <sup>nd</sup> July 2022
5	Mr. Jeremiah G. Rimberia	Member - Parent Representative	22 <sup>nd</sup> July 2022
6	Mr. Jose P. Malia	Member - Parent Representative	22 <sup>nd</sup> July 2022
7	Prof. Mutea Rukwaru	Member - Parent Representative	22 <sup>nd</sup> July 2022
8	Dr. Bundi Karau	Member – Rep CEB	22 <sup>nd</sup> July 2022
9	Mr. Juma Isaac	Member Rep Teachers	22 <sup>nd</sup> July 2022
10	Eng. David N. Rukunga Mrs. Anne K. Ntoiti Mrs. Nancy G. Gitonga	3 Members - Sponsor	22 <sup>nd</sup> July 2022
11	Mr. Manasses K. Kariuki	Member - Community	22 <sup>nd</sup> July 2022
12	Mrs. Penina K. Mutwiri	Member Special Needs	22 <sup>nd</sup> July 2022
13	Immanuel B. Mutembe	Rep Students	22 <sup>nd</sup> July 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, of 2013.
- Ensure and assure the provision of proper and adequate facilities for the School.
- Manage the School’s affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School.
- Determine cases of pupils’ discipline and make reports to the CEB.
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB.
- Administer and manage the resources of the School.
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule para 21 and 23 of the Basic Education Act, 2013.

**(c) Committees of the Board**

Ref.	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1. Eng. David N. Rukunga 2. Mr. Rutere H. Mwenda 3. Rev. Joshua M. Rutere 4. Rev. Josphat Nturibi 5. Ms. Anne K. Ntoiti	Chairman B.O.M. Secretary/Principal P.A. Chairman Member Member	2 out of 2 2 out of 2 2 out of 2 2 out of 2 2 out of 2
2	Audit Committee	1. Ms. Mary Lichoro 2. Ms. Jane W. Gitimbu 3. Ms. Charity Mukiri Kamundi	Chairperson Secretary Member	1 out of 1 1 out of 1 1 out of 1
3	Finance, procurement and general purposes Committee	1. Mrs. Nancy G. Gitonga 2. Mr. Manasses K. Kariuki	Secretary Chairperson	1 out of 1 1 out of 1
4	Academic Committee	1. Mr. Jose P. Malia 2. Mr. Isaac Juma 3. Dr. Bundi Karau 4. Mrs. Anne K. Ntoiti	Chairman Secretary Member Member	1 out of 1 1 out of 1 1 out of 1 1 out of 1

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

		5. Prof. Rukwaru Mutea	Member	1 out of 1
5	Development Committee	1. Eng. David N. Rukunga 2. Mr. Rutere H. Mwenda 3. Rev. Joshua Rutere M 4. Rev. Josphat Nturibi 5. Mr. Halake Dida	Chairman Secretary Member Member Member	2 out of 2 2 out of 2 2 out of 2 2 out of 2 2 out of 2
6	Discipline and welfare Committee	1. Prof. Mutea Rukwaru 2. Mrs. Anne K. Ntoiti 3. Mr. Jeremiah R. Gaitwirie	Chairman Secretary Member	2 out of 2 2 out of 2 2 out of 2
7	Adhoc Committee (if any during the year)			

**(d) School operation Management**

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

Ref:	Designation	Name	Identification
1	Principal	Mr.. Rutere H. Mwenda	TSC No. 351848
2	Deputy Principal - Administration	Mr. Mutwiri G. Gitonga	TSC No. 458790
3	Deputy Principal - Academics	Mr. Mwenda P. Laibuta	TSC No. 429328
4	School Bursar	Ms. Charity Mukiri Kamundi	ID/No. 23075203
4	Other (specify)		

**(e) Schools contacts**

Post Office Box: 103-60200 MERU  
 Telephone: 0794 338381  
 E-mail: [meruschool2015@gmail.com](mailto:meruschool2015@gmail.com)  
 Website: [www.meruschool.ac.ke](http://www.meruschool.ac.ke)

**(f) School Bankers**

The school operates **Seven** number of bank accounts in the following banks:

1. Name of Bank: Equity Bank of Kenya  
Branch: Makutano Meru  
Account Number: 1040298414943
2. Name of Bank: Kenya Commercial Bank  
Branch: Makutano Meru  
Account Number: 1254174192
3. Operations Account: Equity Bank - Makutano Branch Meru  
Account No. 1040280219529  
  
National Bank - Meru Branch  
Account No. 01021039005500
4. Tuition Account: Equity Bank - Makutano Branch Meru  
Account No. 1040280219535  
  
National Bank - Meru Branch  
Account No. 01025039706600
5. Infrastructure Account: Kenya Commercial Bank - Makutano Branch Meru  
Account No. 1254174214
6. Fund Account: Kenya Commercial Bank - Meru Branch  
Account No. 1104161850
7. Savings Account: Kenya Commercial Bank - Meru Branch  
Account No. 1102258911
8. M-PESA Pay Bill No.: Business Number 103103 attached to Equity Bank  
Account No. 1040298414943
9. M-PESA Pay Bill No.; Business Number 32166K attached to KCB Bank  
Account No. 1254174192

**(g) Independent Auditors**

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

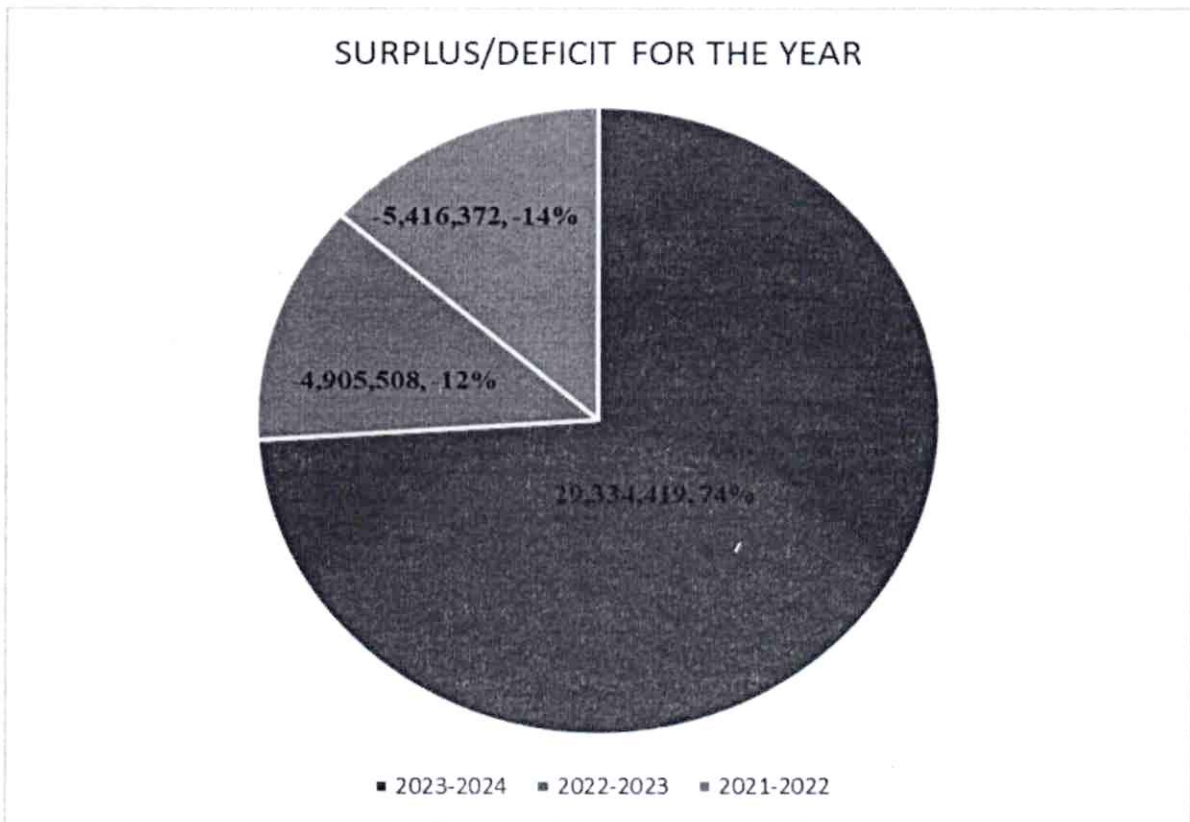
**3. Summary Report of Performance of The School**

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

**a) Financial performance:**

**SURPLUS/ DEFICIT FOR THE YEAR AND A COMPARISON OF THE SAME FOR THE LAST THREE YEARS**

	<b>2023-2024</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>KSHS.</b>	<b>KSHS.</b>	<b>KSHS.</b>
<b>TOTAL</b>	29,334,419	(4,905,508)	(5,416,372)

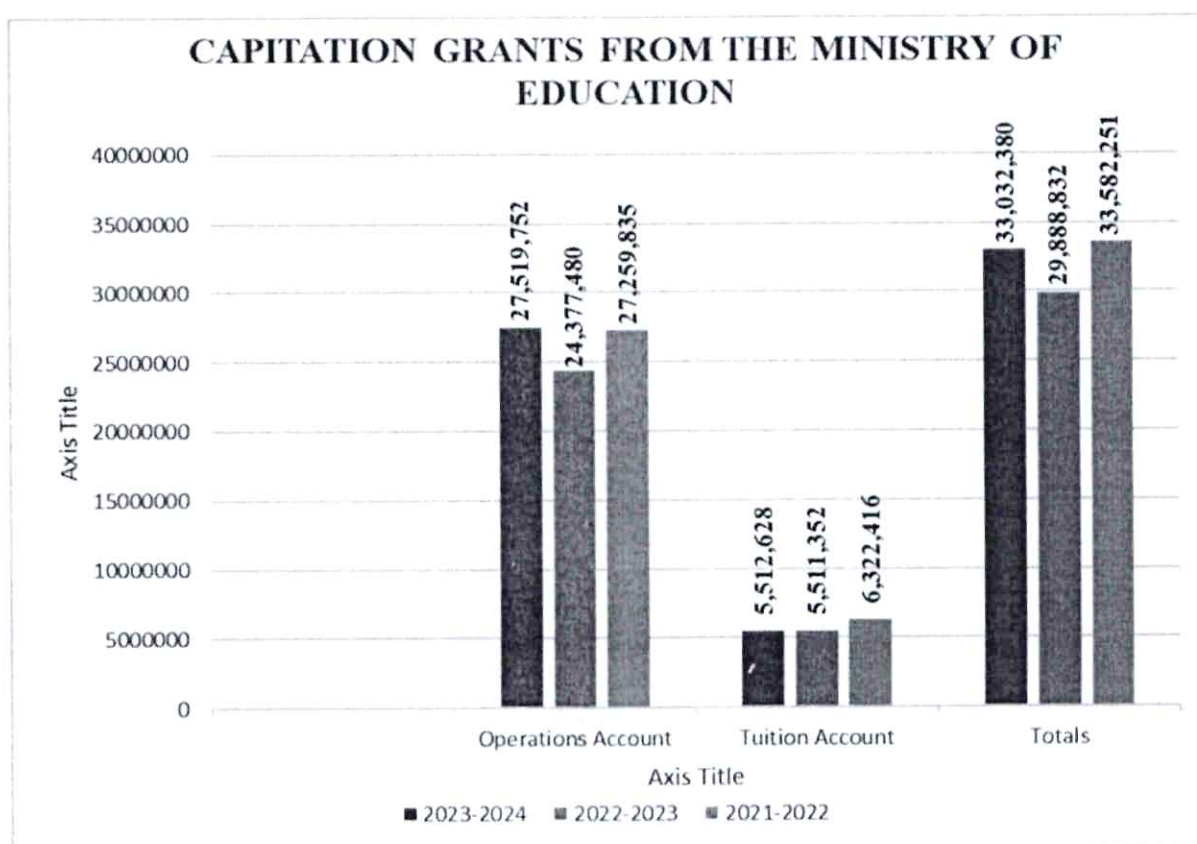


**MERU SCHOOL**

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

**CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS**

ACCOUNTS	2023-2024	2022-2023	2021-2022
	KSHS.	KSHS.	KSHS.
Operations Account	27,519,752	24,377,480	27,259,835
Tuition Account	5,512,628	5,511,352	6,322,416
Totals	33,032,380	29,888,832	33,582,251
No. Of students	2409	2217	1574
Ration per capitation per student	1:13712	1:13481	1:17346



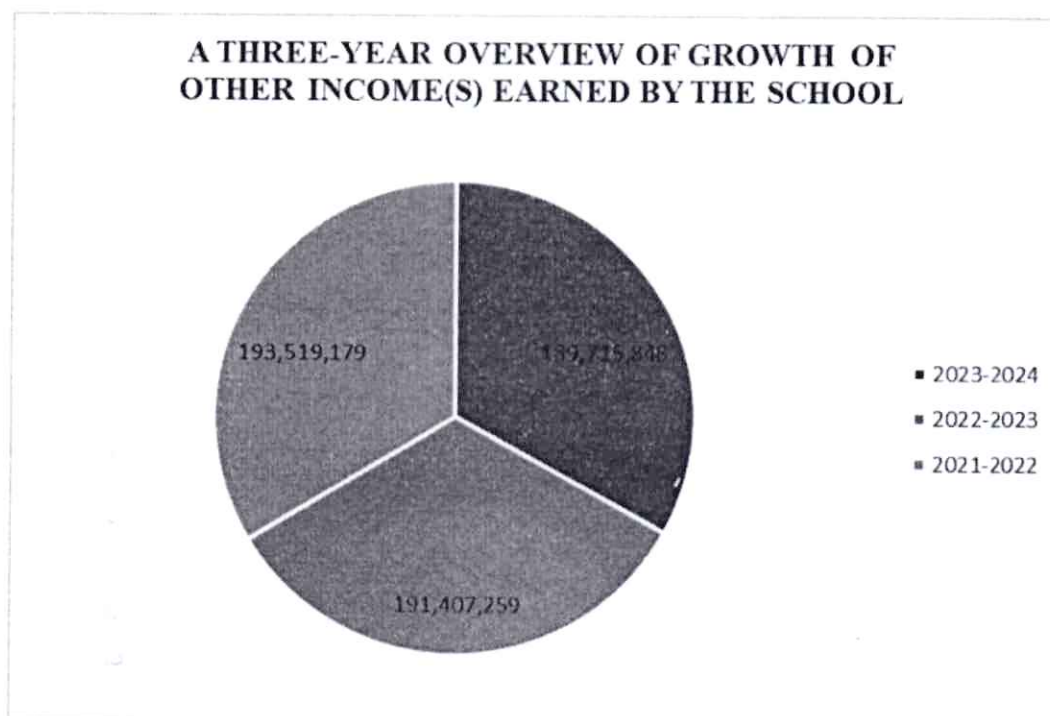
**MERU SCHOOL**

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

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

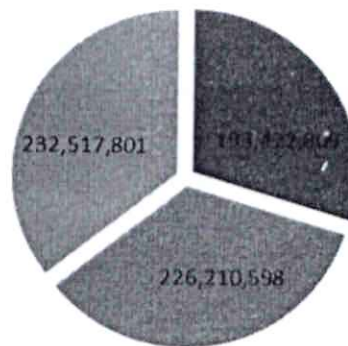
	<b>2023-2024</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>KSHS.</b>	<b>KSHS.</b>	<b>KSHS.</b>
<b>TOTAL</b>	189,715,848	191,407,259	193,519,179



**MERU SCHOOL****Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024****A THREE-YEAR OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL**

	<b>2023-2024</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>KSHS.</b>	<b>KSHS.</b>	<b>KSHS.</b>
<b>TOTAL</b>	193,422,809	226,210,598	232,517,801

**A THREE YEAR OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL**

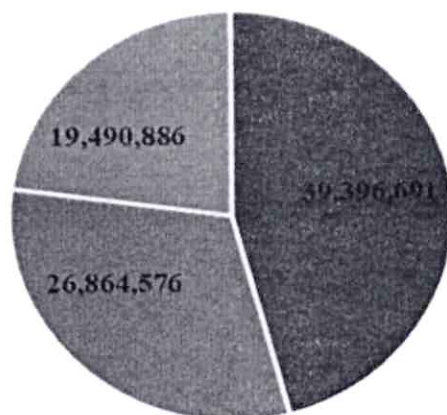


■ 2023-2024 ■ 2022-2023 ■ 2021-2022

**MOVEMENT OF DEBTORS OF THE SCHOOL OVER THE LAST THREE YEARS**

	<b>2023-2024</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>KSHS.</b>	<b>KSHS.</b>	<b>KSHS.</b>
<b>TOTAL</b>	39,396,691	26,864,576	19,490,886

**MOVEMENT OF DEBTORS OF THE SCHOOL**

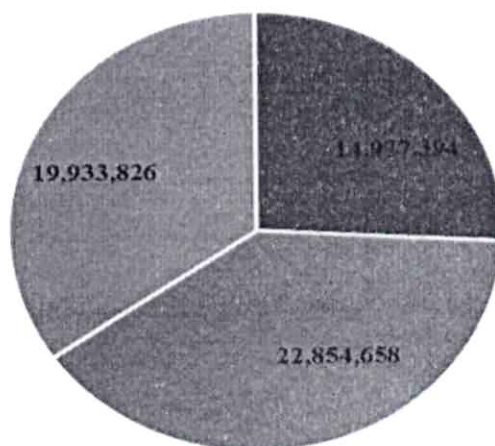


■ 2023-2024 ■ 2022-2023 ■ 2021-2022

**MOVEMENT OF CREDITORS OF THE SCHOOL OVER THE LAST THREE YEARS**

	2023-2024	2022-2023	2021-2022
	KSHS.	KSHS.	KSHS.
TOTAL	14,977,394	22,854,658	19,933,826

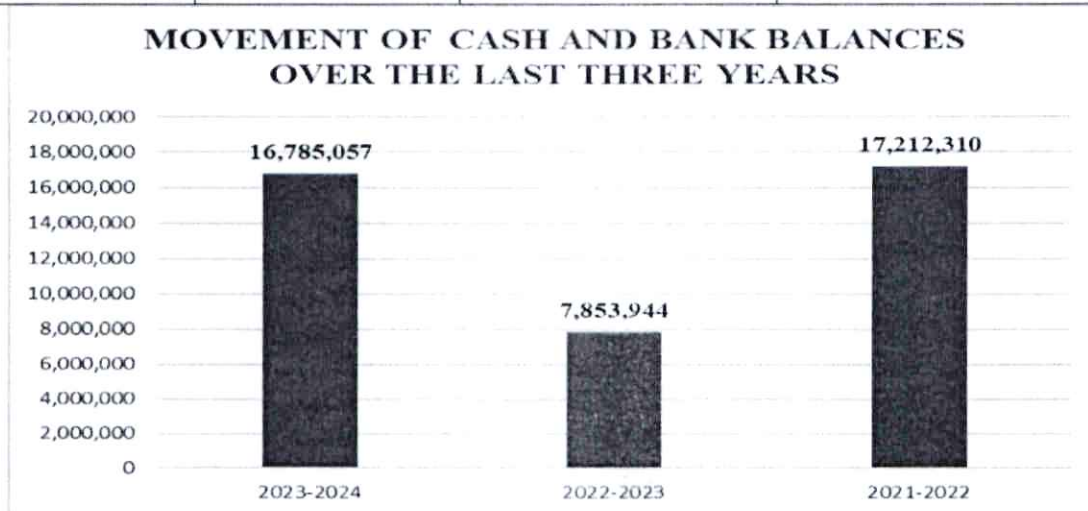
**MOVEMENT OF CREDITORS OF THE SCHOOL**



■ 2023-2024  
 ■ 2022-2023  
 ■ 2021-2022

**MOVEMENT OF CASH AND BANK BALANCES OVER THE LAST THREE YEARS**

	2023-2024	2022-2023	2021-2022
	KSHS.	KSHS.	KSHS.
TOTAL	16,785,057	7,853,944	17,212,310



**b) Teacher Student ratio = 1 : 39**

*Number of teachers recruited and posted to the school within the year = 11*

*Number of teachers that were transferred during the period = 5*

*Number of retired during the period = 1*

*Number of teachers employed by TSC = 83*

*Number employed by BOM = 20*

**NO. OF TEACHERS PER EACH SUBJECT**

ENGLISH	8
KISWAHILI	8
MATHEMATICS	10
BIOLOGY	6
PHYSICS	8
CHEMISTRY	6
HISTORY	6
GEOGRAPHY	4
C.R.E.	5
I.R.E.	1

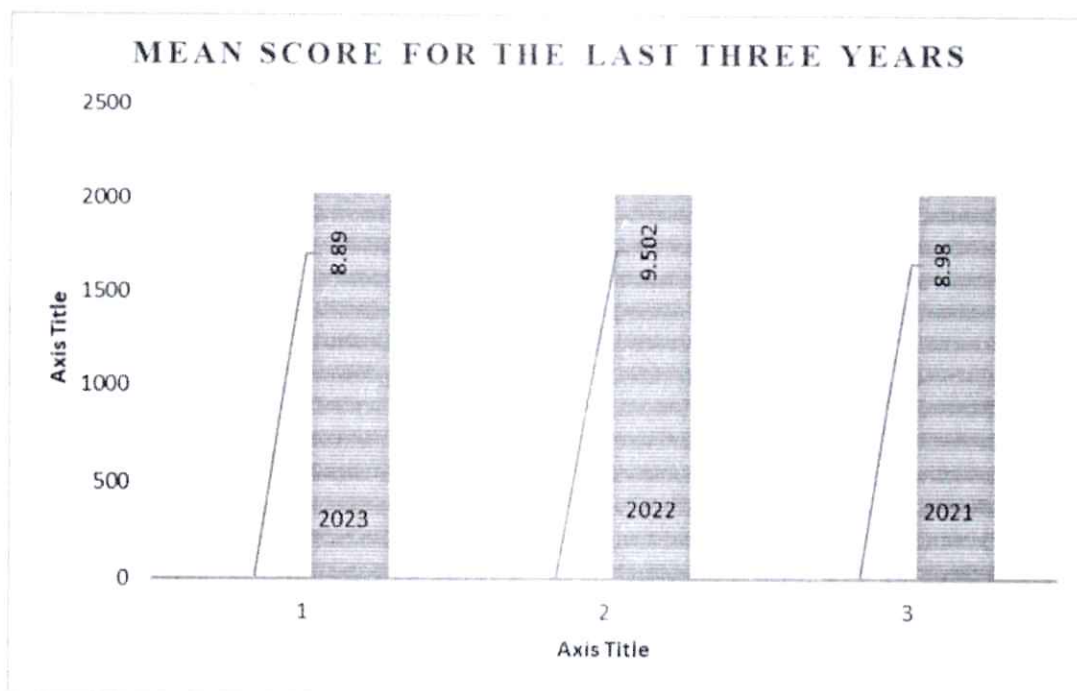
**MERU SCHOOL**

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

<i>ART &amp; DESIGN</i>	2	
<i>FRENCH</i>	1	
<i>MUSIC</i>	1	
<i>COMPUTER STUDIES</i>	1	
<i>BUSINESS STUDIES</i>	5	
	82	<i>B.O.M. TEACHERS</i> 20
<i>CBE</i>	92	
<i>SHORTAGE/DEFICIT</i>	20	

**c) The mean score in the 2021, 2022 and 2023 KCSE:**

YEAR	ENROLMENT	MEAN	TRANSITION	TRANSITION (%)	SCHOOL TARGET	DEV
2021	399	8.98 B	366	92%	10.5	There was a negative deviation of -0.05
2022	325	9.502 B+	319	98%	10.5	There was a positive deviation of +0.52
2023	414	8.89 B	365	88%	10.5	There was a negative deviation of -0.612



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

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**d) Number of Candidates in the 2021, 2022 and 2023 KCSE:**

<b>YEAR</b>	<b>ENROLMENT</b>
2021	399
2022	325
2023	414

**e) The capacity of the school:**

	<b>CAPACITY</b>	
<b>NO. OF STUDENTS IN THE SCHOOL</b>	<b>2409</b>	
<b>DORMITORIES</b>	<b>14</b>	
<b>DINING HALL</b>	<b>2</b>	
<b>THE LABORATORIES</b>	<b>7</b>	
<b>TOILETS</b>	<b>54</b>	

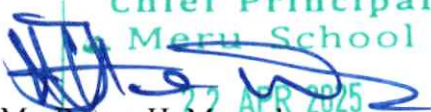
**MERU SCHOOL**

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

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

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Ultra Modern Dormitory	MOE CDF Parents	On going	80,119,813	40,975,824	December 2025

  
Chief Principal  
Meru School  
77 APR 2025  
Mr. Kutere H. Mwenda  
School Principal  
P.O. Box 103 - 60200, Meru

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

The Board of Management of **MERU 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, 2024, and of the school's financial position as at that date.

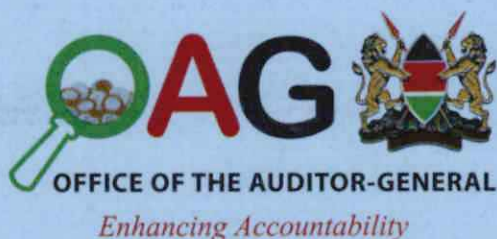
.....  
**Name:** Eng. David N. Rukunga  
**Designation:** Chairman, School Board of Management  
**Date:** 22/04/2025

.....  
**Name:** Mr. Rutere H. Mwenda  
**Designation:** School Principal & Secretary to Board of Management  
**Date:** 22/04/2025

.....  
**Name:** Ms. Charity Mukiri Kamundi  
**Designation:** Bursar/ Finance Officer  
**Date:** 22/04/2025

# 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 MERU SCHOOL FOR THE YEAR ENDED 30 JUNE, 2024 – MERU COUNTY

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### 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 statement.
- 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 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, 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 Meru School – Meru County set out on pages 1 to 24, 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 comparison of budget and 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 Meru School – Meru 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 Basic Education Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Inaccuracies in the Statement of Budgeted Versus Actual Amounts**

The statement of budgeted versus actual amounts reflects total income budget utilization difference amount of Kshs.301,900 while recast of the statement results in total income budget utilization difference of Kshs.66,359,328 leading to unreconciled and unexplained difference amount of Kshs.66,057,428.

In the circumstances, the accuracy of the statement of budgeted versus actual amounts could not be confirmed.

#### **2. Long Outstanding Accounts Receivable**

The statement of assets and liabilities and as disclosed in Note 13 to the financial statements reflects accounts receivable balance of Kshs.39,577,391. The balance includes fee arrears, other non-fees receivables, salary advances and rent arrears of Kshs.39,269,491, Kshs.100,400, Kshs.150,600 and Kshs.56,900 respectively. Included in this balance is Kshs.10,353,204 that has been outstanding for a period of more than twenty-four (24) months. Management did not provide evidence of measures and efforts taken to recover the money despite the school having rendered the services. In addition, Management policy on debtors was not provided for audit.

In the circumstances, the accuracy and completeness of debtors' balance of Kshs.10,353,204 could not be confirmed.

#### **3. Unconfirmed Capitation Grants**

The statement of receipts and payments reflects capitation grants for tuition, operations and infrastructure amounts of Kshs.5,512,628, Kshs.21,459,352 and Kshs.6,060,400 respectively as disclosed in Notes 1, 2 and 3 to the financial statements. However, the amounts were not supported by students listing to show the amount of capitation per student and NEMIS enrolment data was not provided for audit review and verification.

In the circumstances, the accuracy and completeness of capitation grants for tuition, operations and infrastructure amounts of Kshs.5,512,628, Kshs.21,459,352 and Kshs.6,060,400 respectively could not be confirmed.

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparative budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.156,326,800 and Kshs.211,395,526 respectively resulting to an over-funding of Kshs.55,068,726 or 26 % of the budget. Similarly, the School spent Kshs.193,536,893 against actual receipts amount of Kshs.211,395,526 under-utilization of Kshs.17,858,633 or 8% of the actual receipts.

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

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Matter**

#### **Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised under report on financial statements, report on lawfulness and effectiveness in use of public resources and report on effectiveness of internal controls, risk management and governance. However, management had not resolved the issues as at 30 June, 2024.

### **Other Information**

The Management is responsible for the other information set out on page ii to xvi which comprise of Key School Information and Management, Summary Report of Performance of the School and Statement of School Management Responsibility. The Other Information does not include the financial statements and 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.

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

## 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. Unconfirmed Students Enrolment Data**

Examination of documents provided for audit revealed that there were discrepancies between the data of the students funded and school records relating to the enrolment of students. This variance resulted to underfunding of the school by Kshs.10,229,039.

In the circumstances, under-funding of the school may have affected service delivery to the students.

#### **2. Unauthorized Over Expenditure**

Review of statement of budgeted versus actual amounts in the financial statement revealed that the school over spent on Personal emolument – operation and Administration costs – boarding by Kshs.3,907,415 and Kshs.14,023,457 respectively.

Management did not provide evidence of approval of any supplementary budget. This is contrary to Regulation 40(5) of the Public Finance Management Regulations, 2015 states that an Accounting Officer may have a supplementary budget if the expenditure cannot be met by budget reallocation under Section 43 of the Act.

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

#### **3. Failure to Develop School Improvement Plan**

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

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

#### **4. Delayed Construction of Ultra-Modern Dormitory**

Annex – 2 to the financial statements – summary of fixed assets register reflects additions to buildings and structures amount of Kshs.8,286,340 which relates to construction of ultra-modern dormitory. Review of records provided revealed that the School awarded a labour – based contract at an amount of Kshs.32,438,982 to a service provider. Further verification of documentation revealed that service was expected to commence on 3 January, 2022 with a completion date of 3 January, 2023 as per approval. The Management paid the service provider an amount of Kshs.16,852,718 translating to 52% as per certificate number 1 to 14. However, the following anomalies were identified:

- i. The contract document for the whole project was not provided for audit. Therefore, an audit could not confirm tender number, contract sum, commencement date, contract period, terms of reference and completion date of project;
- ii. The Management failed to prepare and submit, quarterly progress report to the County Director of Education; hence status of project could not be confirmed;
- iii. Physical inspection of the school dormitory project conducted on 27 March, 2025 revealed that the contractor was not on site and the Management did not provide any documentation on why the project has been stopped. Therefore, the project might take longer time to be completed.

In the circumstances, Management was in breach of the law and value for money may not have been achieved on an amount of Kshs.16,852,718 spent on the project.

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. Lack of Risk Management Policy**

During the year under review, the school did not have a risk management policy. This was contrary to Regulation 165(1)(a-b) of the Public Finance Management (National Governments) Regulations, 2015 which states that the Accounting Officer shall ensure

that the 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, the effectiveness of school's risk management could not be confirmed.

## **2. Lack of Procurement Function**

Review of records revealed that the School Management operated without a procurement function. This contravened Section 47(1) Public Procurement and Asset Disposal Act, 2015 which states that the procurement function shall be handled by procurement professionals whose qualifications are recognised in Kenya.

In the absence of a procurement function Management may not be able to procure the right quality and quantity of goods, works and services at the right time.

## **3. Ineffective Audit Committee**

During the year under review, the Board of Management constituted an audit committee comprising of three members. However, it was observed that the Committee operated without internal audit work plan and there was no audit and risk assessment reports as evidence of their responsibilities in risk, control and governance of the institution. In addition, the committee had not acted on previous audit reports hence there was unconfirmed evidence that follow up on implementation of recommendations of both internal and external audit reports was done.

In the circumstances, the school could not be able to identify, prevent and mitigate against disasters for continuity of operational effectiveness.

## **4. Failure to Develop Board Charter, Calendar and Workplan**

During the year under review, the Board did not develop Board Charter outlining the roles, responsibilities and authority of the Board Members, a calendar of events outlining its activities for the year and a board workplan as a guide of annual activities.

In the circumstances, the Board's role in overseeing the school will not be effective.

## **5. Failure to Maintain a Fixed Assets Register**

As disclosed in Annex 2 to the financial statements, the summary of fixed assets register reflects assets with a historical cost balance brought forward of Kshs.868,763,033 for the year ended 30 June, 2024. However, Management did not maintain an asset register indicating dates of assets acquisitions, types of assets, suppliers' names, asset values, custodians and serial/log book number and locations, contrary to Regulation 143(1)(2) of the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws. The register of land and buildings shall record each parcel of land and each building and the terms on which it is held, with reference to the conveyance, address, area, dates of acquisition, disposal or major change in use, capital expenditure, lease hold terms, maintenance contracts and other pertinent management details.

In the circumstances, the existence of an effective assets management mechanisms that can prevent losses and missuses could not be confirmed.

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

### **Responsibilities of the Management and the Board of Management**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (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 schools 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 schools financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

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

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

material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**05 May, 2025**


**MERU SCHOOL**

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

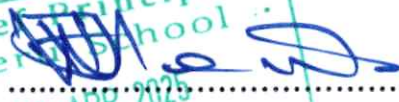
**6. Statement Of Receipts and Payments for the Year Ended 30<sup>th</sup> June 2024**

Description Of Vote Head	Note	2023-2024	2022-2023
		Kshs	Kshs
<b>Receipts</b>			
Government grants for tuition	1	5,512,628	5,511,352
Government grants for operations	2	21,459,352	16,227,480
Government Grants for infrastructure	3	6,060,400	8,150,000
School fund income- parents' contributions	4	189,189,848	189,856,259
Miscellaneous incomes	5	463,900	1,551,000
<b>Total Receipts</b>		<b>222,686,128</b>	<b>221,296,090</b>
<b>Payments</b>			
Tuition	6	4,951,414	9,639,110
Operations	7	15,318,875	15,560,558
Infrastructure	8	8,882,940	6,141,324
Boarding and school fund	9	164,383,664	194,860,606
<b>Total Payments</b>		<b>193,536,893</b>	<b>226,201,598</b>
<b>Surplus/Deficit</b>		<b>29,149,235</b>	<b>(4,905,508)</b>


The school financial statements were approved on 22<sup>nd</sup> April 2025 and signed by:

  
 Name: Eng. David N. Rukunga

Chair BOM  
 Date: 22/04/2025

  
 Name: Mr. Rutere H. Mwenda  
 School Principal/ Secretary to BOM  
 Date: 22/04/2025

*Stamp: Chief Principal Meru School, 22 APR 2025, Sign... P.O. B...*

  
 Name: Ms. Charity Mukiri Kamundi  
 Bursar/ Finance Officer  
 Date: 22/04/2025

**MERU SCHOOL**

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

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

Description		2024	2023
<b>Financial Assets</b>			
<b>Cash and cash equivalents</b>			
Bank balances	10	16,775,051	7,818,141
Cash balances	11	10,005	35,803
Short term investments	12	-	-
<b>Total cash and cash equivalent</b>		<b>16,785,056</b>	<b>7,853,944</b>
Account's receivables	13	39,577,391	26,864,576
<b>Total financial assets (a)</b>		<b>56,362,447</b>	<b>34,718,520</b>
<b>Financial liabilities</b>			
Accounts payables	14	15,349,350	22,854,658
<b>Total Financial Liabilities (b)</b>			
<b>Net financial assets (a-b)</b>		<b>41,013,097</b>	<b>11,863,862</b>
<b>Represented by</b>			
Accumulated fund b/fwd	15	11,863,862	16,769,371
Surplus/deficit for the year		29,149,235	(4,905,508)
<b>Net Assets</b>		<b>41,013,097</b>	<b>11,863,863</b>

The school's financial statements were approved on 22<sup>nd</sup> April 2025 2024 and signed by:

Name: Eng. David N. Rukunga

Chair BOM

Date: 22/04/2025

Name: Mr. Rutere H. Mwenda  
School Principal/ Secretary to BOM

Date: 22/04/2025

Name: Ms. Charity Mukiri Kamundi

Bursar/ Finance Officer

Date: 22/04/2025

**MERU SCHOOL**

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

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

Description	2024	Insert Current FY	Insert Comparative
<b>Cash from Operating Activities</b>			
<b>Receipts</b>			
Government grants for tuition		5,512,628	5,511,352
Government grants for operations		23,605,852	16,227,479
Government grants for infrastructure		6,060,400	8,150,000
School fund income- parents contributions/ fees		180,991,138	200,448,474
Miscellaneous income		544,600	1,390,500
<b>Total receipts</b>		<b>216,714,618</b>	<b>231,727,805</b>
<b>Payments</b>			
Cash outflows for tuition		3,621,114	7,349,300
Cash outflows for operations		17,397,875	15,560,558
Cash out flows Boarding/lunch and school fund payments		174,400,533	209,316,558
<b>Total payments</b>		<b>195,419,522</b>	<b>232,226,416</b>
<b>Net cash inflow/outflow from operating activities</b>		<b>21,295,096</b>	<b>(498,611)</b>
<b>Cash flow from investing activities</b>			
Acquisition of assets		(12,363,984)	8,859,754
Proceeds from sale of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
<b>Net cash inflow/outflows from investing activities</b>		<b>8,931,112</b>	<b>8,859,754</b>
<b>Cashflow from Financing activities</b>			
Proceeds from borrowings/ loans	18	-	-
Repayment of principal borrowings		-	-
<b>Net cash inflow/outflow from financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/decrease in cash and cash equivalents</b>		<b>8,931,112</b>	<b>(9,358,366)</b>
Cash and cash equivalent at beginning of the FY		7,853,944	17,212,313
<b>Cash and cash equivalent at end of the FY</b>		<b>16,785,056</b>	<b>7,853,944</b>

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

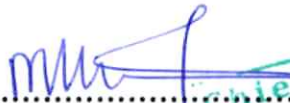
(The above presentation of the cash flow statement uses the direct method of cash flow presentation which is encouraged under IPSAS. Schools should therefore adopt the direct method of cashflow as recommended by PSASB).

**MERU SCHOOL**

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

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The school's financial statements were approved on 22<sup>nd</sup> April 2025 2024 and signed by:



Name: Eng. David N. Rukunga

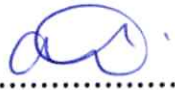
Chair BOM

Date: 22/04/2025



Name: Mr. Rutere H. Mwenda  
School Principal/ Secretary to  
BOM

Date: 22/04/2025



Name: Ms. Charity Mukiri Kamundi

Bursar/ Finance Officer

Date: 22/04/2025



**MERU SCHOOL**

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

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

Receipt/Expenses Item	Original Budget	Adjustments	Total Budget	Actual Amount	Variance	Percentage
	KSh	KSh	KSh	KSh	KSh	%
<b>Receipts</b>						
<i>(1) Capitation Grant on Tuition</i>						
Reference Materials	-	-	-	-	-	-
Exercise Books	-	-	-	-	-	-
Laboratory Equipment	-	-	-	-	-	-
Internal Exams	-	-	-	-	-	-
Teaching / Learning Materials	-	-	-	-	-	-
TUITION	5,236,000	-	5,236,000	5,512,628	(276,628)	105%
<b>Total</b>	<b>5,236,000</b>	<b>-</b>	<b>5,236,000</b>	<b>5,512,628</b>	<b>(276,628)</b>	<b>105%</b>
<i>(2) Capitation Grant on Operations</i>						
Personnel Emoluments	5,170,000	-	5,170,000	-	5,170,000	0%
Repairs And Maintenance	11,000,000	-	11,000,000	2,653,200	8,346,800	24%
Local Transport / Travelling	5,170,000	-	5,170,000	-	5,170,000	0%
Electricity And Water	5,170,000	-	5,170,000	-	5,170,000	0%
Medical	1,430,000	-	1,430,000	1,803,150	(373,150)	126%
Administration Costs	5,170,000	-	5,170,000	-	5,170,000	0%
Activity	-	-	-	1,781,176	(1,781,176)	0%
CBC Classroom	-	-	-	788,040	(788,040)	0%
Rent	-	-	-			
Salary Advance	-	-	-			
Other Votes	-	-	-	14,433,786	(14,433,786)	0%
<b>Total</b>	<b>33,110,000</b>		<b>33,110,000</b>	<b>21,459,352</b>	<b>(11,650,648)</b>	<b>65%</b>

**MERU SCHOOL**

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

<b>3) FDSE for infrastructure</b>						
Maintenance & Improvement MoE	-	-	-	6,060,400	(6,060,400)	0%
M&I parents' contribution	-	-	-	-	-	-
Economic Stimulus Programs	-	-	-	-	-	-
Transition Infrastructure Grants	-	-	-	-	-	-
Administration Block	-	-	-	-	-	-
<b>Total</b>				<b>6,060,400</b>	<b>(6,060,400)</b>	<b>0%</b>
<b>(4) Fees Charged on Parents</b>						
Personnel Emoluments	13,871,000	-	13,871,000	15,247,101	(1,376,101)	110%
Repairs And Maintenance	4,400,000	-	4,400,000	27,520,682	(23,120,682)	625%
Local Transport / Travelling	9,508,400	-	9,508,400	10,515,463	(1,007,063)	111%
Electricity And Water	9,900,000	-	9,900,000	10,739,617	(839,617)	108%
Administration Costs	11,536,800	-	11,536,800	15,499,305	(3,962,505)	134%
Fee on Boarding Equipment and Stores	66,847,000	-	66,847,000	107,754,311	(40,907,311)	161%
Activity	1,755,600	-	1,755,600	1,913,369	(157,769)	109%
Fees Arrears		-				
Prepaid Fees		-				
<b>Total</b>	<b>117,818,800</b>		<b>117,818,800</b>	<b>189,189,848</b>	<b>(71,371,048)</b>	<b>161%</b>
<b>5) Miscellaneous Income</b>						
Loans / Borrowing	-	-	-	-	-	-
Rent income	162,000	-	162,000	138,700	23,300	86%
Income From Farming Activities	-	-	-	-		
School ID	-	-	-	275,200	(275,200)	0%
Income From Posho Mill	-	-	-	-		
Income From Bus	-	-	-	10,000	(10,000)	0%

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Budget Utilization Difference	% Of Utilization
	a	b	c=a+b	d	e=a-d	f=d/e %
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Hire						
Rent debtors	-	-	-	-		
Students trip	-	-	-	40,000	(40,000)	0%
<b>Sub-total Income</b>	-	-	-	<b>463,900</b>	<b>(463,900)</b>	<b>0%</b>
<b>TOTAL INCOME</b>	<b>156,326,800</b>		<b>156,326,800</b>	<b>222,686,128</b>	<b>(301,900)</b>	<b>142%</b>
<b>(6) Expenditure For Tuition</b>						
Textbooks	-	-	-	-	-	
Reference Materials	-	-	-	-	-	
Exercise Books	-	-	-	-	-	
Laboratory Equipment	-	-	-	1,637,950	(1,637,950)	0%
Internal Exams	-	-	-	-	-	
Teaching / Learning Materials		-		2,908,620	(1,978,320)	0%
Chalks	-	-	-	-	-	
Exams And Assessment	-	-	-	400,000	(400,000)	0%
Teachers Guides	-	-	-	-	-	
Administration Costs	-	-	-	4,844	(4,844)	0%
TUITION	10,889,330	-	10,889,330	-	10,889,330	0%
<b>Total</b>	<b>10,889,330</b>		<b>10,889,330</b>	<b>4,951,414</b>	<b>6,868,216</b>	<b>45%</b>
<b>(7) Expenditure For Operations</b>						
Personnel Emoluments	5,238,032	-	5,238,032	9,145,447	(3,907,415)	174%
Repairs, Maintenance & Improvements	11,000,000	-	11,000,000	748,638	10,251,362	7%
Local Transport / Travelling	5,020,000	-	5,020,000	542,049	4,477,951	11%
Electricity, Water and Conservancy	5,160,000	-	5,160,000	2,253,923	2,906,077	44%

**MERU SCHOOL**

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual/Comparable Basis	Budget Utilization Difference	Utilization
	a	b	c = a + b	d	e = d - a	f = e/c
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Medical	1,810,500	-	1,810,500	1,030,310	780,190	57%
Administration Costs	5,362,350	-	5,362,350	1,520,188	3,842,162	28%
Activity Expenses		-	-	78,320	(78,320)	0%
CBC Classrooms		-	-			
Rent		-	-			
Salary Advance		-	-			
Expenditure on infrastructure		-	-			
<b>Total</b>	<b>33,590,882</b>		<b>33,590,882</b>	<b>15,318,875</b>	<b>18,272,007</b>	<b>46%</b>
<b>(8) Expenditure For infrastructure</b>						
Construction of classrooms	-	-	-	-	-	-
Construction of LAB	-	-	-	-	-	-
Construction of DORMS	-	-	-	8,882,940	(8,882,940)	0%
Purchase of furniture	-	-	-	-	-	-
Purchase of equipment	-	-	-	-	-	-
Purchase of machinery	-	-	-	-	-	-
<b>Total</b>				<b>8,882,940</b>	<b>(8,882,940)</b>	<b>0%</b>
<b>(9) Expenditure For school fund/lunch/boarding</b>						
Personnel Emoluments	14,447,064	-	14,447,064	11,843,507	2,603,557	82%
Repairs, Maintenance and Improvements	19,637,500	-	19,637,500	15,473,057	4,164,443	79%

# MERU SCHOOL

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Budget Utilization Difference	% Utilization
	a	b	c=a+b	d	e=a-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Local Transport / Travelling	12,207,000	-	12,207,000	5,057,813	7,149,187	42%
Electricity, Water and Conservancy	5,099,100	-	5,099,100	3,042,374	1,979,866	61%
Medical Expenses						
Administration Costs	14,015,310		14,015,310	30,942,335	(16,927,025)	221%
Activity	6,214,470		6,214,470	3,751,621	2,462,849	60%
Farm		-		82,300	(82,300)	0%
Rent expenses		-		9,000	(9,000)	0%
Boarding Equipment and Stores	95,294,870	-	95,294,870	82,099,085	13,058,227	86%
Students trips		-	-	40,000	(40,000)	0%
Fees Refund		-	-	74,084	(74,084)	0%
School ID		-	-	274,800	(274,800)	0%
Salary Advance		-	-			
SES		-	-	11,440,293	(11,440,293)	0%
Poshomill		-	-	64,150	(64,150)	0%
Hire ground		-	-	189,244	(189,244)	0%
<b>TOTAL</b>	<b>166,915,314</b>	<b>-</b>	<b>166,915,314</b>	<b>164,383,664</b>	<b>2,531,650</b>	<b>98%</b>
<b>TOTAL EXPENDITURE</b>	<b>211,395,526</b>	<b>-</b>	<b>211,395,526</b>	<b>193,536,893</b>	<b>5,317,233</b>	<b>92%</b>

**10. Significant Accounting Policies**

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

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

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

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

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

**2. Recognition of receipts and payments**

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

## MERU SCHOOL

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

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are readily convertible to known amounts of cash and are subject to an 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 the fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Payables also include expenditures incurred for the purchase of goods, works and services that have been rendered and not settled. This is an enhancement to the cash accounting policy adopted for public secondary schools. Other liabilities are disclosed in the financial statements.

#### 7. **Non-current assets**

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

#### 8. **Budget**

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

#### 9. **Comparative figures**

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

#### 10. **Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2024.

**MERU SCHOOL****Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024****11. Notes To the Financial Statements****1 Government Grants for Tuition**

Description	2023-2024	2022-2023
	Kshs	Kshs
Reference Materials	-	-
Exercise Books	-	-
Laboratory Equipment	-	-
Internal Exams		
Teaching / Learning Materials	5,512,628	5,511,352
Others ( <i>specify</i> )*	-	-
<b>Total</b>	<b>5,512,628</b>	<b>5,511,352</b>

**2 Government Grants for Operations**

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	-	-
Repairs And Maintenance	2,653,200	-
Local Transport / Travelling	-	-
Electricity And Water	-	-
Medical	1,803,150	393,600
Administration Costs	-	-
Activity	1,781,176	1,140,313
Other Vote Heads	14,433,786	14,693,567
CBC Classrooms	788,040	-
<b>Total</b>	<b>21,459,352</b>	<b>16,227,480</b>

**3 Government Grants for infrastructure**

Description	2023-2024	2022-2023
	Kshs	Kshs
Maintenance & Improvement	6,060,400	8,150,000
Transition infrastructure grants	-	-
Administration Block	-	-
Economic stimulus grants	-	-

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

Description	2023-2024	2022-2023
	Kshs	Kshs
Other (specify) (NGCDF and County govt.	-	-
<b>Total</b>	<b>6,060,400</b>	<b>8,150,000</b>

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

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel emoluments	15,247,101	16,726,173
Repairs and maintenance	27,520,682	30,249,406
Local transport / travelling	10,515,463	10,038,109
Electricity and water	10,739,617	15,386,593
Medical		
Administration costs	15,499,305	9,535,412
Activity	1,913,369	1,720,134
Fee on Boarding Equipment and stores	107,754,311	105,342,788
Beddings	-	15,300
Uniform fee	-	820,044
School IDs	-	18,200
PA Levies*		
Others	-	3,500
<b>Total</b>	<b>189,189,848</b>	<b>189,856,259</b>

**5 Miscellaneous Incomes**

Description	2023-2024	2022-2023
	Kshs	Kshs
Rent Income	138,700	251,000
School ID	275,200	-
Students trip	40,000	-
Income From Farming Activities	-	-
Insurance Compensation	-	-
Income From Posho Mill	-	-
Income From Bus Hire	10,000	-
Fee For Hire of Ground and Equipment	-	-
Income From Grants and Donations*	-	1,300,000
Interest Income	-	-

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

Dividends Income	-	-
Loans/Borrowings*	-	-
Other Income ( <i>specify</i> )*	-	-
<b>Total</b>	<b>463,900</b>	<b>1,551,000</b>

**6 Tuition**

Description	2023-2024	2022-2023
	Kshs	Kshs
Exercise Books	-	3,302,850
Textbooks	-	-
Reference materials	-	-
Laboratory Equipment	1,637,950	3,580,220
Teaching / Learning Materials	2,908,620	2,756,040
Exams And Assessment	400,000	-
Teachers Guides	-	-
Bank Charges	4,844	-
Others ( <i>specify</i> )	-	-
<b>Total</b>	<b>4,951,414</b>	<b>9,639,110</b>

**7 Operations**

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	9,145,447	8,657,927
Service Gratuity	-	-
Administration Cost	1,520,188	3,138,519
Repairs And Maintenance & Improvements	748,638	8,500
Local Transport / Travelling	542,049	383,700
Electricity And Water	2,253,923	2,535,793
Medical	1,030,310	-
Activity Expenses	78,320	836,120
Insurance Cost	-	-
Others ( <i>specify</i> )	-	-
<b>Total</b>	<b>15,318,875</b>	<b>15,560,559</b>

**MERU SCHOOL****Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024****8 Infrastructure**

Description	2023-2024	2022-2023
	Kshs	Kshs
Construction of classrooms	-	-
Construction of laboratory	-	-
Construction of dormitory	8,882,940	6,141,324
Purchase of furniture	-	-
Purchase of equipment	-	-
Purchase of apparatus	-	-
Drilling of boreholes	-	-
Others (specify)	-	-
<b>Total</b>	<b>8,882,940</b>	<b>6,141,324</b>

**9 Boarding And School Fund**

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	11,843,507	10,590,048
Repairs And Maintenance & Improvements	15,473,057	26,199,104
Local Transport / Travelling	5,057,813	6,431,023
Activity	3,751,621	3,854,441
Electricity And Water	3,042,374	3,383,405
Administration Costs	30,942,335	28,005,401
Posho mill	64,150	83,900
Hire ground & School Bus	189,244	1,087,482
Expenses On Income Generating Activities**	-	-
Fee On Boarding Equipment and Stores	82,099,085	103,743,220
Rent Expenses	9,000	4,500
School farm	82,300	45,680
Fees refund	74,084	225,784
Uniform fee	-	817,600
Beddings	-	87,000
School Equipment and Stores	11,440,293	9,846,018
School IDs	274,800	186,000
Students trip	40,000	-
Acquisition Of Assets	-	270,000
<b>Total</b>	<b>164,383,664</b>	<b>194,860,606</b>

**MERU SCHOOL**

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

**10 Bank Accounts**

Account Name Currency	Status	Bank Account Number	2023-2024	2022-2023
			Kshs	Kshs
Tuition Account	Active	1040280219535 - EQUITY 01025039706600 - NBK	1,967,826 55,218	76,312 55,218
Operations Account	Active	1040280219529 - EQUITY 01021039005500 - NBK	9,114,825 1,597	2,778,107 125,047
School Fund Account/Boarding	Active	1040298414943 - EQUITY 1254174192 - KCB	68,405 438,204	385,488 832,150
Savings Account	Active	1102258911 - KCB	5,090,294	1,301,196
Parent Association Development Account	-		-	-
Income Generating Activities Account	-		-	-
Infrastructural Account	Active	1254174214 - KCB	(41,317)	2,184,623
Fund Account			80,000	80,000
<b>Total</b>			<b>16,775,052</b>	<b>7,818,141</b>

**11 Cash In Hand**

Description	2023-2024	2022-2023
	Kshs	Kshs
Tuition Account	-	-
Operations Account	3,730	9,020
School Fund Account	6,275	26,783
<b>Total</b>	<b>10,005</b>	<b>35,803</b>

**MERU SCHOOL****Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024****12 Short Term Investments**

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

**13 Accounts Receivable**

Description	2023-2024	2022-2023
	Kshs	Kshs
Fees Arrears	39,269,491	26,390,076
Other Non-Fees Receivables	100,400	100,400
Salary Advances (list/schedule attached)	150,600	198,600
Imprest (list/schedule attached)	-	-
Rent arrears(list/schedule attached)	56,900	175,500
<b>Total</b>	<b>39,577,391</b>	<b>26,864,576</b>

**13 b) Ageing Analysis of Accounts Receivable**

Description	2023-2024		2022-2023	
	Kshs	% of the total	Kshs	% of the total
	<b>Current 2023-2024</b>	<b>% of the total</b>	<b>Comparative 2022-2023</b>	<b>% of the total</b>
Less than 1 year	28,914,287	74%	21,240,655	80%
Between 1- 2 years	10,355,204	26%	5,149,421	20%
Between 2-3 years	-	%		%
Over 3 years	-	%		%
<b>Total (should tie to note 13 a)</b>	<b>39,269,491</b>	<b>%</b>	<b>26,390,076</b>	<b>%</b>

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

**14 Accounts Payable**

Description		
Trade Creditors (See Ageing Below and Appendix 1)	10,713,045	15,771,001
Prepaid Fees	4,636,305	7,083,657
Retention Monies	-	-
Unpaid salaries and statutory deductions	-	-
Caution money	-	-
Other payables ( <i>specify</i> )	-	-
<b>Total</b>	<b>15,349,350</b>	<b>22,854,658</b>

**14a. Ageing Analysis of Accounts Payable**

Description	2023-2024	% of the total	Comparative 2022-2023	% of the total
Less than 1 year	10,259,035	96%	14,971,001	95%
Between 1- 2 years	154,010	1%		%
Between 2-3 years	-	%	800,000	5%
Over 3 years	300,000	3%		%
<b>Total (should tie to note 14)</b>	<b>10,713,045</b>	<b>%</b>	<b>15,771,001</b>	<b>%</b>

**13. Fund Balance Brought Forward**

Description		
Bank Balances	7,818,141	17,000,403
Cash Balances	35,803	211,908
Short Term Investments	-	-
Receivables	26,864,576	19,490,886
Payables	(22,854,658)	(19,933,826)
<b>Total</b>	<b>11,863,862</b>	<b>16,769,371</b>

**MERU SCHOOL****Annual Report and Financial Statements For the year ended 30<sup>th</sup> 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.

**14 Non-current Liabilities Summary**

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

**15 Biological assets**

Description	Numbers	2023-2024	2022-2023
		Kshs	Kshs
Cattle		-	-
Goats		-	-
Trees	5054	2,560,000	2,600,000
Coffee Or Tea Plantation		-	-
Poultry		-	-
Pigs	75	555,000	485,000
Others (specify)		-	-
<b>Total</b>		<b>3,115,000</b>	<b>3,085,000</b>

**16 Borrowings**

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

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

**Other important disclosure notes**

**17 Stock/ Inventory**

Description	2023-2024	2022-2023
	Kshs	Kshs
Food stuffs	753,230	4,472,400
Lab consumables	234,213	115,160
Farm produce	-	-
Medication	-	-
Construction Materials	158,890	-
Others (specify)	-	-
	<b>1,146,333</b>	<b>4,587,560</b>

**18 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

**MERU SCHOOL****Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024****12. Annexes****Annex I - Analysis of Pending Accounts Payable**

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To Date	Outstanding Balance Carried 30 <sup>th</sup> June 2024	Outstanding Balance Comparative 30 <sup>th</sup> June 2023	Comments
	KSh	KSh	KSh	KSh	KSh	
<b>Construction Of Buildings</b>						
1. Muriro Enterprises	2,795,000	1/7/2023	2,675,000	120,000	272,000	
2. Harun Ayub	1,296,050	1/7/2023	1,155,980	140,070		
3. Muhammed Afzal Hardware	5,935,745	1/7/2023	5,599,215	336,530		
4. Bonface Kinoti	260,000	9/11/2022	130,000	130,000	260,000	
<b>Sub-Total</b>	<b>10,286,795</b>		<b>9,560,195</b>	<b>726,600</b>	<b>532,000</b>	
<b>Supply Of Goods</b>						
1. Jacqwa Enterprises	21,344,670	1/7/2023	19,155,570	2,189,100	5,109,300	
2. Kenblest Foods Ltd.	14,294,849	1/7/2023	12,709,419	1,585,430	1,445,675	
3. Meru Central Dairy	4,954,540	1/7/2023	4,408,440	546,100	497,250	
4. Nesskits Solutions	2,624,730	1/7/2023	2,253,640	371,090	0	
5. Wagi Supplies	1,768,427	1/7/2023	1,645,182	123,245	146,295	
6. Frigal Enterprises	1,398,230	1/7/2023	1,249,330	148,900	131,287	
7. Farmers Choice	5,385,738	1/7/2023	5,332,268	53,475	284,114	

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

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current 30 <sup>th</sup> June 2024	Outstanding Balance Comparative 30 <sup>th</sup> June 2023	Comments
8. Zipporah Kimathi	4,832,640	1/7/2023	4,339,620	493,020	626,170	
9. Makuu Fruits Centre	75,410	1/7/2023	50,060	25,350		
10. Hussein Abgudo	12,118,000	1/7/2023	10,694,000	1,424,000		
11. Oscar Millers	2,280,000	1/7/2023	1,880,000	400,000	480,000	
12. Woodtec Sawmill	1,560,000	1/7/2023	1,160,000	400,000		
13. Bonface Kinoti	24,010	9/11/2022		24,010	24,010	
14. Abids Paint	746,540	1/7/2023	678,030	68,510	9,900	
15. Descana Machines	931,200	1/7/2023	590,700	340,500		
16. Jackpur	204,500	1/7/2023	144,500	60,000		
17. Kedyleen	75,320	1/7/2023	66,320	9,000		
18. Peter Mburugu	96,090	1/7/2023	67,560	28,530		
19. James Mugambi	352,305	1/7/2023	321,400	30,905		
20. Brissemax Electricals	930,912	1/7/2023	895,932	34,980	16,730	
21. Njagamwe Supplies					367,400	
22. Bellan Enterprises					1,279,000	
23. The Uniform Shop					984,760	
24. Amandan Supplies					500,000	
25. Al Nur Supplies					223,160	
26. Lanes Enterprises					140,800	

**MERU SCHOOL**

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

Supplier/All Goods or Services	Original Amount	Date Committed	Amount Paid To Date	Outstanding Balance Current 30 <sup>th</sup> June 2024	Outstanding Balance Comparative 30 <sup>th</sup> June 2023	Comments
27. Ali Hass Hardware					40,000	
28. Bititec Systems					75,000	
<b>Sub-Total</b>	<b>75,998,111</b>		<b>67,641,971</b>	<b>8,356,145</b>	<b>12,380,851</b>	
<b>Supply Of Services</b>						
1. Readers Quest	11,040,378	1/7/2023	10,110,078	930,300	2,058,150	
2. Axes Stores	1,300,000	1/7/2023	900,000	400,000		
3. Ashnac Glass Repair	800,000	1/7/2021	500,000	300,000	800,000	
<b>Sub-Total</b>	<b>13,140,378</b>		<b>11,510,078</b>	<b>1,630,300</b>	<b>2,858,150</b>	
<b>Grand Total</b>	<b>99,425,284</b>		<b>88,712,244</b>	<b>10,713,045</b>	<b>15,771,001</b>	

**MERU SCHOOL****Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024****Annex 2 – Summary of Fixed Assets Register**

Assets Class	Historical Cost (KShs) 1 <sup>st</sup> July 2023	Additions during the year (KShs)	Disposals during the year (KShs)	Historical Cost (KShs) 30 <sup>th</sup> June 2024
Land	330,000,000	0	0	330,000,000
Buildings And Structures	471,505,818	8,286,340	0	479,792,158
Motor Vehicles	9,983,500	0	0	9,983,500
Office Equipment, Furniture and Fittings	5,377,700	0	0	5,377,700
Textbooks	2,278,000	0	0	2,278,000
ICT Equipment	5,665,430	0	0	5,665,430
Tools And Apparatus	3,435,170	0	0	3,435,170
Other Machinery and Equipment	440,000	0	0	440,000
Heritage And Cultural Assets				
Intangible Assets- Soft Ware	872,000	0	0	872,000
Beds, Chairs, Desks	26,841,430	4,077,645		30,919,075
<b>Total</b>	<b>856,399,048</b>	<b>12,363,985</b>		<b>868,763,033</b>