

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY
PARLIAMENTARY

DATE: 08 NOV 2023

Wednesday

PARLIAMENT
OF KENYA
LIBRARY

OF

TABLED
BY:

Hon. Silvanus Osoyo MP
Majority Party Whip

CLERK-AT
THE TABLE:

A. Shibuko

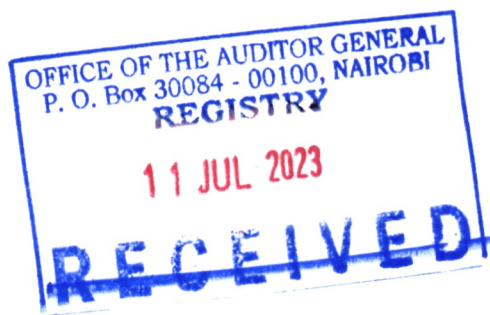
THE AUDITOR-GENERAL

ON

MUHOHO HIGH SCHOOL

**FOR THE YEAR ENDED
30 JUNE, 2021**

KIAMBU COUNTY



Revised 30th June 2021.



**MUHOHO HIGH SCHOOL
PUBLIC SECONDARY SCHOOL**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th June 2021**

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

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GENERAL INVESTIGATIVE
DIVISION OF THE FBI
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MUHOHO HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

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**MUHOHO HIGH SCHOOL
PUBLIC SECONDARY SCHOOLS
Reports and Financial Statements
For the year ended 30th June 2021**

I. KEY SCHOOL INFORMATION AND MANAGEMENT

(a) Background information

Muhoho High school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is located in Kiambu County, Gatundu South Sub-County

The school was registered for the 2nd time in 16/5/2017 under registration number 22500300294 and is currently categorized as an Extra County public school established, owned or operated by the Government.

The school is a boys boarding school and had 899 number of students as at 30th June 2021. It has 5 streams and 44 teachers of which 6 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	Mrs. Jean N. Muhoho	Chairperson	6th March 2019
2	Mr. Peterson Nyaga	Secretary - Principal	6th March 2019
3	Mr. Edward Njoroge Mbugua	Member	6th March 2019
4	M/s Felistas Chege	Member	6th March 2019
5	Mr. Martin Gathecha	Member	6th March 2019
6	Dr. Julius Kabubi	Member – Rep CEB	6th March 2019
7	Mr. Mourice Kagwe Ndung'u	Member Rep Teachers	6th March 2019
8	Rev. Fr. Peter Kaigwa	Members - Sponsor	6th March 2019
9	Rev. Fr. Martin Kimama	Members - Sponsor	6th March 2019
10	Mr. David Muhoho Kenyatta	Members - Sponsor	6th March 2019
11	Dr. Eng. Joseph Njoroge	Member - Community	6th March 2019
12	Mr. Samuel Gatama Njuguna	Member Special Interests	6th March 2019
13	Mr. John Gitua Mwaura	Rep Students	6th March 2019

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KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The function of the School Board of Management include:

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

(c) Committees of the Board.

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Mrs Jean N. Muhoho	Chairperson	1
		Mr. Peterson Nyaga	Secretary	2
		Mr. David Muhoho	Member	1
		Mr. Samuel Gatama	Member	2
2	Audit Committee	Mrs. Jean Muhoho	Chairperson	1
		Mr. Peterson Nyaga	Member	2
		Mr. Martin Gathecha	Member	2
		Mr. Samuel Gatama	Member	2
3	Finance, procurement and general purposes Committee	Mr. David Muhoho	Chairperson	1
		Mr. Peterson Nyaga	Member	2
		Mr. Samuel Gatama	Member	2
		Dr. Eng. Joseph Njoroge	Member	1
4	Academic Committee	Dr. Julius Kabubi	Chairperson	2
		Mr. George Kamau	Member	1
		Mr. Robert Ngugi	Member	2
		Mr. Cyprian Wambua	Member	1
5	Development Committee	Mr. David Muhoho Kenyatta	Chairperson	1/2
		Mr. Edward Njoroge	Member	2/2
		Mr. Martin Gathecha	Member	2/2
		Mr. Samuel Gatama	Member	2/2
6	Discipline and welfare Committee	Mr. Samuel Gatama	Chairperson	0
		Mr. Robert Ngugi	Member	0
		Mr. Edward Njoroge	Member	0
		Mr. Mourice Kagwe	Member	0
7	Adhoc Committee (if any during the year)	N/A		

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D) School operation Management

For the financial year ended 30th June 2021 the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	Mr. Peterson Nyaga	363605
2	Deputy Principal	Mr. Robert Ngugi	336911
3	School Bursar	M/s. Irene Kariuki	30689/ICPAK

**MUHOHO HIGH SCHOOL
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For the year ended 30th June 2021**

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(d) Schools contacts

Post Office Box: 278
Telephone: 0202179286
E-mail: info@muhohohigh.co.ke
Website: muhohohigh.co.ke
Facebook:
Twitter:

(e) School Bankers

The following school operated 5 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: Kenya Commercial Bank
Branch :Gatundu
Account Number:1102757667
2. Name of Bank: Standard Chartered Bank
Branch :Thika
Account Number:0102067731200
3. MPESA Pay Bill No.:522123 Account no 31686k attached to KCB bank.
4. Name of Bank: Equity Bank (Tuition Account)
Branch :Gatundu
Account Number:0660291737086
5. Name of Bank: Equity Bank (Operations Account)
Branch :Gatundu
Account Number:0660291737054
6. Name of Bank: Equity Bank (Infrastructure Account)
Branch :Gatundu
Account Number:0660268540878

(f) Independent Auditors

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

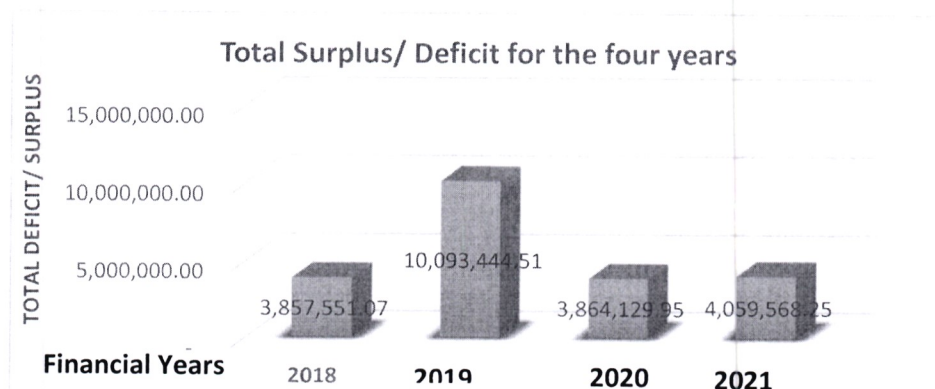
II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

a) Financial performance:

(i) Surplus/ Deficit for the year and a comparison of the same for the last three years.

YEAR	2018	2019	2020	2021
Boarding A/c	(1,314,840.50)	(1,385,549.50)	10,190,904.50	-
Tuition A/c	(223,704.78)	(1,427,091.64)	(332,812.80)	-
Operations A/c	1,614,607.35	2,906,505.65	(221,755.75)	-
Infrastructure A/C	3,781,489.00	9,999,580.00	(5,772,206.00)	-
TOTALS	3,857,551.07	10,093,444.51	3,864,129.95	4,059,568.25



The School has been having surplus for the last four years. There are accounts which have been incurring deficits and others surpluses.

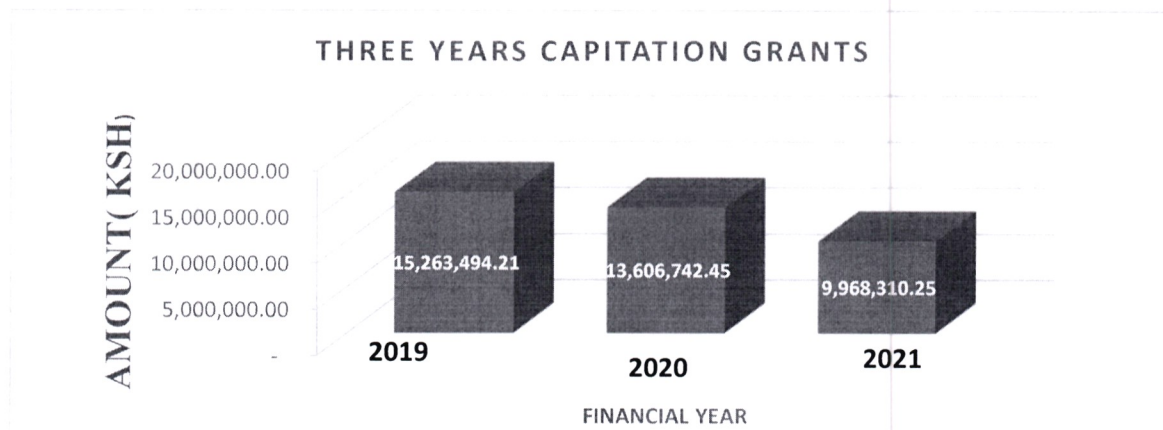
The accounts for the years 2018, 2019 and 2020 were prepared for a period of 12 months from January to December while the one for the year 2021 was for a 6 months period, from January – June 2021 which gives a surplus for all the four accounts operated by the School.

The Financial statements for the year 2021 was prepared on a cash basis of accounting for a period of 6 Months and realised a surplus of Ksh 3,761,964.25 for all the four accounts operated by the school.

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(ii) Capitation Grants from the Ministry of Education for the last three years

YEAR	2019	2020	2021
Tuition A/C	2,803,750.36	2,609,959.20	1,253,808.50
Operations A/C	12,459,743.85	10,996,783.25	8,714,501.75
TOTALS	15,263,494.21	13,606,742.45	9,968,310.25



The School has been receiving grants from the Ministry of Education. In the year 2020, the grants were less due to Covid 19 pandemic whereby the Students were all home for a period Eight months. The grants for the year 2021 was for a period of six months only.

(iii) Ratio of Capitation Grant per student over the last three years

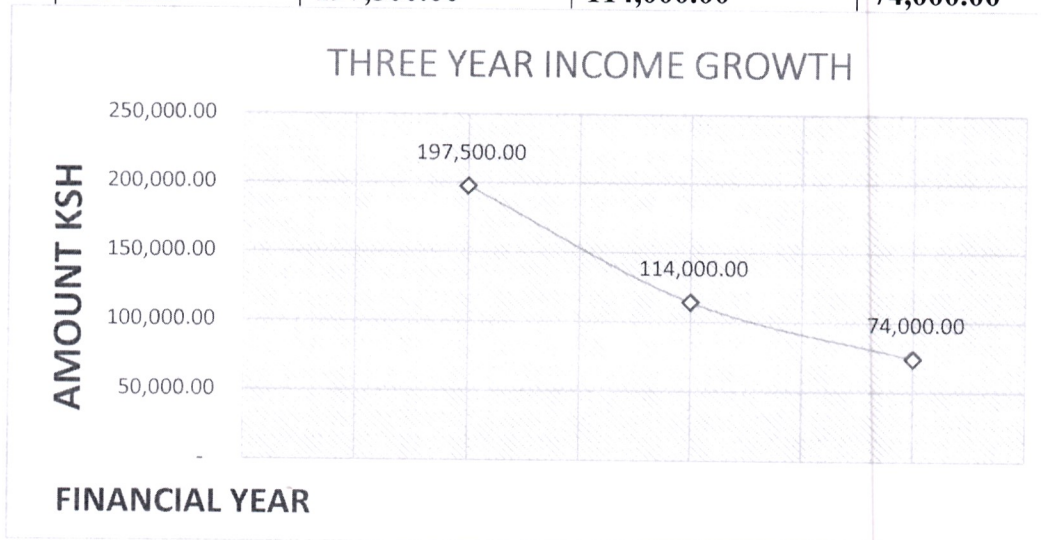
YEAR	2019	2020	2021
Amount Received	15,263,494.21	13,606,742.45	9,968,310.25
No. Students	914	965	957
Amt Per Student	16,699.67	14,100.25	10,416.21
Moest Funds	22,224.00	22,224.00	11,112.00
Ratio	1:1	2:1	1:1

The School received the grants as expected in the year 2019 less the retained amounts of Activity funds, Medical and Text books. In the Year 2020, the funds were less since the schools were closed due to Covid 19 pandemic. Funds for the year 2021 were for six months and was received as expected.

MUHOHO HIGH SCHOOL
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For the year ended 30th June 2021

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

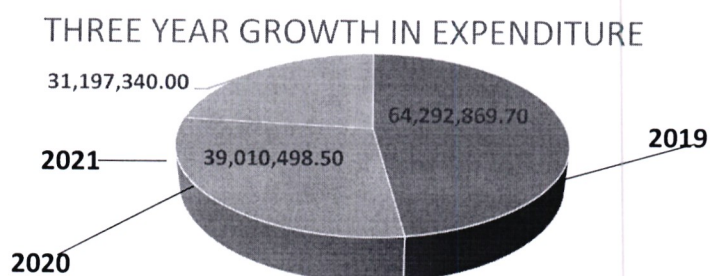
YEAR	2019	2020	2021
Bus Hire	153,500.00	25,000.00	48,000.00
Farm A/C	44,000.00	89,000.00	26,000.00
TOTAL	197,500.00	114,000.00	74,000.00



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

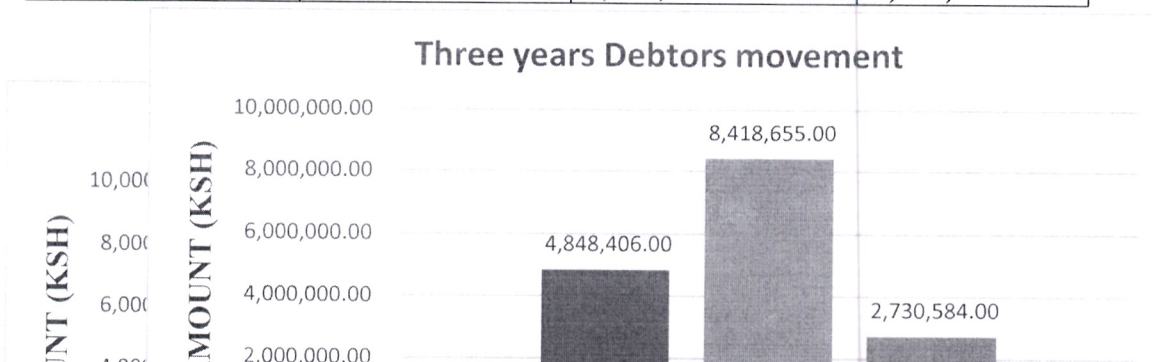
YEAR	2019	2020	2021
School Fund	43,127,779.50	17,371,428.50	19,193,033.00
Tuition	2,915,022.00	2,365,195.00	1,370,915.00
Operations	18,250,068.20	11,001,839.00	3,302,165.00
Infrastructure A/c		8,272,036.00	7,331,227.00
TOTALS	64,292,869.70	39,010,498.50	31,197,340.00



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

(a) A movement of Debtors over the last three years

YEAR	2019	2020	2021
School Fund	4,848,406.00	8,418,655.00	2,730,584.00
Tuition A/C	-	-	-
Operations A/C	-	-	-
TOTALS	4,848,406.00	8,418,655.00	2,730,584.00

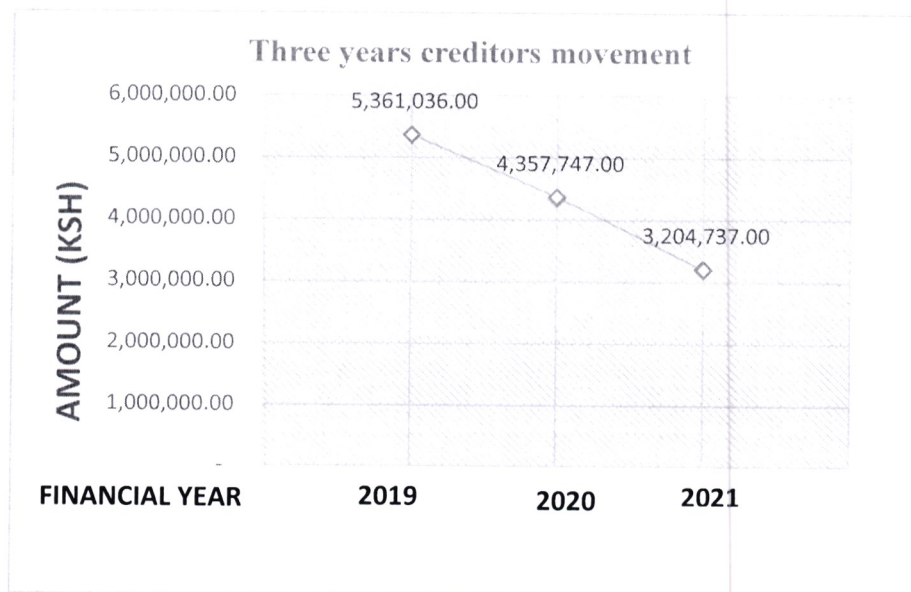


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There was an increase in fees arrears in the year 2020 due to hard economic times. Most parents could not m normalizing in the year 2021.

(b) A movement of Creditors over the last three years

YEAR	2019	2020	2021
School Fund	2,933,816.00	2,017,855.00	2,646,736.00
Tuition A/C	1,315,820.00	2,123,192.00	558,001.00
Operations A/C	1,111,400.00	216,700.00	-
TOTALS	5,361,036.00	4,357,747.00	3,204,737.00

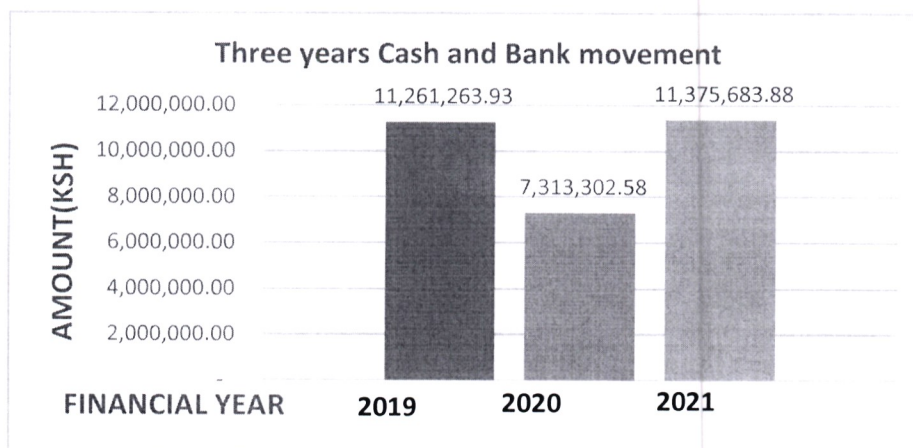


The School is committed to making prompt payment to it's suppliers over the years. There is a notable decrease in the amount owed to suppliers by the close of the financial year.

MUHOHO HIGH SCHOOL
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(vii) Movement of Cash and Bank balances over the last three years.

YEAR	2019	2020	2021
School Fund	788,766.70	1,131,986.15	7,176,858.20
Tuition A/C	(103,874.27)	140,889.93	23,783.43
Operations A/C	576,791.50	(71,730.25)	2,164,112.50
Infrastructure A/c	9,999,580.00	6,112,156.75	2,010,929.75
TOTALS	11,261,263.93	7,313,302.58	11,375,683.88



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b) Teacher Student ratio:

The school had 44 teachers of which 4 were BOM teachers in the year 2020/2021 and the students population was 899. Therefore, the teacher student ratio was 1: 21. There were 2 teacher who was posted to the school and 2 transferred from the school.

c) Mean score in the 2020 KCSE: KCSE 2020 results will be given in the

YEAR	2018	2019	2020
KCSE Performance	6.07	6.43	7.23
Target MSS	7.40	7.00	7.30
No. of students to Institutions of higher learning	80(39%)	71 (40%)	119(70 %)

There has always been a target score for each particular year which is normally based on the previous years performance . The school has only managed to attain it's target in the year 2020.

d) Number of Candidates in the 2021 KCSE:

YEAR	2018	2019	2020
No. of Students	204	159	181

e) Capacity of the school:

Students population : 899 Students

No. of Dormitories : 7 which can accommodate 1,200 students.

Dinning Hall : 1 with a capacity of 1,000 students.

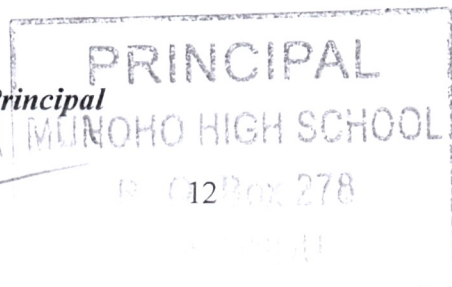
Laboratories : 6 Laboratories with a capacity of 1,400 students.

Toilets/ Wash rooms : 1 ablution Block with 12 doors, 15 Pit latrines and 40 toilets inside the dormitories and 60 bathrooms. *The school has enough amenities for expansion.*

F) Development projects carried out by the school:

PROJECT	COST	STATUS	FUNDS SOURCES
Borehole	1,739,140.00	Complete	MIF
Classrooms	2,389,169.00	Ongoing	MIF
Ablution Block	800,000.00	Ongoing	MIF
Laboratory	1,418,758.00	Ongoing	MIF
CCTV Camera	673,200.00	Complete	MIF

Sign
School Principal



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

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2021, and of the school's financial position as at that date.

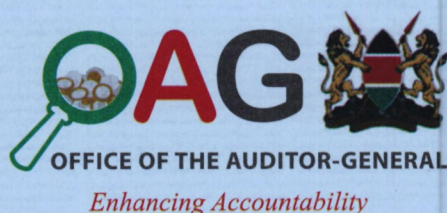
Name: Jean N. Muhoho
Designation: Chairman, School Board of Management
Sign:
Date: 11-7-23

Name: Peterson Nyaga
Designation: School Principal & Secretary to Board of Management
Sign:
Date: 11-7-23

Name: Irene Kariuki
Designation: Bursar/ Finance Officer
Sign:
Date: 11-7-23

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: 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 MUHOHO HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2021 - KIAMBU COUNTY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Muhoho High School – Kiambu County set out on pages 15 to 25, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2021, 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 Muhoho High School – Kiambu County as at 30 June, 2021, 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. Inaccuracies in the Financial Statements

The statement of receipts and payments reflects amounts of Kshs.35,622,234 and Kshs.31,562,666 in respect of total receipts and payments respectively that differed with the statement of comparison of budget and actual amounts by Kshs.9,901,387 and Kshs.12,369,633 for receipts and payments respectively. Further, total receipts amounts of Kshs.35,622,234 includes capitation grants for operations and infrastructure of Kshs.5,484,502 and Kshs.3,230,000 respectively all totalling Kshs.8,714,502 that differed with the supporting schedule amount of Kshs.10,052,388 resulting to unreconciled variance of Kshs.1,337,886.

In the circumstances, the accuracy and completeness of receipts and payments of Kshs.18,615,889 and Kshs.12,369,633 respectively could not be confirmed.

2. Unsupported Payments

The statement of receipts and payments reflects total payments amount of Kshs.31,562,666. However, the supporting schedules were not provided for audit.

In the circumstances, the accuracy and completeness of total payments of Kshs.31,562,666 for the year ended 30 June, 2021 could not be confirmed.

3. Unsupported Cash and Cash Equivalents

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.11,375,684 which includes Kshs.7,948,441 and Kshs.3,427,243 relating to bank and cash balances respectively. However, only one (1) out of five (5) bank reconciliation statement was provided for audit. Further, Management did not provide a board of cash survey report as at the year end to support the cash in hand.

In the circumstances, the accuracy of the cash and cash equivalents balance of Kshs.11,375,684 as at 30 June, 2021 could not be confirmed.

4. Unsupported Accounts Payables

The statement of financial assets and financial liabilities reflects accounts payables balance of Kshs.6,742,832 as disclosed in Note 12 to the financial statements. However, detailed creditors ledger or schedule were not provided for audit.

In the circumstances, the accuracy and completeness of accounts payables balance of Kshs.6,742,832 as at 30 June, 2021 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects total budgeted income of Kshs.26,293,150 against actual receipts of Kshs.25,720,847 resulting to a shortfall of Kshs.572,303. The statement also reflects final expenditure budget of Kshs.26,293,150 against actual expenditure of Kshs.19,193,033 resulting to budget under absorption of Kshs.7,100,117.

The income shortfall and under expenditure may have negatively affected the school programmes and service delivery.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Non-Compliance with the Public Sector Accounting Standards Board (PSASB) Reporting Requirements

The Public Sector Accounting Standards Board (PSASB) Guidelines on Implementation of International Public Sector Accounting Standards (IPSAS) by Secondary Schools in Kenya of 20 August, 2021 requires the first financial statements after adoption of IPSAS to be presented for eighteen (18) months from 1 January, 2020 to 30 June, 2021 with comparatives being for twelve (12) months from 1 January, 2019 to 30 December, 2019. Further, a disclosure note ought to have been included in the financial statements that the reason for preparing for longer period is due to the adoption of IPSAS for school and the change from calendar year to government fiscal year. In addition, a disclosure note should be made in the financial statements that the comparative information may not be comparable due to the longer period covered by the current financial period.

However, Management presented the annual report and financial statements covering only one year for financial year 2020-2021 with comparative balances for financial year 2019. Therefore, the financial statements have not been prepared for eighteen (18) months as prescribed in the Public Sector Accounting Standards Board (PSASB).

Further, no disclosure was made on the change in the preparation of financial statements from calendar year to government fiscal year or on the lack of comparability due to longer period covered by the current financial period.

In the circumstances, Management did not comply with the prescriptions as issued by the Public Sector Accounting Standards Board (PSASB).

2. Lack of Approved Procurement Plan

During the year under review, the School did not have in place an approved annual procurement plan contrary to Sections 53 (2) and (5) of the Public Procurement and Asset Disposal Act, 2015 which requires entities to have in place procurement and asset disposal plans that are based on indicative or approved budgets which shall be integrated with the applicable budget process.

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

3. Long Outstanding Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.58,088,741 in respect of fees arrears as disclosed in Note 11 to the financial statements. However, there was no evidence of a recovery process despite the school having rendered the services.

In the circumstances, the efficiency in recoverability of accounts receivables balance of Kshs.58,088,741 as at 30 June, 2021 could not be confirmed.

4. Non-Maintenance of 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 of Kshs.9,750,000. However, the Management did not maintain an asset register during the year under review to keep track

of the assets contrary to Regulation 143(1) of the Public Finance Management Regulations, 2015 which requires the Accounting Officer to be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws. Further, assorted assets amounting to Kshs.7,636,807 were omitted from the summary of fixed assets.

In the circumstances, the security and fair statement of the assets could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for 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 overall governance were not effective.

Basis for Conclusion

1. Lack of Segregation of Duties

Records provided for audit revealed that the cash book and bank reconciliation statements were prepared by one officer thereby resulting to lack of segregation of duties.

In the circumstances, the effectiveness of the checks and balances built within the cash management internal controls could not be confirmed.

2. Lack of Inventory Control, Asset and Stores Management

Records provided for audit revealed that no requisition, store receipt and issue forms are used in the procurement process and inventory management. Further, Management did not carry out stock take on a quarterly basis and no stock/Inventory policy has been developed.

In the circumstances, the effectiveness of inventory control, asset and store management procedures and internal controls could not be confirmed.

3. Ineffective Management of Text Books

Records provided for audit revealed that unvalued Kiswahili text books could have been supplied in excess of the required quantities whereas the English literature set books were under supplied without any reasonable explanation. Further, there was no standard operating procedure manual for the management of books and library and a review of library records revealed that books supplied and issued to students were untraceable in some instances.

In the circumstances, effectiveness of the internal controls and procedures on books requisition, supply, receipt, management and control 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 control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of the intention to terminate the School or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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


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

report. However, future events or conditions may cause the School to cease to sustain its services.

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

12 October, 2023

MUHOHO HIGH SCHOOL
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III. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2021.

DESCRIPTION OF VOTE HEAD	Note	Jan- June2021	Year 2020
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition	1	1,253,808.50	-
Capitation grants for operations	2	5,484,501.75	-
-Infrastructure Account		3,230,000.00	
School Fund Income- Parents' Contributions	3	16,395,178.00	-
School Fund Income- Other receipts	4	9,258,746.00	-
Proceeds from borrowings		-	-
TOTAL RECEIPTS		35,622,234.25	-
PAYMENTS			
Payments for Tuition	5	1,370,915.00	-
Payments for operations	6	10,322,432.00	-
Boarding and school fund payments	7	19,869,319.00	-
TOTAL PAYMENTS		31,562,666.00	-
SURPLUS/DEFICIT		4,059,568.25	-

The school financial statements were approved on _____ 2021 and signed by:

Name : **MRS JEAN N. MUHOHO**

Signature:  Date : 11.7.23

Chairperson Board of Management

Name : **MR. PETERSON NYAGA**

Signature:  Date : 11.7.23

Principal/Secretary BOM

Name : **IRENE W. KARIUKI**

Signature:  Date : 11.7.23

Bursar / Accounts Clerk

MUHOHO HIGH SCHOOL
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IX. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30TH JUNE 2021

	Note	Jan - June 2021	Year 2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	7,948,440.78	7,313,302.58
Cash Balances	9	3,427,243.10	2,813.05
Short term Investment	10	-	-
Total Cash and Cash Equivalents		11,375,683.88	7,316,115.63
Account's receivables	11	58,088,740.45	56,249,888.45
TOTAL FINANCIAL ASSETS		69,464,424.33	63,566,004.08
FINANCIAL LIABILITIES			
Accounts Payable	12	6,742,832.00	4,903,980.00
NET FINANCIAL ASSETS REPRESENTED BY		62,721,592.33	58,662,024.08
Fund balance b/fwd 1st July...	13	58,662,024.08	58,662,024.08
Surplus/Deficit for the year		4,059,568.25	-
NET FINANCIAL POSITION		62,721,592.33	58,662,024.08

The School Financial statements were approved on 2021 and signed by :

Name : **MRS JEAN N. MUHOHO**

Signature: Date : 11.7.23

Chairperson Board of Management

Name : **MR. PETERSON NYAGA**

Signature: Date : 11.7.23

Principal/Secretary BOM

Name : **IRENE W. KARIUKI**

Signature: Date : 11.7.23

Bursar / Accounts Clerk

		Kshs	Kshs
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MUHOHO HIGH SCHOOL
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X. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2021

		Jan - June 2021	Year 2020
		Kshs	Kshs
Receipts for operating income			
Capitation grants for tuition	1	1,253,808.50	-
Capitation grants for operations	2	8,714,501.75	-
School fund income- Parents contributions/ fees	3	16,395,178.00	-
School fund income- other receipts	4	9,258,746.00	-
Total receipts		35,622,234.25	-
Payments			
Payments for Tuition	5	1,370,915.00	-
Payments for operations	6a	3,302,165.00	-
Boarding and school fund payments	7	19,869,319.00	-
Total payments		24,542,399.00	-
Net cash flow from operating activities		11,079,835.25	-
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		-	-
Acquisition of Assets	6b	7,020,267.00	(-)
Proceeds from investments		-	-
Purchase of investments		-	(-)
Net cash flows from Investing Activities		-7,020,267.00	
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS		4,059,568.25	-
Cash and cash equivalent at BEGINNING of the year		7,316,115.63	7,316,115.63
Cash and cash equivalent at END of the year		11,375,683.88	7,316,115.63

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.

**MUHOHO HIGH SCHOOL
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XI. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2021

Receipt/expenses Item	a Kshs	Adjustments b Kshs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Textbooks and reference materials	-	-	-	-	-	-
Exercise books	-	-	-	-	-	-
Laboratory equipment	912,638.00	-	912,638.00	912,638.00	-	100%
Internal exams	-	-	-	-	-	-
Teaching / learning materials	341,170.50	-	341,170.50	341,170.50	-	100%
Chalks	-	-	-	-	-	-
Exams and assessment	-	-	-	-	-	-
Teachers guides	-	-	-	-	-	-
	1,253,808.50	-	1,253,808.50	1,253,808.50	-	100%
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	3,225,162.00	-	3,225,162.00	3,225,162.00	-	100%
Repairs and maintenance	550,500.00	-	550,500.00	550,500.00	-	100%
Local transport / travelling	410,904.00	-	410,904.00	410,904.00	-	100%
Electricity and water	700,000.00	-	700,000.00	700,000.00	-	100%
Medical	149,300.00	-	149,300.00	149,300.00	-	100%

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Receipt/expenses Item	a Kshs	b Kshs	c=a+b Final Budget	d Actual on Comparable Basis	e=c-d Budget Utilization Difference	f=d/c % Kshs
Administration costs	448,635.75	-	448,635.75	448,635.75	-	100%
Activity	-	-	-	-	-	-
Gratuity	-	-	-	-	-	-
SMASSE	-	-	-	-	-	-
(3) FEES CHARGED ON PARENTS	5,484,501.75	-	5,484,501.75	5,484,504.75	-	100%
Boarding Fees	10,777,350.00	-	10,777,350.00	10,612,245.00	165,105.00	98%
Repairs and maintenance	1,083,200.00	-	1,083,200.00	1,033,378.00	49,822.00	95%
Local transport / travelling	539,200.00	-	539,200.00	541,323.00	-2,123.00	100%
Administration costs	780,800.00	-	780,800.00	756,913.00	23,887.00	97%
Electricity and water	2,003,200.00	-	2,003,200.00	2,072,772.00	-69,572.00	103%
Activity	102,000.00	-	102,000.00	102,035.00	-35.00	100%
Personal Emolument	1,340,800.00	-	1,340,800.00	1,343,435.00	-2,635.00	100%
OTHER INCOME						
School Programme	8,830,600.00	-	8,830,600.00	8,179,382.00	651,218.00	93%
Development Projects	836,000.00	-	836,600.00	1,079,364.00	-243,364.00	129%
Damages	-	-	-	-	-	-
TOTAL INCOME	26,293,150.00		26,293,150.00	25,720,847.00	572,303.00	98%
(1) EXPENDITURE FOR TUITION						
Textbooks and reference materials	-	-	-	-	-	-
Exercise books						
Laboratory equipment	912,638.00	-	912,638.00	830,160.00	82,478.00	91%
Internal exams	-	-	-	-	-	-

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Receipt/expenses Item	a Kshs	b Kshs	c=a+b Final Budget	d Actual on Comparable Basis	e=c-d Budget Utilization Difference	f=d/c % % of Utilization
Teaching / learning materials	341,170.50	-	341,170.50	540,755.00	-199,584.50	158%
Chalks	-	-	--			
(2) EXPENDITURE FOR OPERATIONS	1,253,808.50	-	1,253,808.50	1,370,915.00	-117,106.50	109%
Personnel emoluments	3,225,162.00	-	3,225,162.00	2,289,020.00	936,142.00	71%
Repairs, & Improvements	550,500.00	-	550,500.00	145,000.00	405,500.00	26%
Local transport / travelling	410,904.00	-	410,904.00	102,260.00	308,644.00	25%
Electricity and water	700,000.00	--	700,000.00	396,160.00	303,840.00	57%
Medical	149,300.00	-	149,300.00	91,740.00	57,560.00	61%
Administration costs	448,635.75	-	448,637.75	277,985.00	170,650.75	62%
Activity Expenses	-	-	-	-	-	-
Gratuity	-	-	-	-	-	-
SMASSE	-	-	-	-	-	-
(3) EXPENDITURE FOR SCHOOL FUND	5,484,501.75		5,484,501.75	3,302,165.00	2,182,336.75	60%
Boarding fees	10,777,350.00	-	10,777,350.00	9,393,387.00	1,383,963.00	87%
Repairs & Improvements	1,083,200.00	-	1,083,200.00	1,564,215.00	-481,015.00	144%
Local transport / travelling	539,200.00	-	539,200.00	1,462,246.00	-923,046.00	271%
Administration costs	780,800.00	-	780,800.00	376,979.00	403,821.00	48%
Electricity & water	2,003,200.00	-	2,003,200.00	935,718.00	1,067,482.00	47%
Activity	102,000.00	-	102,000.00	183,810.00	-81,810.00	180%
Personal Emolument	1,340,800.00	-	1,340,800.00	1,332,830.00	7,970.00	99%
School Programme	8,830,600.00	-	8,830,600.00	3,176,766.00	5,653,834.00	36%
Development Projects	836,000.00	-	836,000.00	304,410.00	531,590.00	36%

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Receipt/expenses Item	a	b	c=a+b	d	e=c-d	F=d/c%
	Kshs	Kshs		Actual on Comparable Basis	Budget Utilization Difference	Kshs
Damages	-	-	-	462,672.00	-462,672.00	-
Boarding Equipment and Stores	-	-	-	-	-	-
Expenditure for Income Generating Activity	-	-	-	-	-	-
Insurance costs	-	-	-	-	-	-
Acquisition of Assets	-	-	-	-	-	-
TOTALS	26,293,150.00	-	26,293,150.00	19,193,033.00	7,100,117.00	73%

NOTES TO COMPARATIVE BUDGET.

- Income:** In the years 2021, the school had prepared a budget estimate of Ksh 33, 31,460.25 for a period of six months upon which it's supposed to collect fees based on it. The fees collection was generally good since we attained 98% of the targeted fees. Besides good measures of fees collection, there were accounts which the fees collected was above the estimates(overutilized) awchich are *Electricity, Water and Conservancy and Development Projects* which exceeded by 3% and 29% respectively. The major reason being allocation of voteheads by the Accounting System used in the School which gives some preference of allocation.
- Expenditure:** The School is supposed to operate within it's budget estimates. In the year 2021, there was generally underutilisation of funds across almost all the voteheads. The major cause was the transition to another Accounting format which was meant for only six months only and also change in the Academic Calendar. Fees is collected on a percentage basis whereby term 1 we collect 50%, term 2 we collect 30% and term 3 we collect 20%.

During the close of the Financial year , June 2021, the fees collected was for term 1. This means half of the fees was collected.

On the other hand, there were voteheads that were Overutilised which are :

- Repair, Maintenance and Improvement.** This votehead exceeded the usual budget estimates by 44%. The reason being the Covid19 pandemic awareness in the school and therefore the School used the votehead to install hand washing points, awareness information and other gadgets.

MUHOHO HIGH SCHOOL
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- **Local, Travel and transport.** During the year, the school registered a major deviation from the actual of 171%. The over expenditure was caused by the breakdowns of the old school vehicles. The two buses had engine overhauls which was expensive. During the year 2020, the vehicles were grounded due to the school closure caused by the pandemic.
- **Activity:** The activities were returning back to normal. The annual levies had to be paid to the various levels so that they could plan. This registered 80% over expenditure.
- **Personal Emolument:** There has always been a challenge across all the years on this votehead. Funds are never enough to meet the non-teaching staff salaries. The over expenditure was 9%

XII. 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 (IPAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and applicable government legislations and regulations. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

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

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

- 2. Recognition of receipts and payments**

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

- 3. In-kind contributions**

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

- 4. Cash and cash equivalents**

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

- 5. Accounts Receivable**

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as expenditure when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.
- 6. Accounts Payable**

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfillment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements. Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years.
- 7. Non-current assets**

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

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

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

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2021.

**MUHOHO HIGH SCHOOL
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	Tuition Account/ Equity Bank - 0660291737086	23,783.43	140,889.93
	Operations Account/ Equity Bank - 0660291737054	2,164,112.50	(71,730.25)
	School Fund Account/Boarding (1) KCB - 1102757667	2,595,599.05	561,608.10
	School Fund Account/Boarding (2) SCBK - 0102067731200	1,154,016.05	570,378.05
	Infrastructure Account/ Equity Bank - 0660268540878	2,010,929.75	6,112,156.75
9	CASH IN HAND	7,948,440.78	7,313,302.58
	Total		
	SHORT TERM INVESTMENTS		
	Tuition Account	0	-
	Operation Account	0	-
	School Fund account	3,427,243.10	2,813.05
	Total	3,427,243.10	2,813.05
10	INVESTMENTS		
	Description	Jan-June 2021	Year 2020
		Kshs	Kshs
	Cooperative shares	0	0
	Treasury Bills	0	0
	Fixed deposit	0	0
	Equity stock	0	0
	Other investments	0	0
	Total	0	0
11	ACCOUNTS RECEIVABLE		
	Description	Jan-June 2021	Year-2020
		Kshs	Kshs
	Fees arrears	58,088,740.45	56,249,888.45
	Other non-fees receivables	-	-
	Salary advances		
	Farm Account		
	Examination		
	Suspense Account		
	Total	58,088,740.45	56,249,888.45

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	Description	Jan-June 2021	Year-2020
	[Include an ageing of the fees / non fees arrears below]		
12	ACCOUNTS PAYABLE		
	Fees arrears for current year	2,730,584.00	8,418,655.00
	Fees arrears recovered during the year	(891,732.00)	(865,982.00)
	Fees arrears for the previous year	8,418,655.00	4,848,406.00
	Fees arrears for prior periods (over two years)	47,831,233.45	43,848,809.45
	Total	58,088,740.45	56,249,888.45
	Description	Jan-June 2021	Year-2020
	[Include an ageing of the fees / creditor's arrears below]		
	Total	6,742,832.00	4,903,980.00
	Salary Advance		
	Statutories	1,858,118.00	3,844,981.00
	Development Fees		
	Prepaid fees	629,175.00	2,140,129.00
	Trade creditors (See ageing below and appendix 1)	4,255,539.00	-1,081,130.00
	Trade creditors for current year	3,204,737.00	4,357,747.00
	Trade Creditors Paid during the year	(2,413,631.00)	-8,903,310.00
	Trade creditors for the previous year	-	-
	Trade creditors for prior periods (over two years)	3,464,433.00	3,464,433.00
	Tuition Account		
	Total	4,255,539.00	-1,081,130.00
13	FUND BALANCE BROUGHT FORWARD		
	Description	Jan-June 2021	Year-2020
	Bank balances	7,948,440.78	7,313,302.58
	Cash balances	3,427,243.10	2,813.05
	Short Term Investments		-
	Receivables	58,088,740.45	56,249,888.45
	Payables	6,742,832.00	4,903,980.00

**MUHOHO HIGH SCHOOL
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		62,721,592.33	58,662,024.08
	Total		
	Other important disclosure notes		
14	Non-current Liabilities Summary		
	Description	Jan-June 2021	year-2020
		Kshs	Kshs
	Bank loan(s)	0	0
	Outstanding Leases	0	0
	Hire purchase	0	0
	Gratuity and leave provision	0	0
	Total	0	0
15	Biological assets		
	Description	2020-2021	year-2020
		No.	No.
	Cattle	-	-
	Pigs	-	-
	Trees	-	-
	Coffee plantation	-	-
	Poultry	0	0
	Total	0	0
16	Borrowings		
	Description	Jan-June 2021	year-2020
		Kshs	Kshs
	a) Borrowings		
	Borrowing at beginning of the year	0	0
	Borrowings during the year	0	0
	Repayments of during the year	0	0
	Balance at end of the year	0	0
17	Stock/ Inventory		
	Description	Jan-June 2021	year-2020
		Kshs	Kshs
	1 Stock/ Inventory		
	Stock/ inventory at beginning of the year	0	0
	Stock/ inventory purchased during the year	0	0
	Stock/ inventory issued during the year	0	0
	Balance at end of the year	2,019,490.00	0

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Other important disclosure notes

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

1 Non-current Liabilities Summary

Description	Jan - June 2021	Year 2020
Bank loan(s)	-	-
Outstanding Leases	-	-
Hire purchase	-	-
Gratuity and leave provision	-	-
Total	-	-

2 Biological assets

Description	Numbers	Jan - Jun 2021	Year 2020
Cattle	6	0	-
Goats	0	0	-
Trees		0	-
Coffee plants	1,600	0	-
Pigs	14	0	-
Total		0	-

3 Borrowings

Description	Jan - June 2021	Year 2020
a) Borrowings		
Borrowing at beginning of the year	-	-
Borrowings during the year	-	-
Repayments of during the year	-	-
Balance at end of the year	-	-

Other important disclosure notes

4 Stock/ Inventory

Description	2020-2021	2019-2020
	KShs	KShs
b) Borrowings		
Stock/ inventory at beginning of the year		-
Stock/ inventory purchased during the year		-
Stock/ inventory issued during the year		-
Balance at end of the year	2,019,490.00	-

5. 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)

**MUHOHO HIGH SCHOOL
PUBLIC SECONDARY SCHOOLS
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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount a Kshs	Date Contracted b Kshs	Amount Paid To- Date c Kshs	Outstanding Balance 2020 d=a-c Kshs	Outstanding Balance 2021 Kshs	Comments
Construction of buildings						
1. N/A						
2.						
3.						
	Sub-Total					
4. Mbariti and Sons	527,290.00	June 2021	-	-	527,290.00	
5. Peter Muthua	146,250.00	June 2021	-	-	146,250.00	
6. People City Merchants	178,900.00	May 2021	-	-	178,900.00	
7. Heroes Culture	188,275.00	June 2021	-	-	88,275.00	
8. Peter Maina	162,000.00	June 2021	-	-	162,000.00	
9. Mourice Kagwe	65,950.00	April 2021	-	-	65,950.00	
10. Beth Ndeki	138,576.00	June 2021	--	-	138,576.00	
11. DPL Festive	18,000.00	June 2021	--	-	18,000.00	
12. Top Concept	181,000.00	Jan 2021	-	-	181,000.00	
13. Gathers Sacco	195,295.00	May 2021	-	-	195,295.00	
14. Bryk Enterprises	314,000.00	June 2021	-	-	314,000.00	
15. Prime hood Supplies	569,700.00	Jan 2021	-	-	569,700.00	
16. Jane Wanjiku	22,500.00	Jan 2021	-	-	22,500.00	
17. Pety Enterprises	50,000.00	Jan 2021	-	-	50,000.00	
18. Chania School Depot	377,001.00	Jan 2021	-	-	377,001.00	
19. Jachamwa General Agencies	2,002,675.00	Sept 2017	-	2,002,675.00	2,002,675.00	
20. Pengu Traders	1,836,090.00	2016	1,019,050.00	817,040.00	817,040.00	
21. Tuba Enterprises	918,340.00	2017	796,750.00	121,590.00	121,590.00	
22. Elliyibor Enterprises	546,790.00	2013	-	546,790.00	546,790.00	

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Outstanding Balance 2021	Comments
Supply of services	Sub-Total		1,815,800.00	3,488,095.00	6,572,832.00	
23. Sangwe Enterprises	170,000.00	April 2021	-	-	170,000.00	
24.						
25.						
	Sub-Total			-	170,000.00	
	Grand Total		1,815,800.00	3,488,095.00	6,742,832.00	

**MUHOHO HIGH SCHOOL
YEAR 2021 CLOSING STOCK**

KITCHEN		ITEM	QUANTITY	COST (Ksh)
	1	Beans	6 Bags	54,000.00
	2	Cadbury Cocoa	7 Tins	3,360.00
	3	I.D.P Omo	2 Bags	1,780.00
	4	Maize meal	56.5 Bales	118,650.00
	5	Rice	34 Bags	88,400.00
	6	Sugar	42 Bags	273,000.00
	7	Wheat flour	18 Bales	43,200.00
	8	Cooking Fat	3 cartons	5,100.00
	9	Cooking Oil	20 Ltr	4,800.00
	10	Detergents	51 Jerricans	84,150.00
		Sub total		676,440.00
		BOOK STORE		
	1	Attendance Registers	8 pcs	3,200.00
	2	Quire Books	38 pcs	9,500.00
	3	Masters	12 pcs	72,000.00
	4	Exercise Books	44 Grosses	1,045,440.00
	5	Dustless Chalk	22 Pkts	66,000.00
	6	Printing papers	25 reams	15,000.00
	7	Foolscaps	20 reams	11,000.00
	8	Felt pens	21 pcs	1,050.00
	9	Ball pens	15 pkts	7,800.00
	10	Printer Ink	16 pcs	112,000.00
	11	Pencils	3 pcs	60.00
		Sub total		1,343,050.00
		Totals		2,019,490.00