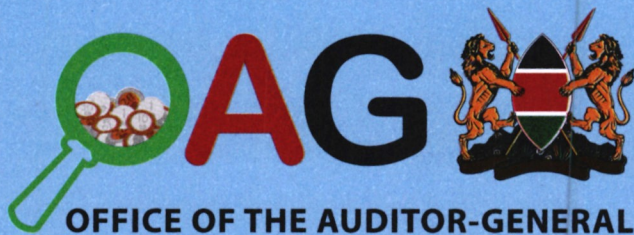


REPUBLIC OF KENYA



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REPORT

OF

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Please facilitate
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THE AUDITOR-GENERAL

ON

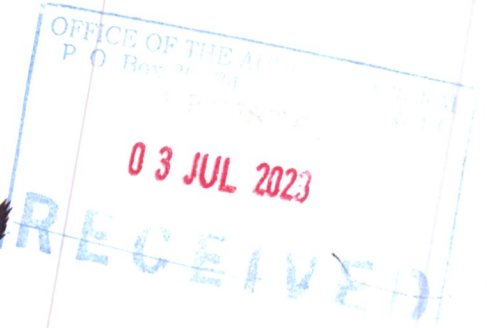
**MUGUGA WAGATONYE SECONDARY
SCHOOL**

**FOR THE YEAR ENDED
30 JUNE, 2022**

KIAMBU COUNTY

RECEIVED
30 OCT 2023

THE NATIONAL ASSEMBLY
DATE: 07 NOV 2023
DAY: TUESDAY
TABBLED BY: HON. KIMANI ICHUMGWA
MAJORITY LEADER
IMZOPU MWALE



**MUGUGA WAGATONYE SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2022**

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

Muguga Wagatonye Secondary School
Reports and Financial Statements for the year ended 30th June 2022

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I. Key School Information And Management

(a) Background information

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

The school was re-registered as a three streamed school on 15/09/2020 under registration number 22S00300603 and is currently categorized as a Sub county public school established, owned or operated by the Government.

The school is a day school and had 582 number of students as at 30th June 2022. It has 3 streams and 25 teachers of which 3 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	Vincent Kigathi	Chairman	7/3/2022
2	Mrs. Rahab Gathoni Ndoro	Secretary - Principal	7/3/2022
3	Mrs. Jane ngugi	Member	7/3/2022
4	Paul Kinyanjui gitau	Member	7/3/2022
5	Peter Mbugua Mwaura	Member	7/3/2022
6	Stephen njoroge gitau	Member	7/3/2022
7	Paul muigai nganga	Member	7/3/2022
8	Zaweria thuku	Member – Rep CEB	7/3/2022
9	Martha wanjiku mutitu	Member Rep Teachers	7/3/2022
	Zackaria mutugi gutu		7/3/2022
	Francis kirai		
10	Dr. Edward Gachangi Njenga	Sponsor	
11	Michael N. Mungai	Member - Community	7/3/2022
12	George kamau kangethe	MemberSpecial Needs	7/3/2022
13	Jane Wanjiku Ndungu	Rep Students	7/3/2022

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

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

Ref	Name of Committee	Name of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Vincent kigathi Paul Ambale Musa Mrs. Rahab Ndoro Nancy Njenga	B.O.M Chairman P.A Chairman Secretary Member	3 per Year
2	Audit Committee	Vincent kigathi Paul Ambale Musa Nancy Njenga	Member Member	3 per Year
3	Finance, procurement and general purposes Committee	Vincent kigathi Paul Ambale Musa Mrs. Rahab Ndoro Nancy Njenga	Chair Member Member Member	3 Per Year
4	Academic Committee	Vincent Kigathi Paul Ambale Jane Ngugi Zakaria Mutugi	Member Member Member Member	3 per year
5	Development Committee	Vincent Kigathi Paul Ambale	Member Member	3 per year

Muguga Wagatonye Secondary School
Reports and Financial Statements for the year ended 30th June 2022

		Rahab Ndoro Dr. Edward Gachangi	Member Chair	
6	Discipline and welfare Committee	Vincent Kigathi Paul Ambale Martha Mutitu Margaret Mumbi	Member Member Member Member	3 per year

(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	MRS. RAHAB NDORO	291336
2	Deputy Principal	SIMON N. MUNGAI	351242
3	School Bursar	DANIEL KARUGA MBURU	-

(e) Schools contact

Post Office Box: 611-00902 kikuyu
 Telephone: 0723449739
 E-mail: mugugawagatonyesecondary@gmail.com
 Website: N/A
 Facebook: N/A
 Twitter: N/A

(f) School Bankers

The following school operated 5 number of bank accounts in the following banks:

- 1 Name of Bank: KENYA COMMERCIAL BANK
 Branch: KIKUYU
 Account Number: 1102958603 (SCHOOL LUNCH ACCOUNT)
- 2 Name of Bank: KENYA COMMECIAL BANK
 Branch: KIKUYU
 Account Number: 1102968943 (TUITION ACCOUNT)
- 3 Name of Bank: EQUITY BANK
 Branch: KIKUYU
 Account Number: 0570291737190 (OPERATION ACCOUNT)

Muguga Wagatonye Secondary School
Reports and Financial Statements for the year ended 30th June 2022

- 4 Name of Bank: KENYA COMMERCIAL BANK
 Branch: KIKUYU
 Account Number 1288741030 (INFRASTRUCTURE ACCOUNT)
- 5 Name of Bank: K UNITY FINANCE
 Branch: KIKUYU
 Account Number: 00710000012145 (SAVING ACCOUNT)
- 6 MPESA Pay Bill No. 522123 attached to Lunch (1102958603) bank account

(g) Independent Auditors

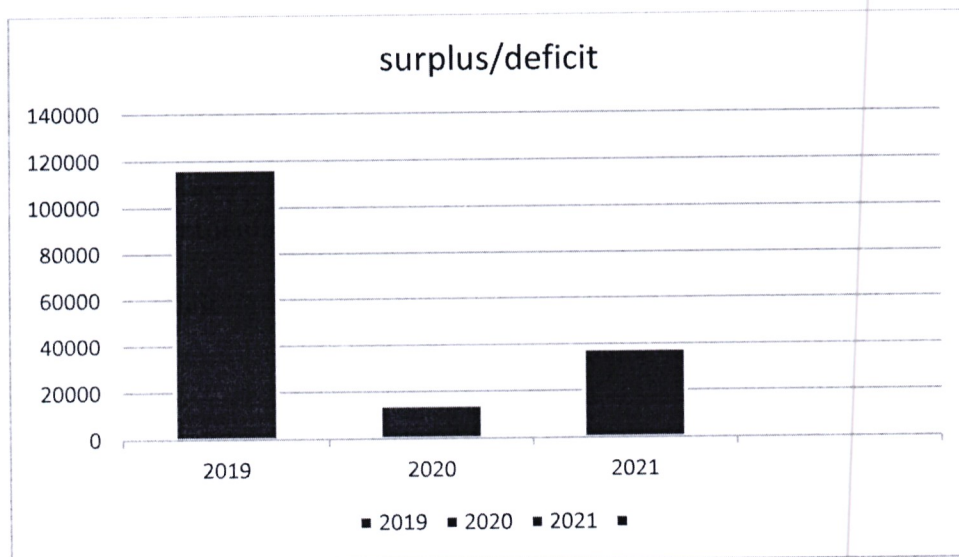
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

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:

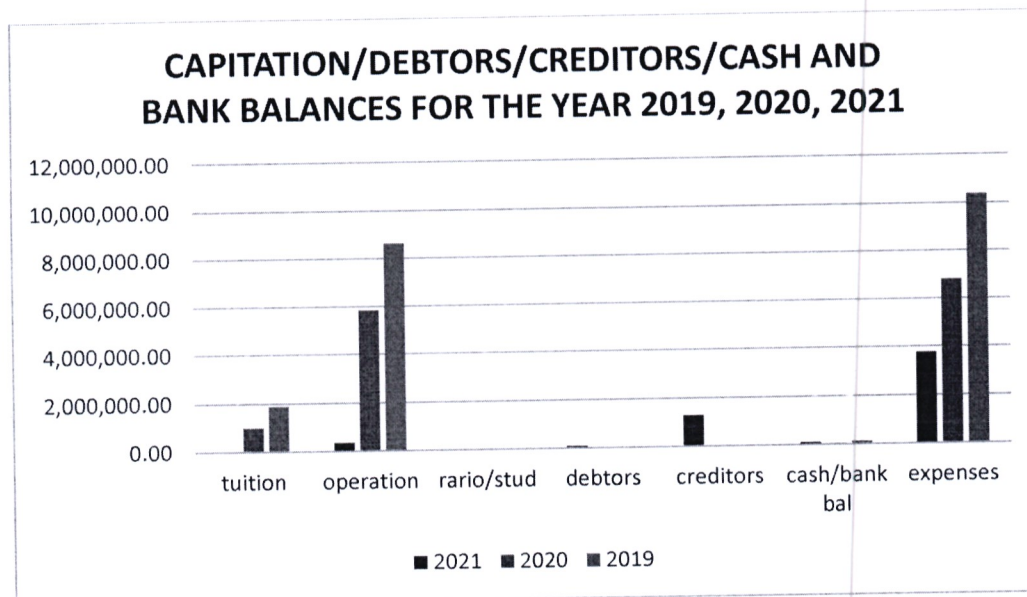
- a) **Financial performance:**
- b) **Surplus/Deficit**

	2021	2020	2019
	37,919	14,217.64	116,535.62



CAPITATION/DEBTORS/CREDITORS/CASH AND BANK BALANCES FOR THE YEAR 2019, 2020, 2021

YEAR	2021	2020	2019
Capitation; TUITION	18,955.50	998,426.00	1,879,198.50
OPARAUION	3,860,158.80	5,864,896.64	8,628,886.27
Capitation/student ratio	7,696	11,792	18,055
Expenses	3,776,574	6,811,532	10,372,106
Debtors	83,550	0	0
Creditors	1,288,618	0	0
Cash & bank balances	102,540.07	51789.85	135,978.20



c)

Student ratio: 1:23.28

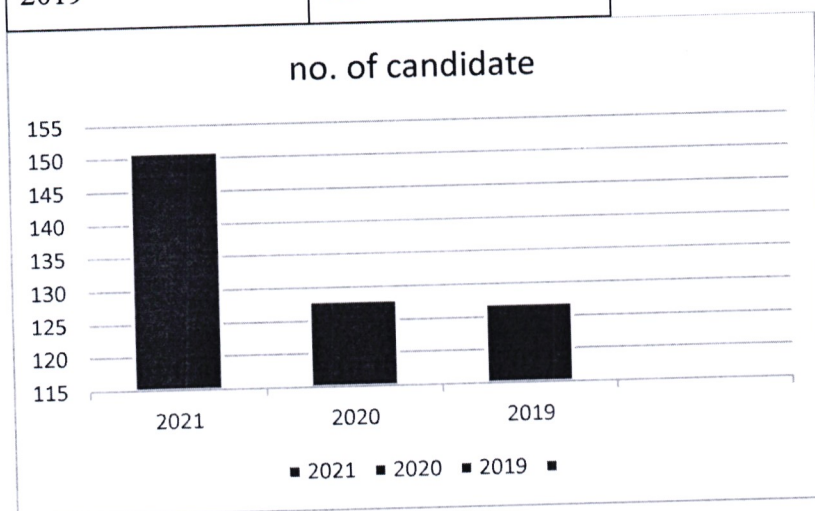
SUB	ENG	KIS	MAT	CHEM	BIO	PHY	CRE	BS	HIS	GEO	AGR
NO.	2	3	3	3	2	2	4	3	4	3	2
DIV.	+2	+1	+1	0	0	+1	0	0	0	0	+1

d) Mean score in the 2019,2020, 2021 KCSE:

YEAR	MEAN SCORE	DEVIATION
2021	2.820	-0.355
2020	3.175	-0.053
2019	3.228	+0.548

e) Number of Candidates in the 2020,2021,2019, KCSE:

2021	151
2020	128
2021	127



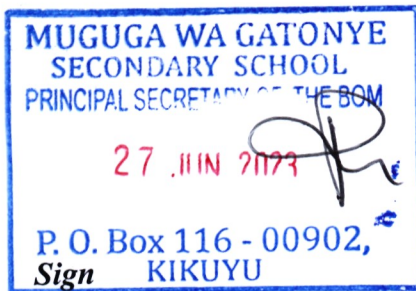
f) Capacity of the school:

582 students

Classes	Laboratories	Dining hall	Toilets	Computer lab
12	2	1	15-boys 20-girls	nil
4 needed	1 needed	enough	10 needed	1 needed

g) Development projects carried out by the school:

NO	PROJECT	FUND	COST	STATUS
1	ADM BLOCK	M.O.E GRANT(Infrastructure)	12M	NOT COMPLETE
2	Construction of student lockers and lab tables and stools	M.O.E GRANT(Infrastructure)	328,000	CONTINUOUS



School Principal

III. Statement Of School Management Responsibility

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board 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 Muguga Wagatonye secondary school accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

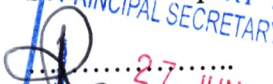
The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2022 and of the school's financial position as at that date.

Name: Mr. Vincent Kigathi
Designation: Chairman, School Board of Management

Sign: 

Date: 27/06/2023

Name: Mrs. Rahab Ndoro
Designation: School Principal & Secretary to Board of Management

Sign: 

Date: 27 JUN 2023


Name: Daniel Karuga Mburu
Designation: Bursar/ Finance Officer

Sign: 

Date: 27/6/23

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 MUGUGA WAGATONYE SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 - 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 Muguga Wagatonye Secondary School – Kiambu County set out on pages 1 to 21, which comprise the statement of financial assets and liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of changes in equity, statement of cash flows and statement of

Report of the Auditor-General on Muguga Wagatonye Secondary School for the year ended 30 June, 2022 - Kiambu County

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Muguga Wagatonye Secondary School – Kiambu County as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Inaccuracies in the Statement of Receipts and Payments

The statement of receipts and payments reflects total receipts amounting to Kshs.22,137,221 which differed with the statement of budgeted versus actuals amounts of Kshs.22,220,771 resulting to an unexplained variance of Kshs.83,550. Further the statement reflects total payments amounting to Kshs.22,054,805, which differed with statement of budgeted versus actual amounts of Kshs.22,220,771 and the statement of cash flows amounts of Kshs.23,343,324 resulting to unexplained variances of Kshs.165,966 and Kshs.1,288,519 respectively.

In the circumstances, the accuracy and completeness of the above mentioned amounts could not be confirmed.

2. Unsupported Payments for Tuition

The statement of receipts and payments reflects payments for tuition of Kshs.1,801,215 as disclosed in Note 5 to the financial statements. However, the amount includes Kshs.1,633,775 whose Local Purchase/Service Orders, invoices, delivery notes, and inspection and acceptance certificates were not provided for audit.

Further, the Management did not provide an approved list of suppliers and therefore it was unclear on what method of procurement the Management applied in identifying the suppliers

In the circumstances, the accuracy and completeness of payments for tuition amounts of Kshs.1,633,775 could not be confirmed.

3. Unsupported Payments for Operations

The statement of receipts and payments reflects payment for operations expenditure of Kshs.7,769,235 which, as disclosed in Note 6 to the financial statements includes Kshs.1,107,000 incurred on infrastructure development projects. However, local purchase orders, procurement documents, invoices, inspection and acceptance certificates, contract and certificates of works certified were not provided for audit.

In the circumstances, the accuracy and completeness of the payments for operations amounting to Kshs.1,107,000 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Muguga Wagatonye Secondary 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.

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. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

The statement of receipts and payments reflects payment for operations amounts of Kshs.7,769,235 which, as disclosed in Note 6 to the financial statements includes Kshs.438,000 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. This organization is not defined in Government Funding and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal controls systems to manage the funds transferred by schools. Further, the transfers were not based on any specific legislation or policy guidelines. and expenditure returns were not provided for audit.

In the circumstances, the value for money from the transfer of Kshs.438,00 could not be confirmed.

2. Lack of Approved Procurement Plan

The statement of receipts and payments reflects an amount of Kshs22,137,221 and Kshs.22,054,805 in respect of total receipts and payments respectively. However, during the year Management did not prepare an annual procurement plan as part of the annual budget preparation process.

This is contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that stipulates a shall procuring entity prepare a procurement plan for each financial year as part of the annual budget preparation process.

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

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 matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Lack of a School Improvement Plan

Review of the school's strategic plan and board minutes revealed that the Management does not maintain a School Improvement Plan that provides a road map for changes that a school needs to improve the school environment and learning outcomes. This is contrary to Section 3.1.4 of Operation Manual for Utilisation of Learner Capitation Grant and Other School Funds of June, 2020 which provides that the, utilisation of capitation grants and other school funds should only be done in line with the approved SIP and annual budget.

In the circumstances, existence of effective governance measures 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 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 control, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

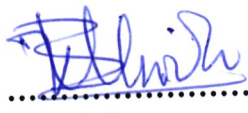
12 October, 2023

Muguga Wagatonye Secondary School
Reports and Financial Statements for the year ended 30th June 2022

V. Statement of Receipts And Payments Period To 30th June 2022

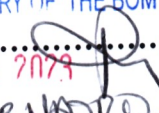
DESCRIPTION OF VOTE HEAD	Note	2021 - 2022	2020 - 2021
RECEIPTS			
Capitation grants for tuition	1	1,605,835	618,956
Capitation grants for operations	2	7,142,314	3,860,159
School Fund Income- Parents' Contributions	3	13,155,509	4,597,368
School Fund Income- Other receipts	4	233,563	10,000
Debtors	11		83,550
TOTAL RECEIPTS		22,137,221	9,170,032
PAYMENTS			
Payments for Tuition	5	1,801,215	435,360
Payments for operations	6	7,769,235	3,172,614
Boarding and school fund payments	7	12,484,355	4,235,521
Creditors	12		1,288,618
TOTAL PAYMENTS		22,054,805	9,132,113
SURPLUS/DEFICIT		82,416	37,919

The school financial statements were approved on 27th June 2023 and signed by:



Name: Wendat K Mmwe
 Chair BOM

Date: 27/06/2023

MUGUGA WAGATONYE
SECONDARY SCHOOL
PRINCIPAL SECRETARY OF THE BOM
 27 JUN 2023

School Principal/Secretary to BOM
KIKUYU

Date:



Name: Daniel Karuga
 Bursar/ Finance Officer

Date: 27/6/23

VI. Statement of Financial Assets And Financial Liabilities As At 30th June 2022

	Note	2021 - 2022	2020 - 2021
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	222,875	1,345,305
Cash Balances	9	-	222
Short term Investment	10	-	-
Total Cash and Cash Equivalents		222,875	1,345,527
Account's receivables	11	-	83,550
TOTAL FINANCIAL ASSETS		222,875	1,429,077
FINANCIAL LIABILITIES			
Accounts Payable	12	-	1,288,618
NET FINANCIAL SSETS		222,875	140,459
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	140,459	102,540
Surplus/Defict for the year		82,416	37,919
NET FINANCIAL POSITION		222,875	140,459

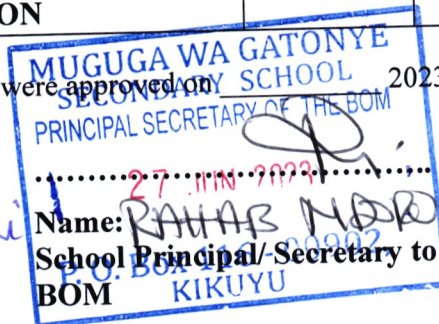
The school's financial statements were approved on 27th June 2023 and signed by:

[Signature]

Name: Vincent K Muroki

Chair BOM

Date: 27/06/2023



Name: RAHAB MURU
 School Principal/Secretary to BOM

Date:

[Signature]

Name: Daniel Kang'wa

Bursar/ Finance Officer

Date: 27/6/23

II. statement of Cash Flows for The Period Ended 30th June 2022

	notes	2021 - 2022	2020 - 2021
		Kshs	Kshs
Receipts from operating activities			
Capitation grants for tuition	1	1,605,835	618,956
Capitation grants for operations	2	7,142,314	3,860,159
School fund income- Parents contributions/ fees	3	13,239,059	4,597,368
School fund income- other receipts	4	233,563	10,000
Total receipts		22,220,771	9,086,482
Payments			
Payments for Tuition	5	1,801,215	435,360
Payments for operations	6	7,769,235	3,172,614
Boarding and school fund payments	7	13,772,973	4,235,521
		23,343,423	7,843,495
Net cash flow from operating activities		(1,122,652)	1,242,987
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		-	-
Acquisition of Assets		-	-
Proceeds from investments		-	-
Net cash flows from Investing Activities		-	-
NET CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		(1,122,652)	1,242,987
Cash and cash equivalent at BEGINNING of the year	10	1,345,527	102,540
Cash and cash equivalent at END of the year		222,875	1,345,527

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(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).

Muguga Wagatonye Secondary School
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VIII. Statement of Budgeted Versus Actual Amounts for The Year Ended 30th June 2022

Receipt/Expense Item	Original Budget	Opening Balance (C/Bk) and AIA	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a		b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS			Previous years Outstanding Disbursements				
(1) CAPITATION GRANT ON TUITION							
Textbooks and reference materials	231,352	0	0	231,352	231,352	-	100.0%
Exercise books	552,480			552,480	552,480	-	100.0%
Laboratory equipment	157,393			157,393	157,393	-	100.0%
Internal exams	110,000			110,000	110,000	-	100.0%
Teaching / learning materials	171,110			171,110	171,110	-	100.0%
Chalks/stationeries	283,500			283,500	283,500	-	100.0%
Teachers guides	100,000			100,000	100,000	-	100.0%
(2) CAPITATION GRANT ON OPERATIONS				0		-	

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Personnel emoluments	3,894,814				3,894,814	3,894,814	-	100.0%
Repairs and maintenance	350,000				350,000	350,000	-	100.0%
Local transport / travelling	150,000				150,000	150,000	-	100.0%
Electricity and water	100,000				100,000	100,000	-	100.0%
Medical	200,000				200,000	200,000	-	100.0%
Administration costs	250,000				250,000	250,000	-	100.0%
Activity	550,000				550,000	550,000	-	100.0%
Infrastructure grant	1,647,500				1,647,500	1,647,500	-	100.0%
(3) FEES CHARGED ON PARENTS								
Lunch	13239059				13,239,059	13,239,059		100.0%
OTHER INCOME								
Income from Bus Hire	221000				221,000	221,000		100.0%
Fee for hire of ground and equipment	12500				12,500	12,500		100.0%
Interest income	62.94				63	62.94		100.0%
TOTAL INCOME	22,220,771	0	0	0	22,220,771	22,220,771	-	100.0%
(1) EXPENDITURE FOR TUITION								

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Infrastructure grant	1,647,500			1,647,500	1,647,500	-	100.0%
Gratuity							
SMASSE							
(3) FEES CHARGED ON PARENTS							
Lunch	13239059			13,239,059	13,239,059		100.0%
OTHER INCOME							
BUS EXPENSES	221,000			221,000	221,000		100.0%
GROUND EXPENSES	12,500			12,500	12,500		100.0%
ADM COST	63			63	63		100.0%
TOTAL INCOME	22,220,771	0	0	22,220,771	22,220,771	-	100.0%

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

IX. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

X. Notes To The Financial Statements

1 CAPITATION GRANT FOR TUITION			
		july 2021- june2022	jan- june2021
		Kshs	Kshs
Textbooks and reference materials		231,352	157,320
Exercise books		552,480	-
Laboratory equipment		157,393	289,803
Internal exams		110,000	171,833
Teaching / learning materials		171,110	-
Stationeries		283,500	-
Exams and assessment		100,000	-
Bank charges		-	-
Total		1,605,835	618,956
2 CAPITATION GRANT FOR OPERATIONS			
		july 2021- june2022	Jan-June 2021
		Kshs	Kshs
Personnel emoluments		3,894,814	1,830,007
Repairs and maintenance		350,000	12,700
Local transport / travelling		150,000	100,000
Electricity and water		100,000	50,000
cdf grant ablution block		-	-
Infrastruture grant, 3classrooms		-	-
Infrastruture		1,647,500	1,635,000
Medical		200,000	-

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Administration costs		250,000	232,452
borehole (transfer)		-	-
Interest		-	-
Activity		550,000	-
Total		7,142,314	3,860,159
3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT			
		july 2021- june2022	Jan-June 2021
		Kshs	Kshs
Personnel emoluments		-	-
Lunch		13,239,059	4,597,368
Repairs and maintenance		-	-
Local transport / travelling		-	-
Electricity and water		-	-
Administration costs		-	-
Income from grants and donations*		-	-
Debtors		(83,550)	
Activity		-	-
Total		13,155,509	4,597,368
4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT			
		july 2021- june2022	Jan- june2021
		Kshs	Kshs
Rent income		-	-
Income from farming activities		-	-

Muguga Wagatonye Secondary School
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Sales of borehole water		-	-
Income from ground/Hall Hire		12,500	10,000
Income from Bus		221,000	-
Interest income		63	-
Donation		-	-
Total		233,563	10,000
5 PAYMENTS FOR TUITION			
		july 2021- june2022	jan- june2021
		Kshs	Kshs
Textbooks and reference materials		5,000	-
Exercise books		459,000	-
Laboratory equipment		457,000	200,000
Internal exams		171,000	85,000
Teaching / learning materials		267,500	-
Chalks/Stationary		436,275	150,000
Exams and assessment			
Teachers guides		-	-
Administration Costs		-	360
Bank Charges		5,440	-
Total		1,801,215	435,360
6 PAYMENTS FOR OPERATIONS			
		july 2021- june2022	jan- june2021
		Kshs	Kshs
Personnel emoluments		3,773,193	1,775,024
Service Gratuity		-	-

Muguga Wagatonye Secondary School
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Administration Cost		670,310	260,340
Repairs and maintenance & improvements		655,463	-
Local transport / travelling		85,200	5,000
Electricity and water		24,700	5,000
Medical		143,895	-
Activity Expenses		810,330	223,500
Comp lab		-	-
classroom		-	-
ablution block		-	-
borehole		-	-
Bank Charges		-	-
Infrastructure		1,606,144	903,750
TOTAL		7,769,235	3,172,614
7 BOARDING AND SCHOOL FUND PAYMENTS			
		july 2021- june2022	jan- june2021
		Kshs	Kshs
Personnel emoluments		-	-
Lunch		11,825,941	4,224,441
Repairs and maintenance		-	-
Local transport / travelling		-	-
Electricity and water		-	-
Administration costs		-	-
Activity		-	-
Infrastructure		1,734,329	-

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School Farm		12,500	10,000
bank c		-	-
Income from Posho mill		-	-
Bus and ground Hire		192,546	-
Income from grants and donations*		-	-
bank charges		7,657	1,080
Creditors		(1,288,618)	
Dividends income		-	-
transfer to infrastructure		-	-
TOTAL		12,484,355	4,235,521

8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	july 2021- june2022	Jan-June 2021
		Kshs	Kshs
Tuition Account	1102968943	461	195,841
Operations Account	0570291737190	21,238	689,515
School Fund Account/Boarding	1102958603	158,712	396,593
Savings Account	0071000001214 5	1,109	63,357
Saving van Account	-	-	-
Income generating activities Account	-	-	-
Infrastructural Account	1288741030	41,356	-
Saving account 3	-	-	-
Total		222,875	1,345,305

9 CASH IN HAND

Description	july 2021- june2022	jan-june 2021
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Muguga Wagatonye Secondary School
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		Kshs	Kshs
Tuition Account		-	-
Operation Account		-	-
School Fund account		-	222
Total		-	222
10 SHORT TERM INVESTMENTS			
Description		july 2021- june2022	2020-2021
		Kshs	Kshs
Cooperative shares		-	-
Treasury Bills		-	-
Fixed deposit		-	-
Equity stock		-	-
Other investments		-	-
Total		-	-
11 ACCOUNTS RECEIVABLE			
Description		july 2021- june2022	jan-june 2021
		Kshs	Kshs
Fees arrears		-	83,550
Other non-fees receivables		-	-
Salary advances		-	-
Imprest		-	-
Total		-	83,550
Description		july 2021- june2022	jan- june2021
		Kshs	Kshs

Muguga Wagatonye Secondary School
Reports and Financial Statements for the year ended 30th June 2022

Fees arrears for current year		-	83,550
Fees arrears for the previous year		-	-
Fees arrears for prior periods (over two years)		-	-
Total		-	83,550
12 ACCOUNTS PAYABLE			
Description		july 2021- june2022	2020-2021
		Kshs	Kshs
Trade creditors (See ageing below and appendix 1)		-	1,288,618
Prepaid fees		-	-
Retention monies		-	-
Total		-	1,288,618
Description		july 2021- june2022	2020-2021
		Kshs	Kshs
Trade creditors for current year		-	1,288,618
Trade creditors for the previous year		-	-
Trade creditors for prior periods (over two years)		-	-
Total		-	1,288,618
13 FUND BALANCE BROUGHT FORWARD			
Description		july 2021- june2022	Jan-june 2021
		Kshs	Kshs
Bank balances		222,875	1,345,305
Cash balances		-	222
Short Term Investments		-	-

Muguga Wagatonye Secondary School
Reports and Financial Statements for the year ended 30th June 2022

Receivables		-	83,550
Payables		-	(1,288,618)
Total		222,875	140,459
14 Non-current Liabilities Summary			
Description		july 2021- june2022	2020-2021
		Kshs	Kshs
Bank loan(s)		-	-
Outstanding Leases		-	-
Hire purchase		-	-
Gratuity and leave provision		-	-
Total		-	-
15 Biological assets			
Description	Numbers	july 2021- june2022	2020-2021
		Kshs	Kshs
Cattle		-	-
Goats		-	-
Trees		-	-
Coffee or tea plantation		-	-
Poultry		-	-
Total		-	-
16 Borrowings			
Description		july 2021- june2022	2020-2021
		KShs	KShs
a) Borrowings			

Muguga Wagatonye Secondary School
Reports and Financial Statements for the year ended 30th June 2022

Borrowing at beginning of the year		-	-
Borrowings during the year		-	-
Repayments of during the year		-	-
Balance at end of the year		-	-
17 Stock/ Inventory			
Description		july 2021- june2022	2020-2021
		KShs	KShs
Stock/Inventory			
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		-	-

**Muguga Wagatonye Secondary School
Reports and Financial Statements for the year ended 30th June 2022**

1 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)

MUGUGA WA GATONYE
SECONDARY SCHOOL
PRINCIPAL SECRETARY OF THE BOM
27 .11. IN 2023
P. O. Box 1100902,
KIKUYU
Principal

**Muguga Wagatonye Secondary School
Reports and Financial Statements for the year ended 30th June 2022**

Annex 1 - Analysis Of Pending Accounts Payable


Supplier Of Goods Or Services	Original Amount Kshs	Date Contracted Kshs	Amount Paid To Date Kshs	Outstanding Balance 2022 Kshs	Outstanding Balance 2022-1 Kshs	Comments
Construction Of Buildings						
1.						
2.						
3.						
Sub-Total						
Supply Of Goods						
4.						
5.						
6.						
Sub-Total						
Supply Of Services						
7.						
8.						
9.						
Sub-Total						
Grand Total	Nil		Nil	Nil	Nil	

MUGUGA WA GATONYE
 SECONDARY SCHOOL
 PRINCIPAL SECRETARY OF THE BOM
 27 JUN 2023
 P. O. Box 116 - 00902,
 KIKUYU

Muguga Wagatonye Secondary School
Reports and Financial Statements for the year ended 30th June 2022

Annex 2 – Summary Of Fixed Assets Register

Asset Class	Date purchased	Location	Historical Cost i/v (Kshs) 31 st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost of (Kshs) 30 th June 2022
Land 1	-	Muguga/T379	10 million	-	-	10 million
Land 2	-	-	-	-	-	-
Buildings And Structures	diverse	muguga	50 million	,	,	50 million
Motor Vehicles		muguga	3 million	,	,	3 million
Office Equipment, Furniture And Fittings	diverse	Office/sore	200,000	,	,	200,000
ICT Equipment, And Other ICT Assets	diverse	muguga	200,000	,	,	200,000
Tools And Apparatus	diverse	Store/lab	300,000	100,000	,	400,000
Textbooks	diverse	Sore/students	1 million	100,000	,	1.1 million
Other Machinery And Equipment	-	-	-	,	,	-
Heritage And Cultural Assets	-	-	-	,	,	-
Intangible Assets- Soft Ware	-	-	-	,	,	-
Total	-		64,700,000,	200,000		64,900,000,


MUGUGA WA GATONYE
 SECONDARY SCHOOL
 PRINCIPAL SECRETARY OF THE BOM
 27 .JUN 2023
 P. O. Box 116 - 00902,
 KIKUYU

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