REPUBLIC OF KENYA

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

MURUAKI BOYS SECONDARY SCHOOL

FOR THE YEAR ENDED 30 JUNE, 2023

NYANDARUA COUNTY

Revised 30th June 2023.

MURUAKI BOYS SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2023

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

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(d) School operation Management

For the financial year ended 30th June 2023 the School day-to-day management was under the following persons:

Ref:	Designation	Name	Identification
1	Principal	Mr Francis Khisa	TSC No.419997
2	Deputy Principal	Mr John Mwangi	TSC No.367625
3	School Bursar	Md Lydiah Mwangi	ID NO.10880250

(e) Schools contacts

Post Office Box: 1002 -20117 NAIVASHA
Telephone: 0733737879
E-mail: muruakiboys@yahoo.com.
Website:
Facebook:
Twitter:

(f) School Bankers

1. Name of Bank: K.C.B
   Branch: NAIVASHA
   Account Number: 1104232081 - School Fund

   1104241714 -Operations

   1104243946 -Tuition

   1267244283 -Infrastructure

2. Name of Bank: EQUITY -School fund
   Branch: NAIVASHA
   Account Number: 0200293331579

3. MPESA Pay Bill No. 522123 AC/NO.23135K attached to KCB bank account

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

Summary Report of Performance of The School

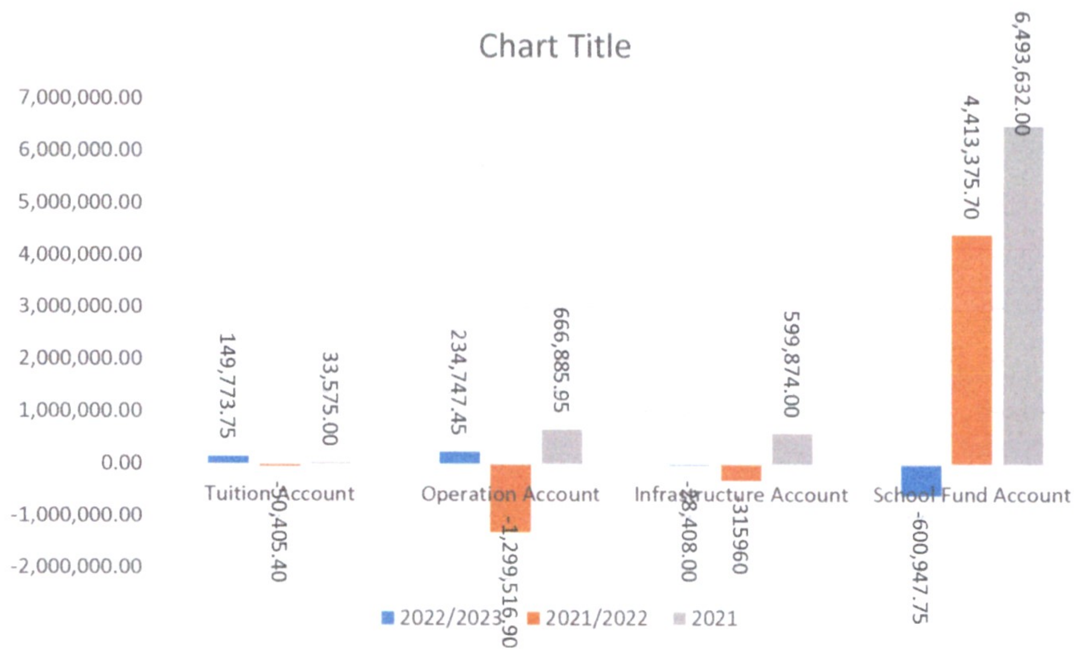
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) **Financial performance**:

This section reflects the actual Financial performance trend for the last three years from 2021from January to June (six months), 2021/2022 and 2022/2023 .

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

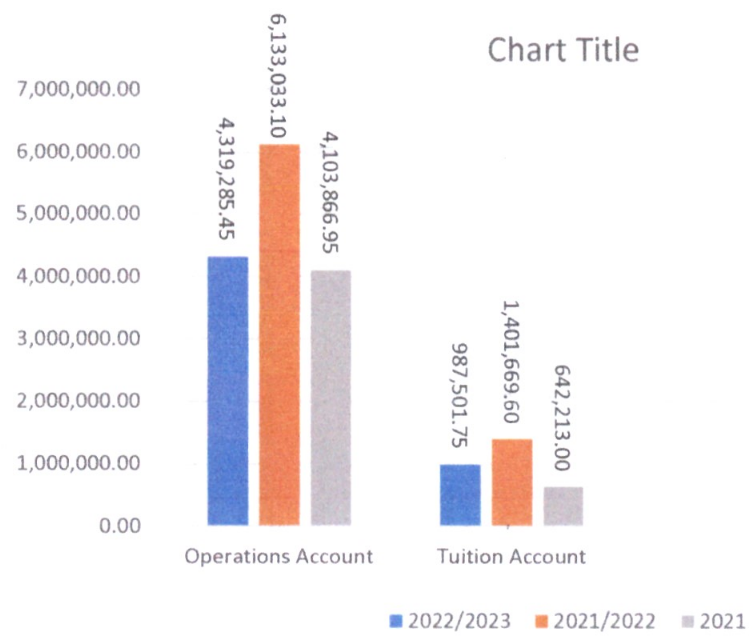
S/NO	ACCOUNT	2022/2023	2021/2022	2021
1	Tuition Account	149,773.75	-50,405.40	33,575.00
2	Operation Account	234,747.45	-1,299516.90	666,885.95
3	Infrastructure Account	-28,408.00	-315960.00	599,874.00
4	School Fund Account	-600,947.75	4,413,375.70	6,493,632.00
	TOTAL	-244,834.55	2,747,493.40	7,793,966.95
	Increase/Decrease	-2,992,327.95	-5,046,473.55	5,913,004.35



The year 2022/2023 recorded a deficit of sh.244,834.55. This was due to the increase in prices of foodstuffs.

SNO	ACCOUNTS	2022/2023	2021/2022	2021
				KSHS
1	Operations Account	4,319,285	6,133,033	4,103,867
2	Tuition Account	987,502	1,401,670	642,213
	Total	**5,306,787**	**7,534,703**	**4,746,080**
	Increase/Decrease	**-2,386,825.50**	**2,947,532.75**	**-2,758,121.05**
	No of Students	365	390	495
	Ratio of Capitation per student	**1:14,539.14**	**1:7557.77**	**1:9,588.04**

Trend over the Last Three Years

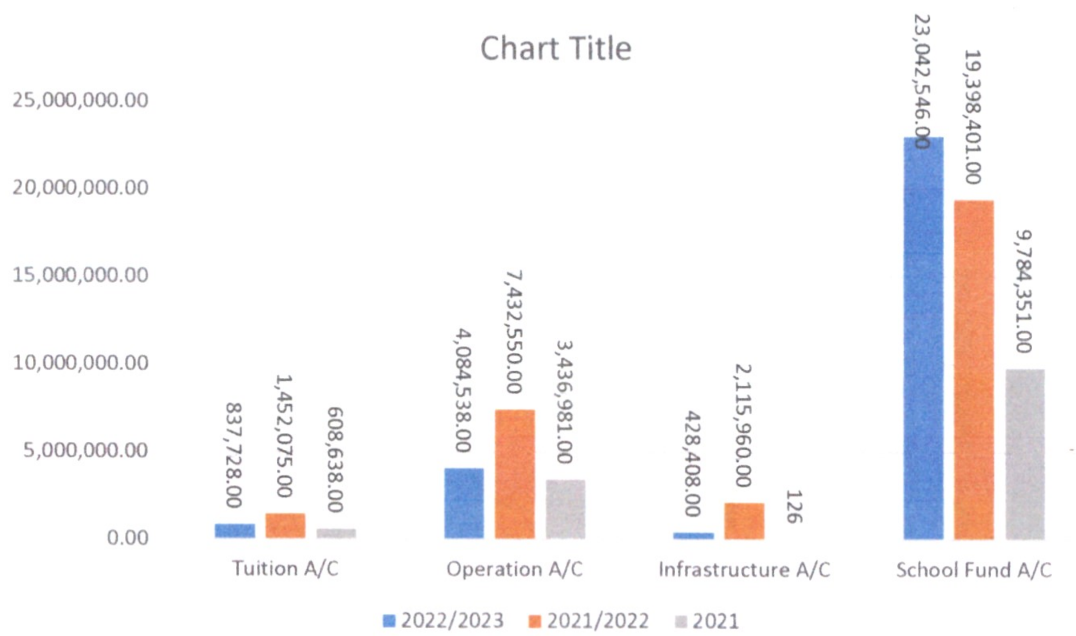


The total capitation grants for the financial year 2022/2023 was Kshs 5,306,787.20 as compared to Kshs 7,693,612.70 in the financial year 2021/2022 representing a decrease of Kshs 2,386,825.50. This was due to decreace in the number of students.

OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL

SNO	ACCOUNTS	2022/2023	2021/2022	2021
				Kshs
1	Tuition A/C	837,728.00	1,452,075.00	608,638.00
2	Operation A/C	4,084,538.00	7,432,550.00	3,436,981.00
3	Infrastructure A/C	428,408.00	2,115,960.00	126.00
4	School Fund A/C	23,042,546.00	19,398,401.00	9,784,351.00
	TOTAL	28,393,220.00	30,398,986.00	13,830,096.00
	Increase/Decrease	**-2,005,766.00**	**16,568,890.00**	

Trend Over the Last Three Years

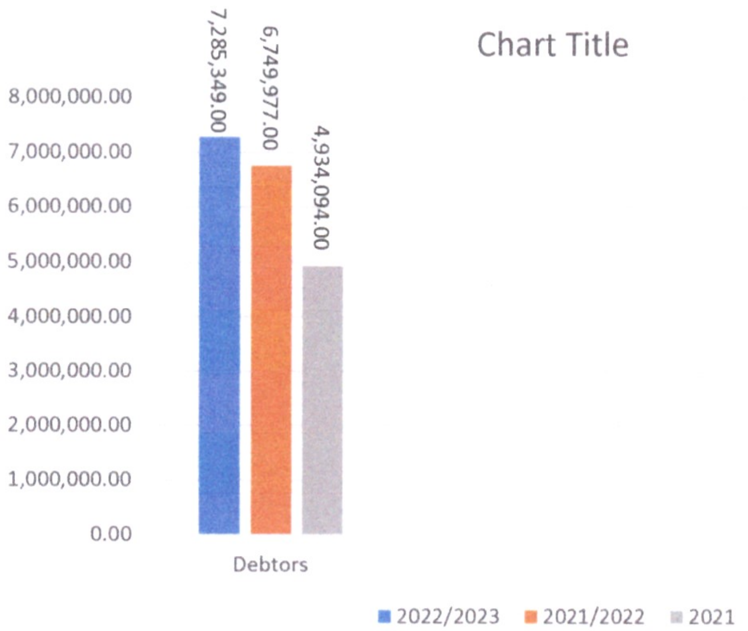


The financial year 2022/2023 registered a decrease in expenditure due to decrease in enrolment though the school find account had an increase in expenditure due to high cost of foodstuffs.

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

MOVEMENT OF DEBTORS OF THE SCHOOL				
SNO	**ACCOUNTS**	**2022/2023**	**2021/2022**	**2021**
	School Fund Account	**KSHS**	**KSHS**	**KSHS**
	Debtors	7,285,349.00	6,749,977.00	4,934,094.00
	Total	**7,285,349.00**	**6,749,977.00**	**4,934,094.00**
	Increase/Decrease	**535,372.00**	**1,815,883.00**	

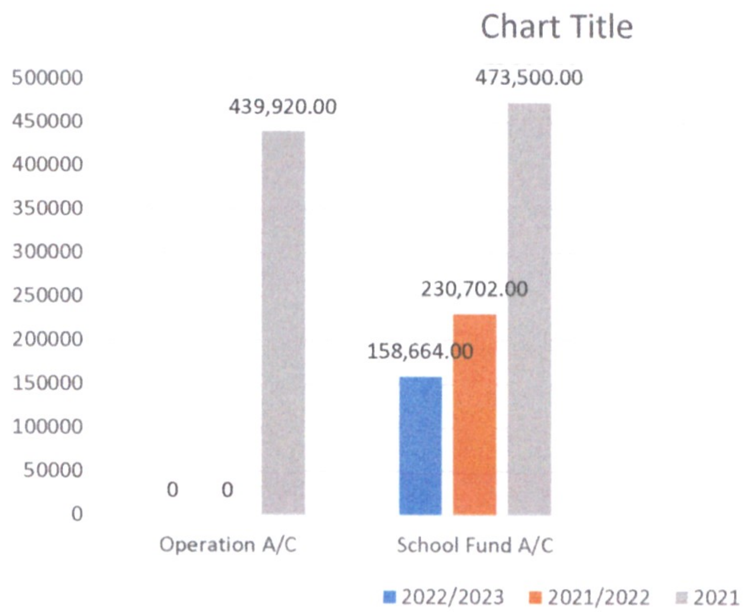
Trend Over the Last Three Years



Financial year 2022/2023 recorded fees arrears of sh.7,285,349.. This is an increase from the previous year due to accumulation of debtors for the previous years which have not been recovered.

MOVEMENT OF CREDITORS OF THE SCHOOL

SNO	ACCOUNTS	2022/2023	2021/2022	2021
		KSHS	KSHS	KSHS
1	Operation A/C	-	-	439,920.00
2	School Fund A/C	158,664.00	230,702.00	473,500.00
	Total	**158,664.00**	**230,702.00**	**913,420.00**
	Increase/Decrease	**-72,038.00)**	**(682,718.00)**	**913,420.00**

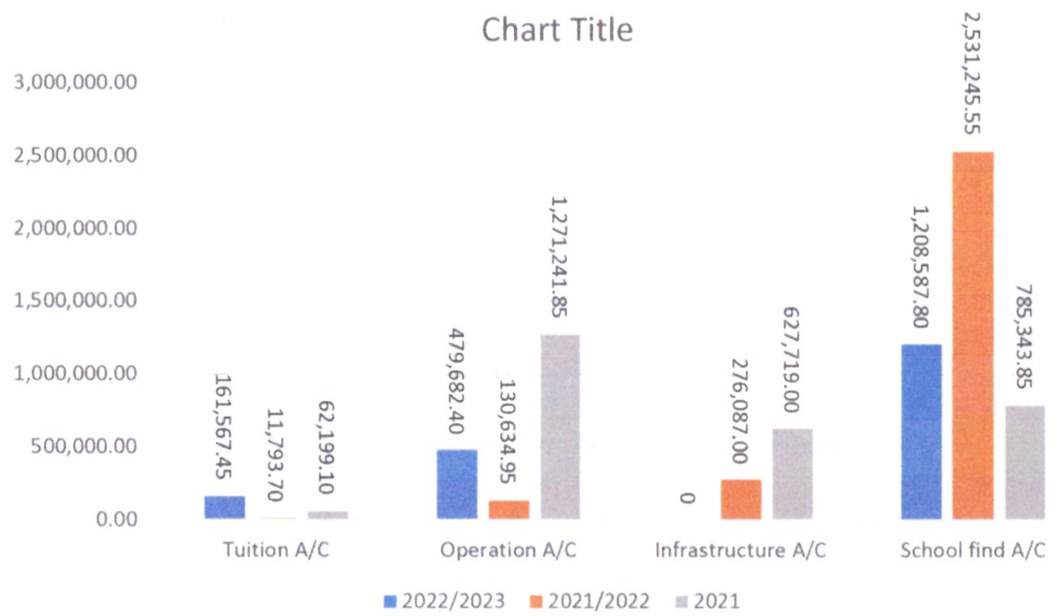


Total creditors as at 30th June 2023 was sh. 158,664.00 which comprised of school fees prepayments . There were no trade creditors at the end of the year.

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

MOVEMENT OF CASH AND BANK BALANCES

SNO	ACCOUNTS	2022/2023	2021/2022	2021
		KSHS	KSHS	
1	Tuition A/C	161,567.45	11,793.70	62,199.10
2	Operation A/C	479,682.40	130,634.95	1,271,241.85
3	Infrastructure A/C	283 ,351.00	276,087.00	627,719.00
4	School find A/C	1,208587.80	2,531,245.55	785,343.85
	Total	**2,133,188.65**	**2,985,433.20**	**2,746,503.80**
	Increase/Decrease	**(852,244.55)**	**238,929.40**	**2,063,745.40**



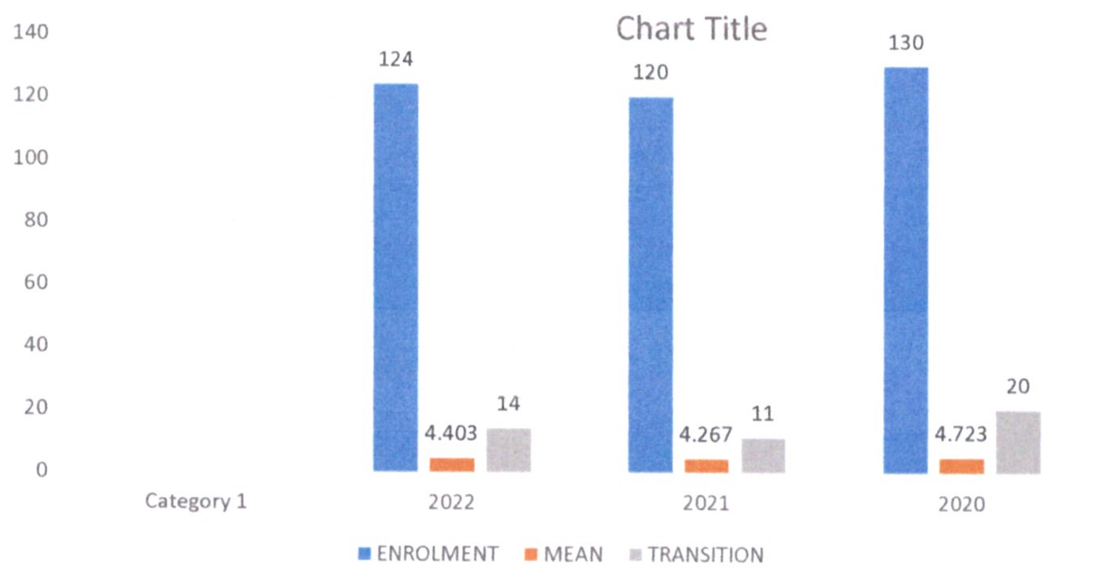
a) **Teacher Student ratio**:

18:365

There are 18 teachers ,14 are employed by the TSC and 4 are employed by the BOM. During the year one teacher was posted to the school while one who was on internship was recruited to another school.

b) **Mean score in the *2022* KCSE**:4.403

	ENROLMENT	MEAN	TRANSITION	TRANSIT (%)	TARGET
2022	124	4.403	14	12	5.5
2021	120	4.267	11	10	5.5
2020	130	4.723	20	15	5.5



c) **Capacity of the school**:

	CLASSROOMS	DORMITORIES	LABORATORIES	TOILETS
NO.	12	6	4	22
CAPACITY	500	500	500	500

Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
CBC classroom	M.O.E.	On going	1,576,440	428,030	Nov 2023
Shelving the library	Parents contribution	completed	500,000	448,300	complete

....

School Principal

3. Statement of School Management Responsibility

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

Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to be keep all proper books and records of accounts of the income, expenditure and assets of the institution.

The Board of Management of *Muruaki boys 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, 2023, and of the school's financial position as at that date.

....

Name:Peter Gachuhi

Designation: Chairman, School Board of Management

Date: 21/4/26

....

Name:Francis Khisa

Designation: School Principal & Secretary to Board of Management

Date: 21/4/26

....

Name:Lydiah Mwangi

Designation: Bursar/ Finance Officer

Date: 21/4/26

REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON MURUAKI BOYS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023- NYANDARUA COUNTY

PREAMBLE

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

A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;

B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,

C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Muruaki Boys Secondary School set out on pages 1 to 17, which comprise the statement of assets and liabilities as at

30 June, 2023, and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Muruaki Boys Secondary School as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unsupported Accounts Receivable

The statement of assets and liabilities reflects accounts receivable balance of Kshs.7,285,349 in respect of fees arrears as disclosed in Note 13 to the financial statements. However, detailed schedules to support receivables balance amounting Kshs.5,171,089 were not provided for audit. Further, included in the receivables balance is fees arrears of Kshs.3,498,091 which has been outstanding for more than three (3) years. However, no policy on debt recovery was provided for audit, casting doubt on the recoverability of the accounts receivables balance.

In the circumstances, the accuracy and completeness of the accounts receivable balance of Kshs.7,285,349 could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of Muruaki Boys Secondary School Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing 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 judgement, are of most significance in the audit of the financial statements. Except for the effects of the matter described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Emphasis Of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.21,600,335 and Kshs.14,828,778 respectively, resulting in an under-funding of Kshs. 6,771,557 or 31% of the budget.

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

My opinion is not modified in respect of this matter.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Failure to Transfer Infrastructure Funds from Operations Bank Account

During the year under review, the School received Government grants totalling Kshs.4,319,285 from the Ministry of Education credited in the operations bank account. Included in this amount is Kshs.1,439,000 in respect of infrastructure grants which was to be transferred to infrastructure bank account for maintenance and improvement of the school's facilities. However, only Kshs.400,000 was transferred to the infrastructure account. This was contrary to the Ministry of Education Circular Ref. MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account within fifteen (15) days upon receipt of the funds in the operations account.

In the circumstances, Management was in breach of the Ministry of Education guidelines which require infrastructure grants to be transferred within fifteen days after receipt.

2. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.23,042,546 as disclosed in Note 9 to the financial statements. Included in the expenditure is an amount of Kshs.944,200 transferred to Kenya Secondary Schools Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from school principals only. The organization is not defined in Government funding system, and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.944,200 could not be confirmed.

3. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 27 March, 2024 instead of the statutory deadline of 30 September 2023. This was contrary to the Ministry of Education Circular Ref: MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the school's financial statements should be ready by 30 September, and in compliance which Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Non-Compliance with Board Statutory Requirements

Review of Board documents revealed that the Board of Management did not develop an Annual Work Plan to guide its oversight and governance responsibilities during the period under review. Further, evidence that the Annual Governance Report was submitted to the Director of Basic Education as required by Section 60 of the Basic Education Act, 2013 was not provided for audit. In addition, there was lack of clear guidelines on payment of Board allowances and the Board and Committee minutes provided for audit were not signed by the attendees.

In the circumstances, the effectiveness of the governance mechanism at the school could not be confirmed.

2. Lack of an Internal Audit Function and Audit Committee

During the year under review, the school had not constituted an Audit Committee and an Internal Audit Unit as required by Regulation 166 (1) and (2) of the Public Finance Management (National Government), 2015 which states that, the internal audit unit of a National Government entity to assess effectiveness of the school through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury.

In the circumstances, the existence of an effective oversight mechanisms could not be confirmed.

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

Responsibilities of the Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the School's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

13 May, 2026

5. Statement Of Receipts and Payments For the Year Ended 30th June 2023

Description Of Vote Head	Note	Insert Current 2022-2023 Kshs	Insert Comparative 2021-2022 Kshs
Receipts			
Government grants for tuition	1	987,502	1,401,670
Government grants for operations	2	4,319,285	4,333,033
Government Grants for infrastructure	3	400,000	1,800,000
School fund income- parents' contributions	4	21,197,401	22,527,589
Miscellaneous incomes	5	1,244,197	1,284,187
Total Receipts		**28,148,385**	**31,346,479**
Payments			
Tuition	6	837,728	1,452,075
Operations	7	4,084,538	5,632,550
Infrastructure	8	428,408	2,115,960
Boarding and school fund	9	23,042,546	19,398,401
Total Payments		**28,393,220**	**28,598,986**
Surplus/Deficit		**(244,835)**	**2,747,493**

The school financial statements were approved on ____________ 2024 and signed by:

....	....	....
Name: Peter Gachuhi	**Name: Francis Khisa**	**Name: Lydiah Mwangi**
Chair BOM	**School Principal/ Secretary to BOM**	**Bursar/ Finance Officer**
Date: 21/4/26	**Date:** 21/4/26	**Date:** 21/4/26

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

6. Statement of Assets and Liabilities As At 30th June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	2,036,565	2,931,105
Cash balances	11	96,624	54,328
Short term investments	12	-	-
Total cash and cash equivalent		**2,133,189**	**2,985,433**
Account's receivables	13	7,285,349	6,749,977
Total financial assets		**9,418,538**	**9,735,410**
Financial liabilities			
Accounts payables	14	158,664	230,702
Net financial assets		**9,259,874**	**9,504,708**
Represented by			
Accumulated fund b/fwd	15	9,504,708	6,757,215
Surplus/deficit for the year		(244,835)	2,747,493
Net financial position		**9,259,874**	**9,504,708**

The school's financial statements were approved on ____________ 2024 and signed by:

………………………………	………………………………	………………………………
Name:Peter Gachuhi	**Name: Francis Khisa**	**Name: Lydiah Mwangi**
Chair BOM	**School Principal/ Secretary to BOM**	**Bursar/ Finance Officer**
Date: 21/4/26	**Date:** 21/4/26	**Date:** 21/4/26

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

Statement of Cash Flows for the Year Ended 30th June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition		987,502	1,401,670
Government grants for operations		4,319,285	6,133,033
Government grants for infrastructure		400,000	1,800,000
School fund income- parents contributions/ fees		10,407,030	8,864,906
Other income		11,657,860	13,361,689
Total receipts		**27,771,677**	**31,561,298**
Payments			
Cash outflows for tuition		837,728	1,452,075
Cash outflows for operations		4,084,538	7,432,550
Cash outflows Boarding/lunch and school fund payments		23,273,248	20,321,784
Total payments		**28,195,514**	**29,206,409**
Net cash inflow/outflow from operating activities		**(423,837)**	**2,354,889**
Cash flow from investing activities			
Acquisition of assets		428,408	2,115,960
Proceeds from sale of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash inflow/outflows from investing activities		**428,408**	**2,115,960**
Cash flow from Financing activities			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
Net cash inflow/outflow from financing activities		-	-
Net increase/decrease in cash and cash equivalents		**(852,244)**	**238,929**
Cash and cash equivalent at beginning of the FY		2,985,433	2,746,504
Cash and cash equivalent at end of the FY		**2,133,189**	**2,985,433**

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

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

The school's financial statements were approved on ___________ 2024 and signed by:

………………………………	………………………………	………………………………
Name: Peter Gachuhi	**Name: Francis Khisa**	**Name: Lydiah Mwangi**
Chair BOM	**School Principal/ Secretary to BOM**	**Bursar/ Finance Officer**
Date: 21/4/26	**Date:** 21/4/26	**Date:** 21/4/26

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

7. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2023

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
(1) Capitation Grant on Tuition	1,512,560	-	1,512,560	987,502	66%
(2) Capitation Grant on Operations	3,467,500		3,467,500	2,880,285	83%
3) FDSE for infrastructure	1,825,000		1,825,000	1,439,000	79%
(4) Fees Charged on Parents	14,795,275		14,795,275	9,521,991	65%
Total Income	**21,600,335**		**21,600,335**		
(6) Expenditure For Tuition	1,512,560		1512560	837,728	56%
(7) Expenditure For Operations	3,467,500		3,467,500	3,684,538	107%
(8) Expenditure For infrastructure	1,439,000		1,439,000	428,408	30%
(9) Expenditure For school fund	14,795,275		14,795,275	23,042,546	156%
Total Expenditure	**21,214,355**		**21,214,355**		

8. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

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

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

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

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

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

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

9. Notes To The Financial Statements

1 Government Grants for Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Grant from ministry of education	987,502	1,401,670
Total	**987,502**	**1,401,670**

**Include others as per MOE circulars*

2 Government Grants for Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Infrastructure grant	1,439,000	2,193,000
Other Accounts	2,880,285	3,940,033
Total	**4,319,285**	**6,133,033**

**Include others as per MOE circulars*

3 Government Grants for infrastructure

Description	2022-2023	2021-2022
	Kshs	Kshs
Maintenance & Improvement	400,000	1,800,000
Total	**400,000**	**1,800,000**

4 School Fund Income - Parents Contribution/Fees

Description	2022-2023	2021-2022
	Kshs	Kshs
Fee on Boarding Equipment and Stores	11,675,410	12,984,309
Personnel emoluments	2,098,174	2,581,155
Repairs and maintenance	1,004,000	1,332,630
Local transport / travelling	1,462,435	1,961,174
Electricity and water	1,491,642	1,802,966
Administration costs	3,187,897	1,458,191

Description	2022-2023	2021-2022
	Kshs	Kshs
Activity	227,713	338,464
Catholic Action	2,090	39,700
Christian Union	12,200	15,000
Wildlife club	3,300	
Journalism club		1,000
Science club		1,000
KCSE		12,000
Refundable fees	32,540	
Total	**21,197,401**	**22,527,589**

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

5 Miscellaneous Incomes

Description	2022-2023	2021-2022
	Kshs	Kshs
Income from farming activities	833,697	773,587
Income from Bus Hire	145,000	510,600
Insurance	265,500	
Total	**1,244,197**	**1,284,187**

(Include an explanation on the kind and source of grants/ donations received by the school.)
**Ensure proper authorization from MOE before obtaining loans/borrowings.*
**Indicate what other income relates to including income arising from writebacks if any.*

Notes to the Financial Statements (continued)

6 Payments for Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Exercise books		354,000
Laboratory equipment	685,750	844,300
Teaching / learning materials	151,120	252,305
Bank Charges	858	1,470
Total	**837,728**	**1,452,075**

7 Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Electricity water & Conservancy	285,250	732,020
Local Transport and Travelling	179,271	200,000
Maintenance and Improvements	143,000	638,745
Personal emolument	1,183,036	2,931,580
Admin cost	1,454,481	1,130,205
Activity	439,500	
Infrastructure grant	400,000	1,800,000
TOTAL	**4,084,538**	**7,432,550**

Notes to the Financial Statements (continued)

8 Infrastructure

Description	2022-2023	2021-2022
	Kshs	Kshs
Maintananance &Improvement	428,030	2,115,476
Bank charges	378	484
Total	**428,408**	**2,115,960**

9 Boarding And School Fund

Description	2022-2023	2021-2022
	Kshs	Kshs
Fee on Boarding Equipment and Stores	**11,030,829**	**10,693,277**
Personnel emoluments	**3,434,868**	**2,251,127**
Repairs and maintenance & Improvements	**848,377**	**1,204,928**
Electricity and water	**1,468,230**	**1,462,220**
Local transport / travelling	**1,174,020**	**1,361,500**
Activity	**319,780**	**113,460**
Administration costs	**3,425,234**	**1,271,409**
Catholic Action	**5,200**	**40,500**
Christian Union	**10,000**	**11,000**
Science club	**1,000**	
PeerCounselling		**1,970**
Journalism club		**1,750**
School Farm	**709,420**	**579,230**
School Bus	**324,076**	**394,030**
Insurance	**266,000**	
Refundable fees	**25,512**	
KCSE		**12,000**
TOTAL	**23,042,546**	**19,398,401**

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

Notes to the Financial Statements (continued)

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2022-2023	2021-2022
	Active/Dormant		Kshs	Kshs
Tuition Account		1104243946	161,567	11,794
Operations Account		1104241714	479,682	130,635
School Fund Account/equity		0200293331579	252,972	1,733,722
School Fund Account/k.c.b.		1104232081	856,634	778,868
Infrastructural Account		1267244283	285,709	276,087
Total			2,036,564	2,931,106

11 Cash In Hand

Description	2022-2023	2021-2022
	Kshs	Kshs
Tuition Account	-	-
Operation Account	-	-
Infrastructure Account	(2,358)	35,672
School Fund account	98,982	18,656
Total	**96,624**	**54,328**

12 Short Term Investments

Description	2022-2023	2021-2022
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit accounts	-	-
Other Investments	-	-
Total	-	-

Notes to the Financial Statements (continued)

13 a) Accounts Receivable

Description	2022-2023	2021-2022
	Kshs	Kshs
Fees arrears	7,285,349	6,749,977
Other non-fees receivables		
Salary advances		
Total	7,285,349	6,749,977

13 b) Ageing Analysis of Accounts Receivable

Description	2022-2023		2021-2022	
	Kshs		*Kshs*	
	2022-2023	% of the total	2021-2022	% of the total
Less than 1 year	2,114,260	29 %	2,213,218	33 %
Between 1- 2 years	634,330	9 %	1,038,668	16 %
Between 2-3 years	1,038,668	15 %	636,392	9 %
Over 3 years	3,498,091	47 %	2,861,699	42 %
Total (should tie to note 13 a)	**7,285,349**	**100 %**	**6,749,977**	**100 %**

14 Accounts Payable

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	-	-
Prepaid Fees	158,664	230,702
Retention Monies	-	-
Unpaid salaries and statutory deductions	-	-
Caution money	-	-
Other payables *(specify)*	-	-
Total	**158,664**	**230,702**

Notes to the Financial Statements (continued)

14a. Ageing Analysis of Accounts Payable

Description	2022-2023		2021-2022	
	Kshs		*Kshs*	
	Current FY	**% of the total**	**Comparative FY**	**% of the total**
Less than 1 year	158,664	100 %	230,702	100 %
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (should tie to note 14)	**158,664**	**100 %**	**230,702**	**100 %**

15 Fund Balance Brought Forward

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank balances	2,931,105	2,738,802
Cash balances	54,328	7,702
Receivables	6,749,977	4,934,094
Payables	-230,702	-923,383
Total	**9,504,708**	**6,757,215**

Other important disclosure notes

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

16 Non-current Liabilities Summary

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank Loans	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Others (specify)	-	-
Total	-	-

17 Biological assets

Description	Numbers	2022-2023	2021-2022
		Kshs	Kshs
Cattle	11	-	-
Trees	200	-	-
Total		-	-

18 Borrowings

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

Other important disclosure notes

19 Stock/ Inventory

Description	2022-2023	2021-2022
	Kshs	Kshs
Food stuffs	180,600.00	253,200
Lab consumables	56,000.00	45,000
Farm produce	25,000.00	15,000
	261,600.00	**313,200.00**

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

20 Progress On Follow Up Of Auditor Recommendations

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

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

Sign and Date
Principal