

REPUBLIC OF KENYA



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**REPORT**

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 02 DEC 2024	DAY: Monday
TABLED BY: HON. NADINE WARD, MP	
CLERK AT THE TABLE: DEPUTY MAJORITY WHIP	
	KATHER NG'WOTO

**OF**

**THE AUDITOR-GENERAL**

**ON**

**MURANG'A HIGH SCHOOL**

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

**MURANG'A COUNTY**



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**MURANG'A HIGH SCHOOL**

**PUBLIC SECONDARY SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30<sup>TH</sup> JUNE 2022**

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

**MURANGA HIGH SCHOOL  
PUBLIC SECONDARY SCHOOL  
Report and Financial Statements  
For the Year Ended 30<sup>th</sup> 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 Murang'a County, Murang'a East Sub-County

The school was re-registered on 9<sup>th</sup> February 2022 under registration number 21S3000149 and is currently categorized as a National public secondary school established and operated by the Government.

The school is a boarding school and had 1,880 number of students as at 30<sup>th</sup> June 2022. It has 10 streams and 68 teachers of which 12 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:

<b>Ref:</b>	<b>Name of Board Member</b>	<b>Designation</b>	<b>Date of Appointment</b>
1	Arch. Matias N. Kabiru	Chairman	14/11/2019
2	Willie M. Kuria	Secretary - Principal	14/11/2019
3	Walubengo Waningilo	Member	14/11/2019
4	David Ng'ang'a	Member	14/11/2019
5	John Karuru	Member	14/11/2019
6	Fednand Etyang	Member	14/11/2019
7	Lydia Kwamboka	Member	14/11/2019
8	Naomi Njoroge	Member	14/11/2019
9	Grace Njoki	Member – Representing CEB	14/11/2019
10	Rose Maundu	Member Representing Teachers	14/11/2019
11	Fr. Martin Wanyoike	Member – Sponsor	14/11/2019
12	Elijah G. Mwangi	Member – Community	14/11/2019
13	Faith Jepkemboi	Member Special Needs	14/11/2019
14	Dennis Kamiri	Students Representative	14/11/2019

**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 pupil's 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 paragraph 21 and 23 of the Basic Education Act, 2013.

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**(c) Committees of the Board**

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Arch Matias Kabiru	Chairman	4 out of 4
		Willie M. Kuria	Secretary	4 out of 4
		Rev. Stanley Ngure	PAC/Member	3 out of 4
		Fr. Martin Wanyoike	Member	2 out of 4
		Grace Njoki	Member	4 out of 4
		Faith Jepkemboi	Member	3 out of 4
2	Finance, Procurement and General Purposes Committee	Arch. Matias M. Kabiru	Chairperson	4 out of 4
		Faith Jepkemboi	Member	3 out of 4
		Lydia Kwamboka	Member	0 out of 4
		Joseph Wachira	Member	4 out of 4
3	Academic Committee	Grace Njoki	Chairperson	4 out of 4
		Rose Maundu	Member	3 out of 4
		Charles Karanja	Member	4 out of 4
		Antony Mwaura	Member	2 out of 4
4	Development Committee	David Nganga	Chairman	4 out of 4
		Elijah Mwangi	Member	4 out of 4
		Arch. Matias Kabiru	Member	4 out of 4
		Willie M Kuria	Member	4 out of 4
		Joseph Wachira	Member	4 out of 4
5	Discipline and Welfare Committee	Fr. Martin Wanyoike	Chairperson	2 out of 4
		Rev. Stanley Ngure	Member	3 out of 4
		Grace Njoki	Member	4 out of 4
		Matias Kabiru	Member	4 out of 4
		Ferdinand Etyyang	Member	4 out of 4
6	Human Rights and Students Welfare	Rachel Nganga	Chairperson	1 out of 4
		Waningilo Walubengo	Member	0 out of 4
		Naomi Njoroge	Member	3 out of 4
		Stanley Ngure	Member	3 out of 4
		Matias Kabiru	Member	4 out of 4
		Joseph Wachira	Member	4 out of 4

**KEY SCHOOL INFORMATION AND MANAGEMENT**

**(d) School Operation Management**

For the financial year ended 30<sup>th</sup> June 2022 the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	Willie M. Kuria	271778
2	Deputy Principal	Joseph M. Wachira	404821
3	School Bursar	Ephantus K. Kimani	21883906 (ID)

**(e) Schools contacts**

Post Office Box: 101 – 10200 Murang'a.  
Telephone No.: 0724167580  
E-mail Address: [highschoolmuranga@gmail.com](mailto:highschoolmuranga@gmail.com)  
Website: [murangahigh.sc.ke](http://murangahigh.sc.ke)

**(f) School Bankers**

The school operated 9 bank accounts in the following banks:

1. Name of Bank : Co-operative Bank (Murang'a Branch)  
Account Number : 01129055926400 (School Fund)  
01139055926400 (Tuition)  
01139055926401 (Operation)  
01139055926402 (SIBA)  
01134055926400 (UTaNRMP)
2. Name of Bank : KCB Murang'a Branch  
Account Number : 1108568076 (School Fund)
3. Name of Bank : Equity Bank Murang'a Branch  
Account Number : 0220268103973 (Farm Account)
4. Name of Bank : KCB Murang'a Branch  
Account Number : 1106451325 (Saving Account)
5. Name of Bank : Consolidated Bank Murang'a Branch  
Account Number : 10051203000017 (Dispensary Account)

**g) Independent Auditors**

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

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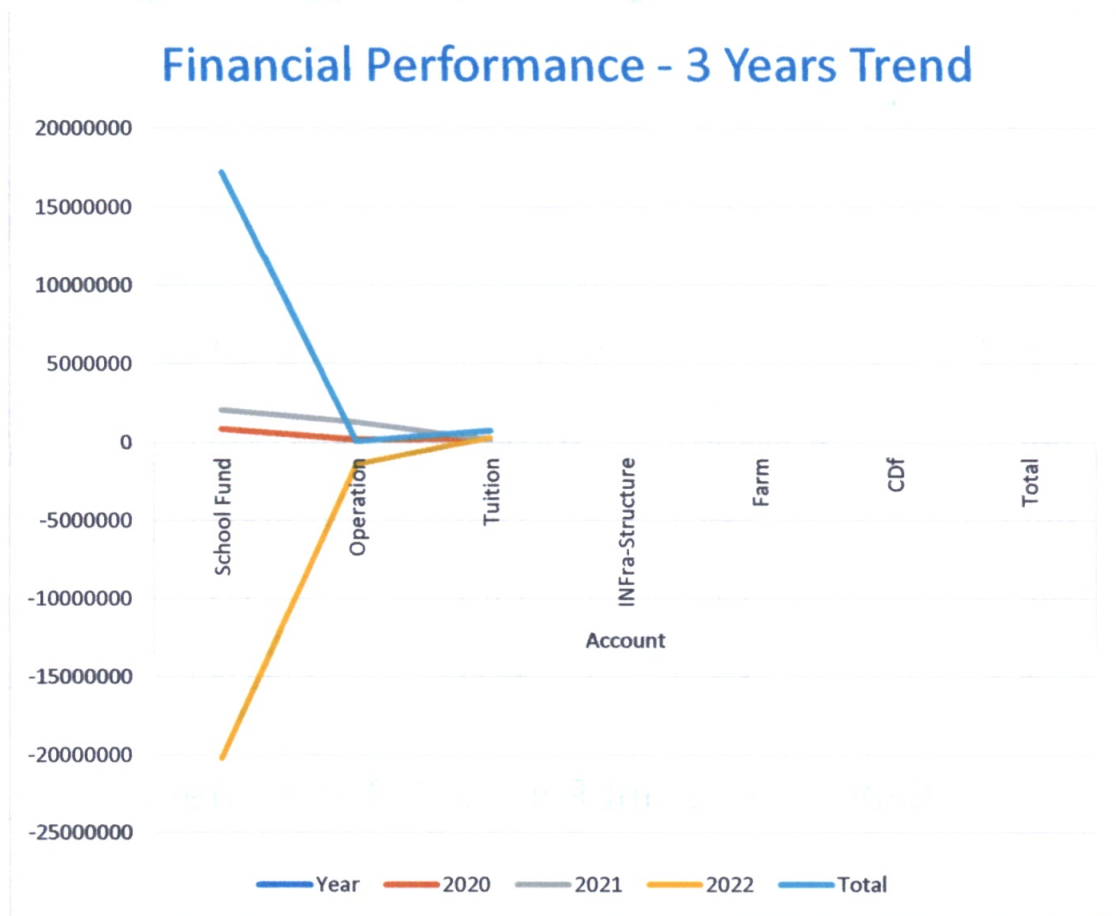
**II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL**

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**

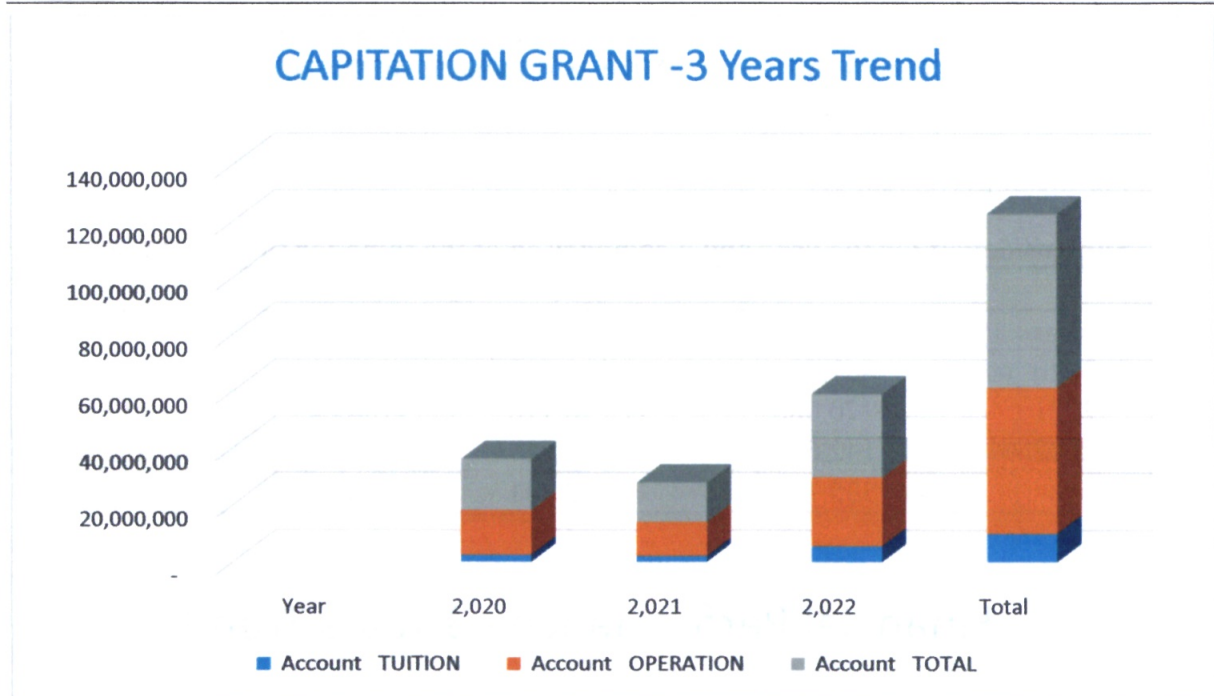
Financial Performance - 3 Years Trend				
Year	School Fund	Operation	Tuition	Total
2020	-862,626	-195,978	-268,402	-1,327,006
2021	470,086	-1,298,176	-184,049	-1,012,139
2022	-10,142,602	931,813	324,091	-8,886,698
<b>Total</b>	<b>-10,535,142</b>	<b>-562,341</b>	<b>-128,360</b>	<b>-11,225,843</b>



**ii) Capitation grants from the Ministry of Education for the last three years**

CAPITATION GRANT -3 Years Trend			
Year	TUITION	OPERATION	TOTAL
2020	2,403,371	15,586,600	17,989,971
2021	1,916,190	11,958,182	13,874,372
2022	5,478,159	24,016,320	29,494,479
<b>Total</b>	<b>9,797,720</b>	<b>51,561,102</b>	<b>61,358,822</b>

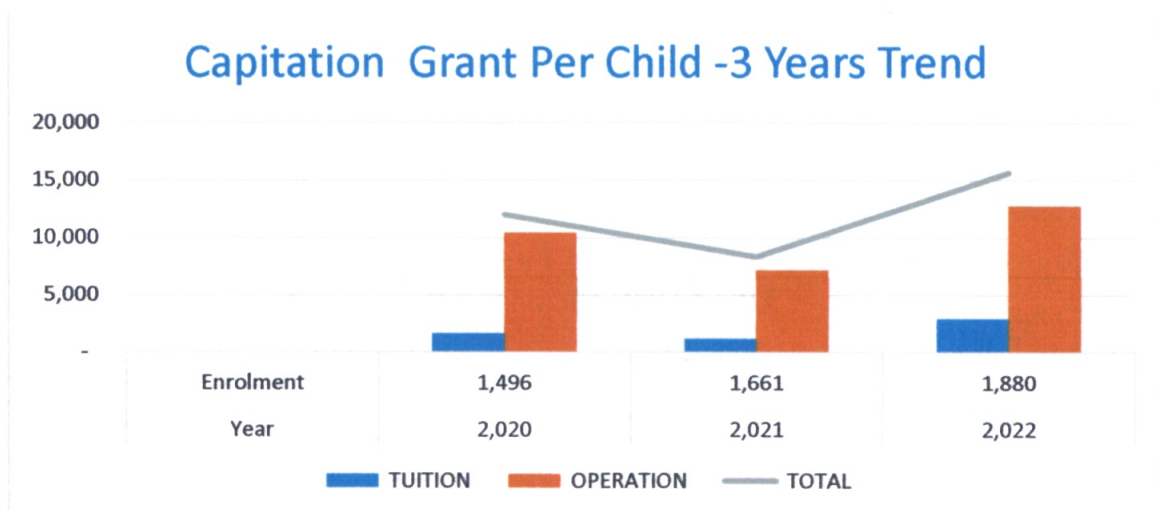
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(The increase of M.O Education grants is due to the fact that in 2020, all the capitation grants were not received due to Covid 19 pandemic; and that 2021 pertains half years grants while 2022 pertains full years grants)

**iii) Ratio of capitation grant per student over the last three years**

Capitation Grant Per Child -3 Years Trend				
Year	Enrolment	TUITION	OPERATION	TOTAL
2020	1496	1,606	10,418	12,024
2021	1661	1,154	7,199	8,353
2022	1880	2,914	12,775	15,689



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(The increase of M.O Education grants is due to the fact that in 2020, all the capitation grants were not received due to Covid 19 pandemic; and that 2021 pertains half years grants while 2022 pertains full years grants)

**iv) Three years growth in income**

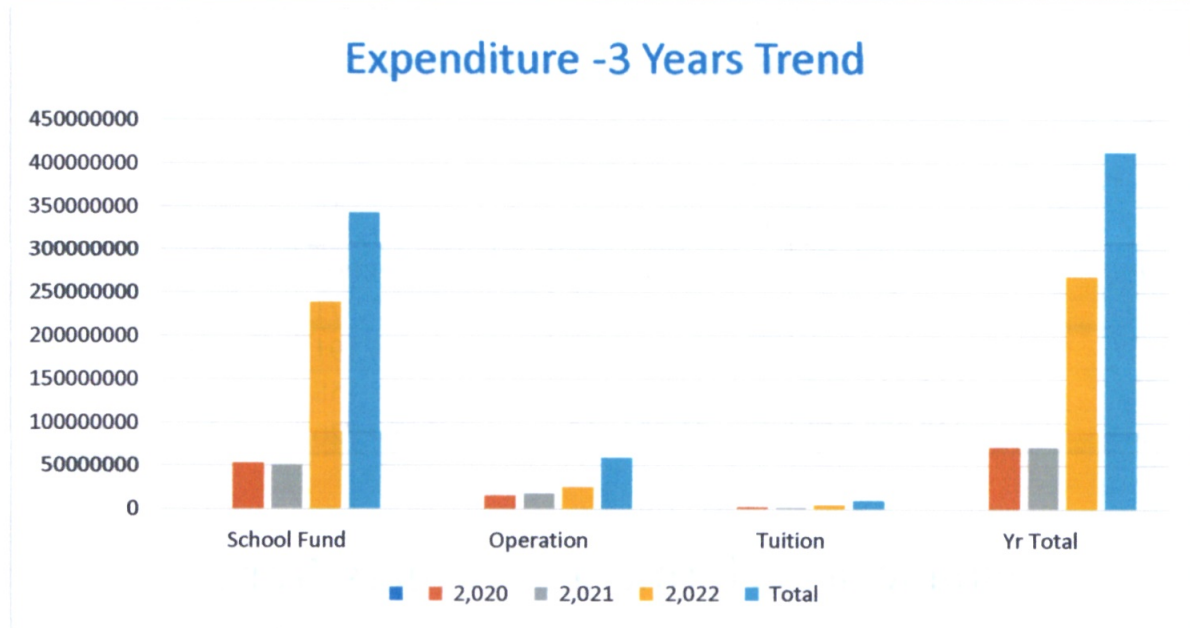
Financial Performance - 3 Year Trend				
Year	School Fund	Operation	Tuition	Total
2020	52,429,229	15,726,600	2,403,371	70,559,200
2021	51,421,544	11,983,182	1,916,191	65,320,917
2022	225,140,085	24,016,320	5,478,158	254,634,563
<b>Total</b>	<b>328,990,858</b>	<b>51,726,102</b>	<b>9,797,720</b>	<b>390,514,680</b>



**v) Three years growth in expenditure**

Expenditure -3 Years Trend				
Year	School Fund	Operation	Tuition	Total
2020	53,291,855	15,922,578	2,671,773	71,886,206
2021	51,175,658	18,357,358	2,102,740	71,635,756
2022	238,595,013	25,426,029	5,154,068	269,175,110
<b>Total</b>	<b>343,062,526</b>	<b>59,705,965</b>	<b>9,928,581</b>	<b>412,697,072</b>

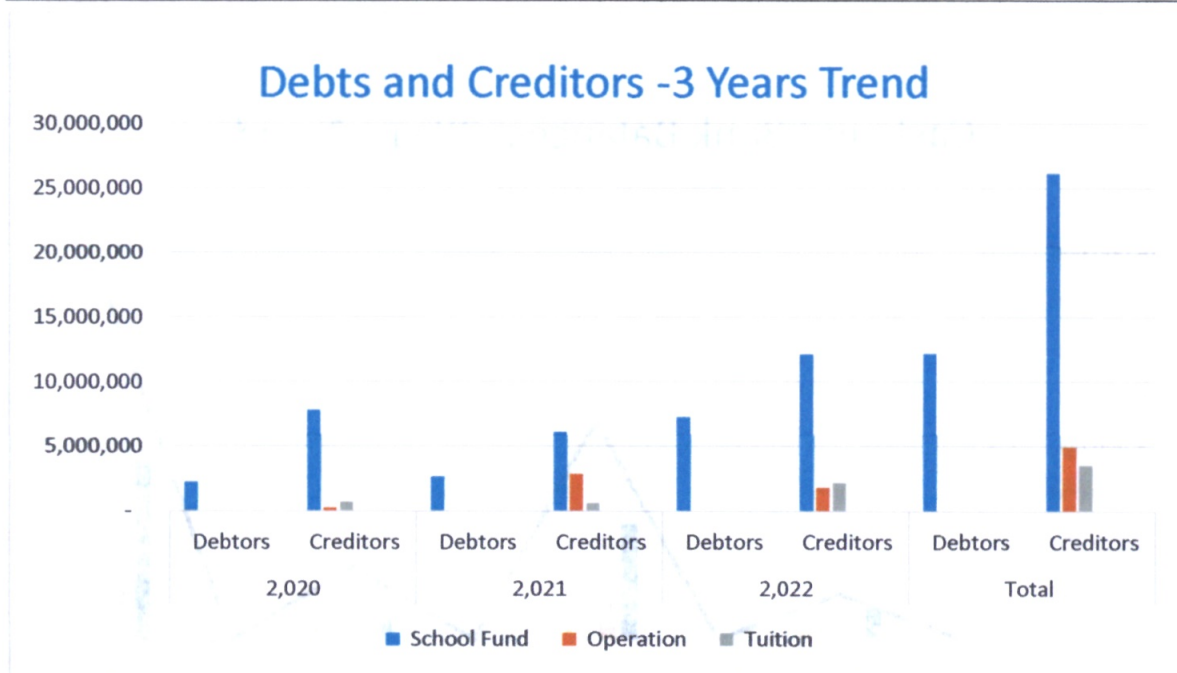
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**vi) Movement of Debtors and Creditors**

Debts and Creditors -3 Years Trend					
Year		School Fund	Operation	Tuition	Total
2020	Debtors	2,243,863	-	-	2,243,863
	Creditors	7,828,225	264,685	711,385	8,804,295
2021	Debtors	2,651,834	-	-	2,651,834
	Creditors	9,661,423	602,572	1,197,230	11,461,225
2022	Debtors	7,311,529	-	-	7,311,529
	Creditors	12,811,487	36,000	742,170	13,589,657
<b>Total</b>	<b>Debtors</b>	<b>12,207,226</b>	<b>-</b>	<b>-</b>	<b>12,207,226</b>
	<b>Creditors</b>	<b>30,301,135</b>	<b>903,257</b>	<b>2,650,785</b>	<b>33,855,177</b>

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**vii) Movement of cash and bank balances over the last three years**

Cash and Bank Balances -3 Years Trend						
		School Fund	Operation	Tuition	Farm	Total
2020	Cash	1,116	-	-	-	1,116
	Bank	1,460,903	21,653	4,635	464,128	1,951,319
2021	Cash	66,627	-	-	-	66,627
	Bank	4,935,684	2,095,047	306,431	1,836,828	9,173,990
2022	Cash	68,483	-	-	-	68,483
	Bank	1,189,388	54,074	75,461	1,806,542	3,125,465
Total	Cash	136,226	-	-	-	136,226
	Bank	7,585,975	2,170,774	386,527	4,107,498	14,250,774

### Cash and Bank Balances -3Years Trend



#### b) Teacher Student ratio

Ratio of students to Teachers	
Total enrolment	1880
Total No of Teachers	68
Students: Teachers ratio	28

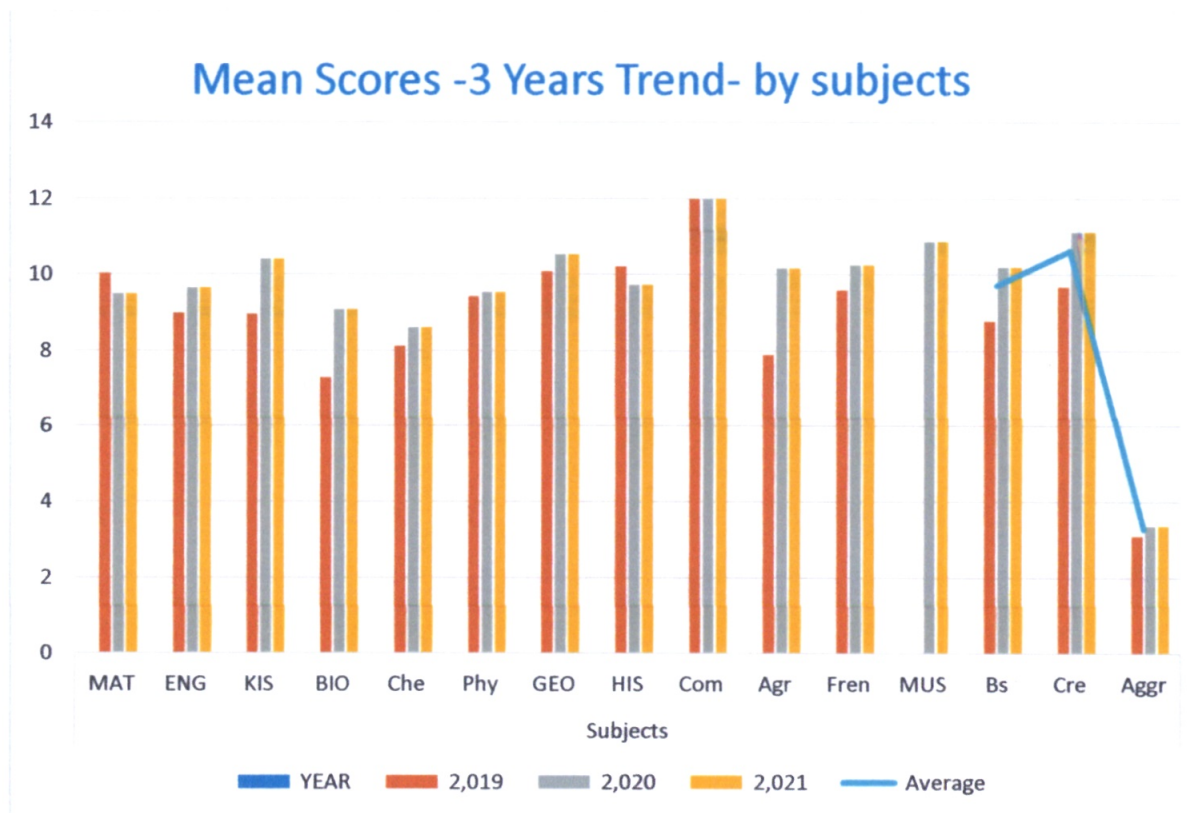
Teachers Turnover	
No of teachers recruited in the year	4
No of teachers transferred inwards in the year	3
No of teachers transferred outwards in the year	6
<b>Net inflow of teachers</b>	<b>3</b>

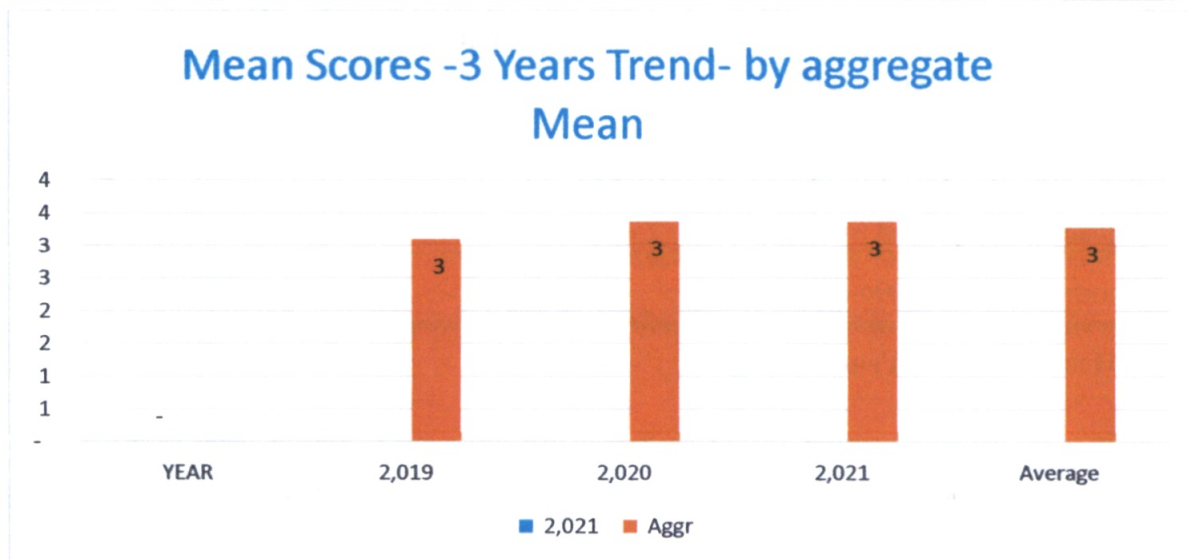
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Teachers Employment	
No of teachers required by CBE	75
No of teachers employed by TSC	68
Shortage / Surplus No of teachers before BOM teachers	7
No of teachers employed by BOM	12
Net Shortage / Surplus No of teachers	5

**c) Mean Scores -3 Years Trend**

YEAR	Subjects														
	MAT	ENG	KIS	BIO	CHE	PHY	GEO	HIS	COM	AGR	FREN	MUS	BS	CRE	
2019	10	9	9	7	8	9	10	10	12	8	10	X	9	10	
2020	9	10	10	9	9	10	11	10	12	10	10	11	10	11	
2021	9	10	10	9	9	10	11	10	12	10	10	11	10	11	





**d) Number of Candidates in the 2020 KCSE:**

2021	2020	2019
312	283	311

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**e) Capacity of the school:**

Area	Means of infrastructure measurement	Quantity of infrastructure required	Actual quantity of infrastructure available	Infrastructure gap
Classrooms	Number of classes	45	36	9
Laboratories	Number of laboratories	8	6	2
Toilet Doors	Number of toilet doors	200	132	68
Offices	Number of offices	25	17	8
Dining Hall	Number of students well seated	2,500	2,500	
Library	Number of students well seated	400	80	320
Hostels	Number of Decker Beds well-spaced	2,500	1,880	620
Staffroom	Number of teachers well seated	75	40	35
Boardroom	Number of BOM members well seated	25	15	10
Staff housing	No of staff properly housed	40	16	24 Housing Units

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

<b>Projects Analysis</b>					
	<b>Name of project</b>				
	<b>Construction of 3 no. classroom</b>	<b>Construction of Dormitory phase 2</b>	<b>Construction of Dormitory phase 3</b>	<b>Construction of 3 no. classrooms Phase 1</b>	<b>Construction of gate, gate house and wall</b>
<b>Contractor</b>	Gerann investment ltd	Davs contractor ltd	Gerann investment ltd	Movers tech ltd	Kimz construction co ltd
<b>Estimated (BQ) Cost</b>	3,470,000	7,487,845	9,290,970	11,986,095	25,686,300
<b>Source(s) of Funding</b>	TIG	M&I FUND	M&I FUND	FORM 2 PA PROJECT	M&I FUND
<b>Contract sum – Labour only</b>	1,348,490	2,365,600	3,152,420	3,348,180	7,164,799
<b>Start Date of project</b>	29 <sup>th</sup> January 2021	3 <sup>rd</sup> February 2020	26 <sup>th</sup> November 2021	Dec 2021	15 <sup>th</sup> September 2021
<b>Expected Completion date</b>	August 2021	September 2021	June 2022	September 2022	August 2022
<b>Status</b>	Complete	Complete	Complete	Complete	Complete
<b>Amount due on project</b>	0.00	0.00	630,854	341,734	846,306
<b>Amount paid</b>	1,731,905	2,365,601	2,521,566	3,006,446	6,318,493
<b>Amount pending</b>	None	None	630,854.00	341,734	None
<b>comment on project success/challenges</b>	Successfully constructed and is currently in use.	Successfully constructed and is currently in use.	Successfully constructed and is currently in use.	Successfully constructed and is currently in use.	Successfully constructed and is currently in use.

**Sign**



**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 Murang'a 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 30<sup>th</sup> June, 2022, and of the school's financial position as at that date.

**Name** : Arch. Matias N. Kabiru  
**Designation** : Chairman, School Board of Management

**Sign** : 

**Date** : 19/09/2022

**Name** : Willie M. Kuria  
**Designation** : School Principal & Secretary to Board of Management

**Sign** : 

**Date** : 19/9/2022

**Name** : Ephantus K. Kimani  
**Designation** : Bursar/ Finance Officer

**Sign** : 

**Date** : 19/9/2022

# REPUBLIC OF KENYA

Telephone: +254-(20) 3214000  
Email: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



*Enhancing Accountability*

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

## REPORT OF THE AUDITOR-GENERAL ON MURANG'A HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 - MURANG'A COUNTY

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### 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 the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the 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.

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 Murang'a High School - Murang'a County set out on pages 18 to 32, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Murang'a High School - Murang'a 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 Financial Statements**

The statement of financial assets and financial liabilities reflects fund brought forward balance of Kshs.9,393,587 which differs with the net financial position balance brought forward of negative Kshs.2,671,586 resulting to an unreconciled variance of Kshs.12,065,173. In addition, the statements of financial assets and financial liabilities reflects comparative balances for bank, receivable and payable of Kshs.16,719,125, Kshs.3,241,742 and Kshs.17,355,907 respectively. However, Note 12 to the financial statements on fund balance brought down reflects balances of Kshs.16,746,350, Kshs.4,895,697 and Kshs.12,315,087 for the same items, resulting to an unreconciled variance of Kshs.26,625, Kshs.1,653,955 and Kshs.5,040,820 respectively.

In the circumstances, the accuracy and completeness of the fund balance brought forward of Kshs.9,393,587 could not be confirmed.

#### **2. Long Outstanding Accounts Receivables**

The statement of financial assets and financial liabilities and as disclosed in Note 10 to the financial statements reflects a balance of Kshs.7,015,993 being accounts receivables. However, supporting schedule for fee arrears indicated that ongoing students owed Kshs.7,311,529 which is more than the reported balance for the accounts receivables. In addition, ageing analysis provided for audit indicated that a balance of Kshs.2,243,863 remained outstanding for over two (2) years.

In the circumstances, the accuracy and recoverability of accounts receivable balance of Kshs.7,015,993 could not be confirmed.

#### **3. Inaccuracies of Accounts Payables**

The statement of financial assets and financial liabilities reflects a balance of Kshs.21,567,359 being accounts payables as disclosed in Note 11 to the financial statements which includes trade creditors balance of Kshs.14,968,183. However, Appendix I to the financial statements and supporting documents indicates trade creditors balance of Kshs.14,794,996 resulting to an unexplained variance of Kshs.173,188.

In the circumstances, the accuracy and completeness of accounts payables balance of Kshs.21,567,359 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Murang'a High School's 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. 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 and 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. Late Submission of Financial Statements**

During the period under review, Management submitted the financial statements to the Auditor-General on 07 March, 2024 instead of the statutory deadline of 30 September, 2022. This was contrary to the requirement that the School's financial statements should be ready by 30 September, 2021 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

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

The statement of receipts and payments reflects boarding and school fund payments amounting to Kshs.226,688,581 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.940,500 transferred to Kenya Secondary School 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, the value for money transferred to KESSHA amounting to Kshs.950,500 could not be confirmed.

### **3. Lack of a Fixed Assets Register**

In the year under audit, the School did not maintain a detailed updated fixed asset register to control and monitor usage of its assets. This was contrary to the Public Finance Management (National Government) Regulations, 2015 which provides that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

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

### **4. Oversupply Textbooks**

During the year under audit, the School received four hundred and sixty-two (462) set books from Kenya institute of Curriculum Development (KICD) for each of the four (4) set books that the School was offering. The set books were received in February, 2022. However, the population of students utilizing the set books was four hundred and twenty-two (422) resulting into an oversupply of forty-one (41) set books.

In the circumstances, the oversupply of books may result to idle books thus prone to loss and misuse and there was no value for money in the oversupplied set books.

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 comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## **REPORT ON THE 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 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**

#### **Lack of Ownership Documents**

Review of the School's documents indicated that the school occupies two parcels of land, with a total acreage of 37 acres. However, the titles are registered to Diocese of Murang'a Registered Trustees and no efforts have been made to transfer the title in the school's name despite circulars from the Ministry of Education requiring all public school acquire title deeds for their school land.

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

The audit was conducted in accordance with ISSAIs 2315 and 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 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 overall 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 its 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 overall 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 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 controls would not necessarily disclose all matters in the internal controls 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 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 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 Management.
- Conclude on the appropriateness of 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 continue 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 Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls 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.

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

20 September, 2024

**MURANGA HIGH SCHOOL  
PUBLIC SECONDARY SCHOOL  
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For the Year Ended 30<sup>th</sup> June 2022**

**V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30<sup>TH</sup> JUNE 2022**

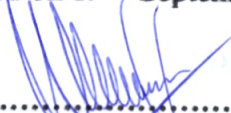
DESCRIPTION OF VOTE HEAD	Note	2021-2022 Kshs	Jan-June 2021 Kshs
<b>RECEIPTS</b>			
Capitation Grants for Tuition	1	5,478,158	1,918,691
Capitation Grants for Operations	2	35,434,320	17,059,182
School Fund Income- Parents' Contributions	3	184,031,856	43,031,781
School Fund Income – Other receipts	4	33,876,033	8,613,963
<b>TOTAL RECEIPTS</b>		<b>258,820,367</b>	<b>70,623,617</b>
<b>PAYMENTS</b>			
Payments for Tuition	5	5,154,068	2,102,740
Payments for Operations	6	43,608,507	18,357,358
Boarding and School Fund Payments	7	226,688,581	53,829,322
<b>TOTAL PAYMENTS</b>		<b>275,451,156</b>	<b>74,289,420</b>
<b>SURPLUS/DEFICIT</b>		<b>(16,630,789)</b>	<b>(3,665,803)</b>

The school financial statements were approved on 19<sup>TH</sup> September, 2022 and signed by:

Sign: 

Name: Arch. Matias N Kabiru  
Chair BOM

Date: 19/09/2022

Sign: 

Name: Willie M. Kuria  
School Principal /  
Secretary to BOM

Date: 19/09/2022

Sign: 

Name: Ephantus Kimani  
Bursar/Finance Officer

Date: 19/09/2022

**MURANGA HIGH SCHOOL  
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**VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES  
AS AT 30<sup>TH</sup> JUNE 2022**

	Note	2021-2022 Kshs.	Jan-June 2021 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	8	7,245,677	16,719,125
Cash Balances	9	68,483	66,626
<b>Total Cash and cash equivalent</b>		<b>7,314,160</b>	<b>16,785,751</b>
Account's Receivables	10	7,015,996	3,241,742
<b>TOTAL FINANCIAL ASSETS</b>		<b>14,330,156</b>	<b>20,027,493</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payables	11	21,567,359	17,355,907
<b>NET FINANCIAL ASSETS</b>		<b>(7,237,203)</b>	<b>2,671,586</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd	12	9,393,586	6,337,389
Surplus/Deficit for the year		(16,630,789)	(3,665,803)
<b>NET FINANCIAL POSSITION</b>		<b>(7,237,203)</b>	<b>2,671,586</b>

The school financial statements were approved on 19<sup>TH</sup> September, 2022 and signed by:

Sign: 

Name: Arch. Matias N. Kabiru  
Chair BOM

Date: 19/09/2022

Sign: 

Name: Willie M. Kuria  
School Principal /  
Secretary to BOM

Date: 19/09/22

Sign: 

Name: Ephantus Kimani  
Bursar/Finance Officer

Date: 19/09/2022

**MURANGA HIGH SCHOOL  
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**VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2022**

	Note	2021-2022 Kshs.	Jan-June 2021 Kshs
<b>Receipts for Operating Income</b>			
Capitation grants for tuition	1	5,478,158	1,918,691
Capitation grants for operations	2	35,434,320	17,059,182
School fund income- Parents contributions	3a	188,510,735	44,759,271
Other Receipts	4a	33,876,033	10,144,139
<b>Total Receipts</b>		<b>263,299,246</b>	<b>73,881,283</b>
<b>Payments</b>			
Payments for Tuition	5a	5,709,128	1,616,895
Payments for operations	6a	44,239,764	18,184,386
School fund payments	7a	222,821,945	49,851,579
<b>Total Payments</b>		<b>272,770,837</b>	<b>69,652,860</b>
<b>Net Cash Flow from Operating Activities</b>		<b>(9,471,591)</b>	<b>4,228,423</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>			
<b>Cash and Cash Equivalent at BEGINNING of the year</b>		<b>16,785,751</b>	<b>12,557,328</b>
<b>Cash and Cash Equivalent at END of the year</b>		<b>7,314,160</b>	<b>16,785,751</b>

The above presentation of cash flow statement uses the direct method of cash flow presentation which is encouraged under IPSAS. The School has therefore adopted the direct method of cashflow as recommended by PSASB.

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**VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
<b>RECEIPTS</b>						
<b>(1) CAPITATION GRANT ON TUITION</b>						
Teaching & Learning Materials	432,900		432,900	432,881	19	99%
Reference Materials	298,000		298,000	297,324	676	99%
Chalk	11,976		11,976	11,976	0	100%
Exercise Books	1,798,217		1,798,217	1,798,217	0	100%
Laboratory equipment	3,468,728		3,468,728	1,734,872	1,733,856	51%
E&A Exams	1,202,888		1,202,888	1,202,888	0	100%
<b>(2) CAPITATION GRANT ON OPERATIONS</b>						
Personnel emoluments	7,300,000		7,300,000	7,134,300	165,700	98%
Repairs and maintenance	9,110,000		9,110,000	8,357,500	752,500	92%
Local transport / travelling	1,100,000		1,100,000	1,093,232	6,768	99%
Electricity and water	3,000,000		3,000,000	2,333,417	666,583	78%
Administration costs	4,170,000		4,170,000	3,237,869	932,131	77%
Activity	620,000		620,000	616,675	3,325	99%
Medical	1,187,327		1,187,327	1,187,327	0	100%
Maintenance & Improvement Fund	18,182,479		18,182,479	11,418,000	6,764,479	63%
<b>(3) FEES CHARGED ON PARENTS</b>						
Personnel emoluments	18,800,000		18,800,000	18,034,923	765,077	96%
Repairs and maintenance	6,164,320		6,164,320	6,177,554	(13,234)	100%

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Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Local transport / travelling	9,786,510		9,786,510	6,003,123	3,783,387	61%
Electricity and water	10,807,671		10,807,671	8,867,844	1,939,827	82%
Administration costs	15,366,588		15,366,588	12,791,306	2,575,282	83%
Uniform	23,784,022		23,784,022	23,784,022	0	100%
Activity	1,954,820		1,954,820	1,954,820	0	100%
PA Project	33,800,142		33,800,142	25,409,903	8,390,239	75%
School Transport	24,447,031		24,447,031	24,447,031	0	100%
Development Fund	16,515,031		16,515,031	9,778,004	6,737,027	60%
Boarding Equipment and Stores	60,216,156		60,216,156	61,787,425	(1,571,269)	102%
<b>TOTAL INCOME</b>	<b>273,524,806</b>		<b>273,524,806</b>	<b>239,892,433</b>	<b>33,632,373</b>	
<b>(1) EXPENDITURE FOR TUITION</b>						
Teaching & Learning Materials	432,900		432,900	241,960	190,940	56%
Chalk	11,976		11,976	0	11,976	0.00%
Exercise Books	1,798,217		1,798,217	883,900	914,317	50%
Laboratory equipment	3,468,728		3,468,728	3,468,728	0	100%
E&A Exams	1,202,888		1,202,888	297,790	905,098	25%
Reference Materials	298,000		298,000	259,890	38,110	97%
<b>(2) EXPENDITURE FOR OPERATIONS</b>						
Personnel Emoluments	7,300,000		7,300,000	7,283,270	16,730	99%
Repairs & Maintenance	9,110,000		9,110,000	9,106,000	4,000	99%
Transport / Travel	1,100,000		1,100,000	910,956	189,044	83%
Electricity and Water	3,000,000		3,000,000	2,902,743	97,257	97%
Administration costs	4,170,000		4,170,000	4,164,932	5,068	99%

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Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Medical	1,187,327		1,187,327	444,057	743,270	38%
Acquisition of Assets	18,182,479		18,182,479	18,182,479	0	100%
Activity	620,000		620,000	613,830	6,170	99%
<b>(3) EXPENDITURE FOR SCHOOL FUND</b>						
Personnel emoluments	18,800,000		18,800,000	12,993,930	5,806,070	98%
Transport / Travel	9,786,510		9,786,510	8,286,289	1,500,221	85%
Electricity and Water	10,807,671		10,807,671	10,619,487	188,184	98%
Repairs & Maintenance	6,164,320		6,164,320	6,096,450	67,870	99%
Administration costs	15,366,588		15,366,588	16,858,480	(1,491,892)	109%
Uniform	23,784,022		23,784,022	22,566,240	1,217,782	95%
Activity	1,954,820		1,954,820	1,044,426	910,394	53%
PA Project	33,800,142		33,800,142	33,800,142	0	100%
School Transport	24,447,031		24,447,031	10,511,042	13,935,989	43%
Development Fund	16,515,031		16,515,031	16,515,031	0	100%
Boarding Equipment and Stores	60,216,156		60,216,156	52,096,802	8,119,354	87%
<b>TOTALS</b>	<b>273,524,806</b>		<b>273,524,806</b>	<b>240,148,854</b>	<b>33,375,952</b>	

[Majority of the vote heads are within the budget provisions. This includes the budget estimates for the year ended 31<sup>st</sup> June 2022.]

## **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.

**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. 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. The financial statements for 2022 comprises of one year's period whereas 2021 is for six months period hence not comparable.

**10. Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2022.

**MURANGA HIGH SCHOOL  
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**X. NOTES TO THE FINANCIAL STATEMENTS**

**1 CAPITATION GRANT FOR TUITION**

<b>Description</b>	<b>2021-2022 Kshs</b>	<b>Jan-June 2021 Kshs</b>
Exercise Books	1,798,217	276,261
Laboratory Equipment and Apparatus	1,734,872	1,203,676
Teaching and Learning Materials	432,881	141,334
Chalks	11,976	57,523
Internal Exams	1,202,888	74,000
Reference Materials	297,324	165,896
<b>Total</b>	<b>5,478,158</b>	<b>1,918,690</b>

**2 CAPITATION GRANT FOR OPERATIONS**

<b>Description</b>	<b>2021-2022 Kshs</b>	<b>Jan-June 2021 Kshs</b>
Personnel Emoluments	7,190,300	2,612,248
Repairs and Maintenance	8,357,500	5,824,500
Travelling and Travel	1,093,232	658,460
Electricity and Water	2,333,417	1,540,966
Infrastructure	11,418,000	5,076,000
Administration Costs	3,237,869	1,346,093
Medical & Insurance	1,187,327	915
Activity	616,675	0
<b>Total</b>	<b>35,434,320</b>	<b>17,059,182</b>

**3 PARENTS CONTRIBUTION/FEEs - SCHOOL FUND ACCOUNT**

<b>Description</b>	<b>2021-2022 Kshs</b>	<b>Jan-June 2021 Kshs</b>
Personnel Emoluments	18,250,423	5,127,080
Travelling and Travel	6,003,123	2,907,148
Electricity and Water	8,867,845	1,403,368
Boarding, Equipment's and Stores	61,787,425	16,410,911
Repairs and Maintenance	6,177,554	552,882
Medical	24,210	8,100
Savings Account	1,654,253	0
Administrative Costs	12,912,906	4,654,332
Uniform	23,784,022	3,097,332
School Transport Fund	24,447,032	0
Parents Association Projects	8,390,239	8,437,047
Development Fund	9,778,004	0
Activity	1,954,820	433,581
<b>Total</b>	<b>184,031,856</b>	<b>43,031,781</b>

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**3a. PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT- NOTE TO CASHFLOW**

Description	2021-2022 Kshs	Jan-June 2021 Kshs
Reported in statement of receipts and payments	184,031,856	43,031,781
Add prepayments within the period	6,599,176	2,681,135
Less prepayments recognized	(7,311,529)	(2,651,834)
Add fee arrears collected	5,191,233	1,698,189
<b>Total</b>	<b>188,510,735</b>	<b>44,759,271</b>

**4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT**

Description	2021-2022 Kshs	Jan-June 2021 Kshs
Point of Sale	15,659,866	5,970,594
House Rent	460,640	121,200
School Farm	1,265,621	393,774
Income Generating Activities	3,791,222	933,328
Pocket Money	382,297	975,984
Edu Afya	2,366,980	138,840
Nemis	0	80,243
Scholarship	5,205,051	0
Bakery	4,744,355	0
<b>Total</b>	<b>33,876,032</b>	<b>8,613,963</b>

**4a. OTHER RECEIPTS – SCHOOL FUND NOTE TO CASHFLOW**

Description	2021-2022 Kshs	Jan-June 2021 Kshs
Reported in statement of receipts and payments	33,876,032	8,613,963
Add farm account activities recovery	-	1,530,176
<b>Total</b>	<b>33,876,032</b>	<b>10,144,139</b>

**5 PAYMENTS FOR TUITION**

Description	2021-2022 Kshs	Jan-June 2021 Kshs
Exercise Books	883,900	913,000
Laboratory Equipment and Apparatus	3,468,728	1,103,000
Teaching and Learning Materials	241,960	0
Internal Exams	297,790	5,000
Reference Materials	259,890	81,380
Bank Charges	1,800	360
<b>Total</b>	<b>5,154,068</b>	<b>2,102,740</b>

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**5a. PAYMENTS FOR TUITION- NOTE TO CASHFLOW**

Description	2021-2022 Kshs	Jan-June 2021 Kshs
Reported in Statement of Receipts and Payments	5,154,068	2,102,740
Add previous creditors paid within the year	1,297,230	711,385
Less accrued expenses during the year	(742,170)	(1,197,230)
<b>Total</b>	<b>5,709,128</b>	<b>1,616,895</b>

**6 PAYMENTS FOR OPERATIONS**

Description	2021-2022 Kshs	Jan-June 2021 Kshs
Personnel Emoluments	7,283,270	2,537,919
Activity	613,830	0
Administration Cost	4,164,932	810,541
Repairs and Maintenance	9,106,000	5,076,000
Travelling and Travel	910,956	248,500
Electricity and Water	2,902,743	948,966
Medical and Insurance	444,057	690,441
Bank Charges	240	0
Acquisition of Assets	18,182,479	8,044,991
<b>TOTAL</b>	<b>43,608,507</b>	<b>18,357,358</b>

**6a. PAYMENTS FOR OPERATIONS- NOTE TO CASHFLOW**

Description	2021-2022 Kshs	Jan-June 2021 Kshs
Reported in Statement of Receipts and Payments	43,608,507	18,357,358
Add previous creditors paid within the year	667,257	429,600
Less accrued expenses during the year	(36,000)	(602,572)
<b>Total</b>	<b>44,239,764</b>	<b>18,184,386</b>

**7 BOARDING AND SCHOOL FUND PAYMENTS**

Description	2021-2022 Kshs	Jan-June 2021 Kshs
Boarding, Equipment's and Stores	50,734,891	20,878,989
Repairs and Maintenance	6,096,450	1,075,270
Electricity and Water	10,619,487	2,871,699
Travelling and Travel	8,286,289	2,570,344
Activity	1,044,426	1,237,080
Administration Costs	17,264,910	7,450,497
Personal Emolument	13,143,930	4,737,419
House Rent expenses	158,520	221,500
Farm Activities	3,016,312	666,201
Uniform	22,566,240	2,326,560
PA Projects	33,799,892	2,616,644
Medical & Insurance	1,973,536	610,679
Bank Charges	12,730	5,110
Income Generating Activities	1,917,041	482,354

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Description	2021-2022 Kshs	Jan-June 2021 Kshs
School Transport Fund	12,165,295	0
Pocket Money	32,750	12,000
Bakery	10,191,300	2,641,303
Point of Sales Activities	11,958,298	3,425,673
Scholarship	5,191,251	0
Development Fund	16,515,031	0
<b>TOTAL</b>	<b>226,688,580</b>	<b>53,829,322</b>

**7a. BOARDING AND SCHOOL FUND PAYMENTS - NOTE TO CASHFLOW**

Description	Jan-June 2021 Kshs	2019-2020 Kshs
Reported in Statement of Receipts and Payments	226,688,580	53,829,322
Add previous creditors paid within the year	10,177,663	6,537,542
Less accrued expenses during the year	(14,044,299)	(10,515,285)
<b>Total</b>	<b>222,821,945</b>	<b>49,851,579</b>

**8 BANK ACCOUNTS**

Bank	Name of Account	Account Number	2021-2022 Kshs	Jan-June 2021 Kshs
Co-operative	Tuition Account	01139055926400	75,461	306,431
Co-operative	Operations Account	01139055926401	54,074	2,095,040
Co-operative	School fund	01129055926400	738,110	4,724,906
KCB	School fund	1108568076	451,278	210,778
Consolidated	Dispensary Account	10051203000017	2,827,444	460,464
Co-operative	UTaNRMP	01134055926400	972,571	0
KCB	Savings Account	1106451325	107,968	107,969
Co-operative	Infrastructure Account	01139055926402	212,229	6,976,709
Equity	Farm Account	0220268103973	1,806,542	1,836,828
	<b>Total</b>		<b>7,245,677</b>	<b>16,719,125</b>

**9 CASH IN HAND**

Description	2021-2022 Kshs	Jan-June 2021 Kshs
School Fund account	68,483	66,626
<b>Total</b>	<b>68,483</b>	<b>66,626</b>

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**10 ACCOUNTS RECEIVABLE**

<b>Description</b>	<b>2021-2022 Kshs</b>	<b>Jan-June 2021 Kshs</b>
Fees arrears	7,015,996	3,156,382
Other non-fees receivables		85,360
<b>Total</b>	<b>7,015,996</b>	<b>3,241,742</b>

**Ageing Analysis**

<b>Description</b>	<b>2021-2022 Kshs</b>	<b>Jan-June 2021 Kshs</b>
Fees arrears for current year	7,311,529	2,651,834
Fees arrears recovered during the year	(5,191,233)	(3,225,690)
Fees arrears for the previous year	2,651,834	2,243,863
Fees arrears for prior periods (over two years)	2,243,863	1,486,375
<b>Total</b>	<b>7,015,993</b>	<b>3,156,382</b>

**11 ACCOUNTS PAYABLE**

<b>Description</b>	<b>2021-2022 Kshs</b>	<b>Jan-June 2021 Kshs</b>
Trade creditors (See ageing below and Appendix 1)	14,968,183	14,674,772
Prepaid fees	6,599,176	2,681,135
<b>Total</b>	<b>21,567,359</b>	<b>17,355,907</b>

**Ageing Analysis**

<b>Description</b>	<b>2021-2022 Kshs</b>	<b>Jan-June 2021 Kshs</b>
Trade creditors for current year	14,794,996	12,315,087
Trade creditors paid during the year	(12,141,900)	(7,590,492)
Trade creditors for the previous year	12,315,087	9,950,177
Trade creditors for prior periods (over two years)	0	0
<b>Total</b>	<b>14,968,183</b>	<b>14,674,772</b>

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**12 FUND BALANCE BROUGHT FORWARD**

<b>Description</b>	<b>2021-2022 Kshs</b>	<b>Jan-June 2021 Kshs</b>
Bank Balances	16,746,350	12,556,212
Cash Balances	66,626	1,116
Receivables	4,895,697	3,730,238
Payables	(12,315,087)	(9,950,177)
<b>Total</b>	<b>9,393,587</b>	<b>6,337,389</b>

**OTHER IMPORTANT DISCLOSURE NOTES**

IPSAS 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.

**13 BIOLOGICAL ASSETS**

<b>Description</b>	<b>Numbers</b>	<b>Price per Unit</b>	<b>2021-2022 Kshs.</b>	<b>Jan-June 2021 Kshs</b>
Cattle	10		640,000	90,000
Goats	6		54,000	51,000
Trees	1,530		2,270,000	2,260,000
Rabbits	18	1,000	18,000	18,000
Poultry	152		149,000	104,000
<b>Total</b>			<b>3,131,000</b>	<b>2,523,000</b>

**14 BORROWINGS**

<b>Description</b>	<b>2021-2022 KShs.</b>	<b>Jan-June 2021 Kshs</b>
Borrowings at the beginning of the year	14,857,218	0
Borrowings during the year	0	0
Repayment during the during the year	1,654,253	0
<b>Balance at end of the year</b>	<b>13,202,965</b>	<b>0</b>

**15 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

This is the first period the school is being audited by the external auditor, hence no previous issues raised.

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**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2021	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Supply of Goods</b>						
1. Kusiwa supplies	1,815,000			1,815,000		To be paid in term 2 2022
2. Waloc enterprises	1,398,410			1,398,410		To be paid in term 2 2022
3. Margaret W.Kimani	16,680			16,680		To be paid in term 2 2022
4. Oasis supplies	1,256,640			1,256,640		To be paid in term 2 2022
5. Njanju Arts &Service	46,000			46,000		To be paid in term 2 2022
6. Trio queen investment	184,730			184,730		To be paid in term 2 2022
7. Gopi Natha h/ware	441,530			441,530		To be paid in term 2 2022
8. Elijah W Mwaura	25,000			25,000		To be paid in term 2 2022
9. Weaner electicals	136,290			136,290		To be paid in term 2 2022
10. Stephen Wambugu	40,000			40,000		To be paid in term 2 2022
11. Nancy Wanjiku	30,000			30,000		To be paid in term 2 2022
12. Copycat limited	135,070			135,070		To be paid in term 2 2022
13. Phormax enterprises	104,000			104,000		To be paid in term 2 2022
14. Mekids general h/w	907,650			907,650		To be paid in term 2 2022
15. Gracious sunrise sch	580,000			580,000		To be paid in term 2 2022
16. Lukas enterprises	1,210,140			1,210,140		To be paid in term 2 2022
17. Jane Kinyua	16,920			16,920		To be paid in term 2 2022
18. Maguna andu w/saler	2,323,310			2,323,310		To be paid in term 2 2022

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2021	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
19. Grace Wakeru M	490,620			490,620		To be paid in term 2 2022
20. Forthall commercial agencies	135,200			135,200		To be paid in term 2 2022
21. Kiannam merc. ltd	727,170			727,170		To be paid in term 2 2022
22. Tap Education publisher	15,000			15,000		To be paid in term 2 2022
23. Bediel enterprises	36,000			36,000		To be paid in term 2 2022
24. Daddy millers ltd	2,150,000			2,150,000		To be paid in term 2 2022
<b>Supply of Services</b>						
25. Mutech Motors	173,188			173,188		To be paid in term 2 2022
26. silvacom investment	48,410			48,410		To be paid in term 2 2022
27. Belons office machines	95,300			95,300		To be paid in term 2 2022
28. Kimtech auto services	50,400			50,400		To be paid in term 2 2022
29. Diana Kamau	155,910			155,910		To be paid in term 2 2022
30. Catherine Mwangi	50,428			50,428		To be paid in term 2 2022
<b>Grand Total</b>	<b>14,794,996</b>			<b>14,794,996</b>		

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**ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER**

<b>Asset class</b>	<b>Historical Cost b/f (Kshs) 1<sup>st</sup> July 2021</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost c/f (Kshs) 30<sup>th</sup> June 2022</b>
Land 37 Acres	240,000,000			240,000,000
Buildings and structures	366,100,000	48,220,303		414,320,303
Motor vehicles				
KYF 408	1,000,000			1,000,000
KBW 153V	6,900,000			6,900,000
KBJ 265IU	2,390,200			2,390,200
KDG214C		13,461,345		13,461,345
KDG370C		4,170,000		4,170,000
Office equipment, furniture and fittings	15,041,000	1,099,650		16,140,650
ICT Equipment, CCTV Other ICT Assets	5,040,000	582,000		5,622,000
Tools and apparatus	7,500,000			7,500,000
Textbooks	14,578,000			14,578,000
Other Machinery and Equipment	2,147,900	1,198,640		3,346,540
Firefighting equipment's	400,000			400,000
Intangible assets - software	2,345,000			2,345,000
Bio-digester Systems	4,600,000			4,600,000
Borehole	2,723,090			2,723,090
Tent and Chairs	273,000	138,500		411,500
Green house	500,000			500,000
Generator 100 KVA	2,080,000			2,080,000
27 KVA	1,500,000			1,500,000
Gates B,C,D,E	1,400,000			1,400,000
<b>Total</b>	<b>675,118,190</b>	<b>68,870,438</b>		<b>743,988,628</b>