REPUBLIC OF KENYA

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

ST. JOSEPH MKUNGI SECONDARY SCHOOL

FOR THE YEAR ENDED 30 JUNE, 2024

NYANDARUA COUNTY

ST JOSEPH MKUNGI SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30 JUNE 2024

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

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1. Acronyms and Glossary of Terms

BOM	Board of Management
CEB	County Education Board
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
FY	Financial Year
FDSE	

2. 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 in nyandarua County, north kinangop Sub-County.

The school was registered in 15 feb 1989 under registration number 18-S-0030!-0878 and is currently categorized as a Extra county public school established, owned or operated by the Government.

The school is a day/boarding school and had 333 number of students as at 30th June 2023 It has 2 streams and 16 teachers of which 4 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

The School Board of Management established under Section 55 of the Basic Education Act, 2013; is composed of the following members:

Ref:	Name of Board Member	Designation	Date of appointment
1	Simon Thairu	Chairman	2022
2	Simon Mbugua	Secretary - Principal	2022
3	Monicah Wanjiku	Member	2022
4	Phylis N Kamau	Member	2022
5	Alice Mugure	Member	2022
6	Mary Muthoni	Member	2022
7	Samuel Muchai	Member	2022
8	Grace Wanjiru	Member – Rep CEB	2022
9	Simon Waboi	Teachers rep	
10	Thomas Mwangi	3 Members - Sponsor	2022
11	Njoroge Gichiga	Member - Community	2022
12	Paul Karaya	Member Special Needs	2022

The functions of the School Board of Management are to:

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

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1.Simon Mbugua 2. Simon Thairu 3.Cecilia Njeri 4. Monicah Wanjiku 5. Samuel Mathenge	Principal BOM Bom chair Sponsor Member Member	
2	Audit Committee	1.Ceceliah Matheri 2.Samuel Nyoike 4.Paul Karaya 5.Gichiga Njoroge	Member Member Member member	1
3	Finance,procurement and general purposes Committee	1.Simon Thairu 2.Simon Mbugua 3.Samuel Mutahi	Member Member Member	1

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
		4.Monicah Karichu	Member	
4	Academic Committee	1.Simon M Mbugua 2.Paul Karaya 3.Julius Maina 4.Grace Kamau	Principal Member Member Member	1
5	Development Committee			
6	Discipline and welfare Committee	1.Monicah Karichu 2.Samuel Mutahi 3.Samuel Nyoike 4.Cecilia Matheri 5.Phylis Kamau	Member Member Member Member Member	1

(d) School operation Management

For the financial year ended 30th June 2024 the School day-to-day management was under the following persons:

Ref:	Designation	Name	Identification
1	Principal	Simon Muiruri Mbugua	TSC No.261375
2	Deputy Principal	John Mwangi	TSC No.357661
3	School Bursar	Irene njeri	ICPAK No.
4	Other (specify)		

(e) Schools contacts

Post Office Box: 234,North kinangop
Telephone: 0119717761
E-mail: mkungicenterofexellence gmail.com
Website:
Facebook:
Twitter:

(f) School Bankers

Provide details of the school bankers.

Name of Bank: KCB
Branch Njabini main acc 1104232197
Operations acc 1104242982
ESP acc 1114708445
Tuition acc 1104243466
Name of Bank muki sacco
Branch ndunyu njeru acc 0110-001-01663

(g) Independent Auditors

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

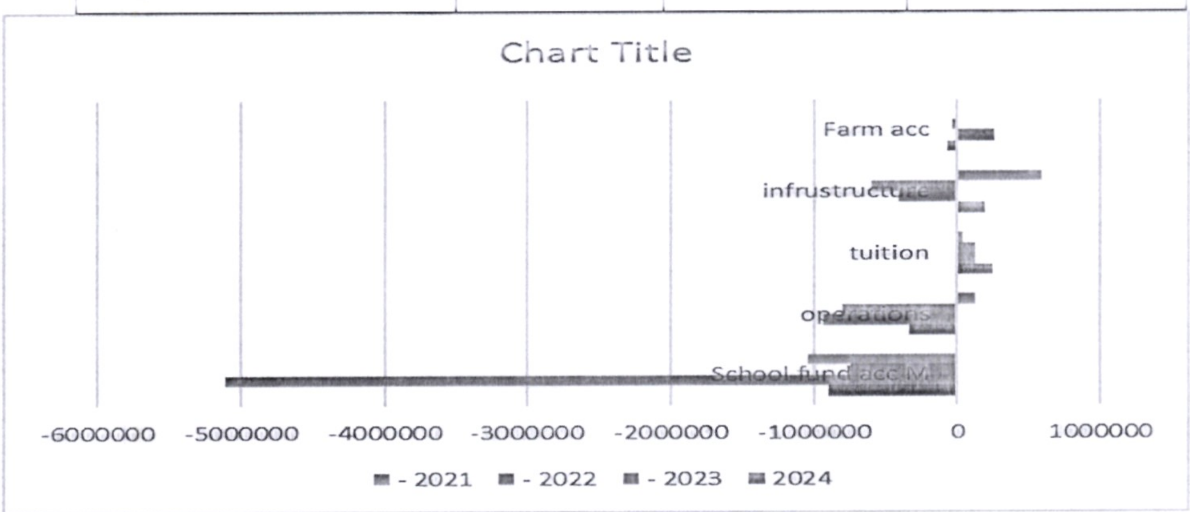
3. Summary Report of Performance of The School

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

a) **Financial performance:**

i). Surplus/ deficit

ACCOUNT	2024	2023	2022
School Fund	1,576,616	(2,363,968)	1,138,006
Operations	368,580	(924,780)	(204,322)
Tuition	253,289	(49,860)	(131,586)
Infrastructure	269,360	413,525	(597,362)
Farm Account	255,498	258,950	(35,393)
CDF			77,615
Surplus/Deficit	2,723,343	(2,666,133)	103,343

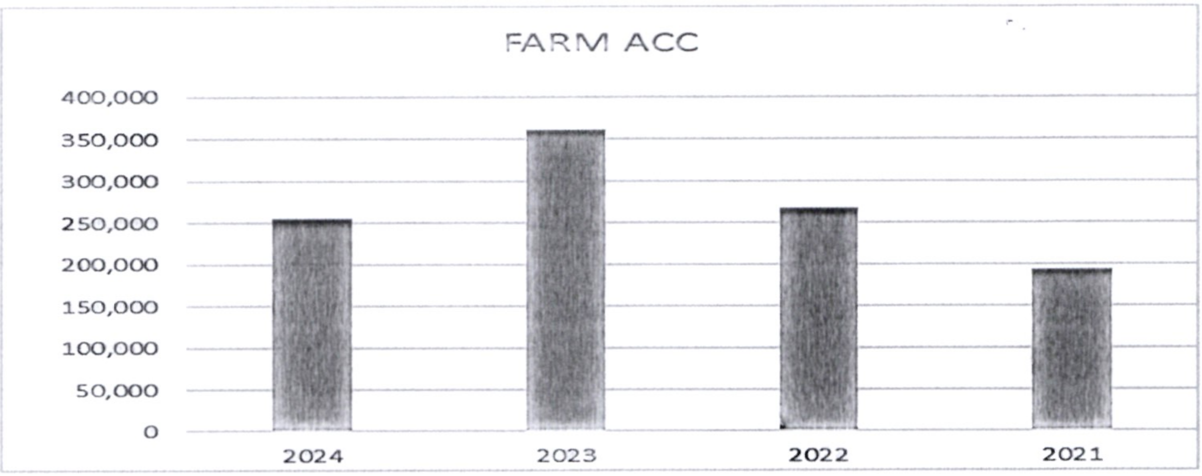


ii). Capitation grants from the Ministry of Education for the last three years

	2024	2023	2022
Operations	3,879,442	3,834,598	4,189,299
Tuition	799,379	870,286	952,877
Infrastructure	634,000	1,772,000	2,769,900
Total	**5,312,821**	**6,476,884**	**7,912,076**

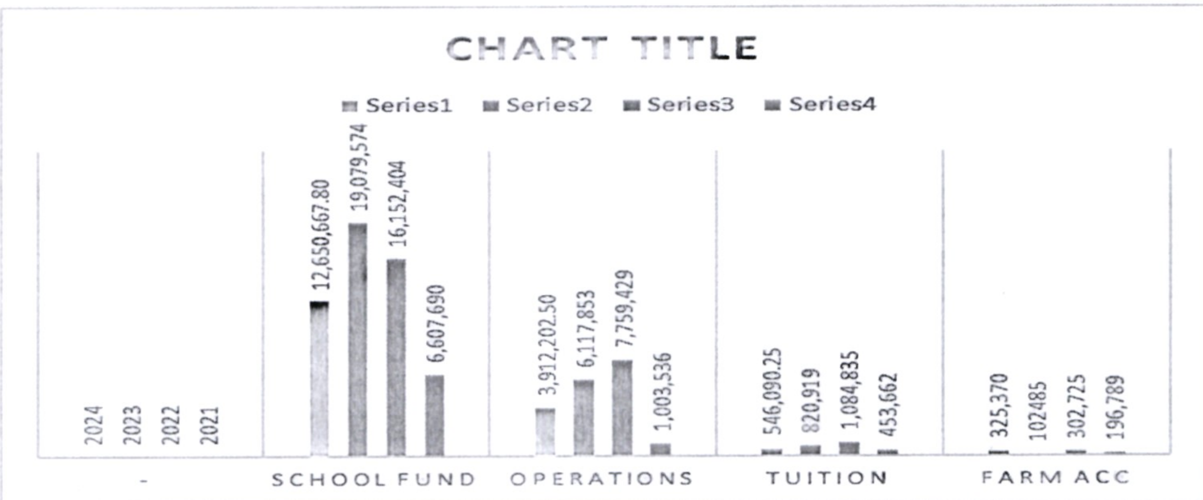
iii). Three-year overview of growth farm income earned by the school.

	2024	2023	2022	2021
Farm Account	255,493	361,435	277,332	194,153



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

	2024	2023	2022
School Fund	12,589,293	16,954,570	14,069,284
Operations	3,510,862	4,759,378	439,361
Tuition	546,090	919,149	1,084,463
Farm Account	325,370	102,485	302,725



b) Teacher Student ratio:

	Male	Female	Total
No of TSC teachers	9	3	12
No of BOM teachers	3	1	4
	12	4	16

No of students 333

333/16

Ratio of 1;21

c) **Mean score in the 2023/2022/2021/2020/ KCSE:**

Year	Mean	Target	Comment
2020	6.054	6.5	Positive deviation 80% of the students made it to higher education level
2021	5.4	7.2	There was a negative deviation of 1.8
2022	5.521	6	Positive deviation of 0.119 from the previous year
2023	5.122	6.0	Negative deviation of 0.399

d) **Number of Candidates in the 2023 KCSE:**

Year	No of Students
2020	93
2021	67
2022	69
2023	49

e) **Capacity of the school:**

Description	No of rooms	Capacity	enrolment
Dormitories	3	600 students	333
Laboratories	2	50 students	333
Toilets	24	600 students	333
Classes	12	600 students	333
Dining hall	1	600 students	333

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

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Kitchen roofing tiling of CBC classroom	MOE	COMPLETE	952,000	634,000	

CHIEF PRINCIPAL
ST. JOSEPH MKUNGI SEC. SCHOOL
(CENTRE OF EXCELLENCE)
P.O. Box 234-20318, NORTH KINANGOP
Date: 23/4/26 Sign:

....

School Principal

4. Statement of School Management Responsibility

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

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

The Board of Management of S.T Joseph Mkungi 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 30 June, 2024, and of the school's financial position as at that date.

....

Name: Simon Thairu

Designation: Chairman, School Board of Management

Date: 20/04/2026

....20/04/2026

Name: Simon Mbugua

Designation: School Principal & Secretary to Board of Management

Date: 20/04/2026

....

Name:Irene Njeri

Designation: Bursar

Date: 20/4/2026.

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
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 ST. JOSEPH MKUNGI SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2024 – NYANDARUA COUNTY

PREAMBLE

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

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;

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,

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 St. Joseph Mkungi Secondary School set out on pages 1 to 13, which comprise of the statement of assets and liabilities as at 30 June, 2024, and the statement of receipts and payments, statement of cash flows, 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 St Joseph Mkungi Secondary School as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Variance in Accounts Receivable

The statement of assets and liabilities reflects accounts receivables balance of Kshs.2,451,116. However, the amount differs with the supporting ledger balance of Kshs.2,341,532 resulting in an unexplained variance of Kshs.109,584.

In the circumstances, the accounts receivables balance of Kshs.2,451,116 could not be confirmed.

2. Unsupported Accounts Payables

The statement of assets and liabilities reflects accounts payables balance of Kshs.624,650 in respect of caution money. However, no supporting documents were provided for audit.

In the circumstances, the accuracy, existence and completeness of retention monies balance of Kshs.624,650 could not be confirmed.

3. Unsupported Cash and Cash Equivalents

The statement of assets and liabilities reflects cash and cash equivalents bank balances of Kshs.2,889,044 as disclosed in Note 10 to the financial statements. Included in this is a school fund account balance of Kshs.671,282. Review of the bank reconciliation for the account revealed unpresented cheques amounting to Kshs.2,356,109, whose supporting breakdown or detailed schedule was not provided for audit.

Further, the bank balances include a Sacco account balance of Kshs.255,092 which was not supported by a cash book and no bank reconciliation had been performed.

In the circumstances, the accuracy, completeness, existence of cash and cash equivalents bank balance of Kshs.2,889,044 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of St. Joseph Mkungi 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 effect of the matters described in the Basis for Qualified Opinion, I have determined that there are no other key audit matters to communicate in my report.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Unconfirmed Students Enrolment Data

Comparison of data from National Education Management and information System (NEMIS) with the school's enrollment records revealed inconsistencies during the financial period ending 30 June, 2024. NEMIS reflected a total of three hundred and thirty-nine (339) students while the school's records indicated a total of three hundred and thirty-three (333) students, resulting in an unexplained variance of six (6) students. This has been attributed to delays in updating learner transfers in the NEMIS system. This was contrary to the Ministry of Education Circular MOE.CONF/G5 dated 26 November, 2019 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure accuracy of the records.

In the circumstances, inaccuracies in the NEMIS database may lead to erroneous funding decisions and affect the equitable allocation of capitation grants.

2. Failure to Transfer Infrastructure Funds from Operations Bank Account

During the year under review, the School received capitation grants amounting to Kshs.4,513,442 from the Ministry of Education credited in to the operations account. Included in the amount is Kshs.1,650,714 which was to be transferred to the infrastructure bank account for maintenance and improvement of the school's facilities. However, only Kshs.634,000 was transferred to the infrastructure account leaving Kshs.1,016,714 not transferred as at 30 June, 2024. This was contrary to the Ministry of Education No: Circular Ref. No: 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 guidelines.

3. 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.12,589,293 as disclosed in Note 9 to the financial statements. Included in the expenditure is an amount of Kshs.444,000 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, value for money transferred to KESSHA amounting to Kshs.444,000 could not be confirmed.

4. Lack of a Functional Procurement Unit

The School did not have an established procurement function managed by qualified procurement professional as required under Section 47(2) of the Public Procurement and Asset Disposal Act, 2015 and Regulation 33 of the Public Procurement and Asset Disposal Regulations, 2020. Procurement activities were undertaken by individuals lacking the requisite qualifications.

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 about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of an Internal Audit Function

During the year under review, the school had not constituted 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.

2. Long Outstanding Accounts Receivables

The Statement of assets and liabilities reflects a balance of Kshs.2,451,116 in respect of accounts receivable as analyzed in Note 13 to the financial statements. Review of the ageing analysis revealed fees arrears amounting to Kshs.1,172,192 remained outstanding for over two years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on full recoverability of the accounts receivables balance.

In the circumstances, the existence of effective mechanisms for debt management 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.

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

Auditor-General's Responsibilities for the Audit

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 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

12 May, 2026

6. Statement of Receipts and Payments For the Year Ended 30 June 2024

Description Of Vote Head	Note	2023-2024	2022-2023
		KSH	Kshs
Receipts			
Government grants for tuition	1	799,379	870,286
Government grants for operations	2	3,879,442	3,834,598
Government Grants for infrastructure	3	634,000	1,772,000
School fund income- parents' contributions	4	14,009,773	14,487,137
Miscellaneous incomes	5	255,498	361,435
Total Receipts		19,578,092	21,325,456
Payments			
Tuition	6	546,090	919,146
Operations	7	3,510,862	4,759,378
Infrastructure	8	364,640	1,358,475
Boarding and school fund	9	12,589,293	16,954,570
Total Payments		**17,010,885**	**23,991,569**
Surplus/**Deficit**		**2,567,207**	**(2,666,133)**

The school financial statements were approved on ....16/10/2024........ and signed by:

CHIEF PRINCIPAL
ST. JOSEPH MKUNGI SEC. SCHOOL
(CENTRE OF EXCELLENCE)
P.O. Box 234-20318, NORTH KINANGOP
Date:..................Sign:..................

....	....	....
Name: Simon Thairu	**Name: Simon Mbugua**	**Name: Irene Mbugua**
Chair BOM	**School Principal/ Secretary to BOM**	**Bursar**
Date: 20/04/2026	**Date:** 20/04/2026	**Date:** 20/04/2026.

7. Statement of Assets and Liabilities as at 30 June 2024

Description	Note	2023-2024	2022-2023
			Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	2,889,044	116,038
Cash balances	11	49,389	98,779
Total cash and cash equivalent		2,938,433	214,817
Account's receivables	13	2,451,116	2,607,525
Total financial assets		5,389,549	**2,822,342**
Financial liabilities			
Accounts payables	14	(624,650)	(624,650)
Net financial assets		4,764,899	2,197,692
Represented by			
Accumulated fund b/fwd	15	2,197,692	4,863,825
Surplus/deficit for the year		2,567,207	(2,666,133)
Net financial position		4,764,899	**2,197,492**

The school's financial statements were approved on ……16/10/2024……………..and signed by:

CHIEF PRINCIPAL
ST. JOSEPH MKUNGI SEC. SCHOOL
(CENTRE OF EXCELLENCE)
P.O. Box 234-20319, NORTH KINANGOP
Date: ……… Sign: ………

………………………	………………………	………………………
Name: Simon Thairu	Name: Simon Mbugua	Name: Irene Njeri
Chair BOM	School Principal/ Secretary to BOM	Bursar
Date: 20/04/2026	Date: 20/04/2026	Date: 20/04/2026

8. Statement of Cash Flows for the Year Ended 30 June 2024

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Receipts			
Capitation grants for tuition	1	799,379	870,286
Capitation grants for operations	2	3,879,442	3,834,598
Capital Grants for infrastructure	3	634,000	1,772,000
School fund income- Parents contributions/ fees	4(a)	14,166,187	13,975,742
School fund income- other receipts	5	255,493	361,435
Total receipts		19,734,501	20,814,061
Payments			
Payments for Tuition	6	546,090	919,146
Payments for operations	7	3,510,862	4,759,378
Payments for infrastructure	8	364,640	1,358,475
Boarding and school fund payments	9	12,589,293	16,954,750
Total payments		17,010,885	23,991,749
Net cash flow from operating activities		2,723,616	(3,177,688)
Net Increase in Cash and Cash Equivalents		2,723,616	(3,177,688)
Cash and cash equivalent at BEGINNING of the year		214,817	3,367,345
Cash and cash equivalent at END of the year		2,938,433	214,817

The school's financial statements were approved on ……16/10/2024……and signed by

CHIEF PRINCIPAL
ST. JOSEPH MKUNGI SEC. SCHOOL
(CENTRE OF EXCELLENCE)
P.O. Box 234-20318, NORTH KINANGOP
Date:……… Sign:………

…………………………	…………………………	…………………………
Name: Simon Thairu	**Name: Simon Mbugua**	**Name: Irene Mbugua**
Chair BOM	**School Principal/ Secretary to BOM**	**Bursar**
Date: 20/04/2026	**Date:** 20/04/2026	**Date:** 20/04/2026.

9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2024

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					
Teaching / Learning Materials	1,259,776	0	1,259,776	799,379	63%
(2) Capitation Grant on Operations					
Medical/insurance	608,000	0	608,000		0%
Administration Costs	2,857,600	0	2,857,600	3,879,442	135%
Activity	456,000	0	456000		0%
3) FDSE for infrastructure					
Maintenance &Improvement MoE	1,520,000	0	1,520,000	634,000	42%
(4) Fees Charged on Parents					
PE /EWC/LTT/ADM	3,444,300	0	3,444,300	3,032,891.00	88%
Repairs And Maintenance	534,000	0	534,000	474,804.00	81%
Activity	66,750	0	66,750	59,392.00	89%
SMASSE					
Fee On Boarding Equipment and Stores	7,332,796	825,000	8,157,795	10,442,686	100%
5) Miscellenous Income					
Income From Farming Activities				255,498	
Total Income	**18,140,022**	825,000	18,965,022	**19,578,092**	92%
(6) Expenditure For Tuition					
Teaching / Learning Materials	1,259,776	0	1,259,776	546,090	43%
(7) Expenditure For Operations					

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
PE,L.T.T,EWC,ADM	2,857,600		2,857,600	2,982,646	76%
Repairs, Maintenance & Improvements	1,520,000	0	1,520,000	364,650	79%
Electricity, Water and Conservancy				107,479	
Medical	608,000	0	608,000		
Administration Costs				43,450	
Activity Expenses	456,000	0	456,000	374,000	82%
charges				3,287	
(9) Expenditure For school fund/lunch/boarding					
PE/EWC/ADM/LTT	3,444,300	0	3,444,300	3,317,608.00	96%
Repairs, Maintenance and Improvements	534,000	0	534,000	544,670.00	101%
Activity	66,750	0	66,750	755,447	
Boarding Equipment and Stores	7,332,795	825,000	8,157,795	7,633,531	98%
Expenditure For Income Generating Activity				325,370	
Bank Charges				12,667	
Totals	**18,140,022**	**825,000**	**18,965,022**	**16,854,749**	**92%**

10. Significant Accounting Policies

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

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

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

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

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

2. **Recognition of receipts and payments**

   The school recognises all receipts from 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 even**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30 June 2024

11. Notes To The Financial Statements

1 Government Grants for Tuition

Description	2023/2024	2022-2023
	Kshs	Kshs
Teaching / Learning Materials	799,379	870,286
Total	799,379	870,286

2 Government Grants for Operations

Description	2023/2024	2022-2023
	Kshs	Kshs
Other Vote Heads (specify)*moe	3,879,442	3,834,598
Total	3,879,442	3,834,598

3 Government Grants for infrastructure

Description	2023/2024	2022-2023
	Kshs	Kshs
Maintenance & Improvement	634,000	1,272,000
Other parent		500,000
Total	634,000	1,772,000

4 School Fund Income - Parents Contribution/Fees

Description	2023/2024	2022-2023
	Kshs	Kshs
Personnel emoluments		367,807
Repairs and maintenance	474,804	
Administration costs	3,032,891	
Activity	59,392.00	68,956
Fee on Boarding Equipment and stores	10,442,686	12,042,715
Others		2,007,659
Total	14,009,773	14,487,137

4(a) Parents Contribution/Fees - School Fund Account- Note to Cashflow

Description	2023/2024	2022-2023
	Kshs	Kshs
Reported in statement of receipts and payment	14,009,773	14,487,137
Decrease/ Increase in fees arrears	156,414	(511,395)
Total	14,166,187	13,975,742

5 **Miscellaneous Incomes**

Description	2023/2024	2022-2023
	Kshs	Kshs
Income From Farming Activities	255,498	361,435
Total	**255,498**	**361,435**

6 Tuition

Description	2023/2024	2022-2023
	Kshs	Kshs
Laboratory Equipment		35430
Teaching / Learning Materials	546,090	882,354
Bank Charges		1362
Total	546,090	919,146

7 **Operations**

Description	2023/2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	2,982,646	2,074,346
Administration Cost	43,450	1,308,700
Electricity And Water	107,479	40,000
Activity Expenses	374,000	1,094,000
Insurance Cost		241,095
Others (specify) bank charges	3,287	1,237
Total	3,510,862	4,759,378

8 Infrastructure

Description	2023/2024	2022-2023
	Kshs	Kshs
Construction of classrooms		1,357,464
Purchase of equipment	363,900	
Others (specify) bank charges	740	1,011
Total	**364,640**	**1,358,475**

9 Boarding And School Fund

Description	2023-2024	2022-2023
	Kshs	Kshs
others		2,551,142
Repairs And Maintenance & Improvements	544,670	1,751,761
Administration Costs	3,317,608	
Bank Charges	12,667	8,238
Expenses On Income Generating Activities**		102,485
Fee On Boarding Equipment and Stores	7,633,531	11,775,540
activity	755,447	765,584
Others (specify)farm	325,370	
Total	**12,589,293**	**16,954,750**

10 bank Accounts

Account Name & Currency	Status	Bank Account Number	2023-2024	2022-2023
	Active/Dormant		Kshs	Kshs
Tuition Account	Acive	1104243466	255,632	2,343
Operations Account	Active	1104242982	945,788	577,207
School Fund Account/Boarding	Active	1104232197	671,282	(1,339,336)
Muki	Active	0110-001-01663	255,092	383,962
cdf	Domant	1900282237255	77,615	77,615
Infrastructural Account	Active	1114708445	683,635	414,275
Total			**2,889,044**	116,038

11 Cash In Hand

Description	2023/2024	2022-2023
	Kshs	Kshs
Notes and Coins	49,389	98,779
Total	**49,389**	**98,779**

12 Accounts Receivable

Description	2023/2024	2022-2023
	Kshs	Kshs
Fees Arrears	2,451,116	2,607,525
Total	2,451,116	**2,607,525**

12(a) Ageing Analysis of Accounts Receivable

Description	2023-2024 Kshs		2022-2023 Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	266,400	3.6%	1,824,745	%
Between 1- 2 years	1,012,524	54%	564587	%
Between 2-3 years	319,768	11.4%		%
Over 3 years	852,424	30%	218,193	%
Total	**2,451,116**	**100%**	**2,607,525**	**%**

13 Accounts Payable

Description	2023/2024 Kshs	2022/2023 Kshs
Caution money	624,650	624,650
Total	**624,650**	**624,650**

13a. Ageing Analysis of Accounts Payable

Description	2023-2024 Kshs		2022-2023 Kshs	
	Current FY	% of the total	Comparative	% of the total
Between 1- 2 years	624,650	100%	624,650	100%
Total	**624,650**	**100%**	**624,650**	**100%**

14 Fund Balance Brought Forward

Description	2023/2024 Kshs	2022/2023 Kshs
Bank Balances	116,038	3,392,315
Cash Balances	98,779	(25,170)
Receivables	2,607,525	2,121,330
Payables	(624,650)	(624,650)
Total	**2,197,692**	**4,863,825**

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.

15 Biological assets

Description	Numbers	2023/2024 KSH	Insert Current 2022/2023 Kshs
Cattle	8	300,000	280,000
Goats	22	120,000	120,000
Trees	200	150,000	150,000
Total		**570,000**	**550,000**

16 Stock/ Inventory

Description	2023-2024 Kshs	2022-2023 Kshs
Food stuffs	462,800	126,450
Lab consumables	120,360	136,450
stationery	95,450	65,450
Total	**678,610**	**328,350**

17 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)

CHIEF PRINCIPAL
ST. JOSEPH MKUNGI SEC. SCHOOL
(CENTRE OF EXCELLENCE)
P.O. Box 234-20318, NORTH KINANGOP
Date: 24/4/26 Sign:

Sign and Date
Principal

12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
1. Retained money	624,650			624,650		
Grand Total	624,650			624,650		

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1st July 2024	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2023
Land	6,000,000			6,000,000
Buildings And Structures	18,500,000			18,500,000
Motor Vehicles				
Office Equipment, Furniture And Fittings	890,000			890,000
Textbooks				
ICT Equipment	370,000			370,000
Tools And Apparatus	861,560	245,000	15,000	1,091,560
Other Machinery And Equipment	495,000			495,000
Heritage And Cultural Assets				
Intangible Assets- Soft Ware	195,000			195,000
Total	27,311,560	245,000	15,000	27,541,560