

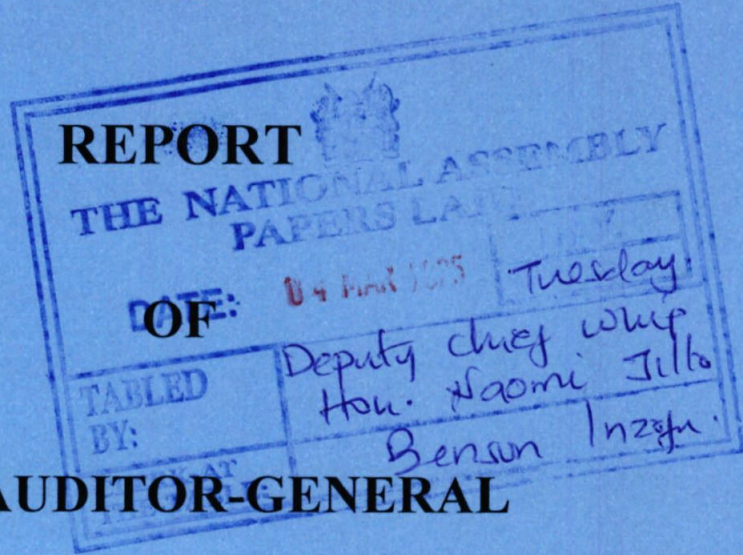
REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

PARLIAMENT  
OF KENYA  
LIBRARY



**THE AUDITOR-GENERAL**

**ON**

**MAGUTU GIRLS HIGH SCHOOL**

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

**NYERI COUNTY**

OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
REGISTRY

18 OCT 2021

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**MAGUTU GIRLS' SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30<sup>th</sup> June 2021**

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

*MAGUTU GIRLS' SECONDARY SCHOOL*  
**PUBLIC SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2021**

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**MAGUTU GIRLS' SECONDARY SCHOOL**  
**Reports and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2021**

**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 Nyeri County, Mathira East Sub-County.

The school was registered in 1978 under registration number 19s 0030 0078 and is currently categorized as County Public school established, owned and operated by the Government of Kenya.

The School is a Girls' Boarding Secondary School and had 677 students as at 30<sup>th</sup> June 2021. It is three streamed and 25 teachers of whom 9 teachers are employed by the School Board of Management and 16 teachers employed by Teachers Service Commission (TSC)

**(b) School Board of Management - Board Members**

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

Ref	Name of Board Member	Designation	Date of appointment
2	Francis Mugo	Chairman/Sponsor	21 <sup>st</sup> Mar 2019
3	Joseph Kimangi	Member/Sponsor	21 <sup>st</sup> Mar 2019
4	Peter Njogu	Member/Sponsor	21 <sup>st</sup> Mar 2019
5	Rahab Githinji	Secretary/Principal	21 <sup>st</sup> Mar 2019
5	Stanely Mwangi	Member/PA	27 <sup>th</sup> May 2019
6	Salome Waithera	Member/P.A	27 <sup>th</sup> May 2019
7	Simon Mwangi	Member/PA	21 <sup>st</sup> Mar 2019
8	Angela Kimaru	Member/Rep CEB	21 <sup>st</sup> Mar 2019
9	Muriuki Mary	Member /Rep Teachers	21 <sup>st</sup> Mar 2019
10	Jackson Kabingu	Member /Community	21 <sup>st</sup> Mar 2019
11	Alice Riiri	Member /Community	21 <sup>st</sup> Mar 2019
12	Geoffrey Githaiga	Member/Community	21 <sup>st</sup> Mar 2019
13	Eng. James Mwitari	Member/ Community	21 <sup>st</sup> Mar 2019
14	Evalyne Njeri	Member /Community	21 <sup>st</sup> Mar 2019
15	Francis Guandaru	Member/Special Needs	21 <sup>st</sup> Mar 2019
16	Christian Mahinda	Member /Community	21 <sup>st</sup> Mar 2019
17	Gladys Ruchuiya	Member/Rep Students	21 <sup>st</sup> Mar 2019

Note:

PA- Parent Association

CEB- County Education Board.

**KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)**

**The functions of the School Board of Management include:**

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013.
- Ensure and assure the provision of proper and adequate facilities for the School.
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School.
- Determine cases of pupils discipline and make reports to the County Education Board.
- Prepare comprehensive termly report on all areas of its mandate and submit the report to County Education Board.
- 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.

**(c) Committees of the Board of Management**

Ref	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Francis Mugo Rahab Githinji Joseph Githae Peter Njogu Stanely	Chairman Secretary Member Member	2
2.	Finance, procurement and general purposes Committee	Francis Mugo Rahab Githinji Joseph Githae Peter Njogu	Chairman Secretary Member Member	2
3	Discipline and Welfare Committee	Christian Mahinda Rahab Githinji Geoffrey Githaiga Salome Waithera Evelyn Njeri Jackson Kabingu	Chairman Secretary Member Member Member Member	1
4	Academic Committee	Angela Kimaru Rahab Githinji Francis Guandaru Mary Muriuki	Chairperson Secretary Member Member	1
5	Development Committee	Joseph Githae Rahab Githinji Peter Njogu Engineer Ndoria Alice Riiri Stanely Mwangi James Mwangi	Chairman secretary Member Member Member Member Member	2

**MAGITU GIRLS' SECONDARY SCHOOL**  
**PUBLIC SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2021**

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**(d) School operation Management**

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

<b>S.NO</b>	<b>Designation</b>	<b>Name</b>	<b>TSC Number/ID NO.</b>
1	Principal	GITHINJI RAHAB WANJIRU	TSC No. 304591
2	Deputy Principal	GATIMU CATHERINE NJERI	TSC No 350344
3	School Bursar	MUGO FAITH CAROLINE K.	ID No. 24595279

**KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)**

**(e) Schools contacts**

Post Office Box: 635-10101, Karatina  
Telephone: 0724 55 33 69  
E-mail: magutugirlshighschool@gmail.com  
Website:

**(f) School Bankers**

The School operated six of bank accounts in the following banks:

1. Name of Bank: Kenya Commercial Bank  
Branch: Karatina  
Account Number: 1105559513
2. Name of Bank: Kenya Commercial Bank  
Branch: Karatina  
Account Number: 1105566676
3. Name of Bank: Kenya Commercial Bank  
Branch: Karatina  
Account Number: 1105566951
4. Name of Bank: Kenya Commercial Bank  
Branch: Karatina  
Account Number: 1105258378
5. Name of Bank: Kenya Commercial Bank  
Branch: Karatina  
Account Number: 1138218030
6. Name of Bank: Equity Bank Limited  
Branch: Karatina  
Account Number: 0040297148634
7. MPESA Pay Bill No.407878 attached to Account 004029148634 held at Equity bank Karatina.

**(g) Independent Auditors**

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

**MAGUTU GIRLS' SECONDARY SCHOOL**

**PUBLIC SECONDARY SCHOOL**

**Annual Report and Financial Statements**

**For the year ended 30<sup>th</sup> June 2021**

**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) MINISTRY GRANT FOR THE LAST THREE YEARS**

	<b>ACCOUNTS</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
1	<b>Operations</b>	7,223,649	5,498,225	4,122,562
2	<b>Tuition</b>	1,739,303	943,891	631,320
3	<b>Total</b>	<b>8,962,952</b>	<b>6,442,116</b>	<b>4,753,882</b>
4	<b>Enrolment</b>	543	579	680

**SURPLUS(DEFICIT) OF THE YEAR FOR THREE YEARS**

	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Surplus(deficit)</b>	<b>232,551.00</b>	<b>4,520,020.00</b>	<b>4,451,528</b>

**OVERVIEW OF INCOME, CREDITORS AND DEBTORS**

The School income has risen due to factors like increased population which is noted in every year, the school management have laid strategies encouraging parent to pay fees, and this has led to reduced fees debtors in recent years.

The school is able to pay creditors at the end of each financial year; years 2019 and 2020 had no unpaid creditors.

The year 2021 was with faced a lot challenges due to the Covid-19 pandemic that led to the year having 4 terms. The parents had found difficulties in fees payment.

**BANK BALANCES FOR THE LAST THREE YEARS**

	<b>2019</b>	<b>2020</b>	<b>2021</b>
Tuition a/c	325,931	908	83,272
Operation a/c	369,293	80,184	1,474,592
School fund a/c	6,283,480	803,637	3,086,231

**MAGUTU GIRLS' SECONDARY SCHOOL**  
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**(b) Teacher Student ratio:**

630 Students/25 Teachers

Ratio 1:25

- Two TSC recruited teachers in the year 2021:-  
 I -English/Literature. II – Maths/Business
- One TSC transfer out of school- Maths/Business

**TOTAL NO. OF TEACHERS**

TSC teachers	BOM Teachers	Total
16	9	25

**TSC TEACHERS PER SUBJECT**

Subject	Number	Shortage
Maths/Chemistry	2	1
English/Literature	3	1
Agriculture/Biology	1	2
History/CRE	1	1
Computer/Maths	1	1
Chemistry/Physics	1	2
Kiswahili/History	2	1
Kiswahili/CRE	1	1
Business/Geography	1	1
Geography/Biology	1	1
Maths/Business	1	1
Home science/PE	0	2
Geography/CRE	1	1

**(c) / (1) mean score in the KCSE exams for the below years/No. of candidates for the last 3 years**

Year	2018	2019	2020
Mean Score	5.364	5.919	5.410
Students Transitioned to the Higher Learning Institutions.	59	74	72
NO. of Candidates Who Sat for the Exam	77	87	100

**MAGUTU GIRLS' SECONDARY SCHOOL**  
**PUBLIC SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2021**

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**a) Capacity of the school:**

The school has 680 students.

The dining hall is capable of holding 680 students.

The school kitchen is small and needs expansion to be able add some more jikos.

The school has two science laboratories which hold 20 students at go. There is an urgent need for two bigger and modern laboratories to be able to serve the increasing student population.

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

**ABLUTION CONSTRUCTION**

**Expenses Tabulation for the year 2021**

Building Materials	1,655,410	
Construction Labour	373,000	
<b>Total</b>	<b>2,028,410</b>	

The project was funded from Free Secondary Education (FSE) Fund Infrastructure vote head.

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 keep all proper books and records of accounts of the income, expenditure and assets of the institution.

The Board of Management of Magutu Girls' 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).

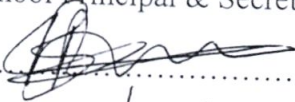
The Board of Management is of the opinion that the School's financial statements give a true and fair view of the state of the School's transactions during the financial year ended 30<sup>th</sup> June, 2021, and of the school's financial position as at that date.

**Name:** Simon Njogu Muguti  
**Designation:** Chairman, School Board of Management

**Sign:**  .....

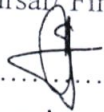
**Date:** ..... 17/10/2024 .....

**Name:** Rahab Wanjiru Githinji  
**Designation:** School Principal & Secretary to Board of Management

**Sign:**  .....

**Date:** ..... 17/10/2024 .....

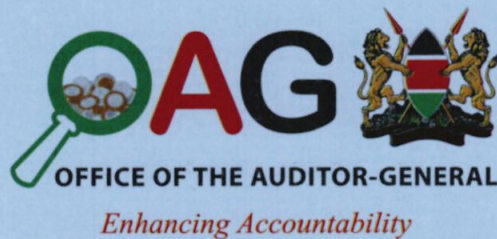
**Name:** Faith Caroline K. Mugo  
**Designation:** Bursar/ Finance Officer

**Sign:**  .....

**Date:** ..... 17/10/2024 .....

# REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



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

## REPORT OF THE AUDITOR-GENERAL ON MAGUTU GIRLS HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2021 - NYERI 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 Magutu Girls High School - Nyeri County set out on pages 11 to 27, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and statement of 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 Magutu Girls High School - Nyeri County as at 30 June, 2021 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

## **Basis for Qualified Opinion**

### **1. Unsupported Cash and Cash Equivalents**

The statement of financial assets and financial liabilities reflects total cash and cash equivalents balance of Kshs.5,370,225 as disclosed in Note 8 and 9 to the financial statements. Included in the balance is bank balances of Kshs.4,688,546 which was not supported with board of survey reports and bank reconciliations. In addition, the school did not maintain cashbooks for each of the corresponding bank accounts.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.5,370,225 could not be confirmed.

### **2. Overdrawn Account and Netting-Off of Cashbook**

The statement of financial assets and financial liabilities reflects a cash balance of Kshs.681,679 as disclosed in Note 9 to the financial statements. Included in the cash balance is one (1) account which has been overdrawn by Kshs.253,425 and netted-off against cash book balance of Kshs.935,104, contrary to Section 28(4)(5) of the Public Finance Management Act, 2012.

In the circumstances, the accuracy, completeness and existence of the cash balance of Kshs.681,679 could not be confirmed.

### **3. Accounts Receivables**

#### **3.1 Variances in Accounts Receivables**

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.9,938,907 as disclosed in Note 11 to the financial statements. However, the ledger balance and issued invoices reflected a balance of Kshs.2,612,758 resulting to an unexplained variance of Kshs.7,326,149.

In the circumstances, the accuracy and completeness of the accounts receivable balance of Kshs.9,938,907 could not be confirmed.

#### **4. Long Outstanding Receivables**

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.9,938,907 in respect of fees arrears as disclosed in Note 11 to the financial statements. Included in the balance are receivables amounting to Kshs.6,646,916 which had been outstanding for more than two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.9,938,907 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Magutu Girls High 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 judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

### **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

#### **Conclusion**

As required by Article 229(6) of the Constitution, based on the procedures performed, except for 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. Late Submission of Financial Statements**

During the year under review, Management submitted the financial statements to the Auditor-General on 16 April, 2024 instead of the statutory deadline of 30 September, 2021. This was contrary to the Ministry of Education circular Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the School's financial statements should be ready by 30 September, 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. Non-Compliance with Public Sector Accounting Standards Board Reporting Requirements

The financial statements presented for audit did not include all information provided in the format prescribed and published by the Public Sector Accounting Standards Board (PSASB) as follows;

- i) The table of contents is incomplete since it excludes Report of the Independent Auditors, Statement of Receipts and Payments and Statements of Financial Assets and Financial Liabilities.
- ii) The flow of page numbering of the financial statements is not consistent. While Page 13 should come after page 12, page 25 erroneously comes after page 12. Further, the numbering of the fifteen (15) page document inserted between page 25 and 14 is not consistent with the rest of the financial statements.
- iii) The financial statements exclude "VIII Statement of Budgeted versus actual amounts for the year ended 30<sup>th</sup> June" in the correct format as required by the revised template.
- iv) The financial statements on pages 11 to 13 and corresponding notes to the financial statement (from page 16 to 22) does not reflect comparative values for the previous financial year as required.
- v) The column for current year of the "Statement of Financial Assets and Financial Liabilities, and Statement of cash flows" and the corresponding notes to the financial statements reads 2021 instead of 2020-2021.
- vi) The statement of receipts and payments reflects payments for infrastructure amounting to Kshs.769,518 but which has not been referenced to a corresponding explanatory note. Further, payments for infrastructure should not be disclosed separately unless it is an infrastructure grant funded by the State Department a note number.
- vii) Note 10 to the financial statements on page 19 "Short Term Investments", has no data populated and does not appear on the "Statement of financial assets and financial liabilities" and thus ought to have been expunged.
- viii) The statement of financial assets and financial liabilities reflects accumulated fund balance of Kshs.10,212,963 but which has not been referenced to a corresponding explanatory note.
- ix) Other important disclosure Note No. 14 to the financial statements reflect Bank Loan balance of Kshs.3,200,400. However, No. 16 to the financial statements on borrowings reflect on borrowings movement during the year under review and a closing balance of Kshs.4,584,828. The resulting variance of Kshs.1,384,428 has not been explained.

- x) Progress on follow-up of Auditor Recommendations has not been assigned a number as per reporting template.
- xi) Annex 1 to the financial statements on Analysis of Pending Accounts Payable has not been dully filled with information where applicable.
- xii) Summary of fixed assets should be assigned "Annex 2" and information tabulated as per the parameters of the revised annual reporting template for 2020-2021.

In the circumstances, Management was in breach of the PSASB guidelines. Further, lack relevant information may affect users' reliance on the financial statements for decision-making.

### **3. Non-Compliance to Fee Structure Guidelines - Parents Contribution**

Review of Magutu Girls' Secondary school fee structure for the financial year 2020-2021 revealed that Management did not comply to the guidelines for implementation of free day secondary education by issuing a fee structure other than that approved (for Boarding School's Fees Structure-Category B\*) by the Cabinet Secretary. Further, there was no evidence of Minutes by the Board of Management approving the school fees structure for the year ending 30 June, 2021. Consequently, each student/parent was overcharged by Kshs.4,965 during the period translating to unaccounted for total revenue of Kshs.3,361,305 from six hundred and seventy-seven (677) students.

In the circumstances, the Management is in breach of the Guidelines for implementation of free Day Secondary Education for the year 2020-2021 by the State Department for Basic Education.

### **4. Failure to Prepare a Procurement Plan**

The statement of receipts and payments reflects an amount of Kshs.19,874,571 and Kshs.15,423,043 in respect of total receipts and payments respectively. However, during the year Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that 'a procuring entity prepare a procurement plan for each financial year as part of the annual budget preparation process'.

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

### **5. Failure to Prepare School Improvement Plan**

During the year under review, the School did not have an approved School Improvement plan, contrary to Section 2.2 of the Ministry of Education Operation Manual for Utilization of Learner Capitation Grant and Other School Funds, which requires schools to identify in every three-year school improvement planning cycle, one priority area in each of the four key areas which include curriculum implementation, foundational literacy and numeracy outcomes, an enabling environment for learning and parental involvement and community engagement for implementation.

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

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (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 governance were not effective.

### Basis for Conclusion

#### 1. Weaknesses in the School Governance Structure

Review of financial and other records and documents relating to Board of Management revealed the following unsatisfactory matters:

- (i) Copies of signed appointment letters and acceptance letters for some Board of Management members have not been provided for audit review. It is, therefore, not clear how the three (3) BOM Members were appointed.
- (ii) The School Management has not provided academic qualifications for all board members to confirm that the Chairman hold a degree from a recognized university and that other BoM members have a minimum of KCSE or its Equivalent.
- (iii) The academic qualifications for bursar/accounts Clerk has not been provided for audit review.
- (iv) Minutes available indicate that only two Board meetings were held during the financial year 2020/2021. This is contrary to the Section 3 of the First Schedule of the Basic Education Act, 2013 which provides that the Board shall meet at least three times in each year.

In the circumstances, the School will not achieve its strategic objectives.

#### 2. Weak Information Communication Technology Controls

The School has implemented the School Accounting System as its core financial information system and an examination and timetable Management Systems. However, audit of the systems revealed weak Information Technology (IT) controls in place. The

School has insufficient controls over information technology systems and processes which increases the risk of unauthorized access, data breaches, and potential manipulation or loss of critical data. Further, The School has not entered into service level agreements with the service providers. In addition, although Management demonstrated that data back-up is done weekly, this provides a wide window for data loss with no back-up policy, and hence no recovery point/time objectives.

In the circumstances, the Schools IT Control environment is weak and the integrity, availability, and confidentiality of financial information may be at risk.

### **3. Ineffective Management of Textbooks**

Examination of the schools' textbook records provided for audit revealed that the school does not maintain complete records of books in the library. The physical records maintained are for delivered books and issued books which are prone to tare and ware resulting to loss of books. Despite the growth in students' data and textbooks the school uses a manual system to manage its library/textbooks data. There were cases of unquantified number of textbooks with some were lying idle (in cartons) in the library, yet there was no evidence of communication to the Ministry of Education to stop supplying or returning the excess text books for redistribution to other needy schools.

In the circumstances, without a proper control system, there could be underutilization of textbooks at the expense of other deserving cases.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (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 governance.

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


23 September, 2024


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**V. STATEMENT OF RECEIPTS AND PAYMENTS YEAR ENDED 30<sup>TH</sup> JUNE 2021**

DESCRIPTION OF VOTE HEAD	Note	2020-2021	2019-2020
		Kshs	Kshs
<b>RECEIPTS</b>			
Capitation Grants for Tuition	1	631,320	
Capitation Grants for Operations	2	4,122,562	
School Fund Income- Parents' Contributions	3	13,789,049	
School Fund Income- Other receipts	4	541,640	
School Infrastructure income from operation		790,000	
<b>TOTAL RECEIPTS</b>		<b>19,874,571</b>	
<b>PAYMENTS</b>			
Payments for Tuition	5	548,955	
Payments for operations	6	2,981,579	
Boarding and school fund payments	7	11,122,991	
Payments for Infrastructure		769,518	
<b>TOTAL PAYMENTS</b>		<b>15,423,043</b>	
<b>SURPLUS(DEFICIT)</b>		<b>4,451,528</b>	

The School financial statements were approved on 17/10/24 and signed by:

Sign:   
 Name: Simon H. Mubutu  
 Chair BOM  
 Date: 17/10/2024

Sign:   
 Name: Wangari R.G.  
 School Principal/  
 Secretary to BOM  
 Date: 17/10/24

Sign:   
 Name: Faith Caroline M.  
 Bursar/  
 Finance Officer  
 Date: 17/10/2024

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**VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30<sup>TH</sup> JUNE 2021**

	Note	2021	2019-2020
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	8	4,688,546	
Cash Balances	9	681,679	
<b>Total Cash and cash equivalent</b>		<u>5,370,225</u>	
Accounts Receivables	11	9,938,907	
<b>TOTAL FINANCIAL ASSETS</b>		<b>15,309,132</b>	
<b>FINANCIAL LIABILITIES</b>			
Accounts Payables	12	(644,641)	
<b>NET FINANCIAL ASSETS</b>		<b>14,664,491</b>	
<b>REPRESENTED BY</b>			
Accumulated Fund b/fwd		10,212,963	
Surplus/Deficit for the year		4,451,528	
<b>NET FINANCIAL POSITION</b>		<b>14,664,491</b>	

The School's financial statements were approved on 17/10 2024 and signed by:

Name: Simon A. MUGUTI  
 Chairman, BoM

Sign: 


Date: 17/10/2024

Name: Wanjira R. G.  
 School Principal/Secretary  
 to BoM

Sign: 

Date: 17/10/24

Name: Faith Caroline Mug  
 Bursar/Finance

Sign: 

Date: 17/10/2024

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**VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2021**

		2021( JAN-JUN)	2019-2020
		Kshs	Kshs
<b>Receipts for operating income</b>			
Capitation grants for tuition	1	631,320	
Capitation grants for operations	2	4,122,562	
School fund income- Parents contributions/ fees	3	13,789,049	
School Infrastructure Account	4	541,640	
School Infrastructure Income from operation		790,000	
<b>Total receipts</b>		<b>19,874,571</b>	
<b>Payments</b>			
Payments for Tuition	5	548,955	
Payments for operations	6	2,981,579	
Boarding and school fund payments	7	11,122,991	
Payment for Infrastructure		769,518	
<b>Total payments</b>		<b>15,423,043</b>	
<b>Net cash flow from operating activities</b>		<b>4,451,528</b>	
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>4,451,528</b>	
<b>Cash and cash equivalent at BEGINNING of the year</b>		<b>918,698</b>	
		<b>5,370,226</b>	

*The above presentation of cash flow statement uses the direct method of cash flow presentation which is encouraged under IPSAS. Schools' should therefore adopt the direct method of cash flow as recommended by PSAS3.*

VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30<sup>th</sup> JUNE 20XX

Receipts/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget
	a	b	c=a+b	d	
	Kshs	Kshs			
<b>RECEIPTS</b>					
<i>(1) CAPITATION GRANT ON TUITION</i>					
Textbooks and reference materials	xxx	xxx	xxx	xxx	
Exercise books	xxx	xxx	xxx	xxx	
Laboratory equipment	xxx	xxx	xxx	xxx	
Internal exams	xxx	xxx	xxx	xxx	
Teaching / learning materials	xxx	xxx	xxx	xxx	
Chalk	xxx	xxx	xxx	xxx	
Exams and assessment	xxx	xxx	xxx	xxx	
Teachers guides	xxx	xxx	xxx	xxx	
<i>(2) CAPITATION GRANT ON OPERATIONS</i>					
Personnel emoluments	xxx	xxx	xxx	xxx	
Repairs and maintenance	xxx	xxx	xxx	xxx	
Local transport / travelling	xxx	xxx	xxx	xxx	
Electricity and water	xxx	xxx	xxx	xxx	
Medical	xxx	xxx	xxx	xxx	
Administration costs	xxx	xxx	xxx	xxx	
Activity	xxx	xxx	xxx	xxx	
Gratuity	xxx	xxx	xxx	xxx	
SMA&SE	xxx	xxx	xxx	xxx	
<i>(3) FEES CHARGED ON PARENTS</i>					
Personnel emoluments	xxx	xxx	xxx	xxx	
Repairs and maintenance	xxx	xxx	xxx	xxx	
Local transport / travelling	xxx	xxx	Xxx	xxx	
Electricity and water	xxx	xxx	Xxx	xxx	
Medical	xxx	xxx	Xxx	xxx	
Administration costs	xxx	xxx	Xxx	xxx	
Activity	xxx	xxx	Xxx	xxx	
SMA&SE	xxx	xxx	Xxx	xxx	
Fee of Boarding Equipment and Stores	xxx	xxx	Xxx	xxx	

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<b>OTHER INCOME</b>					
Income from farming activities	xxx	xxx	Xxx	xxx	
Insurance compensation	xxx	xxx	Xxx	xxx	
Income from Posho mill	xxx	xxx	Xxx	xxx	
Income from Bus Hire	xxx	xxx	Xxx	xxx	
Fee for hire of ground and equipment	xxx	xxx	Xxx	xxx	
Interest income	xxx	xxx	Xxx	xxx	
Income from any other investment	xxx	xxx	Xxx	xxx	
<b>TOTAL INCOME</b>					
<b>(1) EXPENDITURE FOR TUITION</b>					
Textbooks and reference materials	xxx	xxx	Xxx	xxx	
Exercise books	xxx	xxx	Xxx	xxx	
Laboratory equipment	xxx	xxx	Xxx	xxx	
Internal exams	xxx	xxx	Xxx	xxx	
Teaching / learning materials	xxx	xxx	Xxx	xxx	
Challs	xxx	xxx	Xxx	xxx	
Exams and assessment	xxx	xxx	Xxx	xxx	
Teachers guides	xxx	xxx	Xxx	xxx	
Administration costs	xxx	xxx	Xxx	xxx	
Bank Charges	xxx	xxx	Xxx	xxx	
<b>(2) EXPENDITURE FOR OPERATIONS</b>					
Personnel emoluments	xxx	xxx	Xxx	xxx	
Repairs, maintenance & improvements	xxx	xxx	Xxx	xxx	
Local transport / travelling	xxx	xxx	Xxx	xxx	
Electricity, water and conservancy	xxx	xxx	Xxx	xxx	
Medical	xxx	xxx	Xxx	xxx	
Administration costs	xxx	xxx	Xxx	xxx	
Activity Expenses	xxx	xxx	Xxx	xxx	
Gratuity	xxx	xxx	Xxx	xxx	
SMASSE	xxx	xxx	Xxx	xxx	
<b>(3) EXPENDITURE FOR SCHOOL FUND</b>					
Personnel emoluments	xxx	xxx	Xxx	xxx	
Repairs, maintenance and improvements	xxx	xxx	Xxx	xxx	
Local transport / travelling	xxx	xxx	Xxx	xxx	
Electricity, water and	xxx	xxx	Xxx	xxx	

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conservancy					
Medical Expenses	xxx	xxx	Xxx	xxx	
Administration costs	xxx	xxx	Xxx	xxx	
Activity	xxx	xxx	Xxx	xxx	
Gratuity	xxx	xxx	Xxx	xxx	
Lunch programme	xxx	xxx	Xxx	xxx	
Boarding Equipment and Stores	xxx	xxx	Xxx	xxx	
Expenditure for Income Generating Activity	xxx	xxx	Xxx	xxx	
Insurance costs	xxx	xxx	Xxx	xxx	
Other expenses on investments	xxx	xxx	Xxx	xxx	
Rent Expenses	xxx	xxx	Xxx	xxx	
Bank Charges	xxx	xxx	Xxx	xxx	
Loan Interest Repayment	xxx	xxx	Xxx	xxx	
Loan Principal Repayment	xxx	xxx	Xxx	xxx	
Acquisition of Assets	xxx	xxx	Xxx	xxx	
<b>TOTALS</b>	<b>xxx</b>	<b>xxx</b>	<b>Xxx</b>	<b>xxx</b>	

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

- i. Xxx
- ii. Xxx

## 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 Equivalentents

Cash and cash equivalentents 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.

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SIGNIFICANT ACCOUNTING POLICIES (Continued)

**5. Accounts Receivable**

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

**6. Accounts Payable**

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

**7. Non-Current Assets**

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

**8. Budget**

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

**9. Comparative Figures**

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

**10. Subsequent Events**

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

**X. NOTES TO THE FINANCIAL STATEMENTS**

**1 CAPITATION GRANT FOR TUITION**

	<b>JAN-JUNE 2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Textbooks and reference materials	355,598	
Exercise books	108,400	
Laboratory equipment	3,275	
Internal exams	50,007	
Teaching / learning materials	37,040	
Exams and assessment	47,500	
Teachers guides	29,500	
<b>Total</b>	<b>631,320</b>	

**2 CAPITATION GRANT FOR OPERATIONS**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments	1,081,000	
Repairs and maintenance	1,567,000	
Local transport / travelling	372,000	
Electricity and water	382,000	
Medical	33,000	
Administration costs	501,592	
Activity & Other voteheads	185,970	
<b>Total</b>	<b>4,122,562</b>	

**3 PARENTS CONTRIBUTION/FEES – SCHOOL FUND ACCOUNT**

	<b>2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments	764,584	
Repairs and maintenance	601,938	
Local transport / travelling	166,128	
Electricity and water	1,176,344	
Administration costs	468,434	
Activity	38,400	
Fee on Boarding Equipment and Stores	6,212,785	
Arrears	1,410,599	
Development income-P.A Fund	2,429,874	
Repayments	519,963	
<b>Total</b>	<b>13,789,049</b>	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	JUNE-2021	2019-2020
	Kshs	Kshs
Rent income	12,000	
Income from farming activities	83,520	
Tuition	3,105	
Savings	2,775	
Bursary	440,240	
<b>Total</b>	<b>541,640</b>	

5 PAYMENTS FOR TUITION

	2021	2019-2020
	Kshs	Kshs
Exercise books	19,250	
Laboratory equipment	357,105	
Teaching / learning materials	121,500	
Exams and assessment	37,500	
Teachers guides	13,600	
<b>Total</b>	<b>548,955</b>	

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**NOTES TO THE FINANCIAL STATEMENTS**

**6 PAYMENTS FOR OPERATIONS**

	2021	2019-2020
	Kshs	Kshs
Personnel emoluments	846,647	
Administration Cost	481,050	
Repairs and maintenance & improvements	54,680	
Local transport / travelling	329,300	
Electricity and water	366,572	
Medical	4,350	
Activity Expenses	108,980	
MOEST Infrastructure	790,000	
<b>TOTAL</b>	<b>2,981,579</b>	

**7 BOARDING AND SCHOOL FUND PAYMENTS**

	2021	2019-2020
	Kshs	Kshs
Personnel emoluments	543,193	
Repairs and maintenance & Improvements	1,327,859	
Local transport / travelling	132,250	
Electricity and water	1,255,635	
Administration costs	595,315	
Fee on Boarding Equipment and Stores	4,031,649	
Farm	670,124	
Bursary	264,500	
Prepayments	1,711,526	
Tuition Account	565,840	
Activity	25,100	
<b>Total</b>	<b>11,122,991</b>	

*Expenses on income generating activities\*\* should include all costs relating to the school earnings on other receipts as recorded in note 4. These costs should include farm maintenance, posho mill maintenance, ground maintenance and costs incurred during hire of school bus among others.*

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**8 BANK ACCOUNTS**

Name of Bank, Account No. & currency	Bank Account Number	2021 Kshs	2019-2020 Kshs
Tuition Account	1105566676	83,272	
Operations Account	1105566951	1,474,592	
School Fund Account/Boarding	1105559513 0040297148634	3,086,231	
Infrastructure Account	1210466694	44,451	
<b>TOTAL</b>		<b>4,688,546</b>	
<b>Other Bank Accounts Balances</b>			
UTaNRMP Account	1138218030	68,580	
Savings A/C	1105258378	296,537	
<b>Total</b>		<b>5,053,663</b>	

**9 CASH IN HAND**

Description	2021 Kshs	2019-2020 Kshs
Tuition Account	0	0
Operation Account	(253,425)	0
School Fund account	935,104	
<b>Total</b>	<b>681,679</b>	

**10 SHORT TERM INVESTMENTS**

Description	2021 Kshs	2019-2020
Cooperative shares		
Treasury Bills		
Fixed deposit		
Equity stock		
Other investments		
<b>Total</b>		

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**11 ACCOUNTS RECEIVABLE**

Description	2021	2019-2020
	Kshs	Kshs
Fees arrears	9,938,907	
Other non-fees receivables		
Salary advances		
Imprest		
<b>Total</b>	<b>9,938,907</b>	

[Include an ageing of the fees / non fees arrears below]

Description	2021	2019-2020
	Kshs	Kshs
Fees arrears for current year	1,365,222	
Fees arrears for the previous year	1,926,769	
Fees arrears for prior periods (over two years)	6,646,916	
<b>Total</b>	<b>9,938,907</b>	

**12 ACCOUNTS PAYABLE**

Description	2021	2019-2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	0	0
Prepaid fees	644,641	
Retention monies		
<b>Total</b>	<b>644,641</b>	

[Include an ageing of the creditor's arrears below]

Description	2021	2019-2020
	Kshs	Kshs
Trade creditors for current year	0	0
Trade creditors for the previous year	0	
Trade creditors for prior periods (over two years)	0	
<b>Total</b>		

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 FUND BALANCE BROUGHT FORWARD

Description	2021	2019-2020
	Kshs	
Bank balances	854,531	
Cash balances	64,166	
Short Term Investments		
Receivables	9,938,907	
Payables	(644,641)	
<b>Total</b>	<b>10,212,963</b>	

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**Other important disclosure notes**

IFRSAS 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.

**14 Non-current Liabilities Summary**

Description	2021 Kshs	2019-2020 Kshs
Bank loan(s)	3,200,400	
Outstanding Leases		
Fire purchase		
Gratuity and leave provision		
<b>Total</b>	<b>3,200,400</b>	

**15 Biological assets**

Description	Numbers	2021 Kshs	2019-2020 Kshs
Cattle	9 cows	EST. 540,000	
Goats	0		
Trees	410 trees	EST. 615,000	
Tea plantation	400 stems	EST. 40,000	
Poultry	0		
Banana Trees	20 plantation	EST. 48,000	
<b>Total</b>		<b>1,243,000</b>	

**16 Borrowings**

Description	JUNE-2021 KShs	2019-2020 KShs
<b>a) Borrowings</b>		
Borrowing at beginning of the year	5,220,135	
Borrowings during the year	-	
Repayments of during the year	635,307	
<b>Balance at end of the year</b>	<b>4,584,828</b>	

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**Other important disclosure notes**

**17 Stock/ Inventory**

Description - Kitchen store	2020-2021	2019-2020
	KShs	KShs
<b>b) Borrowings</b>		
Stock/ inventory at beginning of the year	256,670	367,400
Stock/ inventory purchased during the year	5,456,300	6,745,705
Stock/ inventory issued during the year	5,176,190	6,657,085
<b>Balance at end of the year</b>	<b>536,780</b>	<b>456,020</b>

	KShs	KShs
<b>c) Borrowings Farm</b>		
Stock/ inventory at beginning of the year	7,230	12,560
Stock/ inventory purchased during the year	196,400	249,700
Stock/ inventory issued during the year	180,065	25,700
<b>Balance at end of the year</b>	<b>23,565</b>	<b>236,560</b>

	KShs	KShs
<b>d) Borrowings- Stationary</b>		
Stock/ inventory at beginning of the year	12,900	56,740
Stock/ inventory purchased during the year	595,320	904,500
Stock/ inventory issued during the year	521,620	935,284
<b>Balance at end of the year</b>	<b>86,600</b>	<b>25,956</b>

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)

**MAGUTU GIRLS' SECONDARY SCHOOL**

**Reports and Financial Statements**

**For the year ended 30<sup>th</sup> June 2021**

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

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 20XX	Outstanding Balance 20XX-1
	a	b	c	d=a-c	
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Construction of buildings</b>					
1.					
2.					
3.					
<b>Sub-Total</b>					
<b>Supply of goods</b>					
4.					
5.					
6.					
<b>Sub-Total</b>					
<b>Supply of services</b>					
7.					
8.					
9.					
<b>Sub-Total</b>					
<b>Grand Total</b>					

**MAGUTU GIRLS' SECONDARY SCHOOL**  
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**ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER**

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 <sup>st</sup> July 20xx	Additions during the year (Kshs)	Dispos
Land 1			14 Acres		
Land 2			0		
Buildings and structures					
Motor vehicles					
Office equipment, furniture and fittings					
ICT Equipment, and Other ICT Assets					
Tools and apparatus					
Textbooks					
Other Machinery and Equipment					
Heritage and cultural assets					
Intangible assets- soft ware					
<b>Total</b>					

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

