

REPUBLIC OF KENYA



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REPORT

OF

THE AUDITOR-GENERAL


ON

MARAFA BOYS SECONDARY SCHOOL

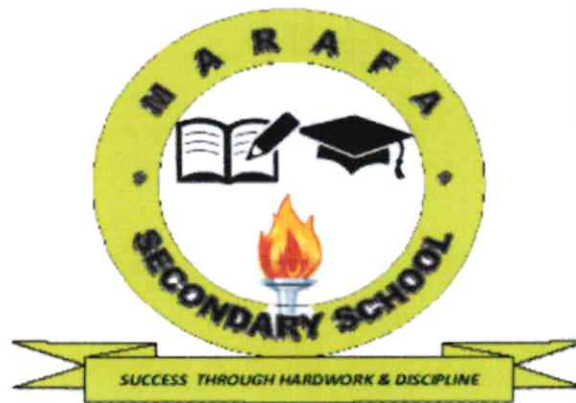
FOR THE YEAR ENDED

30 JUNE, 2023

KILIFI COUNTY

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 12 MAR 2025	
DAY: WEDNESDAY	
TABLED BY:	DEPUTY MAJORITY KCHP (Hon. NACIHI WAGIGI-MP)
CLERK-AT THE-TABLE:	J. LENTEREIE

OFFICE OF THE AUDITOR GENERAL
P.O. P. 01543, MOMBASA
26 JUL 2024
780/KRO
RECEIVED
KILIFI REGIONAL OFFICE



MARAF A S E C O N D A R Y S C H O O L
P U B L I C S E C O N D A R Y S C H O O L
A N N U A L R E P O R T A N D F I N A N C I A L S T A T E M E N T S
F O R T H E F I N A N C I A L Y E A R E N D E D
30th J u n e 2023

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

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MARAFA SECONDARY SCHOOL
Reports and Financial Statements
the year ended 30th June 2023

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 **Kilifi County, Magarini Sub-County**

The school was registered in **04/2022** under registration number **03S/3000/0206** and is currently categorized as a **County** public school established, owned or operated by the Government.

The school is a day/boarding school and had **392** number of students as at **30th June 2023**. It has **10** streams and **23** 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	Paul Mwambire	Member – Rep CEB	8th July 2022
2	Seif Juma Dzilla	Secretary – Principal	8th July 2022
3	Hellen Mzungu	Member	8th July 2022
4	Doyo Wario Hiribae	Member	8th July 2022
5	Fadhili Ngua Daniel	Member	8th July 2022
6	Franklin Karema	Member	8th July 2022
7	Anderson Kalama Gona	Member	8th July 2022
8	Naphtal Tsofa Mwarogo	Member	8th July 2022
9	John Muturi Nyaga	Member Rep Teachers	8th July 2022
10	Wilberforce Mwakiru Ngetso	Member - Sponsor	8th July 2022
11	George Kalume Musha	Member - Sponsor	8th July 2022
12	Lilian Jumwa	Mmeber - Sponsor	8th July 2022
13	Dr. Nelson Chengo Menza	Member Community	8th July 2022
14	Mercyline Kibamba	Member Special Needs	8th July 2022
15	Daniel Kahindi Wanje	Member	8th July 2022
16	Ali Omar Hamesa	Rep Students	8th July 2022

SCHOOL INFORMATION AND MANAGEMENT (Continued)

The function of the School Board of Management include:

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013
- Ensure and assure the provision of proper and adequate facilities for the School
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School.
- Determine cases of 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	<ol style="list-style-type: none"> 1. Paul Mwambire 2. Warra Mangi 3. Daniel Wanje 4. Lilian Jumwa 5. Hellen Mzungu 6. Maryselina Kibamba 	BOM Chairman Secretary Member Member Member Member	6/6
2	Audit Committee	<ol style="list-style-type: none"> 1. Naphtal Tsofa Mwarogo 2. Fadhili Ngua Daniel 3. Hellen Mzungu 4. Dr. Nelson Chengo Menza 	Chairman Secretary	3/6
3	Finance, procurement and general purposes Committee	<ol style="list-style-type: none"> 1. Daniel Wanje 2. Wilberforce Mwakiru 3. Anderson Kalama Gona 	Chairman Secretary	N/A
4	Academic Committee	<ol style="list-style-type: none"> 1. Hellen Mzungu 2. John Muturi Nyaga 3. Dr. Nelson Chengo Menza 	Chairperson Secretary	3/3
5	Development Committee	<ol style="list-style-type: none"> 1. Warra Mangi 2. Wilberforce Mwakiru 3. George Kalume Musha 4. Marycellina Kibamba 	Chairman Secretary	3/3
6	Discipline and welfare Committee	<ol style="list-style-type: none"> 1. Frankline Karema 2. Lilian Jumwa 3. Anderson Kalama Gona 	Chairman Secretary	N/a

7	Adhoc Committee (if any during the year)			N/A
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(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	Seif Juma Dzilla	375205
2	Deputy Principal	Lewa Stanslus	302695
3	School Bursar	Thomas Ombere	11344419(ID NO)

Y SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: 4 – 80207, Madina-Malindi
Telephone: 0717 614 123
E-mail: marafasecondary@ymail.com
Website: n/a
Facebook: n/a
Twitter: n/a

(f) School Bankers

The following school operated 6 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. **School fund account**

Name of Bank: KCB
Branch: Malindi
Account Number: 1107991234

2. **Tuition Account**

Name of Bank: KCB
Branch: Malindi
Account Number: 1104229056

3. **Operation Account**

Name of Bank KCB
Branch Malindi
Account number 1104238497

4. **School Bus Account**

Name of Bank KCB
Branch Malindi
Account number 1124139826

5. **Service Gratuity Account**

Name of Bank KCB
Branch Malindi
Account number 1121903304

6. **Infrastructure Account**

Name of Bank KCB
Branch Malindi
Account number 1109797052

3. MPESA Pay Bill No. **522123** attached to **60011K (1107991234)** bank account

(g) Independent Auditors

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

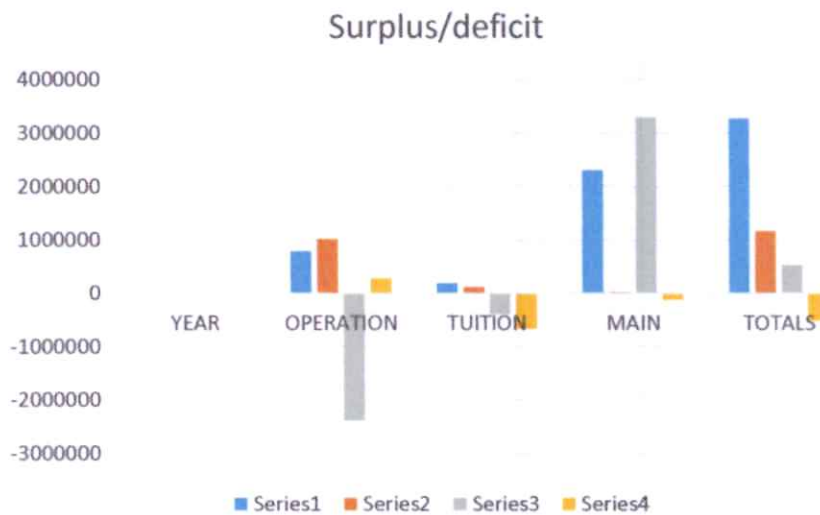
SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

a) Financial performance:

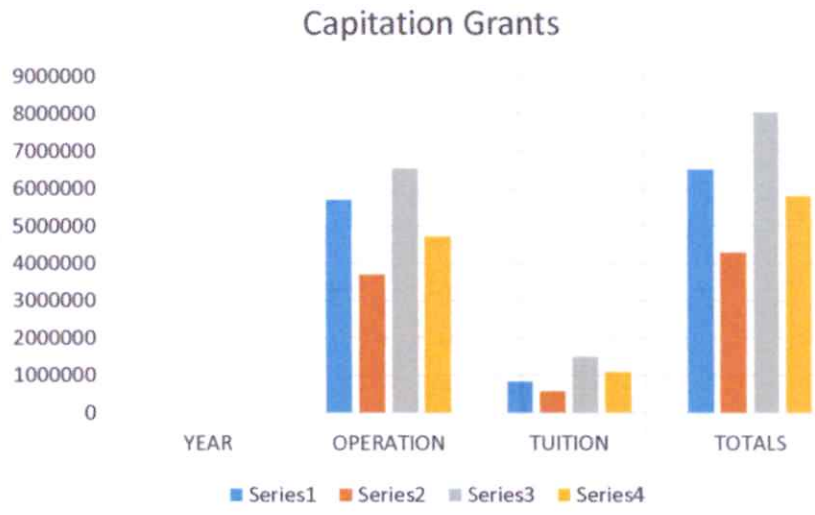
1. SURPLUS/DEFICIT

YEAR	OPERATION	TUITION	MAIN ACC	TOTAL
2020	790,968.64	185,552.00	2,300,862.00	3,277,382.64
2021	1,025,051.95	119,722.00	24,435.47	1,169,209.42
2022	(2,381,060.00)	(389,762.80)	3,298,847.00	528,024.20
2023	278,688.10	(660,445.00)	(131,575.00)	(513,331.90)



2. CAPITATION GRANTS

YEAR	OPERATION	TUITION	TOTALS
2020	5,698,650.00	825,536.00	6,524,186.00
2021	3,731,856.95	588,534.00	4,320,390.95
2022	6,539,415.00	1,505,581.20	8,044,996.20
2023	4,720,009.10	1,089,624.00	5,809,633.10
TOTALS	14,991,281.05	3,183,736.20	18,175,017.25



3. RATIO OF CAPITATION GRANT PER STUDENT

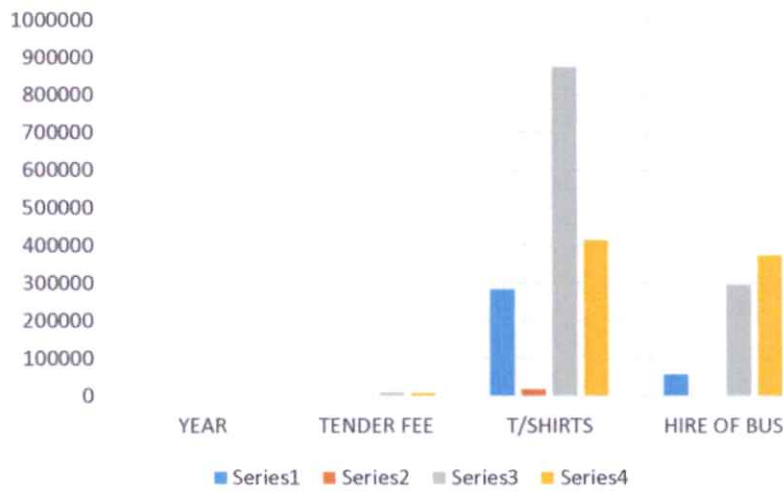
YEAR	OPERATION	TUITION
2020	1:13,600	1:1,970
2021	1:8,349	1:1,325
2022	1:14,372	1:3,308
2023	1:13,641	1:3,149

4. GROWTH OF OTHER INCOMES

YEAR	TENDER	T/SHIRT	BUS HIRE	DAMAGES	TOTALS
2020		285,126.00	59,000.00		344,126.00
2021	1,000.00	18,750.00	0.00	0.00	19,750.00
2022	11,000.00	874,750.00	296,000.00	103,338.00	1,285,088.00
2023	10,000.00	413,813.00	359,900.00	16,550.00	800,263.00

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

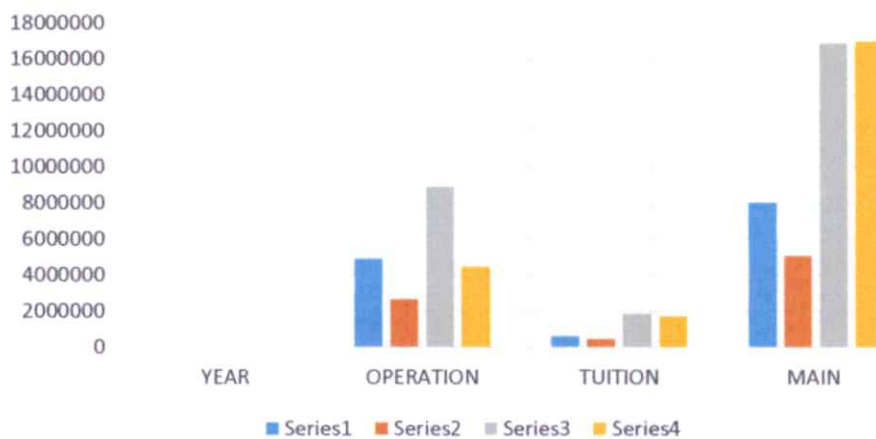
Growth of other income



5. GROWTH IN EXPENDITURE OF SCHOOL FOR THE LAST 3 YEARS

YEAR	OPERATION ACCOUNT	TUITION ACCOUNT	MAIN ACCOUNT
2020	4,907,681.36	639,984.00	8,055,590.00
2021	2,682,305.00	468,812.00	5,081,291.53
2022	8,920,475.00	1,895,344.00	16,906,531.00
2023	4,441,321.00	1,750,069.00	16,996,152.00

Growth in expenditure

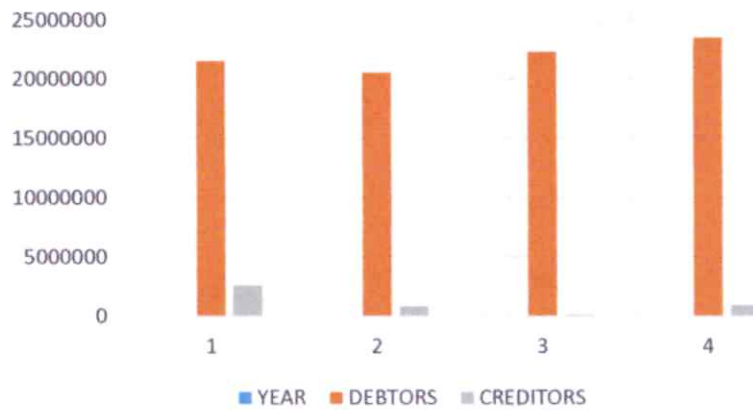


SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (continued)

6. MOVEMENT OF DEBTORS AND CREDITORS

YEAR	DEBTORS	CREDITORS
2020	21,542,458.30	2,592,604.00
2021	20,237,185.30	517,845.00
2022	22,333,315.30	154,985.00
2023	23,545,887.30	944,740.00

Movement of Debtors and Creditors



7. MOVEMENT OF CASH AND BANK BALANCES

YEAR	BANK	CASH
2020	166,748.72	310.00
2021	841,115.64	26,666.00
2022	927,489.47	12,573.00
2023	199,824.57	33,342.00

b) **Teacher Student ratio:**

School Enrolment in 2023	Number of Teachers	Number of Streams	TSC Teachers Posted in 2023	TSC Teachers Transferred in 2023	BOM Teachers Recruited in 2023	TSC Interns Posted in 2023
392	19	10	1	1	2	0

C.B.E FOR THE YEAR 2023

Number of streams: FORM 1-3, FORM 2-3, FORM 3-3, FORM 4-1

SUBJECT	FORM 1	FORM 2	FORM 3	FORM 4	TOTAL PERIODS	T.R
ENGLISH	18	18	24	8	68	2.518
KISWAHILI	15	15	18	6	54	2.000
MATHEMATICS	18	18	21	7	64	2.370
BIOLOGY	12	12	10	5	39	1.444
PHYSICS	12	12	10	5	39	1.444
CHEMISTRY	12	12	15	5	44	1.629
HISTORY	9	9	12	4	34	1.259
GEOGRAPHY	9	9	5	5	28	0.037
C R E	9	9	10	5	33	1.222
AGRICULTURE	6	6	4	4	20	0.740
COMPUTER	6	6	4	4	20	0.740
BUSINESS	9	9	4	4	26	0.962
IRE	3	3	4	4	14	0.518
	138	138	141	66	483	17.888

SHORT FALL

PRINCIPAL (27-6) = **21** PERIODS

DEPUTY PRINCIPAL (27-12) = **15** PERIODS

H.O.D JOB GROUP L (27-18)9 = **81** PERIODS

TOTAL SHORTFALL **117** PERIODS.

T.R FROM SHORTFALL = $117/27 = 4.333$

TOTAL T. R= 17.888 + 4.333 = 22.221

NUMBER OF TEACHERS IN THE SCHOOL = **19**

SHORT FALL = 4

Areas of Need

AGRICULTURE / BIOLOGY	-	2
COMPUTER/HISTORY	-	1
IRE/KISWAHILI	-	1

c) Mean score in the 2020,2021 & 2022 KCSE:

YEAR	ENROLMENT	MEAN	TRANSITION	TRANSITION (%)	SCHOOL TARGET	COMMENTS
2022	122	3.8115	61	50	4.5	Positive deviation of 0.3115. Most subjects registered positive deviation. However at the transition of D+ and above, 61 students qualified to join tertiary institutions.
2021	108	3.5	46	42.59	4.5	Negative deviation of 0.8086. All subjects registered negative deviations in the mean. However at the transition of D+ and above, 46 students qualified to join tertiary institutions.
2020	81	4.3086	55	67.90	4.5	Positive deviation of 0.1268. Transition rate at D+ and above. All students qualified for courses in tertiary institutions.

d) Number of Candidates in 2019, 2020, 2021 & 2022 KCSE:

S/N	YEAR	ENTRY
1	2022	122
2	2021	108
3	2020	81
4	2019	55

e) Capacity of the School:

Basic School Infrastructure

Enrolment			No. of Classrooms		Toilets/Pit Latrines		No. of Other Facilities					ICT Learning	
Boarders	Day scholars	Total	Permanent	Temporary	Staff	Boys	Labs	Workshops	Libraries	Kitchen	Dormitory	No. of Computer/ Tablets	Internet (Yes/No)
202	190	392	14	0	2	30	1	0	1	1	3	6	Yes

f) Development projects carried out by the school:

S/NO	PROJECTS	COST	SOURCE OF FUNDS
1	Re-roofing of dormitory	1,200,000	Ministry of Education

Sign

School Principal

I. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

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

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

The Board of Management of (*Marafa Boys Secondary School*) accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2023, and of the school's financial position as at that date.

Name: Paul Mwambire
Designation: Chairman, School Board of Management

Sign: 

Date: 18/07/2024

Name: Seif Juma Dzilla
Designation: School Principal & Secretary to Board of Management

Sign: 

Date: 18/07/2024

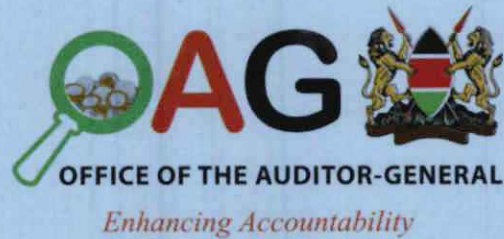
Name: Thomas Ombere
Designation: Bursar/ Finance Officer

Sign: 

Date: 18/07/2024

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
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 MARAFA BOYS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 – KILIFI COUNTY

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Marafa Boys Secondary School – Kilifi County set out on pages 16 to 25, which comprise the statement of financial assets

and financial liabilities as at 30 June, 2023, and the statement of receipts and payments, statement of cashflows, 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 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 Marafa Boys Secondary School – Kilifi County as at 30 June, 2023, and of its financial performance and its cash flows for the period then ended, in accordance with the 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. Inaccuracies in Capitation Grants

The statement of receipts and payments reflects total capitation grants amounting to Kshs. 5,809,633 made up of capitation grants for tuition and operations amount of Kshs.1,089,624 and Kshs.4,720,009 respectively, as disclosed in Notes 1 and 2 to the financial statements. Review of the National Education Management Information System (NEMIS) capitation disbursements made to the School against the amount received by the School revealed an amount of Kshs. 5,850,833 whereas the School records reflects an amount of Kshs.5,809,633, resulting to an unexplained variance of Kshs.41,200.

In the circumstances, the accuracy and completeness of capitation grants amounting to Kshs.5,809,633 could not be confirmed.

2. Accounting for Other Receipts

The statement of receipts and payments reflects Kshs.800,263 in respect of other receipts, as disclosed in Note 4 to the financial statements. However, Management did not provide a supporting schedules of the reported receipts. In addition, the School did not have a separate bank account for own generated revenue.

In the circumstance, the accuracy of other receipts collected totaling Ksh.800,263 could not be ascertained.

3. Unsupported Payments

The statement of receipts and payments reflects total payments amounting to Kshs.23,187,542 as disclosed in Note 5,6, and 7 to the financial statements. However, examination of payment vouchers amounting to Kshs.4,302,657 revealed that Management made payments without proper support documents such as requisitions,

local purchase orders, delivery notes, inspection reports, goods received notes and certificate of payments.

In the circumstances, the regularity, accuracy and completeness of the tuition, operations, boarding and school fund amounting to Kshs.23,187,542 could not be confirmed.

4. Unsupported Cash and Cash Equivalents

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.233,167 and as disclosed in Note 8 and 9 to the financial statements. However, the bank balances were not supported by bank certificates and bank reconciliation statements. Further, board of survey report to support the cash at hand was not provided for audit.

In the circumstances, the accuracy and completeness of the Kshs.233,167 in respect of cash and cash equivalents could not be confirmed.

5. Accounts Receivables

5.1. Unsupported Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs. 23,545,887 as disclosed in Note 10 to the financial statements. However, the supporting schedules, detailed aging analysis and issued invoices were not provided for audit review. Further, significant accounting policies on accounts receivables as disclosed in Note 10 is silent on the treatment of the students' fees balances which is the major source of income for the School.

5.2. Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.23,545,887, which includes Kshs.23,535,887 in respect of fees arrears as disclosed in Note 11 to the financial statements. However, included in the fees arrears are receivables amounting to Kshs.19,712,253 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, completeness and recoverability of the receivables balance of Kshs.23,545,887 could not be confirmed.

6. Unsupported Accounts Payables

The statement of financial assets and financial liabilities reflects accounts payables of Kshs. 5,828,754 as disclosed in Note 12 of the financial statements. The School however, did not provide any aging analysis and supporting schedules to support accounts payables balance of Kshs.5,828,754.

In the circumstances, the existence and validity of the accounts payable balance of Kshs.5,828,754 as at 30 June, 2023 could not confirm.

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Marafa Boys Secondary School Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional 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.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues as at 30 June,2023.

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 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 for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 11 January, 2024 instead of the statutory deadline of 30 September, 2023. This was contrary to the Ministry of Education circular Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the School's financial statements should be ready by 30 September, 2023 in compliance which Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements

In the circumstances, Management was in breach of the law

2. Failure to Transfer Infrastructure Funds from the Operations Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.4,720,009 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs1,575,000 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the school's facilities. However, no amount was transferred to infrastructure account as at 30 June, 2023.

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

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.16,996,152 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.672,300 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.672,300 could not be confirmed.

4. Use of Cash to Procure Goods, Works and Services

The statement of receipts and payments reflects total payments amounting to Kshs.23,187,542 as detailed in Note 5,6, and 7. The audit noted that the School used cash totaling Kshs.2,332,157 to purchase goods and services instead of procuring using other suitable methods contrary to the procedure for low value procurement provided under schedule 2 of the Public Procurement Regulations, 2020.

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

5. Lack of Approved Budget and Procurement Plan

The statement of receipts and payments reflects an amount of Kshs.22,674,210 and Kshs.23,187,542 in respect of total receipts and total 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 Regulations 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

6. Non-Adherence to Procurement Laws

During the financial year ended 30 June, 2023 Marafa Boys Secondary renovated 9 dormitories at a cost of Kshs.1,200,616. The audit however revealed that the projects commenced without corresponding budget, an approved procurement plan as per section 40(1) of the Public Procurement and Asset Disposal Act 2015 which requires an accounting officer to prepare an annual procurement plan which shall be based on indicative or approved budgets.

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

The audit was conducted in accordance with ISSAI 4000. The Standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements 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 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 overall governance, were not effective.

Basis for Conclusion

1. Lack of a Functional Audit Committee

During the year under review, Marafa Boys did not have an audit committee. The School did not comply as required by Regulations 166 (1) and (2) of the Public Finance Management (National Government) Regulations, 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 audit could not confirm whether the School benefited from the oversight role and advice from the audit committee and the internal audit function.

2. Lack of Fixed Asset Register and Asset Ownership Documents

Annex 2 to the financial statements reflects summary of fixed assets register with a balance of Kshs.23,457. This includes land and motor vehicle. However, land ownership documents and motor vehicle logbooks were not provided for audit.

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

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

Responsibility 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 control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Council's ability to continue to sustain 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 Council or to cease operations.

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

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

Those charged with governance are responsible for overseeing the School's financial reporting process, reviewing the effectiveness of how the entity 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 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 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 Corporation 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 communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

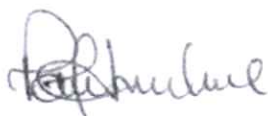
Nairobi

20 September, 2024

V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2023

DESCRIPTION OF VOTE HEAD	Note	2022-2023	2021-2022
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition	1	1,089,624.00	1,505,581.20
Capitation grants for operations	2	4,720,009.10	6,539,415.00
School Fund Income- Parents' Contributions	3	16,064,314.00	18,920,290.00
School fund income-other receipts	4	800,263.00	1,285,088.00
Proceeds from borrowings			nil
TOTAL RECEIPTS		22,674,210.10	28,250,374.20
PAYMENTS			
Payments for Tuition	5	1,750,069.00	1,895,344.00
Payments for operations	6	4,441,321.00	8,920,475.00
Boarding and school fund payments	7	16,996,152.00	16,906,531.00
TOTAL PAYMENTS		23,187,542.00	27,722,350.00
SURPLUS/DEFICIT		(513,331.90)	528,024.20

The school financial statements were approved on 18/07/2024 and signed by:

Sign: 

Name: Paul M. Mwambire

Chair BOM

Date 18/07/2024

Sign 

Name: Seif Juma Dzilla

School Principal/
Secretary to BOM

Date 18/07/2024

Sign 

Name: Thomas Ombere

Bursar/
Finance Officer


Date 18/07/2024

VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30TH JUNE 2023

	Note	2022-2023 Kshs	2021-2022 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	199,824.57	927,489.47
Cash Balances	9	33,342.00	12,573.00
Short term investment	10	-	nil
Total Cash and cash equivalent		<u>233,166.57</u>	<u>940,062.47</u>
Account's receivables	11	23,545,887.30	22,333,315.30
TOTAL FINANCIAL ASSETS		23,779,053.87	23,273,377.77
FINANCIAL LIABILITIES			
Accounts Payables	12	5,828,753.76	4,809,745.76
NET FINANCIAL ASSETS		17,950,300.11	18,463,632.01
REPRESENTED BY			
Accumulated Fund b/fwd	13	18,463,632.01	17,935,607.81
Surplus/Deficit for the year		(513,331.90)	528,024.20
NET FINANCIAL POSSITION		17,950,300.11	18,463,632.01

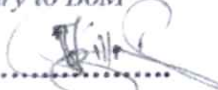
The School's financial statements were approved on 18/07/2024 and signed by:

Name: Paul Mwambire
Chairman, BoM

Sign: 


Date: 18/07/2024

Name: Seif Juma Dzilla
School Principal/
Secretary to BoM

Sign: 

Date: 18/07/2024

Name: Thomas Ombere
Bursar/Finance

Sign: 

Date: 18/07/2024

VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2023

	2022-2023	2021-2022
	Kshs	Kshs
Receipts for operating income		
Capitation grants for tuition	1,089,624.00	1,895,344.00
Capitation grants for operations	3,145,009.10	6,497,975.00
Government Grant for infrastructure	1,575,000.00	2,422,500.00
School fund income- Parents contributions/ fees	15,860,673.00	20,127,534.00
School fund income- other receipts	1,853,250.00	1,285,088.00
Total receipts	23,523,556.10	30,579,279.20
Payments		
Payments for Tuition	1,750,069.00	1,895,344.00
Payments for operations	4,441,321.00	6,085,275.00
Infrastructure	1,185,650.00	3,904,240.00
Boarding and school fund payments	16,853,412.00	20,625,386.00
Total payments	24,230,452.00	32,510,245.00
Net cash flow from operating activities	(706,895.90)	(1,930,965.80)
CASHFLOW FROM INVESTING ACTIVITIES		
Proceeds from Sale of Assets		nil
Acquisition of Assets		
Proceeds from investments	nil	Nil
Purchase of investments	nil	Nil
Net cash flows from Investing Activities		
CASHFLOW FROM BORROWING ACTIVITIES		
Proceeds from borrowings/ loans	nil	nil
Repayment of principal borrowings	nil	nil
Net cash flow from financing activities		
NET INCREASE IN CASH AND CASH EQUIVALENTS	(706,895.90)	(1,930,965.80)
Cash and cash equivalent at BEGINNING of the year	940,062.47	2,871,028.27
Cash and cash equivalent at END of the year	233,166.57	940,062.47

MARAFI SECONDARY SCHOOL
Reports and Financial Statements
For the year ended 30th June 2023

VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2023

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
RECEIPTS						
<i>(1) CAPITATION GRANT ON TUITION</i>						
Textbooks and reference materials	0.00	00	0.00	00	xxx	X
Exercise books	359,567.00	0.00	359,567.00	138,546.50	221,020.50	38
Laboratory equipment	470,266.00	0.00	470,266.00	164,337.00	305,929.00	34.94
Internal exams	142,680.00	0.00	142,680.00	112,757.00	29,923.00	79.02
Teaching / learning materials	369,000.00	0.0	369,000.00	535,437.50	(166,437.50)	145.10
Chalks	49,200.00	0.0	49,200.00	138,546.00	(89,346.00)	281.00
Exams and assessment						
Teachers guides						
	1,390,713.00	0.00	1,390,713.00	1,089,623.50	301,089.00	
<i>(2) CAPITATION GRANT ON OPERATIONS</i>						
Personnel emoluments	2,322,500.00		2,322,500.00	1,788,621.05	296,500.00	
Repairs and maintenance	2,322,500.00		2,322,500.00	1,575,000.00	984,878.95	
Local transport / travelling	464,500.00		464,500.00	296,145.35	168,354.65	63.75
Electricity and water	650,220.00		650,220.00	339,108.25	311,111.75	52.15
Medical				82,500.00		0.0
Administration costs	929,000.00		929,000.00	417,571.95	511,428.05	44.94
Activity				221,062.50		0.0
Gratuity						

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
SMASSE	00.00	xxx	0.00	0.00	0.00	X
	6,688,720.00	0.00	6,688,720.00	4,720,009.10	1,968,710.90	
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	1,719,360.00		1,719,360.00	1,419,571.00	299,789.00	82.5
Repairs and maintenance	640,800.00		640,800.00	549,950.00	90,850.00	85.82
Local transport / travelling	240,408.00		240,408.00	201,070.00	39,338.00	83.6
Electricity and water	763,560.00		763,560.00	591,533.00	172,027.00	77.47
Income for lunch program	1,265,400.00		1,265,400.00	1,461,939.00	(196,539.00)	115.53
Administration costs	709,200.00		709,200.00	630,540.00	78,660.00	88.90
Activity	152,000.00		152,000.00	144,900.00	7,100.00	95.32
B.o.m teachers' salaries	1,061,000.00		1,061,000.00	1,832,673.00	(771,673.00)	172.73
Fee on Boarding Equipment and Stores	6,106,752.00		6,106,752.00	5,924,610.00	182,142.00	97.01
OTHER INCOME						
Income for infrastructure project	923,400.00		923,400.00	635,000.00	288,400.00	68.76
Income from sale of tender				10,000.00		
Income from sale of games kit				413,813.00		
Charges on damaged property				16,550.00		
Income from Bus Hire				359,900.00		
Fee arrears 2023 b/d				2,517,543.00		
Prepaid fee 2022 b/f				154,985.00		
	13,581,880.00		13,581,880.00	16,864,577.00		
TOTAL INCOME				22,674,209.60		

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
(1) EXPENDITURE FOR TUITION						
Textbooks and reference materials						
Exercise books	359,567.00		359,567.00	347,630.00	11,937.00	96.6
Laboratory equipment	470,266.00		470,266.00	764,273.00	(294,007.00)	162.5
Internal exams	142,680.00		142,680.00	89,750.00	52,930.00	62.9
Teaching / learning materials	369,000.00		369,000.00	516,920.00	(147,920.00)	140.08
Chalks	49,200.00		49,200.00	30,890	18,310.00	62.78
Teachers guides						
Administration costs						
Bank Charges	0.00		0.00	606.00	(606)	
	1,390,713.00		1,390,713.00	1,750,069.00	359,356.00	
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	2,322,500.00		2,322,500.00	1,769,640.00	552,860	76.19
Repairs, maintenance & improvements	2,322,500.00		2,322,500.00	1,185,650.00	1,136,850.00	51.05
Local transport / travelling	464,500.00		464,500.00	351,082.00	113,418.00	75.58
Electricity, water and conservancy	650,220.00		650,220.00	309,361.00	340,859.00	47.57
Medical						
Administration costs	929,000.00		929,000.00	614,068.00	314,932.00	66.09
Activity Expenses				209,750.00	00	
Gratuity						
SMASSE						
Bank charges				1,770.00	00	
	6,688,720.00		6,688,720.00	4,441,321.00	2,458,919.00	

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel emoluments	1,719,360.00		1,719,360.00	2,826,000.00	(1,106,640.00)	164.36
Repairs, maintenance and improvements	640,800.00		640,800.00	287,710.00	352,090.00	45.05
Local transport / travelling	240,408.00		240,408.00	412,977.00	(172,569.00)	171.78
Electricity, water and conservancy	763,560.00		763,560.00	616,348.00	147,212.00	80.72
B.o.m Teachers' salaries	1,061,000.00		1,061,000.00	821,600.00	239,400.00	77.43
Administration costs	709,200.00		709,200.00	2,418,964.00	(1,709,764.00)	341.08
Activity	152,000.00		152,000.00	1,048,590.00	(896,590.00)	689.86
Gratuity						
Lunch program	1,265,400.00		1,265,400.00	1,298,202.00	(32,802.00)	102.59
Boarding Equipment and Stores	6,106,752.00		6,106,752.00	5,647,182.00	459,570.00	92.47
Expenditure on infrastructure	923,400.00		923,400.00	604,731.00	318,669.00	65.48
Expenditure on games kit				461,000.00		
Expenditure on school bus				547,344.00		
Bank charges				5,504.00		
	13,581,880.00		13,581,880.00	16,996,152.00		
TOTALS				23,187,542.00		

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

- i. Utilization was above 100% due to Maintenance and improvement funds which had not been utilized in the previous financial year

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 retention and payable 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* recognizes 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* recognizes all expenses when the event occurs and the related cash has actually been paid out by the *school*.

3. In-kind contributions

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

4. Cash and cash equivalents

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Accounts Receivable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

BOARDING AND SCHOOL FUND RECEIPTS 2023

Management letter note 4.1.3

S/NO	1.VARIANCE BETWEEN FS ,LEDGER AND TRIAL BALANCE	FS	Ledger Balance
1	Personel emoluments	1,844,130.00	1,419,571.00
2	Repairs and maintenance	681,000.00	549,950.00
3	Local transport and travelling	254,620.00	201,070.00
4	Electricity water and conservancy	764,785.00	591,533.00
5	Administration costs	789,385.00	630,540.00
6	Acivity	231,505.00	144,900.00
7	Fee on boarding Equipment and stores	6,695,200.00	5,924,610.00
8	Board of management teachers salary	2,061,892.00	1,832,673.00
9	Lunch programe	1,831,794.00	1,461,939.00
10	Receipts for infrastructure project	910,003.00	635,000.00
11	Fees arrears 2023		2,517,543.00
12	Prepaid fees 2022		154,985.00
		16,064,314.00	16,064,314.00

		KSHS	KSHS	KSHS
	PAYMENTS	TUITION	OPERATION	SCHOOL FUND
1	Exercise books	347,630.00		
2	Laboratory equipment	764,273.00		
3	Internal exams	89,750.00		
4	Teaching and learning materials	516,920.00		
5	Chalk and dusters	30,890.00		
6	Bank charges	606.00	1,770.00	5504
7	Personal emoluments		1,769,640.00	2,826,000.00
8	Repairs maintenance and improvement		1,185,650.00	288,710.00
9	Local transport and travelling		351,082.00	412,977.00
10	Electricity water nad conservancy		309,361.00	616,348.00
11	Medical			
12	Administration costs		614,068.00	2,418,964.00
13	Activity		209,750.00	1,048,590.00
14	Lunch programe			1,298,202.00
15	Board of management teachers salary			821,600.00
16	Boarding equipment and stores			5,647,182.00
17	Infrastructure fund project			604,731.00
18	Expenditure on bus hire			547,344.00
19	Purchase of games kit/t-shirts			460,000.00
		1,750,069.00	4,441,321.00	16,996,152.00

STATEMENT OF RECEIPTS AND PAYMENTS 2023		KSHS	KSHS	KSHS
RECEIPTS		TUITION	OPERATION	SCHOOL FUND
1	Exercise books	138,546.50		
2	Laboratory equipment	164,337.00		
3	Internal exams	112,757.00		
4	Teaching and learning materials	535,437.50		
5	Chalk and dusters	138,546.00		
6	Personal emoluments		1,788,621.05	1,844,130.00
7	Repairs maintenance and improvement		1,575,000.00	681,000.00
8	Local transport and travelling		296,145.35	254,620.00
9	Electricity water nad conservancy		339,108.25	764,785.00
10	Medical		82,500.00	
11	Administration costs		417,571.95	789,385.00
12	Activity		221,062.50	231,505.00
13	Lunch programe			1,831,794.00
14	Board of management teachers salary			2,061,892.00
15	Boarding equipment and stores			6,695,200.00
16	Infrastracture fund project			910,003.00
17	Income from sale of tender documents			10,000.00
18	Income from sale of games kit/t-shirts			413,813.00
19	Income from damages			16,550.00
20	Income from bus hire			359,900.00
		1,089,624.00	4,720,009.10	16,864,577.00

FINANCIAL REPORT FOR 2023

AGEING SCHEDULE OF ACCOUNTS RECEIVABLES FOR 2023

Year	Fees Arrears	Comments
2023	2,517,543.00	List available
2022	937,089.00	"
2021	749,945.00	"
2020	2,369,685.00	"
2019	1,030,632.00	"
2018	1,107,966.00	"
	8,712,860.00	
2017 and beyond	14,823,027.30	List not available
Totals	23,535,887.30	

MARAFI SECONDARY SCHOOL
MAIN ACCOUNT TRIAL BALANCE AS AT 30TH JUNE, 2023

VOTEHEADS&ACCOUNTS	L/F	BUDGET	DEBIT	CREDIT	COMMIT	BALANCE
OPENING BAL 1.7.22						
CASH				12,090.00		
BANK				798,496.06		
BUS A/C 1124139826				24,692.83		
EXPENDITURE						
FEES ARREARS	1	4,577,322.00				4,577,322.00
BOM TEACHERS SALARY	2	1,061,000.00	821,600.00			239,400.00
BOARDING EQUIP. & STORES	3	6,106,752.00	4,931,892.00			1,174,860.00
REPAIR MAINTENANCE & IMPROV	4	640,800.00	288,710.00			352,090.00
LOCAL TRANSPORT & TRAVELLIN	5	240,408.00	412,977.00			(172,569.00)
ADMINISTRATION COSTS	6	709,200.00	2,337,514.00			(1,628,314.00)
ELECTRICITY WATER AND CONSER	7	763,560.00	616,348.00			147,212.00
PERSONAL EMOLUMENTS	8	1,719,360.00	2,826,000.00			(1,106,640.00)
LUNCH PROGRAME	9	1,265,400.00	1,298,202.00			(32,802.00)
INFRASTRUCTURE	10	923,400.00	604,731.00			318,669.00
ACTIVITIES	11	152,000.00	984,640.00			(832,640.00)
		18,159,202.00				
INCOME						
FEES ARREARS	1	4,577,322.00		1,304,971.00		3,272,351.00
BOM TEACHERS SALARY	2	1,061,000.00		1,832,673.00		(771,673.00)
BOARDING EQUIP. & STORES	3	6,106,752.00		5,924,610.00		182,142.00
REPAIR MAINTENANCE & IMPROV	4	640,800.00		549,950.00		90,850.00
LOCAL TRANSPORT & TRAVELLING	5	240,408.00		201,070.00		39,338.00
ADMINISTRATION COSTS	6	709,200.00		630,540.00		78,660.00
ELECTRICITY WATER AND CONSERV.	7	763,560.00		591,533.00		172,027.00
PERSONAL EMOLUMENTS	8	1,719,360.00		1,419,571.00		299,789.00
LUNCH PROGRAME	9	1,265,400.00		1,461,939.00		(196,539.00)
INFRASTRUCTURE	10	923,400.00		635,000.00		288,400.00
ACTIVITIES	11	152,000.00		144,900.00		7,100.00
		18,159,202.00				
OTHERS						
GAMES KIT AND UNIFORMS	12		361,000.00	413,813.00		
TENDER DOCUMENTS	13			10,000.00		
SCHOOL BUS HIRE	14		547,344.00	359,900.00		
DAMAGES	15			16,550.00		
LOCAL BURSARY	16		385,500.00	385,500.00		
COUNTY BURSARY	17		942,500.00	942,500.00		
SALARY ADVANCE	18		66,500.00	66,500.00		
SACCO SHARES	19		179,000.00	179,000.00		
NSSF	20		355,712.00	355,712.00		
NHIF	21		130,950.00	116,000.00		
PAYE	22		8,400.00	9,600.00		
PREPAYMENT	23		10,000.00	238,053.00		
BANK CHARGES	24		5,504.00			
BURSARY CONSTITUENCY	25		384,000.00	384,000.00		
TUITION ACCOUNT	26		331,000.00			
SAVINGS/DEPOSIT ACCOUNTS						
BUS A/C 1124139826			24,692.83			
CLOSING BALANCES						
CASH			33,309.00			
BANK			121,138.06			
			19,009,163.89	19,009,163.89		

MARAFI SECONDARY SCHOOL

OPERATION ACCOUNT TRIAL BALANCE AS AT 30TH JUNE, 2023

VOTEHEADS&ACCOUNTS	L/F	BUDGET	DEBIT	CREDIT	COMMIT	BALANCE
OPENING BAL 1.7.22						
CASH				483.00		
BANK				86,866.58		
SERVICE GRATUITY ACCOUNT				5,649.30		
EXPENDITURE						
MAINTENANCE AND IMPROVEMENT	1	2,322,500.00				2,322,500.00
PERSONAL EMOLUMENTS	2	2,322,500.00	1,769,640.00			552,860.00
ELECTRICITY WATER & CONSER.	3	650,220.00	309,361.00			340,859.00
ADMINISTRATION COSTS	4	929,000.00	614,068.00			314,932.00
LOCAL TRANSPORT & TRAVEL	5	464,500.00	351,082.00			113,418.00
		6,688,720.00				
INCOME						
MAINTENANCE AND IMPROVEMENT	1	2,322,500.00		1,575,000.00		747,500.00
PERSONAL EMOLUMENTS	2	2,322,500.00		1,788,621.05		533,878.95
ELECTRICITY WATER & CONSER.	3	650,220.00		339,108.25		311,111.75
ADMINISTRATION COSTS	4	929,000.00		417,571.95		511,428.05
LOCAL TRANSPORT & TRAVEL	5	464,500.00		296,145.35		168,354.65
		6,688,720.00				
OTHERS						
TUITION ACCOUNT	8		320,000.00			
SACCO SHARES	9		90,000.00	90,000.00		
NSSF	10		181,096.00	181,096.00		
NHIF	11		59,050.00	59,050.00		
SALARY ADVANCE	12		15,000.00	15,000.00		
MEDICAL INSURANCE	13			82,500.00		
ACTIVITIES	14		209,750.00	221,062.50		
PAYE	15		4,800.00	4,800.00		
INFRASTRUCTURE ACCOUNT	16		2,056,000.00	853,750.00		
BANK CHARGES	6		966.00			
SAVING/DEPOSITACCOUNT						
GRATUITY ACC.1121903304	7		5,649.30			
CLOSING BALANCES						
CASH			33.00			
BANK			30,208.68			
			6,016,703.98	6,016,703.98		

MARAFI SECONDARY SCHOOL
TUITION ACCOUNT TRIAL BALANCE AS AT 30TH JUNE, 2023

VOTEHEAD & ACCOUNTS	L/F	BUDGET	DEBIT	CREDIT	COMM	BALANCE
OPENING BAL 1.7.22						
CASH				Nil		
BANK				10,880.70		
EXPENDITURE						
TEACHING AND LEARNING MATER.	1	369,000.00	516,920.00			(147,920.00)
LABORATORY EQUIPMENT	2	470,266.00	764,273.00			(294,007.00)
EXERCISE BOOKS	3	359,567.00	347,630.00			11,937.00
CHALK AND DUSTERS	4	49,200.00	30,890.00			18,310.00
EXAMINATION AND ASSESSMENT	5	142,680.00	89,750.00			52,930.00
		1,390,713.00				
INCOME						
TEACHING AND LEARNING MATER.	1	369,000.00		535,437.50		(166,437.50)
LABORATORY EQUIPMENT	2	470,266.00		164,337.00		305,929.00
EXERCISE BOOKS	3	359,567.00		138,546.00		221,021.00
CHALK AND DUSTERS	4	49,200.00		138,546.50		(89,346.50)
EXAMINATION AND ASSESSMENT	5	142,680.00		112,757.00		29,923.00
		1,390,713.00				
OTHERS						
BANK CHARGES	6		606.00			
OPERATION ACCOUNT	7			320,000.00		
MAIN ACCOUNT	8			331,000.00		
CLOSING BALANCES						
BANK			1,435.70			
			1,751,504.70	1,751,504.70		

X. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2022-2023	2021-2022
	Kshs	Kshs
Textbooks and reference materials		
Exercise books	138,546.00	130,000.00
Laboratory equipment	164,337.00	143,000.00
Internal exams	112,757.00	0.00
Teaching / learning materials	535,437.50	1,232,581.20
Chalks/whiteboard ink	138,546.50	0.00
Total	1,089,624.00	1,505,581.20

2 CAPITATION GRANT FOR OPERATIONS

	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	1,337,621.05	1,448,779.00
Repairs and maintenance	2,026,000.00	2,422,500.00
Local transport / travelling	296,145.35	837,273.40
Electricity and water	339,108.25	815,231.00
Medical	82,500.00	90,400.00
Administration costs	417,571.95	925,231.60
Activity	221,062.50	0.00
Total	4,720,009.10	6,539,415.00

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	1,844,130.00	2,037,075.00
Repairs and maintenance	681,000.00	804,183.00
Local transport / travelling	254,620.00	295,340.00
Electricity and water	764,785.00	1,138,292.00
Medical	0.00	0.00
Administration costs	789,385.00	1,050,040.00
Activity	231,505.00	277,280.00
Fee on Boarding Equipment and Stores	6,695,200.00	7,486,554.00
Board of management teachers' salaries	2,061,892.00	2,560,978.00
Lunch programe	1,831,794.00	1,885,833.00
Receipts for Infrastructure projects	910,003.00	1,384,715.00
Total	16,064,314.00	18,920,290.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2022-2023	2021-2022
	Kshs	Kshs
Income from sale of Tender documents	10,000.00	11,000.00
Income from sale of games kit and t/shirts	413,813.00	874,750.00
Fee for hire of school bus and other facilities	359,900.00	296,000.00
Income from broken school properties	16,550.00	103,338.00
Interest income	0.00	0.00
Dividends income	0.00	0.00
Total	800,263.00	1,285,088.00

5. PAYMENTS FOR TUITION

	2022-2023	2021-2022
	Kshs	Kshs
Textbooks and reference materials	0.00	0.00
Exercise books	347,630.00	295,050.00
Laboratory equipment	764,273.00	879,522.00
Teaching / learning materials	516,920.00	654,532.00
Chalks	30,890.00	14,400.00
Exams and assessment	89,750.00	51,000.00
Bank Charges	606.00	840.00
Total	1,750,069.00	1,895,344.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. PAYMENTS FOR OPERATIONS

	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	1,769,640.00	2,649,540.00
Service Gratuity	0.00	0.00
Administration Cost	614,068.00	1,715,710.00
Payment for infrastructure	1,185,650.00	3,904,240.00
Local transport / travelling	351,082.00	176,342.00
Electricity and water	309,361.00	474,643.00
Medical	0.00	0.00
Activity Expenses	209,750.00	0.00
SMASSE	0.00	0.00
Insurance Cost	0.00	0.00
Bank Charges	1,770.00	0.00
Acquisition of Assets		0.00
TOTAL	4,441,321.00	8,920,475.00

7. BOARDING AND SCHOOL FUND PAYMENTS

	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	2,826,000.00	2,400,503.00
Activities	1,048,590.00	149,950.00
Repairs and maintenance & Improvements	288,710.00	1,032,400.00
Local transport / travelling	412,977.00	404,331.00
Electricity and water	616,348.00	1,232,224.00
Administration costs	2,418,964.00	2,792,525.00
Lunch Programme	1,298,202.00	1,166,965.00
Bank Charges	5,504.00	0.00
Fee on Boarding Equipment and Stores	5,647,182.00	4,378,899.00
Board of management teachers' salaries	821,600.00	654,080.00
Payment for infrastructures	604,731.00	1,376,145.00
Expenses on hire of school bus and other facilities	547,344.00	322,609.00
Expenses on purchase of games kit and school t/shirt	460,000.00	995,900.00
TOTAL	16,996,152.00	16,906,531.00

*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.*

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2022-2023	2021-2022
		Kshs	Kshs
Tuition Account	1104229056	1,435.70	10,880.70
Operations Account	1104238497	30,208.68	86,866.58
School Fund Account/Boarding	1107991234	121,138.06	798,496.06
Savings Account- School bus	1124139826	24,692.83	24,692.83
Service gratuity Account	1121903304	5,649.30	5,649.30
Infrastructural Account	1109797052	16,700.00	904.00
Total		199,824.57	927,489.47

9. CASH IN HAND

Description	2022-2023	2021-2022
	Kshs	Kshs
Tuition Account	Nil	Nil
Operation Account	33.00	483.00
School Fund account	33,309.00	12,090.00
Total	33,342.00	12,573.00

10. SHORT TERM INVESTMENTS

Description	2022-2023	2021-2022
	Kshs	Kshs
Cooperative shares	0.00	0.00
Treasury Bills	0.00	0.00
Fixed deposit	0.00	0.00
Equity stock	0.00	0.00
Other investments	0.00	0.00
Total	0.00	0.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. ACCOUNTS RECEIVABLE

Description	2022-2023	2021-2022
	Kshs	Kshs
Fees arrears	23,535,887.30	22,323,315.30
Other non-fees receivables- R/D Cheque	10,000.00	10,000.00
Total	23,545,887.30	22,333,315.30

Ageing analysis of Accounts receivable

Description	2022-2023	2021-2022
	Kshs	Kshs
Fees arrears for current year	2,517,543.00	2,611,000.00
Fees arrears for the previous year-2022	937,089.00	772,142.00
Fees arrears for 2018 to 2021	5,258,228.00	18,940,173.30
Fees Arrears for 2017 and beyond	14,823,027.30	
Total	23,535,887.30	22,323,315.30

12. ACCOUNTS PAYABLE

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade creditors	944,740.00	0.00
Prepaid fees	228,053.00	154,985.00
Paye	1,200.00	Nil
Funded Accounts	4,654,760.76	4,654,760.76
Total	5,828,753.76	4,809,745.76

Ageing analysis of Accounts payable

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade creditors for current year	944,740.00	0.00
Trade creditors for the previous year	00	0.00
Trade creditors for prior periods (over two years)	00	0.00
Total	944,740.00	0.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. FUND BALANCE BROUGHT FORWARD

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank balances	927,489.47	2,844,362.27
Cash balances	12,573.00	26,666.00
Short Term Investments	0.00	00
Receivables	22,333,315.30	20,237,185.30
Payables	(4,809,745.76)	(5,172,605.76)
Total	18,463,632.01	17,935,607.81

Other important disclosure notes

IPSAS 1 encourages an entity to disclose accrual related information in relation to an entity's assets and liabilities. The notes outlined below are disclosure notes in relation to the school's non- financial assets and liabilities.

4. Non-current Liabilities Summary

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank loan(s)	nil	nil
Outstanding Leases	nil	nil
Hire purchase	nil	nil
Gratuity and leave provision	nil	nil
Total	nil	nil

5. Biological assets

Description	Numbers	2022-2023	2021-2022
		Kshs	Kshs
Cattle		0.00	800,000.00
Total		0.00	800,000.00

6. Borrowings

Description	2022-2023	2021-2022
	KShs	KShs
a) Borrowings		
Borrowing at beginning of the year	nil	nil
Borrowings during the year	nil	nil
Repayments of during the year	(nil)	(nil)
Balance at end of the year	nil	nil

Other important disclosure notes

7. Stock/ Inventory

Description	2022-2023	2021-2022
	KShs	KShs
b) Borrowings		
Stock/ inventory at beginning of the year		
Stock/ inventory purchased during the year		
Stock/ inventory issued during the year		
Balance at end of the year		

8. .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)
2018	1.Sundry Creditors kshs 200,524.74	This has been paid	Resolved	Next financial year
	2.Sundry debtors kshs 17,512,223.30	Fee payment policies have been introduced to recover the same	Resolved	”
	3.Funded Accounts	These monies are included in fees arrears	Resolved	“
	4.Income and expenditure Accounts	The management resolved to adhere to MoEST guidelines regarding financial and budgetary policies	Resolved	“
	4.2019-2021 Books of Accounts	These have been submitted and audited	Resolved	“

MARAFA SECONDARY SCHOOL
Reports and Financial Statements
For the year ended 30th June 2023

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2023	Outstanding Balance 2022	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Supply of goods						
4. Meridian Cereals	642,470.00	2023	nil	642,470.00		
5. Eric Ngunjiri	72,820.00	2023	nil	72,820.00		
6. Economy Fashion Centre	99,000.00	2023	nil	99,000.00		
7. Jemwag Enterprises	66,500.00	2023	nil	66,500.00		
8. Kings Sports House	63,950.00	2023	nil	63,950.00		
Sub-Total	944,740.00			944,740.00		
Supply of services						
9.						
10.						
11.						
Sub-Total						
Grand Total	944,740.00			944,740.00		

MARAFA SECONDARY SCHOOL
Reports and Financial Statements
For the year ended 30th June 2023

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Cost at the end of year Kshsh	Cost at the beginning of year (Kshs)
Land 1	Bal b/d	Marafa	1(25 acres)	1(25 acres)
Buildings and structures	Bal b/d	Marafa	18	18
Motor vehicles	Bal b/d	Marafa	1	1
Office equipment, furniture and fittings	Bal b/d	Marafa	1,852	1,852
ICT Equipment, and Other ICT Assets	Bal b/d	Marafa	32	32
Tools and apparatus	Bal b/d	Marafa	5,187	5,187
Textbooks	Bal b/d	Marafa	16,348	16,348
Other Machinery and Equipment	Bal b/d	Marafa	14	14
Intangible assets- soft ware	Bal b/d	Marafa	4	4
Total			23,457	23,457

