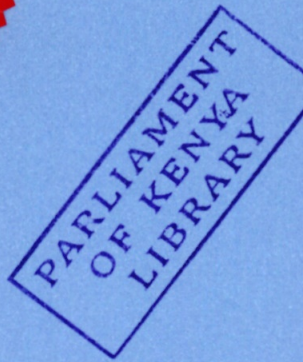


REPUBLIC OF KENYA



Enhancing Accountability



REPORT

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 27 NOV 2024	DAY: Wednesday
TABLED OF:	Leader of Majority
CLERK-AT THE-TABLE:	Lomale-

THE AUDITOR-GENERAL

ON

MAKWA BOYS SECONDARY SCHOOL

**FOR THE YEAR ENDED
30 JUNE, 2023**

KIAMBU COUNTY



**MAKWA BOYS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2023**

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

MAKWA BOYS SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2023

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1. Acronyms and Glossary of Terms

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

2. KEY SCHOOL INFORMATION AND MANAGEMENT

(a) Background information

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is in Kiambu County, Gatundu North Sub-County.

The school was registered in November 1986 under registration number 22S00300429 and is currently categorized as a County public school established, owned or operated by the Government.

The school is a boarding school and had 720 students as at 30th June 2022. It has 4 streams and 26 teachers of which 3 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	Scola W. Miru	Chairperson	2/3/2022
2	Paul Maingi Koome	Secretary- Principal	2/3/2022
3	Virginia Ngugi	P.A chairperson -parent	16/3/2023
4	Leonard Thumbi Kiarie	Special Interest	16/3/2023
5	James Ngugi	Member	2/3/2022
6	Michael Muchai	Community Rep	2/3/2022
7	Catherin Njoki	Community Rep	2/3/2022
8	Anthony K. Ngurimu	Member – Rep CEB	2/3/2022
9	Lawrence Ngigi	Member Rep Teachers	2/3/2022
10	Paul F.K Karanja	3 Members - Sponsor	2/3/2022
11	Kalululwanga	Special Interest	2/3/2022
12	Jackson Ndungu	Member - Community	2/3/2022
13	Jackline Nyambura	Member Special Needs-parent	2/3/2022
14	David Mutuku	Rep Students	2/3/2022
15	Ann Njeri Wainaina	Special Interest	16/3/2023
16	James Njoroge macharia	Member -parent	2/3/2022
17	Elizabeth Nyambura	Member	2/3/2022
18	Eunice Murabu	Member	2/3/2022

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The functions of the School Board of Management are to:

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

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1.Scola Wangari 2.Paul Koome 3.Virginia Ngugi 4.Anthony Kabucho 5.Eunice Murabu	Chair Secretary Member Member Member	4 out of 4 4 out of 4 2 out of 4 3 out of 4 3 out of 4
2	Audit Committee	1.Leonard Thumbi 2.Elizabeth Nyambura 3.Catherine Mundia	Chair Member Member	1 out of 1 1 out of 1 1 out of 1
3	Finance, procurement and general purposes Committee	1.Leonard Thumbi 2.Paul Koome 2.Elizabeth Nyambura	Chair Secretary Member	1 out of 1 1 out of 1 1 out of 1
4	Academic Committee	1. Ann Njeri 2. Anthony Kabucho 3. Jackline Nyambura 4. Michael Muchai	Chair Member Member Member	NONE
5	Development Committee	1.Kalululwanga 2.Lawrence Ngigi 3.Scola Wangari 4.Paul Koome 5.Virginia Ngugi	Chair Secretary Member Member Member	7 out of 8 8 out of 8 8 out of 8 8 out of 8 3 out of 8

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For the year ended 30th June 2023

		6.Jackson Ngugi		3 out of 8
6	Discipline and welfare Committee	1.James Ngugi 2.Ann njeri 3 Eunice Murabu	Chair Secretary Member	1 out of 1 1 out of 1 1 out of 1
7	Adhoc Committee (if any during the year)			

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(d) School operation Management

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

Ref:	Designation	Name	Identification
1	Principal	Maingi Paul Koome	TSC No.351804
2	Deputy Principal	Lawrence Kuria Ngigi	TSC No.287343
3	School Bursar	Annastasia Wangui Kariuki	ICPAK No.N/A
4	Other (specify)		

(e) Schools contacts

Post Office Box: 97 Gatukuyu Via Thika -01028
Telephone: 0725510557
E-mail: makwaboys@gmail.com
Website: www.makwaboys.com
Facebook: N/A
Twitter: N/A

(f) School Bankers

The school operated 5 bank accounts in the following banks:

- Name of Bank: KCB
Branch: Thika
Account Number: 1102176435
- Name of Bank: KCB
Branch: Thika
Account Number: 1102188425
- Name of Bank: KCB
Branch: Thika
Account Number: 1102191159
- Name of Bank: KCB
Branch: Thika
Account Number: 1261642821
- Name of Bank: EQUITY
Branch: Thika
Account Number: 0090100128463

6. MPESA PayBill No.485173 attached to KCB bank account 1102176435

(g) Independent Auditors

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

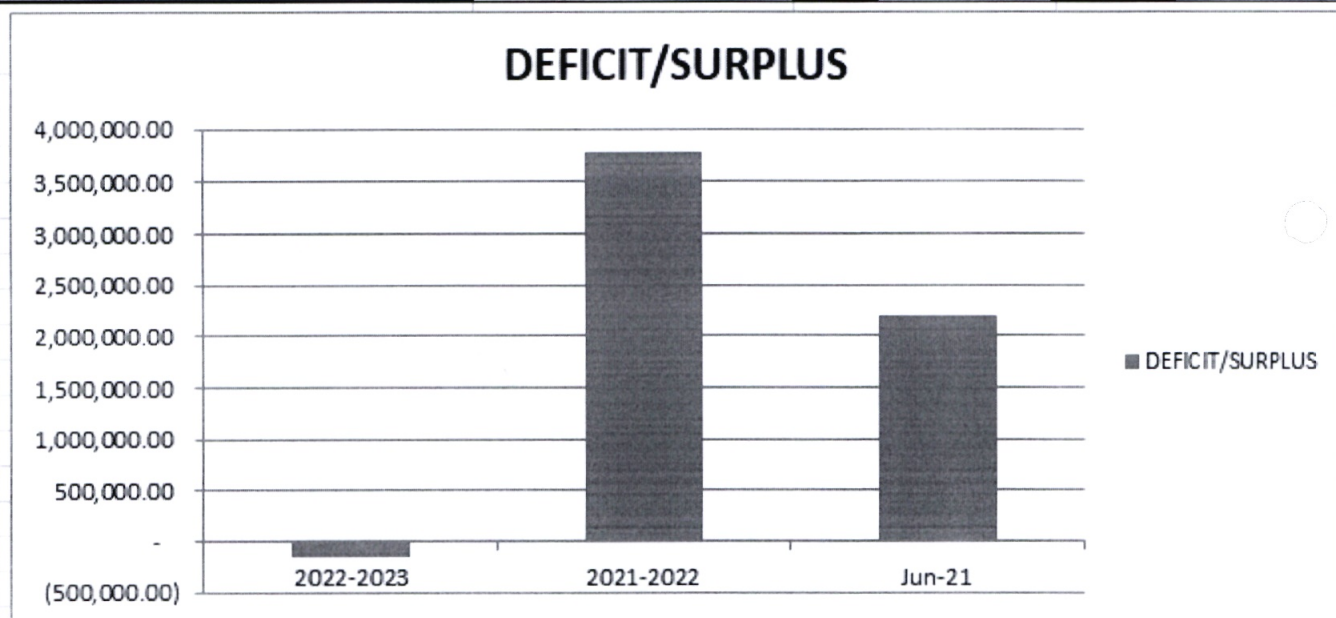
3. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

a) Financial performance:

- Surplus/ deficit for the year and a comparison of the same for the last three years

YEAR	2022-2023	2021-2022	Jun-21
DEFICIT/SURPLUS	(343,532)	3,365,674	4,162,010

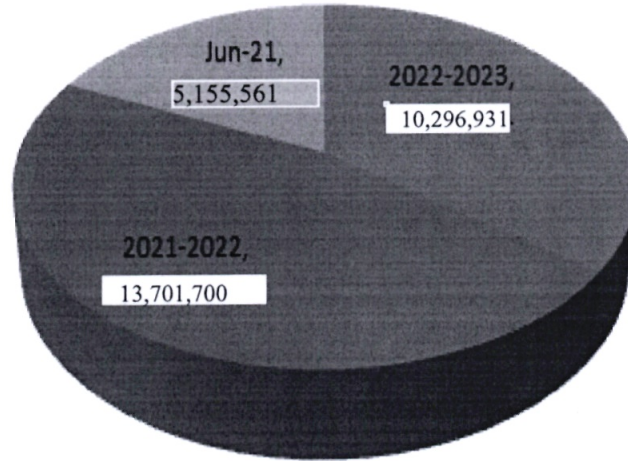


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- *Capitation grants from the Ministry of Education for the last three years*

YEAR	2022-2023	2021-2022	Jun-21
CAPITATION IN KSHS	10,296,931	13,701,700	5,155,561

CAPITATION IN KSHS

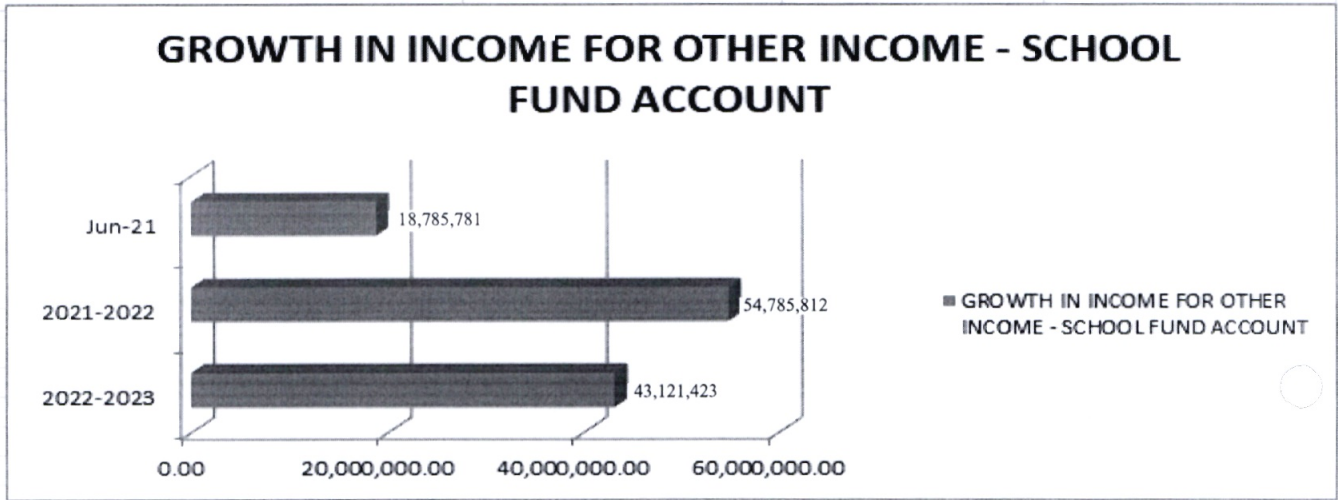


- 2022-2023
- 2021-2022
- Jun-21

MAKWA BOYS SECONDARY SCHOOL
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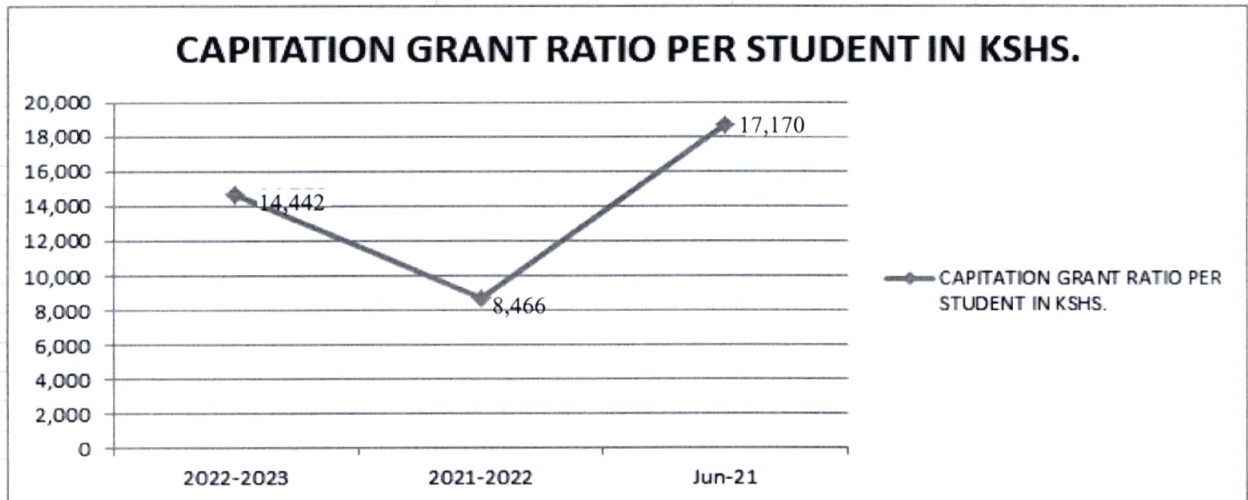
- *A three-year overview of growth of other income(s) earned by the school.*

YEARS	2022-2023	2021-2022	Jun-21
GROWTH IN INCOME FOR OTHER INCOME - SCHOOL FUND ACCOUNT	43,121,423	54,785,812	18,785,781



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

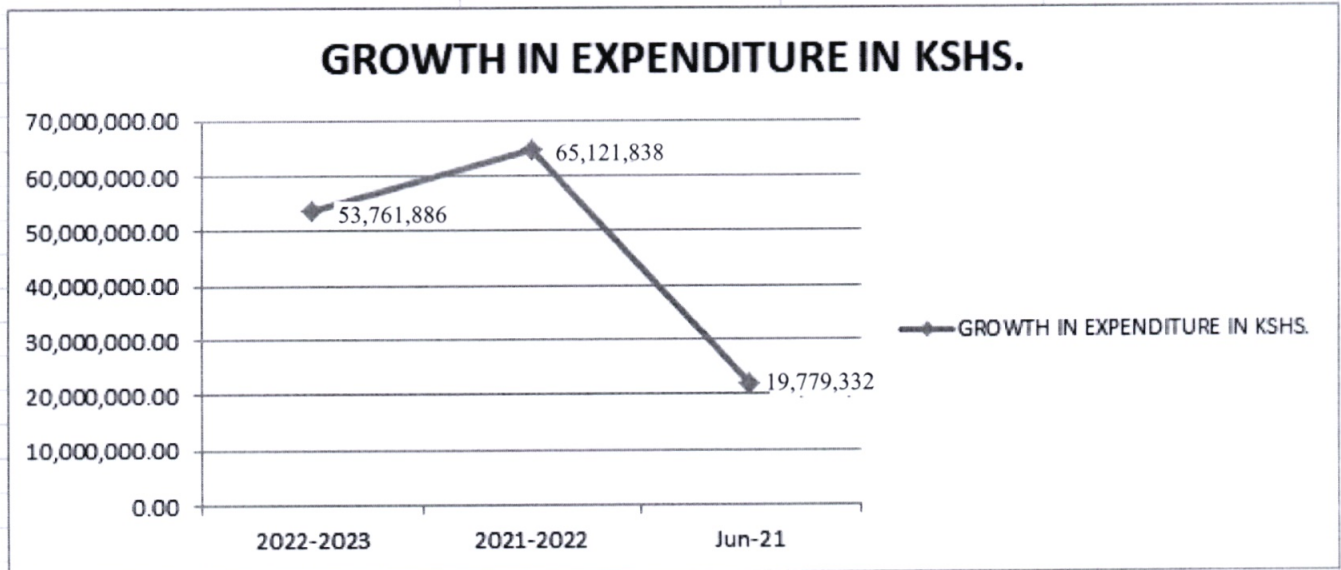
YEARS	2022-2023	2021-2022	Jun-21
CAPITATION GRANT RATIO PER STUDENT IN KSHS.	14,442	17,170	8,466



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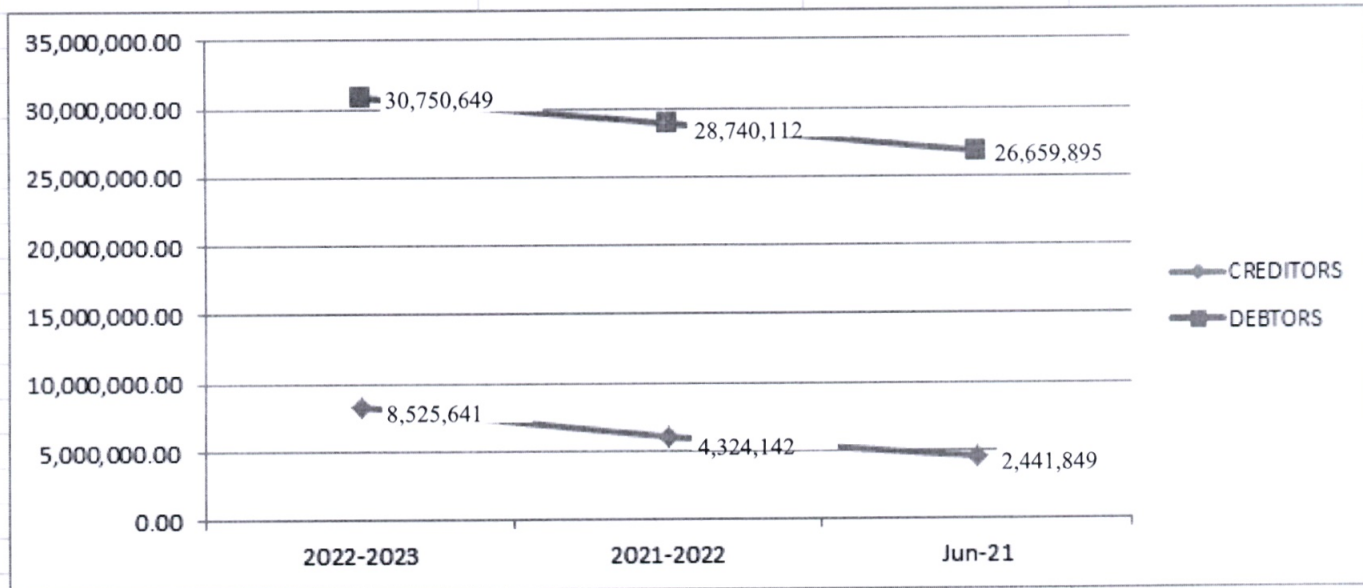
- *A three-year overview of growth in expenditure of the school*

YEARS	2022-2023	2021-2022	Jun-21
GROWTH IN EXPENDITURE IN KSHS.	53,761,886	65,121,838	19,779,332



- *Movement of debtors and creditors of the school over the last three years*

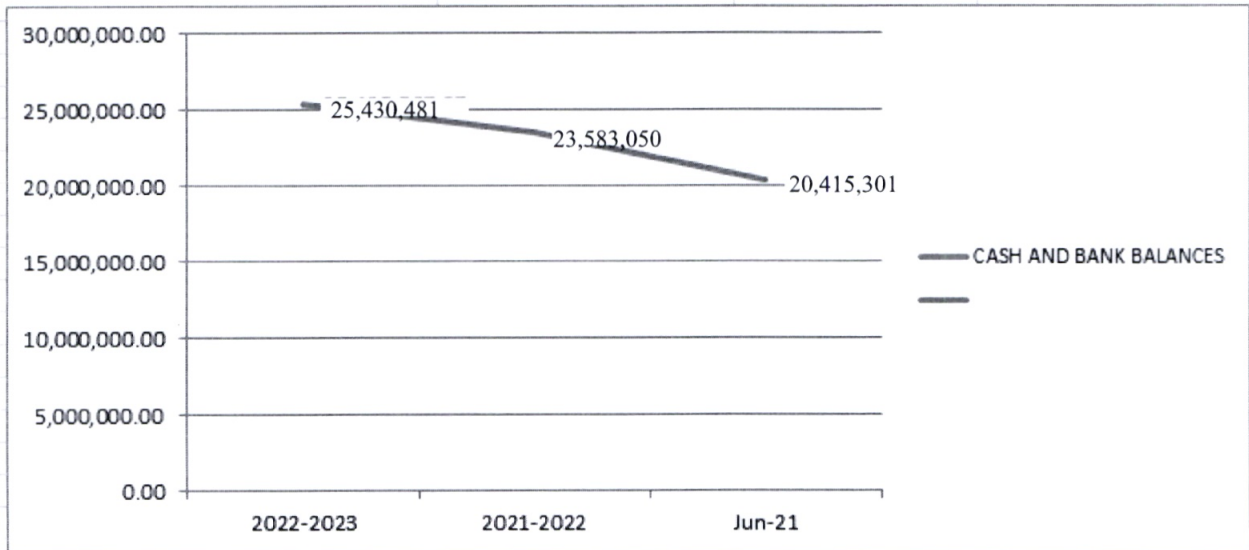
YEARS	2022-2023	2021-2022	Jun-21
CREDITORS	8,525,641	4,324,142	2,441,849
DEBTORS	30,750,649	28,740,112	26,659,895



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

YEARS	2022-2023	2021-2022	Jun-21
CASH AND BANK BALANCES	25,430,481	23,583,050	20,415,301



D) Number of Candidates in the 2022 KCSE:

YEAR	NUMBER OF CANDIDATE
2022	158
2021	171
2020	140

E) Capacity of the School

1. Number of students	720
2. Dormitories	16
3. Dining Hall	1
4. Laboratories	4
5. Toilets	51
6. Bathrooms	45

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For the year ended 30th June 2023

7. DEVELOPMENT PROJECTS CARRIED OUT BY THE SCHOOL:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Repairs to School Dining Hall and Kitchen	Maintenance and Improvement (MIF)	Completed	668,709	668,709	22/12/2022
Repairs to Classroom and Dormitories	R.M.I (School fund)	Completed	451,000	451,000	24/3/2023
Demolition and re-construction of collapsed ablution block in boarding area	R.M.I (School fund)	Completed	653,380	653,380	8/6/2023
Repairs boarding area bathrooms, drainage, windowpanes, beds and desks	R.M.I (School fund)	Completed	216,200	216,500	2/6/2023
Repairs in Tuition area storm water drainage, channels & replacement of window panes for classrooms	R.M.I (School fund)	Completed	43,500	43,500	2/6/2023

PRINCIPAL
MAKWA BOYS SEC. SCHOOL
 P. O. Box 97-01028, GATUKUYU
 VIA THIKA
 Date: 22/7/24 Sign: 

.....
School Principal

4. Statement of School Management Responsibility

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

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

The Board of Management of Makwa 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: Cecastica Wangari
Designation: Chairman, School Board of Management

Date: 22/7/2024


.....

PRINCIPAL
MAKWA BOYS SEC. SCHOOL
P. O. Box 97-01028, GATUKUYU
VIA THIKA

Name: Mainji P. Kodira
Designation: School Principal & Secretary to Board of Management

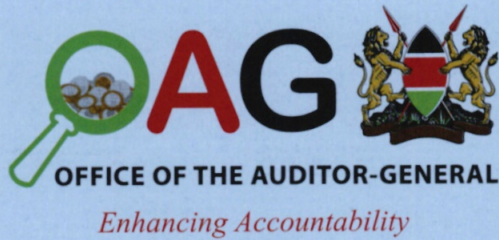
Date: 22/7/2024


.....

Name: Anastasia Karuki
Designation: Bursar/ Finance Officer

Date: 22/7/2024

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 MAKWA BOYS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 - KIAMBU 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 the 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 Makwa Boys Secondary School - Kiambu County set out on pages 17 to 34, which comprise of the statement of assets and liabilities as at 30 June, 2023, and the statement of receipts and payments, statement

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

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

Basis for Qualified Opinion

1.0 Accounts Receivables

1.1 Unsupported Accounts Receivables

The statement of assets and liabilities reflects accounts receivables balance of Kshs.30,750,649 as disclosed in Note 13 to the financial statements. However, the supporting schedules, detailed aging analysis and issued invoices were not provided for audit. Further, significant accounting policies on accounts receivables as disclosed in Note 13 is silent on the treatment of the students' fees balances which is the major source of income for the School.

In the circumstances, the accuracy and completeness of the receivables balance of Kshs.30,750,649 could not be confirmed.

1.2 Long Outstanding Receivables

The statement of assets and liabilities reflects accounts receivables balance of Kshs.30,750,649 in respect of fees arrears as disclosed in Note 13 to the financial statements. However, included in the balance are receivables amounting to Kshs.25,672,649 which had been outstanding for more than two (2) years.

In the circumstances, the accuracy and full recoverability of the receivables balance of Kshs.30,750,649 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Makwa Boys Secondary School Management in accordance with ISSAI 130 on 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 audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

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

The statement of receipts and payments reflects operations payments amount of Kshs.6,985,827 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.178,650 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.178,650 could not be confirmed.

2. Late Transfer of Infrastructure Funds from Operation Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.5,574,811 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the grants of Kshs.5,574,811 is an amount of Kshs.2,786,000 which was to be transferred to the school infrastructure bank account. However, Management did not transfer the infrastructure funds to the infrastructure bank account within fifteen (15) days contrary to Ministry of Education Circular which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the School infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

3. 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.

4. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 27 October, 2023 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 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.

5. Excess/Under Supply of Books

During the year under review, the Ministry of Education distributed textbooks to public secondary schools through Kenya Institute of Curriculum Development (KICD). Examination of records revealed that the School did not receive forty-seven (47) copies of Business Studies Form 2 Students' Book as expected in the year. Further, the School received excess three (3) copies of History and Government Form 4 Teacher's Guide in the year.

In addition, it was observed that the School does not keep up to date register/record both in hard and soft copy contrary to Regulation 140(1) of the Public Finance Management (National Government) Regulations, 2015 which requires that an Accounting Officer should be responsible for the proper custody, care and use of Government inventories under their control.

In the circumstances, proper management of text books could not be confirmed.

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 are in compliance, 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. Failure to Conduct Quarterly and Annual Stock-Take

Note 19 to the financial statements reflects a balance of Kshs.3,997,637 in respect to stock/inventory for the year under review. However, Management did not conduct quarterly and annual stock take as envisaged in Section 162(2) of the Public Procurement and Asset Disposal Act, 2015 which states that the head of procurement function shall arrange for occasional visits of inspection to the stores, at least quarterly in each calendar year, and conduct quarterly and annual inventory and stock taking in order to ensure compliance with all respective governing laws and submit the report to the Accounting Officer.

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

2. Lack of Authority for Approving Rates for Board Allowances

The statement of receipts and payments and as disclosed in Note 9 to the financial statements for the year ended 30 June, 2023 reflects an amount of Kshs.42,918,366 in respect to boarding and school fund payments which further includes a total of Kshs.111,000 paid to Board members. However, no evidence was provided to show that the rate used to pay the Board allowances had been approved as required under Section 14 of the Basic Education Act, 2013 which provides that Members of a Board of Management shall be paid in respect of their services such allowances as the Board of Management shall, with the approval of the Cabinet Secretary, determine.

In the circumstances, the regularity of the expenditure amounting to Kshs.111,000 could not be confirmed.

3.0 Fixed Assets

3.1 Disclosure of Assets

The summary of fixed assets register reflects a balance of Kshs.8,821,000. However, the register does not include land of unknown value where the School is located and buildings of unknown value, for instance, class halls, kitchen and administration block. Further, the register does not include the historical cost brought forward, additions, historical cost carried forward and the total.

In addition, the fixed assets register which was provided for audit review lacked the information on the cost, date purchased, asset coding and serial numbers of the assets. Further, the assets have not been valued.

In the circumstances, the completeness and valuation of the assets could not be confirmed.

3.2 Lack of Ownership Documents

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.8,821,000 in respect of fixed assets which includes land with a Nil balance. However, land ownership documents were not provided for audit.

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

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or to cease its operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015. In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

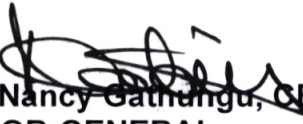
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting 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 the 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

27 September, 2024

MAKWA BOYS SECONDARY SCHOOL
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For the year ended 30th June 2023

6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2023

Description Of Vote Head	Note	2022-2023	2021-2022
		Kshs	Kshs
Receipts			
Government grants for tuition	1	1,936,120	2,546,022
Government grants for operations	2	5,574,811	11,155,678
Government Grants for infrastructure	3	2,786,000	-
School fund income- parents' contributions	4	34,834,858	50,198,789
Miscellaneous incomes	5	8,286,565	4,587,023
Total Receipts		53,418,354	68,487,512
Payments			
Tuition	6	2,913,955	2,038,933
Operations	7	6,985,827	10,497,808
Infrastructure	8	943,738	-
Boarding and school fund	9	42,918,366	52,585,097
Total Payments		53,761,886	65,121,838
Surplus/Deficit		(343,532)	3,365,674

The school financial statements were approved on 25/10/2023 and signed by:



Name: Scolastica Wangari
 Chair BOM



Name: Mainzi P. Kame
 School Principal/ Secretary to BOM



Name: Anastasia Karuki
 Bursar/ Finance Officer

Date: 22/7/2024

Date: 22/7/2024

Date: 22/7/2024


PRINCIPAL
 MAKWA BOYS SEC. SCHOOL
 P. O. Box 07-01020, GATUKUYU
 VIA THIKA
 Date: Sign:

MAKWA BOYS SECONDARY SCHOOL
Annual Report and Financial Statements
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7. STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	25,428,323	23,275,244
Cash balances	11	2,158	307,806
Short term investments	12	-	-
Total cash and cash equivalent		25,430,481	23,583,050
Accounts receivables	13	30,750,649	28,740,113
Total financial assets		56,181,130	52,323,162
Financial liabilities			
Accounts payables	14	8,525,641	4,324,142
Net financial assets		47,655,489	47,999,021
Represented by			
Accumulated fund b/fwd	15	47,999,021	44,633,347
Surplus/deficit for the year		(343,532)	3,365,674
Net financial position		47,655,489	47,999,021

The school's financial statements were approved on 25/10/2023 and signed by:



Name: Scalastica Kijani

Chair BOM

Date: 22/7/2024



Name: Mairigi P. Koina
 School Principal/ Secretary to BOM

Date: 22/7/2024



Name: Annastacia Karuku
 Bursar/ Finance Officer

Date: 22/7/2024

18
PRINCIPAL
 MAKWA BOYS SEC. SCHOOL
 P. O. Box 97-01028, GATUKUYU
 VIA THIKA
 Date:..... Sign:.....

MAKWA BOYS SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2023

7. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition	1	1,936,120	2,546,022
Government grants for operations	2	5,574,811	11,155,678
Government grants for infrastructure	3	2,786,000	-
School fund income- parents contributions/ fees	4	34,834,858	50,198,789
Other income	5	8,286,565	4,587,023
Total receipts		53,418,354	68,487,512
Payments			
Cash outflows for tuition	6	2,913,955	2,038,933
Cash outflows for operations	7	6,985,827	7,012,808
Cash outflows Boarding/lunch and school fund payments	9	42,918,366	52,585,097
Total payments		52,818,148	61,636,838
Net cash inflow/outflow from operating activities		600,206	6,850,674
Adjusted for:			
Changes in Receivables	13	(2,010,536)	(2,080,218)
Changes in Payables	14	4,201,499	1,882,293
Accruals to cash Adjustments			
Cash flow from investing activities			
Acquisition of assets	8	(943,738)	(3,485,000)
Proceeds from sale of Assets			
Net cash inflow/outflows from investing activities		(943,738.00)	(3,485,000)
Cash flow from financing activities			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
Net cash inflow/outflow from financing activities			
Net increase/decrease in cash and cash equivalents		1,847,431	3,167,749
Cash and cash equivalent at beginning of the 2023		23,583,050	20,415,301
Cash and cash equivalent at end of the 2023		25,430,481	23,583,050

MAKWA BOYS SECONDARY SCHOOL
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For the year ended 30th June 2023

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
(1) Capitation Grant on Tuition					
Reference Materials	-	-	-	-	-
Exercise Books	-	-	-	-	-
Laboratory Equipment	-	-	-	-	-
Teaching / Learning Materials	3,108,000	-	3,108,000	1,936,120	62%
Exams And Assessment					
TOTAL	3,108,000	-	3,108,000	1,936,120	62%
(2) Capitation Grant on Operations					
Personnel emoluments	3,525,000	-	3,525,000	2,513,231	71%
Administration costs	1,762,500	-	1,762,500	1,229,616	70%
Repairs and maintenance	-	-	-	-	-
Local transport / travelling	881,250	-	881,250	641,808	73%
Electricity and water	881,250	-	881,250	641,808	73%
Medical/ Insurance	1,500,000	-	1,500,000	151,800	10%
Activity	1,125,000	-	1,125,000	396,550	35%
SMASSE	150,000		150,000	-	
TOTAL	9,825,000	-	9,825,000	5,574,811	57%

MAKWA BOYS SECONDARY SCHOOL
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Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
3) FDSE for infrastructure					
Maintenance & Improvement Moe	3,750,000	-	3,750,000	2,786,000	74%
M&I parents' contribution					
TOTAL	3,750,000	-	3,750,000	2,786,000	74%
(4) Fees Charged on Parents					
Personnel Emoluments	3,168,750	-	3,168,750	3,227,478	102%
Repairs And Maintenance	1,725,000	-	1,725,000	1,997,202	115%
Local Transport / Travelling	5,362,500	-	5,362,500	3,482,305	65%
Electricity And Water	675,000	-	675,000	2,142,507	317%
Medical					
Administration Costs	2,156,250	-	2,156,250	2,084,290	97%
Activity	225,000	-	225,000	185,157	82%
Fee On Boarding Equipment and Stores	19,432,500	-	19,432,500	21,715,919	111%
Total	32,745,000	-	32,745,000	34,834,858	106%
5) Miscellaneous Income					
Uniform/ Marking	-	-	-	4,867,560	-
Damages	-	-	-	102,800	-
Canteen	-	-	-	346,835	-
Bursary				2,741,070	
Income from Bus				197,800	
Exams				30,500	
Total	-	-	-	8,286,565	
TOTAL INCOME	49,428,000	-	49,428,000	53,418,354	108%

MAKWA BOYS SECONDARY SCHOOL
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Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
(6) Expenditure For Tuition					
Stationery	-		-	970,200	
Reference Materials	-		-	-	
Bank charges				3,214	
Laboratory Equipment	-		-	572,892	
Teaching / Learning Materials	3,108,000	-	3,108,000	1,367,649	
TOTAL	3,108,000	-	3,108,000	2,913,955	94%
(7) Expenditure For Operations					
Personnel emoluments	3,525,000	-	3,525,000	3,629,505	103%
Local transport / travelling	881,250	-	881,250	226,186	26%
Electricity, water and conservancy	881,250	-	881,250	446,413	514%
Medical/ Insurance	1,500,000	-	1,500,000	-	-
Administration costs	1,762,500	-	1,762,500	1,204,834	80%
Activity Expenses	1,125,000	-	1,125,000	730,080	41%
CBC	-	-	-	748,809	
SMASSE	150,000		150,000	-	
TOTAL	9,825,000	-	9,825,000	6,985,827	71%
(8) Expenditure For infrastructure					
Maintenance & Improvement MoE	3,750,000	-	3,750,000	943,738	25%
Construction of	-	-	-	-	-

MAKWA BOYS SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2023

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
classrooms					
Total	3,750,000	-	3,750,000	943,738	25%
(9) Expenditure For school fund/lunch/boarding					
Personnel Emoluments	3,168,750		3,168,750	907,236	29%
Repairs, Maintenance and Improvements	1,725,000		1,725,000	3,523,410	204%
Local Transport / Travelling	5,362,500		5,362,500	3,097,635	58%
Electricity, Water and Conservancy	675,000		675,000	1,018,828	151%
Uniform/ Marking				4,192,185	
Administration Costs	2,156,250		2,156,250	3,223,997	150%
Activity	225,000			125,920	
Bus Hire	-			73,110	
Boarding Equipment and Stores	19,432,500		23,088,750	23,582,975	102%
Bursary	-			2,741,070	
Insurance Cost				66,990	
Canteen				334,510	
Exam				30,500	
Total	32,745,000		32,745,000	42,918,366	131%
TOTAL EXPENDITURE	49,428,000		49,428,000	53,761,886	109%

9. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

5. Accounts Receivable

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

6. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Payables

also include expenditure incurred for the purchase of goods, works and services that has been rendered and not settled. This is an enhancement to the cash accounting policy adopted for public secondary schools. Other liabilities are disclosed in the financial statements.

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

MAKWA BOYS SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2023

11 NOTES TO THE FINANCIAL STATEMENTS

1 GOVERNMENT GRANTS FOR TUITION

Description	<i>Insert Current 2022-2023</i>	<i>Insert Comparative 2021-2022</i>
	Kshs	Kshs
Reference Materials		1,025,500
Exercise Books		856,751.90
Laboratory Equipment		188,900.00
Internal Exams		459,850.00
Teaching / Learning Materials	1,936,120	15,020.00
Others		
Total	1,936,120	2,546,022

2 GOVERNMENT GRANTS FOR OPERATIONS

Description	<i>Insert Current 2022-2023</i>	<i>Insert Comparative 2021-2022</i>
	Kshs	Kshs
Personnel emoluments	2,513,231	3,411,363
Repairs and maintenance	-	3,580,000
Local transport / travelling	641,808	922,560
Electricity and water	641,808	1,390,565
Medical	151,800	-
Administration costs	1,229,616	1,625,630
Activity	396,550	327,560
Other vote heads	-	-
Total	5,574,811	11,257,678

3 GOVERNMENT GRANTS FOR INFRASTRUCTURE

Description	<i>Insert Current 2022-2023</i>	<i>Insert Comparative 2021-2022</i>
	Kshs	Kshs
Maintenance & Improvement	2,786,000	
Transition infrastructure grants		
Other		
Total	2,786,000	

MAKWA BOYS SECONDARY SCHOOL
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For the year ended 30th June 2023

4 SCHOOL FUND INCOME -PARENTS CONTRIBUTION/FEES

Description	<i>Insert Current 2022-2023</i>	<i>Insert Comparative 2021-2022</i>
	Kshs	Kshs
Personnel emoluments	3,227,478	4,562,350
Repairs and maintenance	1,997,202	
Local transport / travelling	3,482,305	911,250
Electricity and water	2,142,507	2,356,890
Medical		
Administration costs	2,084,290	3,252,963
Activity	185,157	811,522
Fee on Boarding Equipment and stores	21,715,919	38,303,814
Others		
Total	34,834,858	50,198,789

5 MISCELLANEOUS INCOMES

Description	<i>Insert Current 2022-2023</i>	<i>Insert Comparative 2021-2022</i>
	Kshs	Kshs
Uniform/ marking	4,867,560	-
Damages	102,800	-
Canteen	346,835	231,725
Bursary	2,741,070	4,290,843
Income From Bus Hire	197,800	22,500
Examination	30,500	33,955
Replacements	-	8,000
Total	8,286,565	4,587,023

MAKWA BOYS SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2023

NOTES TO THE FINANCIAL STATEMENTS

6 PAYMENT FOR TUITION

Description	<i>Insert Current 2022-2023</i>	<i>Insert Comparative 2021-2022</i>
	Kshs	Kshs
Stationery	970,200	
Exercise Books		699,254
Textbooks & Reference Materials		879,422
Laboratory Equipment	572,892	189,254
Teaching / Learning Materials	1,367,649	12,053
Bank Charges	3,214	
Internal Exams		258,950
Total	2,913,955	2,038,933

7 PAYMENT FOR OPERATIONS

Description	<i>Insert Current 2022-2023</i>	<i>Insert Comparative 2021-2022</i>
	Kshs	Kshs
Personnel emoluments	3,629,505	3,883,465
Service Gratuity	-	0
Administration Cost	1,204,834	1,025,698
Local transport / travelling	226,186	854,125
Electricity and water	446,413	796,122
CBC	748,809	0
Activity Expenses	730,080	125,890
Insurance Cost	-	327,508
Acquisition of Assets		3,485,000
TOTAL	6,985,827	10,497,808

MAKWA BOYS SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2023

NOTES TO THE FINANCIAL STATEMENTS

8 PAYMENT FOR INFRASTRUCTURE

Description	Insert Current 2022-2023	Insert Comparative 2021-2022
	Kshs	Kshs
Maintenance and Improvement	943,738	-
Construction of dormitory		
Others		
Total	943,738	-

9 PAYMENT FOR BOARDING AND SCHOOL FUND

Description	Insert Current 2022-2023	Insert Comparative 2021-2022
	Kshs	Kshs
Personnel Emoluments	907,236	3,556,900
Canteen	334,510	-
Repairs And Maintenance & Improvements	3,523,410	4,090,520
Local Transport / Travelling	3,097,635	782,522
Electricity And Water	1,018,828	2,121,739
Uniform/markings	4,192,185	-
Administration Costs	3,223,997	3,356,202
Exam	30,500	-
Fee on Boarding Equipment and Stores	23,582,975	38,171,082
Bus Hire	73,110	-
Bursary	2,741,070	-
Insurance Cost	66,990	-
Activity Expenses	125,920	506,133
Damages		-
Acquisition of Assets		
Total	42,918,366	52,585,097

MAKWA BOYS SECONDARY SCHOOL
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For the year ended 30th June 2023

NOTES TO THE FINANCIAL STATEMENTS

10 BANK ACCOUNTS

Account Name & Currency	Status	Bank Account Number	Insert Current 2022-2023	Insert Comparative 2021-2022
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	1102188425	253,542	853,577
Operations Account	Active	1102191159	659,630	1,747,248
School Fund Account/Boarding	Active	1102176435	17,329,494	16,129,024
School Fund Account/Boarding	Dormant	0090100128463	28,158	28,158
Infrastructural Account	Active	1261642821	7,157,500	4,517,238
Total			25,428,323	23,275,244

11 CASH IN HAND

Description	Insert Current 2022-2023	Insert Comparative 2021-2022
	Kshs	Kshs
Notes and Coins		
Operations Account		
School Fund Account	2,158	307,806
Total	2,158	307,806

12 .SHORT TERM INVESTMENTS

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

MAKWA BOYS SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2023

NOTES TO THE FINANCIAL STATEMENTS

13 ACCOUNTS RECEIVABLE

Description	Insert Current 2022-2023	Insert Comparative 2021-2022
	Kshs	Kshs
Fees Arrears	30,750,649	28,740,113
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)		
Imprest (list/schedule attached)		
Rent arrears(list/schedule attached)		
Total	30,750,649	28,740,113

13 b Ageing Analysis of Accounts Receivable

Description	Insert Current 2022-2023		Insert Comparative 2021-2022	
	Kshs	Kshs	Kshs	Kshs
	Current 2022-2023	% of the total	Comparative 2021-2022	% of the total
Fees arrears Less than 1 year	3,883,878	13%	3,067,464	11%
Fees arrears Between 1- 2 years	1,194,122	4%	327,305	1%
Fees arrear Between 2-3 years	327,305	1%	25,345,344	88.8%
Over 3 years	25,345,344	82%		
Total	30,750,649		28,740,113	

14 Accounts Payable

Description	Insert Current 2022-2023	Insert Comparative 2021-2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	7,563,447	3,400,657
Prepaid Fees	962,194	923,485
Other payables		
Total	8,525,641	4,324,142

MAKWA BOYS SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2023

NOTES TO THE FINANCIAL STATEMENTS

14a. Ageing Analysis of Accounts Payable

Description	<i>Insert Current 2022-2023</i>		<i>Insert Comparative 2021-2022</i>	
	<i>Kshs</i>		<i>Kshs</i>	
	Current 2022-2023	% of the total	Comparative 2021-2022	% of the total
Less than 1 year	7563,447	%	3,400,657	%
Between 1- 2 years		%		%
Between 2-3 years		%		%
Over 3 years		%		%
Total	7,563,447	%	3,400,657	%

15 Fund Balance Brought Forward

Description	<i>Insert Current 2021-2022</i>	<i>Insert Comparative 2021-2021</i>
	Kshs	Kshs
Bank Balances	23,275,244	19,942,598
Cash Balances	307,806	472,703
Short Term Investments		0
Receivables	28,740,113	26,659,895
Payables	(4,324,142)	(2,441,849)
Total	47,999,021	44,633,347

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Other important disclosure notes

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

16 Non-current Liabilities Summary

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

17 Biological assets

Description	Numbers	Insert Current 2022-2023 Kshs	Insert Comparative 2021- 2022 Kshs
Cattle			
Goats			
Trees	55	192,500	192,500
Coffee Or Tea Plantation			
Poultry			
Others			
Total	55	192,500	192,500

18 Borrowings

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

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Other important disclosure notes

19 Stock/ Inventory

Description	Insert Current 2022-2023	Insert Comparative 2021-2022
	Kshs	Kshs
Food stuffs	2,817,580	231,634
Lab consumables	181,444	127,437
Exercise Books	516,980	389,448
Medication	64,868	-
Teaching & Learning Materials	416,765	191,448
Others (specify)	-	-
	3,997,637	939,967

20 Progress on Follow up of Auditor Recommendations

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

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

PRINCIPAL
MAKWA BOYS SEC. SCHOOL
P. O. Box 97-01028, GATUKUYU
VIA THIKA
 Date: 22/7/24 Sign: 

 Sign and Date
 Principal

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10. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current 2022-2023	Outstanding Balance Comparative 2021-2022	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1. Bauhauz Traders	748,809	18/10/2022		748,809	NIL	TO BE PAID
2.						
3.						
Sub-Total	748,809			748,809		TO BE PAID
Supply Of Goods						
4. Michecha Limited	90,985			90,985	NIL	TO BE PAID
5. Digitom Systems	173,200			173,200	NIL	TO BE PAID
6. Jerex Sports Centre	314,680			314,680	NIL	TO BE PAID
7. Kenblest Foods	328,256			328,256	NIL	TO BE PAID
8. Top Joy Butchery	220,500			220,500	NIL	TO BE PAID
9. Samson Ngugi Muriu	160,000			160,000	NIL	TO BE PAID
10. Martin Kairu Kinyanjui	5,500			5,500	NIL	TO BE PAID
10. Wangui Grocery Supplies	160,984			160,984	NIL	TO BE PAID
11. Mkarita Traders	36,750			36,750	NIL	TO BE PAID

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Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current 2022-2023	Outstanding Balance Comparative 2021-2022	Comments
12.Kikapu Chema Traders	75,110			75,110	NIL	TO BE PAID
13.Golwise Ventures	3,040,820			3,040,820	NIL	TO BE PAID
14.School Software	40,000			40,000	NIL	TO BE PAID
15.Moscom Systems	116,930			116,930	NIL	TO BE PAID
16.Archdiocese of Nairobi	100,000			100,000	NIL	TO BE PAID
17.Clearstain Movers Product	54,000			54,000	NIL	TO BE PAID
18.Bemwa Stationers	791,300			791,300	NIL	TO BE PAID
19.Vendor city Enterprises	60,630			60,630	NIL	TO BE PAID
Sub-Total	5,769,645			5,769,645	NIL	TO BE PAID
Supply Of Services						
20.Gatundu Water & Sanitation	48,000			48,000	NIL	TO BE PAID
21.Kenya Power & Ligthing Co	45,750			45,750	NIL	TO BE PAID
22.Salaries & Deductions	310,440			310,440	NIL	TO BE PAID
23.Internal Security Services	50,000			50,000	NIL	TO BE PAID
24.Wiwa WaEletrical Engineering	18,000			18,000	NIL	TO BE PAID
25.Greenring Investments	183,000			183,000	NIL	TO BE PAID
26.Realstrides Services	135,000			135,000	NIL	TO BE PAID
27.World Tech Branding	46,500			46,500	NIL	TO BE PAID

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Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current 2022-2023	Outstanding Balance Comparative 2021-2022	Comments
28.Hass Petroleum	89,003			89,003	NIL	TO BE PAID
29.Floby Auto Garage	17,300			17,300	NIL	TO BE PAID
30.Regularization Fund from School Fund	102,000				102,000	TO REFUND
Sub-Total	1,044,993			942,993	102,000	
Grand Total	7,563,447			7,461,447	102,000	

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical No b/f (kshs) 1 st July 2023	Historical Cost b/f (Kshs) 1 st July 2023	Additions during the year (Kshs)	Location	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2023
Land	3acres			Mangu Ward		
Buildings And Structures	34			Makwa Secondary		
Motor Vehicles	2			Makwa Secondary		4,015,000 4,806,000
Office Equipment, Furniture And Fittings	132			Makwa Secondary		
Textbooks	15,524			Makwa Secondary		
ICT Equipment	239			Makwa Secondary		
Tools And Apparatus	13,635			Makwa Secondary		

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Asset Class	Historical No b/f (kshs) 1st July 2023	Historical Cost b/f (Kshs) 1st July 2023	Additions during the year (Kshs)	Location	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2023
Other Machinery And Equipment	37			MakwaSecondary		
Heritage And Cultural Assets	0			0		
Intangible Assets- Soft Ware	3			Makwa Secondary		
Total						