REPUBLIC OF KENYA

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

MUKUUNI BOYS' HIGH SCHOOL

FOR THE YEAR ENDED 30 JUNE, 2024

THARAKA-NITHI COUNTY

Revised 30th June 2024.

OFFICE OF THE AUDITOR - GENERAL
P. O. Box 113 - ... EMBU
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MUKUUNI BOYS HIGH SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2024

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

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Acronyms and Glossary of Terms

Provide a list of all applicable acronyms and glossary of terms e.g.

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	Free Day Secondary Education

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 Tharaka Nithi County, Meru South Sub-County.

The school was registered in 1989 under registration number GPA/A/2/89 and is currently categorized as an Extra County public school established, owned or operated by the Government.

The school is a day/boarding school and had 1,023 number of students as at 30th June 2024. It has 4 streams and 38 teachers of which 12 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

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

Ref:	Name of Board Member.	Designation	Date of appointment
1	ENG. JASPER NKANYA	Chairman	29/07/2022
2	DICKSON M KABARA	Secretary - Principal	
3	MOSES BUNDI	V/Chairman	29/07/2022
4	DAVID MUGAMBI	Member	29/07/2022
6	DR. SAMUEL NTHUNI	Member	29/07/2022
7	MR. ADIEL MAIMBU	Member	29/07/2022
8	ROSALINE NKOROI	Member	29/07/2022
9	ENG. PERMINUS MURANGIRI	Member	29/07/2022
10	JEDIEL SENDEYO	Member	29/07/2022
11	DR. ELLYJOY MUTHONI	Member	29/07/2022
12	DOMINIC GITONGA	Member	29/07/2022
13	ALLAN M. BURURIA	Member	29/07/2022

The functions of the School Board of Management are to:

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

(c) Committees of the Board

(Provide the names of the various committees of the Board established by the Board and the names of the committee members):

Ref:.	Name of Committee	Names of Members	Designation	Number of meetings attended during the year.
1	Executive Committee	MOSES BUNDI	CHAIRMAN	2
2	Finance,procurement and general purposes Committee	BEDFORD GITONGA FLORENCE MUTHUA DAVID MUGAMBI	MEMBER MEMBER MEMBER	2
3	Academic Committee	DR. ELLYJOY MICHENI	CHAIRMAN	2
4	Development Committee	ADIEL MAIMBU	CHAIRMAN	2
5	Discipline and welfare Committee	MOSES BUNDI KIRIMI MUTURI	CHAIRMAN MEMBER	2
6	Adhoc Committee (if any during the year)	MOSES BUNDI DAVID MUGAMBI	CHAIRMAAN MEMBER	2

(d) School operation Management

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

Ref:	Designation	Name	Identification
1	Principal	DICKSON M. KABARA	TSC No.336659
2	Deputy Principal	JOSEPH MICHENI	TSC No. 357743
3	School Bursar	JACKSON MUGENDI	ID No. 9214409

(e) Schools contacts

Post Office Box:	39 – 60403 MAGUMONI
Telephone:	0715693151
E-mail:	mukuunihigh@gmail.com
Website:	N/A
Facebook:	N/A
Twitter:	N/A

(f) School Bankers

Name of Bank:	KCB BANK
Branch	CHUKA
Account Number	1103685376
Account Name	Boarding

Name of Bank:	EQUITY BANK
Branch	CHUKA
Account Number	021029177283
Account Name	Operations

Name of Bank:	EQUITY BANK
Branch	CHUKA
Account Number	021029133114
Account Name	Tuition

Name of Bank:	EQUITY BANK
Branch	CHUKA
Account Number	0210290640400
Account Name	Bus account

Name of Bank:	EQUITY BANK
Branch	CHUKA
Account Number	0210279934454
Account Name	Infrastructure

Name of Bank:	FAMILY BANK
Branch	CHUKA
Account Number	054000007148
Account Name	NG - CDF

(g) Independent Auditors

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

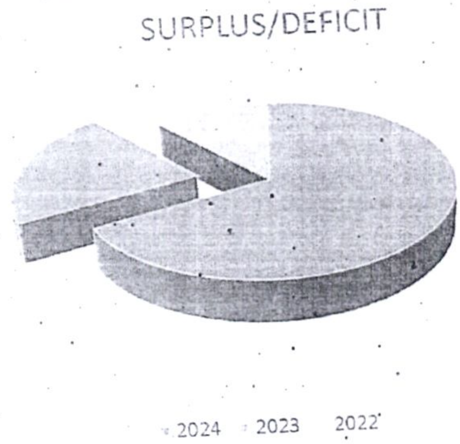
Summary Report of Performance of The School

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

a) Financial performance:

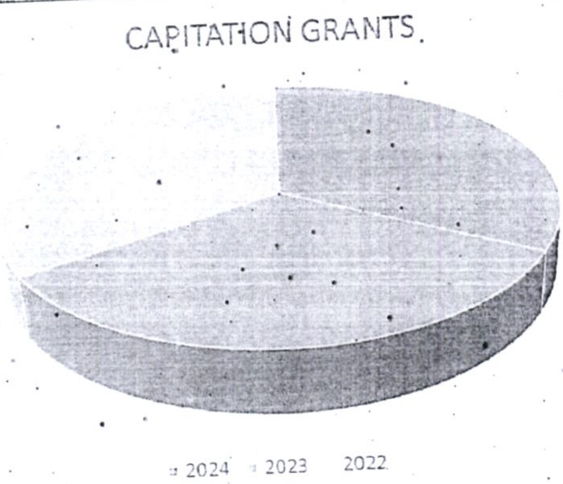
- *Surplus/ deficit for the year and a comparison of the same for the last three years*

YEAR	2024	2023	2022
SURPLUS/DEFICIT	9,285,507	(2,926,806)	1,534,732



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

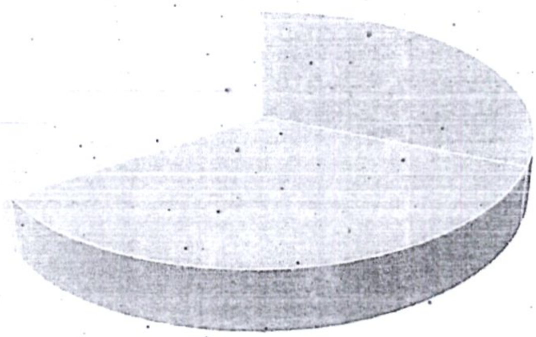
YEAR	2024	2023	2022
CAPITATION GRANTS	15,147,728	14,966,119	15,328,548.20



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

YEAR	2024	2023	2022
EXPENDITURE	70,344,305	75,176,220	75,878,819.75

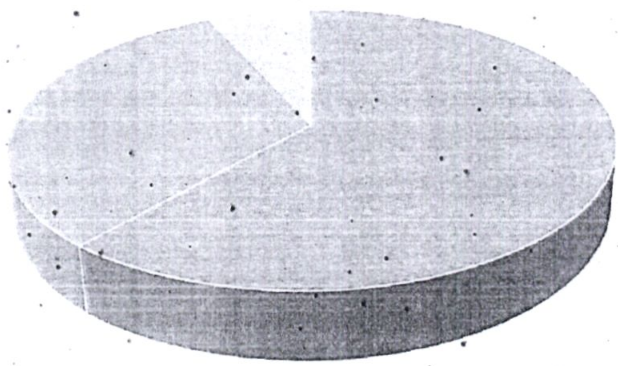
EXPENDITURE



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

YEAR	2024	2023	2022
DEBTORS	25,449,882	13,235,340	2,635,730
CREDITORS	19,778,554	12,631,936	3,127,356

DEBTORS



REPUBLIC OF KENYA

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REPUBLIC OF KENYA

OAG
OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON MUKUUNI BOYS HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2024 – THARAKA NITHI 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; and,

C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Mukuuni Boys High School – Tharaka Nithi County set out on pages 1 to 19, which comprise of the statement of assets and liabilities as at 30 June, 2024, statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Mukuuni Boys High School – Tharaka Nithi County as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Accounts Payables

The statement of assets and liabilities reflects accounts payables balance of Kshs.19,778,554 as disclosed in Note 14 to the financial statements. However, the supporting vouchers lacked relevant procurement documents including requisitions, quotations evaluation reports, professional opinion and inspection and acceptance reports. Additionally, payables movement schedule was not provided to help track previous balances, payments made during the year and the new payables for the year.

In the circumstances, the accuracy and completeness of accounts payables balance of Kshs.19,778,554 could not be confirmed.

2. Inaccuracies in Accounts Receivables

The statement of assets and liabilities reflects accounts receivables balance of Kshs.25,449,882 as disclosed in Note 13 to the financial statements. However, the ledger balance and issued invoices reflect a balance of Kshs.17,840,230, resulting in an unexplained variance of Kshs7,609,652.

Further, included in accounts receivables is a balance of Kshs.2,366,828, which has been outstanding for more than one (1) year. However, there was no age analysis and policy on the impairment of long outstanding fees arrears casting doubt on full recoverability of the accounts receivables balance.

In the circumstances, the accuracy and completeness of accounts receivables balance of Kshs.25,449,882 could not be confirmed.

3. Unsupported Boarding and School Fund Expenditure

The statement of receipt and payment reflect boarding and school fund amounting Kshs.58,389,026 which as disclosed in Note 9 to the financial statement includes an amount of Kshs.711,750 being payments made without proper supporting documentation including invoices, receipts, and other evidence to demonstrate that the expenditure is lawful and approved.

In the circumstances, the validity, accuracy and completeness of the expenditure of Kshs.711,750 could not be confirmed.

4. Unsupported Cash and Cash Equivalents

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.5,904,937 as disclosed in Note 10 and Note 11 to the financial statements. However, bank statements, cashbooks, bank reconciliation statements and board of survey reports were not provided for audit review.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.5,904,937 could not be confirmed.

5. Unreconciled Variances Between the Financial Statements and Ledger

The statement of receipts and payments reflects amounts which differ with those indicated in the corresponding ledger as detailed below.

Vote Head	Amount as per Financial Statement (Kshs.)	Amount as per Ledgers (Kshs.)	Variance (Kshs.)
BES	28,014,855	23,309,044	4,705,811
Repairs and Maintenance	4,153,600	1,687,530	2,466,070
Local Transport / Travelling	1,250,000	523,524	726,476
Electricity and Water	5,168,800	3,086,418	2,082,382
Administration Costs	2,106,000	1,236,895	869,105
Activity	218,000	148,720	69,280
Personal Emolument	8,329,720	2,102,792	6,226,928
Miscellaneous Income			
Academic Program	9,207,000	3,365,113	5,841,887
Bursary	-	2,488,900	(2,488,900)
Welfare	-	98,500	(98,500.00)
Operations Payments			
Administrative Cost	172,000	0	(172,000)
Insurance Cost	179,000	17,900	(161,100)
RMI	1,233,946	1,379,570	145,624
Operations Income - Insurance	670,425	674,425	4,000

The variances have not been reconciled or explained.

In the circumstances, the accuracy and completeness of the respective amounts could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Mukuuni Boys High School

Management, in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and based on the audit procedures performed, except for the effect of 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 5 August, 2025 instead of the statutory deadline of 30 September, 2025. This was contrary to Section 68(2)(k) of the Public Finance Management Act, 2012 which requires that in the performance of a function under subsection (1), an Accounting Officer shall prepare annual financial statements for each financial year within three months after the end of the financial year, and submit them to the Controller of Budget and the Auditor-General for audit.

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

2. Failure to Transfer Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects operations grants amounting to Kshs.12,684,498, as disclosed in Note 2 to the financial statements from the Ministry of Education, credited to the operations bank account. Included in this amount were infrastructure grants which were required to be transferred to the infrastructure bank account for maintenance and improvement of the school's facilities. However, this was not done. This was contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021, which requires that infrastructure grants and maintenance funds be transferred to the school infrastructure account within fifteen (15) days of receipt.

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

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

The statement of receipt and payment reflect boarding and school fund amounting Kshs.58,389,026 as disclosed in Note 9 to the financial statement. Included in the expenditure is an amount of Kshs.140,000 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.140,000 could not be confirmed.

4. Lack of a Procurement Plan

During the year Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that 'a procuring entity prepare a procurement plan for each financial year as part of the annual budget preparation process'.

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

5. Procurement of Goods and Services without a List of Registered Suppliers

Review of procurement records for the year under review revealed that the Institution did not maintain a list of registered suppliers. However, the School procured goods and services during the year without an established or updated suppliers register. This was contrary to Paragraph 4.0 of the Ministry of Education Circular Ref. No. MOE.CONF/GF of 24 November, 2014, Section 8(3) of the Public Procurement and Asset Disposal Act, 2015, and Regulation 44 of the Public Procurement and Asset Disposal Regulations, 2020, which require procuring entities to maintain and update a list of registered suppliers.

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

6. Excess 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 Institute distributed one thousand, two hundred and sixty-two (1,262) books to the school while the student enrollment was one thousand and seventy-eight (1,078) students, resulting in an unexplained excess text books of one hundred and eighty-four (184) books.

In the circumstances, value for money on the excess one hundred and eighty-four (184) text books could not be confirmed.

7. Long Outstanding Accounts Payables

The statement of assets and liabilities reflects payables balance of Kshs.19,778,554 as disclosed in Note 14 to the financial statements. However, included in the balance are trade payables balance of Kshs.6,194,251 which had been outstanding for more than one (1) year, and risk of loss of public funds through litigations, interests and penalties. This was contrary to Regulation 42(1)(a) of the Public Finance Management (National Government) Regulations, 2015 which states that, 'service payments shall be a first charge on the Consolidated Fund and the Accounting Officer shall ensure this is done to the extent possible that the government does not default on debt obligations.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The Standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Article 229(6) of the Constitution and based on the audit procedures performed, except for the effects of the matter 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

Lack of Separate Bank Account for Miscellaneous Income

The Statement of Receipts and Payments reflects miscellaneous income amounting to Kshs.15,241,606 as disclosed in Note 5 to the financial statements. However, it was noted that miscellaneous income was deposited into the School Fund account, resulting in to commingling of funds hence making it difficult to identify and track specific sources of income. This was contrary to Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 on guidelines on implementation of Free Day Secondary Education (FDSE) requires that schools with income generating activities to open separate bank accounts for the stream of income and account for it in accordance with financial regulations.

In the circumstances, the effectiveness of controls in accounting for miscellaneous income could not be confirmed.

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

Responsibilities of the Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the school's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The Standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/. This description forms part of my auditor's report.

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

28 April, 2026

Statement Of Rece[illegible] [illegible]ments For the Year Ended 30th June 2024

Description Of Vote Head	Note	Insert Current FY Kshs	Insert Comparative FY Kshs
Receipts			
Government grants for tuition	1	2,463,23^	2,689,074
Government grants for operations	2	12,684,498	12,037,685
School fund income- parents' contributions	4	49,240,975	45,514,838
Miscellaneous incomes	5	15,241,606	19,304.587
Total Receipts		**79,630,310**	**79,546,184**
Payments			
Tuition	6	1,700,171	3,761,610
Operations	7	10,255,606	11,724,297
Boarding and school fund	9	58,389,026	66,987,083
Total Payments		**70,344,803**	**82,472,990**
Surplus/Deficit		**9,285,507**	**(2,926,806)**

The school financial statements were approved on __________ 2024 and signed by:

....	....	....
Name: Moses Buuma	Name: DICKSON KABARA	Name: MUGENDI JACKSON
Chair BOM	School Principal/ Secretary to BOM	Bursar/ Finance Officer
Date:	Date:	Date:

Statement of Assets and Liabilities As At 30th June 2024

Description	Note	Insert Current FY Kshs	Insert Comparative FY Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	5,897,058	1,677,291
Cash balances	11	7,879	10,064
Short term investments	12		
Total cash and cash equivalent		5,904,937	1,687,355
Account's receivables	13	25,449,882	13,235,340
Total financial assets		31,354,819	14,922,695
Financial liabilities			
Accounts payables	14	19,778,554	12,631,936
Net financial assets		11,576,265	2,290,759
Represented by			
Accumulated fund b/fwd.	15	2,290,759	5,215,365
Surplus/deficit for the year		9,285,507	(2,924,606)
Net financial position		11,576,265	2,290,759

The school's financial statements were approved on ___________ 2024 and signed by:

…………………………	Nkubara …………………………	Mulugeta …………………………
Name:	Name: DICKSON KABARA	Name: MULENDI JACKSON
Chair BOM	School Principal/ Secretary to BOM	Bursar/ Finance Officer
Date:	Date:	Date:

Statement of Cash Flows for the Year Ended 30th June 2024

Description	Note	*Insert Current FY* Kshs	*Insert Comparative FY* Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition		2,463,230	2,689,074
Government grants for operations		12,684,498	12,277,045
School fund income- parents contributions/ fees		55,221,899	56.190,465
Other income			
Total receipts		**70,369,628**	**71,156,584**
Payments			
Cash outflows for tuition		1,700,171	2,737,708
Cash outflows for operations		10,255,606	11,961,457
Cash outflows Boarding/lunch and school fund payments		54,196,268	60,477,055
Total payments		**66,152,045**	**75,176,220**
Net cash inflow/outflow from operating activities		4,217,583	(4,019,636)
Cash flow from investing activities			
Acquisition of assets			(xxx)
Proceeds from sale of Assets			xxx
Proceeds from investments			xxx
Purchase of investments			(xxx)
Net cash inflow/outflows from investing activities			xxx/(xxx)
Cash flow from Financing activities			
Proceeds from borrowings/ loans	18		xxx
Repayment of principal borrowings			(xxx)
Net cash inflow/outflow from financing activities			
Net increase/decrease in cash and cash equivalents		4,217,583	(4,019,636)
Cash and cash equivalent at beginning of the FY		1,687,355	5,706,991
Cash and cash equivalent at end of the FY		**5,904,937**	**1,687,355**

Note: Cash and Cash Equivalent is the summation of Note 10, 11 and 12.

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

The school's financial statements were approved on ________ 2024 and signed by:

....	....	....
Name:	**Name:** DICKSON KABARA	**Name:** MUGENDI JACKSON
Chair BOM	**School Principal/ Secretary to BOM**	**Bursar/ Finance Officer**
Date:	**Date:**	**Date:**

(Comparative FY refers to the financial year preceding the current financial year.)

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
(1) Capitation Grant on Tuition					
Teaching / Learning Materials	4,254,248	xxx	4,254,248	2,463,230	58%
(2) Capitation Grant on Operations					
Personnel Emoluments	xxx	xxx	xxx	8,014,604	x
Infrastructure	xxx	xxx	xxx	2,620,200	x
Insurance	xxx	xxx	xxx	670425	x
(4) Fees Charged on Parents					
Personnel Emoluments	8,329,720	xxx	8,329,720	8,329,720	100%
Repairs And Maintenance	4,153,600	xxx	4,153,600	4,153,600	100%
Local Transport / Travelling	1,250,000	xxx	1,250,000	1,250,000	100%
Electricity And Water	5,168,800	xxx	5,168,809	5,168,800	100%
Academic programs PTA	9,207,000	xxx	9,207,000	9207000	100%
Administration Costs	2,106,000	xxx	2,106,000	2,406,000	100%
Activity	218,000	xxx	218,000	218,000.00	100%
Fee On Boarding Equipment and Stores	28,014,855	xxx	28,014,855	28,014,855	100%

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			4,254,248	1,698,908	40%
Teaching / Learning Materials	4,254,248	xxx	xxx	1,263	xxx
Bank Charges	xxx	xxx			
(7) Expenditure For Operations			xxx	6,243,763	xxx
Personnel Emoluments	xxx	xxx			
(9) Expenditure For school food/lunch/boarding			8,329,720	2,684,320	32%
Personnel Emoluments	8,329,720	xxx	4,153,600	4,364,398	105%
Repairs, Maintenance and Improvements	4,153,600	xxx	1,250,000	1,101,630	88%
Local Transport / Travelling	1,250,000	xxx	5,168,800	930,220	18%
Electricity, Water and Conservancy	5,168,800	xxx	9,207,000	1,395,590	15%
Academic programs PTA	9,207,000	xxx	2,106,000	3,308,654	157%
Administration Costs	2,106,000	xxx	218,000	1,814,813	833%
Activity	218,000	xxx	28,014,855	32,050,068	114%
Funding Equipment and Stores	28,014,855	xxx			

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

i. *Xxxx*
ii. *Xxxx*

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, imprest 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 2024.

Notes To The Financial Statements

1 Government Grants for Tuition

Description	*Insert Current FY*	*Insert Comparative FY*
	Kshs	Kshs
Teaching / Learning Materials	2,463,230.20	2,689,074
Total	2,463,230.20	2,689,074.25

**Include others as per MOE circulars*

2 Government Grants for Operations

Description	*Insert Current FY*	*Insert Comparative FY*
	Kshs	Kshs
Personnel Emoluments	8,014,604	10,777,855
RMI & CBC	788,040	xxx
Arrears	4,000.00	xxx
Workers welfare		233,030
Advance and Recoveries	21,000	29,000
Infrastructure	2,620,200	1,000,000
Insurance	670425	
Activity	566,229.74	
Total	**12,684,498.36**	**12,039,884.78**

**Include others as per MOE circulars*

3 Government Grants for infrastructure

Description	*Insert Current FY*	*Insert Comparative FY*
	Kshs	Kshs
Maintenance & Improvement	xxx	xxx
Transition infrastructure grants	xxx	xxx
Administration Block	xxx	xxx
Total	xxx	xxx

4 School Fund Income - Parents Contribution/Fees

Description	*Insert Current FY*	*Insert Comparative FY*
	Kshs	Kshs
Personnel emoluments	8,329,720	4,117,216
Repairs and maintenance	4,153,600	2,881,740
Local transport / travelling	1,250,000	1,261,865

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Electricity and water	5,168,800	6,001,520
Administration costs	2,106,000	2,493,040
BES	28,014,855	27,138,801
Activity	218,000.00	1,620,656.00
Total	**49,240,975.00**	**45,514,838.00**

Includes all levies charged by the school outside the fees structure but by mutual agreement with the parents.

5 **Miscellaneous Incomes**

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Transfer from Operations	700,000	2,455,900
Infrastructure account		600,000
Academic Programs	9,207,000	5877458
Bursary		1,939,700
Motor Vehicle expenses	525,500	293,000
Damages	158,800	330,550
PTA		19315
School farm	1,180,950	1,094,460
Uniforms	3,143,056	6,646,004
Special diet	16,500	xxx
Equity bank expenditure		40,000.00
Student Tour		8,000.00
Exams	91300	xxx
House Rent	7,500	200
Stale cheques returned	211,000	
Total	**15,241,606.00**	**19,304,587**

(Include an explanation on the kind and source of grants/ donations received by the school.)
**Ensure proper authorization from MOE before obtaining loans/borrowings.*
**Indicate what other income relates to including income arising from write backs if any.*

Notes to the Financial Statements (continued)

6 Tuition

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Laboratory equipment and apparatus		1,015,900
Teaching/learning materials	1,698,908	2,742,100
Bank Charges	1,263.50	3,610
Total	**1,700,170.50**	**3,761,610**

7 Operations

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Personal Emoluments	6,243,763	3,540,125
Service Gratuity		243,937
Administration Cost	172,000	xxx
RMI & CBC	905,720	768,680
Local transport / travelling	47,000	64,600
Electricity and water	378,500	434,300
Activity Expenses	388,750	1,506,297
Transfer to BES	700,000	2,455,900
Insurance Cost	179,000	xxx
Bank Charges	6,927.01	7,330
Workers welfare		230,150.00
Advance and Recoveries		4,000.00
RMI	1,233,946.00	500,000.00
Contingencies		1,968,978.00
Total	**10,255,606.01**	**11,724,297.00**

Notes to the Financial Statements (continued)

8 Infrastructure

Description	*Insert Current FY*	*Insert Comparative FY*
	Kshs	Kshs
Construction of classrooms	xxx	xxx
Construction of laboratory	xxx	xxx
Construction of dormitory	xxx	xxx
Purchase of furniture	xxx	xxx
Purchase of equipment	xxx	xxx
Purchase of apparatus	xxx	xxx
Drilling of boreholes	xxx	xxx
Others (specify)	xxx	xxx
Total	**xxx**	**xxx**

9 **Boarding and School Fund**

Description	*Insert Current FY*	*Insert Comparative FY*
	Kshs	Kshs
BES	32,050,068	31,663,055
RMI	4,364,398	3,601,823
EWC	930,220	1,640,861
LT@T	1,101,630	1,136,910
Activity	1,814,813	1,135,205
Administration costs	3,308,654	4,049,657
Personal emolument	2,684,320	3,792,440
Examination	325,900	
Academic Programs	1,395,590	2,504,945
Uniforms	4,362,270	6,156,660
Laboratory Equipment	2272030	56774
School farm	956,260	1,305,520
RMI Equity Bus A/C		34,900
Insurance	240,000	
Bursary Awards		1,915,950
Contingencies Equity A/c		87,397
Bank charges	11025.45	13,476
Motor Vehicle Expenses	2,294,312	3,130,443
Medical Fund	158126	301925
Damages		111400

Advance	79500	96500
RD Cheques	39,910	211,000
Infrastructure		3,748,192
Bank charges Infrastructure		1,200
EQUITY bank expenditure		289,950
Bank charges on Equity Bus A/c		900
Total	**58,389,026.45**	**66,987.083**

*(Expenses on income generating activities** should include all costs relating to the school earnings on miscellaneous receipts as recorded in note 5. 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)

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	*Insert Current FY*	*Insert Comparative FY*
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	021029133114	781,558.55	18,498.85
Operations Account	Active	021029177283	3,573,480.94	1,144,588.58
School Fund Account KCB	Active	1103685376	1,466,610.51	249,618.11
School Fund Account Equity	Active	0210290640400	70,719.75	259,897.25
Infrastructural Account	Active	0210279934454	4,688.00	4,688.00
Total			**5,897,057.75**	**1,677,290.79**

11 Cash In Hand

Description	*Insert Current FY*	*Insert Comparative FY*
	Kshs	Kshs
Notes and Coins	7,879.45	10,063.80
Total	**7,879.45**	**10,063.80**

12 Short Term Investments

Description	*Insert Current FY*	*Insert Comparative FY*
	Kshs	Kshs
Cooperative Shares	xxx	xxx
Treasury Bills	xxx	xxx
Fixed Deposit accounts	xxx	xxx
Other Investments	xxx	xxx
Total	xxx	xxx

Notes to the Financial Statements (continued)

13 Accounts Receivable

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Fees Arrears	25,449,882	13,235,340
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)		xxx
Imprest (list/schedule attached)		xxx
Rent arrears (list/schedule attached)		xxx
Total	**25,449,882**	**13,235,340**

13 b Ageing Analysis of Accounts Receivable.

Description	Insert Current FY		Insert Comparative FY	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	23,083,057	90.7%	15,031,778	100%
Between 1- 2 years	2,366,825	9.3%	(1,796,438)	%
Between 2-3 years		%	xxx	%
Over 3 years		%	xxx	%
Total (should tie to note 13 a)	**25,449,882**	**100%**	**13,235,340**	**100%**

14 Accounts Payable

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	19,778,554	12,631,936
Prepaid Fees	xxx	xxx
Retention Monies	xxx	xxx
Unpaid salaries and statutory deductions	xxx	xxx
Caution money	xxx	xxx
Other payables *(specify)*	xxx	xxx
Total	**19,778,554**	**12,631,936**

Notes to the Financial Statements (continued)

14a. Ageing Analysis of Accounts Payable

Description	Insert Current FY Kshs		Insert Comparative FY Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	13,584,303	96.8%	11,110,370	78%
Between 1- 2 years	6,194,251	3.2%	1,521,566	12%
Between 2-3 years		%	xxx	%
Over 3 years		%	xxx	%
Total (should tie to note 14)	**19,778,554**	**100%**	**12,631,936**	**100%**

15 Fund Balance Brought Forward

Description	Insert Current FY Kshs	Insert Comparative FY Kshs
Bank Balances	1,677,291.80	5,694,585
Cash Balances	10,064.80	12,405
Short Term Investments		xxx
Receivables	13,235,340	2,635,730.00
Payables	12,631,936	3,127,356.00
Total	**2,290,758.60**	**5,215,364.56**

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 FY	Insert Comparative FY
	Kshs	Kshs
Bank Loans	xxx	xxx
Outstanding Leases	xxx	xxx
Hire Purchase	xxx	xxx
Gratuity And Leave Provision	xxx	xxx
Others (specify)	xxx	xxx
Total	**xxx**	**xxx**

17 Biological assets

Description	Numbers	Insert Current FY	Insert Comparative FY
		Kshs	Kshs
Cattle	9	900,000	900,000
Pigs	23	920,000	920,000
Trees	150	1,500,000	1,500,00
Total		**3,320,000**	**3,320,000**

18 Borrowings

Description	Kshs	Kshs
Borrowings at beginning of the year	xxx	xxx
Borrowings during the year	xxx	xxx
Repayments during the year	(xxx)	(xxx)
Balance at the end of the year	**xxx**	**xxx**

Other important disclosure notes

19. Stock/ Inventory

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Food stuffs	XX	XX
Lab consumables	XX	XX
Farm produce	XX	XX
Medication	XX	XX
Construction Materials	XX	XX
Others (specify)	XX	XX
	XX	XX

(Stock to be measured at lower of cost and net realisable value. Net realisable value is the difference between selling costs less costs to sell)

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)*

Sign and Date
Principal

Annexes

Annex 1 - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Supply Of Goods						
1. Purity Kaimi Rugendo				68,400		
2. Albert Ngai				80,000		
3. Linus Kariuki				162,000		
4. Jane Ann Muthoni				1,989,000		
5. Workers Welfare				1,160,040		
6. Dorhin engineering & fabricators				645,000		
7. Purity Karimi Elizaphan				403,200		
8. Daisy Mbucu Ngari				194,400		
9. Flores Ciamati				140,000		
10. Dorothy K. Mugo				120,000		
11. Caroline Muyia				17,480		
12. Fredrick Nkari				84,000		
13. Charles Ireri Njue				72,915		
14. Lucyline Joshua Karitu				208,000		

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
15. Collin Ireri				60,000		
16. Isaack Kamau				999,250		
17. Janet Kangai				20,000		
18. Phineas Zakayo				647,200		
19. Jeremiah Muriungi				92,000		
20. Secondina Ciangai				50,000		
21. Alfara Investments.				120,000		
22. Mutembei Daniel				80,000		
23. Esterah N. Nyaga				32,000		
24. Mercy Karimi				56,160		
25. Diana Murugi				37,400		
26. Classic food store and flour mills				352,500		
27. Mbogoni irrigation project				28,000		
28. Magumoni water project				50,000		
29. Kabubu's electricals				107,570		
30. Descana machines				553,950		
31. Jimtech cyber				8,000		
32. Moscom system & office equipment				50,000		
33. Erick mwenda				9,000		

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
34. Polypat consultancy				55,000		
35. Sanyayan investments				100,000		
36. Kenchu bookshop				12,398		
37. Jacinta Kinya				13,000		
38. Jashirr Kenya				17,000		
39. Patrose general supplier				120,630		
40. Mwendantu enterprises				661,620		
41. [illegible]yjoy murugi				21,850		
42. [illegible]rush technologies				100,000		
43. Karen Njoka				30,500		
44. Hyukiz care services				564,600		
45. [illegible]ka lab and equipment				1,578,770		
46. [illegible] uniforms				831,520		
47. [illegible]wenda				641,850		
48. [illegible] Kimathi				22,500		
49. Associated motors				87,700		
50. Edwin ochieng'				190,000		
51. Francus Ndung'u				38,000		
52. Lenham enterprises				1,578,900		

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
Sub-Total				13,584,303		
Supply Of Services						
Sub-Total						
Grand Total				13,584,303		

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1st July 2023	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2024
Land	14,400,000			14,400,000
Buildings And Structures	136,870,000			136,870,000

Asset Class	Historical Cost b/f (Kshs) 1st July 2023	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2024
Motor Vehicles	10,820,000			10,820,000
Office Equipment, Furniture And Fittings	995,700			995,700
Textbooks	9,068,070			9,068,090
ICT Equipment	600,000			600,000
Tools And Apparatus	3,928,750			3,928,750
Heritage And Cultural Assets	120,000			120,000
Intangible Assets- Soft Ware	100,000			100,000
Total	**176,902,520**			**176,902,520**

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