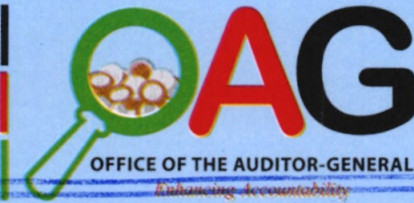


REPUBLIC OF KENYA



REPORT

**THE NATIONAL ASSEMBLY
PAPERS LAID**

DATE: 30 JUN 2026

DAY.

Tuesday

**TABLED
BY: OF**

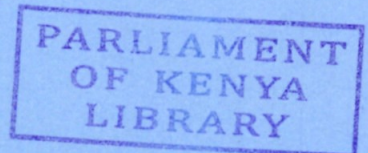
*The Deputy
Majority Whip*

**CLERK-AT
THE-TABLE:**

Gertrude Chebet

THE AUDITOR-GENERAL

ON

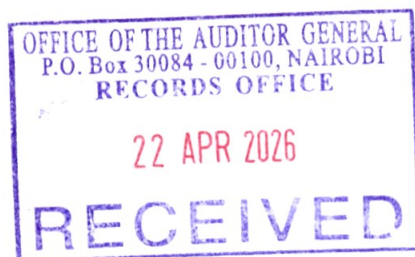


MAGUMU HIGH SCHOOL

**FOR THE SIX (6) MONTHS' PERIOD ENDED
30 JUNE, 2021**

NYANDARUA COUNTY

Revised 30th June 2021.



**MAGUMU HIGH SCHOOL
PUBLIC SECONDARY SCHOOL**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th June 2021**

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

**MAGUMU HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021**

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**MAGUMU HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021**

I. Key School Information and Management

(a) Background information

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is in Nyandarua County, South Kinangop Sub-County.

The school was registered in July, 2021 under registration number 18-00300-0949 and is currently categorized as an Extra County public school established, owned or operated by the Government.

The school is a boarding school and had 611 number of students as at 30th June 2021. It has 3 streams and 24 teachers of which 7 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. George Thiong'o	Chairman	14/03/2019
2	Mr. S L Mburu	Secretary - Principal	14/03/2019
3	Ms Anne Njoroge	Member – Co -opted	14/03/2019
4	Ms. Sarah Wambui	Member – Co -opted	14/03/2019
5	Ms. Jackline Wanjiru	Member – Co -opted	14/03/2019
6	Mr. Paul Ngunyi	Member - Sponsor	14/03/2019
7	Ms.Mary Waithaka	Member - Sponsor	14/03/2019
8	Mr. Peter Thiong'o	Member - Sponsor	14/03/2019
9	Ms. Margaret Wanjiru	Member – Rep. Parents/Local Community	14/03/2019
10	Mr. Peter Githenya	Member – Rep. Parents/Local Community	14/03/2019
11	Mr. John N. Kahindi	Member – Rep. Parents/Local Community	14/03/2019
12	Ms. Mary Ndeithi	Member – Rep. Parents/Local Community	14/03/2019
13	Mr. Nderi Ndiani	Member – Rep. Parents/Local Community	14/03/2019
14	Mr. David Kinyanjui	Member – Rep CEB	14/03/2019
15	Mr. John Mburu M	Member Special Needs	14/03/2019
16	Mr. Samuel Ngonjo	Member- Special interest group	14/03/2019
17	Mr. John Muchiri	Member Rep Teachers	14/03/2019

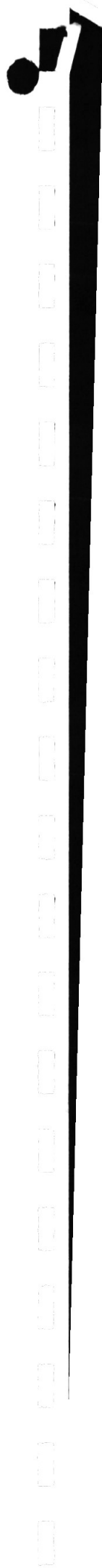
**MAGUMU HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021**

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

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Eng.George Thiong'o Mr. S L Mburu Mr. Peter Thiong'o Ms Anne Njoroge Ms. Mary Waithaka	Chairman Secretary Member Member Member	
2	Finance/procurement/ Development Committee	Eng.George Thiong'o Mr. S L Mburu Mr. James Githinji Ms Anne Njoroge Ms. Grace Githinji Ms. Sarah Wambui	Chairman Secretary Member Member Member Member	
3	Academic Committee	Eng.George Thiong'o Mr. S L Mburu Mr. Paul Ngunyi Ms Anne Njoroge Ms. Eunice Maina Ms. Mary Waithaka	Chairman Secretary Member Member Member Member	



**MAGUMU HIGH SCHOOL
PUBLIC SECONDARY SCHOOL**
Annual Report and Financial Statements
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4	Discipline and welfare Committee	Eng. George Thiong'o Mr. S L Mburu Mr. Samuel Ngonjo Ms Mary Ndeithi Ms. Anne Njoroge Mr. John Muchiri	Chairman Secretary Member Member Member Member
---	----------------------------------	---	---

(d) School operation Management

For the financial year ended 30th June, 2021 the School's day-to-day management was under the following persons:

Ref:	Designation	Name	Identification
1	Principal	Simon Lucas Mburu	TSC No. 277064
2	Deputy Principal	Titus Thumi Gachuhi	TSC No. 358478
3	School Bursar	Peter Maina	

(e) Schools contacts

Post Office Box: 834-20117; Naivasha
Mobile Number: 0722 239 642
E-mail: magumuhigh@gmail.com

(f) School Bankers

The school operated 6 number of bank accounts and 1 pay bill number as follows;

1. Name of Bank: ABSA
Branch: Naivasha
Account Number: 027-8106322
2. Name of Bank: Equity Bank
Branch: Naivasha
Account Number: 0200263368725
Branch: Naivasha
3. Name of Bank: KCB
Branch: Njabini
Account Number: 1104243741
4. Name of Bank: KCB
Branch: Njabini
Account Number: 1104241994
5. Name of Bank: KCB
Branch: Njabini
Account Number: 1268426822

**MAGUMU HIGH SCHOOL
PUBLIC SECONDARY SCHOOL**
Annual Report and Financial Statements
For the year ended 30th June 2021

6. Name of Bank: Co-op
Branch: Naivasha
Account Number: 01129117872400
7. MPESA pay bill Number:
Attached to bank account number 027-8106322

(g) Independent Auditors

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

MAGUMU HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

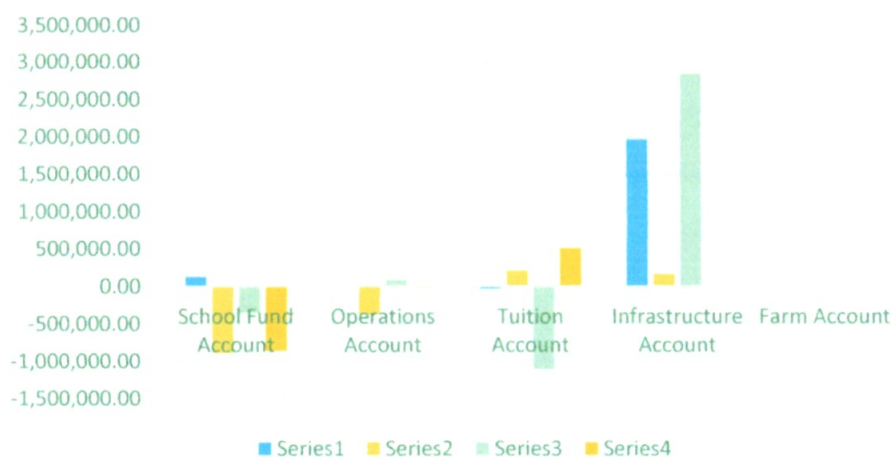
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) Financial performance:

Under this section, it reflects the actual financial performance trend for the last three years period between 1st January 2018, upto 31st December 2020 which covers a period of 12 months while 30th June 2021 covers a period of 6 months, and is summarised as follows:

SURPLUS/DEFICIT FOR THE YEAR AND A COMPARISON OF THE SAME FOR THE LAST FOUR YEARS					
SNO	ACCOUNTS	2021	2020	2019	2018
		Kshs	Kshs	Kshs	Kshs
1	School Fund Account	125,476.40	(894,129.15)	(353,505.95)	(862,704.70)
2	Operations Account	(3,106.20)	(373,845.10)	87,742.20	(15,387.30)
3	Tuition Account	(27,750.25)	209,803.00	(1,111,205.90)	505,043.90
4	Infrastructure Account	1,965,286.00	164,533.50	2,836,056.00	0.00
5	Farm Account	0.00	0.00	0.00	0.00
	TOTAL	2,059,905.90	(893,637.75)	1,459,086.35	(373,048.10)
	Increase/Decrease	2,953,543.30	(2,352,724.10)	1,832,134.45	4,423,729.20

Trend over the last three years

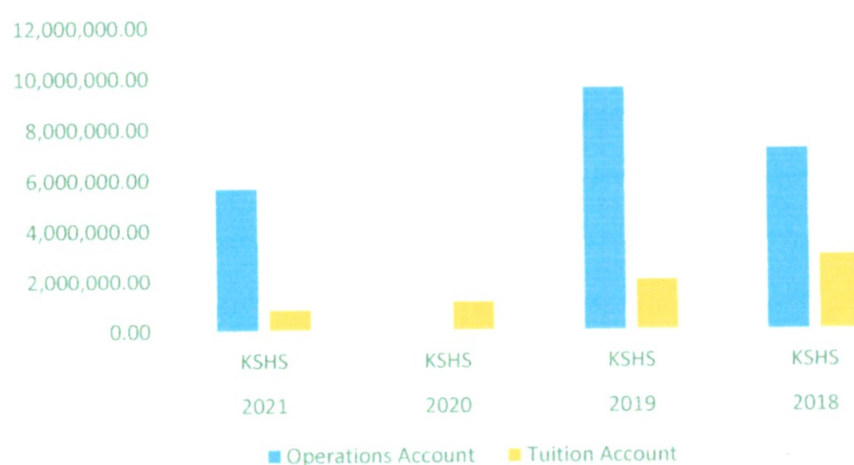


SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

The surplus for the year 2019 increased by Kshs 1,832,134.45 from a deficit of Kshs 373,048.10 in the year 2018 which is attributed by non-usage of the infrastructure funds which resulted from late receiving of approval letter for the commencement of construction. The surplus for the year 2020 decreased by Kshs 2,352,724.10 from a surplus of Kshs. 1,459,086.35 in the year 2019 due to prolonged closure after abrupt shutting of the schools due to Covid-19.

CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS					
SNO	ACCOUNTS	2021	2020	2019	2018
		KSHS	KSHS	KSHS	KSHS
1	Operations Account	5,663,381.80	4,91,425.00	9,600,663.20	7,187,574.76
2	Tuition Account	827,234.75	1,148,850.00	2,030,232.70	3,009,365.00
	Total	6,490,616.55	6,070,275.00	11,630,895.90	10,196,939.76
	Increase/Decrease	420,341.55	(5,560,620.90)	1,433,955.24	
	No of Students	635	621	622	594
	Ratio of Capitation per student	1:10221	1:9775	1:18699.2	1:17166.5

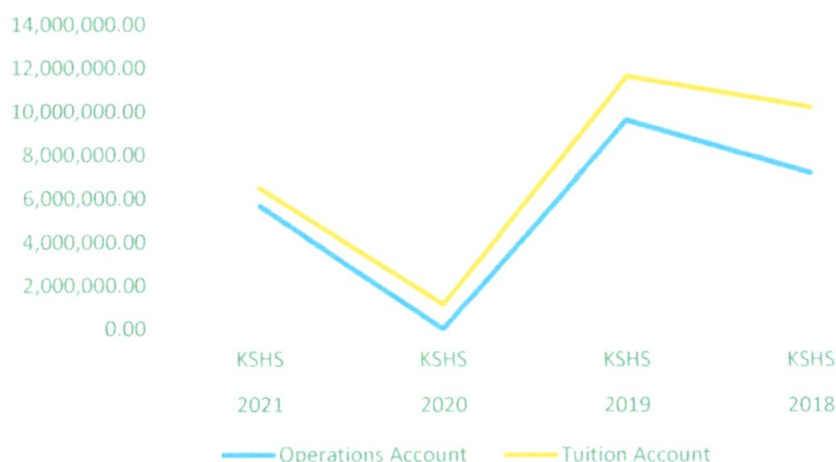
Capitation Trend since 2018 to 2021



MAGUMU HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

Capitation Trend since 2018 to 2021



The total capitation grants for the financial year 2019 was Kshs. 11,630,895.50 as compared to Kshs. 10,196,939.76 in the financial year 2018 representing an increase of Kshs. 1,433,955.24 attributed to increase in students population from 594 in 2018 to 622 in 2019.

The total capitation for the year 2020 as Kshs 6,070,275 as compared to Kshs. 11,630 895.90 in the financial year 2019 representing a decrease of Kshs.5,560,620.90 which resulted from prolonged abrupt closure of the school due to Covid-19 and not all capitation grants were disbursed by the end of the financial 2020.

The capitation grants for the F/Y 2021 was Kshs. 6,490,616.55 as compared to Kshs. 6, 070,275.00 in the F/Y 2020 representing an increase of Ksh. 420,341.55.

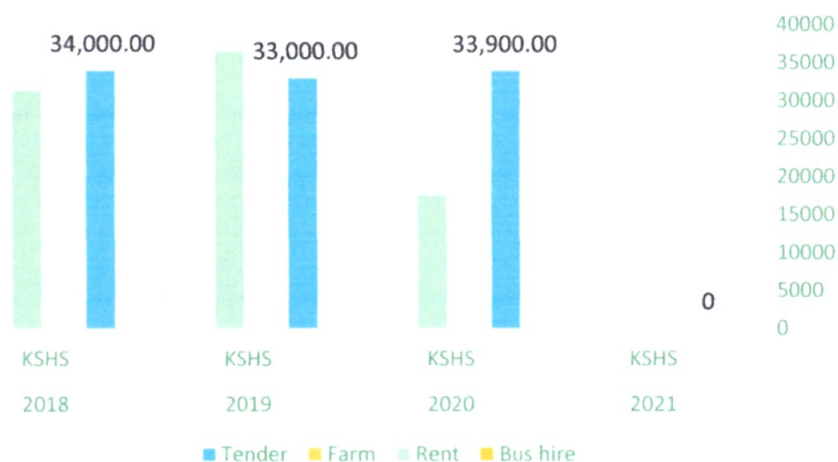
OVERVIEW OF NET GROWTH OF OTHER INCOME(S)

SNO	ACCOUNTS	2021	2020	2019	2018
		KSHS	KSHS	KSHS	KSHS
1	Tender	0.00	33,900.00	33,000.00	34,000.00
2	Farm	0.00	0.00	0.00	0.00
3	Rent	0.00	17,580.00	36,460.00	31,400.00
4	Bus Hire	0.00	0.00	0.00	0.00
5	Students' Id card	0.00	0.00	0.00	0.00
	Total	0.00	51,480.00	69,460.00	64,400.00
	Increase/Decrease	(51,480.00)	(17,980.00)	4,060.00	19,500

**MAGUMU HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021**

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

Net Growth since 2018 to 2021



Net Growth since 2018 to 2021



The net growth of other income generating activities for the financial year 2020 was Kshs 51,480.00 as compared to Kshs 69,460.00 in the financial year 2019 which represent a decrease of Kshs 17,980 due to covid-19related complications.

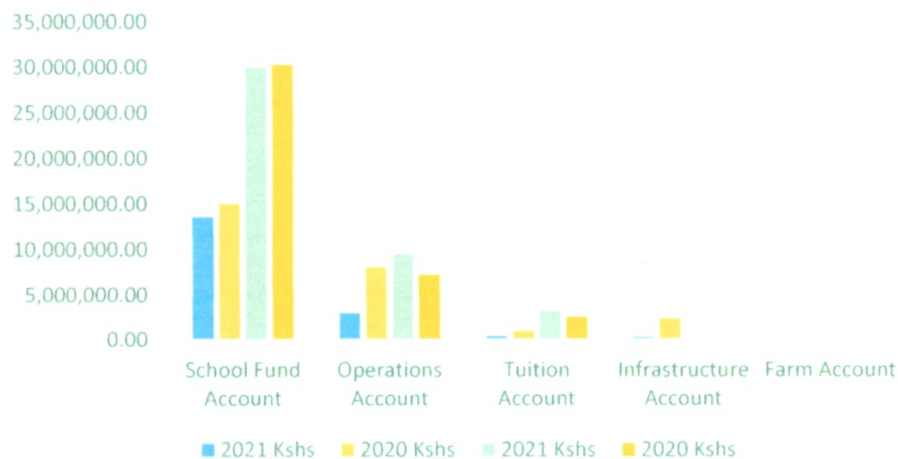
The rent amount is attributable to salary deductions from BOM staffs residing withing the school and not income from commercial investment; thus , only a house maintenance fee is deducted as rent to cater for any repairs that might arise as a result of usage of the houses.

**MAGUMU HIGH SCHOOL
PUBLIC SECONDARY SCHOOL**
Annual Report and Financial Statements
For the year ended 30th June 2021

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL(Continued)

OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL					
SNO	ACCOUNTS	2021 Kshs	2020 Kshs	2019 Kshs	2018 Kshs
1	School Fund Account	13,607,245.10	14,975,055.40	29,927,917.45	30,299,033.70
2	Operations Account	3,013,702.00	8,077,810.10	9,565,933.00	7,286,479.00
3	Tuition Account	373,836.00	939,683.00	3,228,538.60	2,532,121.10
4	Infrastructure Account	259,214.00	2,319,466.50	0.00	0.00
5	Farm Account	0.00	0.00	0.00	0.00
	Total	17,253,997.10	26,312,015.00	42,722,389.05	40,117,633.80
	Increase/Decrease	(9,058,017.90)	(16,410,374.05)	2,604,755.25	9,414,364.10

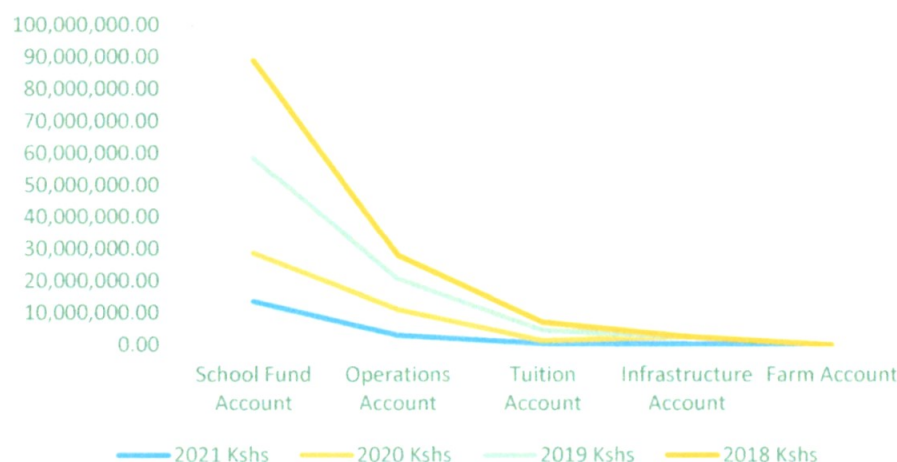
Growth in Expenditure from 2018 to 2021



**MAGUMU HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021**

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL(Continued)

Growth in Expenditure from 2018 to 2021



In the financial year 2021 there is a decrease of growth in expenditure which has resulted from the current year covering a period of 6 months, even though the F/Y 2022 covers a period of 12 months. The decrease in 2020 of Kshs. 16,410,374.05 from Kshs. 42,722,389.05 in 2019 to Kshs 26, 312, 015.00 has resulted from prolonged abrupt closure of the school due to Covid-19 in the year 2020.

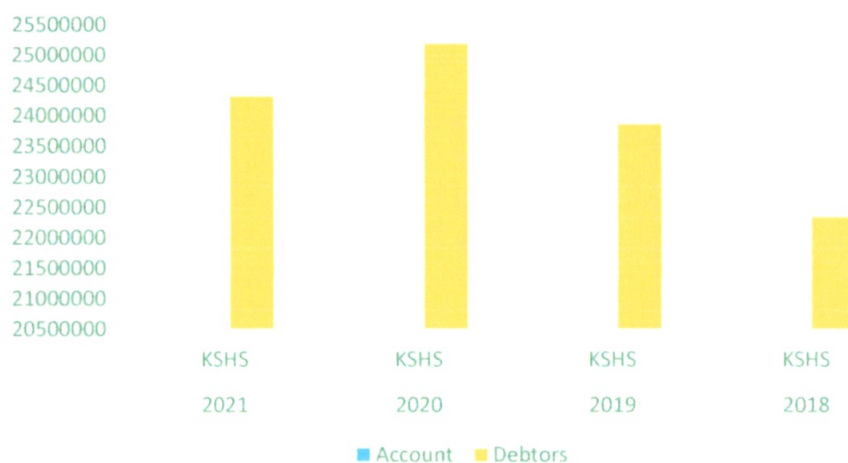
MOVEMENT OF DEBTORS OF THE SCHOOL

SNO	ACCOUNTS	2021	2020	2019	2018
		KSHS	KSHS	KSHS	KSHS
1	School Fund Account				
	Debtors	24,317,606.40	25,194,232.40	23,867,035.40	22,342,209.40
	Total	24,317,606.40	25,194,232.40	23,867,035.40	22,342,209.40
	Increase/Decrease	(876,626.00)	1,327,196.90	1,524,826.10	1,025,348.85

**MAGUMU HIGH SCHOOL
PUBLIC SECONDARY SCHOOL**
Annual Report and Financial Statements
For the year ended 30th June 2021

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

Movement of debtors from 2018 to 2021



Total debtors as at 30th June 2021 decreased by 3.47% to Ksh. 24,317,606.40 compared to Kshs 25,194,232.40 in the FY 2020. The decrease in total debtors could be attributed students' having less fees balances and the year ended 30th June covering only 6 months..

MOVEMENT OF CREDITORS OF THE SCHOOL

SNO	ACCOUNTS	2021	2020	2019	2018
1	School Fund Account	KSHS	KSHS	KSHS	KSHS
a	Creditors	13,677,050	7,770,564.10	7,138,268.10	666,585.00
	Total	13,677,050	7,770,564.10	7,138,268.10	666,585.00
	Increase/Decrease	5,906,486	632,296.00	6,471,683.10	666,585.00

MAGUMU HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL(Continued)

Movement of Creditors from 2018 to 2021



Total creditors as at 31st December, 2019 increased to Kshs 6,471,683.10 due to the construction of a new dormitory after an existing one was burnt down by students during a strike. Installation of CCTV cameras to boost surveillance also pushed the creditors' amount up.

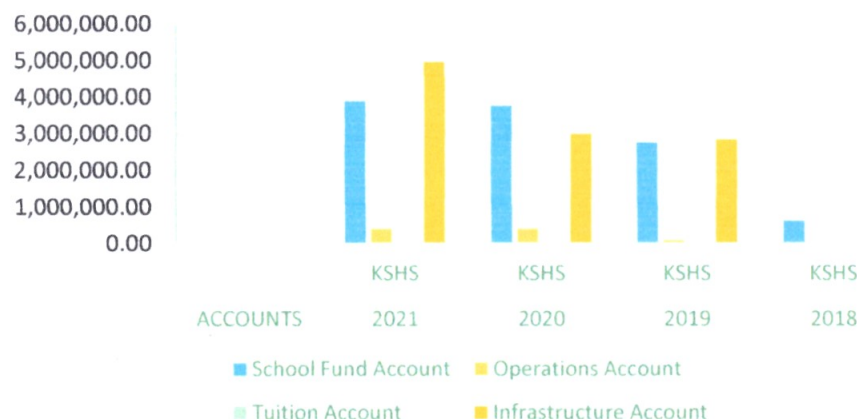
In the year ended 30th June, 2021, the total creditors rose to Kshs. 13,677,050 due to renovations of 12 classrooms by tiling, repainting and reroofing.

MOVEMENT OF CASH AND BANK BALANCES					
SNO	ACCOUNTS	2021	2020	2019	2018
		KSHS	KSHS	KSHS	KSHS
1	School Fund Account	3,893,112.37	3,767,635.97	2,763,956.82	616,163.67
2	Operations Account	404,122.05	407,228.25	87,977.35	235.15
3	Tuition Account	10,101.50	37,851.75	4,347.75	1,525.65
4	Infrastructure Account	4,965,875.50	3,000,589.50	2,836,056.00	0.00
	Total	9,273,211.42	7,213,305.47	5,692,337.95	617,924.47
	Increase/Decrease	2,059,905.95	3,767,635.97	5,074,412.48	1,533,977.35

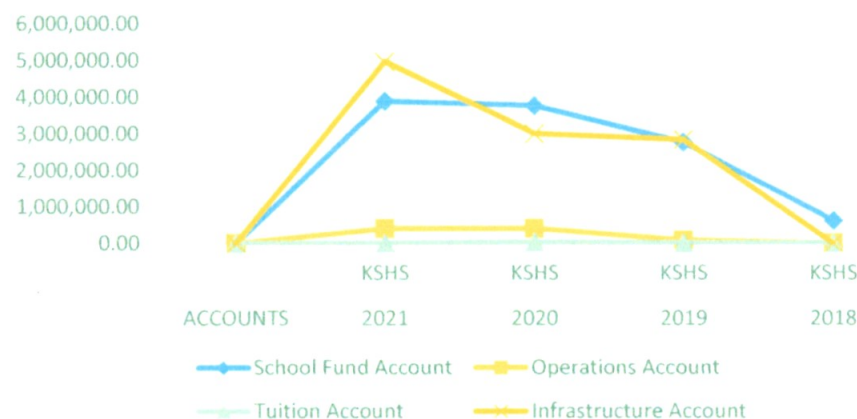
**MAGUMU HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021**

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL(Continued)

Movement of Cash and Bank balances from 2018 to 2021



Movement of Cash and Bank Balances from 2018 to 2021



b) Teacher Student ratio:

Between the month of January, 2021 and June 2021, the status of the teaching staff was as follows:

There are 17 teachers posted by the Teachers Service Commission and 7 recruited by the Board of Management.

The teacher student ratio lies at 1: 39. We have a shortage of 13 teachers from the given CBE. This is due to subject specialization in Form 3 and Form 4

MAGUMU HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

c) Mean score in the year 2018 -2020 KCSE:

YEAR	ENROLMENT	MEAN	TRANSITION	TRANSITION (%)	SCHOOL TARGET	COMMENTS
2020	104	5.9903	82	78.8	7.0	39 students qualified for direct university admission while another 43 for diploma level. Least grade was a D- with 2 students.
2019	122	5.364	78	63.9	6.20	Positive deviation of 0.9 in mean grade
2018	131	4.404	50	38.2	6.57	Poor performance noted in science subjects contributing to a drop of 0.2 in the school mean compared to 2017 mean.

d) Number of Candidates in the 2021 KCSE:

YEAR	2020	2019	2018
No. of Candidates	104	122	131
Mean Score	5.9903	5.364	4.404

MAGUMU HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

e) Capacity of the school:

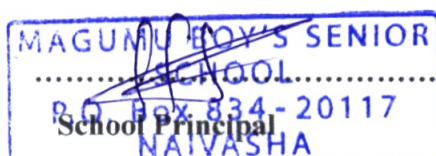
By 30th June 2021, the school had a population of 611 boys, the school is a three-streamed boarding school.

The school is relatively endowed with physical facilities. These include;

1. Administration block
2. 15 Classrooms
3. Three Science laboratories
4. A Computer laboratory
5. A library
6. Four dormitories
7. A dining hall
8. Teachers' houses
9. School bus
10. School van
11. A generator

f) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
7 No. Classroom renovations	M & I	Completed	2,590,2720	2,590,720	
5 No Class Renovations	M & I	Completed	1,879, 050	1,879, 050	
10 No Water tanks	M & I	Completed	2,156,192	2,156,192	



**MAGUMU HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021**

III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board (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 keep all proper books and records of accounts of the income, expenditure, and assets of the institution.

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

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

.....
Name: GEORGE THORGE

Designation: Chairman, School Board of Management

Date: 21/04/20

.....
Name: NAIVASHA

Designation: School Principal & Secretary to Board of Management

Date: 21/04/20

.....
Name: PETER MAKUB

Designation: Bursar/ Finance Officer

Date: 21/04/20

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 MAGUMU HIGH SCHOOL FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021 - NYANDARUA COUNTY

PREAMBLE

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

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- 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, 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 Magumu High School set out on pages 19 to 34, which comprise of the statement of financial assets and financial liabilities

Report of the Auditor-General on Magumu High School for the six (6) months' period ended 30 June, 2021 - Nyandarua County

as at 30 June, 2021 and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the period 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 Magumu High School as at 30 June, 2021 and of its financial performance and its cash flows for the period 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. Inaccuracies of the Statement of Receipts and Payments

Review of the statement of receipts and payments revealed errors affecting the financial statements as shown below:

- i. The statement of receipts and payments reflects Kshs.8,130,638 in respect of payments for operations. However, the summary report of performance of the school on page 10 reflected an amount of Kshs.3,013,702, resulting in unreconciled variance of Kshs.5,116,936;
- ii. The statement of receipts and payments reflects a deficit of Kshs.3,975,188. However, the summary report of performance of the School on page 6 reflects a deficit of Kshs.2,059,906, resulting in unreconciled variance of Kshs.1,915,282.

In the circumstances, the accuracy, completeness, presentation and disclosure of the statement of receipts and payments could not be confirmed.

2. Unsupported Accounts Receivable Balance

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.24,317,606 as disclosed in Note 11 to the financial statements. However, this balance was not supported by ledgers, statement of account of individual students, invoices and detailed schedules.

In the circumstances, the accuracy and completeness of the accounts receivable balance of Kshs.24,317,606 could not be confirmed.

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

Emphasis of Matter

i. Unaudited Comparative Balances

I draw attention to the fact that prior to the 2020/2021 financial year, Public Secondary Schools in Kenya did not prepare financial statements for audit. Consequently, the Public Sector Accounting Standards Board prescribed 30 June, 2021 as the first-time adoption of the International Public Sector Accounting Standards (IPSAS) – Cash Basis of Accounting by Public Secondary Schools.

The financial statements for the six (6) months period ended 30 June, 2021 include comparative information. However, the comparative figures were based on unaudited figures. My audit procedures were, therefore, limited to the extent that comparative information does not contain misstatements that materially affect the current period's financial statements. Accordingly, I do not express an opinion or any form of assurance on the comparative information.

My audit opinion on the current period financial statements is not modified in respect of this matter.

ii. Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.17,908,246 and Kshs.17,341,218 respectively. However, the School spent an amount of Kshs.15,016,265 against actual receipts of Kshs.17,341,218, resulting in under-expenditure of Kshs.2,324,953, or 13% of the total receipts.

The under-utilization affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

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 pages 1 to 17 which comprise of Key School Information and Management, Summary Report of Performance

of the School, and the 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. Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that Other Information is not materially inconsistent with the financial statements.

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 thereon.

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 effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

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

The statement of receipts and payments reflects boarding and school fund expenditure amount of Kshs.13,607,245 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.114,503 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, the regularity of the funds transferred to KESSHA amounting to Kshs.114,503 could not be confirmed.

2. Overfunding of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amounting to Kshs.827,235 and Kshs.5,663,382, respectively, as disclosed in Notes 1 and 2 to the financial statements. During the financial year, NEMIS reported a total of 634 students, while the enrolment records provided by the School indicated a total of 507 students, resulting in an unexplained variance of 127 students. As a result of the variance, the School was overfunded by Kshs.1,300,171 (total capitation received/NEMIS enrolment X 127 students) in capitation grants.

In the circumstances, the over-funding of the School may have affected service delivery to other schools which did not receive capitation for students.

3. Long Outstanding Accounts Payable Balance

The statement of financial assets and financial liabilities reflects accounts payable balance of Kshs.13,677,051 as disclosed in Note 12 to the financial statements. However, included in the balance is trade payables balance of Kshs.7,096,714 which had been outstanding for a period of over one (1) year, which could lead to risk of loss of public funds through litigations, interests and penalties. This was contrary to Section 53 (8) of the Public Procurement and Asset Disposal Act, 2015 which states that 'an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contract (s) are reflected in approved budget estimates'.

In the circumstances, the School Management was in breach of the law and there is risk loss of public funds through litigations, interests and penalties.

4. Failure to Prepare School Improvement Plan

During the period 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.

5. Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements

During the period under review, the financial statements presented for audit by the School Management did not fully comply with all information provided in the format prescribed and published by the Public Sector Accounting Standards Board (PSASB) as follows;

- i. Management indicated on the cover page and title headers in the financial statements that the financial information presented was for the annual report and financial statements for the year ended 30 June, 2021. However, audit review revealed that the financial information was for the period covering six (6) months from 01 January, 2021 to 30 June, 2021. This was contrary to paragraph 5.3 of the guideline on the Implementation of International Public Sector Accounting Standards (IPSAS) for Public Secondary Schools in Kenya, dated 20 August, 2021 which recommended that the reporting period presented be for eighteen (18) months.
- ii. The pagination of the annual report and financial statements was not as per the approved reporting template;

- iii. Management did not disclose stock/inventory balances under other important disclosures.

In the circumstances, Management did not comply with the PSASB guidelines

6. Delayed Project

Audit review of the School's records revealed that the School entered into an agreement on 29 May, 2013, with various partner associations, for implementation of a Natural Resources Management Livelihood Microproject involving construction of an ablution block, biogas digester, baffled reactor and gravel filters at a total project cost of Kshs.5,503,335. The School was to contribute Kshs.550,334 while the partner institutions were to contribute the balance of Kshs.4,953,001. The School subsequently contracted a construction firm on 31 May, 2013 to undertake the works at a contract sum of Kshs.5,503,335 with an expected completion date of 31 August, 2013. On 25 June, 2013, the Water Resources Management Authority deposited Kshs.4,953,001 into the project bank account in fulfilment of the partners' obligation. However, audit review revealed that as at 30 June, 2025, the project had not commenced despite the School having made an advance payment of Kshs.1,375,834, being 25% of the contract sum, to the contractor on 23 June, 2014. Further, a performance bond as required by the contract agreement was not provided for audit. Although Management initiated steps to terminate the contract in July, 2015, no evidence of contract termination or recovery of the advance payment was provided as at the time of audit in March, 2026.

In addition, project funds totalling Kshs.4,049,280 were diverted to settle unrelated sundry creditors without documented approval, contrary to Section 68(1) of the Public Finance Management Act, 2012. Consequently, only Kshs.78,221 remained in the project account as at 30 June, 2025.

In the circumstances, value for money was not achieved on Kshs.5,503,335 for the project and Management was in breach of the law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7 (1) (a) of the Public Audit Act, 2015, and 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.

1. Long Outstanding Accounts Receivable Balance

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs. 24,317,606 as disclosed in Note 11 to the financial statements. Included in the balance are receivables amounting to Kshs.22,906,251 which had been outstanding for more than two (2) years. Further, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the existence of effective mechanisms for debt management could not be confirmed.

2. Weaknesses in Management of Assets

Annex 2 to the financial statements on summary of fixed assets register reflects property, plant and equipment balance which includes land measuring 24.5 acres with a balance of Kshs.50,000,000. However, land ownership documents were not provided for audit review.

In addition, a log book for a Mazda 24-seater bus was not provided for audit review. Further, the log book provided for mini-bus (14-seater matatu) indicated that the mini-bus ownership is charged to a Bank. Records provided for audit indicate that the School paid off the bank loan in February, 2013. However, despite the Bank issuing loan discharge notice, the log book still indicates the Bank as a co-owner. Further, there was an overpayment of the loan by Kshs.200,100 which had not been refunded by the Bank as at the time of audit in March, 2026.

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

3. Failure to Hold the Required Number of Committee Meetings in a Year

During the period under review the Executive Committee Member, Academic, Discipline and Welfare Committees, did not hold any meeting.

In the circumstances, the existence of an effective oversight mechanisms could not be confirmed.

4. Failure to Maintain a Bursary Register

During the period under review, the School did not maintain a bursary register detailing the list of beneficiaries together with their admission numbers, classes, sponsor details and dates the bursary was received and awarded to the students.

In the circumstances, the effectiveness of internal controls on bursary management could not be confirmed.

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

Responsibilities of Management and Board of Management

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.

The Board of Management is 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 for 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 ISSAI 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

11 May, 2026

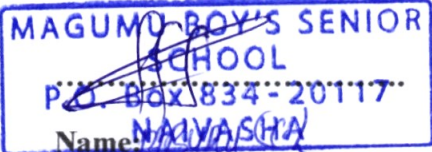
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V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2021

Description Of Vote Head	Note	2021-2021	2020-2020
		Kshs	Kshs
Receipts			
Government grants for tuition	1	827,235	1,149,486
Government grants for operations	2	5,663,382	7,909,677
School fund income- parents' contributions	3	11,645,914	18,479,319
Miscellaneous incomes	4	0	130,980
Total Receipts		18,136,531	27,669,462
Payments			
Tuition	5	373,836	939,683
Operations	6	8,130,638	7,854,189
Boarding and school fund	7	13,607,245	17,232,290
Total Payments		22,111,719	26,026,152
Surplus/Deficit		(3,975,188)	1,643,310

The school financial statements were approved on 20/09/2021 2021 and signed by:


 Name: GEORGE THIONGO
 Chair BOM
 Date: 21/09/2021


 Name: NAIVASHA
 School Principal/ Secretary to BOM
 Date: 21/09/2021


 Name: PETER MWIKISA
 Bursar/ Finance Officer
 Date: 21/09/2021

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**VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT
30TH JUNE 2021**

Description	Note	2021-2021	2020-2020
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	8	9,270,890	7,212,315
Cash balances	9	2,321	990
Short term investments	10	0	0
Total cash and cash equivalent		<u>9,273,211</u>	<u>7,213,305</u>
Account's receivables	11	24,317,606	5,194,232
Total financial assets (a)		33,590,818	32,407,537
Financial liabilities			
Accounts payables	12	13,677,051	8,518,582
Total Financial Labilities (b)		13,677,051	8,518,582
Net financial assets (a-b)		19,913,767	23,888,955
Represented by			
Accumulated fund b/fwd	13	23,888,955	22,245,646
Surplus/deficit for the year		(3,975,188)	1,643,310
Net Assets		19,913,767	23,888,955

The school's financial statements were approved on 20/09 2021 and signed by:

.....
Name: GEORGE THOMAS

Chair BOM

Date: 21/04/20

**MAGUMU BOY'S SENIOR
SCHOOL**
Name: 20117
School Principal/Secretary to
BOM

Date: 21/04/20

.....
Name: PETER MBIRO

Bursar/ Finance Officer

Date: 21/04/20

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

Description	Note	2021-2021	2020-2020
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition		827,235	1,149,486
Government grants for operations		6,005,700	10,979,219
School fund income- parents contributions/ fees		17,496,985	26,292,301
Other income		0	130,980
Total receipts		24,329,920	38,551,986
Payments			
Cash outflows for tuition		854,985	1,115,982
Cash outflows for operations		4,043,520	10,495,435
Cash outflows Boarding/lunch and school fund payments		17,371,509	25,419,601
Total payments		(22,270,014)	(37,031,018)
Net cash inflow/outflow from operating activities		2,059,906	1,520,968
Cash flow from investing activities			
Acquisition of assets		0	0
Proceeds from sale of Assets		0	0
Proceeds from investments		0	0
Purchase of investments		0	0
Net cash inflow/outflows from investing activities		0	0
Cash flow from Financing activities			
Proceeds from borrowings/ loans		0	0
Repayment of principal borrowings		0	0
Net cash inflow/outflow from financing activities		0	0
Net increase/decrease in cash and cash equivalents		2,059,906	1,520,968
Cash and cash equivalent at beginning of the FY		7,213,306	5,692,338
Cash and cash equivalent at end of the FY		9,273,212	7,213,306

(The above presentation of the 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 28/09/2021 2021 and signed by:

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.....
Name: *GEORGE THOMAS*

Chair BOM

Date: *21/01/2021*

.....
Name: *PETER MUKIRI*

School Principal/ Secretary to
BOM

Date: *21/01/2021*

.....
Name: *PETER MUKIRI*

Bursar/ Finance Officer

Date: *21/01/2021*

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VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2021

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	827,235	0	827,235	827,235	100%
(2) Capitation Grant on Operations					
Others	3,280,382	0	3,280,382	3,280,382	100%
Repairs And Maintenance	2,383,000	0	2,383,000	2,383,000	100%
	5,663,382	0	5,663,382	5,663,382	100%
(3) Fees Charged on Parents		0			
Fee On Boarding Equipment and Stores	7,616,356	0	7,616,356	7,171,072	94%
Repairs And Maintenance	472,965	0	472,965	455,718	96%
Activity	4,900	0	4,900	4,900	100%
Others	3,323,408	0	3,323,408	3,218,911	97%
		0			
4) Miscellaneous Income					
Income From Farming Activities	0	0	0	0	0
Total Income	17,908,246	0	17,908,246	17,341,218	
(5) Expenditure For Tuition					
Laboratory Equipment	49,422	0	49,422	49,422	100%
Teaching / Learning Materials	777,813	0	777,813	777,813	100%

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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
	827,235		827,235	827,235	
(6) Expenditure For Operations					
Others	3,280,382	0	3,280,382	3,272,412	99%
Repairs, Maintenance & Improvements	2,383,000	0	2,383,000	0	0
	5,663,382		5,663,382	3,272,412	
(7) Expenditure For school fund/lunch/boarding					
Boarding Equipment and Stores	7,177,489	0	7,177,489	6,719,868	94%
Others	3,323,408		3,323,408	3,285,018	98%
Repairs, Maintenance and Improvements	566,975	0	566,975	566,975	100%
Activity	344,757	0	344,757	344,757	100%
Totals	17,903,246	0	17,903,246	15,016,265	

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

- i. The school has not utilised Infrastructure revenue so far received from January 2021, to June 2021 awaiting approval of the classrooms renovation for the year 2021. Utilisation is at 0% despite having received Kshs.2,383,000 towards the said project.

**MAGUMU HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
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IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

This cash basis of accounting has been supplemented with accounting for; a) receivables that include 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 various sources when the event occurs, and the related cash has been received by the school. In addition, the school recognises all expenses when the event occurs, and the related cash has 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 an insignificant risk of changes in value. Bank account balances include amounts held at various financial institutions at the end of the financial year.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Accounts Receivable

For the purposes of these financial statements, imprests and advances to 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 the fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Payables also include expenditures incurred for the purchase of goods, works and services that have 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 2021.

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X. NOTES TO THE FINANCIAL STATEMENTS
1. CAPITATION GRANT FOR TUITION

Description	2021-2021	2020-2020
	Kshs	Kshs
Laboratory Equipment	0	0
Internal Exams	0	0
Teaching / Learning Materials	827,235	1,149,486
Total	827,235	1,149,486

2. CAPITATION GRANT FOR OPERATIONS

Description	2021-2021	2020-2020
	Kshs	Kshs
Repairs And Maintenance	2,383,000	2,484,000
Others	3,280,382	4,723,477
Medical & Insurance	0	124,200
Covid-19 funds	0	318,000
Activity	0	248,400
Rent	0	11,600
Total	5,663,382	7,909,677

3. PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

Description	2021-2021	2020-2020
	Kshs	Kshs
Fee on Boarding Equipment and stores	7,691,341	9,144,350
Others	3,323,408	4,502,552
Repairs and maintenance	472,965	714,243
Activity	4,900	146,791
Uniform	49,500	2,576,034
Beddings	37,200	1,186,250
Uniform marking	1,200	48,000
Interviews	4,000	1,000
Student ID Cards	38,800	46,200
KCSE Exam	22,600	41,100
Excess fees	0	6,799
Tender forms	0	66,000
Total	11,645,914	18,479,319

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. OTHER RECEIPTS – SCHOOL FUND ACCOUNT

Description	2021-2021	2020-2020
	Kshs	Kshs
Rent Income	0	5,980
Income From Farming Activities	0	125,000
Total	0	130,980

(Include an explanation on the kind and source of grants/ donations received by the school.)

5. PAYMENTS FOR TUITION

Description	2021-2021	2020-2020
	Kshs	Kshs
Laboratory Equipment	49,422	94,799
Teaching / Learning Materials	323,550	842,930
Bank Charges	864	1,954
Total	373,836	939,683

6. PAYMENTS FOR OPERATIONS

Description	2021-2021	2020-2020
	Kshs	Kshs
Personnel Emoluments	2,430,747	4,105,954
Administration Cost	255,409	191,020
Repairs And Maintenance & Improvements	5,162,282	2,319,467
Local Transport / Travelling	11,600	36,600
Electricity And Water	270,600	901,948
Activity	0	246,000
Covid-19 Funds	0	53,190
Total	8,130,638	7,854,179

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NOTES TO THE FINANCIAL STATEMENTS (Continued)
7. BOARDING AND SCHOOL FUND PAYMENTS

Description	2021-2021	2020-2020
	Kshs	Kshs
Personnel Emoluments	1,531,120	3,746,452
Fee On Boarding Equipment and Stores	8,316,182	6,046,184
Repairs And Maintenance & Improvements	519,661	1,291,240
Activity	344,757	535,000
Local Transport / Travelling	269,910	570,568
Electricity And Water	727,251	526,062
Medical Expenses	120,549	358,123
Administration Costs	913,306	775,457
Uniform	350,000	1,842,400
Farm Account	0	374,755
Interviews	4,000	1,000
Student ID Cards	38,800	0
KCSE Exam	22,600	41,100
Others	449,110	0
Beddings	0	1,043,850
Uniform marking	0	48,000
Tender Documents	0	32,100
Total	13,607,245	17,232,290

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

8. BANK ACCOUNTS

Account Name & Currency	Status	Bank Account Number	2021-2021	2020-2020
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	1104243741	10,102	37,852
Operations Account	Active	1104241994	404,122	407,228
School Fund Account/Boarding	Active	027-8106322	340,548	1,319,480
School Fund Account/Boarding	Active	0200263368725	1,256,776	151,539
Savings	Dormant	027-817341	300	300
Bio-latrine	Active	01129117872400	2,293,167	2,295,327
Infrastructural Account	Active	1268426822	4,965,876	3,000,590
Total			9,270,890	7,212,315

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. CASH IN HAND

Description	2021-2021	2020-2020
	Kshs	Kshs
Notes and Coins	2,321	990
Total	2,321	990

10. SHORT TERM INVESTMENTS

Description	2021-2021	2020-2020
	Kshs	Kshs
Cooperative Shares	0	0
Treasury Bills	0	0
Fixed Deposit accounts	0	0
Other Investments	0	0
Total	0	0

11. ACCOUNTS RECEIVABLE

Description	2021-2021	2020-2020
	Kshs	Kshs
Fees Arrears	24,317,606	25,194,232
Total	24,317,606	25,194,232

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

Description	2021-2021	2020-2020
	Kshs	Kshs
Fees arrears for current year	642,013	2,287,981
Fees arrears for the previous year	769,342	1,199,942
Fees arrears for prior periods (over two years)	22,906,251	21,706,309
Total	24,317,607	25,194,232

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NOTES TO THE FINANCIAL STATEMENTS (Continued)**

12. ACCOUNTS PAYABLE

Description	2021-2021	2020-2020
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	12,200,000	7,770,564
Prepaid Fees	1,477,050	748,018
Total	13,677,050	8,518,582

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

Description	2021-2021	2020-2020
	Kshs	Kshs
Trade creditors for current year	5,103,286	5,531,572
Trade creditors for the previous year	4,857,722	2,238,992
Trade creditors for prior periods (over two years)	2,238,992	0
Total	12,200,000	7,770,564

13. FUND BALANCE BROUGHT FORWARD

Description	2021-2021	2020-2020
	Kshs	Kshs
Bank Balances	9,270,890	7,212,315
Cash Balances	2,321	990
Short Term Investments	0	0
Receivables	24,317,606	25,194,232
Payables	13,677,050	8,518,582
Total	19,913,767	23,888,956

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Other important disclosure notes

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

14. Non-Current Liabilities Summary

Description	2021-2021	2020-2020
	Kshs	Kshs
Bank Loans	0	0
Outstanding Leases	0	0
Hire Purchase	0	0
Gratuity And Leave Provision	0	0
Total	0	0

15. Biological Assets

Description	Numbers	2021-2021	2020-2020
		Kshs	Kshs
Cattle	15	620,000	620,000
Trees	100	150,000	150,000
Total		770,000	770,000

16. Borrowings

Description	Kshs	Kshs
Borrowings at beginning of the year	0	0
Borrowings during the year	0	0
Repayments during the year	0	0
Balance at the end of the year	0	0

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Other important disclosure notes

17. STOCK/ INVENTORY

DESCRIPTION	UNITS	OPENING BALANCE	PURCHASE DURING THE YEAR	CONSUMPTION DURING THE YEAR	BALANCE AT THE END OF THE YEAR
Rice	Kgs	0	6850	6197	653
Beans	Kgs	0	9900	8830	1070
Maize	Kgs	0	9000	8553	447
Meat	Kgs	0	1458	1458	0
Sugar	Kgs	0	4700	4318	382
Milk	Kgs	0	13940.50	13940.50	0
Maize Flour	Kgs	0	12600	11246	1354
Cooking fat	Kgs	0	830	772.50	57.50
Salt	Kgs	0	980	877	103
Exercise books	Pcs	1922	0	1897	25
Mark books	Pcs	0	11	6	5
Foolscaps	Reams	0	20	14	6
Computer papers	Reams	0	175	159	16
Ball Pens	Pcs	29	200	64	165
Spring files	Pcs	0	50	50	0
Graph papers	Pcs	8	0	0	8
Dustless chalks	Packets	0	36	16	20
Dusters	Pcs	0	24	21	3

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18. 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.

[illegible]

MAGNUM BOY'S SENIOR
SCHOOL
P.O. Box 834-20117
Sign and Date
Principal

MAGUMU HIGH SCHOOL
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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance Comparative 2020	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1. Piters Enterprises	3,584,357.40	01/01/2021	0.00	3,584,357.40		
2. Piters Enterprises	2,590,270.00	01/01/2021	1,316,905.50	1,273,364.50		
Sub Total (A)	6,174,627.40		1,316,905.50	4,857,721.90		
Supply Of Goods						
3. Central Scientific	133,200	30/06/2021	0.00	133,200.00		
4. Jial Solutions	30,600	30/06/2021	0.00	30,600.00		
5. The Copy Cat Ltd	92,800	30/06/21	0.00	92,800.00		
6. Bentage G Supplies	548,830.00	30/06/2021	0.00	548,830.00		
7. Peak Learning	37,500.00	30/06/2021	0.00	37,500.00		
8. Laboquips Supplies	97,799.00		0.00	94,799.00		
Sub-Total (B)	937,729.00		0.00	937,729.00		
School fund/Boarding Account						
9. Framaha Enterprises	54,520.00	30/06/2021	0.00	54,520.00		
10. Staff Salaries	1,272,002.00	30/06/2021	0.00	1,272,002.00		
11. Satima Sacco	90,000.00	30/06/2021	0.00	1,272,002.00		

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Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance Comparative 2020	Comments
12. Baraka Hardware	45,000.00	30/06/2021	0.00	45,000.00		
13. Piers Enterprises	675,050.00	30/06/2021	0.00	675,050.00		
14. Wilgerton Enterprises	35,000.00	30/06/2021	0.00	35,000.00		
15. Staffs	102,700.00	30/06/2021	0.00	102,700.00		
16. Stage View G	31,518.00	30/06/2021	0.00	31,518.00		
17. Taisteph Cereal Traders	535,620.00	30/06/2021	0.00	535,620.00		
18. Daniel Ndung'u	139,920.00	30/06/2021	0.00	139,920.00		
19. James Githinji	68,640.00	30/06/2021	0.00	68,640.00		
20. DPL Festive Ltd	57,114.00	30/06/2021	0.00	57,114.00		
21. Joyce Wairimu	39,955.00	30/06/2021	0.00	39,955.00		
22. Supreme Pharmacy Ltd	10,122.00	30/06/2021	0.00	10,122.00		
23. Kenya Power	236,682.00	30/06/2021	0.00	236,682.00		
24. Magumu Bio Latrine	1,200,000.00	30/06/2021	0.00	1,200,000.00		
25. Piers Enterprises	2,238,992.10	30/12/2020	0.00	2,238,992.10		
Sub-Total (C)	6,404,549.10			6,404,549.10		
Grand Total=(A+B+C)				12,200,000		

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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset Class	Historical Cost b/f (Kshs) 1st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 20XX
Land	Balance b/f 01/01/2021	50,000,000.00		50,000,000.00
Buildings And Structures	Balance b/f 01/01/2021	15,250,000.00		15,250,000.00
Motor Vehicles	Balance b/f 01/01/2021			
Office Equipment, Furniture and Fittings	Balance b/f 01/01/2021	2,400,000,000.00		2,400,000.00
Textbooks	Balance b/f 01/01/2021			
ICT Equipment	Balance b/f 01/01/2021	1,295,000.00		1,295,000.00
Tools And Apparatus	Balance b/f 01/01/2021	300,000.00		300,000.00
Other Machinery and Equipment	Balance b/f 01/01/2021	5,250,000.00		5,250,000.00
Heritage And Cultural Assets	Balance b/f 01/01/2021			
Intangible Assets- Soft Ware				
Total				

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