

REPUBLIC OF KENYA



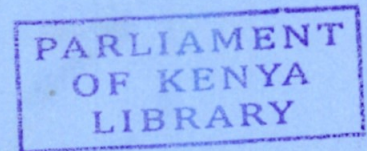
**REPORT**

|                                                                                     |                                              |
|-------------------------------------------------------------------------------------|----------------------------------------------|
|  |                                              |
| THE NATIONAL ASSEMBLY<br>PAPERS LAID                                                |                                              |
| DATE: 01 JUN 2026                                                                   | DAY: Wed                                     |
| TABLED BY:                                                                          | Hon. Owen Oga Baya<br>Deputy Majority Leader |
| CLERK-AT<br>THE-TABLE:                                                              | Mach Atabo                                   |

**OF**

**THE AUDITOR-GENERAL**

**ON**

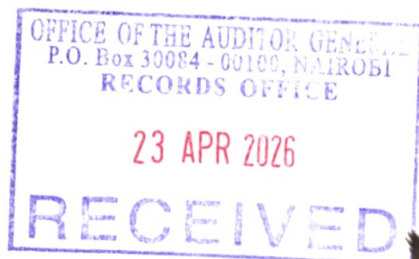


**MURUAKI BOYS  
SECONDARY SCHOOL**

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

**NYANDARUA COUNTY**





Revised 30<sup>th</sup> June 2021.

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**MURUAKI BOYS SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS' PERIOD ENDED**

**30<sup>th</sup> June 2021**

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

## **MURUAKI SECONDARY SCHOOL**

### ***Annual Report and financial statements for the six months' period ended 30<sup>th</sup> June 2021***

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**MURUAKI BOYS SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL**

**Annual Report and Financial Statements For the six months period ended 30th June 2021**

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

**MURUAKI BOYS' SECONDARY SCHOOL**

**(a) Background information**

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

The school was registered in January 2020 under registration number 18-8-0030-0861 and is currently categorized as a County public school established, owned or operated by the Government.

The school is a boys' boarding school and had 434 number of students as at *30<sup>th</sup> June 2021*. It has 3 streams and 22 teachers of which 9 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    | Mr. Peter Gachuhi    | Chairman              | 14 <sup>th</sup> March 2019 |
| 2    | Mr. Francis Khisa    | Secretary - Principal | 14 <sup>th</sup> March 2019 |
| 3    | Md Joyce Wamahiu     | Member                | 14 <sup>th</sup> March 2019 |
| 4    | Mr. Francis Muchiri  | Member                | 14 <sup>th</sup> March 2019 |
| 5    | Mr. Peter Wahungu    | Member                | 14 <sup>th</sup> March 2019 |
| 6    | Mr. Benson Muiruri   | Member                | 14 <sup>th</sup> March 2019 |
| 7    | Md. Dorcas Nyokabi   | Member                | 14 <sup>th</sup> March 2019 |
| 8    | Pastor Alex Gitaka   | Member – Rep CEB      | 14 <sup>th</sup> March 2019 |
| 9    | Md. Phillis Maregwa  | Member Rep Teachers   | 14 <sup>th</sup> March 2019 |
| 10   | Rev. Paul Mwaura     | 3 Members - Sponsor   | 14 <sup>th</sup> March 2019 |
| 11   | Md Margaret wanjiku  | Member - Community    | 14 <sup>th</sup> March 2019 |
| 12   | Mr. Samuel Kinyanjui | Member                | 14 <sup>th</sup> March 2019 |
| 13   | Mr. John Kaberi      | Member                | 14 <sup>th</sup> March 2019 |
| 14   | Md. Sarah Mwaniki    | Member                | 14 <sup>th</sup> Mach 2019  |
| 15   | Mr. Stephen Kuria    | Member                | 14 <sup>th</sup> March 2019 |
| 16   | Mr. Joseph Murabacha | Member Special Needs  | 14 <sup>th</sup> March 2019 |
| 17   | Mr. Justus Ndungu    | Rep Students          | 14 <sup>th</sup> March 2019 |



**KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)****The function of the School Board of Management include:**

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

**© Committees of the Board**

| Ref: | Name of Committee                                   | Names of Members                                                                                     | Designation | Number of meetings attended during the year |
|------|-----------------------------------------------------|------------------------------------------------------------------------------------------------------|-------------|---------------------------------------------|
| 1    | Executive Committee                                 | Mr. Peter Gachuhi<br>Mr. Francis Khisa<br>Md. Joyce wamahu<br>Mr. Francis Njenga                     | Chairman    | Two                                         |
| 2    | Finance, procurement and general purposes Committee | Mr. Joseph Murabacha<br>Mr. Francis Khisa<br>Mr. Francis Muchiri<br>Md. Sarah mwaniki<br>Rev. Mwaura | Chairman    | One                                         |
| 3    | Academic committee                                  | Md Joyce Wamahu<br>Mr. Francis Khisa<br>Mr. John Kaberi<br>md. Margaret Wanjiku<br>mr. Stephen Kuria | Chairlady   | One                                         |
|      | Development Committee                               | Mr. Francis Muchiri<br>Mr. Peter Wahungu<br>Md. Dorcas Mwangi<br>Mr. Francis Khisa                   | chairman    | One                                         |

**MURUAKI SECONDARY SCHOOL****Annual Report and financial statements for the six months' period ended 30<sup>th</sup> June 2021**

|   |                                  |                                                                                                       |  |      |
|---|----------------------------------|-------------------------------------------------------------------------------------------------------|--|------|
|   |                                  |                                                                                                       |  |      |
| 5 | Discipline and welfare Committee | Mr.Peter Wahungu<br>Mr.Francis Khisa<br>Pastor Alex Gitaka<br>Md Dorcas Mwangi<br>Mr. Francis Muchiri |  | None |

**(c) School operation Management**

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

| Ref: | Designation      | Name              | TSC Number     |
|------|------------------|-------------------|----------------|
| 1    | Principal        | Mr. Francis Khisa | 419997         |
| 2    | Deputy Principal | Mr Paul Mwangi    | 390529         |
| 3    | School Bursar    | Md Lydia Mwangi   | ID NO.10880250 |



**MURUAKI SECONDARY SCHOOL**

***Annual Report and financial statements for the six months' period ended 30<sup>th</sup> June 2021***

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

**(d) Schools contacts**

Post Office Box: 1002 NAIVASHA  
Telephone: 0733737879  
E-mail: muruakiboy@yahoo.com.  
Website:  
Facebook:  
Twitter:

**(e) School Bankers**

The following school five bank accounts in the following banks:

1. Name of Bank: K.C.B  
Branch: NAIVASHA  
Account Number: 1104232081 - School Fund  
1104241714 -Operations  
1104243946 -Tuition  
1267244283 -Infrastructure
2. Name of Bank: EQUITY -School fund  
Branch: NAIVASHA  
Account Number: 0200293331579
3. MPESA Pay Bill No. 522123 AC/NO.23135K attached to KCB bank account

**(f) Independent Auditors**

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

**(III) 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:**

This section reflects the actual Financial performance trend for the last three years from January 2019, 2020 and up to 30<sup>TH</sup> June 2021

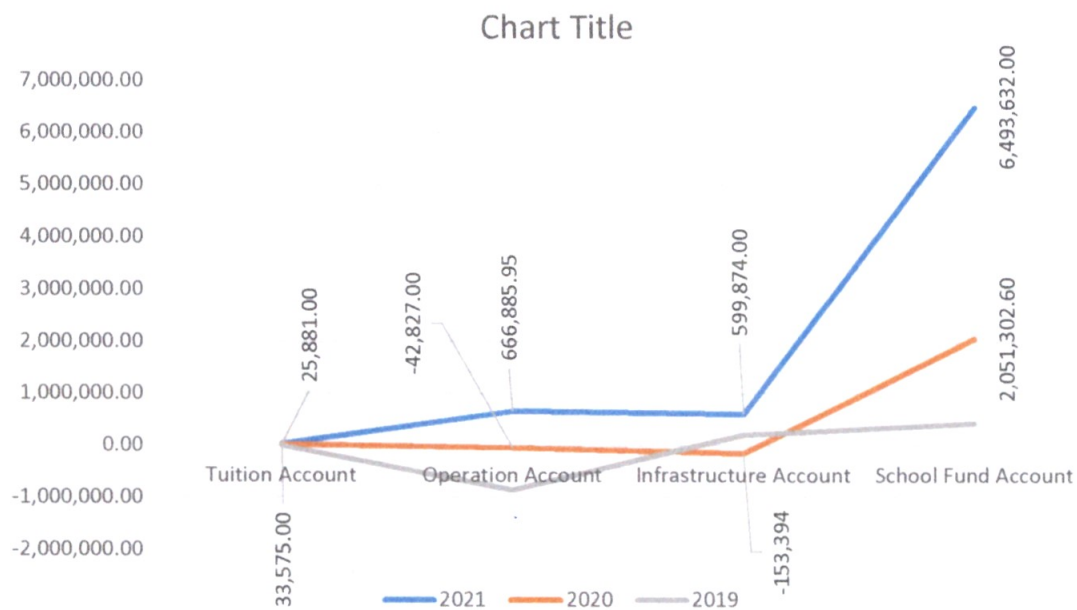
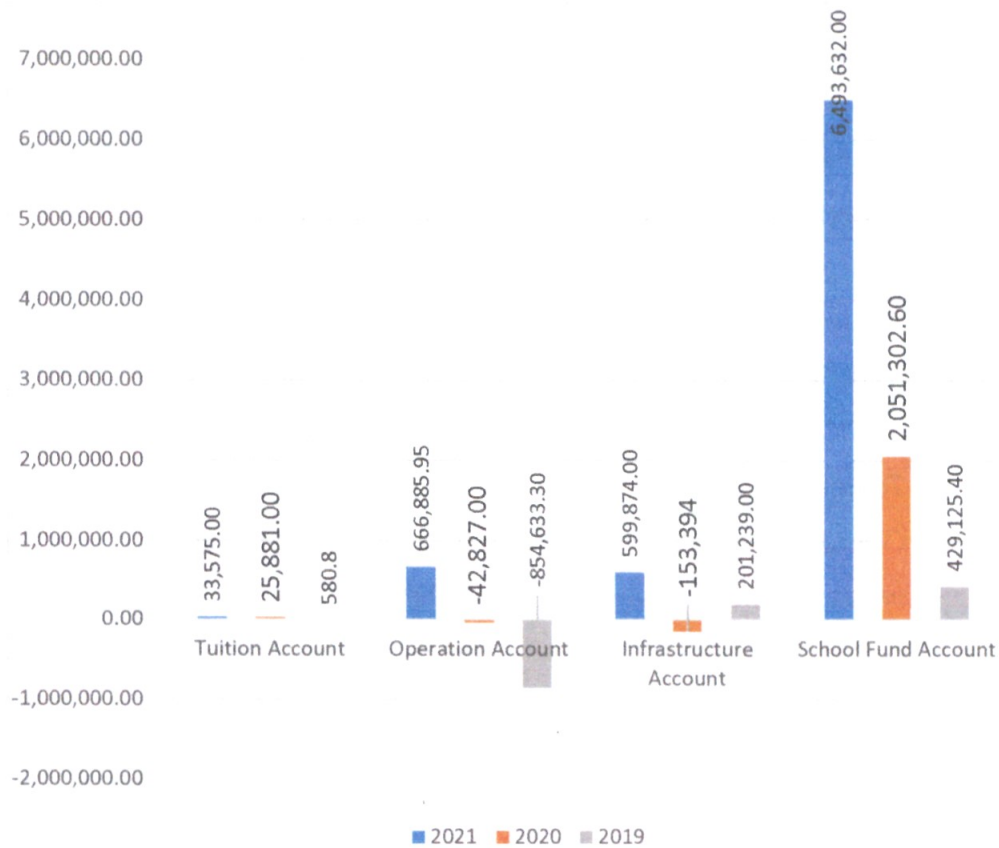
SURPLUS/DEFICIT FOR THE YEAR AND A COMPARISON OF THE SAME FOR THE LAST THREE YEARS

| S/NO | ACCOUNT                | 2021      | 2020      | 2019      |
|------|------------------------|-----------|-----------|-----------|
| 1    | Tuition Account        | 33,575    | 25,881    | 581       |
| 2    | Operation Account      | 1,106,806 | (42,827)  | (854,633) |
| 3    | Infrastructure Account | 599,874   | (153,394) | 201,239   |
| 4    | School Fund Account    | (686,674) | 2,051,303 | 429,125   |
|      | TOTAL                  | 1,053,581 | 1,880,963 | (223,688) |
|      | Increase/Decrease      | (827,382) | 2,104,651 |           |



# MURUAKI SECONDARY SCHOOL

Annual Report and financial statements for the six months' period ended 30<sup>th</sup> June 2021



**MURUAKI SECONDARY SCHOOL*****Annual Report and financial statements for the six months' period ended 30<sup>th</sup> June 2021***

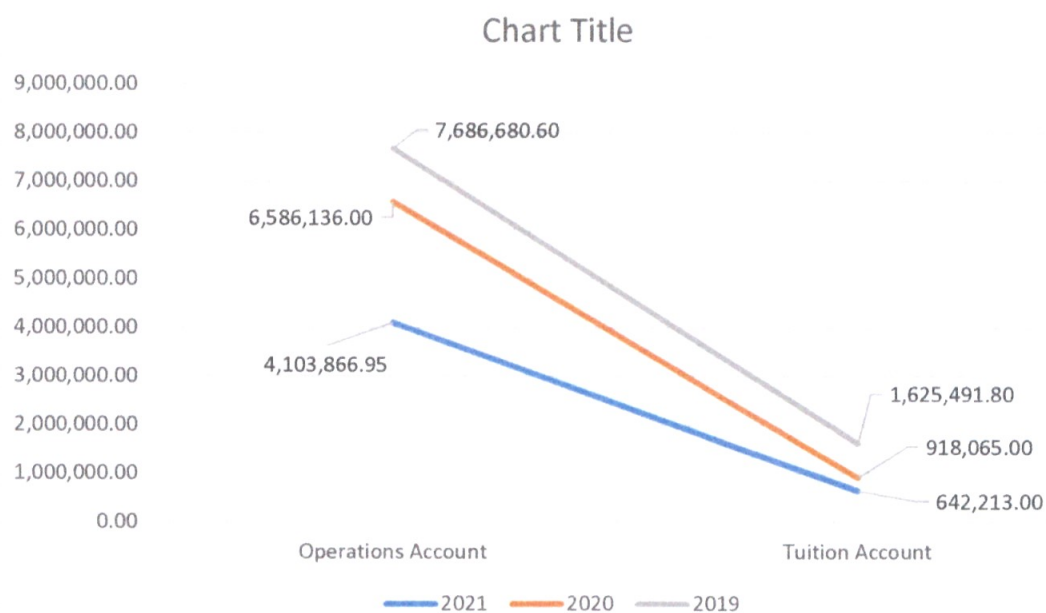
The surplus for the year 2021 increased by 5,913,004.35 from the surplus of sh. 2,104,651.10 in the year 2020. This was because the Infrastructure fund was not utilised due to lack of approval letter from the county education office. The period also covers six months instead of 12 months.

| <b>CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST FOUR YEARS</b> |                                                |                   |                    |                     |                    |
|---------------------------------------------------------------------------------|------------------------------------------------|-------------------|--------------------|---------------------|--------------------|
| <b>SNO</b>                                                                      | <b>ACCOUNTS</b>                                | <b>2021</b>       | <b>2020</b>        | <b>2019</b>         | <b>2018</b>        |
|                                                                                 |                                                | <b>KSHS</b>       | <b>KSHS</b>        | <b>KSHS</b>         | <b>KSHS</b>        |
| 1                                                                               | Operations Account                             | 4,103,867         | 6,586,136          | 7,686,681           | 5,663,742          |
| 2                                                                               | Tuition Account                                | 642,213           | 918,065            | 1,625,492           | 2,391,187          |
|                                                                                 | <b>Total</b>                                   | <b>4,746,080</b>  | <b>7,504,201</b>   | <b>9,312,172</b>    | <b>8,054,929</b>   |
|                                                                                 | <b>Increase/Decrease</b>                       | <b>-2,758,121</b> | <b>-1,807,971</b>  | <b>1,257,243.80</b> | <b>2,391,438</b>   |
|                                                                                 | No of Students                                 | 495               | 496                | 498                 | 447                |
|                                                                                 | <b>Ratio of<br/>Capitation per<br/>student</b> | <b>1:9,588.04</b> | <b>1:15,129.44</b> | <b>1:18,699.14</b>  | <b>1:18,019.97</b> |

**Trend over the Last Three Years**

## MURUAKI SECONDARY SCHOOL

Annual Report and financial statements for the six months' period ended 30<sup>th</sup> June 2021





## MURUAKI SECONDARY SCHOOL

### Annual Report and financial statements for the six months' period ended 30<sup>th</sup> June 2021

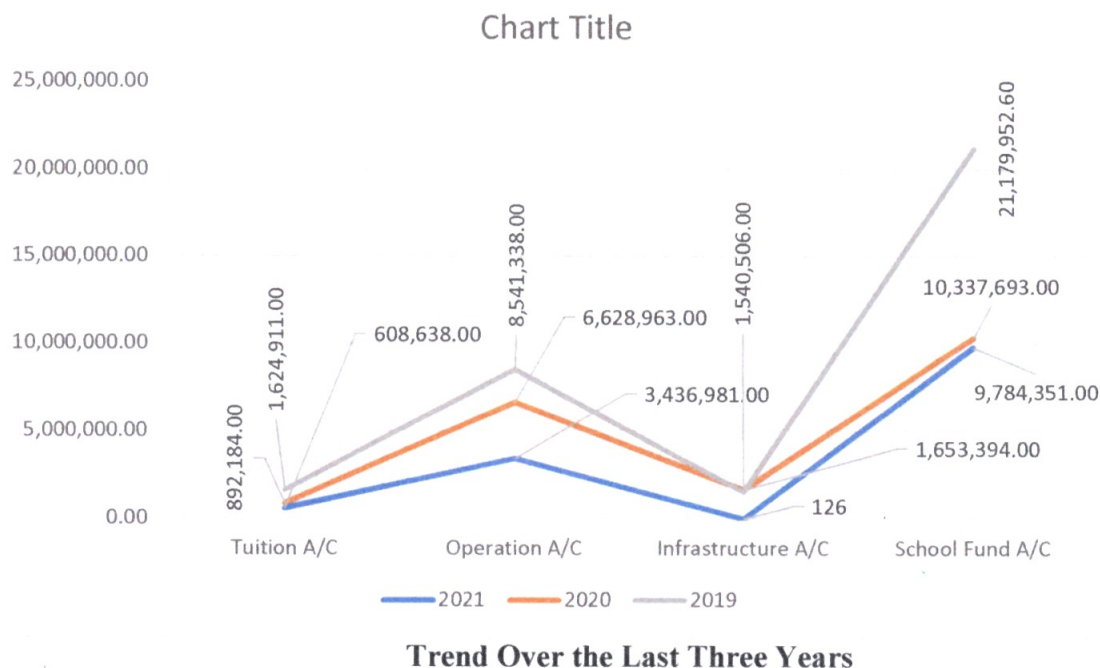
The total capitation grants for the financial year 2019 was Kshs 9,312,172.40 as compared to Kshs 8,054,928.60 in the financial year 2018 representing an increase of Kshs 1,257,243.80. The net increase is mainly attributed by all students' receiving the capitation and increase in enrolment as shown in the ration above.

The total capitation for the year 2020 was Kshs 7,504,201.00 as compared to Kshs 9,312,172.40 in the financial year 2019 representing a decrease of Kshs 1,807,971.40 which resulted from the prolonged closure of the school due to Covid-19 and not all capitation grant were disbursed by the end of financial year 2020.

The capitation grant for the financial year 2021 was Kshs 4,746,079.95 as compared to Kshs 7,504,201.00 in the financial year 2020 representing a decrease of Kshs 2,758,121.05 which is mainly attributed by the fact that the period covers only six months.

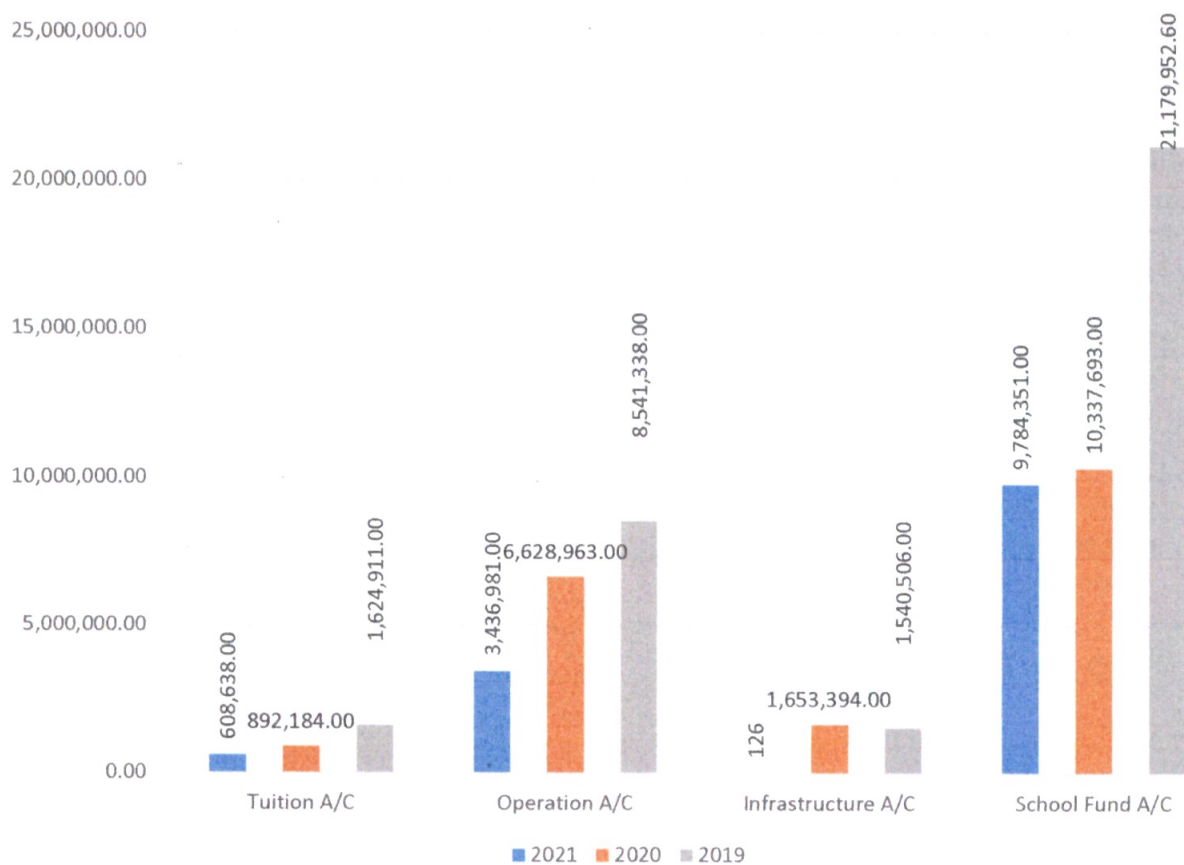
#### OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL

| SNO | ACCOUNTS           | 2021        | 2020         | 2019       |
|-----|--------------------|-------------|--------------|------------|
|     |                    | Kshs        | Kshs         | Kshs       |
| 1   | Tuition A/C        | 608,638     | 892,184      | 1,624,911  |
| 2   | Operation A/C      | 2,997,061   | 6,628,963    | 8,541,338  |
| 3   | Infrastructure A/C | 126         | 1,653,394    | 1,540,506  |
| 4   | School Fund A/C    | 10,194,271  | 10,337,693   | 21,179,953 |
|     | TOTAL              | 13,800,096  | 19,512,234   | 32,886,708 |
|     | Increase/Decrease  | (5,712,138) | (13,374,474) |            |



## MURUAKI SECONDARY SCHOOL

*Annual Report and financial statements for the six months' period ended 30<sup>th</sup> June 2021*



In the financial year 2021 shows a decrease of growth in expenditure which has resulted from the current year covering a period of 6 months. The decrease reflected in the financial year 2020 has resulted from prolonged closure of the school due to Covid-19.

**MURUAKI SECONDARY SCHOOL***Annual Report and financial statements for the six months' period ended 30<sup>th</sup> June 2021***SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)**

| MOVEMENT OF DEBTORS OF THE SCHOOL |                     |           |           |         |
|-----------------------------------|---------------------|-----------|-----------|---------|
| SNO                               | ACCOUNTS            | 2021      | 2020      | 2019    |
|                                   | School Fund Account | KSHS      | KSHS      | KSHS    |
|                                   | Debtors             | 1,436,003 | 2,252,358 | 911,108 |
|                                   | Total               | 1,436,003 | 2,252,358 | 911,108 |
|                                   | Increase/Decrease   | (816,555) | 1,341,450 |         |

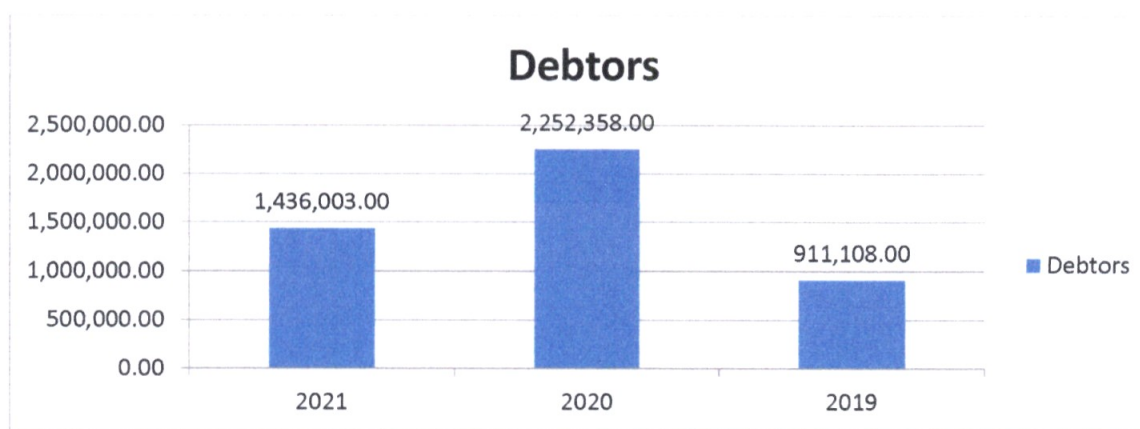
**Trend Over the Last Three Years**

Chart Title

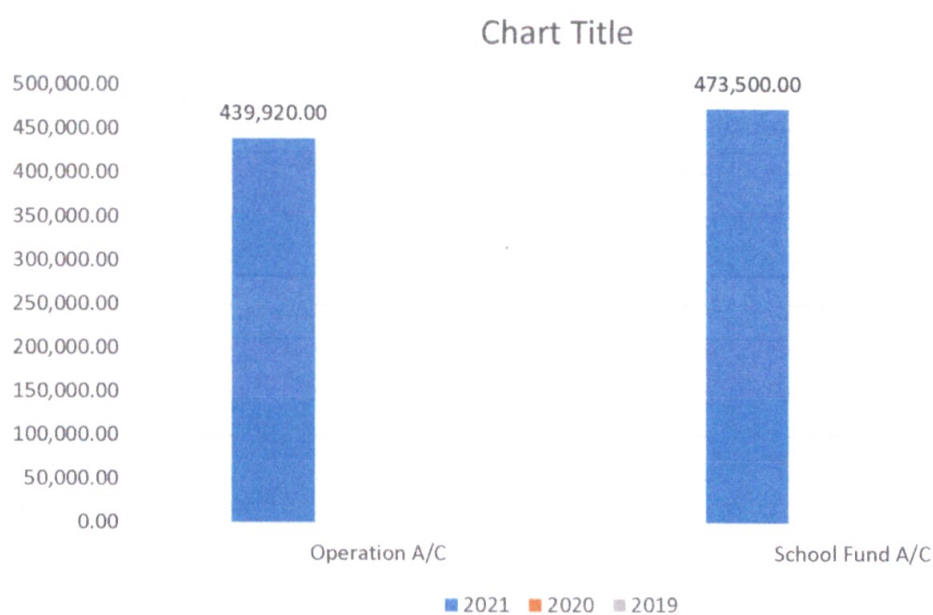
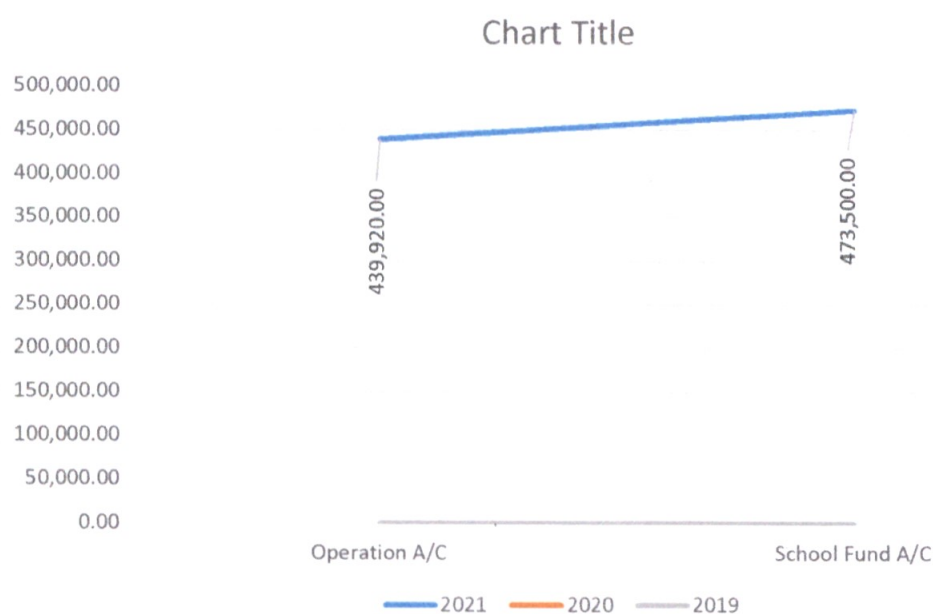




**MURUAKI SECONDARY SCHOOL****Annual Report and financial statements for the six months' period ended 30<sup>th</sup> June 2021**

Financial year 2020 recorded the highest fees arrears of sh.2,252,558.00. This was due to the covid-19 outbreak which lead to the closure of school.

| MOVEMENT OF CREDITORS OF THE SCHOOL |                          |                |      |      |  |
|-------------------------------------|--------------------------|----------------|------|------|--|
| SNO                                 | ACCOUNTS                 | 2021           | 2020 | 2019 |  |
|                                     |                          | KSHS           | KSHS | KSHS |  |
| 1                                   | Operation A/C            | 439,920        | -    | -    |  |
| 2                                   | School Fund A/C          | 473,500        | -    | -    |  |
|                                     | <b>Total</b>             | <b>913,420</b> |      |      |  |
|                                     | <b>Increase/Decrease</b> | <b>913,420</b> |      |      |  |

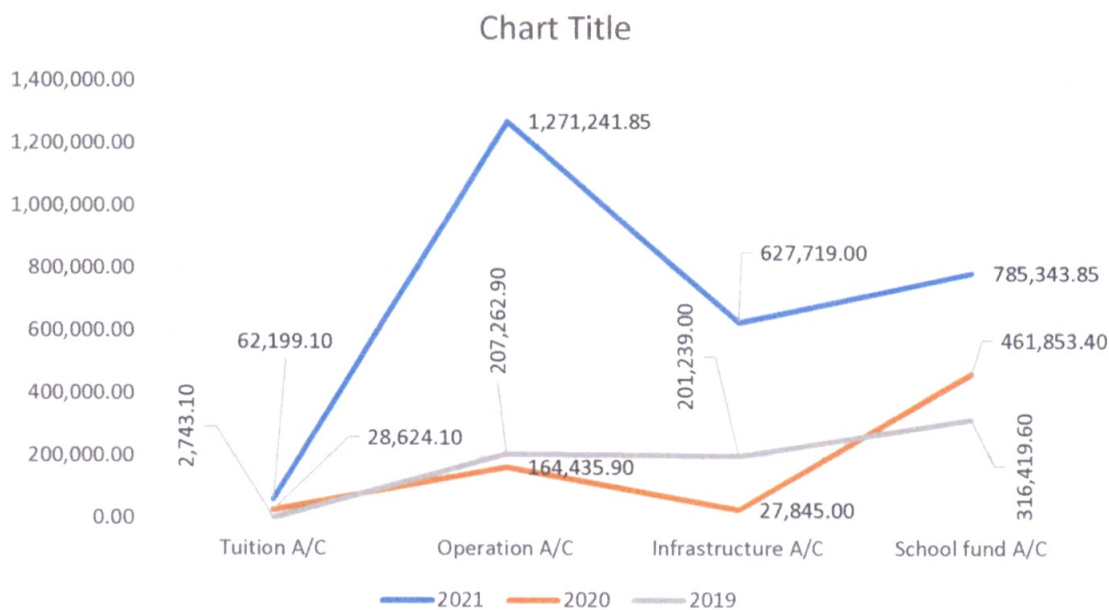


**MURUAKI SECONDARY SCHOOL****Annual Report and financial statements for the six months' period ended 30<sup>th</sup> June 2021**

Total creditors as at 30<sup>th</sup> June 2021 was sh. 913,420.00 which comprised of Personal Emoluments and foodstuff. This was because the school was not prepared to close the books of account by 30<sup>TH</sup> June 2021

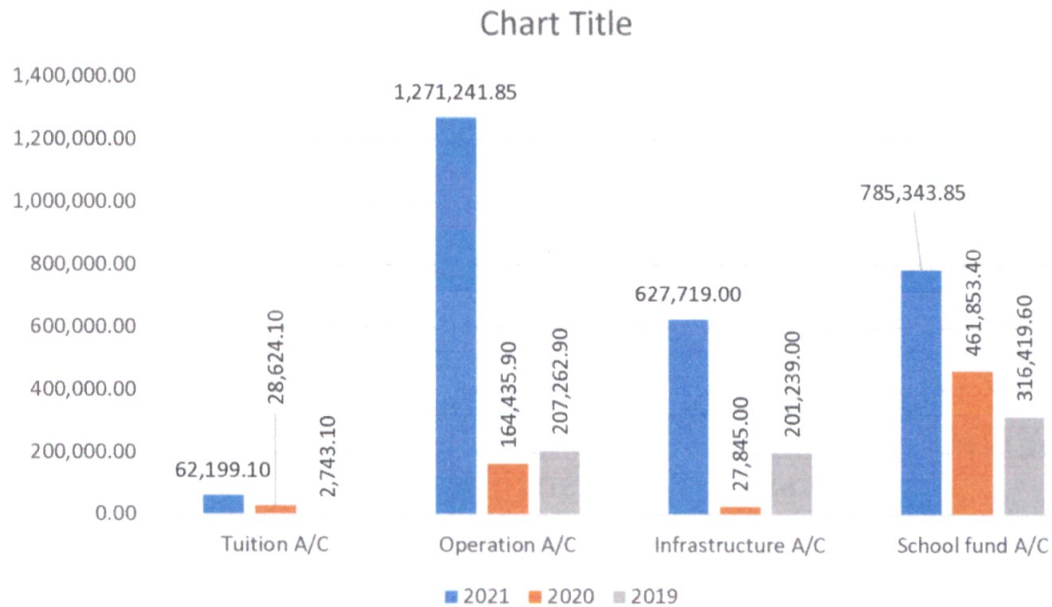
**SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)**

| <b>MOVEMENT OF CASH AND BANK BALANCES</b> |                          |                  |                 |                |  |
|-------------------------------------------|--------------------------|------------------|-----------------|----------------|--|
| <b>SNO</b>                                | <b>ACCOUNTS</b>          | <b>2021</b>      | <b>2020</b>     | <b>2019</b>    |  |
|                                           |                          | <b>KSHS</b>      | <b>KSHS</b>     | <b>KSHS</b>    |  |
| 1                                         | Tuition A/C              | 62,199           | 28,624          | 2,743          |  |
| 2                                         | Operation A/C            | 1,271,242        | 164,436         | 207,263        |  |
| 3                                         | Infrastructure A/C       | 627,719          | 27,845          | 201,239        |  |
| 4                                         | School fund A/C          | 785,344          | 461,853         | 316,420        |  |
|                                           | <b>Total</b>             | <b>2,746,504</b> | <b>682,758</b>  | <b>727,665</b> |  |
|                                           | <b>Increase/Decrease</b> | <b>2,063,745</b> | <b>(44,906)</b> |                |  |



## MURUAKI SECONDARY SCHOOL

Annual Report and financial statements for the six months' period ended 30<sup>th</sup> June 2021





a) **Teacher Student ratio:**

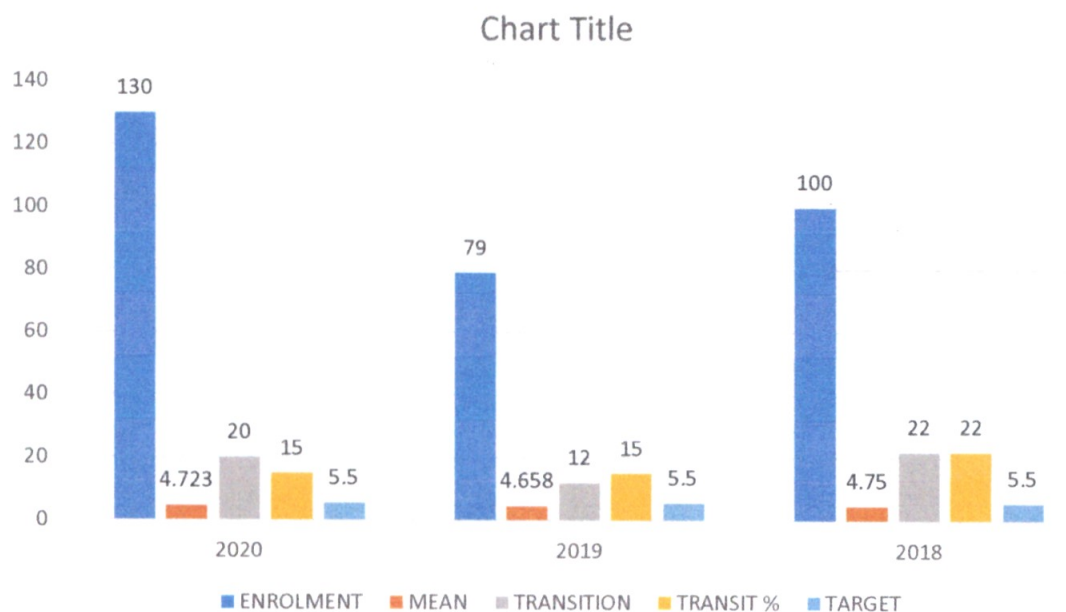
TEACHER: STUDENTS 434/22=1:20

**b) Mean score in the year 2018, 2019 and 2020 KCSE:**

|      | ENROLMENT | MEAN  | TRANSITION | TRANSIT (%) | TARGET |
|------|-----------|-------|------------|-------------|--------|
| 2020 | 130       | 4.723 | 20         | 15          | 5.5    |
| 2019 | 79        | 4.658 | 12         | 15          | 5.5    |
| 2018 | 100       | 4.75  | 22         | 22          | 5.5    |

## MURUAKI SECONDARY SCHOOL

Annual Report and financial statements for the six months' period ended 30<sup>th</sup> June 2021



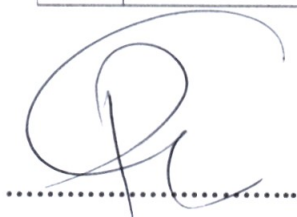
### c) The capacity of the school:

The school has enough facilities to accommodate 500 boarding students

|          | CLASSROOMS | DORMITORIES | LABORATORIES | TOILETS |
|----------|------------|-------------|--------------|---------|
| NO.      | 12         | 6           | 3            | 22      |
| CAPACITY | 500        | 500         | 500          | 500     |

**SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)****d) Development projects carried out by the school:**

| Sno. | Project                                                  | Year      | Status       | Amount       | Fund Source                    |
|------|----------------------------------------------------------|-----------|--------------|--------------|--------------------------------|
| 1    | Construction of Biology Laboratory                       | 2020      | Not complete | 1,653,140.00 | Maintenance & Improvement fund |
| 2    | New Ablution Block                                       | 2020-2021 | Complete     | 2,317,485.00 | Maintenance & Improvement fund |
|      | Continuation of the laboratory                           |           | Not complete |              |                                |
| 3    | Tiling the Adm Block<br>Completion of Biology Laboratory | 2021-2022 | Complete     | 2,038,950.00 | Maintenance & Improvement fund |


**Mr Peter Gachuhi****Chair,  
Board of Management****Muruaki Boys sec School**Date: 21/4/26

**Mr. Francis Khisa****Secretary,  
Board of Management  
Principal****Muruaki Boys Sec School**Date: 21/4/26

**Lydia Mwangi****Finance Officer****Muruaki Boys Sec. School**Date: 21/4/26

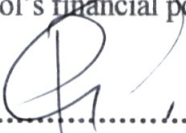
**(IV) STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY**

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

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

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

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

  
.....  
**Mr Peter Gachuhi**

**Chair,  
Board of Management**

**Muruaki Boys sec School**

**Date:** 21/4/26

  
.....  
**Mr. Francis Khisa**

**Secretary,  
Board of Management  
Principal**

**Muruaki Boys Sec School**

**Date:** 21/4/26

  
.....  
**Lydia Mwangi**

**Finance Officer**

**Muruaki Boys Sec. School**

**Date:** 21/4/26



# 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 MURUAKI BOYS SECONDARY 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 Muruaki Boys Secondary School set out on pages 22 to 33, which comprise the statement of financial assets and financial liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of



cash flows and statement of budgeted versus actual amounts for the six months' 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 Muruaki Boys Secondary School as at 30 June, 2021 and of its financial performance and its cash flows for the six (6) months 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. Unsupported Accounts Receivable**

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.4,934,094 as disclosed in Note 11 to the financial statements. However, supporting schedules, detailed aging analysis and issued invoices for fees arrears amounting Kshs.3,498,091 were not provided for audit. Further, review of the receivables aging analysis revealed a balance of Kshs.2,861,699 has been outstanding for more than two years. However, no debt recovery policy was provided for audit review, casting doubt on the recoverability and fair presentation of the accounts receivable balance.

In the circumstances, the accuracy, completeness and recoverability of the accounts receivable balance of Kshs.4,934,094 could not be confirmed.

#### **2. Inaccuracies in the Statement of Cash Flows**

The statement of cashflows reflects school fund income of Kshs.9,727,723 and boarding and school fund payments of Kshs.9,310,851. However, the amounts differ with the amounts disclosed in the corresponding Note 4 and Note 8 to the financial statements of Kshs.9,507,597 and Kshs.10,194,271 respectively, resulting in unreconciled variances of Kshs.220,126 and Kshs.883,420 respectively.

In the circumstances, the accuracy and completeness of the statement of cash flows could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Muruaki Boys Secondary School Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical



requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

## **Emphasis of Matter**

### **Budgetary Control and Performance**

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.26,671,600 and Kshs.15,073,803 respectively, resulting in an under-funding of Kshs.11,597,797 or 43 % of the budget. Further, the School did not have an approved budget during the year under review.

The under-funding affected the planned activities and may have impacted negatively on service delivery to the public. In addition, the absence of an approved budget undermined effective financial planning and budgetary control.

### **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, there are no other key audit matters to report in the year under review.

### **Other Matter**

### **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.

## **Other Information**

The Management is responsible for the Other Information set out on pages 3 to 21 which comprise of Key School Information and Management, Summary Report of Performance of the School and Statement of Management Responsibilities. 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 THE 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.

### **Basis for Conclusion**

#### **1. Underfunding of Capitation Grants**

The statement of receipts and payments reflects capitation grants for tuition, capitation grants for operations and infrastructure grant amount of Kshs.642,213, Kshs.3,503,867, and Kshs.600,000 respectively, as disclosed in Note 1, Note 2 and Note 3 to the financial statements. During the financial year, NEMIS reported a total number of 422 students, while the enrolment records provided by the school indicated an average number of 443 students, resulting in an unexplained variance of 21 students. As a result of the variances, the school was under- funded by an amount of Kshs.5,108,013.

In the circumstances, the under-funding of the School may have affected service delivery to the public.



## **2. Unconfirmed Students Enrolment Data**

Comparison of data from National Education Management and information System (NEMIS) with records from the School revealed discrepancies during the financial period ending 30 June, 2021. NEMIS reflected 422 students while records from the School had 443 students, resulting in a variance of 21 students. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 dated 16 June, 2021 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure accuracy of records.

In the circumstances, inaccuracies in the NEMIS database may lead to erroneous funding decisions and affect the equitable allocation of capitation grants.

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

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.10,194,271 as disclosed in Note 8 to the financial statements. Included in the expenditure is an amount of Kshs.542,150 transferred to Kenya Secondary Schools 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.542,150 could not be confirmed.

## **4. Weaknesses in Record Keeping**

Examination of payment records revealed that the School failed to maintain complete procurement records, including requisitions from user departments, inspection and acceptance reports, the professional opinion, tender documents, tender advertisements, bid evaluation reports, correspondences with supplier and contract documents. This was contrary to Section 68 of the Public Procurement and Asset Disposal Act, 2015 which requires an Accounting Officer of a procuring entity to keep records for each procurement for at least six years after the resulting contract has been completed. Lack of procurement records also limits audit trail and transparency. Further, a Procurement Plan for the year and documentary evidence of market survey conducted were not provided for audit review.

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

## **5. Late Submission of Financial Statements for Audit**

During the year under review, Management submitted the financial statements to the Auditor-General on 27 March, 2024 instead of the statutory deadline of 30 September 2021. This was contrary to the Ministry of Education Circular Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the school's financial statements should be ready by 30 September, 2021 and in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

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 on whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities which govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

#### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of 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 governance were not effective.

#### **Basis for Conclusion**

##### **1. Non-Compliance with Board Statutory Requirements**

Review of Board documents revealed that the Board of Management did not develop an Annual Work Plan to guide its oversight and governance responsibilities during the period under review. Further, evidence that the Annual Governance Report was submitted to the Director of Basic Education as required by Section 60 of the Basic Education Act, 2013 was not provided for audit. In addition, there was lack of clear guidelines on payment of board allowances and the Board and Committee minutes provided for audit were not signed by the attendees.

In the circumstances, the effectiveness of the governance mechanism at the school could not be confirmed.



## **2. Lack of an Internal Audit Function and Audit Committee**

During the year under review, the school had not constituted an Audit Committee and an Internal Audit Unit as required by Regulation 166 (1) and (2) of the Public Finance Management (National Government), 2015 which states that, the internal audit unit of a National Government entity to assess effectiveness of the school through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury.

In the circumstances, the existence of an effective oversight mechanisms 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 also 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**

**MURUAKI SECONDARY SCHOOL***Annual Report and financial statements for the six months' period ended 30<sup>th</sup> June 2021***STATEMENT OF RECEIPTS AND PAYMENTS FOR THE SIX MONTHS PERIOD  
ENDED 30<sup>TH</sup> JUNE 2021**

| DESCRIPTION OF VOTE HEAD          | Note | 2021-2021<br>6 Months<br>Kshs | 2020-2020<br>12 Months<br>Kshs |
|-----------------------------------|------|-------------------------------|--------------------------------|
| <b>RECEIPTS</b>                   |      |                               |                                |
| Capitation grants for tuition     | 1    | 642,213                       | 918,065                        |
| Capitation grants for operations  | 2    | 3,503,867                     | 6,777,356                      |
| Infrastructure A/C                | 3    | 600,000                       | 1,500,000                      |
| School Fund Income                | 4    | 9,507,597                     | 17,358,652                     |
| <b>TOTAL RECEIPTS</b>             |      | <b>14,253,677</b>             | <b>26,554,073</b>              |
| <b>PAYMENTS</b>                   |      |                               |                                |
| Payments for Tuition              | 5    | 608,638                       | 892,184                        |
| Payments for operations           | 6    | 2,397,061                     | 6,820,183                      |
| Payments for Infrastructure       | 7    | 126                           | 1,673,394                      |
| Boarding and school fund payments | 8    | 10,194,271                    | 12,203,824                     |
| <b>TOTAL PAYMENTS</b>             |      | <b>13,200,096</b>             | <b>21,589,585</b>              |
| <b>SURPLUS/DEFICIT</b>            |      | <b>1,053,581</b>              | <b>4,964,488</b>               |

The accounting policies and explanatory notes to these financial statements for an integral part of the financial statements. The report covers the six months for the period ended 30<sup>th</sup> June 2021 and accompanying comparatives cover the twelve months period ended 31<sup>st</sup> December 2020.

The financial statements should be read in conjunction with the accompanying notes.

.....  
Mr Peter Gachuhi

Chair,  
Board of Management

Muruaki Boys sec School

Date: 21/4/2021

.....  
Mr. Francis Khisa

Secretary,  
Board of Management  
Principal

Muruaki Boys Sec School

Date: 21/4/2021

.....  
Lydia Mwangi

Finance Officer

Muruaki Boys Sec. School

Date: 21/4/2021

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

|                                  | Note | 2021-2021        | 2020-2020        |
|----------------------------------|------|------------------|------------------|
|                                  |      | Kshs             | Kshs             |
| <b>FINANCIAL ASSETS</b>          |      |                  |                  |
| <b>Cash and Cash Equivalents</b> |      |                  |                  |
| Bank Balances                    | 9    | 2,738,802        | 584,486          |
| Cash Balances                    | 10   | 7,702            | 4,891            |
| Total Cash and cash equivalent   |      | 2,746,504        | 589,377          |
| Account's receivables            | 11   | 4,934,094        | 5,114,257        |
| <b>TOTAL FINANCIAL ASSETS</b>    |      | <b>7,680,598</b> | <b>5,703,634</b> |
| <b>FINANCIAL LIABILITIES</b>     |      |                  |                  |
| Accounts Payables                | 12   | 923,383          | -                |
| <b>NET FINANCIAL ASSETS</b>      |      | <b>6,757,215</b> | <b>5,703,634</b> |
| <b>REPRESENTED BY</b>            |      |                  |                  |
| Accumulated Fund b/d             | 13   | 5,703,634        | 739,145          |
| Surplus/Deficit for the year     |      | 1,053,581        | 4,964,489        |
| <b>NET FINANCIAL POSITION</b>    |      | <b>6,757,215</b> | <b>5,703,634</b> |

.....  
Mr Peter Gachuhi

Chair,  
Board of Management

Date: 21/4/26

.....  
Mr. Francis Khisa

Secretary,  
Board of Management  
Principal

Date: 21/4/26

.....  
Lydia Mwangi

Finance Officer

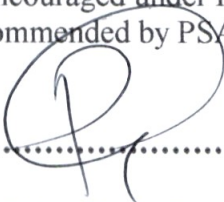
Date: 21/4/26



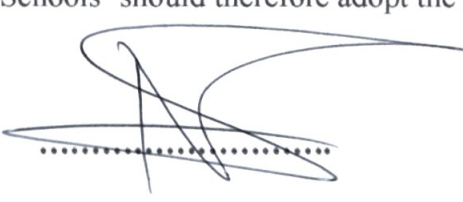
**STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2021**

|                                                   | Notes | 2021-2021         | 2020-2020         |
|---------------------------------------------------|-------|-------------------|-------------------|
|                                                   |       | Kshs              | Kshs              |
| <b>Receipts for operating income</b>              |       |                   |                   |
| Capitation grants for tuition                     | 1     | 642,213           | 918,065           |
| Capitation grants for operations                  | 2     | 3,503,867         | 6,777,356         |
| Infrastructure                                    | 3     | 600,000           | 1,500,000         |
| School fund income- Parents contributions/ fees   | 4     | 9,727,723         | 12,244,395        |
| <b>Total receipts</b>                             |       | <b>14,473,803</b> | <b>21,439,816</b> |
| <b>Payments</b>                                   |       |                   |                   |
| Payments for Tuition                              | 5     | 608,638           | 892,184           |
| Payments for Operations                           | 6     | 2,397,061         | 6,820,183         |
| Payments for Infrastructure                       | 7     | 126               | 1,673,394         |
| Boarding and school fund payments                 | 8     | 9,310,851         | 12,203,824        |
| <b>Total payments</b>                             |       | <b>12,316,676</b> | <b>21,589,585</b> |
| <b>Net cash flow from operating activities</b>    |       | <b>2,157,127</b>  | <b>(149,768)</b>  |
| <b>Net cash flow from operating activities</b>    |       | <b>2,157,127</b>  | <b>(149,768)</b>  |
| Repayment of principal borrowings                 |       | -                 | -                 |
| <b>Net cash flow from financing activities</b>    |       | <b>-</b>          | <b>-</b>          |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>  |       | <b>2,157,127</b>  | <b>(149,768)</b>  |
| Cash and cash equivalent at BEGINNING of the year |       | 589,377           | 739,145           |
| Cash and cash equivalent at END of the year       |       | <b>2,746,504</b>  | <b>589,377</b>    |

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

  
.....  
**Mr Peter Gachuhi**

**Chair,  
Board of Management**

  
.....  
**Mr. Francis Khisa**

**Secretary,  
Board of Management  
Principal**

  
.....  
**Lydia Mwangi**

**Finance Officer**

**Finance Officer**

**MURUAKI SECONDARY SCHOOL***Annual Report and financial statements for the six months' period ended 30<sup>th</sup> June 2021***I. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE SIX MONTHS PERIOD ENDED 30<sup>TH</sup> JUNE 2021**

| Receipt/Expense Item                | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Budget Utilisation Difference | % of Utilisation |
|-------------------------------------|-----------------|-------------|--------------|----------------------------|-------------------------------|------------------|
|                                     | a               | b           | c=a+b        | d                          | e=c-d                         | f=d/c %          |
| <b>Receipts</b>                     |                 |             |              |                            |                               |                  |
| Capitation grant for Tuition        | 1,737,600       | -           | 1,737,600    | 642,213,00                 | 1,095,387.00                  | 37 %             |
| Capitation grant for operation      | 7,160,000       | -           | 7,160,000    | 4,103,867                  | 3,056,133                     | 58 %             |
| Capitation grant for Infrastructure | 1,600,000       | -           | 1,600,000    | 600,000                    | 1,000,000                     | 38 %             |
| Parents contribution (school fund)  | 16,174,000      | -           | 16,174,000   | 9,727,723                  | 6,446,277                     | 61 %             |
| <b>Expenditure</b>                  |                 |             |              |                            |                               |                  |
| Expenditure for Tuition             | 1,737,600       | -           | 1,737,600    | 608,638                    | 1,128,962                     | 35 %             |
| Expenditure for Operation           | 7,160,000       | -           | 7,160,000    | 2,997,061                  | 4,162,939                     | 42 %             |
| Expenditure for Infrastructure      | 1,600,000       | -           | 1,600,000    | 126                        | 1,599,874                     | 0.1%             |
| Expenditure for School fund         | 16,174,000      | -           | 16,174,000   | 9,310,851                  | 6,863,149                     | 58 %             |

- (I) There was a general under utilization of the budget both in receipts and expenditure in all accounts. This was because the period covered was six months.
- (II) Infrastructure Account recorded under utilization of 0.021%. This is because the management had not received the letter of approval from CEB for the utilization of the funds

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## **II. SIGNIFICANT ACCOUNTING POLICIES**

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

### **1. Statement of compliance and basis of preparation**

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

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

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

### **2. Recognition of receipts and payments**

The school recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the school. In addition, the school recognises all expenses when the event occurs and the related cash has actually been paid out by the school.

### **3. In-kind contributions**

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

### **4. Cash and cash equivalents**

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

### **5. Accounts Receivable**

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as expenditure when fully accounted for by the



imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

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**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**6. Accounts Payable**

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

**7. Non-current assets**

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

**8. Budget**

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The school's budget 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 30<sup>th</sup> June 2021.

**III. NOTES TO THE FINANCIAL STATEMENTS****1 CAPITATION GRANT FOR TUITION**

|                                      |  | 01/01/2021-30/06/2021 | 1/1/2020-31/12/2020 |
|--------------------------------------|--|-----------------------|---------------------|
|                                      |  | Kshs                  | Kshs                |
| Grant from the ministry of education |  | 642,213               | 918,065             |
| <b>TOTAL</b>                         |  | <b>642,213</b>        | <b>918,065</b>      |

**2 CAPITATION GRANT FOR OPERATIONS**

|                                  |  | 01/01/2021-30/06/2021 | 1/1/2020-31/12/2020 |
|----------------------------------|--|-----------------------|---------------------|
|                                  |  | Kshs                  | Kshs                |
| Infrastructure grants            |  | 1,242,500             |                     |
| Repairs and maintenance          |  | 2,261,367             | 6,777,356           |
| Total                            |  | <b>3,503,867</b>      | <b>6,777,356</b>    |
| <b>3. INFRASTRUCTURE ACCOUNT</b> |  | <b>2021-2021</b>      | <b>2020-2020</b>    |
| Repair Maintenance & Improvement |  | 600,000               | 1,500,000           |
| <b>Total</b>                     |  | <b>600,000</b>        | <b>1,500,000</b>    |

**4 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT**

|                                       |  | 01/01/2021-30/06/2021 | 1/1/2020-31/12/2020 |
|---------------------------------------|--|-----------------------|---------------------|
|                                       |  | Kshs                  | Kshs                |
| Fees on Boarding Equipment and Stores |  | 5,885,901             | 12,496,457          |
| Personal emoluments                   |  | 867,462               | 746,443             |
| Repairs and maintenance               |  | 436,038               | 470,882.00          |
| Local transport and travelling        |  | 738,529               | 715,772.00          |
| Electricity and water                 |  | 733,791               | 772,385.00          |
| Administration costs                  |  | 494,217               | 440,554.00          |
| Activity                              |  | 54,534                | 43,250.00           |
| Catholic action                       |  | 27,450                |                     |
| Christian union                       |  | 4,160                 |                     |
| Scout moment                          |  | 1,000                 |                     |
| Other accounts                        |  | 264,505               | 2,107,958           |
| <b>Total</b>                          |  | <b>9,507,597</b>      | <b>17,793,701</b>   |

**MURUAKI SECONDARY SCHOOL***Annual Report and financial statements for the six months' period ended 30<sup>th</sup> June 2021***5 PAYMENTS FOR TUITION**

|                               |  | 01/01/2021-30/06/2021 | 1/1/2020-31/12/2020 |
|-------------------------------|--|-----------------------|---------------------|
|                               |  | Kshs                  | Kshs                |
| Exercise books                |  | 88,100                | 237,600             |
| Laboratory equipment          |  | 514,500               | 249,710             |
| Teaching / learning materials |  | 5,180                 | 404,130             |
| Bank Charges                  |  | 858                   | 744                 |
| <b>Total</b>                  |  | <b>608,638</b>        | <b>892,184</b>      |

**6 PAYMENTS FOR OPERATIONS**

|                                |  | 01/01/2021-30/06/2021 | 1/1/2020-31/12/2020 |
|--------------------------------|--|-----------------------|---------------------|
|                                |  | Kshs                  | Kshs                |
| Repairs and maintenance        |  | 70,103                | 779,190             |
| Local transport and travelling |  | 226,000               | -                   |
| Electricity and water          |  | 646,110               | 661,025             |
| Administration costs           |  | 1,183,698             | 1,008,264           |
| Personal emolument             |  |                       | 2,871,704           |
| Activity                       |  | 271,150               | -                   |
| Bank charges                   |  | 126                   |                     |
| <b>Total</b>                   |  | <b>2,397,187</b>      | <b>5,320,183</b>    |

**7 PAYMENTS FOR INFRASTRUCTURE**

|              |  | 01/01/2021-30/06/2021 | 2020-2020 |
|--------------|--|-----------------------|-----------|
| Bank charges |  | 126                   |           |

**8 BOARDING AND SCHOOL FUND PAYMENTS**

|                                       |  | 01/01/2021-30/06/2021 | 1/1/2020-31/12/2020 |
|---------------------------------------|--|-----------------------|---------------------|
|                                       |  | Kshs                  | Kshs                |
| Fees on Boarding Equipment and Stores |  | 5,161,588             | 5,280,738           |
| Personal emoluments                   |  | 3,005,056             | 2,172,810           |
| Repairs and maintenance               |  | 390,715               | 643,467             |
| Local transport and travelling        |  | 548,470               | 694,150             |
| Electricity and water                 |  | 589,370               | 914,741             |
| Administration costs                  |  | 268,473               | 904,350             |
| Activity                              |  | 15,999                | 66,880              |
| Catholic action                       |  | 10,000                | 600                 |
| Christian union                       |  | 24,000                | 1000                |
| Scout moment                          |  | 2,890                 | -                   |
| Peer counselling                      |  | 2,000                 | -                   |
| Other accounts                        |  | 175,710               | 1,525,088           |
| <b>Total</b>                          |  | <b>10,194,271</b>     | <b>12,203,824</b>   |



**MURUAKI SECONDARY SCHOOL***Annual Report and financial statements for the six months' period ended 30<sup>th</sup> June 2021***9 BANK ACCOUNTS**

| Name of Bank, Account No. & currency | Bank Account Number | 30/06/2021       | 31/12/2020     |
|--------------------------------------|---------------------|------------------|----------------|
|                                      |                     | Kshs             | Kshs           |
| Tuition Account                      | 1104243946          | 62,199           | 28,624         |
| Operations Account                   | 1104241714          | 1,274,392        | 164,436        |
| School Fund Account/Boarding         | 0200293331579       | 347,536          | 122,891        |
| School Fund Account/Boarding         | 1104232081          | 429,384          | 243,118        |
| Infrastructural Account              | 1267244283          | 625,291          | 25,417         |
| <b>Total</b>                         |                     | <b>2,738,802</b> | <b>584,486</b> |

**10 CASH IN HAND**

| Description            |  | 30/06/2021   | 31/12/2020   |
|------------------------|--|--------------|--------------|
|                        |  | Kshs         | Kshs         |
| Tuition Account        |  | -            | -            |
| Operation Account      |  | (3,150)      | -            |
| Infrastructure Account |  | 2,428        | 2,428        |
| School Fund account    |  | 8,424        | 2,463        |
| <b>Total</b>           |  | <b>7,702</b> | <b>4,891</b> |

**11 ACCOUNTS RECEIVABLE**

| Description                |  | 01/01/2021-30/06/2021 | 1/1/2020-31/12/2020 |
|----------------------------|--|-----------------------|---------------------|
|                            |  | Kshs                  | Kshs                |
| Fees arrears               |  | 4,916,094             | 5,114,257           |
| Other non-fees receivables |  | -                     | -                   |
| Salary advances            |  | 18,000                | -                   |
| <b>Total</b>               |  | <b>4,934,094</b>      | <b>5,114,257</b>    |

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

| Description                                     |  | 01/01/2021-30/06/2021 | 1/1/2020-31/12/2020 |
|-------------------------------------------------|--|-----------------------|---------------------|
|                                                 |  | Kshs                  | Kshs                |
| Fees arrears for current year                   |  | 1,418,003             | 2,252,558           |
| Fees arrears for the previous year              |  | 636,392               | 476,059             |
| Fees arrears for prior periods (over two years) |  | 2,861,699             | 2,385,640           |

**MURUAKI SECONDARY SCHOOL****Annual Report and financial statements for the six months' period ended 30<sup>th</sup> June 2021**

|              |  |                  |                  |
|--------------|--|------------------|------------------|
| <b>Total</b> |  | <b>4,916,094</b> | <b>5,114,257</b> |
|--------------|--|------------------|------------------|

**12 ACCOUNTS PAYABLE**

| <b>Description</b>                                |  | <b>01/01/2021-30/06/2021</b> | <b>1/1/2020-31/12/2020</b> |
|---------------------------------------------------|--|------------------------------|----------------------------|
|                                                   |  | <b>Kshs</b>                  | <b>Kshs</b>                |
| Trade creditors (See ageing below and appendix 1) |  | 913,420                      | -                          |
| Prepaid fees                                      |  | 9,963                        | -                          |
| Salary advance                                    |  | -                            | -                          |
| <b>Total</b>                                      |  | <b>923,383</b>               | <b>-</b>                   |

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

| <b>Description</b>                                 |  | <b>01/01/2021-30/06/2021</b> | <b>1/1/2020-31/12/2020</b> |
|----------------------------------------------------|--|------------------------------|----------------------------|
|                                                    |  | <b>Kshs</b>                  | <b>Kshs</b>                |
| Trade creditors for current year                   |  | 913,420                      | -                          |
| Trade creditors for the previous year              |  | -                            | -                          |
| Trade creditors for prior periods (over two years) |  | -                            | -                          |
| <b>Total</b>                                       |  | <b>913,420</b>               | <b>-</b>                   |

**13 FUND BALANCE BROUGHT FORWARD**

| <b>Description</b> |  | <b>2021-2021</b> | <b>2020-2020</b> |
|--------------------|--|------------------|------------------|
|                    |  | <b>Kshs</b>      | <b>Kshs</b>      |
| Bank balances      |  | 584,486          | 733,298          |
| Cash balances      |  | 4,891            | 5,847            |
| Receivables        |  | 5,114,257        | 3,751,108        |
| Payables           |  |                  | 234,636          |
| <b>Total</b>       |  | <b>5,703,634</b> | <b>4,724,889</b> |

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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.

**16 Biological assets**

| Description  | Numbers | 2021-2021 | 2020-2020 |
|--------------|---------|-----------|-----------|
|              |         | Kshs      | Kshs      |
| Cattle       |         |           | -         |
| Trees        |         |           | -         |
| <b>Total</b> |         |           | -         |



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**1 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.

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

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

| S/no | Supplier of Goods or Services      | Original Amount | Date Contracted from | Amount Paid To-date | Outstanding Balance as at as 30/06/2021 | Comment |
|------|------------------------------------|-----------------|----------------------|---------------------|-----------------------------------------|---------|
|      |                                    | Kshs            | Kshs                 | Kshs                | Kshs                                    |         |
|      |                                    | a               | b                    | c                   | d=a-c                                   |         |
|      | <b>SCHOOL FUND ACCOUNT</b>         |                 |                      |                     |                                         |         |
| 1    | Paul K.Gachugu(meat)               | 116,800         | 30/06/2021           |                     | 116,800                                 |         |
| 2    | Samuel G Mutungu(maize&beans)      | 704,500         | 25/04/2021           | 400,000             | 304,000                                 |         |
|      | Tulaga farmers co-operative (milk) | 52,200          | 30/06/2021           | -                   | 52,200                                  |         |
|      | <b>Sub Total</b>                   | <b>873,500</b>  |                      | <b>400,000</b>      | <b>473,500</b>                          |         |
|      |                                    |                 |                      |                     |                                         |         |
|      | <b>OPERATION ACCOUNT</b>           |                 |                      |                     |                                         |         |
| 1    | B.O.M. E mployees                  | 439,920         | 30/06/2021           | -                   | 439,920                                 |         |
|      | <b>Sub-Total ( D )</b>             | <b>439,920</b>  |                      | <b>-</b>            | <b>439,920</b>                          |         |
|      |                                    |                 |                      |                     |                                         |         |
|      | <b>Grand Total</b>                 | <b>913,420</b>  | <b>-</b>             | <b>-</b>            | <b>913,420</b>                          |         |

**ANNEX 2 - SUMMARY OF FIXED ASSETS REGISTER**

| S/no | Asset class                              | Date purchased         | Historical Cost b/f | Historical Cost c/f |
|------|------------------------------------------|------------------------|---------------------|---------------------|
|      |                                          |                        | Kshs                | Kshs                |
| 1    | Land                                     | Balance b/f 01/01/2021 | 15,000,000          | 15,000,000          |
| 2    | Buildings and Structure                  | Balance b/f 01/01/2021 | 45,000,000          | 45,000,000          |
| 3    | Motor Vehicles                           | Balance b/f 01/01/2021 | 5,960,300           | 5,960,300           |
| 4    | Office Equipment, furniture and fittings | Balance b/f 01/01/2021 | 1,250,000           | 1,250,000           |
| 5    | ICT Equipment and Other ICT Assets       | Balance b/f 01/01/2021 | 650,000             | 650,000             |
| 6    | Tools and Apparatus                      | Balance b/f 01/01/2021 | 1,850,000           | 1,850,000           |
| 7    | Textbooks                                | Balance b/f 01/01/2021 | 1,760,000           | 1,760,000           |
| 8    | Other Machinery and Equipment            | Balance b/f 01/01/2021 | 380,000             | 380,000             |
| 9    | Intangible assets-software               | Balance b/f 01/01/2021 | 100,000             | 100,000             |
|      | <b>Total</b>                             |                        | <b>71,950,300</b>   | <b>71,950,300</b>   |

**MURUAKI SECONDARY SCHOOL**

*Annual Report and financial statements for the six months' period ended 30<sup>th</sup> June 2021*