REPUBLIC OF KENYA

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

ST. JOSEPH MKUNGI SECONDARY SCHOOL

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

NYANDARUA COUNTY

ST. JOSEPH MKUNGI SECONDARY SCHOOL,

REPORT AND FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED
30 JUNE 2021

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

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I. KEY SCHOOL INFORMATION AND MANAGEMET

(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, North Kinangop Sub-County

The school was registered in 15 February, 1989 under registration number pu/5/3/7513/14 and is currently categorized as a Extra county public school established, operated by the Government.

The school is a day/boarding school and had 290 number of students as at 30 June 2021. It has 2 streams and 15 teachers of which 2 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	Simon Thairu	Chairman	2022
2	Charles Mwangi	Chairman	2019
3	Simon Mbugua	Secretary - Principal	2019
4	Samuel Mutahi	Member	2019
5	Phylis Kamau	Member	2019
6	Monicah Wanjiku	Member	2019
7	Njoroge Gichinga	Member	2019
8	Thomas Mwangi	Member	2019
9	Cecilia N. Matheri	Member	2019
10	Julius Maina Kamunya	Member	2019
11	John Mwaniki	Member	2019
12	Monica Wahu	Member	2019
13	John Njihia	Member	2019
14	Antony Munene	Member	2019
15	Jane Mutura	Member	2019
16	Jedidah Kamau	Member	2019
17	Julia W. Karanja	Member	2019
18	Solomon Njuguna	Member	2019

The function of the School Board of Management include:

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

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Charles Mwangi Simon M. Mbugua Samuel Mutahi Mathenge Cecilia Njeri Matheri	Chairman Member Member Member	1
2	Audit Committee	Ceciliah Matheri Jane Mutura Julius Maina Simon Mbugua	Secretary Chairperson Member Member	
3	Finance,procurement and general purposes Committee	Samuel Mutahi Mathenge Phylis Kamau Mr. Simon M. Mbugua Monicah Wanjiku Karichu Charles Mwangi	member Secretary Member member	1
4	Academic Committee	John P Mwaniki Monicah Wahu Njoroge Gichiga Juliah Karanja Simon M. Mbugua	Chairman Secretary Member " "	
5	Human rights and student welfair	Monicah Karichu Samuel Mutahi Samuel Nyoike Ceciliah Matheri Phylis Kamau	Chairman Secretary Member Member Member	
6		Thoman Mwangi Ngugi	Chairman	

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
	Discipline and welfare Committee	Samuel Mutahi Jane Mutura Alice Mugure John Mwangi	Secretary Member Member Member	

(d) School Operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	SIMON M. MBUGUA	261374
2	Deputy Principal	JOHN MWANGI KARIUKI	357661
3	School Bursar	IRENE NJERI	-

(e) Schools contacts

Post Office Box: 234
Telephone: 0119717761
E-mail: mkungicenterofecellence@gmail.comm

(f) School Bankers

The following school operated 5 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: KCB
   Branch: Njabini
   Account School Fund :1104232197
   Operations: 1104242982
   Tuition 1104243466
   Infrastructure: 1114708445

2. Name of Bank: Muki Sacco
   Branch: Ndunyu Njeru
   Account Number: 011000101663

3. MPESA Pay Bill No. 522123 attached to KCB bank account

(g) Independent Auditors

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

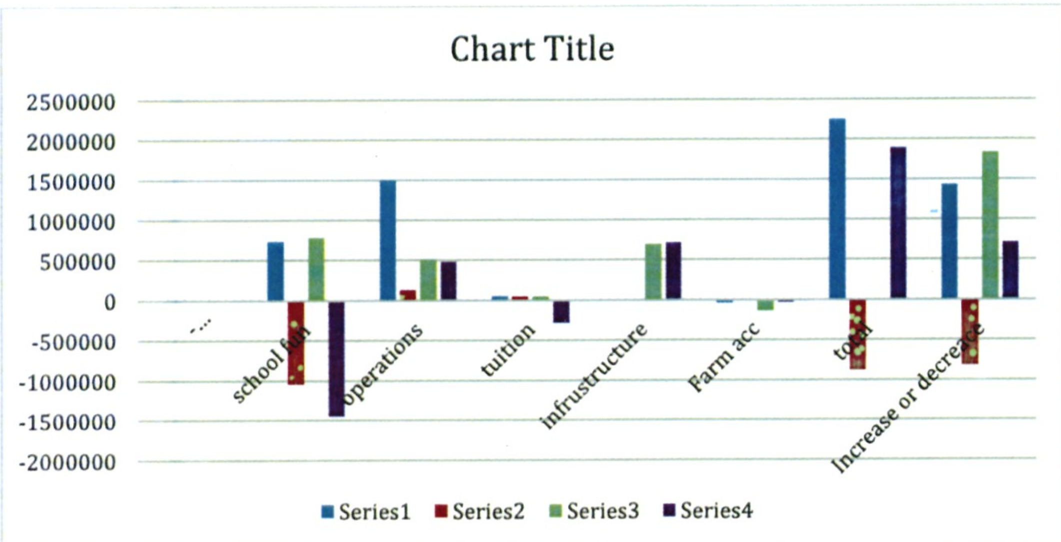
II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

a) Financial performance

i). Surplus/ deficit for the year and a comparison of the same for the last three years

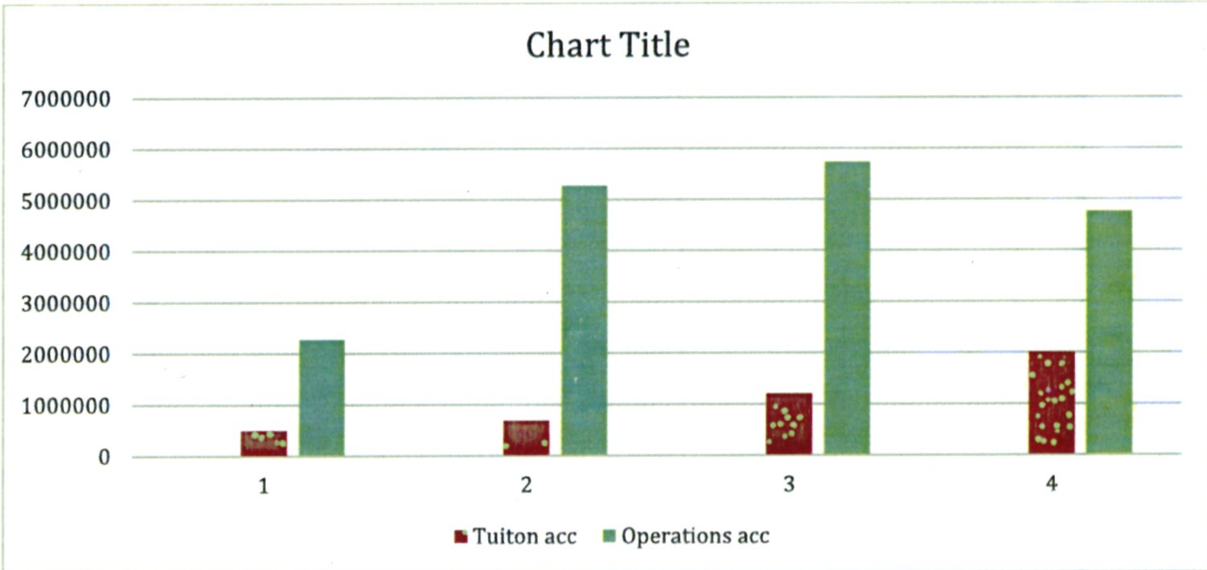
Accounts	**2021**	**2020**	**2019**	**2018**
School fund	681,921	(1,060,042)	(1,449,011)	749,755
Operations	22,118	513,097	477,953	112,219
Tuition	41,044	47,269	(282,197)	187,322
Infrastructure	(8,113)	694,456	713,186	-
Farm account	194,141	(134,724)	(32,160)	131,064
Total	**922,141**	**60,056**	**1,894,804**	**1,180,360**



ii). Capitation grants from the Ministry of Education for the last three years

sn	**Account**	**2021**	**2020**	**2019**	**2018**
1	Tuition account	407,541	684,500	1,210,985	2,007,666
2	Operations account	2,783,344	5,278,850	5,726,440	4,763,377
3	Infrastructure	590,000			
total		**3,782,906**	**5,963,350**	**6,937,426**	**6,771,043**
Increase/decrease		(2,182,465)	(9740760)	166,383	6,771,043
No of students		265	295	361	375

Ratio of capitation per student		1;8236	1;20214	1;19,217	1;18056
Decrease/increase		(11,978)	997	1,161	18,056



iii). Growth of income earned by the school

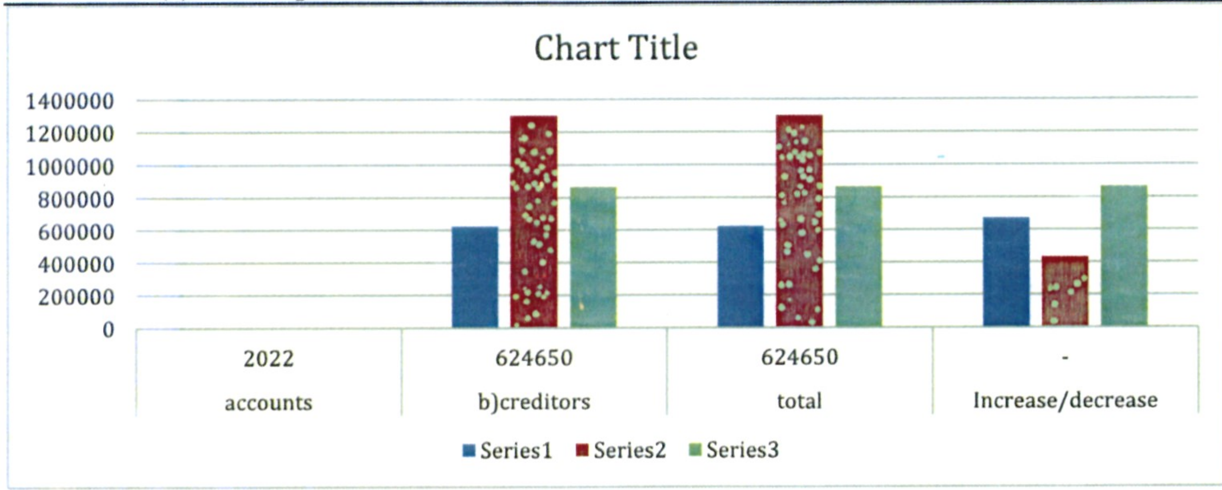
	2021	2020	2019
Farm account	194,153	198,228	321,60

iv). Movement of debtors and creditors of the school over the last three years

	2021	2020	2019	2018
Debtors	1,346,938	782,793	516,925	440,222
total	1,346,938	782,793	516,925	440,222

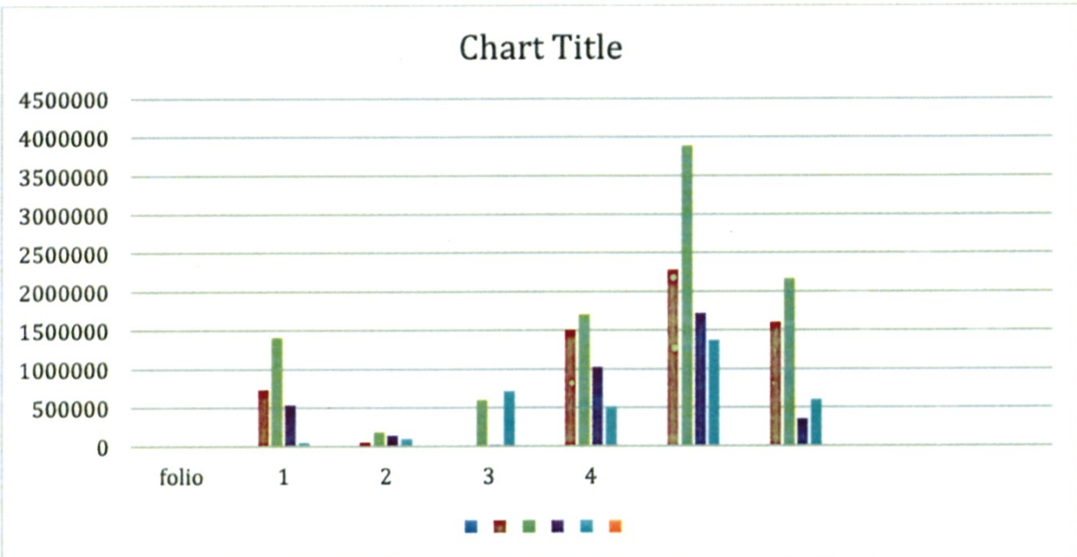
v). Creditors during the years

Account	2021	2020	2019
creditors	899,682	1,298,622	865,923
total	899,682	1,298,622	865,923



vi). Movement of cash and bank balances over the last three years

folio	Account	2021	2020	2019	2018
1	School fund	1,733,024	2,490,222	46,080	357,531
2	Tuition	182,789	141,745	94476	376,674
3	Infrastructure	598,113	6,786	714,767	-
4	operations	1,706,310	1,684,192	512,629	34,675
	Total	**4,220,236**	**4,322,945**	**1,367,953**	**768,880**



b) Teacher Student ratio:

Student	Teachers	Ratio
290	15	1:20

	Male	Female	Total
No. of TSC Teachers	8	4	12
No. of BOM Teachers	2	-	2
N0. of Mentorship	1	-	1
Total	11	4	15

c) Mean score in the 2018,2019 ,2020 and 2021KCSE:

Year	Mean	Target	Comment
2018	4.51	5.818	Positive deviation of 1
2019	5.46	5.6909	The students were able to hit their target during the year
2020	6.054	6.5	Positive deviation 80% of the students made it to higher education level
2021	5.4	7.2	There was a negative deviation of 1.8 from the previous year

d) Number of Candidates in the 2022 KCSE:

YEAR	NUMBER OF STUDENT
2018	88
2019	110
2020	93

e) Capacity of the school

Description	No of rooms	Capacity
Dormitories	3	600 students
Laboratories	2	50 students
Toilets	24	600 students
Classes	12	600 students
Dining hall	1	600 students

f) **Development projects carried out by the school:**

Project	Source of funds	Amount
Tilling of 8 classrooms	FSDE	1,425,000
Physical School renovation	FSDE and parent's contribution	1,142,580

CHIEF PRINCIPAL
ST. JOSEPH MKUNGI SEC. SCHOOL
(CENTRE OF EXCELLENCE)
P.O. Box 234-20318, NORTH KINANGOP
Date 20/04/26 Sign ....

Sign

School Principal

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 of Kenya from time to time.

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

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

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

Name: Charles Mwangi
Designation: Chairman, School Board of Management
Sign:

Date 20/04/2026

Name: Simon M. Mbugua
Designation: School Principal& Secretary to Board of Management
Sign:

Date: 20/04/2026

Name: Irene Njeri
Designation: Bursar
Sign:

Date: 20/4/2026

REPUBLIC OF KENYA

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REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON ST. JOSEPH MKUNGI 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 St. Joseph Mkungi Secondary School set out on pages 12 to 24, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows, statement of budgeted versus actual amounts for the six (6) 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 St. Joseph Mkungi Secondary School as at 30 June, 2021 and of its financial performance and its cash flows for the six (6) month' period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Variance in Accounts Receivable

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.1,346,938 which differs with the supporting ledger amount of Kshs.1,384,364 resulting in an unexplained variance of Kshs.37,426.

In the circumstances, the accuracy of the accounts receivables balance of Kshs.1,346,938 could not be confirmed.

2. Unsupported School Fund Income- Other Receipts

The statement of receipts and payments reflects school fund income- other receipts of Kshs.194,153 as disclosed in Note 5 to the financial statements. However, supporting ledger for the amount was not provided for audit.
In the circumstances, the accuracy, existence and completeness of payables balance of Kshs.194,153 could not be confirmed.

3. Unsupported Accounts Payables

The statement of financial assets and financial liabilities reflects payables balance of Kshs.899,682 as disclosed in Note 13 to the financial statements. Included in the balance is retention monies of Kshs.624,650 whose supporting documents were not provided for audit.

In the circumstances, the accuracy, existence and completeness of retention monies balance of Kshs.624,650 could not be confirmed.

4. Unsupported Cash and Cash Equivalents

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.4,288,226 comprised of bank balance of Kshs.4,220,436 and cash balance of Kshs.67,790 as disclosed in Notes 10 and 11 to the financial statements. Review of records revealed the following anomalies;

i. The supporting cashbooks varied with reported balances as analyzed below:

Bank	Balance as per Financial Statements Kshs.	Balance as per Cashbook Kshs.	Variance Kshs.
KCB (Tuition)	182,789	183,035	(246)
KCB (Operation)	1,706,310	1,684,438	21,872
KCB (School Fund)	1,733,024	1,403,423	329,601
KCB (Infrastructure)	598,113	596,660	1,453

ii. The KCB - School Fund Account bank reconciliations statement for the month of June 2021 reflects reconciling items relating to unpresented cheque of Kshs.100,000 and unpresented bank slips amounting to Kshs. 236,631 which were not supported with the an analysis of the amounts.

iii. An account with a balance of Kshs.1,006,588 held at a Sacco Society was not disclosed in this financial statements.

In the circumstances, the accuracy, completeness, and existence of cash and cash equivalents balance of Kshs.4,288,226 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of St. Joseph Mkungi 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

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 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, I have determined that there are no other key audit matters to communicate in my report.

Other Information

Management is responsible for the Other Information set out on page 2 to 10 which comprise of Key School Information and Management, Summary Report of Performance of the School and Statement of Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN 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. Unconfirmed Students Enrolment Data

Comparison of data from National Education Management and information System (NEMIS) with the school's enrollment records revealed inconsistencies during the period ending 30 June, 2021. NEMIS reflected a total of three hundred and eleven (311) students while school's records indicated a total of two hundred and ninety (290) students, resulting in an unexplained variance of twenty-one (21) students. This has been attributed to delays in updating learner transfers in the NEMIS system. This was contrary to the Ministry of Education Circular MOE.CONF/G5 dated 26 November, 2019 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure accuracy of the records.

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

2. 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.5,592,921 as disclosed in Note 9 to the financial statements. Included in the expenditure is an amount of Kshs.377,625 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money of Kshs. 377,625 transferred to KESSHA could not be confirmed.

3. Failure to Transfer Infrastructure Funds from Operations Bank Account

During the year under review, the School received operations grants totaling Kshs.3,373,344 from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.1,100,000 in respect of infrastructure grants which was to be transferred to infrastructure bank account for maintenance and improvement of the school's facilities. However, only Kshs.590,000 was transferred to infrastructure account, leaving a balance of Kshs. 510,000 as at 30 June, 2021. This was contrary to the Ministry of Education No: Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account within fifteen (15) days upon receipt of the funds in the operations account.

In the circumstances, Management was in breach of the Ministry guidelines.

4. Lack of a Functional Procurement Unit

The School did not have an established procurement function managed by qualified procurement professional as required under Section 47(2) of the Public Procurement and Asset Disposal Act, 2015 and Regulation 33 of the Public Procurement and Asset Disposal Regulations, 2020. Procurement activities were undertaken by individuals lacking the requisite qualifications.

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

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

REPORT ON 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 effects of the matter 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.

Lack of Internal Audit Function

During the year under review, the School had not constituted 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 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

7 May, 2026

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

DESCRIPTION OF VOTE HEAD	Note	2021
		Kshs
RECEIPTS		
Capitation grants for tuition	1	407,541
Capitation grants for operations	2	2,783,344
Capitation for infrastructure	3	590,000
School Fund Income- Parents' Contributions	4	6,265,860
School Fund Income- Other receipts	5	194,153
TOTAL RECEIPTS		**10,240,898**
PAYMENTS		
Payments for Tuition	6	366,497
Payments for operations	7	2,761,226
Payments for Infrastructure	8	598,113
Boarding and school fund payments	9	5,592,921
TOTAL PAYMENTS		9,318,757
SURPLUS		**922,141**

The school financial statements were approved on ……31/10/2021…… and signed by:

CHIEF PRINCIPAL
ST. JOSEPH MKUNGI SEC. SCHOOL
(CENTRE OF EXCELLENCE)
P.O. Box 234-20318, NORTH KINANGOP
Date…………Sign…………

………………………………	………………………………	………………………………
Name: Charles Mwangi	**Name: Simon M. Mbugua**	**Name: Irene Njeri**
Chair BOM	**School Principal/ Secretary to BOM**	**Bursar**
Date: 20/4/26	**Date:** 28/04/2026	**Date:** 20/4/2026

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

Description	Note	2021	2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	10	4,220,436	4,322,945
Cash Balances	11	67,790	6,225
Total Cash and Cash equivalent		**4,288,226**	**4,329,170**
Account's receivables	12	1,346,938	782,793
TOTAL FINANCIAL ASSETS		**5,635,164**	**5,111,963**
FINANCIAL LIABILITIES			
Accounts Payables	13	(899,682)	(1,298,622)
NET FINANCIAL ASSETS		**4,735,482**	**3,813,341**
REPRESENTED BY			
Accumulated Fund b/fwd	14	3,813,341	3,014,258
Surplus for the year		922,141	799,083
NET FINANCIAL POSSITION		**4,735,482**	**3,813,341**

The School's financial statements were approved on ……………………… 31/10/2021 and signed by:

CHIEF PRINCIPAL
ST. JOSEPH MKUNGI SEC. SCHOOL
(CENTRE OF EXCELLENCE)
P.O. Box 234-20318, NORTH KINANGOP
Date……… Sign………

………………………………	………………………………	………………………………
Name: Charles Mwangi	**Name: Simon M. Mbugua**	**Name: Irene Njeri**
Chair BOM	**School Principal/ Secretary to BOM**	**Bursar**
Date: 20/4/26.	**Date:** 20/04/2026	**Date:** 20/4/2026

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

Description		2021
		Kshs
Receipts		
Capitation grants for tuition	1	407,541
Capitation grants for operations	2	2,783,344
Capital Grants for infrastructure	3	590,000
School fund income- Parents contributions/ fees	4(a)	5,302,775
School fund income- other receipts	5	194,153
Total receipts		**9,277,813**
Payments		
Payments for Tuition	6	366,497
Payments for operations	7	2,761,226
Payments for infrastructure	8	598,113
Boarding and school fund payments	9	5,592,921
Total payments		**9,318,757**
Net cash flow from operating activities		**(40,944)**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(40,944)**
Cash and cash equivalent at BEGINNING of the year	**10**	**4,329,170**
Cash and cash equivalent at END of the year		**4,288,226**

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

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
(1) CAPITATION GRANT ON TUITION						
Teaching / learning materials	611,240		611,240	407,541	116,288	
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	2,374,748		2,374,748	2,783,344		
(3) FEES CHARGED ON PARENTS						
Personnel emoluments				316,669		
Repairs and maintenance				226,870		
Local transport / travelling				71,556		
Electricity and water				348,203		
Medical						
Administration costs	457,250		457,250	187,369		
Activity	649,000.00		649,000	138,525		
SMASSE	95,875		95,875			
Fee on Boarding Equipment and Stores	575,250		575,250	4,940,668		
OTHER INCOME						
Income from farming activities				194,153		
TOTAL INCOME	**9,560,115**		**9,560,115**	**10,240,898**		
(1) EXPENDITURE FOR TUITION						
Teaching / learning materials	611,240		611,240	366,497		

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
(2) EXPENDITURE FOR OPERATIONS	-					
Personnel emoluments	2,374,728		2,374,728	2,761,226		
Repairs, maintenance & improvements				598,113		
(3) EXPENDITURE FOR SCHOOL FUND						
Administration costs	457,250		457,250			
Activity	649,000		649,000			
Boarding Equipment and Stores	575,250		575,250			
TOTALS	**9,560,115**		**9,560,115**	**9,318,757**	**241,358**	**97%**

Underutilization of 3% of the estimated budget

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 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. Accounts receivables also include school fees billed to parents for services rendered but not paid. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Payables also include expenditure incurred for the purchase of goods, works and services that has been rendered and not settled. This is an enhancement to the cash accounting policy adopted for public secondary schools. Other liabilities are disclosed in the financial statements.

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the period ended 30 June 2021

X. NOTES TO THE FINANCIAL STATEMENTS

1. CAPITATION GRANT FOR TUITION

Description	2021
	Kshs
Teaching / learning materials	407,541
Total	**407,541**

2. CAPITATION GRANT FOR OPERATIONS

Description	2021
	Kshs
Others(Pe ewc ltt adm)	2,783,344
Total	**2,783,344**

3. INFRASTRUCTURE GRANTS

Description	2021
	Kshs
Repair & Maintenance	590,000
Total	**590,000**

4. PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

Description	2021
	Kshs
Boarding equipment and store	4,940,668
Personal emoluments	316,669
Repairs and maintenance	226,870
Local transport / travelling	71,556
Electricity and water	384,203
Administration costs	187,369
Activity	138,525
Total	**6,265,860**

4 (a) PARENTS CONTRIBUTION/ FEES- NOTE TO CASHFLOW

Description	2021
	Kshs
Reported in statement of receipts and payment	6,265,860
Increase in fees arrears	(564,145)
Decrease in prepaid fees	(398,940)
Total	**5,302,775**

5. OTHER RECEIPTS – SCHOOL FUND ACCOUNT

Description	2021 Kshs
Income from farming activities	194,153
Total	**194,153**

6. PAYMENTS FOR TUITION

Description	2021 Kshs
Teaching and learning materials	366,497
Total	**366,497**

7. PAYMENTS FOR OPERATIONS

Description	2021 Kshs
Others (ltt,ewc,adm,pe)	2,761,226
TOTAL	**2,761,226**

8. PAYMENTS FOR INFRASTRUCTURE

Description	2021 Kshs
Infrastructure Payments	598,113
TOTAL	**598,113**

9. BOARDING AND SCHOOL FUND PAYMENTS

Description	2021 Kshs
Personnel emoluments	1,220
Repairs and maintenance & Improvements	620,698
Local transport / travelling	144,740
Electricity and water	253,622
Administration costs	807,650
Activity	16,500
Expenses on Income Generating Activities FARM	196,789
Fee on Boarding Equipment and Stores	3,551,702
TOTAL	**5,592,921**

10. BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2021 Kshs	2020 Kshs
Tuition Account	1104243466	182,789	141745
Operations Account	1104242982	1,706,310	1,684,192
School Fund Account/Boarding	1104232197	1,733,024	2,490,222
Infrastructure account	1114708445	598,113	6,786
Total		**4,220,236**	**4,322,945**

11. CASH IN HAND

Description	2021 Kshs	2020 Kshs
School Fund account	67,790	6,225
Total	**67,790**	**6,225**

12. ACCOUNTS RECEIVABLE

Description	2021 Kshs	2020 kshs
Fees arrears	1,346,938	782,793
Total	**1,346,938**	**782,793**

Accounts Receivable Aging Analysis

Description	2021 Kshs	2020 kshs
Fees arrears for current year	1,232,977	402,205
Fees arrears for the previous year	402,205	435,282
Fees recoveries	(805,169)	(136,337)
Fees arrears for prior periods (over two years)	516,925	81,643
Total	**1,346,938**	**782,793**

13. ACCOUNTS PAYABLE

Description	2021 Kshs	2020 kshs
Prepaid Fees	275,032	673,972
Retention monies	624,650	624,650
Total	**899,682**	**1,298,622**

Accounts Payable Aging Analysis

Description	2021	2020
	Kshs	kshs
Trade creditors for prior periods (over two years)	673,972	
Trade creditors for the current year	899,682	1,298,622
Trade creditors paid	**(673,972)**	
Total	**899,682**	**1,298,622**

14. FUND BALANCE BROUGHT FORWARD

Description	2021	2020
	Kshs	
Bank balances	4,322,945	3213703
Cash balances	6,225	47,280
Receivables	782,793	516,925
Payables	(1,298,622)	(763,650)
Total	**3,813,341**	**3,014,258**

Other Important Disclosures

15. Biological Assets

Description	Numbers	2021
Cattle	10	160,000
Goats	17	102,000
Trees	200	130,000
Total		**392,000**

16. Stock/ Inventory

Description	2021	2020
	KShs	KShs
Stock/ inventory at beginning of the year	77,553	86,750
Stock/ inventory purchased during the year	1,137,890	1,289,365
Stock/ inventory issued during the year	(1,125,897)	(1,298,567)
Balance at end of the year	**89,546**	**77,548**

17. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

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

ANNEXES

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 2021	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Supply of food stuff						
1. Supply of food stuff	673,972		673,972			
2.						
3.						

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	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 2021
Land 1		Kirarwa	2,500,000			2,500,000
Land 2		Mkungi	3,500,000			3,500,000
Buildings and structures		school	16,500,000			16,500,000
Office equipment, furniture and fittings		school	890,000			890,000
ICT Equipment, and Other ICT Assets		School	370,000			370,700
Tools and apparatus		School	670,000			670,000
Textbooks		School				
Other Machinery and Equipment		school	390,000			390,000
Intangible assets-soft ware	**Jbs system**	school	135,000			135,000
Total						**24,955,700**