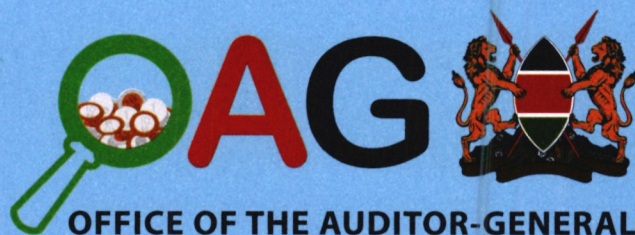


REPUBLIC OF KENYA



Enhancing Accountability

PARLIAMENT
OF KENYA
LIBRARY

REPORT

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 26 OCT 2023	DAY: Thursday
TABLED BY: Hon. Owen Baya (Deputy Majority Leader)	
CLEAR AT THE TABLE: Anne Shibuko	

OF

THE AUDITOR-GENERAL

ON

MACHAKOS GIRLS HIGH
SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2021

MACHAKOS COUNTY

Revised 30th June 2021.



**MACHAKOS GIRLS' HIGH SCHOOL
PUBLIC SECONDARY SCHOOL**

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

MACHAKOS GIRLS' HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021
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MACHAKOS GIRLS' HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
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For the year ended 30th June 2021
KEY SCHOOL INFORMATION AND MANAGEMENT

MACHAKOS GIRLS' HIGH 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 **Machakos County, Machakos Sub-County**.

The school was registered on **22/7/2019** under registration number **16530000432** and is currently categorized as **Extra County Public school** established, owned or operated by the Government.

The school is a boarding school and had **1040 number of students as at 30th April** and **824 (exclusive of 2020 candidates who had done KCSE) number of students as at 30th June 2021** respectively.

It had **7 streams in form 1** and **6 streams in form 2 and 3** as at **30th June 2021**. It had **55 teachers** of which **13 teachers** are employed by the School Board of Management and **42** by teachers' service commission.

(b) School Board of Management - Board Members

The School Board of Management established under Section 55/56 of the Basic Education Act, 2013, is composed of the following members:

Ref:	Name of Board Member	Designation	Date of appointment
1	David Masika	Chairman(Special intrest)	28/5/2019
2	Mrs Lucy Mugendi	Secretary - Principal	28/5/2019
3	Eng. Alex Omuse	Member –co-opted	28/5/2019
4	Janet Mutua	Member - Rep parents/local community	28/5/2019
5	Susan Mutuku	Member - Rep parents/local community	28/5/2019
6	Prof. Francis Mathooko	Member - Rep parents/local community	28/5/2019
7	Pro. Felix N. Kioli	Member - Rep parents/local community	28/5/2019
8	Peter Ntembea	Member - Rep parents/local community	28/5/2019
9	Awena Muhammed	Member –Rep person with special needs	28/5/2019
10	Dr. Jennifer Kilonzo	Member - Rep parents/local community	28/5/2019
11	Rev. Nicodemus M.	Member –Rep sponsor	28/5/2019
12	Dr. Fred Otieno	Member –Rep sponsor	28/5/2019
13	Patrick W. Karuri	Member –Rep co-opted	28/5/2019
14	Josephine Nthiwa	Member –Rep Teachers	28/5/2019

MACHAKOS GIRLS' HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
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KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The function of the School Board of Management includes:

- 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.

(c) Committees of the Board

Ref	Name of Committee	Names of Members	Designation	Number of meetings attended during the 6 months
1	Executive Committee	David Masika	Chairman	1/1
2		Prof Mathooka	Deputy Chairman	1/1
3		Susan Mutuku	Member	1/1
4		Lucy Mugendi	Principal	1/1
1	Finance, procurement and general-purpose Committee and Audit Committee	Dr. Jennifer Kilonzo	Chairperson	2/2
2		Mrs. Lucy Mugendi	Member	2/2
3		Pro. Mathooka	Member	2/2
4		Janet Mutua	Member	2/2
5		David Masika	Member	2/2
6		Josephine Nthiwa	Member	2/2
1	Development Committee	Pro. Mathooka	Chairman	0/0
2		Mrs. Lucy Mugendi	Principal	0/0
3		Susan Mutuku	Member	0/0
4		Eng. Alex Omuse	Member	0/0

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

5		Josephine Nthiwa	Member	0/0
6		David Masika	Member(Bom chair)	0/0
1	Academic Committee	Dr. Fred Otieno	Chairman	0/0
2		Lucy Mugendi	Principal	0/0
3		Mr. David Masika	B.OM chair	0/0
4		Eng.Alex Omuse	B.O.M	0/0
5		Jacinta Aradi	Member	0/0
6		Harrission Dingili	Dean of Studies	0/0
7		Patrick Munyao	Ass. Dean of Studies	0/0
8		Nancy Kinadiali	Senior Master Boarding	0/0
9		Dorothy Kimanthi	Chaplain/Guardian	0/0
10		Mrs.Margret Nzioka	Head Humanities	0/0
11		Peter Natembeya	Member(PA chair)	0/0
12		Mr. Muasya	Head Science	0/0
13		Mr. Kividyo	Head creative arts/Tech	0/0
14		Mr.Kituva	Head Languages	0/0
1	Discipline and welfare Committee	Mr.Patrick W. Karuri	Chairman	0/0
2		Rev. Masaka	Member	0/0
3		Mrs.Janet Mutua	Member	0/0
4		Josephine Nthiwa	Member	0/0
5		Nancy Kinadiali	Member	0/0
6		Margaret Nzioka	Member	0/0
7		Mrs.D. Kimathi	Member	0/0
8		Harrission Dingili	Member	0/0
9		Mr. Patrick Munyao	Member	0/0
10		David Masika	Bom chair	0/0
11		Lucy Mugendi	principal	0/0

(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Chief Principal	Mrs.Lucy Mugendi	304053
2	Deputy Principal	Josephine Nthiwa	272103
3	School Bursar	Alice Musyoka	CPA24984

(e) Schools contacts

Post Office Box: 13-90100; Machakos
Mobile Number: 0208071919
E-mail: machakosgirls09@gmail.com
Website: www.machakosgirls.sc.ke

**MACHAKOS GIRLS' HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
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For the year ended 30th June 2021**

(f) School Bankers

The school operated 6 numbers of bank accounts and 1 Pay bill number as follows:

	NAME OF THE BANK/BRANCH	ACCOUNT NO.	PAYBILL NO./ACC NO
1	KCB-MACHAKOS	1149826711	522123ACC30176K
2	KCB-MACHAKOS	1254915540	-
3	KCB-MACHAKOS	1104197324	-
4	EQUITY-MACHAKOS	0600296643701	-
5	EQUITY-MACHAKOS	0600291767764	-
6	CO-OPERATIVE-MACHAKOS	01129072528600	-

(g) INDEPENDENT AUDITORS

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

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

I. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

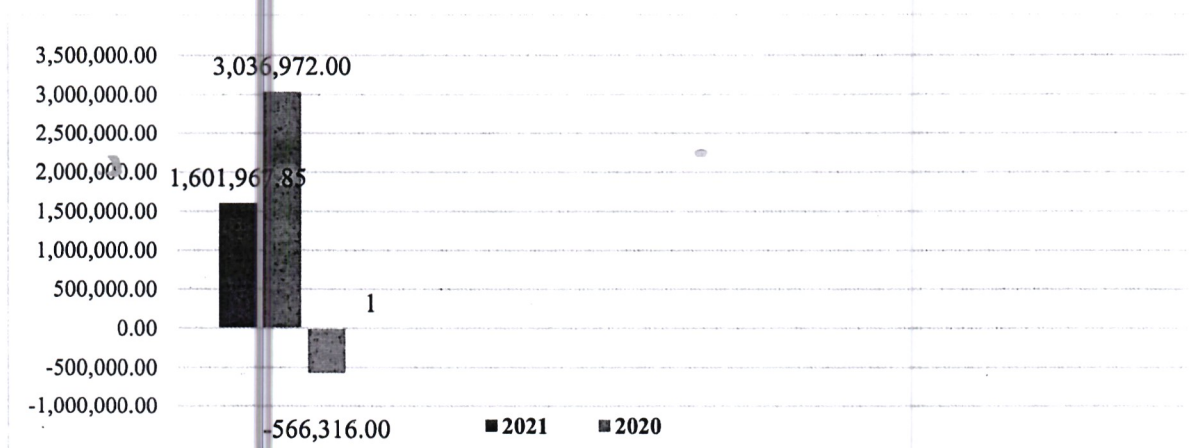
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) Financial performance:

Under this section, it reflects the actual financial performance trend for the last three years period between 1st January 2019 to 31st December 2020 which covers a period of 12 months while 30th June 2021 covers a period of 6 months and is summarised as follows:

SURPLUS/DEFICIT FOR THE YEAR AND A COMPARISON OF THE SAME FOR THE LAST THREE YEARS					
SNO	YEAR	JUNE 2021	2020	2019	
		Kshs	Kshs	Kshs	
1	SURPLUS/DEFICIT	1,601,967.85	3,036,972.00	(566,316.00)	

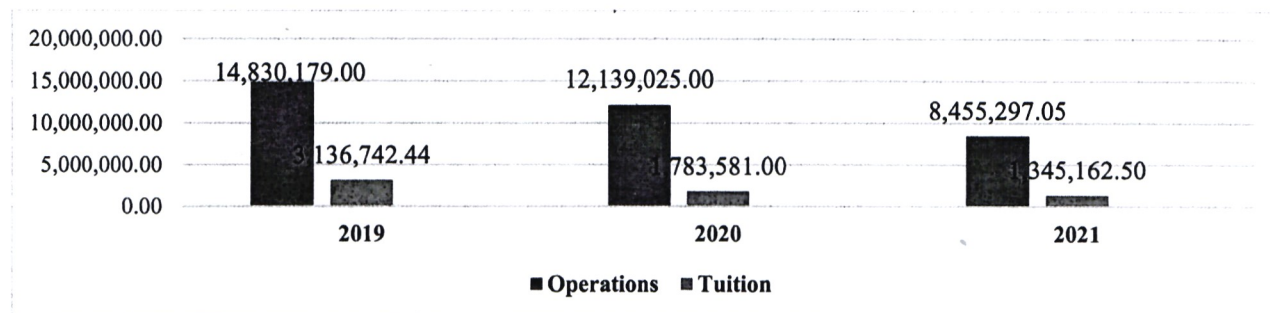
Trend Of Surplus/Deficit over the Last Three Years



CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS NOTE 1 AND 2					
SNO	ACCOUNTS	JUNE 2021	2020	2019	
		KSHS	KSHS	KSHS	
1	Operations Account	8,455,297.05	12,139,025.00	14,830,179.00	
2	Tuition Account	1,345,162.50	1,783,581.00	3,136,742.44	
	Total	9,800,459.55	13,922,606.00	17,966,921.44	
	Increase/Decrease	(4,122,146.45)	(4,044,315.44)		
	No of Students	(1032-1035)	963-1031	961	
	Ratio of Capitation per student	1:9,496.57	1:13,503.98	1:18,696.06	

**MACHAKOS GIRLS' HIGH SCHOOL
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Trend Over the Last Three Years

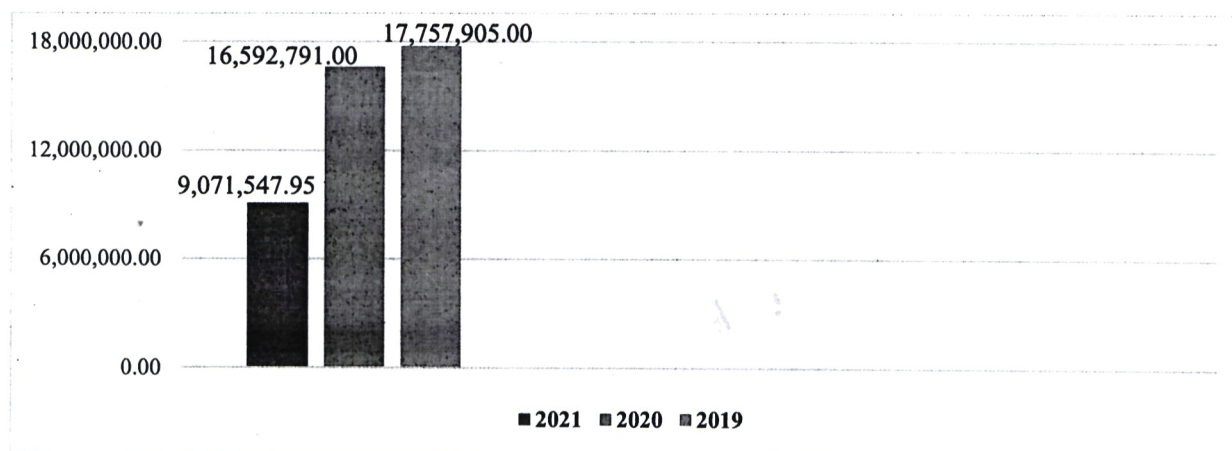


The total capitation for the year 2020 was Kshs 13,922,606.00 as compared to Kshs 17,966,921.44 in the financial year 2019 representing a decrease of Kshs 4,044,315.44 which resulted from not all students' receiving capitation grant, prolonged abrupt closure of the school due to Covid-19 and not all capitation grants were disbursed by the end of financial year 2020.

The capitation grant for the financial year 2021 was Kshs 9,800,459.55 as compared to Kshs 13,922,606.00 in the financial year 2020 representing a decrease of Kshs 4,122,146.75. The net decrease is mainly attributed by the disbursement of capitation for term 2 2020 and term 3 2020 only. Also, the current period covers a period of 6 months.

OVERVIEW OF NET GROWTH OF OTHER INCOME(S) (Note 4)					
SNO	ACCOUNTS	JUNE 2021	2020	2019	
		KSHS	KSHS	KSHS	
1	INCOME	9,071,547.95	16,592,791.00	17,757,905.00	

Trend Over the Last Three Years



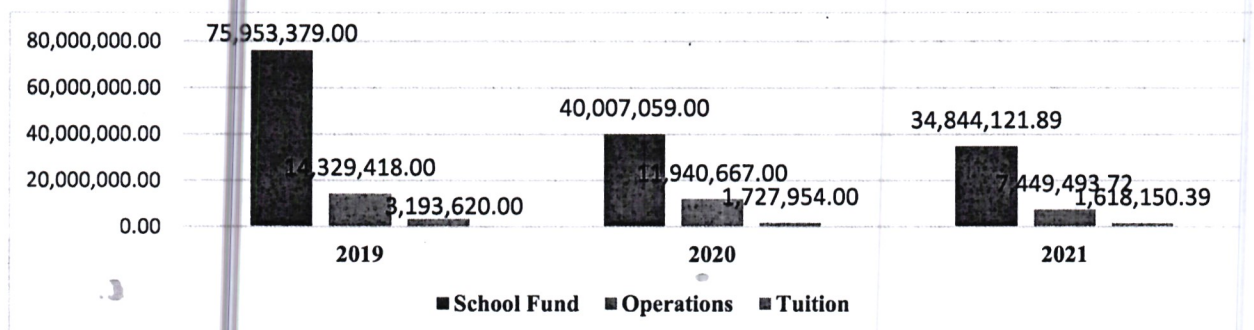
The net growth of other income generating activities for the financial year 2020 was Kshs 16,592,791.00 as compared to Kshs 17,157,905.00 in the financial year 2019 which represent a decrease of Kshs 1,165,114.50.

This was because there was no KCSE marking due to postponement of exams to 2021 April due to covid 19. The marking days were also reduced from 23 days to 12 days.

MACHAKOS GIRLS' HIGH SCHOOL
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OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL						
SNO	ACCOUNTS	NOTE	JUNE 2021	2020	2019	
			Kshs	Kshs	Kshs	
1	School Fund Account	7	34,844,121.89	40,007,059.00	75,953,379.00	
2	Operations Account	6	7,449,493.72	11,940,667.00	14,329,418.00	
3	Tuition Account	5	1,618,150.39	1,727,954.00	3,193,620.00	
	Total		43,911,766.00	53,675,680.00	93,476,417.00	

Trend Over the Last Three Years

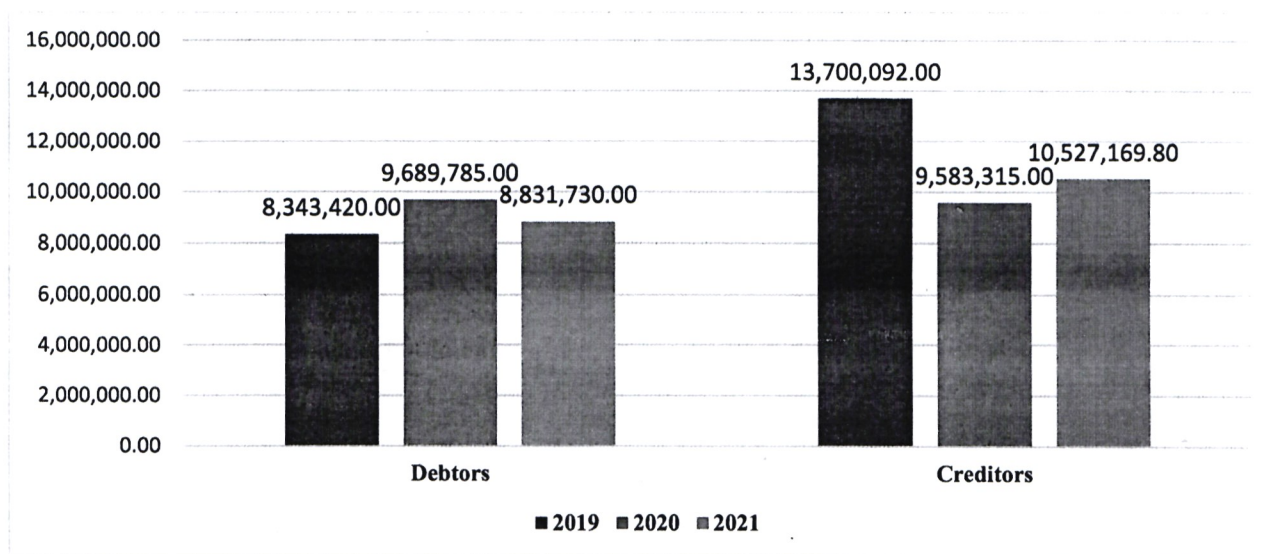


The financial year 2021 shows a decrease of growth in expenditure which has resulted from the current year covering a period of 6 months, even though the financial year 2020 covers a period of 12 months a decrease has resulted from prolonged abrupt closure of the school due to Covid-19.

MOVEMENT OF DEBTORS AND CREDITORS OF THE SCHOOL						
SNO	ACCOUNTS	NOTE	JUNE 2021	2020	2019	
			KSHS	KSHS	KSHS	
1	DEBTORS	11	8,831,730.00	9,689,785.00	8,343,420.00	
2	CREDITORS	12	10,527,169.80	9,583,315.00	13,700,092.00	

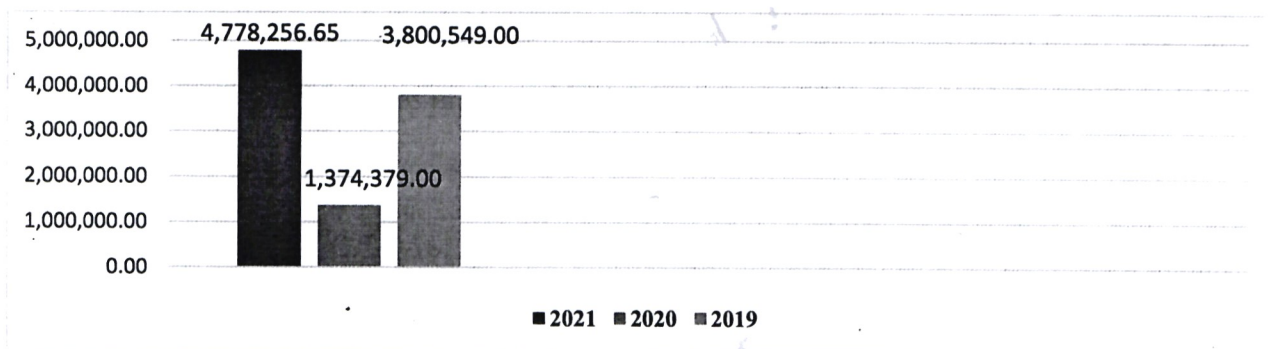
**MACHAKOS GIRLS' HIGH SCHOOL
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For the year ended 30th June 2021**

Trend Movement of debtors and creditors over the Last Three Years



Total debtors as at 30th June 2021 decreased to Kshs 8,831,730.00 compared to Kshs 9,689,485.00 as at the end of the financial year 2020. The main contributors to the decrease in total debtors is the students' having less fees balances. The increase in 2020 was due to abrupt closure of schools due to covid -19 leading to non-payment of arrears. The 2020 and 2019 creditors was due to huge fees prepayment.

MOVEMENT OF CASH AND BANK BALANCES NOTE 8 AND 9					
SNO	YEAR	JUNE 2021	2020	2019	
	AMOUNT	KSHS	KSHS	KSHS	
1		4,778,256.65	1,374,379.00	3,800,549.00	



**MACHAKOS GIRLS' HIGH SCHOOL
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b) Teacher Student ratio:

As at 30th June 2021, the status of the teaching staff was as follows:

The school had 42 teachers posted by the Teachers Service Commission and 13 recruited by the Board of Management. The teacher student ratio lies at 1: 19. We have a shortage of 13 teachers from the given CBE. This is due to subject specialization in Form 3 and Form 4, increased enrolment and streams.

SUBJECT	ENG	MATHS	BIO	COMP	PHY	CHEM	AGR I	CRE	GEO	Total
NO OF TSC TEACHERS	4	3	5	1	2	3	1	5	4	28
SHORTAGE	2	2	1	1	1	2	1	2	1	13

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

YEAR	ENROL	MEAN	DEV	TRANSITI ON UNIVERSI TY	MIDDLE COLLEG E	TRANSITIO N UNIVERSIT Y (%)	SCHOOL TARGET
2020	215	8.6372	+0.9302	197	18	91.63%	9.7
2019	228	7.7017	+0.1957	179	58	78.51%	8.7
2018	249	7.5060	+0.756	174	75	69.88%	8.3

d) Capacity of the school

FACILITY	NO	CAPACITY	RATIO	SHORTAGE
Classroom	22	990	1:45	-
Dormitories	15	1050		-
Laboratories	5			1
Toilets (Tuition Block)	52	1300	1:25	-
Dining hall	1	900		1

The current school physical facility will not be enough in the future due to increased enrolment/ CBC.

**MACHAKOS GIRLS' HIGH SCHOOL
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For the year ended 30th June 2021**

e) Development projects carried out by the school:

Sno.	Project	Year	Status	Amount	Fund Source
1	Block of 6 classroom	2019-2021	Completed	12,537,604.40	Maintainance Improvement from
2	Ablution Block	2019-2020	Completed	1,781,523.60	Maintanance &improvement fund parents

Lucy k Mugendi  Date 12/5/2021

**Chief Principal/ Secretary,
Board of Management**

II. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

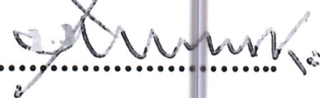
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant 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 **Machakos Girls' High School** accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

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

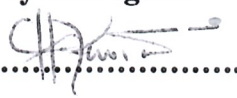
David Masika



**Chair,
Board of Management**

Date: 18/5/2022.....

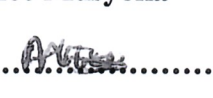
Lucy K Mugendi



**Secretary,
Board of Management
/Principal**

Date: 18/5/2022.....

Alice Musyoka

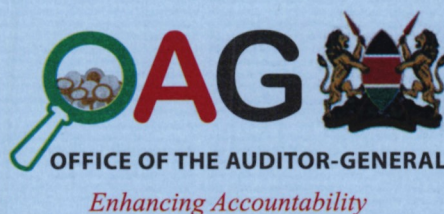


Bursar

Date: ...18/5/2022

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: 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 MACHAKOS GIRLS HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2021- MACHAKOS COUNTY

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution 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 Machakos Girls High School – Machakos County set out on pages 14 to 31, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2021, statement of receipts and payments,

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Machakos Girls High School – Machakos County as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Inaccuracies in the Financial Statement

The variances were noted between the statement of receipts and payment and statement of cash flows presented for audit as analyzed below;

No.	Component	Statement of Receipts and Payment Kshs	Statement of Cash Flows - Kshs	Variance
1	School Fund Income- Parents Contribution	26,641,726	31,023,633	4,381,907
2	School Fund Income- Other receipts	9,071,548	8,724,204	347,344
3	Boarding and School Fund Payments	34,844,122	35,763,134	919,012

In the circumstances, the accuracy of the financial statement could not be confirmed.

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Machakos Girls High School Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Poor State of School Buildings

Inspection of the School structures and documents in relation to the structures revealed the following: -

- i. Physical verification of the school infrastructure revealed that most of the buildings are very old as some running to over one hundred years (100) and need major facelift;
- ii. Report from the Ministry of Public Works dated 25 January, 2011 which was received at the School on 2 December, 2020 declared old native buildings (three dormitories and two classrooms) as unfit for human habitation. However, the School Board of Management contravened the recommendations of Ministry's officials by stating that the condemned buildings are strong and fit for habitation and can be used to decongest the new and other dormitories citing that the letter was not signed and was addressed to the Principal Machakos Technical Training Institute;
- iii. The students feeding programme as per interview with the Cateress confirmed that the students eat in shifts due to lack of space; and
- iv. The library block has substructure whereby the floor slab is worn out, superstructure has walls cracked from all sides. The same observations were made in the report of tuition block of two classrooms and three (3) dormitories.

The failure to address the condemned buildings is contrary to the National Building Regulations, 2015 Section DD 6(6.1) on demolition of buildings in regard to ruinous or dangerous structures provides that the owner of a building shall not permit the building or any part thereof, to become or remain in a ruinous, dangerous or dilapidated condition. Further section DD - 6.2 states that where any building appears to the approving authority to be in a ruinous, dangerous or dilapidated condition the approving authority may:- (a) serve upon the owner of such building a notice in writing, requiring him within the time specified therein, to shore up, secure, repair, renew or otherwise make safe, to the satisfaction of the Approving Authority, such building, or to remove the same;

In the circumstances, the student's safety and welfare could not be guaranteed.

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

Basis for Conclusion

1. Lack of School Improvement Plan

During the year under review, it was noted that the school did not have a School Improvement Plan for utilization of learner capitation grant and other school funds. This was contrary to Section 2.2 of the Ministry of Education operation manual for Utilization of Learner Capitation Grant and Other School Funds which requires the school to identify in every 3-year school improvement planning cycle, one priority area in each of the four key areas which include curriculum implementation, foundational literacy and numeracy outcomes, an enabling environment for learning and Parental involvement and community engagement for implementation.

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

2. Lack of Disposal Committee

The School phased out old text books and they lie in boxes in the library. Further, the School disposed old and obsolete books amounting Kshs.27,320. However, Management did not constitute a disposal committee for verification and processing of all disposal recommendations in liaison with the head of procurement function as prescribed. This is contrary to Section 163(1)(2) of the Public Procurement and Asset Disposal Act, 2015 which requires the Accounting Officer to establish a disposal committee as and when prescribed for the purpose of disposal of unserviceable, obsolete, obsolescent, or surplus stores, equipment or assets.

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

3. Lack of an Automated Accounting System

The School does not have an automated accounting system, an ICT committee or an ICT policy. All the School records are manually maintained. This is contrary to section 4 (4.4) of the National ICT policy guidelines, 2020 on public service delivery that the ICT policy requires all arms of the government to build, deploy, operate and manage locally built back-end and front-end systems to deliver services.

In the circumstances, Management contravened the laid down policy guidelines by the Government.

4. Failure to Follow Guidelines on the Construction of Classrooms

During the year under review, the School undertook the construction of four (4) classrooms at a contract price of Kshs.6,974,297. The School added two (2) classrooms on the first floor at cost of Kshs.1,666,769 and extension works of an additional floor of two classrooms at Kshs.3,896,956. However, approval from the Ministry of Education for the additional projects was not provided for audit. This is contrary to the Circular dated 14 January, 2021 on Implementation Guidelines for School Projects Under Maintenance & Improvement Fund (M&IF) and Economic Stimulus Programme.

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

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

The Public Sector Accounting Standards Board (PSASB) Guidelines on Implementation of International Public Sector Accounting Standards (IPSAS) by Secondary Schools in Kenya of 20 August, 2021 requires the first financial statements after adoption of IPSAS to be presented for eighteen (18) months from 1 January, 2020 to 30 June, 2021 with comparatives being for twelve (12) months from 1 January, 2019 to 30 December, 2019. Further, a disclosure note ought to have been included in the financial statements that the reason for preparing the financial statements for longer period is due to the adoption of IPSAS for school and the change from calendar year to government fiscal year. In addition, a disclosure note should be made in the financial statements that the comparative information may not be comparable due to the longer period covered by the current financial period.

However, Management presented the annual report and financial statements covering only one year for financial year 2020-2021 with comparative balances for financial year 2019. Therefore, the financial statements have not been prepared for eighteen-months (18) as prescribed by the Public Sector Accounting Standards Board.

Further, no disclosure was made on the change in the preparation of financial statements from calendar year to government fiscal year or on the lack of comparability due to longer period covered by the current financial period.

In the circumstances, Management did not comply with the guidelines issued by the public sector accounting standard board.

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

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

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on the effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Unequal Distribution of Textbooks Supplied by the Government

Analysis of text books supplied by the Ministry of Education revealed that, the School received a total of 17,902 textbooks of various subjects. However, the distribution resulted

to an excess of 5,626 for some subjects and a deficit of 1,096 in other subjects. Further, the excess text books totaling 5,626 are still lying in the School's library unused and the Ministry is yet to address the deficit in some subjects thus shifting the burden to parents. This was contrary to Section 39 of the Basic Education Act, 2013 which states that it is the responsibility of the government to provide infrastructure including schools, learning and teaching equipment and appropriate financial resources and ensure quality basic education conforming to the set standards and norms.

In the circumstances, the failure to provide learning materials as and when required may impact negatively on the planned learning outcomes. Further, value for money on the supply of excess textbooks could not be confirmed.

2. Long Outstanding Fees Arrears

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs 8,831,730. Included in this balance is an amount of Kshs.7,824,192. for fees arrears as disclosed under Note 11 to the financial statements. Out of the amount Kshs.3,382,343 has been outstanding for more than two (2) years. The only mechanism of recovery the School has in place is to recover the arrears when the students collect their certificates.

In the circumstances, the internal control mechanism put in place by Management appears ineffective.

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 control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of 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 overall governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain its services, disclosing as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or 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 are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

12 October, 2023

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

CONSOLIDATED STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR
ENDED 30TH JUNE 2021

DESCRIPTION OF VOTE HEAD	Note	JUNE 2021- 2021	2020-2020
		6 Months	12 Months
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition	1	1,345,162.50	1,783,281.00
Capitation grants for operations	2	8,455,297.05	12,139,025.00
School Fund Income- Parents' Contributions	3	26,641,726.35	35,535,596.00
School Fund Income- Other receipts	4	9,071,547.95	7,254,750.00
TOTAL RECEIPTS		45,513,733.85	56,712,652.00
PAYMENTS			
Payments for Tuition	5	1,618,150.39	1,727,954.00
Payments for Operations	6	7,449,493.72	11,940,667.00
Boarding and school fund payments	7	34,844,121.89	40,007,059.00
TOTAL PAYMENTS		43,911,766.00	53,675,680.00
SURPLUS/DEFICIT		1,601,967.85	3,036,972.00

The report covers six months for the period ended 30th June 2021 and accompanying comparatives covers twelve months period ended 31st December 2020.

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

.....
David Masika

**Chair,
Board of Management**

Date: 18/5/2022

.....
Lucy Mugendi (Mrs)

**Secretary,
Board of Management
/Principal**

Date: 18/5/2022

.....
Alice Musyoka (Mrs)

Bursar

Date: 18/5/2022

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

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

	Note	JUNE 2021-2021	2020-2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	4,656,478.65	1,372,940.00
Cash Balances	9	121,778.00	1,439.00
Short Term Investments	10	-	-
Total		4,778,256.65	1,374,379.00
Account receivables	11	8,831,730.00	9,689,785.00
TOTAL FINANCIAL ASSETS		13,609,986.65	11,064,164.80
Financial Liabilities			
Accounts Payables	12	(10,527,169.80)	(9,583,315.00)
NET FINANCIAL ASSETS		3,082,816.85	1,480,849.00
REPRESENTED BY			
Accumulated Fund Bal b/f	13	1,480,849.00	(1,556,123.00)
Surplus/Deficit for the year		1,601,967.85	3,036,972.00
NET FINANCIAL POSITION	13	3,082,816.85	1,480,849.00

.....
David Masika

**Chair,
Board of Management**

Date: 12/5/2022.....

.....
Lucy Mugendi (Mrs)

**Secretary,
Board of Management**

Date: 12/5/2022.....

.....
Alice Musyoka (Mrs)

Bursar

Date: 12/5/2022.....

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

	Notes	JUNE 2021-2021	2020-2020
		Kshs	Kshs
Receipts for operating income			
Capitation grants for tuition		1,345,162.50	1,783,281.00
Capitation grants for operations		8,455,297.05	12,139,025.00
School fund income- Parents contributions/ fees		26,641,726.35	34,958,622.00
School fund income- other receipts		9,071,547.95	7,144,200.00
Total receipts		45,513,733.85	56,025,128.00
Payments for Tuition		1,618,150.39	1,727,954.00
Payments for Operations		2,198,280.72	7,563,527.35
Boarding and school fund payments		34,844,121.89	43,353,677.65
TOTAL PAYMENTS		38,660,553.00	52,645,159.00
Adjusted for:			
Decrease in Accounts Receivables		858,055.00	
Increase in Accounts Payables		943,854.80	
Net cash flow from operating activities		8,655,090.65	3,379,969.00
Cash flow from investing activities			
Acquisitions of assets		(5,251,213.00)	(5,806,140.00)
Net cash flows from Investing Activities		(5,251,213.00)	(5,806,140.00)
Net cash flow from financing activities			
NET INCREASE IN CASH AND CASH EQUIVALENTS		3,403,877.65	(2,426,171.00)
Cash and cash equivalent at BEGINNING of the year		1,374,379.00	3,800,550.00
Cash and cash equivalent at END of the year		4,778,256.65	1,374,379.00

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

**MACHAKOS GIRLS' HIGH SCHOOL
PUBLIC SECONDARY SCHOOL**

Annual Report and Financial Statements

For the year ended 30th June 2021

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

STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2021						
Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c = a+b	d	e = c - d	f = d/c
RECEIPTS	Kshs	Kshs	Kshs	Kshs	Kshs	
(1) CAPITATION GRANT ON TUITION						
Exercise Books						
Lab. Equipment						
T/L Materials	3,170,126.00		3,170,126.00	1,345,162.50	1,824,963.50	42.43%
Internal Exam						
Ref/Lib (Textbooks)						
SMASSE						
SUB-TOTAL	3,170,126.00		3,170,126.00	1,345,162.50	1,824,963.50	42.43%
(2) CAPITATION GRANT ON OPERATIONS						
Local, Transport & Travelling	828,424.00		828,424.00	577,159.90	251,264.10	69.67%
Electricity, Water & Conservancy	828,424.00		828,424.00	604,812.95	223,611.05	73.01%
Repair, Maintenance & Improvement	4,203,125.00		4,203,125.00	3,868,750.00	324,375.00	92.04%
Activity	681,000.00		681,000.00	-	681000.00	0.00%
Medical/Insurance	1,360,609.00		1,360,609.00	-	1,360,609.00	0.0%
Personal Emoluments	3,313,698.00		3,313,698.00	2,308,616.90	1,005,081.10	69.67%
Administration Costs	1,572,985.00		1,572,985.00	1,095,957.30	477,027.00	69.67%
SUB-TOTAL	12,788,265.00		12,788,265.00	8,455,297.05	4,332,967.95	
1) FEES CHARGED ON PARENTS						
Boarding, Equipment &Stores						
Local, Transport & Travelling	1,453,487.50		1,453,487.50	1,114,596.00	338,891.50	76.68%

PUBLIC SECONDARY SCHOOL

Electricity, Water & conservancy	3,875,300.00		3,875,300.00	3,085,414.00	789,886.00	79.62%
Repair, Maintenance & improvements	1,362,800.00		1,362,800.00	977,080.00	385,719.65	71.70%
Activity	543,577.50		543,577.50	376,092.00	167,485.50	69.19%
Personal Emoluments	4,690,107.50		4,690,107.50	3,705,860.00	984,247.50	79.01%
Administration costs	2,454,347.50		2,454,347.50	1,814,087.00	640,260.50	73.91%
Smasse				-	-	-
Fee on boarding Equipment and Stores	18,195,785.00		18,195,785.00	15,568,597.00	2,627,188.00	85.56%
SUB TOTAL	32,575,405.00		32,575,405.00	26,641,726.35	5,933,678.65	
OTHER INCOME						
Income from Farming/Dairy Activities				126,360.00	(126,360.00)	0%
Knec Marking				6,350,643.95	(6,350,643.95)	0%
Rent Income				178,050.00	(178,050.00)	0%
Bakery				2,027,400.00	(2,027,400.00)	0%
Magazine				389,094.00	(389,094.00)	0%
SUB TOTAL				9,071,547.95		
GRAND TOTAL INCOME	48,533,796.00		48,533,796.00	45,513,733.85	3,020,062.15	93.78%

ACHAKOS GIRLS' HIGH SCHOOL
MUBILIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2021 (Continued)

EXPENDITURE FOR:						
(1) TUITION						
Exercise Books						
Lab. Equipment						
T/L Materials	3,170,126.00		3,170,126.00	1,617,130.00	1,552,996.00	51.01%
Internal Exam						
Ref/Lib (Textbooks)						
SMASSSE						
Bank Charges				1,020.39	(1,020.39)	0%
SUB-TOTAL	3,170,126.00		3,170,126.00	1,618,150.39	1,551,975.61	
(2) OPERATIONS						
Local, Transport & Travelling	828,424.00		828,424.00	578,858.00	249,566.00	69.87%
Electricity, Water & Conservancy	828,424.00		828,424.00	275,663.00	552,761.00	33.28%
Repair, Maintenance & Improvement	4,203,125.00		4,203,125.00	3,570,095.00	633,030.00	84.94%
Activity (i)	681,000.00		681,000.00	5,000.00	676,000.00	0.73%
Medical/Insurance	1,360,609.00		1,360,609.00	19,115.00	1,341,494.00	1.40%
Personal Emoluments	3,313,698.00		3,313,698.00	1,966,488.00	1,347,210.00	59.34%
Administration Costs	1,572,985.00		1,572,985.00	1,034,154.72	538,830.28	65.74%
SMASSSE						
SUB-TOTAL	12,788,265.00		12,788,265.00	7,449,493.72	5,338,771.28	
(3) SCHOOL FUND						
Boarding, Equipment & Stores						
Local, Transport & Travelling	1,453,487.50		1,453,487.50	953,356.00	500,131.00	65.59%
Electricity, Water & Conservancy	3,875,300.00		3,875,300.00	2,080,881.40	1,794,419.60	53.70%
Repair, Maintenance & Improvement	1,362,800.00		1,362,800.00	-	1,362,800.00	0.00%
Activity	543,577.50		543,577.50		543,577.50	0.00%

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

STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2021 (Continued)

Personal Emoluments	4,690,107.50		4,690,107.50	4,827,228.00	(137,120.50)	102.92%
Administration Costs	2,454,347.50		2,454,347.50	949,036.69	1,505,310.81	36.81%
Expenditure from Income Generating Activities						
Fee on boarding Equipment and Stores	18,195,785.00		18,195,785.00	19,641,427.80	(1,445,642.80)	107.94%
Knec marking centre				5,013,353.00	(5,013,353.00)	0%
Bakery expenses				1,289,199.00	(1,289,199.00)	0%
School farm expenses				89,640.00	(89,640.00)	0%
SUBTOTAL	32,575,405.00		32,575,405.00	34,844,121.89	(2,268,716.89)	0%
Loan principal repayment						
Loan interest repayment						
PA development projects						
TOTAL EXPENDITURE	49,822,995.00		49,822,995.00	43,911,766.00	4,622,030.00	90.47%
				1,601,967.85	(1,601,967.85)	

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

V. 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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. 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.

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 30th June 2021.

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

1 CAPITATION GRANT FOR TUITION

		JUNE 2021	2020-2020
		Kshs	Kshs
Exercise books			
Laboratory equipment			
Teaching / learning materials		1,345,162.50	1,783,281.00
Internal exams			
Textbooks and Learning materials			
Total		1,345,162.50	1,783,281.00

2 CAPITATION GRANT FOR OPERATIONS

		JUNE 2021	2020-2020Dec
Personnel emoluments		2,308,616.90	3,953,756.00
Repairs and maintenance		3,868,750.00	4,370,350.00
Local transport / travelling		577,159.90	687,517.00
Electricity and water		604,812.95	965,714.00
Medical		-	192,800.00
Administration costs		1,095,957.30	1,583,288.00
Activity		-	385,600.00
Total		8,455,297.05	12,139,025.00

3. PARENTS CONTRIBUTION/FEEs - SCHOOL FUND ACCOUNT

		JUNE 2021	2020-2020
		Kshs	Kshs
Boarding, Equipment & Stores		15,568,597.00	16,921,558.00
Local transport / travelling		1,114,596.00	813,675.00
Electricity, Water & Conservancy		3,085,414.00	2,398,998.00
Repairs and maintenance		977,080.35	1,811,700.00
Activity		376,092.00	145,594.00
Personnel emoluments		3,705,860.00	2,679,521.00
Administration costs		1,814,087.00	1,426,509.00
Student ID			
Uniform			
Magazine			
PA Dev			
Total		26,641,726.35	26,197,555.00

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4. OTHER RECEIPTS – SCHOOL FUND ACCOUNT

		Jan- June 2021 Kshs	2020-2020 Kshs
Rent Income		178,050.00	443,700.00
Tender			116,000.00
Bakery		2,027,400.00	1,465,924.00
Farm		126,360.00	192,398.00
Income from grants and donations*			407,670.00
Maths Contest (Brookside)			230,000.00
Knec marking centre		6,350,643.95	4,399,058.00
PA Development fund			3,594,601.00
Magazine		389,094.00	5,484,560.00
Student ID cards			258,880.00
Uniform/cup/plate			
Total		9,071,547.95	16,592,791.00

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

VI. Donation from one of the former Principal Miss Shelaghi White-Trustee in the year 2022.

5. PAYMENTS FOR TUITION

		JUNE2021 Kshs	2020-2020 Kshs
Exercise books			491,400.00
Laboratory equipment			
Teaching / learning materials		1,617,130.00	1,131,554.00
Internal exams			69,300.00
Textbooks and reference materials			
Chalk			34,680.00
Bank Charges		1,020.39	1,020.00
Total		1,618,150.39	1,727,954.00

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6. PAYMENTS FOR OPERATIONS

		JUNE2021	2020-2020
		Kshs	Kshs
Personnel emoluments		1,966,488.00	3,911,724.00
Local transport / travelling		578,858.00	585,525.00
Electricity and water		275,663.00	932,048.00
Medical		19,115.00	198,926.00
Administration costs		1,034,154.72	1,526,916.00
Activity		5,000.00	377,386.00
Infrastructure projects		3,570,095.00	4,407,140.00
Bank charges		120.00	1,002.00
Total		7,449,493.72	11,940,667.00

7. BOARDING AND SCHOOL FUND PAYMENTS

		JUNE2021	2020-2020
		Kshs	Kshs
Personnel emoluments		4,827,228.00	3,192,282.00
Local transport / travelling		953,356.00	762,602.00
Electricity, Water & Conservancy		2,080,881.40	1,974,024.00
Repairs and maintenance			2,035,326.00
Activity			85,490.00
Tender			79,100.00
Uniform			5,410,140.00
Boarding, Equipment & Stores		19,641,427.80	16,417,154.00
Administration costs		949,036.69	1,008,360.00
Maths Contest			180,420.00
Donation			300,000.00
Bakery		1,289,199.00	755,420.00
Knec		5,013,353.00	4,072,580.00
Development			3,558,801.00
Farm		89,640.00	175,360.00
Total		34,844,121.89	40,007,059.00

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8. BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	JUNE 2021-2021	2020-2020
		Kshs	Kshs
Co-operative Bank	0112907252860 0	88,006.43	9,825.00
KCB	1149826711	476,794.78	3,519.00
Equity- Tuition	0600296643701	459,140.11	60,852.00
KCB- saving	1104197324	2,347,637.00	1,034,619.00
KCB- Infrastructure	1254915540	78,947.00	39,162.00
Equity- operational	0600291767764	1,205,953.33	224,963.00
Total		4,656,478.65	1,372,940.00

9. CASH IN HAND

Description	JUNE 2021 Kshs	2020-2020 Kshs
School Fund account	119,984.00	73.00
Operational account	1,794.00	1,366.00
TOTAL	121,778.00	1,439.00

10. SHORT TERM INVESTMENT

Description	JUNE 2021 Kshs	2020-2020 Kshs
Cooperative shares		
Treasury bills		
Fixed deposit		
Equity stock		

11. ACCOUNTS RECEIVABLE

Description	JUNE-2021 Kshs	2020-2020 Kshs
Fees arrears	7,824,192.00	8,640,497.00
Other Non- fees (Rent arrears)	68,800.00	110,550.00
Suspense acc(Kinyua Ngari Former bursar-un accounted money orders	938,738.00	938,738.00
Total	8,831,730.00	9,689,785.00

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

Description	JUNE-2021	2020-2020
Fees arrears for current year	1,684,547.00	2,757,302.00
Fees arrears for the previous year	2,757,302.00	5,883,195.00
Fees arrears for prior periods (over two years)	3,382,343.00	-
Total	7,824,192.00	8,640,497.00

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12. ACCOUNTS PAYABLE

Description		JUNE-2021	2020-2020
		Kshs	Kshs
Trade creditors (See ageing below and appendix 1)		7,430,704.80	3,569,855.00
Prepaid fees		3,096,465.00	6,013,460.00
Total		10,527,169.80	9,583,315.00

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

Description		JUNE1-2021	2020-2020
		Kshs	Kshs
Trade creditors for current year		6,930,882.80	3,100,273.00
Trade creditors for the previous year		30,240.00	469,582.00
Trade creditors for prior periods (Over two years) (paye)		469,582.00	
Total		7,430,704.80	3,569,855.00

13. FUND BALANCE BROUGHT FORWARD

Description	Note	June 2021	2020-2020
		Kshs	Kshs
Bank Balances	8	4,656,478.65	1,372,940.00
Cash Balances	9	121,778.00	1,439.00
Short Term Investments			
Receivables	11	8,831,730.00	9,689,785.00
Payables	12	(10,527,169.80)	(9,583,315.00)
Total		3,082,816.85	1,480,849.00

14. NON CURRENT LIABILITIES SUMMARY

Description	Note	JUNE 2021	2020-2020
Bank loan(s)		Kshs	Kshs
Outstanding leases			
Hire purchase			
Gratuity and leave provision			
Total			

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15. BIOLOGICAL ASSETS

Description		JUNE2021-2021	2020-2020
		No.	No.
Mango Trees		260	
Other trees		1500	
Banana Trees		325	
Orange Trees		50	
pigs		29	
Fish		100	
Total		2264	

16.BORROWINGS

Description		JUNE2021	2020-2020
a) Borrowings		Kshs	Kshs
Borrowings at beginning of the year		-	-
Borrowing during the year		-	-
Repayment of during the year		-	-
Balance at the end of the year		-	-

17.C STOCK/INVENTORY

Description		JUNE-2021	2020-2020
		Kshs	Kshs
Stock/ inventory at beginning of the year		1,339,965.00	
Stock/ inventory purchased during the year		11,237,533.00	
Stock/ inventory issued during the year		(11,064,560.00)	
Balance at end of the year		1,512,938.00	

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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)
1	2020 Sundry creditors amounting to KSH9,113,733.00	It comprised of trade creditors and fees prepayments.	Paid in the year 2021 January	Cleared
2	Kra amounting to KSH469,582.00	The amount is for fines and penalties	Wrote to KRA for waiver of the same amount	Waiting Approval
3	2020 Sundry debtors amounting to KSH8,751,047.00	It comprises of accumulated fees arrears from previous years, Rent arrears and 2020 fees arrears	Rent arrears were recovered from the officers concerned.	We are improving on fees payments/recoveries to avoid huge balances.
4	Suspense Account amounting to KSH 938,738.00	It resulted from un accounted money orders by the former Bursar (Kinyua Ngari)	Discussed by the BOM to recover the same from his final dues	Before the end of 2021/2022 Financial year

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS

S/no	Supplier of Goods or Services	Original Amount	Date contracted from	Amount Paid To-date	Outstanding Balance as at 30/06/2021	Comment
a	Construction of Building				Nil	
1						
	Sub-Total					
b	Supply of goods					
1	Bremar Ltd		26/5/2021		117,500.00	
2	Windsor Farm		31/05/2021		54,600.00	
3	New friends Butchery		31/05/2021		155,000.00	
4	Hasesa Farm Produce		31/05/2021		56,110.00	
5	Fun land Investment		31/05/2021		108,900.00	
6	Kimalu Farm Produce		31/05/2021		131,528.00	
7	Lilian Mwende		31/05/2021		72,600.00	
8	Shakamua		31/05/2021		151,000.00	
9	Japheth & textiles		31/05/2020		30,240.00	
10	Massmart Ltd		31/05/2021		213,455.00	
11	Pembe Flour Mills		31/05/2021		155,000.00	
12	Hasesa Farm		31/06/2021		66,960.00	
13	Linenard Agencies		31/06/2021		15,200.00	
14	Jocajo Enterprises		31/06/2021		716,776.00	
15	Massmart Ltd		31/06/2021		682,758.00	
16	Concept Coopers		31/06/2021		40,050.00	
17	Jonathan Mutinda		31/06/2021		98,600.00	
18	Novel Technology		26/03/2021		678,472.80	
19	Bremar Ltd		8/03/2021		570,700.00	
20	Kimalu		31/06/2021		168,525.00	
21	Newfriends		31/06/2021		210,550.00	
22	Lilian Mwende		31/06/2021		100,070.00	

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23	Pasha Enterprises		31/06/2021		157,980.00	
24	Fun land Investment		31/06/2021		134,000.00	
25	Makky Ent		31/06/2021		525,000.00	
	Sub-Total				5,411,574.80	
c	Supply of Services					
1	Pinpoint Hygiene Ltd		31/05/2021		69,120.00	
2	Emerald Security Ltd		31/05/2021		195,000.00	
3	Emerald Security Ltd		31/06/2021		195,000.00	
4	June Salaries		31/06/2021		1,090,428.00	
5	paye		2018		469,582.00	
	Sub-Total				2,019,130.00	
	Grand-Total				7,430,704.80	

NB: The school is committed to pay the above Creditors at the beginning of the next financial year.

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SUMMARY OF FIXED ASSETS

S/no	ASSET CLASS	NUMBER/ UNITS BY JUNE 2021	ESTIMATED HISTORICAL LCOST B/F	ESTIMATED HISTORICAL COST C/F
1	Land (61 Hectares)	61 Hectares	Title deed No	LR 11163
2	Building and Structure/Water Tanks	147		
3	Motor Vehicles 52/16 seater	2		
4	Office/Tuition equipment, Furniture & fitting	1,350		
5	Ict Equipment & other Ict Asset	178		
6	Laboratory equipment, Tools and apparatus	28,517		
7	Textbooks	28,094		
8	Other machinery and equipment (Boarding)	16,399		
9	Intangible assets (software)	3		
10	Heritage & Cultural Assets	62		

MACHAKOS GIRLS' HIGH SCHOOL

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ARREARS 2021

CLASS	RMI	Pemol	LT&T	ADM	Magaz	Act	EW&C	I N S	BES	TOTALS
1G	1,000	5,898	2,969	5,133	9,317	923	4,820	-	12,006	42,066
1P	1,022	5,259	1,579	2,733	6,150	559	4,690	-	36,592	58,584
1R	3,000	6,139	1,842	3,184	8,122	524	5,470	-	35,734	25,174
1W	3,800	11,706	3,873	6,701	8,236	1,348	14,043	-	77,765	77,418
1Y	400	1,500	452	784	7,190	160	1,340	-	13,833	25,659
1B	400	1,500	452	784	5,627	160	3,065	-	17,140	29,128
1O	1,000	5,898	2,969	5,133	7,375	923	4,820		14,113	42,231
Total										
2B	800	3,000	904	1,569	6,415	559	4,690	-	44,442	62,379
2G	400	1,500	452	784	7,083	160	1,340	-	14,556	26,275
2P	1,800	6,759	2,031	3,517	10,801	719	6,030	-	38,974	75,263
2R	1,400	5,259	1,579	2,733	5,795	559	5,157	-	37,777	62,291
2W	1,200	5,172	2,483	4,301	6,249	879	7,370	-	50,144	77,798
2Y	5,028	21,036	6,316	11,721	9,461	2,521	24,498	-	70,839	151,420
Total								-		
								-		
3B	1,400	5,840	2,031	3,517	6,723	852	7,370	-	41,930	88,403
3P	1,347	6,759	2,031	4,518	5,781	958	8,040	-	42,889	45,546
3R	800	3,441	1,356	2,352	12,446	480	4,778	-	55,272	79,022
3W	1,400	5,259	1,579	2,733	7,981	559	6,052	-	48,951	30,683
3Y	800	4,047	2,031	3,517	9,813	719	6,030	-	39,849	66,806
Total								-		
								-		
4B	1,785	8,270	2,593	5,142	-	1,056	8,903	-	77,423	199,620
4R	1,320	6,225	1,984	4,142	-	1,056	8,844	-	78,393	134,296
4W	1,320	6,192	2,976	5,142	-	1,056	10,192	-	86,491	149,156
4Y	2,200	8,835	2,976	5,151	-	1,232	10,492	-	81,058	135,329
Total	33,622	135,494	47,458	85,291	140,565	17,962	158,034	-	1,066,121	1,684,547

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RENT ARREARS AS AT 30TH JUNE 2021

	NAME	AMOUNT KSH
1	Mr. Mwaniki	6,600.00
2	Mr. Okeyo	11,000.00
3	Mr. Manwa	6,600.00
4	Mr. Munyao	6,600.00
5	Mrs. Ambani	4,400.00
6	Mrs. Samuel	13,000.00
7	Mr. Boaz	3,000.00
8	Mrs. Kioko	6,600.00
9	Miss Njigua	11,000.00
		68,800.00