

REPUBLIC OF KENYA



Enhancing Accountability



THE NATIONAL ASSEMBLY PAPERS LAID	
REPORT	DATE: 03 DEC 2024
	DAY: Tuesday
TABLED BY:	Hon. Kimani Ichung'wah (Leader of the Majority Party)
OF THE TABLE:	Anastacia

THE AUDITOR-GENERAL

ON

**THE SACRED HEART, MUKUMU GIRLS'
HIGH SCHOOL**

**FOR THE YEAR ENDED
30 JUNE, 2023**

KAKAMEGA COUNTY

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30054 - 00100, NAIROBI
REGISTRY

20 SEP 2024

RECEIVED



THE SACRED HEART, MUKUMU GIRLS' HIGH SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2023**

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

PRINCIPAL
THE SACRED HEART MUKUMU GIRLS' HIGH SCHOOL
17 SEP 2024
P. O. Box 118-50104, KHAYEGA
SIGN.....

The Sacred Heart Mukumu Girls' High School
Public secondary School
Annual Reports and Financial Statements For the year ended 30th June, 2023.

Table of Contents		PAGE
I.	KEY SCHOOL INFORMATION AND MANAGEMENT	2
II.	SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL	6
III.	STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY	18
IV.	REPORT OF THE INDEPENDENT AUDITORS ON THE ANNUAL FINANCIAL STATEMENTS OF THE SACRED HEART MUKUMU GIRLS' HIGH SCHOOL OF THE YEAR ENDING 30TH JUNE 2022	19
V.	STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2022	20
VI.	STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30TH JUNE 2022	21
VII.	STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2022	23
VIII.	STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2022	25
IX.	SIGNIFICANT ACCOUNTING POLICIES	28
X.	NOTES TO THE FINANCIAL STATEMENTS	30
XI.	TRIAL BALANCE	36
XII.	PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS	37
XIII.	ANALYSIS OF PENDING ACCOUNTS PAYABLE	38
XIV.	SUMMARY OF FIXED ASSET REGISTER	39

The Sacred Heart Mukumu Girls' High School
Public Secondary School
Annual Reports and Financial Statements For the year ended 30th June, 2023.

I. KEY SCHOOL INFORMATION AND MANAGEMENT .

(a) Background information

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

The school was re-registered in 2019 under registration number 37S3000553 and is currently categorized as *an Extra County* public school established, owned and operated by the Government.

The school is a Boarding Girls' school and had 1,876 number of students as at 30th June 2023. It has 8 streams and 92 teachers of which 43 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	Mrs. Winfred Lichuma	Chairperson - Sponsor	24/04/2022
2	Dr. Josephat Witaba Kwasira	Vice Chairman - Special Interest	24/04/2022
3	Mrs. Fridah Ndolo	Secretary - Principal	24/04/2022
4	Prof. Valence Adema Palapala	Member -Parents/ Community	24/04/2022
5	Mrs. Janet Amaya	Member -Parents/ Community	24/04/2022
6	Dr. Omondi Okeda James	Member -Parents/ Community	24/04/2022
7	Mr. Antonina Mulamula	Member -Parents/ Community	24/04/2022
8	Dr. Elijah Museve	Member -Parents/ Community	24/04/2022
9	Mr. Micah O. Abura	PA Chairman	24/04/2022
10	Ms. Hellen Ayisi	Member - Sponsor	24/04/2022
11	Mr. Duncan Mukhwana	Member -Parents/ Community	24/04/2022
12	Mrs. Cecil Segero Alukhava	Member - Sponsor	24/04/2022
13	Ms. Emily Kadenyi	Member - Rep. CEB	24/04/2022
14	Dr. Woyengo Vincent	Member - SNE	24/04/2022
15	Ms. Juliana Brenda Mujema	Member - Rep. Teachers	24/04/2022
16	Martha Sudi	Rep Students	24/04/2022

KEY SCHOOL INFORMATION AND MANAGEMENT. (Continued)

The function of the School Board of Management include:

- i. Promote the best interests of the School and ensure its development.
- ii. Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013
- iii. Ensure and assure the provision of proper and adequate facilities for the School
- iv. Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- v. Advise the County Education Board on the staffing needs of the School.
- vi. Determine cases of pupils discipline and make reports to the CEB
- vii. Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB
- viii. Administer and manage the resources of the School
- ix. 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

The school Board of Management established various committees members as stipulated below:

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Mrs. Winfred Lichuma	Chairman	4 out of 5
		Mrs. Fridah Ndolo	Secretary	
		Mr. Micah O. Abura	PA Chairman	
		Mrs. Janet Amaya	Member	
		Dr. Elijah Museve	Member	
2	Finance, procurement & general purposes Committee	Dr. Elijah Museve	Chairman	2 out of 3
		Mrs. Fridah Ndolo	Secretary	
		Dr. Omondi Okeda James	Member	
		Ms. Emily Kadenyi	Member	
		Dr. Josephat Witaba Kwasira	Member	
3	Audit committee	Dr. Omondi Okeda James	Chairman	0 out of 3
		Prof. Valence Adema Palapala	Secretary	
		Ms. Emily Kadenyi	Member	
		Mr. Duncan Mukhwana	Member	
		Dr. Woyengo Vincent	Member	

KEY SCHOOL INFORMATION AND MANAGEMENT. (Continued)

4	Academic Committee	Mrs. Cecil Segero Alukhava	Chairperson		2 out of 3
		Ms. Hellen Ayisi	Secretary		
		Mr. Duncan Mukhwana	Member		
		Prof. Vallarie Adema Palapala	Member		
		Mr. Antonina Mulamula	Member		
		Ms. Juliana Brenda Mujema	Member		
		Mr. Japheth Onyango	Ex-Official		
		Mr. Fredrick Odera	Ex-Official		
5	Discipline	Dr. Josephat Witaba Kwasira	Chairperson		5 out of 3
		Mr. Micah O. Abura	Member		
		Mrs. Fridah Ndolo	Secretary		
		Ms. Emily Kadenyi	Member		
		Fr. Paul Murunga	Ex-Official		
		Deputy Pr. Administration	Ex-Official		

(d) School operation Management

For the financial year ended 30th June 2023 the School day-to-day management was under the following persons.

Ref:	Designation	Name	TSC Number
1	Principal	Sr. Jane Mmbone Amukoye	337369
2	Deputy Principal	Mr. Fredrick Odera	374610
3	Deputy Principal	Mrs. Alice Rupiah	377061
4	School Bursar	CPA Erastus Makotsi	24106

(e) Schools contacts

Post Office Box: 118 - 50104 Khayega
 Telephone: 0735957055
 E-mail: mukghs@yahoo.com
 Website: mukumugirls.ac.ke

KEY SCHOOL INFORMATION AND MANAGEMENT. (Continued)

(f) School Bankers

The school operated 12 number of bank accounts in the following banks as indicated below:-

S/No.	Account Name	Account Number	Bank	Branch
1	Tuition	1106964896	KCB	Kakamega
2	Operation	1101510471	KCB	Kakamega
3	Operation	1101794585	KCB	Kakamega
4	School Fund	1101795409	KCB	Kakamega
5	Infrastructure	1174743646	KCB	Kakamega
6	PTA Saving	1102989932	KCB	Kakamega
7	Fees Collection	05002999738539	Equity	Kakamega
8	Fees Collection	01129098192900	Co-op	Kakamega
9	Fees Collection	1137952377	KCB	Kakamega
10	Personal Emol	1174743018	KCB	Kakamega
11	Farm	1102990051	KCB	Kakamega
12	IGA	1234879689	KCB	Kakamega

13. MPESA Pay Bill No.522533 A/C 7600337/Adm no. of student

(g) Independent Auditors

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

I. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

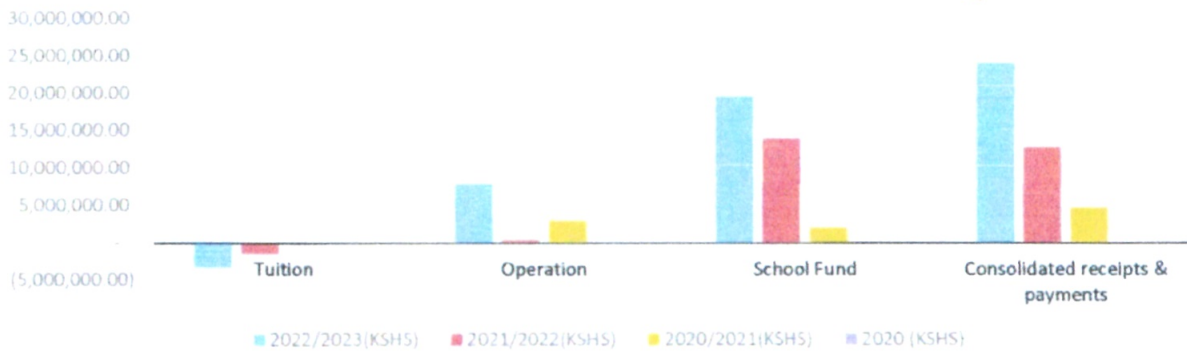
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) **Financial performance:**

i) SURPLUS/DEFICIT FOR THE YEAR AND COMPRISON OF THE SAME FOR THE LAST FOURS YEARS

ACCOUNTS	2022/2023(KSHS)	2021/2022(KSHS)	2020/2021(KSHS)	2020 (KSHS)
Tuition	(3,323,406.80)	(1,473,091.10)	(223,824.00)	2,007,940.00
Operation	7,829,682.41	325,116.06	2,869,474.90	7,628,758.90
School Fund	19,436,722.04	13,888,820.50	1,966,028.35	12,278,498.30
Consolidated receipts & payments	23,942,997.65	12,740,845.46	4,611,679.25	21,915,197.20
Increase/Decrease	(11,202,152.19)	(8,129,166.21)	17,303,517.95	

Trend Over the Last Three Years



The school registered surplus in consolidated receipts and payment statement for the last four financial year, except the year 2022/2023 where the surplus was high. The result also includes incorporated fees balances with income received. in the financial year 2022/2021 recorded the lowest surplus due to change of financial year which covered a period of six months as compared to other financial years.

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

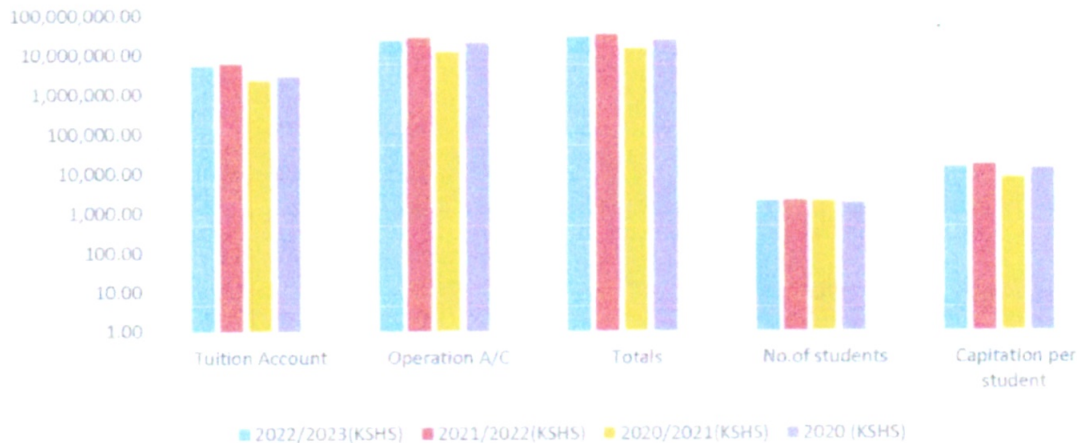
- Capitation grants from the Ministry of Education for the last three years.
- Ratio of capitation grant per student over the last three year

F.D.S.E CAPITATION

CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS

Account	2022/2023(KSHS)	2021/2022(KSHS)	2020/2021(KSHS)	2020 (KSHS)
Tuition Account	5,467,089.25	6,044,645.80	2,206,637.50	2,931,710.00
Operation A/C	23,314,970.31	26,437,710.25	11,649,391.50	20,045,046.00
Totals	28,782,059.56	32,482,356.05	13,856,029.00	22,976,756.00
No.of students	1,985	2,002	1,893	1,788
Capitation per student	14,499.78	16,224.95	7,319.61	12,850.53
Increase/Decrease	(3,700,296.49)	18,626,327.05	(9,120,727.00)	

CAPITATION GRANTS FROM THE MOE FOR THE LAST THREE YEARS



There was a decrease and increase in capitationin from the year 2020 up to year 2022/2023, the highest capitation was received in the financial year 2021/2022 amd the lowest was received inth finacial year 2020/2021. the capitation captured excludes funds retained by the Ministry of Education.

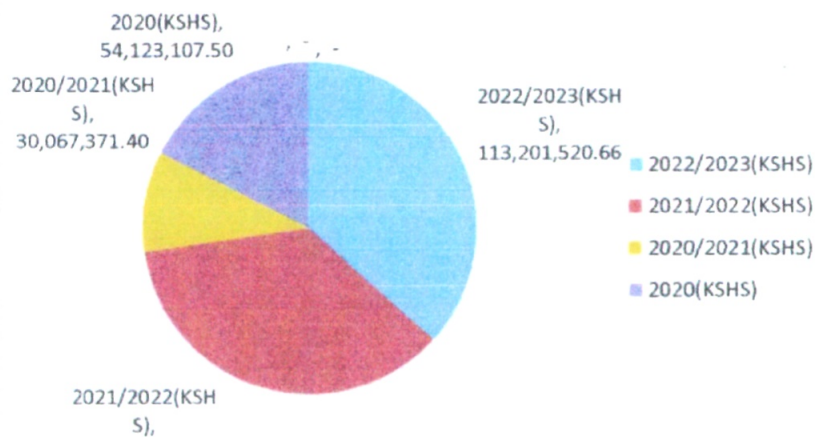
SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

- A three - year overview of growth of other income(s) earned by the school

OVERVIEW OF NET GROWTH OF OTHER INCOME(S)

ACCOUNTS	2022/2023(KSHS)	2021/2022(KSHS)	2020/2021(KSHS)	2020(KSHS)
Other income	113,201,520.66	111,405,081.00	30,067,371.40	54,123,107.50
Totals	113,201,520.66	111,405,081.00	30,067,371.40	54,123,107.50

TREND OVER THE LAST THREE YEARS OF SCHOOL FEES RECEIVED



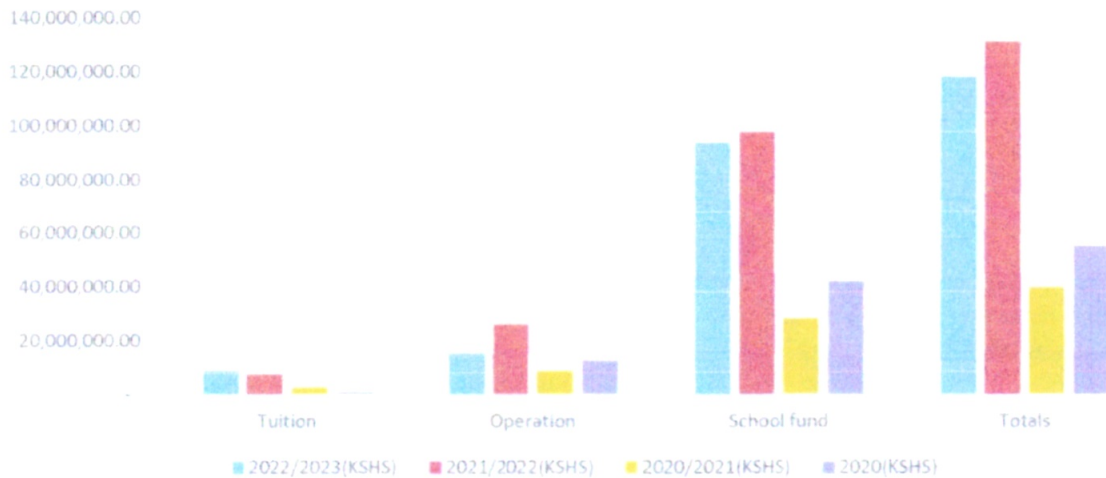
The school had several sources of income i.e income generating activity (Bakery, bus hire, house rent farming and school fees from parents), income keeps increasing from the year 2020 up to the year 2022/2023 except the year 2020/2021 which was affected by change of financial year.

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

OVERVIEW OF NET GROWTH OF OTHER EXPENDITURE(S)

ACCOUNTS	2022/2023(KSHS)	2021/2022(KSHS)	2020/2021(KSHS)	2020(KSHS)
Tuition	8,790,496.05	7,517,736.90	2,430,461.50	923,770.00
Operation	15,485,287.90	26,112,594.19	8,779,916.60	12,416,287.00
School fund	93,764,798.62	97,516,260.50	28,101,343.05	41,844,666.30
Totals	118,040,582.57	131,146,591.59	39,311,721.15	55,184,723.30
Increase/decrease	(13,106,009.02)	91,834,870.44	(15,873,002.15)	

TREND OVER THE LAST THREE YEARS

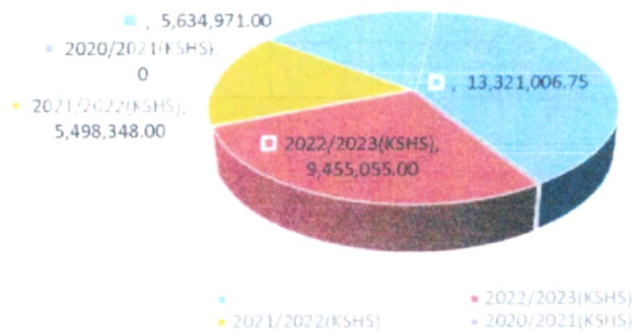


There was a decrease and an increase of expenditure over the year commencing 2020 up to the current financial year. In the year 2020 expenditure reduced due to covid 19, and then in the year 2021 expenditure reduced further due to change financial year covering six months as result of IPSAS guidelines.

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

MOVEMENT OF DEBTORS OF THE SCHOOL				
ACCOUNTS	2022/2023(KSHS)	2021/2022(KSHS)	2020/2021(KSHS)	2020(KSHS)
School fund account- fees arrears per year	13,321,006.75	9,455,055.00	5,498,348.00	5,634,971.00
Totals	13,321,006.75	9,455,055.00	5,498,348.00	5,634,971.00
Decrease/Increase	(3,865,951.75)	(3,956,707.00)	(136,623.00)	

TREND OF DEBTORS OVER THE LAST THREE YEARS



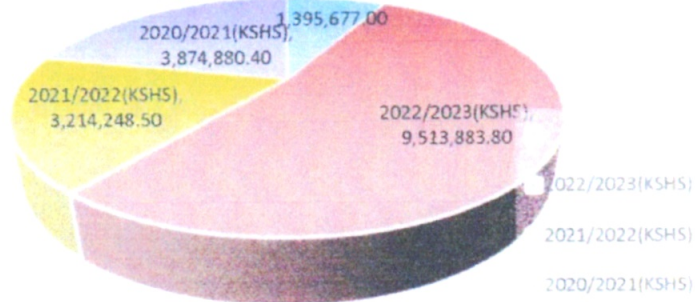
The above balances is fees arrears per year excluding accumulation, collection of fees balance had become a challenge it keeps increasing every year other than the year 2021 where the period was reduced to six months due to introduction of IPSAS template.

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

MOVEMENT OF CREDITORS OF THE SCHOOL

ACCOUNTS	2022/2023(KSHS)	2021/2022(KSHS)	2020/2021(KSHS)	2020(KSHS)
School fund account- Creditors	7,618,930.00	447,790.00	-	2,040,999.00
School fund account- prepaid fees	1,395,677.00	9,513,883.80	3,214,248.50	3,874,880.40
Totals	1,395,677.00	9,513,883.80	3,214,248.50	3,874,880.40
Decrease/Increase	8,118,206.80	(6,299,635.30)	660,631.90	

TREND OF CREDITOR OVER THE LAST THREE YEARS



Due to the effect of fees balance, we were not able to pay trade creditors for the financial year 2022/2023. As school management we decided to formulate some policies to curb that norm.

The Sacred Heart Mukumu Girls' High School
Public Secondary School
Annual Reports and Financial Statements For the year ended 30th June, 2023.

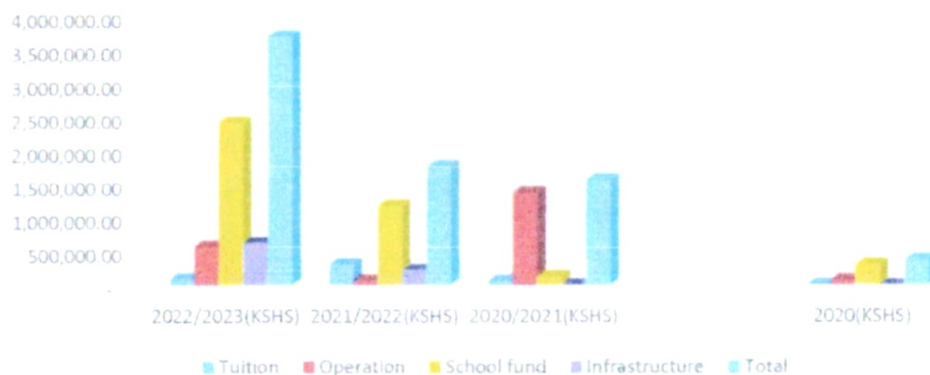
SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

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

Graphical presentation, ratios, tables, and pie charts should be used to show/ indicate trends.

MOVEMENT OF CASH AND BANK BALANCES				
ACCOUNT	2022/2023(KSHS)	2021/2022(KSHS)	2020/2021(KSHS)	2020(KSHS)
Tuition	87,080.20	306,232.00	59,323.10	3,147.10
Operation	567,838.35	63,592.36	1,369,176.30	70,225.00
School fund	2,407,755.70	1,170,656.45	124,325.45	300,776.00
Infrastructure	622,382.25	219,807.25	8,912.55	-
Total	3,685,056.50	1,760,288.06	1,561,737.40	374,148.10
Increase/ Decrease	1,924,768.44	198,550.66	1,187,589.30	

MOVEMENT OF CASH AND BANK BALANCES.



The years 2021, 2022 and 2023 recorded high cash and bank balances more than one million as compared to the year 2020. the year 2020 was affected by the covid - 19

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

b) Teacher Student ratio:

Teachers student Ratio: 1:40 (excluding BOM teachers)

<i>Teachers Recruited/Posted</i>	<i>Transfers/Retired</i>	<i>Employed by TSC</i>	BOM Teachers
7	2	47	40

Teachers per subjects

<i>S No</i>	<i>SUBJECT</i>	<i>REQUIRED CBE</i>	<i>CURRENT CBE</i>	<i>DEFICIT CBE</i>
1	ENGLISH	10	5	5
2	KISWAHILI	10	3	7
3	MATHEMATICS	10	5	5
4	CHEMISTRY	8	5	3
5	BIOLOGY	8	5	3
6	PHYSIC	5	3	2
7	GEOGRAPHY	5	2	3
8	HISTORY	6	5	1
9	CRE	6	3	3
10	B/STUDIES	7	2	5
11	GERMAN	1	1	0
12	FRENCH	1	1	0
13	MUSIC	1	1	0
14	ART & DESIGN	1	1	0
15	HOME SCIENCE	3	1	2
16	COMPUTER	4	2	2
17	AGRIC	6	2	4
	TOTALS	92	47	45

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

c) Mean score in the 2022- 2019 KCSE:

Below is the performance of the school over the last three years. The number of students that have since transitioned to institutions of higher learning. Mean score, comment on improvement and the school's set score.

<i>KCSE Performances</i>					
<i>Year</i>	<i>Entry</i>	<i>Mean Score</i>	<i>Target Mean</i>	<i>Transitioned to institutions of higher learning</i>	<i>REMARKS</i>
2022	464	7.22	9.20	301	<i>The school managed a positive Dev of +0.2985 due to more intense academic programs; more contact hours with the students.</i>
2021	395	6.9215	9.20	235	<i>The school registered a negative Dev of -0.7243 thus we missed our target and the previous year's mean dropped thus more intense academic programs; more contact hours with the students is required.</i>
2020	367	7.6458	8.20	290	<i>The school registered positive deviation of 0.5045 as a result of positive discipline from students, intense academic programs and positive support from parents.</i>

d) Number of Candidates in the 2020 - 2018 KCSE:

Tabulated below the number of candidates sat for KCSE over the last three years.

<i>Year</i>	<i>No. of Candidates</i>
2022	464
2021	395
2019	367

The Sacred Heart Mukumu Girls' High School
Public Secondary School
Annual Reports and Financial Statements For the year ended 30th June, 2023.

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

e) Capacity of the school:

The number of students in the school vis a vie the facilities like the dormitories, the dining hall, the laboratories, toilets and other amenities. As been summarised as follows:

Physical Facilities against 1,985 students

<i>S/NO</i>	<i>Facility</i>	<i>Number</i>	<i>Remarks</i>
1	Administration block	1	<i>Enough</i>
2	Science Laboratories	6	<i>Not Enough</i>
3	Stores	9	<i>Enough</i>
4	Computer Laboratory	1	<i>Not Enough</i>
5	Classrooms	38	<i>Not Enough</i>
6	Dormitories	11	<i>Not Enough</i>
7	Staffroom	1	<i>Enough</i>
8	Bathrooms	161	<i>Enough</i>
9	Toilets	201	<i>Enough</i>
10	Grinding room	1	<i>Enough</i>
11	Slaughtering room	1	<i>Enough</i>
12	French room	1	<i>Not Enough</i>
13	ART room	1	<i>Not Enough</i>
14	Music room	1	<i>Not Enough</i>
15	German room	1	<i>Not Enough</i>
16	Power house	1	<i>Enough</i>
17	Elevated plastic water tank	16	<i>Not Enough</i>
18	Plastic water tank	11	<i>Not Enough</i>
19	Borehole	1	<i>Not Enough</i>
20	Benches (metallic outside)	95	<i>Not Enough</i>
21	Reception Chair	2	<i>Not Enough</i>
22	Dinning Hall	1	<i>Not Enough</i>
23	Sick bay	1	<i>Not Enough</i>
24	Departmental Offices	26	<i>Enough</i>
25	Library	1	<i>Not Enough</i>
26	Kitchen	1	<i>Enough</i>
27	Teachers Houses	11	<i>Not Enough</i>
28	Bakery	1	<i>Enough</i>
29	White board	31	
30	Steel Lader	3	
31	Weighing scale	3	
32	Kitchen tables	10	
33	Stainless energy jiko	13	
34	Fire extinguisers	34	
35	Kitchen tea urn	9	
36	Food trolley	5	

The Sacred Heart Mukumu Girls' High School
Public Secondary School
Annual Reports and Financial Statements For the year ended 30th June, 2023.

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

37	Fans	19	
38	Firewood proofer	1	
39	Electrick proofer	1	
40	Electrick oven	1	
41	Firewood oven	1	
42	Mixer bakery	2	
43	Table dinning hall & departments	100	
44	Staff chairs	170	
45	Staff desks	170	
46	Blue room chairs	40	
47	Students chairs	2040	
48	Students desks	2040	
49	Benches dining hall	130	
50	Television	5	
51	Sewing machine homescience	24	
52	Cookers (homescience)	10	
53	13 kg Gas cylinders	6	
54	Freezer kitchen	2	
55	Fridge	2	
56	Water dispenser	3	
57	Printers	8	
58	Photocopiers	2	
59	Lawn morer	1	
60	Water pump	2	
61	Generator	1	
62	Laptops	8	
63	computers in laboratory	26	
64	Photo printing machine	2	
65	School vehicles	3	
66	Projectors	4	
67	Vegetable chopper	1	
68	Bread slicer	1	
69	Brush cutter	1	
70	Double deckers	2200	
71	Cowshed	1	<i>Enough</i>
72	Pigsty	1	<i>Enough</i>

SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL (Continued)

f) Development projects carried out by the school:

The school carried out two development projects in the the year as shown in a tabular format below:-

<i>Project</i>	<i>Status</i>	<i>Amount - kshs</i>	<i>Fund Source</i>
CBC Classrooms	Completed	1,651,155.00	MOE - M&I & Parents M&I
ompletion of Four Storeyed classrooms	Completed	1,257,110.00	MOE - M&I & Parents M&I
Toilets Maintenance	Completed	673,259.50	MOE - M&I & Parents M&I
Kitchen, classroom and water point repair	Completed	1,788,723.00	MOE - M&I & Parents M&I

Sign
 School Principal

PRINCIPAL
 THE SACRED HEART MUKUMU GIRLS' HIGH SCHOOL
17 SEP 2024
 P. O. Box 118- 50104, KHAYEGA
 SIGN.....

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 keep all proper books and records of accounts of the income, expenditure and assets of the institution.

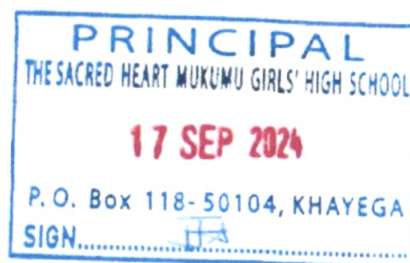
The Board of Management of The Sacred Heart Mukumu Girls' High School accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting 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, 2023 and of the school's financial position as at that date.

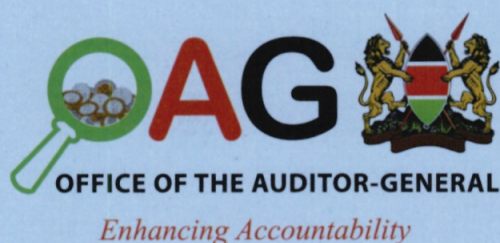
Name: PR. VINCENT MUKOKUHO
Designation: Chairman, School Board of Management
Sign: [Signature]
Date: 17-9-2024

Name: SR. JANE AMUKOYE
Designation: School Principal & Secretary to Board of Management
Sign: [Signature]
Date: 17/9/2024

Name: ERASTUS NAROKI MITEJI
Designation: Bursar/Finance Officer
Sign: [Signature]
Date: 17/9/2024



REPUBLIC OF KENYA



Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke

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

REPORT OF THE AUDITOR-GENERAL ON THE SACRED HEART MUKUMU GIRLS' HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 - KAKAMEGA 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 the Government achieves value for money and that such funds are applied for the intended purpose.
- 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, 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, 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 The Sacred Heart Mukumu Girls' High School - Kakamega County set out on pages 20 to 37, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2023, and the

Report of the Auditor-General on The Sacred Heart Mukumu Girls' High School for year ended 30 June, 2023 - Kakamega County

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

In my opinion, except for the effect of 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 The Sacred Heart Mukumu Girls' High School - Kakamega County as at 30 June, 2023, 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 Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Inaccuracies in Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and operations amounts of Kshs.5,467,089 and Kshs.35,324,604 as disclosed in Notes 1 and 2 to the financial statements respectively. Review of the NEMIS capitation disbursements made to the School against the amount receipted by the School revealed amounts of Kshs.5,467,089 and Kshs.35,324,604 whereas the NEMIS capitation reflects amounts of Kshs.4,897,428 and Kshs.24,087,048 respectively resulting to unexplained variances of Kshs.569,661 and Kshs.11,237,556 respectively.

In the circumstances, the accuracy and completeness of capitation grants for tuition and operations of Kshs.5,467,089 and Kshs.35,324,604 respectively, could not be confirmed.

2. Inaccuracy of School Fund Income - Parents Contribution

The statement of receipts and payments reflects school fund income - parents' contribution of Kshs.95,286,625 as disclosed in Note 3 to the financial statements. Review of the supporting schedule and student's enrollment data revealed an amount of Kshs.137,035,155 resulting to an unexplained variance of Kshs.41,748,530.

In the circumstances, the accuracy and completeness of the school fund income- parent's contribution of Kshs.95,286,625 could not be confirmed.

3. Unsupported School Fund Income - Other Receipts

The statement of receipts and payments reflects school fund income other receipts of Kshs.4,753,982 as disclosed in Note 4 to the financial statements. This amount was from rent income, tender income, income, farm income, bus hire income and bakery income. However, no schedule was provided for audit review to show the date of receipt and the amount. Further, the school did not maintain cashbooks for the revenue streams and therefore the accuracy of miscellaneous income could not be confirmed.

In the circumstances, the accuracy and completeness of school fund income other receipts of Kshs.4,753,982 could not be confirmed.

4. Unsupported Payments for Tuition

The statement of receipts and payments reflects payments for tuition of Kshs.5,686,241 as disclosed in Note 5 to the financial statements. However, examination of payment vouchers amounting to Kshs.5,686,241 revealed that Management made payments without proper support documents such as requisitions, local purchase orders, delivery notes, inspection reports, goods received notes, certificate of payments.

In the circumstances, the regularity, accuracy and completeness of tuition amounting to Kshs.5,686,241, could not be confirmed.

5. Unsupported Payments for Operation

The statement of receipts and payments reflects payments for operation of Kshs.21,540,697 as disclosed in Note 6 to the financial statements. However, examination of payment vouchers amounting to Kshs.21,540,697 revealed that Management made payments without proper support documents such as requisitions, local purchase orders, delivery notes, inspection reports, goods received notes, certificate of payments.

In the circumstances, the regularity, accuracy and completeness of the operations amounting to Kshs.21,540,697, could not be confirmed.

6. Unsupported Boarding and School Fund Payments

The statement of receipts and payments reflects payments for boarding and school fund of Kshs.87,592,959 as disclosed in Note 7 to the financial statements. However, supporting documents including expenditure ledgers detailing the aggregate sum of transactions for the boarding and school fund vote and various sub-votes were not provided for audit review. Further, included in the Kshs.87,592,959 is Kshs.9,985,337 in respect to personnel emoluments. However, payrolls to support personnel emoluments for the month of June, 2023 has not been provided for audit review.

In the circumstances, the accuracy, regularity and completeness of boarding and school fund payments of Kshs.87,592,959 could not be confirmed.

7. Unsupported Cash and Cash Equivalents Balance

The statement of financial assets and liabilities reflects cash and cash equivalents balance of Kshs.44,452,921 as disclosed in Notes 8 to the financial statements. Included in this balance were 12 bank accounts with a bank balance Kshs.44,452,920 and a nil cash balance. However, the bank balances were not supported by cash books, bank certificates and bank reconciliation statements.

In the circumstances, the accuracy, completeness, existence of bank balance of Kshs.44,452,921, could not be confirmed.

8. Accounts Receivables

8.1 Variances in Accounts Receivables

The statement of financial assets and liabilities reflects Nil accounts receivables balance while Note 11 to the financial statements reflects Kshs.43,707,106. However, the ledger balance and issued invoices reflects a Nil balance, resulting to an unexplained variance of Kshs.43,707,106.

In the circumstances, the accuracy and completeness of the accounts receivables balance of Kshs.43,707,106 could not be confirmed.

8.2 Unsupported Accounts Receivables

The statement of financial assets and liabilities reflects Nil accounts receivables balance while Note 11 to the financial statements reflects Kshs.43,707,106. However, the supporting schedules, detailed aging analysis and issued invoices were not provided for audit review.

In the circumstances, the accuracy of the accounts receivables balance of Kshs.43,707,106, could not be confirmed.

8.3 Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects Nil accounts receivables balance while Note 11 to the financial statements reflects Kshs.43,707,106. Included in the balance are receivables amounting to Kshs.25,901,259 that has remained outstanding for more than two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.43,707,106 could not be confirmed.

9. Unsupported Accounts Payables

The statement of financial assets and financial liabilities reflects Nil accounts payables balance while Note 12 to the financial statements reflects Kshs.7,618,930. However, the balance varies with Kshs.7,618,930 reflected in the notes to the accounts resulting to an unexplained or an unreconciled variance of Kshs.7,618,930.

In the circumstances, the accuracy and completeness of trade payables balance of Kshs.7,618,930 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of The Sacred Heart Mukumu 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 Qualified Opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.167,635,289 and Kshs.140,832,300 respectively, resulting to an under-funding of Kshs.26,802,989 or 16% of the budget. However, the School spent a balance of Kshs.114,819,897 against actual receipts of Kshs.140,832,300 resulting to an under-utilization of Kshs.26,012,403 or 18% of actual receipts.

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

My opinion is not modified in respect of this matter.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues as at 30 June, 2021 and 30 June, 2022.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

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. Late Submission of Annual Report and Financial Statements

During the period, the school management did not submit the financial statements to the Auditor-General by the statutory date of 30 September, 2023 instead submitted on 05 April, 2024. This was contrary to the Ministry of Education circular Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the School's financial statements should be ready by 30 September, 2021 in compliance which

Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

2. Failure to Transfer Infrastructure Funds from the Operations Bank Account

The statement of receipts and payments reflects capitation grants for operations of Kshs.35,324,604 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.8,046,000 in respect of infrastructure grants which were not transferred to infrastructure bank account for maintenance and improvement of the School's facilities as at 30 June, 2023. This is contrary to the Ministry of Education 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 fifteen (15) days upon receipt of the funds in the operations account.

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

3. Unconfirmed Students Enrolment Data

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations totalling Kshs.40,791,693 as disclosed in Notes 1 and 2 to the financial statements. Comparison of data from National Education Management and information System (NEMIS) with records from the County Director of Education revealed that during the financial year 2022/2023, NEMIS reflected two thousand and fifty-five (2,055) students while records from the County Director of Education had two thousand and thirteen (2,013) students, resulting to an underfunding of the School by an amount of Kshs.719,016. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 dated 16 June, 2021 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

In the circumstances, underfunding of the School may have affected service delivery to the students.

4. Unapproved Fees on Parents Association Support Programme

The statement of receipts and payments reflects School fund income - parents' contributions of Kshs.95,286,625 as disclosed in Note 3 to the financial statements which includes PA support program amount of Kshs.25,100,000. Examination of the records revealed that the School charged an amount of Kshs.12,500 per student to support the programme which had not been approved by the Ministry of Education through the County Education Board. This was contrary to Government Circular No. MOE.HQS/3/13/3 dated 16 June, 2021 on guidelines on implementation of Free Day and Secondary Education programme which stipulates that parent will only pay for school uniforms, boarding related costs as reflected in the boarding fees structure and lunch for the day scholars.

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

5. Irregularities in Human Resource Management

The statement of receipts and payments reflects payment for operation and boarding and school fund payments of Kshs.21,540,697 and Kshs.87,592,959 as disclosed in Notes 6 and 7 to the financial statements. Review of payment vouchers and records revealed the following anomalies in relation to personnel emoluments.

5.1 Irregular Employment

Included in the Kshs.21,540,697 and Kshs.87,592,959 is Kshs.9,622,614 and Kshs.9,985,337 all totalling Kshs.19,607,951 spent on personnel emoluments. Review of payroll and supporting documentation revealed that the school recruited six (6) non-teaching staff, five (5) casuals and twenty-one (21) Board of Management teachers during the year. However, supporting documents detailing the recruitment process including but not limited to the advertisement, application register, long list, short list and interview minutes have not been presented for audit. This is contrary to Section 7(c) Employment Act, 2007 which states that "employment policy or practice" includes any policy or practice relating to recruitment procedures, advertising and selection criteria, appointments and the appointment process, job classification and grading, remuneration, employment benefits and terms and conditions of employment, job assignments, the working environment and facilities, training and development, performance evaluation systems, promotion, transfer, demotion, termination of employment on disciplinary measures.

5.2 Staffing Beyond the Approved Establishment

Included in the Kshs.21,540,697 and Kshs.87,592,959 is Kshs.9,622,614 and Kshs.9,985,337 all totalling Kshs.19,607,951 spent on personnel emoluments. Review of payroll and supporting documentation revealed that the School had 62 non-teaching staff and 38 Board of Management teachers and 48 TSC teachers, totalling 86 teaching staff as at May, 2023. The 62 non-teaching staff were in excess by 25 contrary to the Ministry of Education Circular Ref: MOE.HQS/3/13/3 dated 19 October, 2017 which requires a boarding school with 8 streams and more to employ a maximum of 37 BoM employees. Further, the Board of Management did not rationalize the recruitment of non-teaching staff contrary to Section 8.0 of the Guidelines for the Implementation of Free Secondary Education for the year 2021-2022, Ref: MOE.HQS/3/13/3 dated 16 June, 2021, which states that its necessary to rationalize the recruitment of such cadre of staff. The 86-teaching staff were in excess by seven (7) contrary to the Curriculum Based Establishment for the year which required a total of seventy-nine (79) teachers.

5.3 Payments Below the Minimum Wage Bill

Review of payroll and supporting documentation revealed that the School had thirteen (13) employees who were being paid below the Government minimum wage bill of Kshs.12,522 contrary to the Labour Institutions Regulation of Wages Order of 2018 which states that the basic minimum monthly wage be Kshs.12,522 per month.

5.4 Non-Approval of Terms and Conditions of Service for Board of Management Staff

The Board had not approved the terms and conditions of service for semi-professional non-teaching staff contrary to Regulation 19 of the Basic Education Regulations, 2015 which states that the Board of Management may appoint suitable semi-professional and subordinate staff, on such terms and conditions as shall be determined by the Board.

5.5 Irregular Payment of Sitting Allowances to Teachers and Non-Teaching Staff

Review of documentation revealed that the School paid board allowances to teachers and non-teaching staff amounting to Kshs.813,500. This is contrary to Circular OP/CAB.9/21/2A/LII of 24 March, 2005 on clarification on certain aspects of guidelines on terms and conditions of service for state corporations which states that; Chief Executive Officers and employees of a State Corporation are not entitled to sitting or other allowances.

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

6. Weaknesses in Procurement of Goods and Services

The statement of receipts and payments reflects total payments of Kshs.143,276,905. Review of payment vouchers and supporting documentation revealed the following procurement anomalies:

6.1 Lack of a Procurement Function

The School did not have a procurement function contrary to Regulation 33(1)(2) of the Public Procurement and Assets Disposal Regulations, 2020 which states, a procuring entity shall establish a procurement function in accordance with Section 47 of the Act. The procurement function shall be handled by the procurement professionals whose qualification and experience are recognized in Kenya;

6.2 Non-Inspection and Acceptance of Procured Items

Included in the Kshs.87,592,959 is Kshs.8,181,000 spent on procurement of Boarding and School Fund items. There was no evidence that the goods were inspected after delivery to confirm if what was requested is what was delivered this was contrary to Section 48(1) and (3) of the Public Procurement and Asset Disposal Act, 2015 which requires an Accounting Officer of a procuring entity to establish an Ad Hoc Committee known as the inspection and acceptance committee and the committee shall immediately after the delivery of the goods, works or services inspect and where necessary, test the goods received;

6.3 Lack of a Procurement Plan

Management had not prepared a procurement plan for the financial year this is contrary to Section 53(2) of the Public Procurement and Asset Disposal Act, 2015 and Regulation 40(1) of the Public Procurement and Asset Disposal Regulations, 2020 which states that an Accounting Officer shall prepare an annual procurement plan which was

realistic in a format set out in the Regulations within the approved budget prior to commencement of each financial year as part of the annual budget preparation process;

6.4 Non-Provision of Advertisements for Framework Procurement

Review of documentation provided for audit revealed that the School carried out procurement of items on framework basis. However, the School did not provide the advertisement inviting interested bidders to submit tenders. Therefore, the audit team could not confirm adherence to Section 96 PPADA 2015 which requires the Accounting Officer of a procuring entity shall take such steps as are reasonable to bring the invitation to tender to the attention of those who may wish to submit tenders;

6.5 Direct Procurement of Boarding Items Using Cash Purchases

Included in the Kshs.87,592,958 is Kshs.16,933,383 spent on procurement of boarding and school fund items using cash. However, review of the supporting documentation revealed that the suppliers of these goods and services were not competitively sourced thus rendering their procurement irregular as the procurement of these goods and services did not meet the criteria set out for direct procurement contrary to Section 103 of the Public Procurement and Asset Disposal Act, 2015 which set out the criteria for direct procurement.

6.6 Irregular Procurement of Security Services

Note 7 reflects Kshs.87,592,959 in respect to boarding and school fund payments. Included in the Kshs.87,268,134 is Kshs.315,000 paid to a contractor to provide security services. However, no valid explanation has been provided as to the reasons the school has contracted a firm to provide security services whereas there are nine (9) security guards in the employ of the school.

6.7 Use of Cash to Procure Goods, Works and Services

The statement of receipts and payments reflects boarding and school fund payments of Kshs.87,592,958 as disclosed in Note 7 to the financial statements. However, the audit revealed that the School used cash totalling Kshs.1,557,345 for purchase of low value items. This is contrary to the procedure for Section 108 of the Public Procurement and Asset Disposal Act, 2015 which prescribes that the procedure and conditions for the use of low value procurement method by different classes of public entities or for different classes of goods, works or services being procured shall be as prescribed in the regulations.

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

7. Irregularities in the Works for Removal of Asbestos and Reroofing the School Dining Hall, Domestic Science Block Twin Laboratory Block, Art Room, Harambee Dormitory, Madaraka and Tumaini Dormitory

The statement of receipts and payments reflects payment for operations of Kshs.21,540,697 as disclosed in Note 6 to the financial statements. Included in this amount was works for removal of asbestos and reroofing the school dining hall, domestic

science block twin laboratory block, art room, Harambee dormitory, Madaraka and Tumaini dormitory. The School engaged a contractor on 9 June, 2022 at a contract sum of Kshs.6,200,000. However, the following unsatisfactory observations were made:

i. Procurement of Contractors in The Absence of Budget

The School commenced procurement proceedings without sufficient funds contrary to Section 53(8) of Public Procurement and Asset Disposal Act, 2015 which states that an accounting officer shall not commence any procurement proceeding until satisfied that sufficient funds to meet the obligations of the resulting contract are reflected in its approved budget estimates;

ii. Irregular Initialization and Tender Advertisement

The school used request for quotation to procure works estimated at Kshs.8,539,650 instead of open tender contrary to Section 96(1) of Public Procurement and Asset Disposal Act,2015 which requires an accounting officer of a procuring entity to take such steps as are reasonable to bring the invitation to tender to the attention of those who may wish to submit tenders.

iii. Procurement from Non-Registered Suppliers

The school requested bids to contractors who were not prequalified contrary to Section 106 (2) of Public Procurement and Asset Disposal Act, 2015 states that an accounting officer of a procuring entity shall deal with the request for quotations in accordance with the following; (a) the accounting officer of a procuring entity shall give the request to such persons as are registered by the procuring entity.

iv. Technical and Financial Evaluation Criteria Not Defined

The school management did not define the technical and financial criteria in the tender document issued to the bidder's contrary to Section 70(4) of the Public Procurement and Asset Disposal Act, 2015 states which requires the accounting officer of a procuring entity to prepare the tender document clearly indicating the technical and financial evaluation criteria to be applied which shall be quantifiable, measurable and objective.

v. Quotations Without Use of Standard Request for Quotation Documents and Lack of Quotation Register

The school used request for quotation to procure for works. However, the document used was not the Standard Request for Quotations (SRFQ) document prepared by the Public Procurement Regulatory Authority (PPRA) for use by Procuring Entities (PEs) for Request for Quotations for small contracts for goods, works, and non-consulting services. The school did not maintain tender register contrary to Section 78 (6) of Public Procurement and Asset Disposal Act, 2015.

vi. Failure to Appoint Tender Opening Committee

The school did not appoint tender opening committee and there was no tender opening minutes contrary to Regulation 25 of Public Procurement and Asset

Disposal Regulations,2020 requires the accounting officer to appoint a tender opening committee in accordance with Section 78 of the Public Procurement and Asset Disposal Act, 2015.

vii. Tender Document Not Signed by Tender Opening Committee Members

The tender documents submitted by the various bidders were not signed as stipulated in Section 78(11) of the Public Procurement and Asset Disposal Act,2015 which requires that each opened tender to be read out loud and recorded in a tender opening register.

viii. Irregular Evaluation of Bidders of Separate Works and Lack of Communication for Unsuccessful Bidder

The invitation for quotation dated 20th November was for the following buildings; The Dining Hall, Domestic Science Block, Chemistry/Biology Laboratory, Harambee Dormitory, Madaraka Dormitory and Tumaini Dormitory and the bidders were to quote for each individual building. However, it was noted that the four bidders who submitted their bids bided for individual buildings with different works and yet the evaluation committee evaluated them as bidders for same works implying that the unsuccessful bidders were dismissed. The audit team noted that there were no letters of Successful and unsuccessful bidders were not availed to the audit team contrary to Section 87.(1) of the Public Procurement and Asset Disposal Act ,2015.

ix. Lack of Professional Opinion

There was no professional opinion given contrary to Section 84(1) of Public Procurement and Asset Disposal Act, 2015 requires the head of procurement function of a procuring entity alongside the report to the evaluation committee to make secretariat comments, review the tender evaluation report and provide a signed professional opinion to the accounting officer on the procurement or asset disposal proceedings.

x. Flawed Procurement Process on Contract Signing

The school signed the contract with contractor on 2 December, 2023 before the following critical processes were carried out. The quotation period was closed on 5 December, 2023, bid document was filled on 14 December, 2023, contract awarded 7 December by the evaluation committee, Notification of award was on 18 December, 2023 and acceptance was on 18 December, 2023. In the circumstances, the procurement processed is presumed flawed.

xi. Project Status

Interim payment Certificate number 1 date 24 January, 2024 revealed that works amounting Kshs.3,869,892 had been done versus the contract sum of Kshs.6,200,000. However, the amount was not supported by a detailed measurement sheets as per the bill of quantity to confirm works done and works

not done. However, physical verification done on 7 June, 2024 using the tendered bill of quantity revealed that the project was still ongoing.

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

8. Failure to Prepare and Maintain Fixed Assets Register

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.448,380,000 in respect of fixed assets. However, no valuation was done on all the fixed assets. Further, management did not maintain fixed asset register in the prescribed and the assets were not coded or tagged for ease of identification and tracking of the assets contrary to Section 79 of the Public Finance Management Act, 2012 which states that requires Public Officers to ensure that adequate arrangements are made for the proper use, custody, safeguarding and maintenance of public property.

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

9. Failure to Prepare a School Improvement Plan

During the period under review, the School did not have an approved School Improvement plan, contrary to Section 2.2 of the Ministry of Education Operation Manual for Utilization of Learner Capitation Grant and Other School Funds, which requires schools to identify in every three-year school improvement planning cycle, one priority area in each of the four key areas which include curriculum implementation, foundational literacy and numeracy outcomes, an enabling environment for learning and parental involvement and community engagement for implementation.

In the circumstances, the strategy for school improvement could not be confirmed.

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 comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Proper Registration of School Buses

Records provided for audit indicates revealed that the School had three (3) school buses with civilian number plates that have not been changed to blue number plates.

In the circumstances, the School buses are exposed to misuse without easy detection.

2. Lack of a Risk Management Plan

Review of the records provided for audit including the Audit Committee Minute File revealed that the school's management had not established a risk management policy contrary to Regulation 165(1)(a) of the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer shall ensure that a national government entity develops risk management strategies, which include fraud prevention mechanisms.

In the circumstances, the effectiveness of the school's risk management could not be confirmed.

3. Failure to Hold Audit Committee Meeting

During the year under review, the school had not constituted an audit committee and an internal audit unit as required by Regulation 166(1) and (2) of the Public Finance Management (National Government), Regulations 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 School did not benefit from the oversight role and advice from the audit committee and the internal audit function.

4. Lack of Information Technology Controls

The following Information Technology (IT) control weaknesses were noted:

- i. The School did not have an approved policy on Information Communication Technology (ICT) including policies on IT continuity plan, and therefore critical data/information may not be recovered in case a disaster occurs;
- ii. The school does not have IT strategic or steering committees which could result in non- implementation of IT governance, as part of enterprise governance;
- iii. The school lacked security policy, an indication that there is no clear direction to maintain information security and to safeguard its assets; and
- iv. The school did not have IT strategic plan which could result in IT goals not contributing to the departments strategic objectives, related costs and risks.

In addition, without a sound and approved framework, users do not have any rules and procedures to follow in order to minimize risk of errors, fraud and the loss of data confidentiality, integrity and availability.

In the circumstances, the School is exposed to financial losses and falsification of records.

5. Lack of Inventory Control Documents

Information and explanation provided for audit revealed that the school did not undertake stock takes during the year under review and keep stock take reports. Further, stock reconciliation reports and stock movement schedule including stores ledges were not provided for audit. This is contrary to Regulation 139(1)(b) of the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer of a National Government entity shall take full responsibility and ensure that proper control systems exist for assets and that movement and conditions of assets can be tracked.

In the circumstances, the school's stocks are at risk of being misappropriated.

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

Responsibilities of Management and 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- Accrual 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 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 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 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 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 noncompliance. 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 the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgment 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 controls.
- 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 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's 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's 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.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

20 September, 2024

**THE SACRED HEART MUKUMU GIRLS HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023**

I. STATEMENT OF RECEIPTS AND PAYMENTS

DESCRIPTION OF VOTE HEAD	Note	2022-2023	2021-2022
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition	1	5,467,089	6,043,246
Capitation grants for operations	2	35,324,604	40,103,060
School Fund Income- Parents' Contributions	3	95,286,625	105,215,790
School Fund Income- Other receipts	4	4,753,982	6,865,138
Proceeds from borrowings			
TOTAL RECEIPTS		140,832,300	158,227,234
PAYMENTS			
Payments for Tuition	5	5,686,241	7,516,337
Payments for operations	6	21,540,697	26,112,468
Boarding and school fund payments	7	87,592,959	109,648,100
TOTAL PAYMENTS		114,819,897	143,276,905
SURPLUS/DEFICIT		26,012,403	14,950,329

The school financial statements were approved on and signed by:

Name: FR-VINCENT MUKOKOTO
 Designation: **Chairman, School Board of Management**
 Sign: [Signature]
 Date: 17-9-2024

Name: [Signature]
 Designation: **School Principal & Secretary to Board of Management**
 Sign: [Signature]
 Date: [Signature]

Name: EMILY NAKIBI
 Designation: **Bursar/Finance Officer**
 Sign: [Signature]
 Date: 17/9/24

PRINCIPAL
 THE SACRED HEART MUKUMU GIRLS' HIGH SCHOOL
17 SEP 2024
 P. O. Box 118-50104, KHAYEGA
 SIGN: [Signature]

**THE SACRED HEART MUKUMU GIRLS HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023**

II. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

	Note	2022 - 2023 Kshs	2021 - 2022 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	44,452,921	18,432,581
Cash Balances	9	-	7,937
Short term Investment	10	-	-
Total Cash and Cash Equivalents		44,452,921	18,440,518
Account's receivables	11	-	-
TOTAL FINANCIAL ASSETS		44,452,921	18,440,518
FINANCIAL LIABILITIES			
Accounts Payable	12	-	-
NET FINANCIAL SSETS		44,452,921	18,440,518
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	18,440,518	3,490,189
Surplus/Defict for the year		26,012,403	14,950,329
NET FINANCIAL POSITION		44,452,921	18,440,518

0 (0)

The school financial statements were approved on and signed by:

Name: FR. VINCENT MUKOKOTO
 Designation: **Chairman, School Board of Management**
 Sign: Vincent
 Date: 17-9-2024

Name: SR. JANE AMUKOYE
 Designation: **School Principal & Secretary to Board of Management**
 Sign: J.A.
 Date: 17/9/2024

PRINCIPAL
 THE SACRED HEART MUKUMU GIRLS' HIGH SCHOOL
17 SEP 2024
 P. O. Box 118-50104, KHAYEGA
 SIGN.....

THE SACRED HEART MUKUMU GIRLS HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023

Name: ERASTUS NAKOTI MIHEBO

Designation: Bursar/Finance Officer

Sign: 

Date: 17/8/24

**THE SACRED HEART MUKUMU GIRLS HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023**


STATEMENT OF CASH FLOW


		2022 - 2023	2021 - 2022
		Kshs	Kshs
Receipts from operating activities			
Capitation grants for tuition	1	5,467,089	6,043,246
Capitation grants for operations	2	35,324,604	40,103,060
School fund income- Parents contributions/ fees	3	95,286,625	105,215,790
School fund income- other receipts	4	4,753,982	6,865,138
Total receipts		140,832,300	158,227,234
Payments			
Payments for Tuition	5	5,686,241	7,516,337
Payments for operations	6	21,540,697	26,112,468
Boarding and school fund payments	7	87,592,959	109,648,100
	8	114,819,897	143,276,905
Net cash flow from operating activities	9	26,012,403	14,950,329
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		-	-
Acquisition of Assets		-	-
Proceeds from investments		-	-
Net cash flows from Investing Activities		-	-
NET CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		26,012,403	14,950,329
Cash and cash equivalent at BEGINNING of the year	10	18,440,518	377,227
Cash and cash equivalent at END of the year		44,452,921	18,440,518

The school financial statements were approved on and signed by:

Name: FR. VINCENT MUKOKITO
 Designation: Chairman, School Board of Management
 Sign: Vmpt
 Date: 12-9-2024

THE SACRED HEART MUKUMU GIRLS HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023

Name: SR-JANE AMUKOYE
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 17/9/2024

Name: ERASTUS MAKOSI MHEBO
Designation: Bursar/Finance Officer
Sign: 
Date: 17/9/24

PRINCIPAL
THE SACRED HEART MUKUMU GIRLS' HIGH SCHOOL
17 SEP 2024
P.O. Box 118-50104, KHAYEGA
SIGN.....

THE SACRED HEART MUKUMU GIRLS HIGH SCHOOL

PUBLIC SECONDARY SCHOOL

ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023

Receipt/Expense Item	Original Budget	Adjustments		Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	Opening Balance (C/Bk) and AIA	b				
RECEIPTS			Previous years Outstanding Disbursements				
(1) CAPITATION GRANT ON TUITION							
Teaching / learning materials	13,675,992.00			13,675,992.00	5,467,089.25	8,208,902.75	40.0%
(2) CAPITATION GRANT ON OPERATIONS							
Personnel emoluments	13,401,824.00			13,401,824.00	8,202,061.86	5,199,762.14	61.2%
Repairs and maintenance	16,372,500.00			16,372,500.00	8,944,000.00	7,428,500.00	54.6%
Local transport / travelling	2,902,014.00			2,902,014.00	-	2,902,014.00	0.0%
Electricity and water	6,586,444.00			6,586,444.00	3,667,040.85	2,919,403.15	55.7%
Administration costs	2,881,764.90			2,881,764.90	6,954,423.51	(4,072,658.61)	241.3%
Infrastructure					5,772,078.00		
Medical and insurance					595,000.00		
Activity	4,344,750.00			4,344,750.00	1,190,000.00	3,154,750.00	27.4%
(3) FEES CHARGED ON PARENTS							
Personnel emoluments	14,242,450.00			14,242,450.00	10,767,304.00	3,475,146.00	75.6%
Repairs and maintenance	6,895,000.00			6,895,000.00	5,901,701.00	993,299.00	85.6%
Local transport / travelling	3,604,250.00			3,604,250.00	2,641,948.00	962,302.00	73.3%
Electricity and water	13,615,000.00			13,615,000.00	9,559,045.06	4,055,954.94	70.2%
Administration costs	5,323,750.00			5,323,750.00	4,474,167.40	849,582.60	84.0%
Activity	1,550,000.00			1,550,000.00	665,600.00	884,400.00	42.9%
Fee on Boarding Equipment and Stores	62,239,550.00			62,239,550.00	61,276,859.20	962,690.80	98.5%

THE SACRED HEART MUKUMU GIRLS HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023

OTHER INCOME									
Rent income							246,229.00	-	0.0%
Income from farming activities							621,669.00		0.0%
Income from Bus Hire							76,500.00		0.0%
Bakery							3,809,584.00		0.0%
Tender									
TOTAL INCOME			167,635,288.90			167,635,288.90	140,832,300.13	37,924,048.77	84.0%
(1) EXPENDITURE FOR TUITION									
Teaching / learning materials			13,675,992.00			13,675,992.00	5,686,241.05	7,989,750.95	42%
(2) EXPENDITURE FOR OPERATION									
Personnel emoluments			13,401,824.00			13,401,824.00	9,622,613.75	3,779,210.25	71.8%
Repairs and maintenance			16,372,500.00			16,372,500.00	-	16,372,500.00	0.0%
Local transport / travelling			2,902,014.00			2,902,014.00	754,464.00	2,147,550.00	26.0%
Electricity and water			6,586,444.00			6,586,444.00	2,611,377.00	3,975,067.00	39.6%
Administration costs			2,881,764.90			2,881,764.90	3,083,930.12	(202,165.22)	107.0%
Activity							5,371,312.50		
Medical and insurance							97,000.00		
Activity			4,344,750.00			4,344,750.00	-	4,344,750.00	0.0%
(3) EXPENDITURE FOR SCHOOL FUND									
Personnel emoluments			14,242,450.00			14,242,450.00	9,985,336.82	4,257,113.18	70.1%
Repairs and maintenance			6,895,000.00			6,895,000.00	6,940,068.00	(45,068.00)	100.7%
Local transport / travelling			3,604,250.00			3,604,250.00	3,852,609.50	(248,359.50)	106.9%
Electricity and water			13,615,000.00			13,615,000.00	6,802,327.00	6,812,673.00	50.0%
Administration costs			5,323,750.00			5,323,750.00	6,296,395.40	(972,645.40)	118.3%

THE SACRED HEART MUKUMU GIRLS HIGH SCHOOL
 PUBLIC SECONDARY SCHOOL
 ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023

Activity	1,550,000.00			1,550,000.00	1,482,463.00	67,537.00	95.6%
Expenses on Boarding Equipment and Stores	62,239,550.00			62,239,550.00	45,510,552.55	16,728,997.45	73.1%
Medical					1,265,395.39	(1,265,395.39)	0.0%
Gratuity					1,289,178.00	(1,289,178.00)	0.0%
Expenses on income generating activities					4,168,633.00	(4,168,633.00)	0.0%
					87,592,958.66		
TOTAL	167,635,288.90			167,635,288.90	114,819,897.08	58,283,704.32	68.5%

PRINCIPAL
 THE SACRED HEART MUKUMU GIRLS' HIGH SCHOOL
17 SEP 2024
 P.O. Box 118-50104, KHAYEGA
 SIGN *[Signature]*

**THE SACRED HEART MUKUMU GIRLS HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023**

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 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.

**THE SACRED HEART MUKUMU GIRLS HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023**

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 2023.

**THE SACRED HEART MUKUMU GIRLS HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023**

I. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2022-2023	2021-2022
	Kshs	Kshs
Teaching / learning materials	5,467,089.25	6,043,245.80
Total	5,467,089.25	6,043,245.80

2 CAPITATION GRANT FOR OPERATIONS

	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	8,202,061.86	9,145,264.10
Maintenance and Improvement	8,944,000.00	9,600,000.00
Local transport / travelling	-	854,404.92
Electricity and water	3,667,040.85	4,484,262.28
Administration costs	6,954,423.51	1,985,178.96
Activity	1,190,000.00	
Medical and insurance	595,000.00	368,600.00
Infrastructure	5,772,078.00	13,665,350.00
Total	35,324,604.22	40,103,060.26

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	10,767,304.00	11,903,680.00
Fee on Boarding Equipment and Stores	61,276,859.20	68,324,094.00
Maintenance and Improvement	5,901,701.00	5,554,295.00
Local transport / travelling	2,641,948.00	2,180,820.00
Electricity and water	9,559,045.06	11,115,502.00
Administration costs	4,474,167.40	4,897,614.00
Activity	665,600.00	1,239,785.00
Total	95,286,624.66	105,215,790.00

**THE SACRED HEART MUKUMU GIRLS HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023**

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2022-2023	2021-2022
	Kshs	Kshs
Rent income	246,229.00	169,700.00
Income from farming activities	621,669.00	1,180,418.00
Income from bakery	3,809,584.00	5,209,020.00
Tender	-	114,000.00
Income from Bus Hire	76,500.00	192,000.00
Total	4,753,982.00	6,865,138.00

5 PAYMENTS FOR TUITION

	202-2023	2021-2022
	Kshs	Kshs
Teaching / learning materials	5,686,241.05	7,516,336.90
Total	5,686,241.05	7,516,336.90

6 PAYMENTS FOR OPERATIONS

	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	9,622,613.75	9,969,896.69
Service Gratuity		
Administration Cost	3,083,930.12	652,887.00
Maintenance and Improvement		
Local transport / travelling	754,464.00	1,306,848.20
Electricity and water	2,611,377.00	730,316.00
Infrastructure	5,371,312.50	13,452,520.30
Medical/Insurance Cost	97,000.00	
TOTAL	21,540,697.37	26,112,468.19

**THE SACRED HEART MUKUMU GIRLS HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023**

7 BOARDING AND SCHOOL FUND PAYMENTS

	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	9,985,336.82	12,454,110.45
Maintenance & Improvements	6,940,068.00	7,749,487.00
Local transport / travelling	3,852,609.50	3,582,590.00
Electricity and water	6,802,327.10	11,448,824.00
Administration costs	6,296,395.40	4,307,476.35
Service gratuity	1,289,178.00	930,280.30
Expenses on Income Generating Activities	4,168,633.00	6,131,135.00
Expenses on Boarding Equipment and Stores	45,510,552.55	60,599,882.00
Activity Expenses	1,482,463.00	723,400.00
Medical /Insurance Expenses	1,265,395.39	1,720,915.00
TOTAL	87,592,958.76	109,648,100.10

8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Account Number	2022-2023	2021-2022
		Kshs	Kshs
Tuition Account		87,080.20	306,232.00
Operations Account		561,710.24	57,464.25
School Fund Account/Boarding		2,407,755.70	1,170,656.45
Current Account-696		1,720,000.00	1,720,000.00
Savings Account Equity -539		10,647,990.60	2,837,720.10
Savings Account coop -900		1,589,567.13	324,673.13
Savings Account kcb-377		16,728,347.24	7,992,551.60
Savings Account IGA- 689		(120,755.32)	659,849.68
Savings Account Farm-051		110,162.95	14,540.95
Savings Account-392		508,849.05	668,849.05
Savings Account--018		1,419,623.00	1,419,623.00
Savings Account-471		8,170,207.61	1,040,613.20
Infrastructural Account		622,382.25	219,807.25
Total		44,452,920.65	18,432,580.66

**THE SACRED HEART MUKUMU GIRLS HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023**

9 CASH IN HAND

Description	2022-2023	2021-2022
	Kshs	Kshs
Tuition Account	-	-
Operation Account		6,128.11
School Fund account	-	-
Infrastructural Account		1,809.00
Total	-	7,937.11

10 SHORT TERM INVESTMENTS

Description	2022-2023	2020-2021
	Kshs	Kshs
Cooperative shares	-	-
Treasury Bills	-	-
Fixed deposit	-	-
Equity stock	-	-
Other investments	-	-
Total	-	-

11 ACCOUNTS RECEIVABLE

Description	2022-2023	2021-2022
	Kshs	Kshs
Fees arrears	-	-
Refunds		
KUCCUPS		
Salary advances	-	
Imprest	-	-
Total		

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

Description	2022-2023	2021-2022
	Kshs	Kshs
Fees arrears for current year	13,321,006.75	-
Fees arrears for the previous year	4,484,840.00	8,895,270.00
Fees arrears for prior periods (over two years)	25,901,259.30	25,901,259.30
Total	43,707,106.05	34,796,529.30

**THE SACRED HEART MUKUMU GIRLS HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023**

12 ACCOUNTS PAYABLE

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade creditors (See ageing below and appendix I)	-	-
Prepaid fees		
Advance		
Total		

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

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade creditors for current year	7,618,930.00	-
Trade creditors for the previous year	-	-
Trade creditors for prior periods (over two years)	-	-
Total	7,618,930.00	-

13 FUND BALANCE BROUGHT FORWARD

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank balances	18,432,580.66	18,432,580.66
Cash balances	7,937.11	7,937.11
Short Term Investments	-	-
Receivables	-	-
Payables	-	-
Total	18,440,517.77	18,440,517.77

Other important disclosure notes

14 Non-current Liabilities Summary

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank loan(s)	-	-
Outstanding Leases	-	-
Hire purchase	-	-
Gratuity and leave provision	-	-
Total	-	-

**THE SACRED HEART MUKUMU GIRLS HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023**

15 Biological assets

Description	Numbers	2022-2023	2021-2022
		Kshs	Kshs
Cattle		-	-
Goats		-	-
Trees		-	-
Coffee or tea plantation		-	-
Poultry		-	-
Total		-	-

16 Borrowings

Description	2022-2023	2021-2022
	KShs	KShs
a) Borrowings		
Borrowing at beginning of the year	-	-
Borrowings during the year	-	-
Repayments of during the year	-	-
Balance at end of the year	-	-

17 1 Stock/ Inventory

Description	2022-2023	2021-2022
	KShs	KShs
Stock/Inventory		
Stock/ inventory at beginning of the year	-	-
Stock/ inventory purchased during the year	-	-
Stock/ inventory issued during the year	-	-
Balance at end of the year	-	-

**THE SACRED HEART MUKUMU GIRLS HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023**

TRIAL BALANCE AS AT 30TH JUNE 2023

		DR	CR
		Ksh	Ksh
Cash and Cash equivalents			
	Bank Balances	44,452,921	
	Cash Balances	-	
	Short term investments	-	
	Receivables	-	
Payments			
	Payments for Tuition	5,686,241	
	Payments for operations	21,540,697	
	Boarding and school fund payments	87,592,959	
Receipts			
	Capitation grants for tuition		5,467,089
	Capitation grants for operations		35,324,604
	School Fund Income- Parents' Contributions		95,286,625
	School Fund Income- Other receipts		4,753,982
	Proceeds from borrowings		
Prior Year Adjustment			
	Fund Balance b/f		18,440,518
	Payables		-
TOTAL		159,272,818	159,272,818

The school financial statements were approved on and signed by:

Name: FRANCIS MUKOKU
 Designation: Chairman, School Board of Management
 Sign: [Signature]
 Date: 17-9-2024

Name: S.R. JANE AMUKOYE
 Designation: School Principal & Secretary to Board of Management
 Sign: [Signature]
 Date: 17/9/2024

Name: ERASTUS MAKOTI NIHEBO
 Designation: Bursar/Finance Officer
 Sign: [Signature]
 Date: 17/9/2024

PRINCIPAL
 THE SACRED HEART MUKUMU GIRLS' HIGH SCHOOL
17 SEP 2024
 P. O. Box 118- 50104, KHAYEGA
 SIGN.....

**THE SACRED HEART MUKUMU GIRLS HIGH SCHOOL
PUBLIC SECONDARY SCHOOL.
ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023**

18. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

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

.....
SIGN AND DATE
PRINCIPAL

PRINCIPAL
THE SACRED HEART MUKUMU GIRLS' HIGH SCHOOL
17 SEP 2024
P. O. Box 118-50104, KHAYEGA
SIGN.....

THE SACRED HEART MUKUMU GIRLS HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023

Annex I- Analysis of Pending Accounts Payable						
Supplier of Goods/Services	Original Amount	Date Contracted	Amount paid To Date	Outstanding Balance 2023	Comments	
	a	b	c	d=a-c		
	Kshs.	Kshs.	Kshs.	Kshs.		
Construction of Buildings						
1 Electricals materials	175,490.00	June, 2023	-	175,490.00	All trade creditors were paid after the financial year because the financial year ends middle of the academic year, while learning was in progress.	
2. Timber & Plumbing materials	375,040.00	June, 2023	-	375,040.00		
3. Dough mixer & allumin lid	198,800.00	June, 2023	-	198,800.00		
4. Concrete block, tile & paints	256,700.00	June, 2023	-	256,700.00		
Sub - Total	1,006,030.00			1,006,030.00		
Supply of Goods						
5. Beans	1,024,000.00	June, 2023	-	1,024,000.00		
6. Firewood	200,000.00	June, 2023	-	200,000.00		
7. Blouses, suits, dress & shirts	193,400.00	June, 2023	-	193,400.00		
8. School magazine	700,000.00	June, 2023	-	700,000.00		
9. Lab. Chemicals, photocopies	1,936,235.00	June, 2023	-	1,936,235.00		
10. Cartridges, whiteboard & ink	462,000.00	June, 2023	-	462,000.00		
11. Stationeries	1,153,810.00	June, 2023	-	1,153,810.00		
Sub - Total	5,669,445.00			5,669,445.00		
Supply of Services						
12. Generator repair	10,000.00	June, 2023	-	10,000.00		
13. Exhausting septic tank	96,000.00	June, 2023	-	96,000.00		
14. Finance system	100,000.00	June, 2023	-	100,000.00		
15. P.A.Y.E & contribution sacco	330,955.00	June, 2023	-	330,955.00		
16. CCTV installation	193,500.00	June, 2023	-	193,500.00		
17. Unblocking manholes	213,000.00	June, 2023	-	213,000.00		
Sub - Total	943,455.00			943,455.00		
Grand Total	7,618,930.00			7,618,930.00		

THE SACRED HEART MUKUMU GIRLS HIGH SCHOOL
PUBLIC SECONDARY SCHOOL
ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023

Annex 2- Summary of Fixed Assets Register							
S/NO	Asset class	Date purchase	Location	Historical Cost b/f (Kshs) 1st July 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June, 2023
1	Land 1	1958	Khayega	65,000,000.00	-	-	70,000,000.00
2	Land 2	1990	Khayega	80,500,000.00			85,500,000.00
3	Building and Structures	1958	in school	263,184,612.11		-	275,880,000.00
4	Motor vehicles	1997	in school	5,625,000.00	-	-	4,500,000.00
5	Office Equip.,furn & fittings	1990	in school	2,562,500.00	-	-	2,500,000.00
6	ICT Equip. & other assets	1997	in school	4,500,000.00	-	-	1,500,000.00
7	Tools & appratus	1984	in school	1,025,000.00	-	-	1,000,000.00
8	textbooks	2016	in school	6,250,000.00	-	-	5,000,000.00
9	Other machinery & Equip.	2009	in school	2,500,000.00	-	-	2,000,000.00
10	Heritage & cultural assets	2017	in school	625,000.00	-	-	500,000.00
TOTAL				431,772,112.11			448,380,000.00

PRINCIPAL
THE SACRED HEART MUKUMU GIRLS' HIGH SCHOOL
17 SEP 2024
P. O. Box 118- 50104, KHAYEGA
SIGN.....