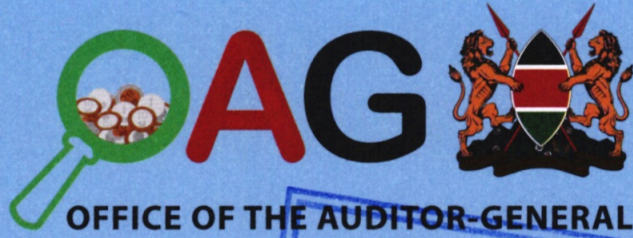
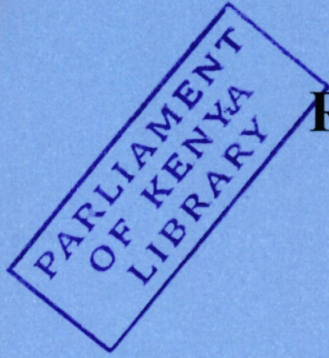


REPUBLIC OF KENYA

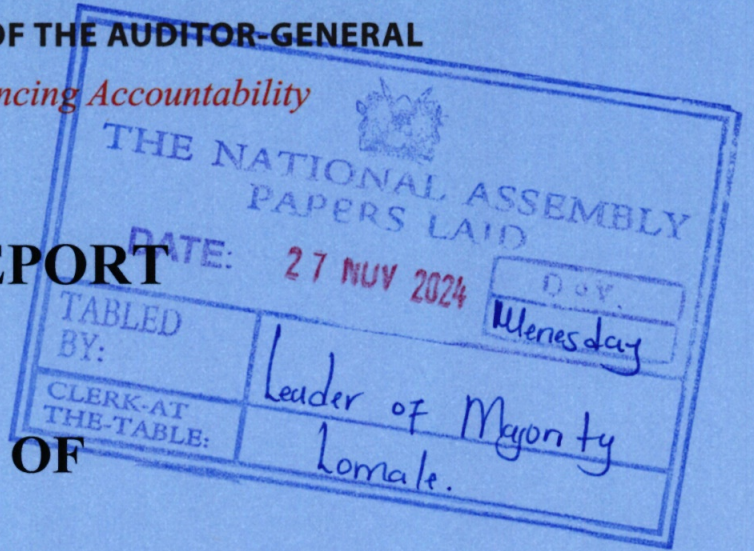


*Enhancing Accountability*



**REPORT**

**OF**



**THE AUDITOR-GENERAL**

**ON**

**MAKWA BOYS  
SECONDARY SCHOOL**

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

**KIAMBU COUNTY**



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**MAKWA BOYS SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30<sup>th</sup> June 2021**

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

**MAKWA BOYS SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL  
Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

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PUBLIC SECONDARY SCHOOL  
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**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 Kiambu County, Gatundu North Sub-County

The school was registered in November 1986 under registration number 22S00300429 and is currently categorized as a County public school established, owned or operated by the Government.

The school is a boarding school and had 754 numbers of students as at 30<sup>th</sup> June 2021. It has 4 streams and 26 teachers of which 7 teachers are employed by the School Board of Management.

**(b) School Board of Management - Board Members**

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

Ref:	Name of Board Member	Designation	Date of appointment
1	Scolastica Wangari	Chair	22/01/2019
2	Maingi Paul Koome	Secretary- Principal	22/01/2019
3	Alice Wakarura	Member	22/01/2019
4	Mary Kabangu	Member	22/01/2019
5	Henry Njoroge	Member	22/01/2019
6	Paul Gacheru	Member	22/01/2019
7	Paul Mucibi	Member	22/01/2019
8	Jackson Ndung'u	Member – Rep CEB	22/01/2019
9	Phyllis Ngatia	Member Rep Teachers	22/01/2019
10	Michael Kamau	Members - Sponsor	22/01/2019
11	Frank Gikonyo	Member - Community	22/01/2019
12	Pauline Njoki	Member Special Needs	22/01/2019
	Weston Kamau	Rep Students	22/01/2019

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PUBLIC SECONDARY SCHOOL  
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For the year ended 30<sup>th</sup> June 2021**

**I. KEY SCHOOL INFORMATION AND MANAGEMENT**

**The functions of the School Board of Management include:**

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013
- Ensure and assure the provision of proper and adequate facilities for the School
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School.
- Determine cases of pupils discipline and make reports to the CEB
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB
- Administer and manage the resources of the School
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule 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 year
1	Executive Committee	1. Scolastica Wangari	BOM Chair	2/2
		2. Jackson Ndungu	BOM V. Chair	2/2
		3. Maingi paul Koome	BOM Secretary	2/2
2	Audit Committee	1. Frank Gikonyo	Member	None
		2. Henry Njoroge	Member	None
		3. Rev. Peter Karanja	P.A Chair	None
3	Finance,procurement and general purposes Committee	1. Scolastica Wangari	BOM Chair	4/4
			PA Chair	
		2. Rev. Peter Karanja		4/4
		3. Kalululwanga Mutuaruhiu	Member	4/4

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4	Academic Committee	1. Paul Muchibi	Member	None
		2. Phyllis Ngatia	Member	None
		3. Jackson Ndung'u	Member	None
5	Development Committee	1. Paul K. Maingi	BOM Secretary	4/4
		2. Scolastica Wangari	BOM Chair	4/4
		3. Rev. Peter Karanja	PA Chair	4/4
		4. Jackson Ndungu	Member	1/4
		5. Kalululwanga mutuaruhiu	Member	4/4
6	Discipline and welfare Committee	1. Michael Kamau		None
		2. Alice Wakarura		None
		3. Mary Kabangu		None
7	Adhoc Committee (if any during the year)			None

**(d) School operation Management**

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

Ref:	Designation	Name	TSC Number
1	Principal	Maingi Paul Koome	351804
2	Deputy Principal	Lawrence Kuria Ngigi	287343
3	School Bursar	Annastasia Wangui Kariuki	27831731-ID

**MAKWA BOYS SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL  
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**1. KEY SCHOOL INFORMATION AND MANAGEMENT**

**(e) Schools contacts**

Post Office Box: 97 Gatukuyu Via Thika - 01028  
Telephone: 0725510557  
E-mail: [makwaboys@gmail.com](mailto:makwaboys@gmail.com)  
Website: [www.makwaboys.com](http://www.makwaboys.com)

**(f) School Bankers**

The school operated 5 bank accounts in the following banks:

1. Name of Bank: KCB  
Branch: Thika  
Account Number: 1102176435
  2. Name of Bank: KCB  
Branch: Thika  
Account Number: 1102188425
  3. Name of Bank: KCB  
Branch: Thika  
Account Number: 1102191159
  4. Name of Bank: KCB  
Branch: Thika  
Account Number: 1261642821
  5. Name of Bank: EQUITY  
Branch: Thika  
Account Number: 0090100128463
6. MPESA PayBill No. 485173 attached to KCB bank account 1102176435

**(g) Independent Auditors**

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

**MAKWA BOYS SECONDARY SCHOOL  
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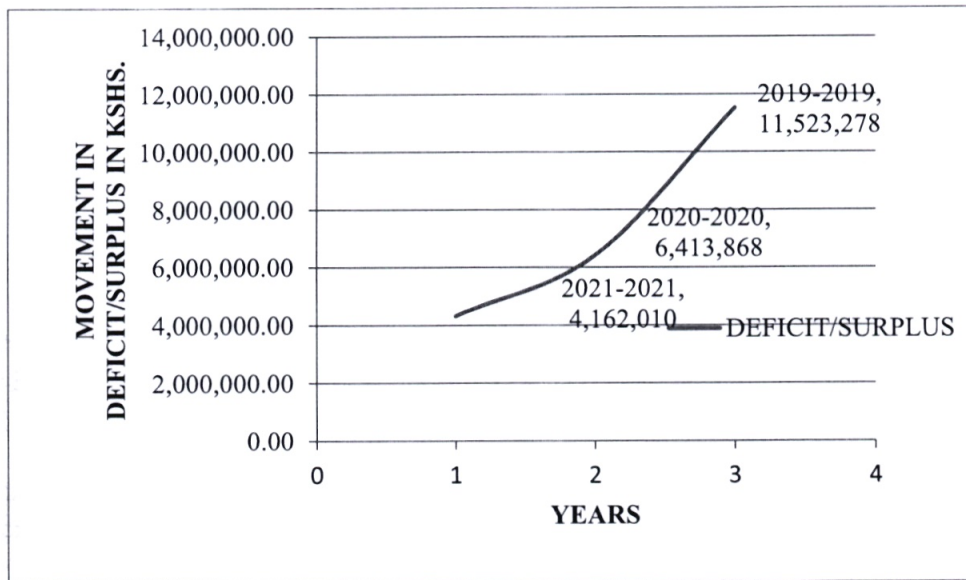
**II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL**

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

**a) Financial performance:**

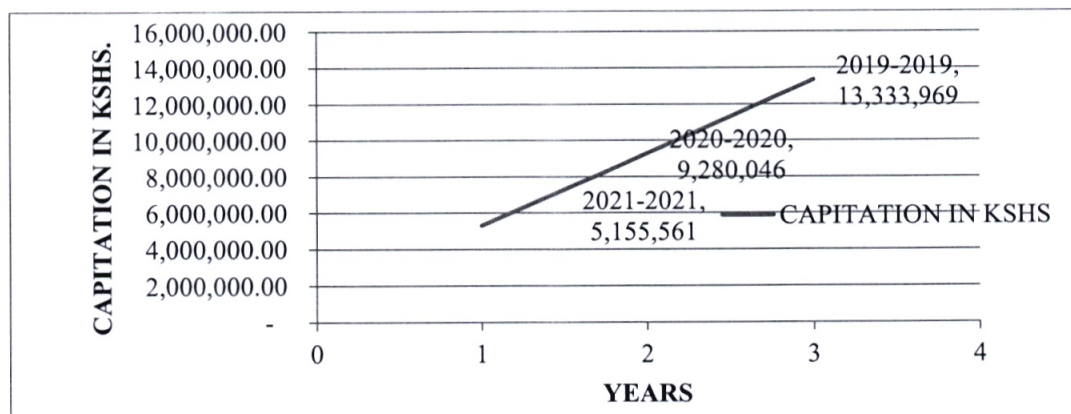
- *Surplus/ deficit for the year and a comparison of the same for the last three years*

YEAR	2020-2021	2020-2020	2019-2019
DEFICIT/SURPLUS	4,162,010	6,413,868	11,523,278



- *Capitation grants from the Ministry of Education for the last three years*

YEAR	2020-2021	2020-2020	2019-2019
CAPITATION IN KSHS	5,155,561	9,280,046	13,333,969

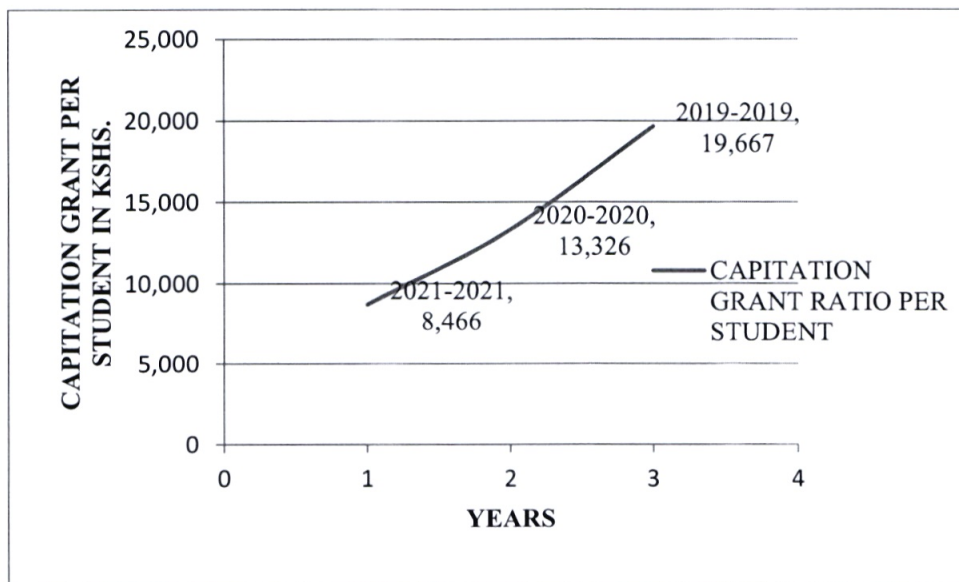




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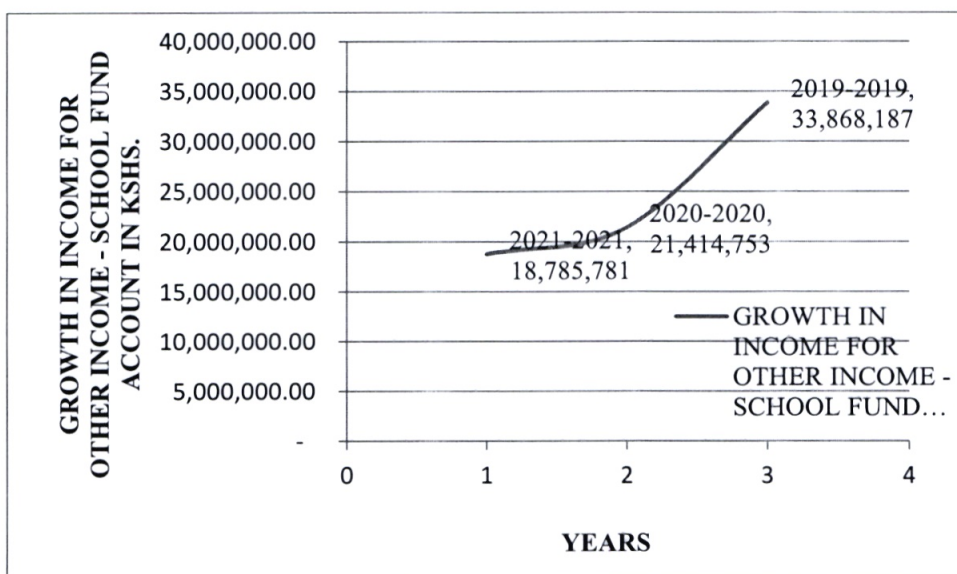
- Ratio of capitation grant per student over the last three years

YEARS	2020-2021	2020-2020	2019-2019
<b>CAPITATION GRANT RATIO PER STUDENT</b>	8,466	13,326	19,667



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

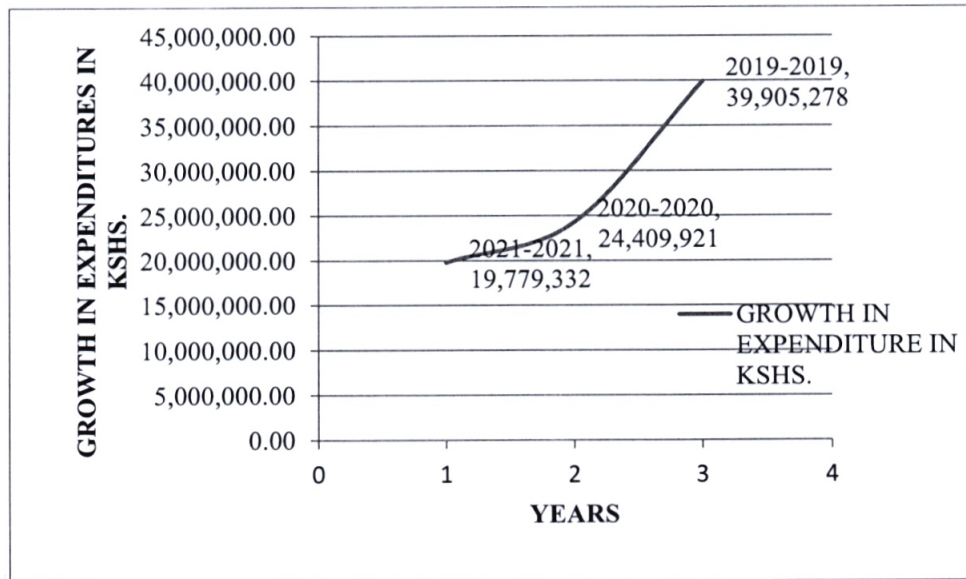
YEARS	2020-2021	2020-2020	2019-2019
<b>GROWTH IN INCOME FOR OTHER INCOME - SCHOOL FUND ACCOUNT</b>	18,785,781	21,414,753	33,868,187



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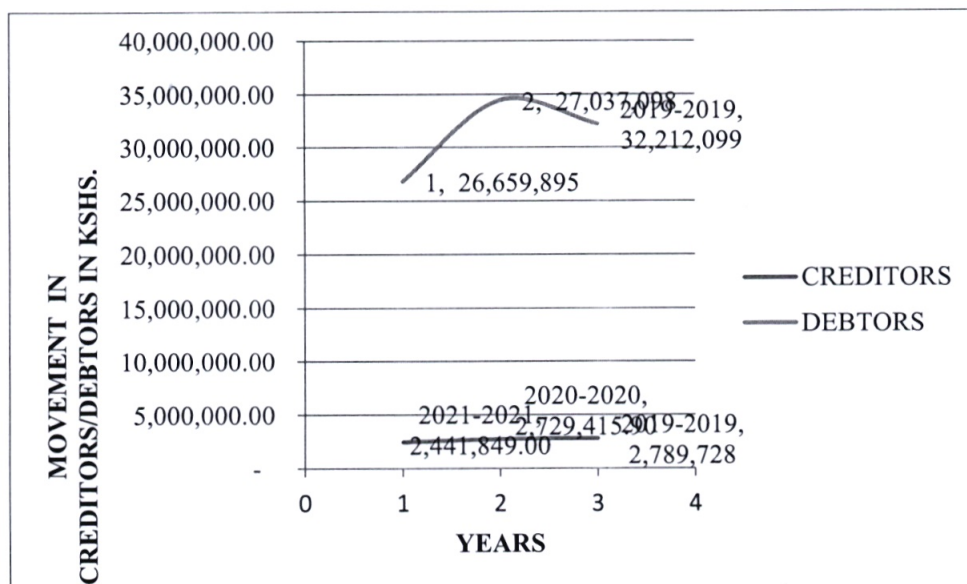
- *A three-year overview of growth in expenditure of the school*

YEARS	2020-2021	2020-2020	2019-2019
<b>GROWTH IN EXPENDITURE IN KSHS.</b>	19,779,332	24,409,921	39,905,278



- *Movement of debtors and creditors of the school over the last three years*

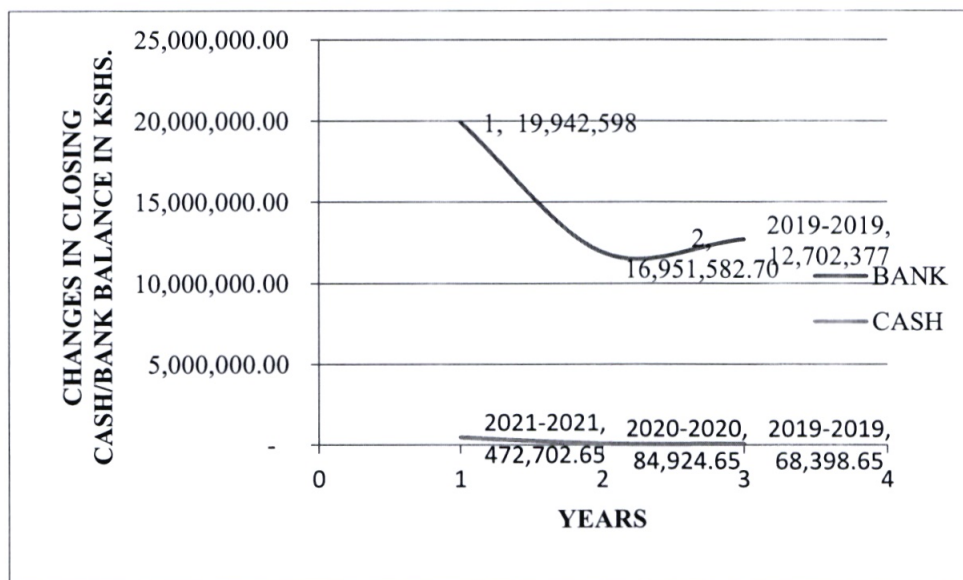
YEARS	2020-2021	2020-2020	2019-2019
<b>CREDITORS</b>	2,441,849.00	2,729,416	2,789,728
<b>DEBTORS</b>	26,659,895.00	27,037,098	32,212,099



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

YEARS	2020-2021	2020-2020	2019-2019
<b>BANK</b>	19,942,598	16,951,582	12,702,377
<b>CASH</b>	472,703	84,925	68,399



b) **Teacher Student ratio:**

CURRICULUM BASED ESTABLISHMENT AS AT 2021

NUMBER OF STREAMS FORM 1-4      FORM 2-4      FORM 3-4      FORM 4-3

LESSON ALLOCATION

SUBJECT	F1	F2	F3	F4	TOTAL	TEACHERS REQUIRED
ENGLISH	18	24	32	24	104	4
KISWAHILI	20	20	24	18	82	3
MATHS	24	24	28	21	96	4
CHEMISTRY	16	16	20	15	67	3
PHYSICS	16	16	10	10	42	2
BIOLOGY	16	16	10	10	42	2
HISTORY	12	12	10	10	44	2
CRE	12	12	16	12	52	2
GEOGRAPHY	12	12	10	10	44	2

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AGRICULTURE	9	9	8	8	34	1
<b>SUBJECT</b>	<b>F1</b>	<b>F2</b>	<b>F3</b>	<b>F4</b>	<b>TOTAL</b>	<b>TEACHERS REQUIRED</b>
COMPUTER	9	9	4	4	26	1
BUSINESS STUDIES	9	9	8	8	34	1
P.E	4	4	4	3	15	1
					<b>687</b>	<b>28</b>

**SHORT FALL**

Principal  $27-6 = 21$

Deputy Principal  $27 - 12 = 15$

HODs  $(27 - 18) \times 8 = 72$

Total 108

Teachers required from the short fall  $108/27 = 4$

Total number of teachers required  $25.28 + 4 = 29.28 = 30$

Teachers available 22

Teacher short fall 8

Understaffed subjects: Chemistry, Geography, Business Studies, Physics, Maths, CRE, History.

ENGLISH, BIOLOGY, AGRICULTURE, KISWAHILI.

**c) Mean score in the 2021 KCSE:**

YEAR	MEAN SCORE
2021	3.45
2020	3.79
2019	3.84

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**d) Number of Candidates in the 2021 KCSE:**

YEAR	NUMBER OF CANDIDATE
2021	171
2020	140
2019	137

**e) Capacity of the school:**

1. NUMBER OF STUDENTS	-745
2. DORMITORIES	-16
3. DINING HALL	-1
4. LABORATORIES	-4
5. TOILETS	-51
6. BATHROOMS	- 45

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

	<i>PROJECT</i>	<i>SOURCE OF FUNDS</i>
1.	<i>Reconstruction of 4 no. classrooms storeyed building that was collapsing</i>	<i>Maintenance and improvement fund (MIF)MOE</i>
2.	<i>Renovation of the dining hall, new floor,tiles,improvement of platform, airconditioning, lighting exit doors and larger windows</i>	<i>Maintenance and improvement fund (MIF)MOE</i>
3.	<i>Reconstruction of 2 no. dormitories and renovation of the others,painting,toilets,bathrooms,taps,water basins and troughs</i>	<i>Parents payments of damages and repair, maintenance and improvement (RIM)</i>

**PRINCIPAL**  
MAKWA BOYS SEC. SCHOOL  
P. O. Box 97-01028, GATUKUYU  
VIA THIKA  
Date: 22/7/21 Sign: 

Sign:  .....

*School Principal*

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


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

**Name:** SCOLASTICA WANGARI  
**Designation:** Chairman, School Board of Management

**Sign:**  \_\_\_\_\_

**Date:** 22/7/2024

**Name:** MAINGI PAUL KOOME  
**Designation:** School Principal & Secretary to Board of Management

**Sign:**  \_\_\_\_\_  
**Date:** 22/7/2024

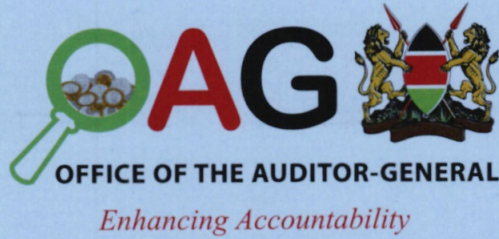
**PRINCIPAL**  
MAKWA BOYS SEC. SCHOOL  
P. O. Box 97-01028, GATUKUYU  
VIA THIKA  
Date:.....Sign:.....

**Name:** ANNASTAIA WANGUI KARIUKI  
**Designation:** Bursar/ Finance Officer

**Sign:**  \_\_\_\_\_

**Date:** 22/7/2024

# 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 MAKWA BOYS SECONDARY SCHOOL FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021 - KIAMBU 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 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 period 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 Makwa Boys Secondary School set out on pages 15 to 32, which comprise of the statement of financial assets and



financial liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the period then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Makwa Boys Secondary School - Kiambu County as at 30 June, 2021 and of its financial performance and its cash flows for the period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

## **Basis for Qualified Opinion**

### **1.0 Unsupported Financial Statements Comparative Balances**

Review of the financial statements for the period ended 30 June, 2021 revealed unaudited comparative balances of the previous year. It was therefore not possible to ascertain the authenticity of the balances presented in the financial statements.

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

### **2.0 Accounts Receivable**

#### **2.1 Unsupported Accounts Receivables**

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.26,659,895 as disclosed in Note 11 to the financial statements. However, the supporting schedules, detailed aging analysis and issued invoices were not provided for audit. Further, significant accounting policies on accounts receivables as disclosed in Note 11 is silent on the treatment of the students' fees balances which is the major source of income for the School.

In the circumstances, the accuracy and completeness of the receivables balance of Kshs.26,659,895 could not be confirmed.

#### **2.2 Long Outstanding Receivables**

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.26,659,895 in respect of fees arrears as disclosed in Note 11 to the financial statements. However, included in the balance are receivables amounting to Kshs.24,691,836 which had been outstanding for more than two (2) years.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.26,659,895 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Makwa Boys Secondary School Management in accordance with ISSAI 130 on 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 for the period ended 30 June, 2021 reflects final receipts budget and actual on comparable basis of Kshs.25,686,000 and Kshs.23,941,342 respectively resulting to an under-funding of Kshs.1,744,658 or 7% of the budget. However, the School spent a balance of Kshs.19,779,332 against actual receipts of Kshs.23,941,342 resulting to an under-utilization of Kshs.4,162,010 or 17% of actual receipts.

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

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional 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.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the 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. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association**

The statement of receipts and payments reflects payments for operations amount of Kshs.5,276,152 as disclosed in Note 6 to the financial statements. Included in the expenditure is an amount of Kshs.188,500 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from school principals only. The organization is not defined in Government

Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.188,500 could not be confirmed.

## **2. Failure to Prepare School Improvement Plan**

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

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

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

During the year under review, Management submitted the financial statements to the Auditor-General on 06 March, 2023 instead of the statutory deadline of 30 September, 2021. This was contrary to the Ministry of Education circular Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the School's financial statements should be ready by 30 September, 2021 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

## **4. Lack of Authority for Approving Rates for Board Allowances**

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects Kshs.13,633,154 in respect to boarding and school fund payments which includes Kshs.15,000 paid to a Board member who attended a meeting on 23 March, 2021 during handing over of classroom. However, no evidence was provided that the rate used to pay the Board allowance had been approved as required under Section 14 of the Basic Education Act, 2013 which provides that Members of a Board of Management shall be paid in respect of their services such allowances as the Board of Management shall, with the approval of the Cabinet Secretary, determine.

In the circumstances, the regularity of the expenditure amounting to Kshs.15,000 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 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 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 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

#### 1.0 Fixed Assets

##### 1.1 Disclosure of Assets

Annex 2 on summary of fixed assets register reflects Kshs.8,821,000. However, the register does not include land and buildings of unknown value where the School is located, for instance, class halls, kitchen and administration block. Further, the register does not include the historical cost brought forward, additions, historical cost carried forward and the total.

In addition, the fixed assets register which was provided for audit review lacked the information on the cost, date purchased, asset coding and serial numbers of the assets. Also, the assets have not been valued.

In the circumstances, the completeness and valuation of the assets could not be confirmed.

##### 1.2 Lack of Ownership Documents

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.8,821,000 in respect of fixed assets which includes land with a nil balance. However, land ownership documents were not provided for audit.

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

#### 2.0 Failure to Conduct Quarterly and Annual Stock-Take

Note 17 to the financial statements reflects a balance of Kshs.2,118,961 in respect to stock/inventory for the year under review. However, Management did not conduct quarterly and annual stock take as envisaged in Section 162(2) of the Public Procurement and Asset Disposal Act, 2015.

In the circumstances, effectiveness in management of stock could not be confirmed.

The audit was conducted in accordance with ISSAI's 2315 and 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 the 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 to cease its 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 controls 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 the 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 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 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 to 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**

**23 September, 2024**

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**V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30<sup>TH</sup> JUNE 2021**

DESCRIPTION OF VOTE HEAD	Note	2020-2021 Kshs	2019-2020 Kshs
<b>RECEIPTS</b>			
Capitation grants for tuition	1	709,253	0
Capitation grants for operations	2	4,446,308	0
School Fund Income- Parents' Contributions	3	16,309,168	0
School Fund Income- Other receipts	4	2,476,613	0
Proceeds from borrowings		0	0
<b>TOTAL RECEIPTS</b>		<b>23,941,342</b>	<b>0</b>
<b>PAYMENTS</b>			
Payments for Tuition	5	870,026	0
Payments for operations	6	5,276,152	0
Boarding and school fund payments	7	13,633,154	0
<b>TOTAL PAYMENTS</b>		<b>19,779,332</b>	<b>0</b>
<b>SURPLUS</b>		<b>4,162,010</b>	<b>0</b>

The school financial statements were approved on 3/3/2023 and signed by:

Name: SODKASTICA WANGI Name: MARIGI P. KADOME Name: ANNA STANIS KARIMI

Chairman, BoM

School Principal/  
Secretary to BOM

Bursar/  
Finance Officer

Sign: [Signature]

Sign: [Signature]

Sign: [Signature]

Date: 22/7/2024

Date: 22/7/2024

Date: 22/7/2024

PRINCIPAL  
MAKWA BOYS SEC. SCHOOL  
P. O. Box 97-01028, GATUKIYU  
VIA THIKA  
Date:.....Sign:.....



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

	Note	2020-2021 Kshs	2019-2020 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	8	19,942,598	16,951,582
Cash Balances	9	472,703	84,925
Short term Investment	10	0	0
<b>Total Cash and cash equivalent</b>		<b>20,415,301</b>	<b>17,036,507</b>
Accounts receivables	11	26,659,895	27,037,098
<b>TOTAL FINANCIAL ASSETS</b>		<b>47,075,196</b>	<b>44,073,605</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payables	12	2,441,849	3,602,268
<b>NET FINANCIAL ASSETS</b>		<b><u>44,633,347</u></b>	<b><u>40,471,337</u></b>
<b>REPRESENTED BY</b>			
Accumulated Fund b/fwd	13	40,471,337	40,471,337
Surplus/Deficit for the year		4,162,010	0
<b>NET FINANCIAL POSITION</b>		<b><u>44,633,347</u></b>	<b><u>40,471,337</u></b>
			-

The school financial statements were approved on 3/3/2023 and signed by:

Name: Scalastica Kiangari Name: Mairigi P. Kodome Name: Annastacia Karuki

Chairperson, BoM

School Principal/  
Secretary to BOM

Bursar/  
Finance Officer

Sign: 

Sign: 

Sign: 

22/7/2024

22/7/2024

22/7/2024

**PRINCIPAL**  
MAKWA BOYS SEC. SCHOOL  
P. O. Box 97-01028, GATUKUYU  
VIA THIKA

Date:..... Sign:.....

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

		2020-2021	2019-2020
		Kshs	Kshs
<b>Receipts for operating income</b>			
Capitation grants for tuition	1	709,253	-
Capitation grants for operations	2	4,446,308	-
School fund income- Parents contributions/ fees	3	16,309,168	-
School fund income- other receipts	4	2,476,613	-
<b>Total receipts</b>		<b>23,941,342</b>	-
<b>Payments</b>			
Payments for Tuition	5	870,026	-
Payments for operations	6	3,391,652	-
Boarding and school fund payments	7	13,633,154	-
<b>Total payments</b>		<b>17,894,832</b>	-
<b>Net cashflow from operating activities</b>		<b>6,046,510</b>	-
			-
<b>Adjusted for:</b>			
Changes in Receivables		377,203	-
Changes in Payables		(1,160,419)	-
Accruals to cash Adjustments			-
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	8	-	-
Acquisition of Assets	9	(1,884,500)	-
Proceeds from investments	10	-	-
Purchase of investments	11	-	-
<b>Net cash flows from Investing Activities</b>		<b>(1,884,500)</b>	-
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>			
Proceeds from borrowings/ loans	12	-	-
Repayment of principal borrowings	13	-	-
<b>Net cash flow from financing activities</b>		<b>-</b>	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>3,378,794</b>	-
<b>Cash and cash equivalent at BEGINNING of the year</b>		<b>17,036,507</b>	-
<b>Cash and cash equivalent at END of the year</b>		<b>20,415,301</b>	<b>17,036,507</b>

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

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
<b>RECEIPTS</b>						
<b>(1) CAPITATION GRANT ON TUITION</b>						
Exercise books	626,000	-	626,000	342,541	283,459	55%
Laboratory equipment	201,850	-	201,850	157,108	44,742	78%
Internal exams	350,000	-	350,000	87,100	262,900	25%
Teaching / learning materials	288,650	-	288,650	122,504	166,146	42%
Chalks	60,000	-	60,000	0	60,000	0.0%
KCSE Projects	27,500	-	27,500	0	27,500	0.0%
<b>Total</b>	<b>1,554,000</b>	<b>-</b>	<b>1,554,000</b>	<b>709,253</b>	<b>844,747</b>	<b>46%</b>
<b>(2) CAPITATION GRANT ON OPERATIONS</b>						
Personnel emoluments	730,648	-	730,648	1,407,920	-677,272	193.0%
Repairs and maintenance	1,875,000	-	1,875,000	1,905,000	-30,000	101.0%
Local transport / travelling	1,879,352	-	1,879,352	397,580	1,481,772	21.0%
Electricity and water	230,500	-	230,500	141,890	88,610	62.0%
Medical	-	-	-	-	-	0.0%
Administration costs	684,500	-	684,500	593,918	90,582	87.0%
Insurance	-	-	-	-	-	0.0%
Activity	562,500	-	562,500	0	562,500	0.0%
<b>Total</b>	<b>5,962,500</b>	<b>-</b>	<b>5,962,500</b>	<b>4,446,308</b>	<b>1,516,192</b>	<b>75%</b>

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	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
<b>(3) FEES CHARGED ON PARENTS</b>						
Personnel emoluments	414,416	-	414,416	1,425,690	(1,011,274)	344%
Repairs and maintenance	1,200,000	-	1,200,000	189,750	1,010,250	16%
Local transport / travelling	970,648	-	970,648	330,156	640,492	34%
Electricity and water	2,449,500	-	2,449,500	611,153	1,838,347	25%
Medical	-	-	-	-	-	0.0%
Administration costs	1,483,686	-	1,483,686	988,154	495,532	67%
Activity	112,500	-	112,500	289,745	(177,245)	258%
Fee on Boarding Equipment and Stores	11,538,750	-	11,538,750	12,474,520	(935,770)	108%
<b>Total</b>	<b>18,169,500</b>		<b>18,169,500</b>	<b>16,309,168</b>	<b>1,860,332</b>	<b>90%</b>
<b>OTHER INCOME</b>						
Bursary		-	-	2,370,372	(2,370,372)	
Canteen Proceeds		-	-	90,741	(90,741)	
Income from bus hire		-	-	10,500	(10,500)	
Replacements		-	-	5,000	(5,000)	
Income from Bus Hire		-	-			
<b>Total</b>		-		<b>2,476,613</b>	<b>(2,476,613)</b>	
<b>TOTAL INCOME</b>	<b>25,686,000</b>	-	<b>25,686,000</b>	<b>23,941,342</b>	<b>1,744,658</b>	<b>93%</b>

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Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
<b>(1) EXPENDITURE FOR TUITION</b>						
Textbooks and reference materials						
Exercise books	626,000	-	626,000	458,150	167,850	73%
Laboratory equipment	201,850	-	201,850	204,172	(2,322)	101%
Internal exams	350,000	-	350,000	105,189	244,811	30%
Teaching / learning materials	288,650	-	288,650	100,259	188,391	35%
Chalks	60,000	-	60,000	2,256	57,744	4%
KCSE Projects	27,500	-	27,500	0	27,500	0.0%
<b>Total</b>	<b>1,554,000</b>	<b>-</b>	<b>1,554,000</b>	<b>870,026</b>	<b>683,974</b>	<b>56%</b>
<b>(2) EXPENDITURE FOR OPERATIONS</b>						
Personal Emoluments	730,648	-	730,648	1,728,455	(997,807)	237%
Service Gratuity		-			-	0.0%
Administration Cost	684,500	-	684,500	961,708	(277,208)	140%
Acquisition of Assets	1,875,000	-	1,875,000	1,884,500	(9,500)	101%
Local transport / travelling	1,879,352	-	1,879,352	397,102	1,482,250	21%
Electricity and water	230,500	-	230,500	201,122	29,378	87%
Medical		-			-	0.0%
Activity Expenses	562,500	-	562,500	103,265	459,235	18%
<b>Total</b>	<b>5,962,500</b>	<b>-</b>	<b>5,962,500</b>	<b>5,276,152</b>	<b>686,348</b>	<b>88%</b>
<b>(3) EXPENDITURE FOR</b>						

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	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
<b>SCHOOL FUND</b>						
Activity	112,500	-	112,500	112,152	348	100%
Personnel emoluments	414,416	-	414,416	1,205,155	(790,739)	291%
Service Gratuity		-			-	
Repairs and maintenance & Improvements	1,200,000	-	1,200,000	189,104	1,010,896	16%
Local transport / travelling	970,648	-	970,648	222,506	748,142	23%
Electricity and water	2,449,500	-	2,449,500	587,156	1,862,344	24%
Medical Expenses		-			-	
Administration costs	1,483,686	-	1,483,686	752,152	731,534	51%
Fee on Boarding Equipment and Stores	11,538,750	-	11,538,750	10,564,929	973,821	92%
Rent Expenses	-	-	-		-	
Acquisition of Assets		-			-	
<b>TOTAL</b>	<b>18,169,500</b>	<b>-</b>	<b>18,169,500</b>	<b>13,633,154</b>	<b>4,536,346</b>	<b>75%</b>
<b>TOTAL EXPENDITURE</b>	<b>25,686,000</b>	<b>-</b>	<b>25,686,000</b>	<b>19,779,332</b>	<b>5,906,668</b>	<b>77%</b>

## 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.

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**SIGNIFICANT ACCOUNTING POLICIES**

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



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

	2020-2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials	-	-
Exercise books	342,541	327,600
Laboratory equipment	157,108	273,000
Internal exams	87,100	177,646
Teaching / learning materials	122,504	54,600
Chalks	-	436,800
Exams and assessment		-
Teachers guides		-
Reference/Library	-	-
<b>Total</b>	<b>709,253</b>	<b>1,269,646</b>

**2 CAPITATION GRANT FOR OPERATIONS**

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	1,407,920	2,178,000
Repairs and maintenance	1,905,000	3,017,000
Local transport / travelling	397,580	550,000
Electricity and water	141,890	542,308
Medical		137,200
Administration costs	593,918	1,311,492
Insurance		-
Activity		274,400
<b>Total</b>	<b>4,446,308</b>	<b>8,010,400</b>

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

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	1,425,690	1,388,958
Repairs and maintenance	189,750	1,090,152
Local transport / travelling	330,156	309,966
Electricity and water	611,153	2,219,098
Medical		-
Administration costs	988,154	833,125
Activity	289,745	116,850
Fee on Boarding Equipment and Stores	12,474,520	15,436,604
<b>Total</b>	<b>16,309,168</b>	<b>21,394,753</b>

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**NOTES TO THE FINANCIAL STATEMENTS**

**4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT**

	2020-2021	2019-2020
	Kshs	Kshs
Bursary	2,370,372	-
Income from the Canteen	90,741	-
Replacements	5,000	-
Insurance compensation	-	-
Income from Posho mill	--	-
Income from Bus Hire	10,500	20,000
Fee for hire of ground and equipment	-	-
Income from grants and donations*	--	-
Interest income	-	-
Dividends income	-	-
<b>Total</b>	<b>2,476,613</b>	<b>20,000</b>

**5 PAYMENTS FOR TUITION**

	2020-2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials		564,400
Exercise books	458,150	128,990
Laboratory equipment	204,172	-
Internal exams	105,189	102,650
Teaching / learning materials	100,259	-
Chalks	2,256	-
Exams and assessment		-
Teachers guides		-
Reference/Library		240
<b>Total</b>	<b>870,026</b>	<b>796,280</b>

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**NOTES TO THE FINANCIAL STATEMENTS**

**6 PAYMENTS FOR OPERATIONS**

	2020-2021	2019-2020
	Kshs	Kshs
Personal Emoluments	1,728,455	1,538,909
Service Gratuity		-
Administration Cost	961,708	1,618,722
Repairs and maintenance & improvements		2,993,287
Local transport / travelling	397,102	750,000
Electricity and water	201,122	501,810
Medical		-
Activity Expenses	103,265	-
SMASSE		-
Insurance Cost		-
Bank Charges		-
Acquisition of Assets	1,884,500	-
<b>Total</b>	<b>5,276,152</b>	<b>7,402,728</b>

**7 BOARDING AND SCHOOL FUND PAYMENTS**

	2020-2021	2019-2020
	Kshs	Kshs
Activity	112,152	-
Posho mill		-
Bus hire		-
Pocket Money		-
caution Money		-
Personnel emoluments	1,205,155	1,485,275
Service Gratuity		-
Repairs and maintenance & Improvements	189,104	1,063,867
Local transport / travelling	222,506	725,663
Electricity and water	587,156	230,378
Medical Expenses		-
Administration costs	752,152	1,177,212
Lunch Programme		-
Bank Charges		-
Expenses on Income Generating Activities		-
Fee on Boarding Equipment and Stores	10,564,929	11,528,518
Rent Expenses		-
Insurance Cost (Life Property)		-
Loan Principal repayment		-
Loan Interest repayment		-
Acquisition of Assets		-
<b>Total</b>	<b>13,633,154</b>	<b>16,210,913</b>

**NOTES TO THE FINANCIAL STATEMENTS**

**8 BANK ACCOUNTS**

Name of Bank, Account No. & currency	Bank Account Number	2020-2021	2019-2020
		Kshs	Kshs
Tuition Account	1102188425	475,478	636,251
Operations Account	1102191159	946,821	1,703,401
School Fund Account/Boarding-Kcb	1102176435	14,168,059	9,578,531
School Fund Account Boarding-Equity	0090100128463	4,716	0
Parent Association Development Account		0	0
Income generating activities Account		0	0
Infrastructural Account	1261642821	4,347,524	5,033,400
<b>Total</b>		<b>19,942,598</b>	<b>16,951,582</b>

**9 CASH IN HAND**

Description	2020-2021	2019-2020
	Kshs	Kshs
Operation Account	9,515	9,515
School Fund account	463,188	75,411
<b>Total</b>	<b>472,703</b>	<b>84,926</b>

**10 SHORT TERM INVESTMENTS**

Description	2020-2021	2019-2020
	Kshs	Kshs
Cooperative shares	-	-
Treasury Bills	-	-
Fixed deposit	-	-
Equity stock	-	-
Other investments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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**11 ACCOUNTS RECEIVABLE**

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears	26,659,895	27,037,098
Other non-fees receivables	0	0
Salary advances	0	0
Imprest	0	0
<b>Total</b>	<b>26,659,895</b>	<b>27,037,098</b>

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

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears for current year	1,314,551	2,345,262
Fees arrears for the previous year	653,508	24,691,836
Fees arrears for prior periods (over two years)	24,691,836	0
<b>Total</b>	<b>26,659,895</b>	<b>27,037,098</b>

**12 ACCOUNTS PAYABLE**

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	1,338,715	2,450,946
Prepaid fees	1,103,134	1,151,322
Retention monies	0	0
<b>Total</b>	<b>2,441,849</b>	<b>3,602,268</b>

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

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors for current year	1,338,715	416,873
Trade creditors for the previous year	-	2,034,073
Trade creditors for prior periods (over two years)	-	0
<b>Total</b>	<b>1,338,715</b>	<b>2,450,946</b>

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**NOTES TO THE FINANCIAL STATEMENTS**

**13 FUND BALANCE BROUGHT FORWARD**

<b>Description</b>	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank balances	16,951,582	12,702,379
Cash balances	84,925	68,399
Short Term Investments	0	0
Receivables	27,037,098	32,212,097
Payables	(3,602,268)	(2,789,730)
<b>Total</b>	<b>40,471,337</b>	<b>42,193,145</b>

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**Other important disclosure notes**

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

**14 Non-current Liabilities Summary**

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank loan(s)	-	-
Outstanding Leases	-	-
Hire purchase	-	-
Gratuity and leave provision	-	-
<b>Total</b>	-	-

**15 Biological assets**

Description	Numbers	2020-2021	2019-2020
		Kshs	Kshs
Cattle	0	0	0
Goats	0	0	0
Trees	55	192,500	0
Coffee or tea plantation	0	0	0
Poultry	0	0	0
<b>Total</b>	<b>55</b>	<b>192,500</b>	<b>0</b>

**16 Borrowings**

Description	2020-2021	2019-2020
	KShs	KShs
<b>a) Borrowings</b>		
Borrowing at beginning of the year	-	-
Borrowings during the year	-	-
Repayments during the year	-	-
<b>Balance at end of the year</b>	-	-

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**Other important disclosure notes**

**17 Stock/ Inventory**

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Stock/ inventory at beginning of the year	2,207,366	0
Stock/ inventory purchased during the year	9,588,734	0
Stock/ inventory issued during the year	(9,677,137)	(0)
<b>Balance at end of the year</b>	<b>2,118,961</b>	<b>0</b>



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**18 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

<b>Ref No.</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
1	Creditors of kshs 1,694,074 to be settled	All creditors settled	resolved	N/A
2	Debtors of kshs 27,037,098 to be recovered	Partly recovered	Partly resolved	Continuous
3	Interaccount borrowings of kshs 1,000,000	Inter borrowing accounts regularized in the 2021 consolidated accounts	Resolved	N/A

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2020	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Construction of buildings</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Supply of goods</b>						
4. BEMWA STATIONERIES	231,120			231,120	NIL	CLEARED ON 19/8/2021
5. NIEXTA ENTERPRISES	138,770			138,770	NIL	CLEARED ON 15/7/2021
6. EUNICE WANGUI MBURU	77,880			77,880	NIL	CLEARED ON 12/7/2021
7. GOLDEN CHOICE BUTCHERY	198,200			198,200	NIL	CLEARED ON 19/7/2021
8. KENBLEST FOODS	158,915			158,915	NIL	CLEARED
9. SAMSON NGUGI	160,000			160,000	NIL	CLEARED ON 4/8/2021
<b>Sub-Total</b>	<b>964,885</b>			<b>964,885</b>		
<b>Supply of services</b>						
10. GATUNDU WATER	6,880			6,880	NIL	CLEARED ON 3/8/2021
11. SOFTWARE FOR SCHOOLS	71,500			71,500	NIL	CLEARED ON 8/10/2021
12. JECANEL HARDWARE	295,450			295,450	NIL	CLEARED ON 4/8/2021
<b>Sub-Total</b>	<b>373,830</b>			<b>373,830</b>		
<b>Grand Total</b>	<b>1,338,715</b>			<b>1,338,715</b>		

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

<b>Asset class</b>	<b>QUANTITY</b>	<b>Location</b>	<b>Historical Cost b/f (Kshs) 1<sup>st</sup> July 2022</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost c/f (Kshs) 30<sup>th</sup> June 2022</b>
Land 1	3Acres	Mangu ward				
Land 2						
Buildings and structures	28	Makwa Secondary				
Motor vehicles 1.KAT 228 X 2.KBG 581 C	2	Makwa Secondary				4,015,000 4,806,000
Office equipment, furniture and fittings	132	Makwa Secondary				
ICT Equipment, and Other ICT Assets	239	Makwa Secondary				
Tools and apparatus	13,635	Makwa Secondary				
Textbooks	9,882	Makwa Secondary				
Other Machinery and Equipment	37	Makwa Secondary				
Heritage and cultural assets	0	0				
Intangible assets- soft ware	3	Makwa Secondary				
<b>Total</b>						