

REPUBLIC OF KENYA



Enhancing Accountability

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 20 NOV 2024	DAY.
TABLED BY:	Deputy Leader of Majority Party
CLERK-AT THE TABLE:	WILLIS OBIERO

PARLIAMENT
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REPORT

OF

THE AUDITOR-GENERAL

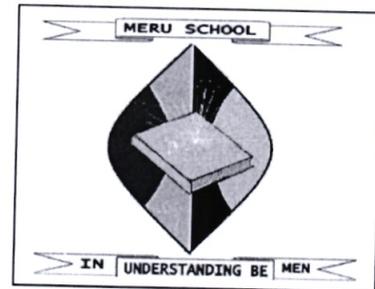
ON

MERU SCHOOL

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

MERU COUNTY

Revised 30th June 2023.



MERU SCHOOL

Public Secondary 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)



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MERU SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2023

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1. Acronyms and Glossary of Terms

BOM	Board of Management
CEB	County Education Board
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
FY	Financial Year
FDSE	Free Day and Secondary Education

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2. Key School Information and Management

MERU SCHOOL

(a) Background information

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

The school was re-registered in **JULY 2022** under registration number **12S00301203** and is currently categorized as a **National** public school established, owned or operated by the Government.

The school is a boarding school and had **2217** number of students as at **30th June 2023**. It has **43** streams and **99** teachers of which **19** 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	Eng. David N. Rukunga	Chairman - Sponsor	22 ND JULY 2022
2	Mr. Rutere H. Mwenda	Secretary - Principal	22 ND JULY 2022
3	Dr. Viona N. Ojiambo	Member - Parent Representative	22 ND JULY 2022
4	Ms. Mary Lichoro	Member - Parent Representative	22 ND JULY 2022
5	Mr. Jeremiah G. Rimberia	Member - Parent Representative	22 ND JULY 2022
6	Mr. Jose P. Malia	Member - Parent Representative	22 ND JULY 2022
7	Prof. Mutea Rukwaru	Member - Parent Representative	22 ND JULY 2022
8	Dr. Bundi Karau	Member – Rep CEB	22 ND JULY 2022
9	Mr. Juma S. Isaac	Member Rep Teachers	22 ND JULY 2022
10	Eng. David N. Rukunga Mrs. Anne K. Ntoiti Mrs. Nancy G. Gitonga	3 Members - Sponsor	22 ND JULY 2022
11	Mr. Manasses K. Kariuki	Member - Community	22 ND JULY 2022
12	Ms. Penina K. Mutwiri	Member Special Needs	22 ND JULY 2022
13	Derrick Mwenda	Rep Students	22 ND JULY 2022

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The functions of the School Board of Management are to:

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

(c) Committees of the Board

Ref.	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	ENG. DAVID N RUKUNGA	Chairman B.O.M.	2 out of 2
		MR. RUTERE H. MWENDA	Secretary/Principal	2 out of 2
		REV. JOSHUA RUTERE	PA Chairman	2 out of 2
		REV. JOSPHAT NTURIBI	Member	2 out of 2
		MS. PENINAH K. MUTWIRI	Member	2 out of 2
2	Audit Committee	MS. MARY LICHORO	Chairperson	1 out of 1
		MS. JANE W. GITIMBU	Secretary	1 out of 1
		MS. CHARITY MUKIRI	Member	1 out of 1
3	Finance, procurement and general purposes Committee	MRS. NANCY GITONGA	Secretary	2 out of 2
		MR. MANASSES KARIUKI	Chairman	2 out of 2
4	Academic Committee	MR. JOSE P. MALIA	Chairman	2 out of 2
		MR. ISAAC JUMA	Secretary	2 out of 2
		DR. BUNDI KARAU	Member	2 out of 2
5	Development Committee	ENG. DAVID RUKUNGA	Chairman	2 out of 2
		MR. RUTERE H. MWENDA	Secretary	2 out of 2

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		REV. JOSHUA RUTERE	Member	2 out of 2
		REV. JOSPHAT NTURIBI	Member	2 out of 2
		MR. HALAKE DIDA	Member	2 out of 2
6	Discipline and welfare Committee	PROF. MUTEA RUKWARU	Chairman	3 out of 3
		MRS. ANNE K. NTOITI	Secretary	3 out of 3
		MR. JEREMIAH G. RIMBERIA	Member	3 out of 3
7	Adhoc Committee (if any during the year)	MR. RUTERE H. MWENDA	Chairman	3 out of 3
		REV. JOSPHAT NTURIBI	Member	3 out of 3
		MR. ENOCK WANGILA	Member	3 out of 3
		MR. PAUL K. MULI	Secretary	3 out of 3
		MR. FRANCIS GITONGA	Member	3 out of 3

(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	Identification
1	Principal	Mr. Rutere H. Mwenda	TSC No. 351848
2	Deputy Principal - Administration	Mr. Mutwiri F. Gitonga	TSC No. 458790
3	Deputy Principal - Academic	Mr. Kathuru J. Gitari	TSC No.. 215458
4	School Bursar	Ms. Charity Mukiri Kamundi	ID/ 23075203
5	Other (specify)		

(e) Schools contacts

Post Office Box: 103-60200 MERU
 Telephone: 0794 338381
 E-mail: meruschool2015@gmail.com
 Website: www.meruschool.ac.ke
 Facebook:
 Twitter:

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(f) School Bankers

The school operates **seven** number of bank accounts in the following banks:

1. Name of Bank: Equity Bank of Kenya
Branch: Makutano Meru
Account Number: 1040298414943
2. Name of Bank: Kenya Commercial Bank
Branch: Makutano Meru
Account Number: 1254174192
3. Operations Account – 1040280219529 – Equity Bank Makutano Branch Meru
01021039005500 – National Bank – Meru Branch
4. Tuition Account 1040280219535 – Equity Bank Makutano Branch Meru
01025039706600 – National Bank – Meru Branch
5. Infrastructure Account – 1254174214 – KCB Makutano Branch Meru
6. Fund Account – 1104161850 – KCB – Meru Branch
7. Savings Account – 1102258911 – KCB – Meru Branch
8. MPESA Pay Bill No. Business Number 247247
attached to Equity Bank account
A/C No. 1040298414943
9. MPESA Pay Bill No. Business Number 522123
attached to KCB Bank account
A/C No. 1254174192

(g) Independent Auditors

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

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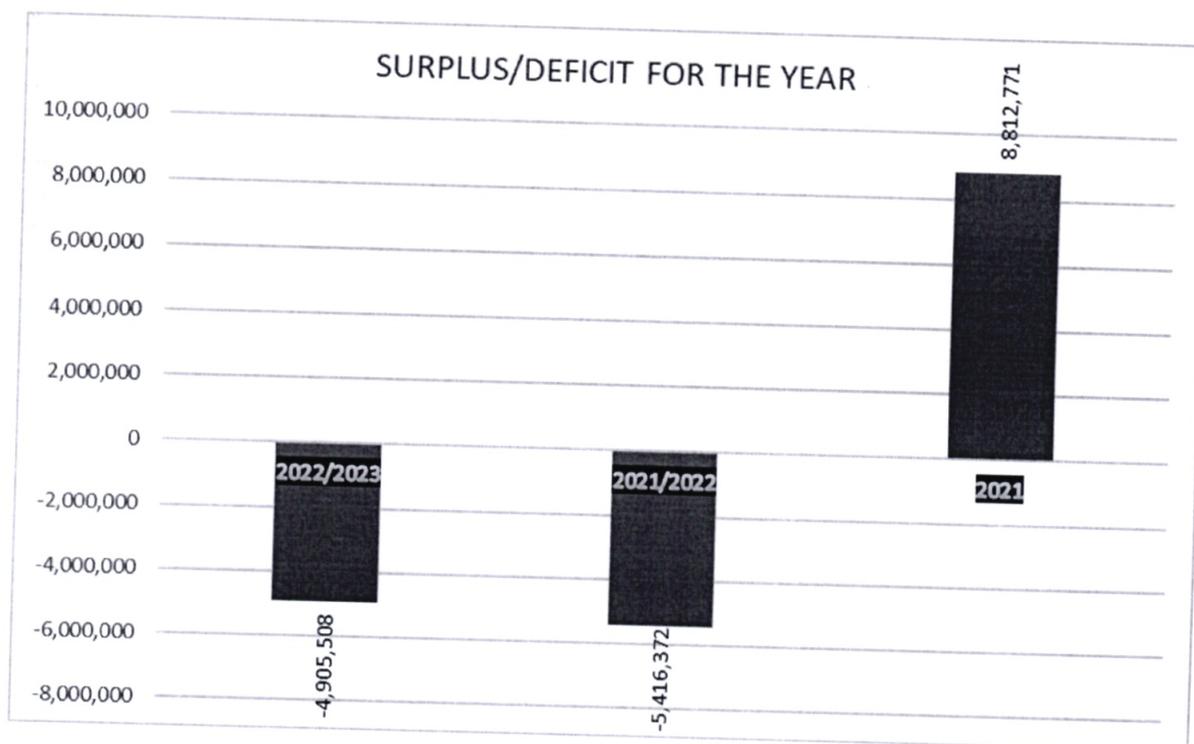
3. Summary Report of Performance of The School

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

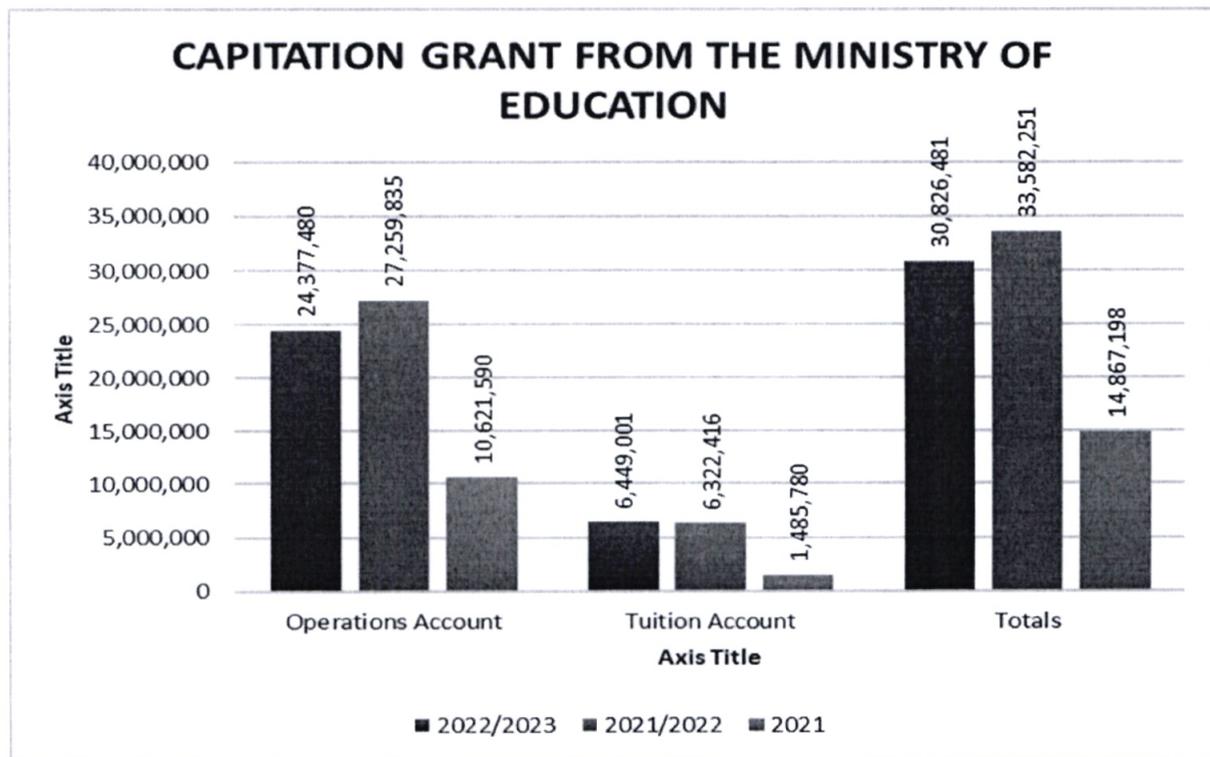
	2022/2023	2021/2022	2021
	KSHS.	KSHS.	KSHS.
TOTAL	(4,905,508)	(5,416,372)	8,812,771



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

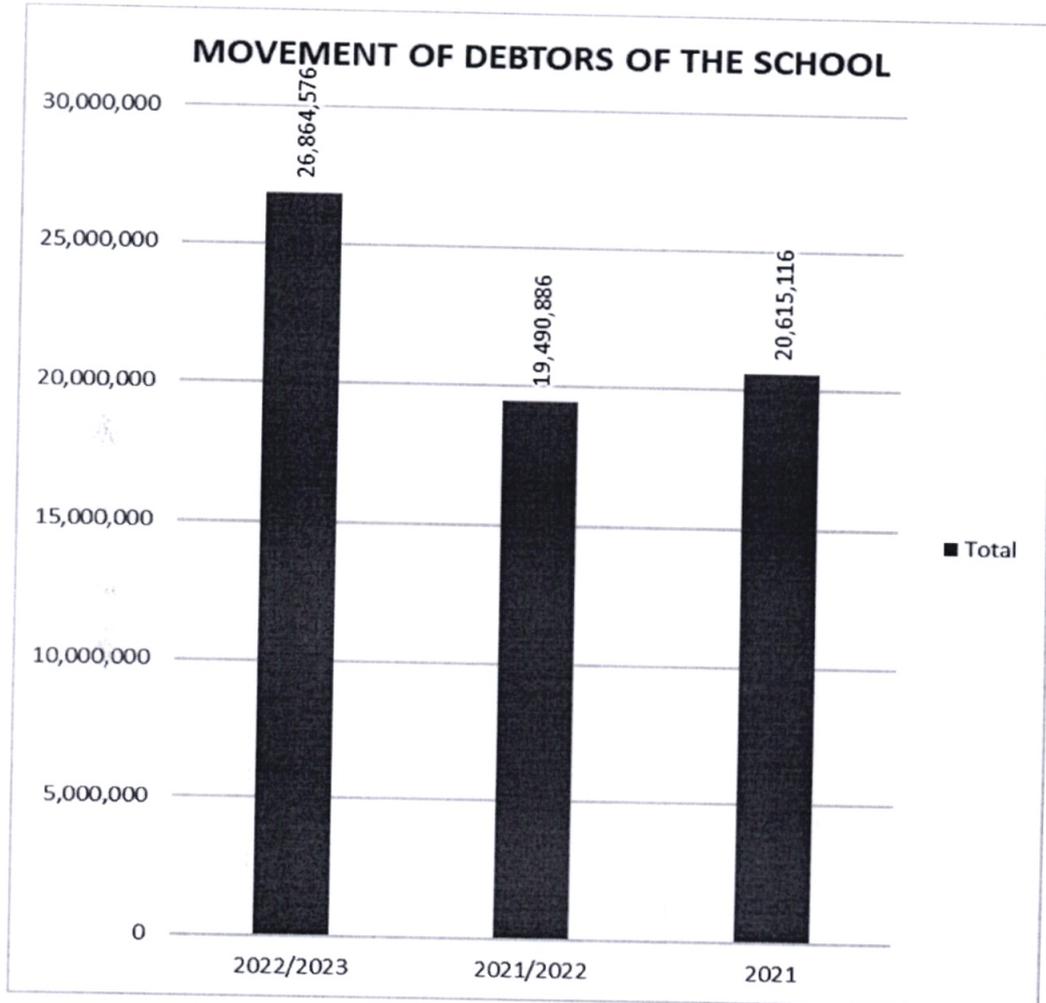
ACCOUNTS	2022/2023	2021/2022	2021
	KSHS.	KSHS.	
Operations Account	24,377,480	27,259,835	10,621,590
Tuition Account	6,449,001	6,322,416	1,485,780
Totals	30,826,481	33,582,251	14,867,198
No. of students	2217	1936	1574
Ratio per capitation per student	1:13904	1:17346	1:09945



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MOVEMENT OF DEBTORS OF THE SCHOOL OVER THE LAST THREE YEARS

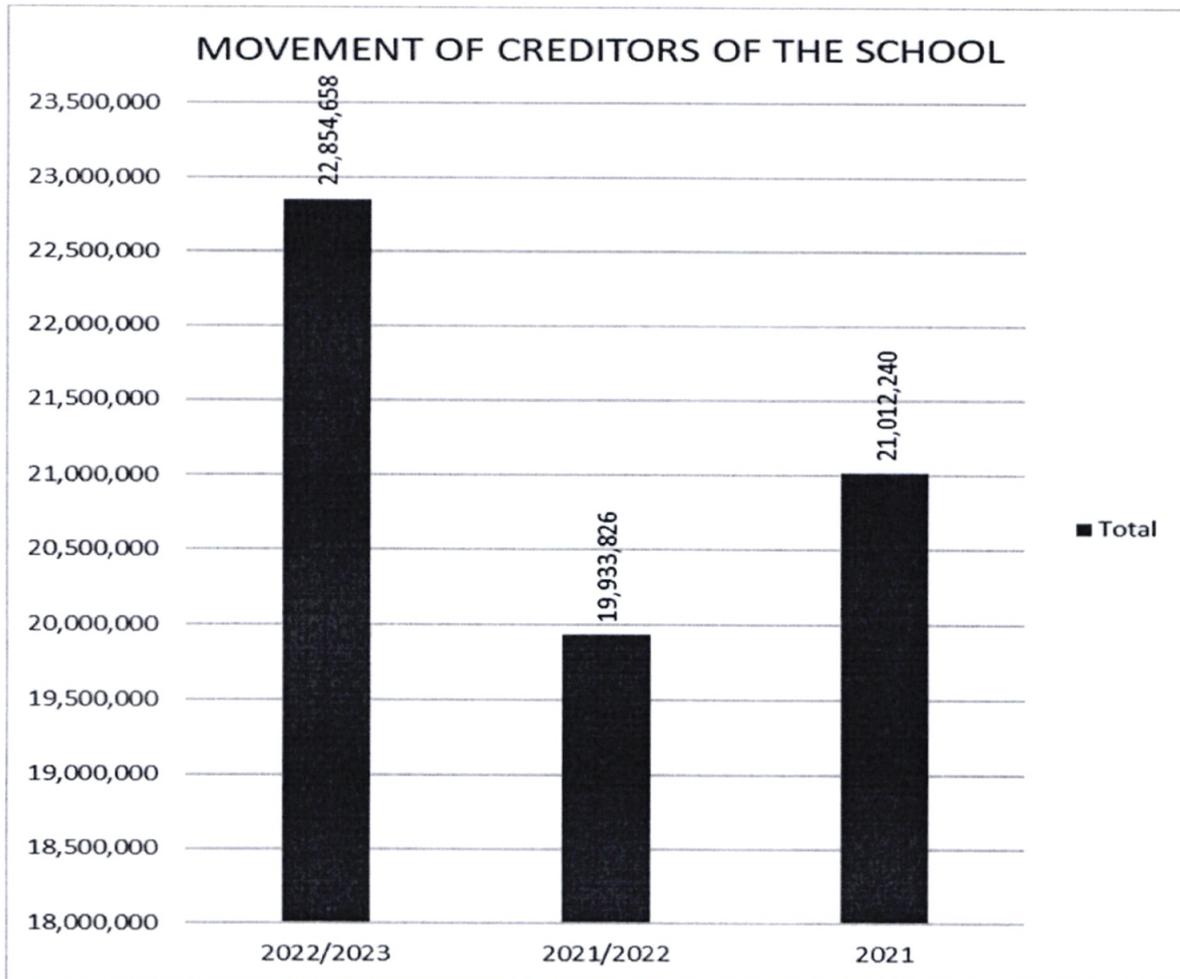
	2022/2023	2021/2022	2021
Total	26,864,576	19,490,886	20,615,116



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MOVEMENT OF CREDITORS OF THE SCHOOL OVER THE LAST THREE YEARS

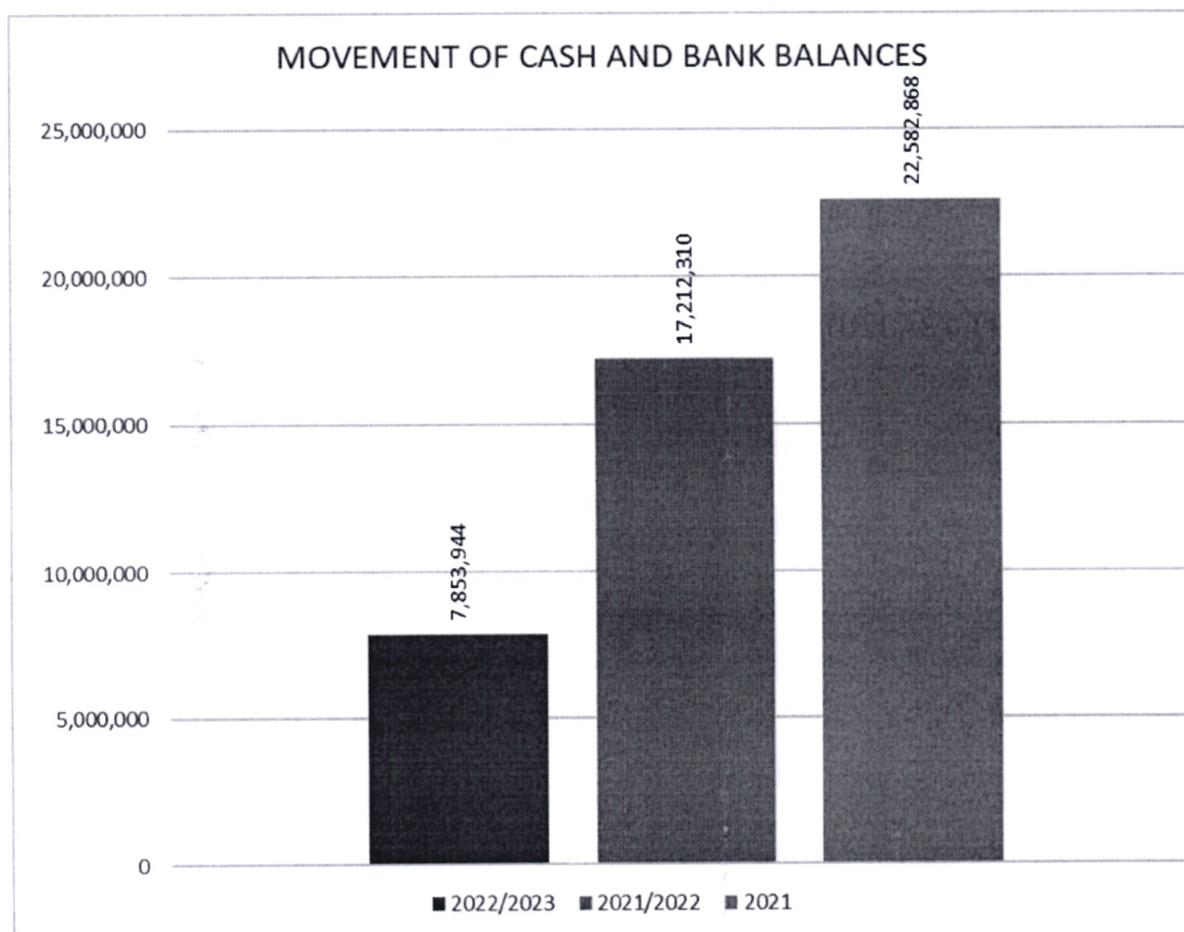
	2022/2023	2021/2022	2021
Total	22,854,658	19,933,826	21,012,240



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MOVEMENT OF CASH AND BANK BALANCES OVER THE LAST THREE YEARS

	2022/2023	2021/2022	2021
Total	7,853,944	17,212,310	22,582,868



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b) Teacher Student ratio:

Teacher to student Ratio = 22:39

Number of teachers recruited and posted to the school within the year = 3

Number of teachers that were transferred during the period = 1

Number of retired during the period = 2

Number of teachers employed by TSC = 80.

Number employed by BOM. = 19

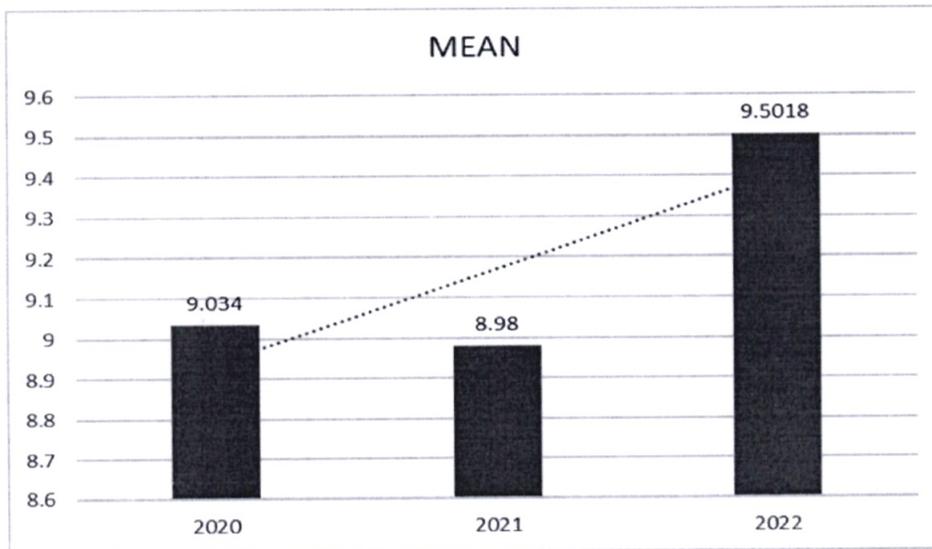
NO. OF TEACHES PER EACH SUBJECT

ENGLISH	8	
KISWAHILI	8	
MATHEMATICS	10	
BIOLOGY	6	
PHYSICS	8	
CHEMISTRY	6	
HISTORY	6	
GEOGRAPHY	4	
C.R.E.	5	
I.R.E.	1	
ART & DESIGN	2	
FRENCH	1	
MUSIC	1	
COMPUTER STUDIES	1	
BUSINESS STUDIES	<u>5</u>	
	72	B.O.M. TEACHERS 19
CBE	89	
SHORTAGE/DEFICIT	15	

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c) Mean score in the 2020, 2021 and 2022 KCSE:

YEAR	ENROLMENT	MEAN	TRANSITION	TRANSITION (%)	SCHOOL TARGET	DEV
2020	320	9.034 B	297	92%	10.5	There was a positive deviation +0.352
2021	399	8.98 B	366	92%	10.5	There was a negative deviation of -0.05
2022	325	9.502 B+	319	98%	10.5	There was a positive deviation of +0.52



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d) Number of Candidates in the 2020, 2021 and 2022 KCSE:

YEAR	ENTRY
2020	320
2021	399
2022	325

e) Capacity of the school:

No. of students in the school - 2217

DORMITORIES - 14

DINING HALL - 2

THE LABORATORIES - 7

TOILETS - 54

f) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Ultra Modern Dormitory	MOE CDF Parents	On going	80,119,813	32,689,484	December 2023

Mr. Rutere H. Mwenda
 School Principal



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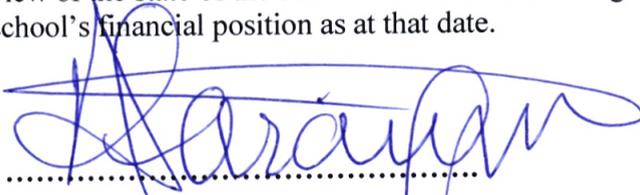
4. Statement of School Management Responsibility

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 (PSASB) of Kenya from time to time.

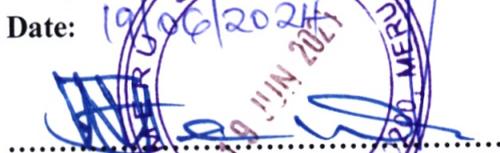
Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to be keep all proper books and records of accounts of the income, expenditure and assets of the institution.

The Board of Management of **MERU 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: Eng. David N. Rukunga
Designation: Chairman, School Board of Management
Date: 19/06/2024



Name: Mr. Rujere H. Mwenda
Designation: School Principal & Secretary to Board of Management
Date: 19/06/2024



Name: Ms. Charity Mukiri Kamundi
Designation: Bursar/ Finance Officer
Date: 19/06/2024

REPUBLIC OF KENYA

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Enhancing Accountability

HEADQUARTERS
Anniversary Towers
Monrovia Street
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON MERU SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 – MERU 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 the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and 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 Meru School – Meru County set out on pages 1 to 18, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2023, 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 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 Meru School – Meru School 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 the Financial Statements

The financial statements presented for audit revealed the following anomalies:

Statement of cash flows and statement of budget and actual amounts.

Item	Statement of	Statement of	Variance
	Cash Flows	Budgeted Versus	
	Kshs	Kshs	Kshs
Total income	231,727,804	221,296,090	10,431,714
Total Payments	232,226,416	226,201,598	6,024,818

In the circumstances, the correctness and completeness of two financial statements could not be confirmed.

2. Long Outstanding Accounts Receivables

The statement of financial assets and financial liabilities reflect accounts receivables balance of Kshs.26,864,576 as disclosed in Note 13 to the financial statements which comprise of fee arrears of Kshs.21,240,655 for the current year and Kshs.5,149,421 for over one (1) year to two (2) years. Further, the balance includes, salary advance Kshs.198,600, non-fees receivables Kshs.100,400 and rent arrears Kshs.175,500. As previously reported, Management has not developed a debtor's policy to help in management of recoveries and determination of bad and doubtful debts.

In the circumstances, the recoverability of accounts receivables balance of Kshs.26,864,576 as at 30 June, 2023 is doubtful.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Meru 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.207,928,000 and Kshs.221,296,090 respectively, resulting to an over-funding of Kshs.13,368,090 or 126% of the budget. However, the School spent a balance of Kshs.226,201,598 against actual receipts of Kshs.221,296,598 resulting to an over-utilization of Kshs.4,905,000 of actual receipts.

The over-funding and over-utilization is an indicator of an unrealistic budgeted estimates and the over-expenditure was not approved.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit Report of the previous year, several issues were raised under 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, 2023.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and 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. Anomalies in Construction of a Dormitory

Management embarked on a project for the construction of an ultra-modern dormitory at a contract sum of Kshs.80,119,813 as per the bill of quantities. The works were implemented through a labour based contract and direct purchase of materials. An

undated contract agreement in the year 2021 reflected a contract price as Kshs.32,438,982 (Vat inclusive Kshs.4,474,342). As at 15 April, 2024, a total of Kshs.17,084,099 had been certified in favor of the contractor while materials supplied stood at Kshs.16,243,032. As at the time of audit in June, 2024, the project completion rate was estimated at 50% a sign of slow project implementation. Further, there is no evidence that VAT was withheld for onward remittance to KRA contrary to Section 42A of the Tax Procedure Act, 2015.

In the circumstances, Management was in breach of the law and value for money may have not been achieved due to slow implementation of the project.

2. Failure to Prepare a 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 (4) 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. Failure to Transfer Infrastructure Funds from the Operations Bank Account

The School received operations capitation grants of Kshs.19, 417,817 during the period under review. Out of this, Kshs.7,065,000 was supposed to be transferred to the infrastructure account. However, only Kshs.5,911,183 was transferred resulting in a variance of Kshs.1,153,817. This was contrary to Ministry of Education Circular Ref No. MOE. HQS/3/13/3 dated 16 June, 2021, directs 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.

4. Long Outstanding Payables

The statement of financial assets and financial liabilities and as disclosed in Note 14 to the financial statements reflects payables balance of Kshs.22,854,658. However, included in the balance are trade payables balance of Kshs.800,000 which had been outstanding for more than two (2) years. This was contrary to Section 53 (8) of the Public Procurement and Asset Disposal Act, 2015 which states that 'an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contract (s) are reflected in approved budget estimates.'

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

5. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 17 November, 2023 instead of the statutory deadline of 30 September, 2023. 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, 2023 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

The audit was conducted in accordance with the 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Article 229(6) of the Constitution and based on the audit procedures performed, except for the matter 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

Unconfirmed Students Enrolment Data

The statement of receipts and payments reflects capitation grants for tuition, capitation grants for operations and infrastructure grants totalling Kshs.15,560,558. 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 one hundred and seventy-three (2,173) students while records from the County Director of Education had two thousand two hundred and seven (2,207) students, resulting to an under-funding of the School thirty-four (34) students. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 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, under-funding of the School may have affected service delivery to the students.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 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 the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls as the 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 acceptable 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 comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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 controls 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 School 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 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

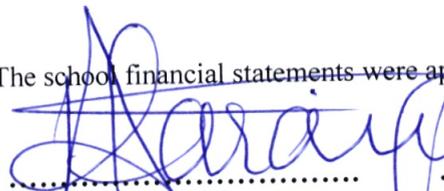
29 October, 2024

MERU SCHOOL
PUBLIC SECONDARY SCHOOL
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For the year ended 30th June 2023

1 STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2023

DESCRIPTION OF VOTES	NOTE	2022-2023	2021-2022
		Kshs.	Kshs.
RECEIPTS			
Government grants for tuition	1	5,511,352	6,322,416
Government grants for operation	2	16,227,480	27,259,835
Government grants for infrastructure	3	8,150,000	
School fund income - parents' contributions	4	189,856,259	56,760,607
Miscellaneous incomes	5	1,551,000	136,758,572
Total receipts		221,296,090	227,101,430
PAYMENTS			
Payments for tuition	6	9,639,110	4,593,370
Payments for operations	7	15,560,558	27,070,387
Payment for infrastructure	8	6,141,324	
Boarding and school fund payments	9	194,860,606	200,854,044
Total Payments		226,201,598	232,517,801
Surplus/Deficit		(4,905,508)	(5,416,371)

The school financial statements were approved on 19/06/2024 and signed by:


 Name: Mr. Eng. David Rukunga

Chair BOM

Date: 19/06/2024


 Name: Mr. Rutere H. Mwenda
 School Principal/ Secretary
 to BOM

Date: 19/06/2024


 Name: Ms. Charity Mukiri Kamundi

Bursar/ Finance Officer

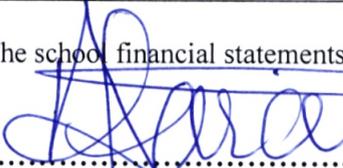
Date: 19/06/2024

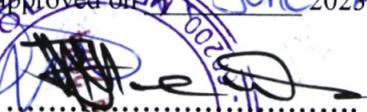
MERU SCHOOL
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2 STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE 2023

	NOTE	2022-2023	2021-2022
		Kshs.	Kshs.
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank balances	10	7,818,141	17,000,402
Cash balances	11	35,803	211,908
Short term investments	12	-	-
Total cash and cash equivalents		7,853,944	17,212,310
Accounts' receivables	13	26,864,576	19,490,886
Total Financial Assets		34,718,520	36,703,196
FINANCIAL LIABILITIES			
Accounts payable	14	22,854,658	19,933,826
NET FINANCIAL ASSETS		11,863,862	16,769,370
Represented by			
Fund balance b/fwd 1 st July 2022	15	16,769,370	22,185,743
Surplus for the year		(4,905,508)	(5,416,373)
NET FINANCIAL POSITION		11,863,862	16,769,370

The school financial statements were approved on 19th June 2024 and signed by:


 Name: Mr. Eng. David Rukunga
 Chair BOM
 Date: 19/06/2024


 Name: Mr. Rutere H. Mwenda
 School Principal Secretary to BOM
 Date: 19/06/2024


 Name: Ms. Charity Mukiri Kamundi
 Bursar/ Finance Officer
 Date: 19/06/2024

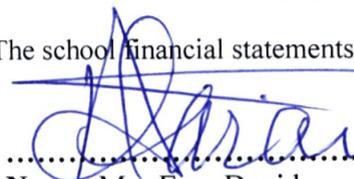
MERU SCHOOL
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3 STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30TH JUNE 2023

		2022-2023	2021-2022
		Kshs	Kshs
Receipts from operating activities			
Government grants for tuition	1	5,511,352	6,322,416
Government grants for operations	2	16,227,479	27,259,835
Government grants for infrastructure	3	8,150,000	-
School fund income - parents contributions/fees	4	200,448,474	184,190,267
Miscellaneous income	5	1,390,500	27,914,200
Total Receipts		231,727,804	245,686,719
Payments			
Cash outflows for tuition		7,349,300	5,279,080
Cash outflows for operations		15,560,558	27,070,388
Cashflows for boarding/lunch and school fund		209,316,558	218,707,806
Total payments		232,226,416	251,057,274
Net cash inflow/outflow from operating activities		(498,612)	(5,370,555)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of assets			
Acquisition of assets		(8,859,754)	
Proceeds from investments			
Purchase of investments			
Net cashflows from investing activities		(8,859,754)	
NET CASHFLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowing/loans		-	-
Repayment of principal borrowings		-	-
Net cash inflows/outflows from financing activities		-	-
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENT		(9,358,366)	(5,370,555)
Cash and cash equivalent at Beginning of the year		17,212,313	22,582,868
Cash and cash equivalent at End of the year		7,853,944	17,212,313

**MERU SCHOOL
PUBLIC SECONDARY SCHOOL
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For the year ended 30th June 2023**

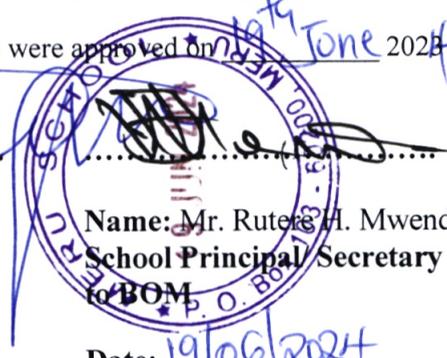
The school financial statements were approved on 19th June 2024 and signed by:



.....
Name: Mr. Eng. David Rukunga

Chair BOM

Date: 19/06/2024



.....
Name: Mr. Rutere H. Mwenda
School Principal/ Secretary to BOM

Date: 19/06/2024



.....
Name: Ms. Charity Mukiri Kamundi

Bursar/ Finance Officer

Date: 19/06/2024

MERU SCHOOL
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4 Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2023

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
(1) Capitation Grant on Tuition					
Reference Materials					
Exercise Books					
Laboratory Equipment					
Internal Exams					
Teaching / Learning Materials	6,188,000		6,188,000	5,511,352	89%
Exams And Assessment					
(2) Capitation Grant on Operations					
Personnel Emoluments	6,110,000		6,110,000	3,673,394	60%
Local Transport / Travelling	6,110,000		6,110,000	3,673,391	60%
Electricity And Water	6,110,000		6,110,000	3,673,391	60%
Medical	1,300,000		1,300,000	393,600	30%
Administration Costs	6,110,000		6,110,000	3,673,391	60%
Activity				1,140,312	
RMI					

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3) FDSE for infrastructure					
Maintenance & Improvement MOE	13,000,000		13,000,000	8,150,000	63%
M&I parents' contribution					
Economic Stimulus Programs					
Transition Infrastructure Grants					
Administration Block					
(4) Fees Charged on Parents					
Personnel Emoluments	17,264,000		17,264,000	16,726,173	97%
Repairs And Maintenance	23,000,000		23,000,000	30,249,406	132%
Local Transport / Travelling	9,568,000		9,568,000	10,038,709	105%
Electricity And Water	10,604,000		10,604,000	15,386,593	145%
Medical	0		0	0	0
Administration Costs	10,222,000		10,222,000	9,535,412	93%
Activity	1,276,000		1,276,000	1,720,134	135%
SMASSE	0		0	0	0
Fee On Boarding Equipment and Stores	91,066,000		91,066,000	105,342,788	116%
Beddings				15,300	
Uniform				820,044	
School IDs				21,700	
5) Miscellaneous Income					
Rent income				251,000	
Income From Farming Activities					
Insurance Compensation					

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Income From Posho Mill					
Income From Bus Hire					
Fee For Hire of Ground and Equipment				1,300,000	
Income from Grants and Donations					
Interest Income					
Dividends Income					
Loans/Borrowing					
Total Income	207,928,000		207,928,000	221,296,090	106%
(6) Expenditure For Tuition					
Textbooks				3,302,850	
Exercise Books				3,580,220	
Laboratory Equipment					
Teaching / Learning Materials	8,968,470		8,968,470	2,756,040	31%
Chalks					
Exams And Assessment					
Reference Materials					
Bank Charges					
Tuition					
Others-specify					
Administration Costs					
(7) Expenditure For Operations					
Repairs, Maintenance & Improvements				8,500	
Personnel Emoluments	6,110,000		6,110,000	8,657,927	142%
Local Transport / Travelling	6,110,000		6,110,000	383,700	6%
Electricity, Water and Conservancy	6,110,000		6,110,000	2,535,793	42%

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Medical	1,902,500		1,902,500	0	0
Administration Costs	6,110,000		6,110,000	3,138,519	51%
Activity Expenses				836,120	
<i>(8) Expenditure For infrastructure</i>					
Construction of classrooms					
Construction of Laboratory					
Construction of Dormitory	13,000,000		13,000,000	6,141,324	47%
Purchase of furniture					
Purchase of equipment					
Purchase of machinery					
Drilling of Boreholes					
<i>(9) Expenditure For school fund/lunch/boarding</i>					
Personnel Emoluments	13,994,308		13,994,308	10,590,048	76%
Repairs, Maintenance and Improvements	31,844,000		31,844,000	26,199,104	82%
Local Transport / Travelling	6,094,100		6,094,100	6,431,023	106%
Electricity, Water and Conservancy	4,327,500		4,327,500	3,133,615	72%
Medical Expenses	0		0	0	0
Administration Costs	12,465,632		12,465,632	28,005,401	224%
Activity	4,822,000		4,822,000	3,854,441	80%
Gratuity	0		0	0	0
Lunch Programme	0		0	0	0
Boarding Equipment and Stores	98,042,570		98,042,570	103,743,220	106%

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Expenditure For Income Generating Activity					
Insurance Costs					
Other Expenses On Investments					
Rent Expenses					
Bank Charges					
Loan Interest Repayment					
Loan Principal Repayment					
School Uniform				817,600	
Beddings				87,000	
School IDs				186,000	
Poshomill				83,900	
Hire ground and school bus				1,087,482	
House rent				4,500	
School farm				45,680	
Fees refund				225,784	
School equipment and stores				9,846,018	
CDF ablution block				270,000	
Totals	219,901,080		219,901,080	226,201,598	103%

NOTES

1. Receipts on Tuition, Operations and Infrastructure accounts had utilization of below 90% because there was under funding by the Ministry of Education.
2. RMI, LTT, EWC, BES and activity vote heads under parents' contribution receipts was over utilized above 100% because there was increase in the number of actual students during the year from the budgeted to the actual.
3. Expenditure on Tuition, Operations and Infrastructure accounts were under utilized since the funds available were not sufficient.
4. LTT, Administration Costs and BES vote heads under parents contribution expenditure were over utilized above 100% because the account balance from the previous year was used to pay for the expenses on the said vote head and also due to additional students population.

5 Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

The *school* recognises all receipts from the various sources when the event occurs, and the related cash has actually been received by the *school*. In addition, the *school* recognises all expenses when the event occurs, and the related cash has actually been paid out by the *school*. Income arising from school fees is recognised when the event occurs whether cash is received or not. Expenditure arising from operations is recognised when the event occurs irrespective of receipt of cash.

3. In-kind contributions

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

4. Cash and cash equivalents

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

5. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. Accounts receivables also include school fees billed to parents for services rendered but not paid. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

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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.

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6 Notes To The Financial Statements

1. GOVERNMENT GRANTS FOR TUITION

Description Of Vote Head	2022-2023	2021-2022
	Kshs	Kshs
Receipts		
Text books	-	-
Exercise books	-	-
Laboratory equipments and apparatus	-	-
Teaching/learning materials	5,511,352	6,322,416
Chalks	-	-
Internal exams	-	-
Reference materials	-	-
Total	5,511,352	6,322,416

2. GOVERNMENT GRANTS FOR OPERATIONS

Description Of Vote Head	2022-2023	2021-2022
	Kshs	Kshs
Repairs and maintenance	-	9,509,000
Personal emoluments	-	-
Local transport/travelling	-	-
Electricity and water	-	-
Medical	393,600	362,200
Administration costs	-	-
Activity	1,140,313	-
Other votes	14,693,567	17,388,635
Total	16,227,480	27,259,835

3. GOVERNMENT GRANTS FOR INFRASTRUCTURE

Description Of Vote Head	2022-2023	2021-2022
	Kshs	Kshs
Maintenance and Improvement MOE	8,150,000	-
M & I Parents contribution	-	-
Economic Stimulus Programs	-	-
Transition Infrastructure Grants	-	-
Total	8,150,000	-

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For the year ended 30th June 2023

Notes to the financial statements (Continued)

4. SCHOOL FUND INCOME- PARENTS' CONTRIBUTIONS

Description Of Vote Head	2022-2023	2021-2022
	Kshs	Kshs
Boarding Equipment & Stores	105,342,788	108,454,572
Repairs Maintenance & Improvement	30,249,406	6,484,008
Electricity Water & Conservancy	15,386,593	14,365,865
Local Transport & Travelling	10,038,709	6,985,542
Activity	1,720,134	2,740,090
Administration costs	9,535,412	8,764,539
Personal Emoluments	16,726,173	17,420,563
Beddings	15,300	6,298,600
Uniform fee	820,044	21,542,600
School IDs	18,200	247,200
Excess Fee	3,500	-
Total	189,856,259	193,303,579

5. MISCELLANEOUS INCOMES

Description Of Vote Head	2022-2023	2021-2022
	Kshs	Kshs
Rent Income	251,000	137,200
Income from farming activities	-	-
Insurance compensation	-	-
Income from Posho Mill	-	-
Income from Bus Hire	-	-
Fee for hire of ground and equipment	-	-
Income from CDF grants and donations	1,300,000	-
Interest income	-	-
Dividends income	-	-
Loans/borrowing	-	-
Other incomes	-	78,400
Total	1,551,000	215,600

MERU SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2023

Notes to the financial statements (Continued)

6. TUITION

Description Of Vote Head	2022-2023	2021-2022
	Kshs	Kshs
Text books	-	-
Exercise books	3,302,850	-
Laboratory equipment and chemicals	3,580,220	2,389,340
Teaching/learning materials	2,756,040	2,202,650
Chalks	-	-
Exams and assessments	-	-
Reference materials	-	-
Bank charges	-	1,380
Others	-	-
Total	9,639,110	4,593,370

7. OPERATIONS

Description Of Vote Head	2022-2023	2021-2022
	Kshs	Kshs
Repairs and maintenance	8,500	9,532,000
Personal emoluments	8,657,927	10,872,031
Local transport/travelling	383,700	296,000
Electricity and water	2,535,793	2,295,353
Medical	-	-
Administration costs	3,138,519	3,866,283
Activity	836,120	139,230
Infrastructure	-	-
CDF - ablution block	-	-
Bank charges	-	-
Borehole	-	-
Tuition	-	69,490
Total	15,560,558	27,070,387

MERU SCHOOL
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For the year ended 30th June 2023

Notes to the financial statements (Continued)

8. INFRASTRUCTURE

Description Of Vote Head	2022-2023	2021-2022
	Kshs	Kshs
Construction of classrooms	-	-
Construction of laboratory	-	-
Construction of dormitory	6,141,324	-
Purchase of furniture	-	-
Purchase of equipment	-	-
Purchase of apparatus	-	-
Drilling of boreholes	-	-
Others - Specify	-	-
Total	6,141,324	-

9. BOARDING AND SCHOOL FUND

Description Of Vote Head	2022-2023	2021-2022
	Kshs	Kshs
Boarding Equipment & Store	103,743,220	83,203,580
Repairs Maintenance & Improvement	26,199,104	29,983,073
Electricity Water & Conservancy	3,383,405	4,640,894
Local Transport & Travelling	6,431,023	3,152,803
Activity	3,854,441	1,010,242
Administration costs	28,005,401	38,155,819
Personal Emoluments	10,590,048	6,348,219
Poshomill	83,900	164,000
Hire ground and school bus	1,087,482	743,700
House rent	4,500	-
School farm	45,680	88,810
Sales of borehole water	-	-
Bursary	-	-
PA donations, school van project	-	-
Transfer to operations account	-	-
Transfer to savings account - school van project	-	-
Bank charges	-	-

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Salary advance		181,000
Fees refund	225,784	139,822
Uniform fee	817,600	21,455,000
Beddings	87,000	6,577,000
School Equipment and Stores	9,846,018	3,813,282
School Ids	186,000	246,800
CDF Ablution Block	270,000	950,000
NSSF	-	-
NHIF	-	-
Total Payments	194,860,606	200,854,044

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2022-2023	2021-2022
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	1040280219535 - EQUITY 01025039706600 - NBK	76,312 55,218	1,969,579
Operations Account	Active	1040280219529 - EQUITY 01021039005500 - NBK	2,778,107 125,047	2145,063
School Fund Account/Boarding	Active	1040298414943 - EQUITY 1254174192 - KCB	385,488 832,150	13,465,155
Savings Account	Active	1102258911 - KCB	1,301,196	194,658
Parent Association Development Account	-		-	-
Income Generating Activities Account	-		-	-
Infrastructural Account	Active	1254174214 - KCB	2,184,623	175,946
Fund account	Active	1104161850 - KCB	80,000	(950,000)
Total			7,818,141	17,000,402

11 Cash In Hand

Description	2022-2023	2021-2022
	Kshs	Kshs
Operation account	9,020	100,190
School Fund account	26,783	111,718
Total	35,803	211,908

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Notes to the financial statements (Continued)

12 Short Term Investments

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Cooperative Shares	-		-	
Treasury Bills	-		-	
Fixed Deposit accounts	-		-	
Other Investments	-		-	
Total	-		-	

13 Accounts Receivable

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Fees Arrears	26,390,076		19,247,886	
Other Non-Fees Receivables	100,400		100,400	
Salary Advances (list/schedule attached)	198,600		142,600	
Imprest (list/schedule attached)	-		-	
Rent arrears (list/schedule attached)	175,500		-	
Total	26,864,576		19,490,886	

13 b Ageing Analysis of Accounts Receivable

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	Current 2022-2023	% of the total	Comparative 2021-2022	% of the total
Less than 1 year	21,240,655	80%	11,792,247	61%
Between 1- 2 years	5,149,421	20%		%
Between 2-3 years		%		%
Over 3 years		%	7,455,639	39%
Total (should tie to note 13 a)	26,390,076	%	19,247,886	%

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Notes to the financial statements (Continued)

14 Accounts Payable

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Trade Creditors (See Ageing Below and Appendix 1)	15,771,001		13,425,376	
Prepaid Fees	7,083,657		6,508,450	
Retention Monies	-		-	
Unpaid salaries and statutory deductions	-		-	
Caution money	-		-	
Other payables	-		-	
Total	22,854,658		19,933,826	

14a. Ageing Analysis of Accounts Payable

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	Current 2023	% of the total	Comparative 2022	% of the total
Less than 1 year	14,971,001	95%	11,427,376	85%
Between 1- 2 years		%		%
Between 2-3 years	800,000	5%	1,998,000	15%
Over 3 years		%		%
Total (should tie to note 14)	15,771,001	%	13,425,376	%

15 Fund Balance Brought Forward

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Bank Balances	1,700,402		22,458,396	
Cash Balances	211,908		124,471	
Short Term Investments	-		-	
Receivables	19,490,886		20,615,116	
Payables	(19,933,826)		(21,012,240)	
Total	16,769,370		22,185,743	

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Other important disclosure notes

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

16 Non-current Liabilities Summary

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank Loans		
Outstanding Leases		
Hire Purchase		
Gratuity And Leave Provision		
Others		
Total		

17 Biological assets

Description	Numbers	2022-2023	2021-2022
		Kshs	Kshs
Cattle			
Goats			
Trees	5060	2,600,000	2,558,000
Coffee Or Tea Plantation			
Pigs	68	485,000	455,000
Others			
Total		3,085,000	3,013,000

18 Borrowings

Description	Kshs	Kshs
Borrowings at beginning of the year		
Borrowings during the year		
Repayments during the year		

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Balance at the end of the year		
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Other important disclosure notes

19 Stock/ Inventory

Description	2022-2023	2021-2022
	Kshs	Kshs
Food stuffs	4,472,400	2,819,884
Lab consumables	115,160	
Farm produce		
Medication		
Construction Materials		
Others		
Total	4,587,560	2,819,884

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20 Progress On Follow Up Of Auditor Recommendations

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

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

 Sign and Date
 Principal

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12 Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance June 2023	Outstanding Balance Comparative June 2022	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1. Bonface Kinoti	760,000	9/11/2022	500,000	260,000		
Sub-Total				260,000		
Supply Of Goods						
1. Jacqwa Enterprises	32,543,270	13/7/2022	30,948,871	5,109,300	3,514,901	
2. Kenblest Foods Ltd.	12,383,614	1/7/2022	12,385,733	1,445,675	1,447,794	
3. Meru Central Dairy	4,314,595	1/7/2022	4,229,595	497,250	412,250	
4. Njagamwe Supplies	3,015,760	3/7/2022	3,045,420	367,400	397,060	
5. Wagi Supplies	2,128,870	13/7/2022	2,303,427	146,295	320,852	
6. Frigal Enterprises	1,709,697	1/7/2022	1,723,260	131,287	144,850	
7. Farmers Choice	3,366,835	3/7/2022	3,082,721	284,114	0	
8. Zipporah Kimathi	3,702,799	13/7/2022	3,613,619	626,170	536,990	
9. Abids Paint	287,700	19/7/2022	305,650	9,900	27,850	
10. Muriro Enterprises	4,553,850	6/7/2022	4,448,850	272,000	167,000	
11. Readers Quest	5,952,636	6/9/2022	5,143,826	2,058,150	1,249,340	
12. Bellan Enterprises	1,797,150	30/7/2022	518,150	1,279,000	0	
13. The Uniform Shop	801,130	8/7/2022	78,630	984,760	105,000	
14. Amandan Supplies	500,000	11/10/2022	0	500,000	0	
15. Al Nur Electricals	1,113,912	4/10/2022	890,752	223,160	134,360	
16. Oscar Muguna	1,180,000	31/7/2022	700,000	480,000	0	
17. Lanes Enterprises	254,300	30/11/2022	513,900	140,800	400,400	
18. Ali Hass Hardware	61,000	7/2/2023	21,000	40,000	0	
19. Brissemex Electricals	86,930	15/5/2023	70,200	16,730	0	
20. Bititec Systems	75,000	7/6/2023	0	75,000	0	

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21. Jomema Stationers					70,000	
22. Smart school Technology					20,000	
23. Meru Chemist					246,000	
24. Kedyleen Suppliers					9,900	
25. Peter Rutere					120,000	
26. Josfree Cleaning Company					165,000	
27. Descana Machines					32,500	
28. Peter Mburugu					9,750	
29. Three Steps					76,000	
30. Cyricon Educational Supplies					35,200	
31. Scenic Stationers					100,000	
32. Strategee General Merchants					54,000	
33. Software for School					86,188	
34. Britam					486,511	
35. Visat Digital					16,000	
36. Samtech Technologies					53,500	
37. Moderncom Systems					15,500	
38. A-One Collection					600,000	
39. Eric Murithi					25,000	
40. Wakathuma Enterprises					195,000	
41. Home Health Education					15,200	
42. Michael W. Chege					129,080	
43. Murithi David					8,400	
Sub-Total					14,686,991	
Supply Of Services						
1. Ashnac Glass Repair	0	1/7/2021	1,198,000	800,000	1,998,000	
2. Bonface Kinoti	24,010	9/11/2022	0	24,010		
Sub-Total				800,000		
Grand Total				15,771,001	13,425,376	

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Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 st July 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2023
Land 1	330,000,00	0	0	330,000,000
Buildings And Structures	465,364,494	6,141,324	0	471,505,818
Motor Vehicles	9,983,500	0	0	9,983,500
Office Equipment, Furniture And Fittings	5,377,700	0	0	5,377,700
Textbooks	2,278,000	0	0	2,278,000
ICT Equipment	5,665,430	0	0	5,665,430
Tools And Apparatus	3,435,170	0	0	3,435,170
Other Machinery And Equipment	440,000	0	0	440,000
Heritage And Cultural Assets				
Intangible Assets- Soft Ware	872,000	0	0	872,000
Beds, Chairs Desks	24,123,000	2,718,430		26,841,430
Total	847,539,294	8,859,754		856,399,048