


REPUBLIC OF KENYA



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REPORT

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 04 MAR 2025	DAY: Tuesday
OF	Deputy chief whip Majority party Hon. Naomi Sillo
TABLED BY:	
CLERK-AT THE-TABLE:	Benson Inzofu

THE AUDITOR-GENERAL

ON

MALINDI HIGH SCHOOL

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



Revised 30th June 2023.



MALINDI HIGH SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2023

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

MALINDI HIGH 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 secondary Education.



2. 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 in Kilifi County, Malindi Sub-County.

The school was registered in 24th August 2009 under registration number GP/A/7334/09 and is currently categorized as an extra county public school established, owned or operated by the Government.

The school is a boarding school and had 1,254 number of students as at 30th June 2023. It has 5 streams in forms 4& 3 and 6 streams in forms 1 & 2 and 52 teachers of which 16 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	RASHID BAKULLY	Chairman	15TH SEP 2022
2	JUMA BORA	Secretary – Principal	15TH SEP 2022
3	SIZA MOHAMED	Member	15TH SEP 2022
4	NAMROLDS KALAMA	Member	15TH SEP 2022
5	DR. MUJAHID	Member	15TH SEP 2022
6	AMANI CHARO	Member	15TH SEP 2022
7	CONSTANCE PENDO	Member	15TH SEP 2022
8	SIMIYU KENT	Member – Rep CEB	15TH SEP 2022
9	MD SIDI	Member Rep Teachers	15TH SEP 2022
10	ASHRAF AHMED	3 Members – Sponsor	15TH SEP 2022
11	MARY JOY	Member – Community	15TH SEP 2022
12	BERNARD MWANGALA	Member Special Needs	15TH SEP 2022
13	OMONDI STEPHEN	Teachers Representative	15TH SEP 2022

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	JUMA BORA RASHID BAKULLY SIZA MOHAMED MARY JOY NAMROLD KALAMA BERNARD MWANGALA		1 MEETING
2	Audit Committee	NAROLDS KALAMA BERNARD MWANGALA SIDI CHAI OSCAR CHARO		
3	Finance, procurement and general purposes Committee	SIZA MOHAMED ASHRAF MUJAHID PENDO CONSTANCE BENGI SHADRACK		1 MEETING
4	Academic Committee	DR. MUJAHID SIZA MOHAMED MR. SIMIYU MARY JOY		1 MEETING
5	Development Committee	DR MUJAHID SIZA MOHAMED JUMA BORA SCDE		4 MEETINGS

MALINDI HIGH SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2023**

		NAMROLDS KALAMA		
6	Discipline and welfare Committee	SIZA MOHAMED KENT SIMIYU ASHRAF AHMED		2 MEETINGS
7	Adhoc Committee (if any during the year)			

(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	JUMA BORA	TSC No.348369
2	Deputy Principal	MUTANGE OYIGO	TSC No.404789
3	School Bursar	BENGI SHADRACK	ICPAK No. 16989

(e) Schools contacts

Post Office Box: 127-80200 MALINDI
Telephone: 0721921014
E-mail: malindihighschool@yahoo.com
Website: www.malindihighschool.ac.ke
Facebook:
Twitter:

(f) School Bankers

The following school operated 4 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: KCB
Branch: MALINDI
Main Account
Account Number: 1107991013
2. Name of Bank: KCB
Branch: MALINDI
Operational Account
Account Number: 1104241692
3. Name of Bank: KCB
Branch: MALINDI
Tuition Account
Account Number: 1104230593
4. Name of Bank: KCB
Branch: MALINDI
Infrastructure Account
Account Number: 1211503313

(g) Independent Auditors

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

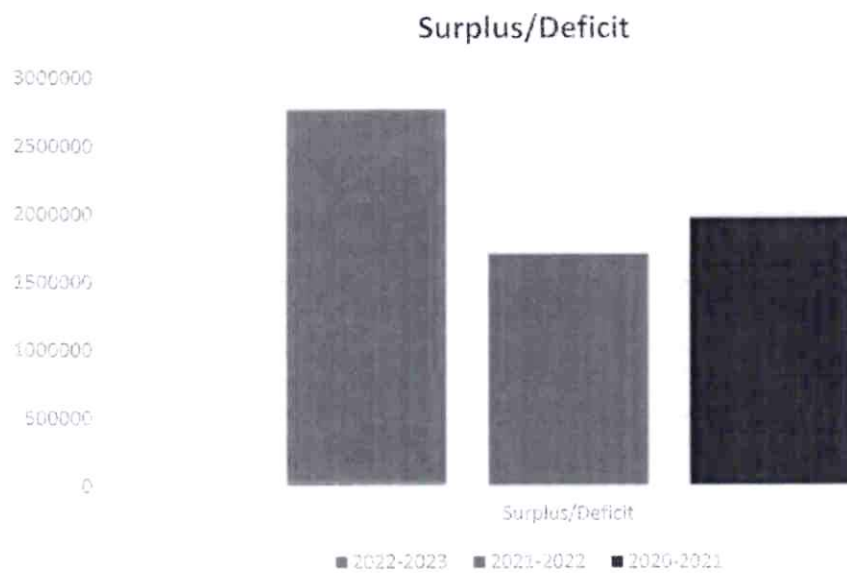
3. Summary Report of Performance of The School

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

a) Financial performance:

i. Surplus Deficit

Year	Surplus/Deficit
2022-2023	
2021-2022	
2020-2021	

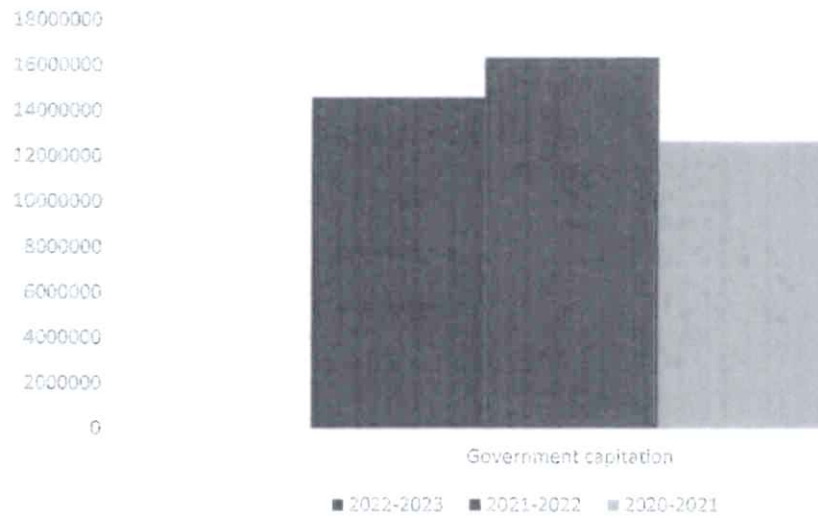


ii. Capitation Grants.

Year	Total (ksh)
2022-2023	14,601,901.80
2021-2022	16,366,908.00
2020-2021	12,681,561.05



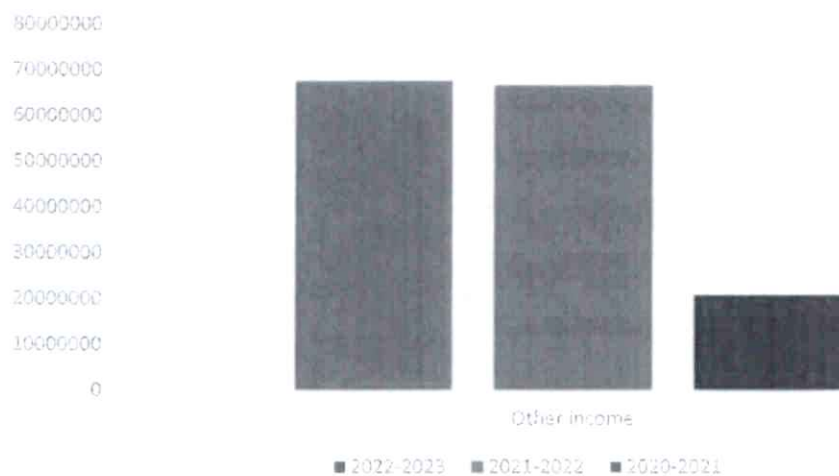
Government capitation



iii. Other incomes

Year	Other Incomes
2022-2023	67,586,067.00
2021-2022	66,598,496.00
2020-2021	20,805,610.00

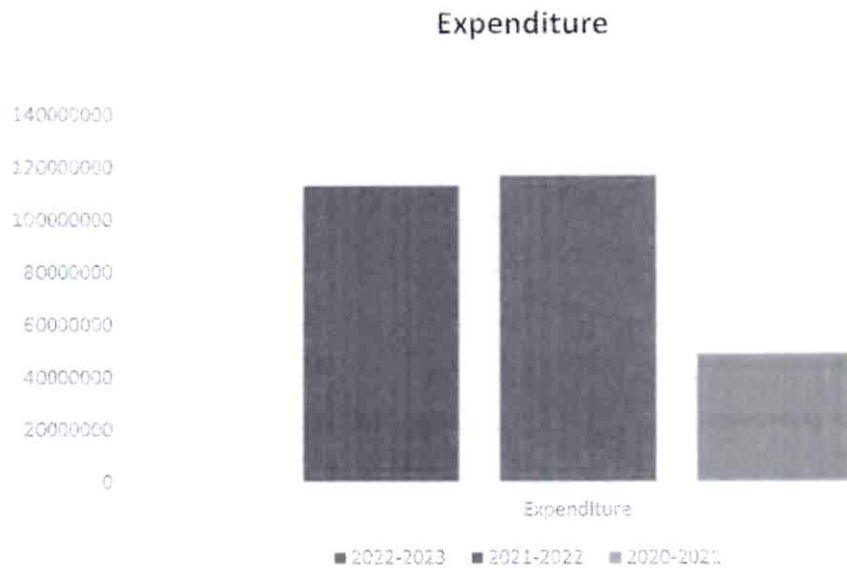
Other incomes



iv.

v. Expenditure growth.

Year	Expenditure
2022-2023	112,849,469.50
2021-2022	116,811,884.00
2020-2021	48,554,032.00

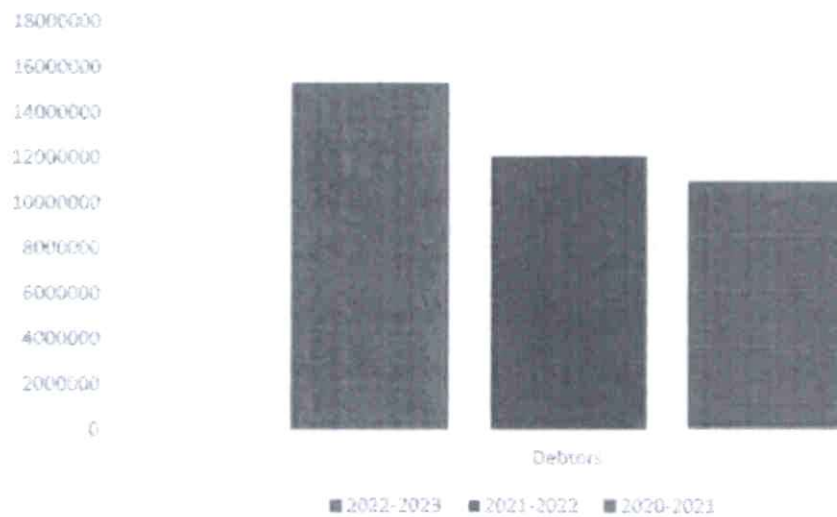


V. Debtors

Year	Debtors
2022-2023	15,342,822.00
2021-2022	12,072,215.00
2020-2021	10,965,501.00



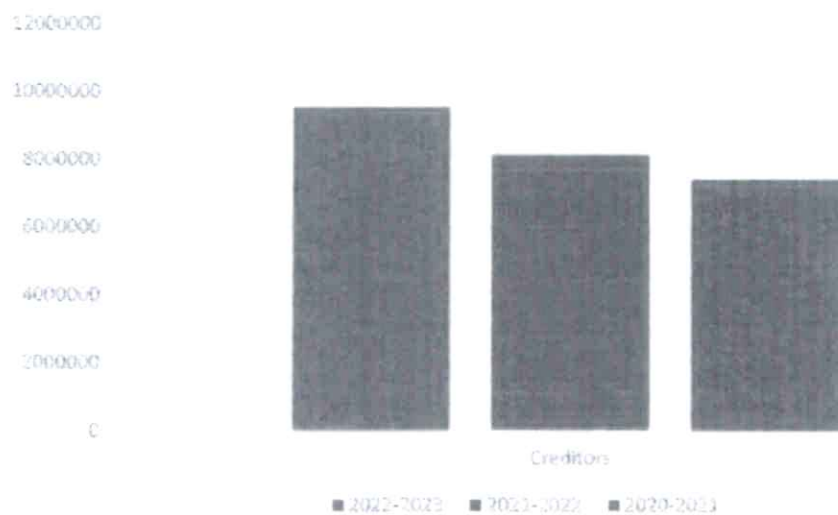
Debtors



VI. Creditors

Year	Creditors
2022-2023	9,539,210.00
2021-2022	8,123,010.00
2020-2021	7,410,121.00

creditors



b) Teacher Student ratio:

Teacher student ratio stands at 1: 36

Teachers recruited and posted during the year is 3 teachers

Teachers transferred during the year is 1 teacher.

BOM teachers are 16 teachers.

c) Mean score in the KCSE:

YEAR	MEAN SCORE
2022	6.333
2021	5.359
2020	6.827

d) Number of Candidates in the KCSE:

YEAR	CANDIDATES
2022	217
2021	229
2020	156

e) Capacity of the school:

The school has a student population of 1,254 students. The school has 8 dormitories, one dining hall, 3 laboratories, 1 computer lab and 2 ablution blocks in the tuition area.



f) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Modern dormitory	MOE	INCOMPLETE	2,900,000.00	2,600,000.00	INCOMPLETE

.....
School Principal

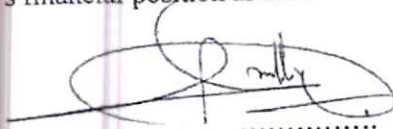
4. Statement of School Management Responsibility

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

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2023, and of the school's financial position as at that date.



.....
Name: Rashid Bakully

Designation: Chairman, School Board of Management

Date: 25th September 2023



.....
Name: Juma Bora

Designation: School Principal & Secretary to Board of Management

Date: 25th September 2023



.....
Name: Bengi Shadrack

Designation: Bursar

Date: 25th September 2023

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 MALINDI HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 - KILIFI 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 Malindi High School - Kilifi County set out on pages 1 to 40, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2023, and the statement of receipts and payments,

statement of cash flows, 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, 2010 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 possible 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 Malindi High School - Kilifi County as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in Miscellaneous Incomes

The statement of receipts and payments reflects miscellaneous income amount of Kshs.283,000, as disclosed in Note 5 of the financial statement. However, Note 5 also reflects an additional miscellaneous income amounting to Kshs.1,274,426, which includes an amount of Kshs.283,000 for bus hire and an amount of Kshs.991,426 for hiring fees and equipment. The receipts from hiring of bus and equipment was therefore included in the statement of receipts and payments. Further, supporting documents such as schedules, ledgers, requisitions for services, or official receipts, were not provided for audit review.

In the circumstances, the accuracy and completeness of miscellaneous income of Kshs.83,000 could not be confirmed.

2. Inaccuracies in Boarding and School Funds Balances

The statement of receipts and payments reflects an amount of Kshs.100,729,738 on boarding and school funds, while Note 9 to the financial statements on boarding and school fund reflect an amount of Kshs.98,205,945 resulting to an unexplained variance of Kshs.2,523,793.

In the circumstances, the accuracy and completeness of the balances of boarding and school fund could not be confirmed.

3. Inaccuracies in Cash and Cash Equivalents

The statement of financial assets and financial liabilities reflects a bank balance of Kshs.1,999,413 as disclosed in Note 10 to the financial statements. However, the bank certificate provided for audit reflected a balance of Kshs.335,719, resulting to an explained variance of Kshs.1,663,694. Further the bank balances from Caution Money Account, P.T.A Account, Golden Account, and Farm Account were not disclosed.

In the circumstances, the accuracy, completeness, existence of bank balance of Kshs.1,999,414 could not be confirmed.

4. Accounts Receivables

4.1 Unsupported Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.27,114,264. However, the balance as disclosed in Note 13 to the financial statements is Kshs.23,701,404. However, the supporting schedules, detailed ageing analysis and issued invoices were not provided for audit review. Further, significant accounting policies on accounts receivable as disclosed in Note 13 do not disclose on the treatment of the students' fees balances which is the major source of income for the school.

4.2 Long Outstanding Receivables

The statement of financial assets and liabilities reflects accounts receivables balance of Kshs.27,114,264 in respect of fees arrears. However, included in the balance are receivables amounting to Kshs.8,358,582 which had been outstanding for more than two (2) years.

In the circumstances, the accuracy, completeness and recoverability of the receivables balance of Kshs.23,701,404 could not be confirmed.

5. Unsupported Trade and Other Payables

The statement of financial assets and financial liabilities reflects trade and other payables amounting to Kshs.12,514,809. The amount includes a balance of Kshs.635,299 whose supporting invoices were not provided for audit. Additionally, no ageing analysis and ledger details were provided to support the accounts payable balance in the financial statements.

In the circumstances, the accuracy and completeness balance of Kshs.12,514,809 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects the final receipts budget and actual on a comparable basis of Kshs.57,067,434 and Kshs.82,288,255 respectively,

resulting to an over-funding of Kshs.25,220,821 or 44% of the budget. However, the School spent a balance of Kshs 101,185,649 against actual receipts of Kshs 82,288,255 resulting to an over-expenditure of Kshs 18,897,394 or 23 % of actual receipts.

The over-expenditure may affect the subsequent year's budget.

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 of Kenya, 2010 based on the procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General after the due date of 30 September, 2023. This was contrary to the requirement 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.

2. Non-Banking of Revenue

The audit noted instances where the school was receiving payments for bus hire, ground hire, and equipment hire. However, there was no indication that these fees were banked intact as required. The fee receipts could not be traced in the cashbook or the bank statement. This was contrary to Regulation 64(4) of the Public Finance Management (National Government) Regulations, 2015 states that all public monies collected by a receiver of revenue or collector of revenue or collected and retained by a national Government entity shall be paid into the designated bank accounts of the national Government and shall not be used by any public officer in any manner between the time of their receipts and payment into the bank except as provided by law.

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

3. Lack of Student Enrollment Register

The School did not provide current physical enrollment registers for verification against the NEMIS data. As a result, the verification of the NEMIS enrollment data against the physical enrollment records could not be performed. It was therefore not clear if the school-maintained student enrollment registers. This is contrary to The Operational Manual for Utilization of Learner Capitation Grant and Other School Funds, 2019 which requires that each school fulfill certain criteria, including maintaining accurate and up-to-date enrollment records and NEMIS (National Education Management Information System) which states that enrollment must be verified against the School's physical enrollment registers to ensure accuracy and compliance with the Ministry of Education's guidelines.

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

4. Unsupported Procurement of Goods and Services

Review of the payment vouchers and supporting documents revealed that the school lacks a registered list of suppliers for their goods, works, and services, and does not have written contracts with these suppliers.

Further, examination of payment vouchers revealed that vouchers amounting to Kshs.6,359,915 were not supported. This was contrary to Section 104 (1) of the Public Finance Management (National Government) Regulations 2015 which provides that all receipts and payment vouchers of public moneys shall be properly supported by pre-numbered receipts and payment vouchers and shall be supported by the appropriate authority and documentation.

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

5. Payment Vouchers with Mismatched Documentation

Payment vouchers totalling Kshs.1,605,000 lacked corresponding invoices and a payment voucher for Kshs.105,000, intended for the supply of exercise books was supported by invoices for lab equipment, indicating poor documentation.

Further, supporting documents were not provided for part payments made for constructing a dormitory totalling Kshs.1,150,000. Duplicate supporting documents were used for payment vouchers on different dates, with the same invoice number being photocopied and attached to both payment vouchers. Also, payment vouchers were prepared and signed before the delivery of goods was made and the invoice was presented, indicating that payments were made before goods were delivered and invoices were received. This was contrary to Sub-Section 3.1.1 of the Operational Manual for Utilization of Learner Capitation Grant.

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

6. Weakness in Distribution of Textbooks

During the year under review, it was noted that there was no evidence of instructional need assessment that provided the basis for determining the number and subject of instructional material needed by the school. In addition, there was no evidence of Malindi High School having set up a School Instructional Materials Selection Committee (SIMSC) that does annual needs assessment of the textbooks urgently needed by the school that will guide the Ministry of Education through Kenya Institute of Curriculum Development (KICD) on the distribution of textbooks to the school.

In the circumstances, the School may not have received value for money for the books supplied.

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

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

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on 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. Lack of Internal Audit Function and Audit Committee

During the year under review, the School had not constituted an Audit Committee and an Internal Audit Unit as required by Regulation 166(1) and (2) of the Public Finance Management (National Government) Regulations, 2015 which states that the internal audit unit of a National Government entity to assess effectiveness of the School through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury.

In the circumstances, the School did not benefit from the oversight role and advice from the audit committee and the internal audit function.

2. Lack of Fixed Assets Register

The school did not maintain a fixed asset register. There were insufficient records to verify the existence of certain fixed assets such as generators and office equipment. Historical and additional costs were not provided for audit review. This was contrary to Section 143(1) of Public Finance Management (National Government) Regulations, 2015 which require an Accounting Officer to maintain a register of assets under his or her control or possession as prescribed by the relevant laws.

In the circumstances, effectiveness in management and safeguard of assets could not be confirmed.

The audit was conducted in accordance with the 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 Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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

Because of its inherent limitations, internal control 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 control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the school to cease to 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 control 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

31 December, 2024

MALINDI HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

6. **Statement Of Receipts and Payments For the Year Ended 30th June 2023**

Description Of Vote Head	Note	2022-2023 Kshs	2021-2022 Kshs
Receipts			
Government grants for tuition	1	3,368,289.25	3,040,537.60
Government grants for operations	2	7,937,612.55	8,865,371.60
Government Grants for infrastructure	3	3,296,000.00	4,461,000.00
School fund income- parents' contributions	4	100,729,738.00	102,147,135.00
Miscellaneous incomes	5	283,000.00	-
Total Receipts		115,614,639.80	118,514,043.60
Payments			
Tuition	6	3,368,062.04	3,041,909.00
Operations	7	8,675,462.47	13,324,616.00
Infrastructure	8	2,600,000.00	-
Boarding and school fund	9	98,205,945.00	100,445,359.00
Total Payments		112,849,469.51	116,811,884.00
Surplus/Deficit		2,765,170.29	1,702,160.20

MALINDI HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

The school financial statements were approved on 25th September 2023 and signed by:


.....

Name: Rashid Bakully


.....

Name: Juma Bora

Chair BOM

School Principal/Secretary to BOM


.....

Name: Bengi Shadrack

Bursar/ Finance Officer

Date: 25th September 2023

Date: 25th September 2023

Date: 25th September 2023

MALINDI HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

7. Statement of Assets and Liabilities As At 30th June 2023

Description	Note	2022-2023 Kshs	2021-2022 Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	1,199,413.54	696,379.78
Cash balances	11	16,100.00	14,434.00
Short term investments	12	-	-
Total cash and cash equivalent		<u>1,215,513.54</u>	710,813.78
Account's receivables	13	27,114,264.00	23,464,461.00
Total financial assets		28,329,777.54	24,175,274.78
Financial liabilities			
Accounts payables	14	(12,514,809.00)	(9,423,317.00)
Net financial assets		15,814,968.54	14,751,957.78
Represented by			
Accumulated fund b/fwd	15	13,049,798.00	13,049,798.00
Surplus/deficit for the year		2,765,170.29	1,702,160.20



MALINDI HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

Net financial position		15,814,968.54	14,751,958.20
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The school's financial statements were approved on 25th September 2023 and signed by:


 Name: Rashid Bakally


 Name: Juma Bora


 Name: Bengi Shadrack

Chair BOM

School Principal/ Secretary to BOM

Bursar

Date: 25th September 2023

Date: 25th September 2023

Date: 25th September 2023

MALINDI HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

8. **Statement of Cash Flows for the Year Ended 30th June 2023**

Description	Note	2022-2023 Kshs	2021-2022 Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition		3,368,289.25	3,040,537.60
Government grants for operations		7,937,612.55	13,326,371.60
Government grants for infrastructure		3,296,000.00	
School fund income- parents contributions/ fees		100,729,738.00	102,147,135.00
Other income		283,000.00	
Total receipts		115,614,639.80	118,514,044.20
Payments			
Cash outflows for tuition		3,368,062.04	3,041,909.00
Cash outflows for operations		10,151,219.47	13,324,616.00
Cash outflows Boarding/lunch and school fund payments		98,990,659.00	100,445,359.00
Total payments		(112,509,940.51)	(116,811,884.00)
Net cash inflow/outflow from operating activities		3,104,699.29	1,702,160.20
Cash flow from investing activities			
Acquisition of assets		(2,600,000.00)	
Proceeds from sale of Assets		-	
Proceeds from investments		-	
Purchase of investments		-	
Net cash inflow/outflows from investing activities		504,699.29	
Cash flow from Financing activities			

MALINDI HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

Proceeds from borrowings/ loans	18	-	
Repayment of principal borrowings		-	
Net cash inflow/outflow from financing activities		-	
Net increase/decrease in cash and cash equivalents		504,699.29	678,269.20
Cash and cash equivalent at beginning of the FY		710,813.78	32,544.88
Cash and cash equivalent at end of the FY		1,215,513.07	710,813.78

The school's financial statements were approved on 25th September 2023 and signed by:



Name: Rashid Bakully

Chair BOM

Date: 25th September 2023



Name: Juma Bora

School Principal/ Secretary to BOM

Date: 25th September 2023



Name: Bengi Shadrack

Bursar

Date: 25th September 2023

MALINDI HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2023

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On	% Of Utilization
	a Kshs	b Kshs	c=a+b Kshs	D Kshs	e=d/c % Kshs
(1) Capitation Grant on Tuition					
Reference Materials	519,920.00	-	519,920.00	250,000.00	48.08%
Exercise Books	1,038,768.00	-	1,038,768.00	300,000.00	28.88%
Laboratory Equipment	1,500,800.00	-	1,500,800.00	1,000,000.00	66.63%
Internal Exams	519,920.00	-	519,920.00	418,289.25	80.45%
Teaching / Learning Materials	519,920.00	-	519,920.00	1,000,000.00	192.34%
Exams And Assessment	1,356,080.00	-	1,356,080.00	400,000.00	29.50%
(2) Capitation Grant on Operations					
Personnel Emoluments	6,914,400.00	-	6,914,400.00	3,281,916.00	47.46%
Repairs And Maintenance	-	-	-	-	-
Local Transport / Travelling	1,072,000.00	-	1,072,000.00	585,657.00	54.63%
Electricity And Water	1,715,200.00	-	1,715,200.00	1,399,710.00	81.61%
Medical	2,144,000.00	-	2,144,000.00	-	0%
Administration Costs	1,447,200.00	-	1,447,200.00	1,817,378.00	125.58%
Activity	1,608,000.00	-	1,608,000.00	1,585,860.00	98.62%
Gratuity	-	-	-	-	-

MALINDI HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

Receipt / Expenses Item	Original Budget	Adjustments	Final Budget	Actual On	% Of Utilization
	a Kshs	b Kshs	c=a+b Kshs	D Kshs	e=d/c % Kshs
3) FDSE for infrastructure					
Maintenance & Improvement MoE	4,288,000.00	-	4,288,000.00	2,600,000.00	60.63%
M&I parents' contribution	-	-	-	-	-
Economic Stimulus Programs	-	-	-	-	-
Transition Infrastructure Grants	-	-	-	-	-
Administration Block	-	-	-	-	-
(4) Fees Charged on Parents					
Personnel Emoluments	10,896,000.00	-	10,896,000.00	11,279,701.00	103%
Repairs And Maintenance	-	-	-	-	-
Local Transport / Travelling	1,393,600.00	-	1,393,600.00	1,216,544.00	87.30%
Electricity And Water	5,252,800.00	-	5,252,800.00	7,542,573.00	143.60%
Medical	-	-	-	-	-
Administration Costs	1,983,200.00	-	1,983,200.00	3,199,126.00	161.31%
Activity	350,000.00	-	350,000.00	1,189,369.00	339.81%
SMASSE	-	-	-	-	-
Fee On Boarding Equipment and Stores	30,462,000.00	-	30,462,000.00	44,547,706.00	146.24%
5) Miscellaneous Income					
Loans / Borrowing	-	-	-	-	-
Rent income	-	-	-	-	-
Income From Farming Activities	-	-	-	-	-
Insurance Compensation	-	-	-	-	-
Income From Posho Mill	-	-	-	-	-

MALINDI HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On	% Of Utilization
	a Kshs	b Kshs	c=a+b Kshs	d Kshs	e=d/c % Kshs
Income From Bus Hire	-	-	283,000.00	283,000.00	100%
Fee For Hire of Ground and Equipment	-	-	991,426.00	991,426.00	100%
Interest Income	-	-	-	-	-
Income From Any Other Investment	-	-	-	-	-
Total Income					
(6) Expenditure For Tuition					
Textbooks	-	-	-	-	-
Reference Materials	519,920.00	-	519,910.00	330,000.00	63.47%
Exercise Books	1,038,768.00	-	1,038,768.00	250,000.00	24.06%
Laboratory Equipment	1,500,800.00	-	1,500,800.00	1,000,000.00	66.63%
Internal Exams	519,920.00	-	519,920.00	785,200.00	151.02%
Teaching / Learning Materials	519,920.00	-	519,920.00	1,000,000.00	192.34%
Chalks	-	-	-	-	-
Exams And Assessment	1,356,080.00	-	-	-	-
Teachers Guides	-	-	-	-	-
Administration Costs	-	-	-	-	-
Bank Charges	-	-	2,862.04	2,862.04	100%
(7) Expenditure For Operations					
Personnel Emoluments	6,914,400.00	-	6,914,400.00	3,281,916.00	47.50%
Repairs, Maintenance & Improvements	-	-	-	-	-
Local Transport / Travelling	1,072,000.00	-	1,072,000.00	585,657.00	54.63%

MALINDI HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On	% Of Utilization
	A Kshs	B Kshs	C=A+B Kshs	D Kshs	E=D/C % Kshs
Electricity, Water and Conservancy	1,715,200.00	-	1,715,200.00	1,399,710.00	81.60%
Medical	2,144,000.00	-	2,144,000.00	-	-
Administration Costs	1,447,200.00	-	1,447,200.00	1,817,378.00	125.60%
Activity Expenses	1,608,000.00	-	1,608,000.00	1,585,860.00	98.62%
Gratuity	-	-	-	-	-
SMASSE	-	-	-	-	-
(8) Expenditure For infrastructure					
Construction of classrooms	-	-	-	-	-
Construction of LAB	-	-	-	-	-
Construction of DORMS	3,075,756.53	-	3,075,756.53	3,075,756.53	100%
Purchase of furniture	-	-	-	-	-
Purchase of equipment	-	-	-	-	-
Purchase of machinery	-	-	-	-	-
(9) Expenditure For school fund/lunch/boarding					
Personnel Emoluments	10,896,000.00	-	10,896,000.00	9,949,803.00	91.32%
Repairs, Maintenance and Improvements	-	-	-	-	-
Local Transport / Travelling	1,393,600.00	-	1,393,600.00	2,416,970.00	173.43%
Electricity, Water and Conservancy	5,252,800.00	-	5,252,800.00	4,138,260.00	78.78%
Medical Expenses	-	-	-	-	-

MALINDI HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

Receipt/Expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b Kshs	Actual On Comparable Basis d Kshs	% Of Utilization e=d/c % Kshs
Administration Costs	1,983,200.00	-	1,983,200.00	4,303,336.00	216.99%
Activity	350,000.00	-	350,000.00	4,040,183.00	1,154%
Gratuity	-	-	-	-	-
Lunch Programme	-	-	-	-	-
Boarding Equipment and Stores	30,462,000.00	-	30,462,000.00	61,097,817.00	200.57%
Expenditure For Income Generating Activity	-	-	-	-	X
Insurance Costs	-	-	-	-	X
Other Expenses On Investments	-	--	-	-	
Rent Expenses	-	-	-	-	
Bank Charges	124,941.00	--	124,941.00	124,941.00	100%
Loan Interest Repayment	-	-	-	-	-
Loan Principal Repayment	-	-	-	-	-
Acquisition Of Assets	-	-	-	-	-
Totals					

- i. Underutilization arose due to less revenue received during the year and inter vote heads viament too.
- ii. Overutilization arose due to increase in budgeted revenue due to increase in actual population and general inflation in the market.

10. 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.

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.

11. Notes To The Financial Statements

1 Government Grants for Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Reference Materials	250,000.00	376,674.60
Exercise Books	300,000.00	247,200.00
Laboratory Equipment	1,000,000.00	900,000.00
Internal Exams	418,289.25	300,000.00
Teaching / Learning Materials	1,000,000.00	700,000.00
Exam & assessment	400,000.00	516,663.00
Total	3,368,289.25	3,040,537.60

2 Government Grants for Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	4,496,089.00	6,028,946.00
Repairs And Maintenance	-	-
Local Transport / Travelling	454,314.73	683,691.40
Electricity And Water	1,252,340.52	1,120,229.70
Medical	108,500.00	-
Administration Costs	1,150,068.30	1,032,504.50
Activity	476,300.00	-
Other Vote Heads (specify)*	-	-
Total	7,937,612.55	8,865,371.60

3 Government Grants for infrastructure

Description	<i>Insert Current FY</i>	<i>Insert Comparative FY</i>
	Kshs	Kshs
Maintenance & Improvement	3,296,000.00	4,461,000.00
Transition infrastructure grants	-	-
Administration Block	-	-
Economic stimulus grants	-	-
Other (specify)(NGCDF and County govt.	-	-
Total	3,296,000.00	4,461,000.00

4 School Fund Income - Parents Contribution/Fees

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	11,279,701.00	6,940,893.00
Repairs and maintenance	-	6,451,006.00
Local transport / travelling	1,216,544.00	1,891,177.00
Electricity and water	7,542,573.00	7,987,195.00
Medical	-	859,959.00
Administration costs	3,199,126.00	3,233,797.00
Activity	1,189,369.00	1,152,957.00
Fee on Boarding Equipment and stores	58,141,687.00	52,039,508.00
TIG Account	550,000.00	
Bus Fund	7,619,954.00	7,605,654.00
Total	90,738,954.00	88,162,146.00

5 Miscellaneous Incomes

Description	2022-2023	2021-2022
	Kshs	Kshs
Rent Income		
Income From Farming Activities		
Insurance Compensation		
Income From Posho Mill		
Income From Bus Hire	283,000.00	215,500.00
Fee For Hire of Ground and Equipment	991,426.00	1,177,730.00
Income From Grants and Donations*		
Interest Income		
Dividends Income		
Loans/Borrowings*		
Other Income (<i>specify</i>)*		
Total	1,274,426.00	1,393,230.00

Notes to the Financial Statements (continued)

6 Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Exercise Books	250,000	350,000.00
Textbooks		
Reference materials	330,000.00	
Laboratory Equipment	1,000,000.00	1,623,720.00
Teaching / Learning Materials	1,000,000.00	886,000.00
Exams And Assessment	785,200.00	181,370.00
Teachers Guides		
Bank Charges	2,862.04	819.00
Others (<i>specify</i>)		
Total	3,368,062.04	3,041,909.00

7 Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	3,281,916.00	4,406,303.00
Service Gratuity		
Administration Cost	1,817,378.00	2,471,721.00
Repairs And Maintenance & Improvements		
Local Transport / Travelling	585,657.00	30,100.00
Electricity And Water	1,399,710.00	1,257,432.00
Medical		
Activity Expenses	1,585,860.00	444,720.00
Insurance Cost		
Bank Charges	4,941.47	2,340.00
Total	11,275,462.47	8,612,616.00

MALINDI HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

Notes to the Financial Statements (continued)

8 Infrastructure

Description	2022-2023	2021-2022
	Kshs	Kshs
Construction of classrooms		
Construction of laboratory		
Construction of dormitory	2,600,000.00	4,712,000.00
Purchase of furniture		
Purchase of equipment		
Purchase of apparatus		
Drilling of boreholes		
Others (specify)		
Total	2,600,000.00	4,712,000.00

9 Boarding And School Fund

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	9,949,803.00	9,836,117.00
Activity	4,040,183.00	2,740,220.00
Repairs And Maintenance & Improvements		4,768,229.00
Local Transport / Travelling	2,416,970.00	2,116,530.00
Electricity And Water	4,138,260.00	3,081,505.00
Medical Expenses		
Administration Costs	4,303,336.00	4,095,121.00
Bus Fund	4,444,485.00	4,592,872.00
Bank Charges	124,941.00	52,938.00
Expenses On Income Generating Activities**	283,000.00	258,675.00
Fee On Boarding Equipment and Stores	61,097,817.00	62,122,338.00
Rent Expenses		
Insurance Cost (Life Property)		
Bom Teachers	5,021,655.00	6,185,584.00
Development fund		550,000.00
Acquisition Of Assets		
Medical	85,495.00	45,230.00
Others (specify)		
Total	98,205,945.00	100,445,359.00

MALINDI HIGH SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2023****Notes to the Financial Statements (continued)****10 Bank Accounts**

Account Name & Currency	Status	Bank Account Number	2022-2023	2021-2022
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	1104230593	2,110.46	1,883.25
Operations Account	Active	1104241692	4,241.08	496.53
School Fund Account/Boarding	Active	1107991013	377,776.00	694,000.00
Infrastructural Account	Active	1211503313	815,286.00	
Total			1,199,413.54	696,379.78

11 Cash In Hand

Description	2022-2023	2021-2022
	Kshs	Kshs
Notes and Coins	16,100.00	14,434.00
Total	16,100.00	14,434.00

12 Short Term Investments

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

MALINDI HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

Notes to the Financial Statements (continued)

13 Accounts Receivable

Description	2022-2023	2021-2022
	Kshs	Kshs
Fees Arrears	23,701,404.00	23,464,461.00
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)	-	-
Imprest (list/schedule attached)	-	-
Rent arrears (list/schedule attached)	-	-
Total	23,701,404.00	23,464,461.00

13 b Ageing Analysis of Accounts Receivable

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	2022-2023	% of the total	2021-2022	% of the total
Less than 1 year	-	-	-	-
Between 1- 2 years	15,342,822.00	64.73%	12,072,215.00	51.45%
Between 2-3 years	5,235,621.00	22.09%	6,325,620.00	27.0%
Over 3 years	3,122,961.00	13.18%	5,066,626.00	21.60%
Total (should tie to note 13 a)	23,701,404.00	100%	23,464,461.00	100%

14 Accounts Payable

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	11,879,510.00	8,123,010.00
Prepaid Fees	635,299.00	1,300,307.00
Retention Monies		
Unpaid salaries and statutory deductions		
Caution money		
Other payables (<i>specify</i>)		
Total	12,514,809.00	9,423,317.00

Notes to the Financial Statements (continued)

14a. Ageing Analysis of Accounts Payable

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	2022-2023	% of the total	2021-2022	% of the total
Less than 1 year				
Between 1- 2 years	9,539,210.00	80.30%	8,123,010.00	100.0%
Between 2-3 years	2,340,300.00	19.70%		
Over 3 years				
Total (should tie to note 14)	11,879,510.00	100.00%	8,123,010.00	100%

15 Fund Balance Brought Forward

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank Balances	696,379.78	(445,764.20)
Cash Balances	14,434.00	1,369.00
Short Term Investments		
Receivables	23,464,461.00	20,702,356.00
Payables	(9,423,317.00)	(8,123,010.00)
Total	14,751,957.78	12,134,950.80

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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	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Bank Loans		
Outstanding Leases		
Hire Purchase		
Gratuity And Leave Provision		
Others (specify)		
Total		

17 Biological assets

Description	Numbers	Insert Current FY	2021-2022
		Kshs	Kshs
Cattle		20	18
Goats		84	98
Trees		62	80
Coffee Or Tea Plantation			
Poultry			
Others (specify)			
Total		166	196

18 Borrowings

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

Other important disclosure notes

19 Stock/ Inventory

Description	2022-2023	2021-2022
	Kshs	Kshs
Food stuffs	1,256,230.00	823,565.00
Lab consumables	435,620.00	230,450.00
Farm produce		
Medication		
Construction Materials		
Others (specify)		
	1,691,850.00	1,054,015.00

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)
4.1.1	Non submission of financial statements to the Auditor general	After the advice from the auditors, The financial statements were submitted to the office of the auditor general	Resolved	
4.1.2	Accuracy of student Enrollment data	The data of Nemis and actual differerd due to non release of some students by other principals. Lack of documentation like birth certificates and parents IDs on reporting day also hindered Nemis update. Update on the same has been made.	Resolved	
4.2.1	Budget and procurement plan	The procurement plan was not up to date at the time of audit. The procurement plan has now been fully prepared and is in place	Resolved	
4.2.2	Approval of infrastructure projects	The school infrastructure development plan (SIDP) was outdated. The school is in the process of developing a new one in place of the old one.	Not resolved	January 2024.
4.2.3	Procurement of infrastructure project	The school did not get the officer eligible to give professional opinion at the time of procurement. The	Resolved	

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Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		management is in the process of confirming availability of the officer.		
4.3.1	Failure to counter sign cashbooks	The cash books had not been countersigned. However after the advice from the auditors they were signed.	Resolved.	
4.3.2	Failure to maintain cash book for savings account	The savings account had no separate cash book since it was funds transferred from the boarding account. The savings account was however closed and is no longer in operation.	Resolved	
4.4.1	Long outstanding accounts receivables	This happens due to due number of students who complete with huge fees balance.	Recovery of fees balances still in progress	February 2024.
4.5.1	Accounts payable	The creditors accumulated due to the huge fees balances owed by students. The management has however managed to clear the long outstanding creditors.	Resolved	
4.6.1	Lack of asset register	At the time of audit the asset register was not completed and up to date awaiting valuation of Land and buildings. The asset register is now up to date.	Resolved	

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Sign and Date
Principal

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12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount A K.shs	Date Contracted B K.shs	Amount Paid To Date C K.shs	Outstanding Balance 2022-2023 D K.shs	Outstanding Balance Comparative FY K.shs	Comments
Construction Of Buildings						
1. BLUE BEACH CONTRACTORS LTD	2,900,000.00		2,600,000.00	300,000.00	0	
Sub-Total	2,600,000.00		2,600,000.00			
Supply Of Goods						
2. SHARRY SERVICES	9,186,780.00		5,230,000.00	3,956,780.00		
3. GERALD MUNUGU	1,416,960.00		560,230.00	856,730.00		
4. ELWYN ENTERPRISE	5,387,250.00		3,531,200.00	1,856,050.00		
5. TELMINET GONGONI ENTERPRISE	885,300.00		545,300.00	340,000.00		
6. LEAM LAB	3,465,870.00		1,120,450.00	2,345,420.00		
7. KAPATSA ENTERPRISE	454,230.00		400,000.00	54,230.00		
Sub-Total	20,796,390.00					
Supply Of Services						
8. OCEANIC SECURITY	1,560,000.00		1,430,000.00	130,000.00		
Sub-Total	1,560,000		12,817,180.00	9,539,210.00		
Grand Total	24,956,390.00		15,417,180.00	9,539,210.00		

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Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/T (Kshs) 1st July 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/F (Kshs) 30th June 2023
Land	228,000,000.00			228,000,000.00
Buildings And Structures	76,800,000.00			76,800,000.00
Motor Vehicles	9,330,000.00			9,330,000.00
Office Equipment, Furniture And Fittings	5,430,200.00			5,430,200.00
Textbooks	2,321,450.00			2,321,450.00
ICT Equipment	1,530,000.00			1,530,000.00
Tools And Apparatus	230,000.000			230,000.00
Other Machinery And Equipment	1,220,000.00			1,220,000.00
Heritage And Cultural Assets				
Intangible Assets- Soft Ware	215,000.00			215,000.00
Total	325,076,650.00			325,076,650.00