REPUBLIC OF KENYA

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

MIRITINI COMPLEX HIGH SCHOOL

FOR THE YEAR ENDED 30 JUNE, 2021

MOMBASA COUNTY

Revised 30th June 2021.

HARAMBEE

MIRITINI COMPLEX HIGH SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th June 2021

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

I. KEY SCHOOL INFORMATION AND MANAGEMENT

(a) Background information

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is in Mombasa County, Jomvu Sub-County.

The school was registered in 02/2016 under registration number 01S30000012 and is currently categorized as a Sub-county public school established, owned or operated by the Government.

The school is a day school and had 820 numbers of students as at 30th June 2021.It has 4 streams and 30 teachers of which 13 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	MR. KOMBO NGETI NDORO	Chairman	18/07/2019
2	MR.DISHON INDIMULI	Secretary - Principal	18/07/2019
3	MR. DISMUS MUDAI	Member	18/07/2019
4	MRS. MERINE ADERO	Member	18/07/2019
5	MR. ERASTUS BADI	Member	18/07/2019
6	MRS. SALOME WAFULA	Member	18/07/2019
7	MRS. RUKIA RAMADHAN	Member	18/07/2019
8	MR. LIXINGSTONE MWASI	Member -P.A Chairperson	18/07/2019
9	MR. STEPHEN N. MUREITHI	Member – Rep CEB	18/07/2019
10	MR. JARED OGUTA	Member Rep Teachers	18/07/2019
11	MR. MATANO V. KANZENGE	Members - Sponsor	18/07/2019
12	MRS. MWANAIDI CHARI	Members - Sponsor	18/07/2019
13	MR. FAKI MWIDADI	Member - Community	18/07/2019
14	MR. JOSEPH MOBIBO	Member Special Needs	18/07/2019
15	MR. MATANO MWINYI	Members - Sponsor	18/07/2019
16	TWALIB KAPOMBE	Rep Students	18/07/2019

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The function of the School Board of Management include:

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013
- Ensure and assure the provision of proper and adequate facilities for the School
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School.
- Determine cases of pupils discipline and make reports to the CEB
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB
- Administer and manage the resources of the School
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule 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	1.Mr. Kombo Ngeti Ndoro 2.Mr.Dishon Indimuli Mr. 3.Lixingstone Mwasi 4.Mr. Matano V. Kanzenge 5.Mrs. Mwanaidi Chari	BOM Chaiperson Principal/sec BOM P.A Chairperson BOM Member BOM Vice Chair-person	3 Meetings
2	Audit Committee	1. Mr. Stephen N. Mureithi 2. Mr. Erastus Badi 3. Mrs. Rukia Ramadhan 4. Mr. Dishon Indimuli	-Committee Chaiperson -Member -Member -Principal	1 out of 3 Meetings
3	Finance,procurement and general purposes Committee	1. Mrs. Mwanaidi Chari 2. Joseph Mobibo 3. Salome Wafula 4. Lixingstone Mwasi	-Committee Chairperson - Member -Member -Member.	1 Out of 3
4	Academic Committee	1. Faki Mwidadi 2. Dismus Mudai 3. Merino Adero	-Committee Chairperson - Member -Member	3 Out of 3
5	Development Committee	N/A		
6	Discipline and welfare Committee	1. Matano Kanzenge 2. Lixingstone Mwasi 3. Mwanaidi Chari 4. Salome Wafula Matano Mwinyi	Committee Chairperson P.A Chairperson - Member -Member -Member	3 Out Of 3
7	Adhoc Committee (if any during the year)	N/A		

(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	Mr. Dishon Indimuli	3471111
2	Deputy Principal	Mrs. Virdiana Mkakisha	313225
3	School Bursar	MR. Moses Mnyaka	30267403

(e) Schools contacts

Post Office Box:	93816-80102
Telephone:	0110009595
E-mail:	miritinicplxhigh@gmail.com
Website:	www.miritinicomplexhigh.sc.ke
Facebook:	N/A
Twitter:	N/A

(f) School Bankers

1. Name of Bank: KCB (Operation Account)
   Branch: Changamwe
   Account Number: 1197835067

2. Name of Bank: KCB (Tuition Account)
   Branch: Changamwe
   Account Number: 1197834745

3. Name of Bank: CO-OPERATIVE BANK (Main Account)
   Branch: Changamwe
   Account Number: 01139460877200

4. Name of Bank: KCB (Infrastructure Account)
   Branch: Changamwe
   Account Number: 270477773

5. MPESA Paybill No: 4078585 attached to 01139460877200 bank account.

(g) Independent Auditors

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

II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

a) **Financial performance**:

(i) Surplus/ deficit for the year and a comparison of the same for the last three years

S/No	Account	2021	2020	2019
1	Surplus/Deficit	27,923.15	1,863,917	1,553,740.1

(ii)Capitation grants from the Ministry of Education for the last three years

S/No	Account	2021	2020	2019
1.	Tuition Account	788,413.25	1,081,061.00	1,618,963.80
2.	Operation Account	5,062,806.90	6,988,475.00	7,655,834.80

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

S/No	Account	2021	2020	2019
1.	Main Account	5,249,662.00	5,326,769.00	6,968,305.00

(iv)A three-year overview of growth in expenditure of the school

S/No	Account	2021	2020	2019
1.	Tuition Account	1,197,141.00	1,841,194.00	1,587,918.00
2.	Operation Account	5,244,966.00	8,174,133.00	5,875,897.00
3.	Main Account	4,634,852.00	3,101,147.00	7,225,550.00

(v)Movement of debtors and creditors of the school over the last three years

S/NO	PARTICULAR	2021	2020	2019
1.	Debtors	5,193,748.00	3,122,300.00	1,537,700.00
2.	Creditors	1,353,675.00	1,025,158.00	1,943,426.00

(vii) Movement of cash and bank balances over the last three years

S/N	PARTICULARS	2021	2020	2019
1	CASH ON HAND	51.00	56,676.00	1,451
2	CASH AT BANK	2,339,625.00	2,824,150.00	3,221,984

(b) Teacher Student ratio:

1. Teacher to student ratio	1;54
2. Number of teachers recruited/posted to the school within the year	1
3. Number of teachers transferred during the year (out of school)	4 teacher
4. Number of teachers transferred during the year (into of school)	4 teacher
5. Number of teachers retired during the year	nil
6. Number of teachers employed by TSC	15
7. Number of teachers employed by BOM	13
8. Subject Allocation	
i. Maths	7 Teachers
ii. English	5 Teachers
iii. Kiswahili	6 Teachers
iv. Chemistry	4 Teachers
v. Biology	4 Teachers
vi. Physics	4 Teachers
vii. Business studies	2 Teachers
viii. Agriculture	2 Teachers
ix. Geography	4 Teachers
x. History & government	4 Teachers
xi. CRE	6 Teachers
xii. IRE	3 Teachers
xiii. Home Science	0
N/B; The school has a shortage in the following subject:	
Physic/maths	
Bio/chem	2
Biology/maths	2

Maths/chem	
Agriculture/ biology	2
Kisw/cre	2
Kisw/ire	2
Ire/Arabic	2
Maths/business	2
	2
	1
	1
	1

(c) Mean score in the 2021 KCSE:

S/NO		2020	2019	2018
1.	Performance of the school	D-	D-	D-
2.	School mean score	2.3	2.28	2.34
3.	Number of students transited to higher learning	1	2	1

(d) Number of Candidates in the 2021 KCSE:

Year	Entry
2020	141
2019	120
2018	94

(e) Capacity of the school:

S/No	Description	2021
1	Number of students-Boys	493
2	Number of students-Girls	367
3	Domitories	Nil
4	Dining Hall	Nil
6	Labotories : ICT LAB	0

7	Home science	0
8	Physic Lab	1
9	Chemistry/biology	1
10	Toilets	Girls – 8 Boys – 6 Total -14
11	Kitchen	1
12	Teachers - TSC	15
13	Teacher - BOM	13

(f) Development projects carried out by the school:

Currently there is no project going on in the school.

Sign

School Principal

PRINCIPAL
MIRITINI COMPLEX HIGH SCH.
P.O. Box 93816 - 80102
CHANGAMWE

III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.

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

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

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

Sign ....

Name: ABDUBA SARITE

Designation: Chairman, School Board of Management

Date:

PRINCIPAL
MIRITINI COMPLEX HIGH SCH.
P.O. BOX 93816 - 80102
CHANGAMWE

Sign..

Name: MBAKA J. GITONGA

Designation: School Principal& Secretary to Board of Management

Date:

Sign..

Name: MOSES MNYAKA

Designation: Bursar/ Finance Officer

Date:

REPUBLIC OF KENYA

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

REPUBLIC OF KENYA

OAG
OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON MIRITINI COMPLEX HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2021 – MOMBASA COUNTY

PREAMBLE

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

A. Report on 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 the 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; and,

C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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 Miritini Complex High School set out on pages 11 to 22, which comprise of the statement of assets and liabilities as at

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

In my opinion, 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 Miritini Complex High School as at 30 June, 2021 and of its financial performance and its cash flows for the year then ended, in accordance with the 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

Unsupported Cash and Cash Equivalents

The statement of assets and liabilities and as disclosed in Note 9 to the financial statements reflects cash and cash equivalents balance of Kshs.2,339,677 being bank balances. However, Management did not provide monthly bank reconciliation statements to support the balance.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.2,339,677 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Miritini Complex 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

1. Long Outstanding Receivables

The statement of assets and liabilities and as disclosed in Note 10 to the financial statements reflects receivables balance of Kshs.5,388,467 out of which Kshs.1,283,759 has been outstanding for over two (2) year without evidence of efforts to recover them.

The long outstanding receivables balance denies the School much needed revenue for operations, repairs and maintenance.

2. Long Outstanding Payables

The statement of assets and liabilities and Note 11 to the financial statements reflects payables balance of Kshs.1,353,675. However, included in the balance are trade payables of Kshs.420,253 which had been outstanding for more than one (1) year. This was contrary to Regulation 42(1)(a) of the Public Finance Management (National Government) Regulations, 2015 which states that, 'service payments shall be a first charge on the Consolidated Fund and the Accounting Officer shall ensure this is done to the extent possible that the government does not default on debt obligations.

Failure to settle bills during the year to which they relate adversely affects the budgetary provisions for the subsequent year as they form a first charge. Further, delayed payments to suppliers on the due dates exposes the School to unnecessary litigations, interests and penalties.

My opinion is not modified in respect of these matters.

Other Matter

Unaudited Comparative Balances

I draw attention to the fact that prior to the 2020/2021 financial year, Public Secondary Schools in Kenya did not prepare financial statements for audit. Consequently, the Public Sector Accounting Standards Board prescribed 30 June, 2021 as the first-time adoption of the International Public Sector Accounting Standards (IPSAS) – Cash Basis of Accounting by Public Secondary Schools.

The financial statements for the six (6) months period ended 30 June, 2021 include comparative information. However, the comparative figures were based on unaudited figures. My audit procedures were, therefore, limited to the extent that comparative information does not contain misstatements that materially affect the current period's financial statements. Accordingly, I do not express an opinion or any form of assurance on the comparative information. My audit opinion on the current period financial statements 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. Except for the effect of the matters described in the Basis for Qualified Opinion I have determined that there are no other key audit matters to communicate in my report.

Other Information

The Management is responsible for the Other Information set out on pages 2 to 9 which comprise of Key School Information and Management, Summary Report of the Performance of the School and Statement of School Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the state School's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the 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. Under Funding of Capitation Grant Per Student

The statement of receipts and payments and Note 1 and Note 2 the financial statements reflect government grants for tuition amount of Kshs.788,413 and government grants for operations of Kshs.5,062,806. It was noted that the Government contributed Kshs.810 per student for tuition instead of Kshs.4,144 resulting to underfunding of Kshs.3,334. Similarly, Government contributed Kshs.5,225 per students for operations instead of Kshs.18,100 resulting to underfunding of Kshs.12,875. The underfunding was contrary to Circular Ref No. MOE.HQS/3/13/3 Guidelines on implementation of free day secondary education for 2021 dated 16 June, 2021.

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

2. Lack of a Procurement Plan

The statement of receipts and payments reflects total payments amount of Kshs.11,076,959. However, during the year under review, Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that 'a procuring entity prepare a procurement plan for each financial year as part of the annual budget preparation process'.

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

3. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

The statement of receipts and payments and Note 7 to the financial statements reflects boarding and school fund payments amount of Kshs.4,634,852. Included in the expenditure is an amount of Kshs.320,000 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only and the transfer was not based on any specific legislation or policy guidelines.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of 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 governance were not effective.

Basis for Conclusion

1. Failure to Updated Asset Register

Annex 2 on the summary of fixed assets register reflects Nil balance. However, the asset register was not updated with details of dates of purchase, asset values, unique identification, depreciation among other details.

In the circumstances, the effectiveness of internal controls on maintenance and updating of the fixed assets register could not be confirmed.

2. 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), 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, there was no evaluation of internal controls and assurance on effective governance.

3. Lack of Risk Management Framework

During the year under review, it was observed that the School operated without a documented Risk Management Policy Framework. In addition, the Audit and Risk Committee of the Board of Management did not complement the process of risk identification, risk assessment and evaluation of likelihood of risk occurrence and its impact on entities' operation.

In the circumstances, Management may not effectively manage risks that negatively impact on the attainment of the strategic, operational, reporting and compliance objectives.

4. Use of Manual Systems

Review of the financial records such as cashbook, ledgers and trial balance revealed that the School maintained the books of accounts in hard copies and did not have soft copies as required by Regulation 63(b) of the Basic Education 2015.

In the circumstances, manual systems have low efficiency, high rates of human error, time-consuming to maintain, often resulting in inconsistent data, limited security, and an inability to provide real-time information, which hampers decision-making.

5. Land Without Ownership Documents

Annex 2 on summary of fixed assets reflects Nil balance in respect to fixed assets. However, interviews with Management revealed that the school is located on a parcel of land of undetermined acreage and value which was hived from Miritini Primary School. Further, Management had not acquired land ownership documents including a title deed, which exposes the land to encroachment.

In the circumstances, the ownership and valuation of the land in which the School is located could not be confirmed.

6. Failure to Maintain a School Improvement Plan

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

In the circumstances, Management was in breach of the law and may lack clear direction, leading to inefficient resource use, poor decision-making, and constant "crisis management".

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

Responsibilities of the Management and Board of Management

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 governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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.

The Board of Management is 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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/. This description forms part of my auditor's report.

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

04 May, 2026

V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2021

DESCRIPTION OF VOTE HEAD	Note	2020-2021	2019-2020
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition	1	788,413.00	1,018,061
Capitation grants for operations	2	5,062,807.00	6,988,475
School Fund Income- Parents' Contributions	3	5,249,662.00	5,326,769
School Fund Income- Other receipts	4	4,000.00	404,000
TOTAL RECEIPTS		**11,104,882.00**	**13,737,305**
PAYMENTS			
Payments for Tuition	5	1,197,141.00	1,841,194.00
Payments for operations	6	5,244,966.00	8,174,133.00
Boarding and school fund payments	7	4,634,852.00	3,101,147,00
TOTAL PAYMENTS		**11,076,959.00**	**13,116,474.00**
SURPLUS/DEFICIT		**27,923.15**	**620,831.00**

The school financial statements were approved on ______ 2021 and signed by:

Sign: **Sign** **Sign**

Name ABDUBA SARITE **Name: MBAKA J. GITONGA** **Name: MOSES MNYAKA**

Chair BOM **School Principal/ Secretary to BOM** **Bursar/ Finance Officer**

Date: April 23, 2026 **DateApril 23, 2026** **Date April 23, 2026**

PRINCIPAL MIRITINI COMPLEX HIGH SCH. P.O. Box 90916 - 80102 CHANGAMWE

VI. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30TH JUNE 2021

	Note	2020-2021	2019-2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	2,339,626	2,824,150
Cash Balances	9	51	56,676.00
Total Cash and cash equivalent		**2,339,677**	**2,880,826.00**
Account's receivables	10	5,388,467	4,490,878.00
TOTAL FINANCIAL ASSETS		**7,728,144.00**	**7371,704.00**
FINANCIAL LIABILITIES			
Accounts Payables	11	1,353,675	1,025,158.00
NET FINANCIAL ASSETS		**6,374,469**	**6,346,546.00**
REPRESENTED BY			
Accumulated Fund b/fwd	12	6,346,546	5,725,715.00
Surplus/Deficit for the year		27,923	620,831.00
NET FINANCIAL POSSITION		**6,374,469**	**6,346,546.00**

The School's financial statements were approved on 30th June 2021 and signed by:

Name: ABDUBA SARITE
Chairman, BoM

Date: April 23, 2026

Name: MBAKA J.G.
School Principal/Secretary to BoM

PRINCIPAL
MIRITINI COMPLEX HIGH SCH.
P.O. Box 93816 - 80102
CHANGAMWE

Date: April 23, 2026

Name: MOSES MNYAKA
Bursar/Finance

Sign:

Date: April 23, 2026

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

		2020-2021 Kshs	2019-2020 Kshs
Receipts for operating income			
Capitation grants for tuition		788,413.25	1,018,061.00
Capitation grants for operations		5,062,806.90	4,702,975.00
School fund income- Parents contributions/ fees		5,249,662.00	3,987,131.00
School fund income- other receipts		4,000.00	5,000,000
Total receipts		**11,104,882.15**	**14,708,167.00**
Payments			
Payments for Tuition		710,480.00	1,185,441.00
Payments for operations		3,806,308.00	6,254,053.00
Boarding and school fund payments		3,381,368.00	3,927,862.00
School fund income- other payments		3,072,877.60	-
Total payments		**10,971,033.60**	**14,421,276.00**
Net cash flow from operating activities		**133,848.55**	**286,891.00**
CASHFLOW FROM INVESTING ACTIVITIES			
Payments from investing Activities			
Acquisition of Assets- 2NO CLASSROOM		-	(5,110,000.00)
CBC CLASSROOM		(1,590,998.00)	-
Net cash flows from Investing Activities		**(1,590,998.00)**	**(5,110,000.00)**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(541,149.45)**	**(342,609)**
Cash and cash equivalent at BEGINNING of the year		**2,880,826.00**	**3,223,435.00**
Cash and cash equivalent at END of the year		**2,339,676.55**	**2,880,826.00**

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

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Textbooks and reference materials	855,140	-	855,140	788,413.25	66,727	92%
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	2,362,032	-	2,362,032	2,018,925	343,107	85%
Repairs and maintenance	2,990,000	-	2,990,000	2,299,500	690,500	77%
Local transport / travelling	697,544	-	697,544	687,586.00	9,958.00	99%
Electricity and water	262,448	-	262,448	155,428.00	107,020.00	59%
Medical	698,000	-	698,000	-	-	0%
Administration costs	262,448	-	262,448	244,322.00	18,126	93%
Activity	523,500	-	523,500	0	523,500	0%
SMASSE	139,600	-	139,600	-	-	0%
(3) FEES CHARGED ON PARENTS						
BOM Teachers salaries	1,046,500.00	-	1,046,500.00.00	1,080,758.00	(34,258)	103%
Lunch Program	2,691,000.00	-	2,691,000.00	2,656,742.00	34,258.00	99%
OTHER INCOME						
TOTAL INCOME	**11,823,826.00**	-	**11,823,826.00**	**11,104,882.00**		**94%-**
(1) EXPENDITURE FOR TUITION						+
Textbooks and reference materials	855,140.00	-	855,140.00	-	855,140.00	0%

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Teaching / learning materials	811,486.00	-	811,486.00	1,196,661.00	(385,175.00)	147%
Bank Charges	-	-	-	480.00	-	-
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	2,362,032.00	-	2,362,032.00	1,244,040.00	1,117,992.00	53%
Repairs, maintenance & improvements	1,745,000.00	-	1,745,000.00	1,855,150.00	(110,150)	106%
Local transport / travelling	393,672.00	-	393,672.00	687,586.00	(293,914.00)	175%
Electricity, water and conservancy	262,448.00	-	262,448.00	155,428.00	107,020.00	59%
Medical	698,000.00	-	698,000.00	0.00	698,000.00	0%
Administration costs	262,448.00	-	262,448.00	1,695,104.00	(1,432,656.00)	646%
Activity Expenses	523,500.00	-	523,500.00	92,000.00	431,500.00	18%
Gratuity	0.00	-	0.00	0.00	0.00	0%
SMASSE	139,600.00	-	139,600.00	0.00	139,600.00	0%
***(3)* EXPENDITURE FOR SCHOOL FUNDS**						
BOM Teachers Salaries	1,046,500.00	-	1,046,500.00	981,475.00	65,025.00	94%
Lunch programme	2,691,000.00	-	2,691,000.00	2,761,693.00	70,693.00	103%
TOTALS	**11,823,826.00**	-	**11,823,826.00**	**11,076,959.00**	**746,867.00**	**94%**

i) The underutilised voteheads were arrived because there was remaining stocks in the store as at the beginning of the year.

ii) The overutilization was arrived because the funding was not 100% and that many activities take place at the beginning of the year.

IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

The *school* recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the *school*. In addition, the *school* recognises all expenses when the event occurs and the related cash has actually been paid out by the *school*.

3. In-kind contributions

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

4. Cash and cash equivalents

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as expenditure when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements. Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years.

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2021.

X. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials	582,103.25	1,018,061.00
Tuition	206,310.00	-
Total	**788,413.25**	1,018,061.00

2 CAPITATION GRANT FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Other voteheads	2,804,056.90	3,637,975.00
Repairs and maintenance	2,258,750.00	2,480,500.00
Medical	-	110,000.00
Activity	-	220,000.00
Bom Teachers	-	540,000.00
Total	**5,062,806.90**	**6,988,475.00**

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
Lunch	3,745,499.00	3,795,341.00
Bom	1,504,163.00	1,531,428.00
Total	**5,249,662.00**	**5,326,769.00**

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
Caution Money	-	404,000.00
Tender fees	1,000.00	-
Admin cost	3,000.00	-
Total	**4,000**	**404,000**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5 PAYMENTS FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
Exercise books	-	203,684.00
Laboratory equipment	350,000.00	603,353.00
Teaching / learning materials	846,661.00	1,033,917.00
Bank Charges	480.00	240.00
Total	**1,197,141.00**	**1,841,194.00**

6 PAYMENTS FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	1,244,040.00	2,049,650.00
Bom teacher		540,000.00
Administration Cost	1,513,734.00	2,212,028.00
Repairs and maintenance & improvements	1,550,008.00	2,267,646.00
Local transport / travelling	687,586.00	685,919.00
Electricity and water	155,428.00	230,020.00
Medical	-	1,500.00
Activity Expenses	92,000.00	186,550.00
Bank Charges	2,170.00	820.00
TOTAL	**5,244,966.00**	**8,174,133.00**

7 BOARDING AND SCHOOL FUND PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Local transport / travelling	165,060.00	128,676.00
Electricity and water	4,000.00	-
Administration costs	476,754.00	507,820.00
Lunch Programme	3,007,563.00	1,278,851.00
BOM teachers	981,475.00	1,185,800.00
TOTAL	**4,634,852.00**	**3,101,147.00**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2020-2021	2019-2020
		Kshs	Kshs
Tuition Account		100,682.50	22,749.25
Operations Account		896,483.30	668,772.40
School Fund Account/Boarding		71,377.75	186,548.75
Infrastructural Account		1,271,082.00	1,946,080.00
Total		**2,339,625.55**	**2,824,150.40**

9 CASH IN HAND

Description	2020-2021	2019-2020
	Kshs	Kshs
Operation Account	51.00	51,588.00
School Fund account	-	5,088.00
Total	**51.00**	**56,676.00**

10 ACCOUNTS RECEIVABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears	5,290,467.00	4,490,878.00
Salary advances	98,000.00	-
Total	**5,388,467**	**4,490,878.00**

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

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears for current year	1,972,540.00	2,146,100.00
Fees arrears for the previous year	2,034,168.00	2,344,778.00
Fees arrears for prior periods (over two years)	1,283,759.00	-
Total	**5,290,467.00**	**4,490,878.00**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 ACCOUNTS PAYABLE

Description	2020-2021 Kshs	2019-2020 Kshs
Trade creditors (See ageing below and appendix 1)	1,158,956.00	987,633.00
Prepaid fees	194,719.00	37,525.00
Retention monies	-	-
Total	**1,353,675.00**	**1,025,158.00**

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

Description	2020-2021 Kshs	2019-2020 Kshs
Trade creditors for current year	738,703.00	987,633.00
Trade creditors for the previous year	420,253.00	-
Trade creditors for prior periods (over two years)	-	-
Total	**1,158,956.00**	**987,633.00**

12 FUND BALANCE BROUGHT FORWARD

Description	2020-2021 Kshs	2019-2020 Kshs
Bank balances	2,824,150.00	3,221,984.00
Cash balances	56,676.00	1,451.00
Receivables	4,490,878.00	3,335,590
Payables	(1,025,158.00)	(833,310)
Total	**6,346,546**	**5,725,715.00**

13 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)

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2020	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1.						
2.						
Sub-Total						
Supply of goods						
3. TEACHER @ LARGE CONCEPT	312,400		100,000		212,400	
4. ROMZE ENTERPRISES	594,816		180,000	414,816.00	177,853	
5. HANNUM	30,000				30,000	
6. KANSBAG LIMITED	293,640		50,000	243,640		
7. SHAMARK TRADERS	200,000			200,000		
8. GRANDLAB LIMITED				300,500		
9.						
Sub-Total	**1,250,856**		**330,000**	**1,158,956**	**420,253**	
Supply of services						
Grand Total	**1,250,856**		**330,000**	**1,158,956**	**420,253**	

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Quantity	Location	Historical Cost b/f (Kshs) 1st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2021
Land 1	-	-	-	-	-	-	-
Motor vehicles(SCHOOL BUS)	2021	1	-	-	-	-	-
Office equipment, furniture and fittings:							
Copy cat printer	2018	1 pcs	Receiption	-	-	-	-
Kyocera Printer	2017	1 pcs	Dean of studies	-	-	-	-
Office Tables	2015	25 pcs	Principal/D/principal/Account	-	-	-	-
Office Chairs	2015	25 pcs	s/Secretary/Dean of	-	1 pcs	-	-
			studies/Staffroom.	-	12 pcs	-	-
Tables	2015	6 pcs	Library				
Library chairs	2021	100 pcs	Library	-	6 pcs	-	-
				-	-	-	-
ICT Equipment, and Other ICT Assets							
HP Laptop	2014	6 pcs	Principal & Staffroom	-	15 pcs	-	-
Desktop Lenovo	2013	10 pcs	ICT Laboratory	-	10 pcs	-	-
Projector	2014	1 pcs	ICT Laboratory	-	-	-	-
Router	2014	1 pcs	ICT Laboratory	-	-	-	-
Head phones	2016	15 pcs	ICT Laboratory/principal's office	-	-	-	-

Asset class	Date purchased	Quantity	Location	Historical Cost b/f (Kshs) 1st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2021
Tools and apparatus:							
Stools			**54pcs Physics/56pcs chemistry**				-
Benches			**lab**				-
Gas taps			**Physics/chemistry lab**				-
Tripod Stands			**Physics/chemistry lab**				-
Bunsen Burners			**Chemistry lab**				-
Portable Burners			**Chemistry lab**				-
Gas Cylinders			**Chemistry lab**				-
Fire Extinguishers			**2pcs physics/2pcs chemistry**				-
Electronic Balance			**lab**				-
Beam Balance			**2pcs physics/3pcs chemistry**				-
Microscopes			**lab**				-
Skeleton(human)			**Chemistry lab**				-
Water Bath			**Chemistry lab**				-
Retort Stand			**Chemistry lab**				-
White screens			**Chemistry lab**				-
Soft Boards			**Chemistry lab**				-
Meter Bridge			**Chemistry lab**				-
Ripple Tank			**Physics lab**				-
Rheostats			**Physics lab**				-
Water Taps			**Physics lab**				-
			6 pcs physics / 12pcs chemistry lab				

Asset class	Date purchased	Quantity	Location	Historical Cost b/f (Kshs) 1st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2021
Textbooks:							
Biology			**Stores & library**	-			-
Physics			**Stores**	-			-
Chemistry			**Stores**	-			-
Mathematics			**Stores**	-			-
English			**Stores**	-			-
Kiswahili			**Stores**	-			-
Geography			**Stores**	-			-
History			**Stores**	-			-
Islamic Religious Education			**Stores**	-			-
Christian Religious Education			**Stores**	-			-
Agriculture			**Stores**	-			-
Business Studies			**Stores**	-			-
Other Machinery and Equipment							
Sewing Machines	-			-	-	-	-
Gas Cookers	-			-	-	-	-
Gas Cylinders	-			-	-	-	-
Blenders	-			-	-	-	-
Fridge	-			-	-	-	-
Heritage and cultural assets	-	-	-	-	-	-	-
Intangible assets- soft ware							
Exam Soft Ware (SOMSOM)				-	-	-	-