

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

REPORT

DATE: 26 FEB 2025

DAY.
Wed

TABLED
BY:

Hon. Samuel
Chepkonga, MP

OF

CLERK-AT
THE-TABLE:

M. Mudo

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

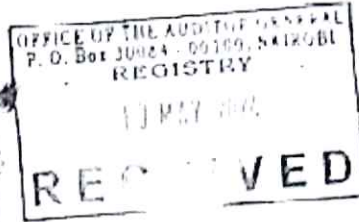
MOI FORCES ACADEMY-LANET

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

NAKURU COUNTY



Revised 30th June 2021.



MOI FORCES ACADEMY-LANET
PUBLIC SECONDARY SCHOOL

UAL 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)

Received
30/06/21

PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

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I. KEY SCHOOL INFORMATION AND MANAGEMENT

[Customise the details in this section to suit your School]

(a) Background information

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

The school was registered in 24/04/2015 under registration number 960 and is currently categorized as a National (National, Extra County, county and Sub County) public school established, owned or operated by the Government.

The school is a day/boarding school and had xxx number of students as at 30th June 2021. It has 6 streams and 60 teachers of which 12 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	Dr. John N Kimani	Chairman	14/5/2019
2	Mrs. Jedidah M Mwangi	Secretary - Principal	14/5/2019
3	Brig. John Maison Nkoimo	Member	14/5/2019
4	Dr. Xavier Francis Ichani	Member	14/5/2019
5	Ms. Ruth Gathoni	Member	14/5/2019
6	Mrs. Beatrice Wanyigha	Member	14/5/2019
7	Mr. Duncan Kifue	Member	14/5/2019
	Mrs. Susan Wambui Orina		14/5/2019
	Hon. Lawrence Karanja		14/5/2019
	Dr. Karathi Kamotho		14/5/2019
	Mrs. Martha Njuguna		14/5/2019
	Mr. John Kamundia		14/5/2019
8		Member - Rep CEB	14/5/2019
9		Member Rep Teachers	14/5/2019
10	Brig. John Maison Nkoimo	3 Members - Sponsor	14/5/2019
	Col.(Dr.) Nicholas Njuguna Mugweru		14/5/2019
11		Member - Community	14/5/2019
12		Member Special Needs	14/5/2019
		Rep Students	14/5/2019

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

Provide the names of the various committees of the Board established by the Board and the names of the committee members:

Ref.	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee			
2	Audit Committee			X out of XX
3	Finance, procurement and general purposes Committee	Dr. John Njoroge Kimani Brig. John M Nkoimo Mr. John Kamundia Mr. Duncan Kifue Mrs. Jedidah Mmwangi		
4	Academic Committee	Col. Education Mrs. Jedidah Mwangi Mrs. Jane Kemunto Onduso Mrs. Lilian Mutiso Dr. Xavier Ichani		
5	Development Committee	Dr. John Njoroge Kimani Brig. John M Nkoimo Mr. John Kamundia		
6	Discipline and welfare Committee	Hon. Lawrence Karanja Brig. John M Nkoimo Mrs. Susan Orina Col. (Dr.) Nicholas Mugweru Mrs. Martha Njuguna Mrs. Jedidah M Mwangi Mr. Daniel Kibithe		
7	Adhoc Committee			

(d) School operation Management

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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	Jedidah M Mwangi	303882
2	Deputy Principal	Jane K Onduso	348470
3	School Bursar	Peter E Ambundo	BOM-001

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: 1238,20100
Telephone: 0202130435
E-mail: info@moiforcesacademylanet.sc.ke.
Website: XXXXXXXXX
Facebook:
Twitter:

(f) School Bankers

The following school operated 05 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: National Bank
Branch: Nakuru
Account Number: 01242019914502
2. Name of Bank: National Bank
Branch: Nakuru
Account Number: 01021019914400
3. Name of Bank: National Bank
Branch: Nakuru
Account Number: 01025021045700
4. Name of Bank: National Bank
Branch: Nakuru
Account Number: 01025021174700
5. Name of Bank: National Bank
Branch: Nakuru
Account Number: 01022225593200
6. MPESA Pay Bill No. xxxxxxxx attached to XX bank account

(Ensure all bank accounts operated by the school are disclosed and that all Pay Bill Numbers are also disclosed)

(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

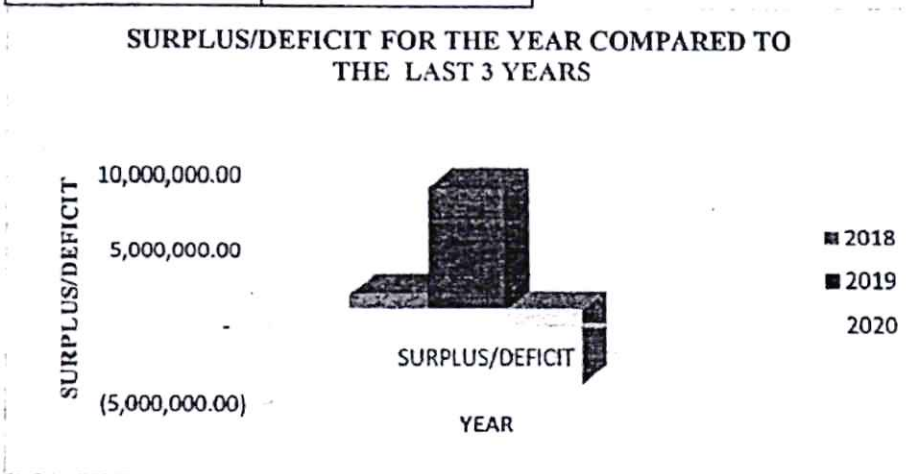
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) Financial performance:

SURPLUS/DEFICIT FOR THE YEAR AND A COMPARISON OF THE SAME FOR THE LAST 3 YEAR

YEAR	SURPLUS/DEFICIT
2018	1,061,680.85
2019	8,154,383.58
2020	(4,770,049.51)

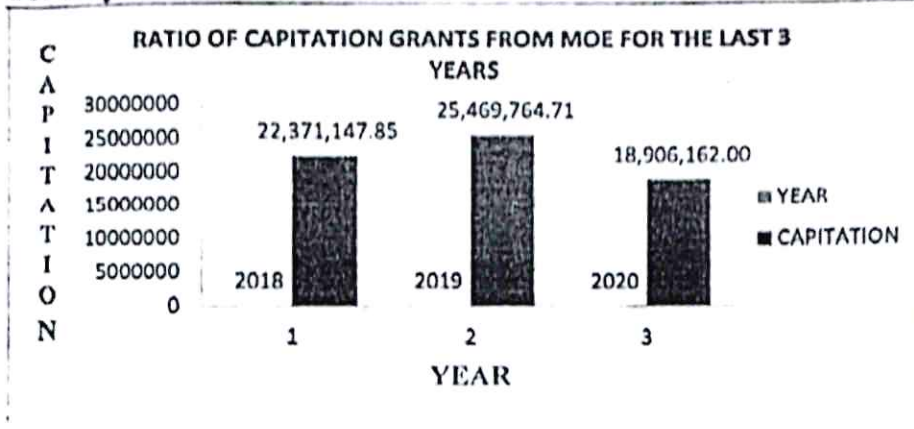
SURPLUS/DEFICIT FOR THE YEAR COMPARED TO THE LAST 3 YEARS



CAPITATION GRANTS FROM MINISTRY OF EDUCATION FOR THE LAST 3 YEARS

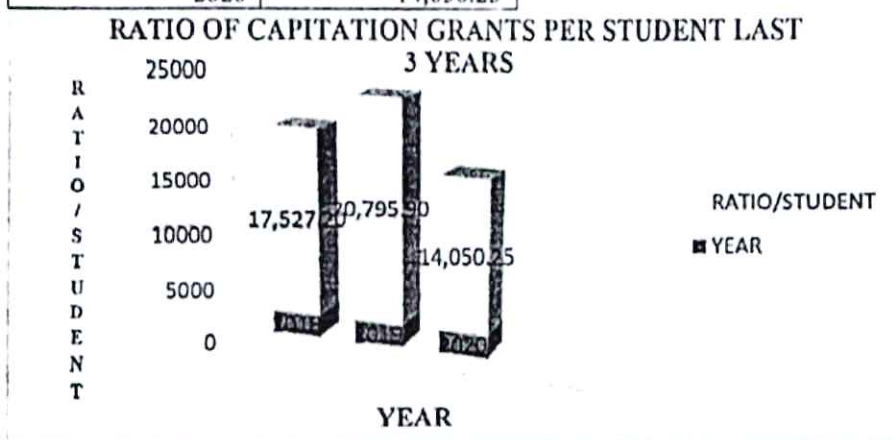
YEAR	CAPITATION
2018	22,371,147.85
2019	25,469,764.71
2020	18,906,162.00

**MOI FORCES ACADEMY-LANET
PUBLIC SECONDARY SCHOOL
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RATIO OF CAPITATION GRANTS PER STUDENT OVER THE LAST 3 YEARS

YEAR	RATIO/STUDENT
2018	17,527.20
2019	20,795.90
2020	14,050.25



A THREE YEAR OVERVIEW OF GROWTH OF OTHER INCOME(S) EARNED BY THE SCHOOL

YEAR	BES
2018	70,586,616.50
2019	72,925,985.92
2020	42,449,877.00


III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

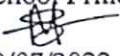
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant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

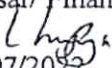
Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to be keep all proper books and records of accounts of the income, expenditure and assets of the institution.

The Board of Management of *MOI FORCES ACADEMY-LANET* 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.

Name: Dr. John Kimani Njoroge
Designation: Chairman, School Board of Management
Sign: 
Date: 29/07/2022

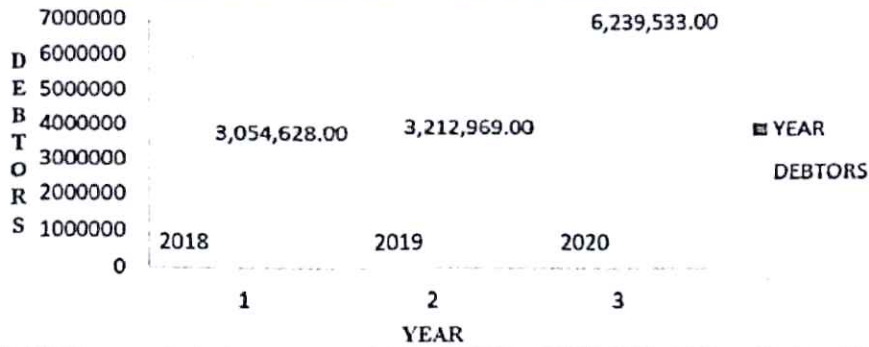
Name: Mrs. Jedidah M Mwangi
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 29/07/2022

Name: Mr. Peter E Ambundo
Designation: Bursar/ Finance Officer
Sign: 
Date: 29/07/2022

PRINCIPAL
MOI FORCES ACADEMY-LANET
P.O. BOX 1238,
NAKURU

**MOI FORCES ACADEMY-LANET
PUBLIC SECONDARY SCHOOL
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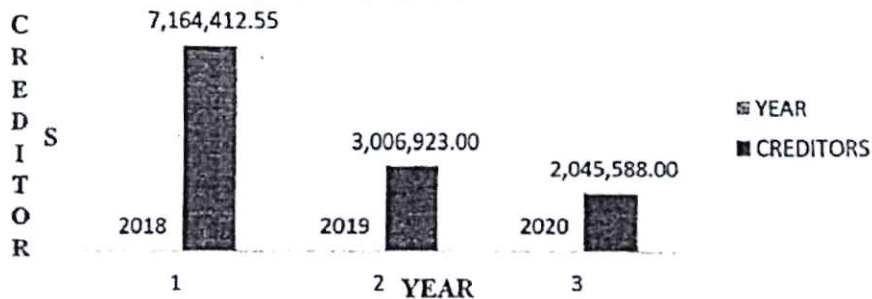
MOVEMENT OF DEBTORS OVER THE LAST 3 YEARS



MOVEMENT OF CREDITORS OVER THE LAST 3 YEARS

YEAR	CREDITORS
2018	7,164,412.55
2019	3,006,923.00
2020	2,045,588.00

MOVEMENT OF CREDITORS OVER THE LAST 3 YEARS



MOVEMENT OF CASH AND BANK BALANCES OVER THE LAST 3 YEARS

YEAR	CASH/BANK BALANCES
2018	11,162.67
2019	51,450.11
2020	16,582.07

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: 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 MOI FORCES ACADEMY-LANET FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021 - NAKURU COUNTY

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial 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

Adverse Opinion

I have audited the accompanying financial statements of Moi Forces Academy-Lanet - Nakuru County set out on pages 10 to 26, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2021, and the statement of receipts and

Report of the Auditor-General on Moi Forces Academy-Lanet for the six (6) months' period ended 30 June, 2021 - Nakuru County

payments and statement of cash flows for the six (6) months' period ended, and a summary of significant accounting policies and other explanatory notes 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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, in all material respects, the financial position of Moi Forces Academy-Lanet - Nakuru County as at 30 June, 2021, and of its financial performance and its cash flows for the period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Adverse Opinion

1. Failure to Present Statement of Budgeted Versus Actual Amounts

Management did not prepare and present the statement of budgeted versus actual amounts for audit. In the circumstances, the financial statements as presented are incomplete and do not comply with the prescribed reporting template.

2. Inaccuracies in the Financial Statements

2.1 Lack of Ledgers

Review of the financial statements revealed that the School did not prepare ledgers to support amounts in statement of receipts and payments and statement of financial assets and financial liabilities as shown below;

i) Statement of Receipts and Payments

Description of Vote Head	1 January - 30 June, 2021 (6 Months) (Kshs.)	1 January - 31 December, 2020 (12 Months) (Kshs.)	Audit Observation
Capitation for Tuition	1,972,007	2,512,812	No Ledgers
Capitation for Grants	12,474,609	21,033,934	No Ledgers
School Fund Income-Parents' Contributions	31,396,902	42,295,377	No Ledgers
School Fund Income-Other Receipts	1,184,545	154,500	No ledgers
Payments for Tuition	1,410,851	2,614,660	No Ledgers
Payments for Operations	12,452,583	21,033,934	No Ledgers
Boarding and School Fund Payments	39,072,035	45,173,662	No Ledgers

ii) Statement of Financial Assets and Financial Liabilities

Description of Account Balance	1 January - 30 June, 2021 (6 months) (Kshs)	Audit Observation
Cash and Cash Equivalents Balance	1,319,914	No bank reconciliations for five (5) bank accounts the School has been operating
Accounts Receivable	4,950,774	No schedule and aging analysis provided for audit
Accounts Payable	2,501,630	No schedule and aging analysis provided for audit.

This was contrary to Regulation 23(1) of the Public Finance Management (National Government) Regulations, 2015 on Responsibilities of Accounting Officers which states that 'Accounting Officers shall, in accordance with Article 226(2) of the Constitution and Section 68(1) of the Act, be accountable to the National Assembly for maintaining effective systems of internal control and the measures taken to ensure that they are effective; and for measures taken to prepare the financial reports that reflect a true and fair financial position of the entity'.

In addition, Management did not provide a trial balance to support the amounts presented in the financial statements.

2.2 Variances in the Financial Statements

Review of annual report and financial statements revealed the following errors and discrepancies: -

i) Statement of Receipts and Payments

Description	Amount Reported in Statement of Receipts and Payments (Kshs)	Amount Reported in Notes/Casted Receipts (Kshs)	Variance (Kshs)
Capitation Grants for Operation	12,474,609	6,279,360	6,195,249
Parent Contribution	31,396,902	19,566,600	11,830,302
Other Receipts	1,184,545	13,015,446	11,830,901
Payment for Operations	12,452,583	Nil	12,452,583
Payment for Tuition	1,410,851	1,410,671	180

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed and Management was in breach of the law.

2.3 Inaccurate Accumulated Fund Balance Brought Forward

The statement of financial assets and financial liabilities reflects accumulated fund balance brought forward of Kshs.10,169,391 while the previous year's balance was Kshs.21,172,536, resulting to a variance of Kshs.11,003,145 which was not reconciled or explained.

In the circumstances, the accuracy and completeness of the accumulated fund balance brought forward could not be confirmed.

3. Unsupported and Inaccurate Cash and Cash Equivalents Balance

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.1,319,914 as disclosed in Note 8 to the financial statements. However, the balance was not supported with board of survey certificates and bank reconciliation statements.

Further, the statement of cash flows reflects opening cash and cash and cash equivalents balance of Kshs.127,298. However, the balance is at variance with the closing cash and cash equivalents balance of Kshs.6,095,923, resulting to unexplained and unreconciled variance of Kshs.5,968,623.

In the circumstances, the accuracy, existence and completeness of the cash and cash equivalents balance of Kshs.1,319,914 could not be confirmed.

4. Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.4,950,774 in respect of fees arrears. However, the balance is disclosed in Note 10 instead of Note 11 to the financial statements. Included in the balance are receivables amounting to Kshs.796,736 which have been outstanding for more than two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.796,736 could not be confirmed.

5. Unsupported Accounts Payables

The statement of financial assets and liabilities reflects accounts payable balance of Kshs.2,501,630. However, the balance is disclosed in Note 11 instead of Note 12 to the financial statements. This balance comprises trade creditors from procurement of goods and services. However, the School did not provide for audit the suppliers' ledgers, suppliers' statements and creditors' aging analysis.

In the circumstances, the accuracy and completeness of the trade payable balance of Kshs.2,501,630 could not be confirmed.

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

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, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, based on the audit procedures performed, I confirm 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 period under review, Management submitted the financial statements to the Auditor-General for audit on 13 May, 2024, instead of the statutory date of 30 September, 2021. This was contrary to the Ministry of Education circular Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the School's financial statements should be ready by 30 September, 2021 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of financial statements.

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

2. Failure to Transfer Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.12,474,610 as disclosed in Note 2 to the financial statements from the Ministry of Education and credited in operations bank account. Included in the amount is

Kshs.6,055,500 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, only Kshs.5,619,692 was transferred to the infrastructure account, leaving a balance of Kshs.435,808 as at 30 June, 2021. Further, an amount of Kshs.3,018,000 was transferred nineteen (19) days after receipt. This was contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

3. Lack of Fixed Assets Register

The School had moveable and immovable assets for which no fixed assets register was provided for audit, contrary to Regulation 143(1) of the Public Finance Management (National Government) Regulations, 2015 which prescribes that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

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

4. Failure to Prepare School Improvement Plan

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

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

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

The statement of receipts and payments reflects boarding and School fund payments amount of Kshs.39,072,035 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.631,000 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.631,000 could not be confirmed.

6. Lack of Procurement Plan

The statement of receipts and payments reflects an amount of Kshs.47,028,063 and Kshs.52,935,469 in respect of total receipts and payments respectively. However, during the period 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.

7. Non-Compliance with the Requirements of the Public Sector Accounting Standards Board Reporting Template

The financial statements presented for audit did not include all information provided and published by the Public Sector Accounting Standards Board (PSASB) as follows;

- i. The cover page has the words 'public secondary school' which has not been deleted. Further, the following information is missing: category of the School, date the School was registered, number of students, names and designations of all board members, designations of members of committees, number of meetings attended by the board members, bank accounts operated by the School, M-pesa paybill numbers and CDF Account number.
- ii. Additionally, graphical representation to show movement of debtors over the last three (3) years, rounding off of amounts and balances in the annual report and financial statements to the nearest shilling, summary of report of performance of the School and provision for the section for the report of the independent auditors on the annual financial statements have not been done.
- iii. On the statement of financial assets and financial liabilities, the accumulated fund balance brought forward is indicated as disclosed in Note 12 yet the balance is at Note 13 to the financial statements.
- iv. Statement of cash flows is repeated on page 23.
- v. All the Notes do not have comparatives.
- vi. The financial statements refer to 'the financial year ended 30 June, 2021' instead of 'the six months' period ended 30 June, 2021'.

In the circumstances, Management was in breach of the PSASB guidelines. Further, lack of relevant information may affect users' reliance on the financial statements for decision making.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and governance sections of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of Internal Audit Function and Audit Committee

During the period 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 requires 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 Ownership Documents

Annex 2 to the financial statements reflects summary of fixed assets register with Nil historical costs balance in respect of fixed assets which includes seventy-six (76) hectares or 187.6 acres of land. However, land ownership documents were not provided for audit.

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

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 control, 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 governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities,

financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal 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 communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

20 September, 2024

MOI FORCES ACADEMY-LANET
 PUBLIC SECONDARY SCHOOL,
 Annual Report and Financial Statements
 For the year ended 30th June 2021

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

DESCRIPTION OF VOTE HEAD	Note	2020-2021 Kshs	2019-2020 Kshs
RECEIPTS			
Capitation grants for tuition	1	1,972,007.00	2,512,812.00
Capitation grants for operations	2	12,474,609.60	21,033,934.36
School Fund Income- Parents' Contributions	3	31,396,902.00	42,295,377.00
School Fund Income- Other receipts	4	1,184,545.00	154,500.00
Proceeds from borrowings		0.00	0.00
TOTAL RECEIPTS		47,028,063.60	65,996,623.36
PAYMENTS			
Payments for Tuition	5	1,410,851	2,614,660.00
Payments for operations	6	12,452,583	21,553,770.26
Boarding and school fund payments	7	39,072,035.44	45,173,662.00
TOTAL PAYMENTS		52,935,469.44	69,342,092.26
SURPLUS/DEFICIT		(5,907,405.84)	(3,345,468.90)

The school financial statements were approved on 29/07/2022 and signed by:

Sign: 

Name Dr. John K Njoroge

Chair BOM


Date 29/07/2022

Sign: 

Name Mrs. Jedidah M Mwangi

School Principal/
Secretary to BOM

Date 29/07/2022

Sign: 

Name Mr. Peter E Ambundo

Bursar/
Finance Officer

Date 29/07/2022

PRINCIPAL
 MOI FORCES ACADEMY-LANET
 P.O. BOX 1238,
 NAKURU

PUBLIC
Annual Report and Financial Statements
For the year ended 30th June 2021

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

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Capitation grants for operations	2	12,474,609.60	21,033,934.36
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TOTAL RECEIPTS		47,028,063.60	65,996,623.36
PAYMENTS			
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Payments for operations	6	12,452,583	21,553,770.26
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TOTAL PAYMENTS		52,935,469.44	69,342,092.26
SURPLUS/DEFICIT		(5,907,405.84)	(3,345,468.90)

The school financial statements were approved on 29/07/2022 and signed by:

Sign:



Name Dr. John K Njoroge

Chair BOM

Date 29/07/2022

Sign



Name Mrs. Jedidah M Mwangi

School Principal/
Secretary to BOM

Date 29/07/2022

Sign



Name Mr. Peter E Ambundo

Bursar/
Finance Officer

Date 29/07/2022

PRINCIPAL
MOI FORCES ACADEMY-LANET
P.O. BOX 1238,
NAKURU

Annual Report and Financial Statements
For the year ended 30th June 2021

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

	No	2020/2021	2021/2022
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	1,319,914.14	6,095,921.23
Cash Balances	9	0.00	0.00
Short term Investment	10	0.00	0.00
Total Cash and cash equivalent		1,319,914.14	6,095,921.23
Account's receivables	10	4,950,774.00	6,239,533.00
TOTAL FINANCIAL ASSETS		6,270,688.14	12,335,454.23
FINANCIAL LIABILITIES			
Accounts Payables	11 ✓	2,501,629.95	2,045,588.00
NET FINANCIAL ASSETS		3,769,058.19	10,289,866.23
REPRESENTED BY			
Accumulated Fund b/fvd	12	10,169,390.63	20,500,486.93
Surplus/Deficit for the year		(5,907,405.84)	672,049.51
NET FINANCIAL POSSITION		4,261,984.79	21,172,536.44

The School's financial statements were approved on 21/07/2022 and signed by:

Name: Dr. John K Njoroge
Chairman, BoM

Sign:



Date: 29/07/2022

Name: Jedidah M Mwangi
School Principal/Secretary
to BoM

Sign:



Date: 29/07/2022

Name: Peter E Ambundo
Bursar/Finance

Sign:



Date: 29/07/2022

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PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

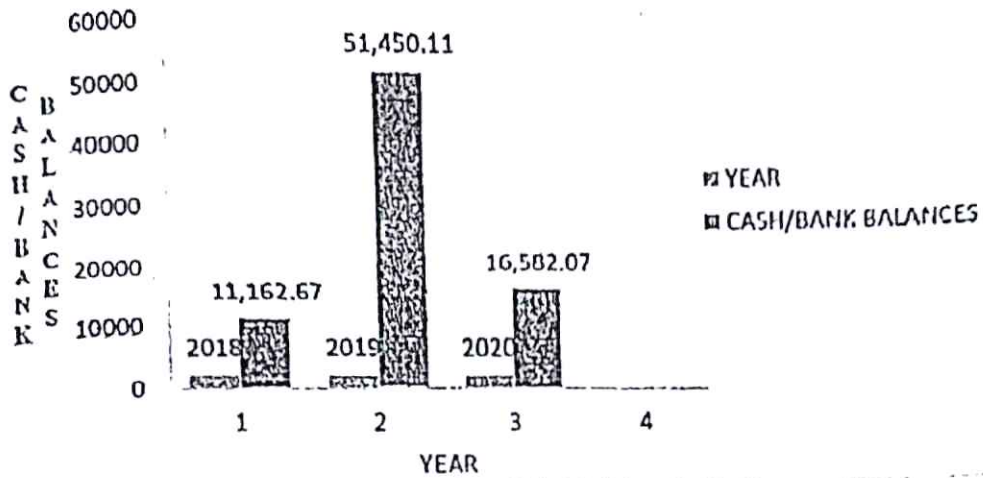
STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30th JUNE 2021

		2020-2021	2019-2020
		KSh	KSh
Receipts from operating income	1	1,972,007.00	2,512,812.00
Capitation grants for tuition	2	12,474,609.60	16,393,350.00
Capitation grants for operations	3	31,396,904.10	42,295,377.00
School fund income- Parents contributions/ fees	4	1,184,545.00	154,500.00
School fund income- other receipts		47,028,065.70	42,449,877.00
Total receipts			
Payments		1,410,851.00	2,614,780.00
Payments for Tuition		12,452,583.00	16,288,646.51
Payments for operations		39,072,035.44	45,173,662.00
Boarding and school fund payments		52,935,469.44	35,192,073.02
Total payments		(5,907,403.74)	7,257,803.98
Net cash flow from operating activities			
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		0.00	0.00
Acquisition of Assets		6,034,702.00	0.00
Proceeds from investments		0.00	0.00
Purchase of investments		0.00	0.00
Net cash flows from Investing Activities		6,034,702.00	0.00
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans		0.00	0.00
Repayment of principal borrowings		127,298.00	0.00
Net cash flow from financing activities		0.00	0.00
NET INCREASE IN CASH AND CASH EQUIVALENTS		127,298.00	14,977,411.81
Cash and cash equivalent at BEGINNING of the year		1,319,914.14	6,095,921.23
Cash and cash equivalent at END of the year			

The above presentation of cash flow statement uses the direct method of cash flow presentation which is encouraged under IPSAS. Schools' should therefore adopt the direct method of cashflow as recommended by PSASB.

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PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

MOVEMENT OF CASH AND BANK BALANCES OVER THE LAST 3 YEARS



b) Teacher Student ratio:

S.NO		
1	Teacher Student ratio	1:35
2	No.of Teachers recruited	0
3	Teachers retired	1
4	Teachers transfered	0
5	Teachers employed by BOM	13
6	Teachers per subject	
	English	6
	Kiswahili	8
	Mathematics	7
	Biology	7
	Physics	3
	Geography	1
	History	5
	CRE	7
	Chemistry	6
	Agriculture	3
	Business Studies	4

c) Mean score in the 2018-2020 KCSE:

YEAR	TARGET	ACTUAL MEAN SCORE	VARIANCE	COMMENT
2018	9.0	7.6926	1.3074	Target missed
2019	9.0	8.4934	0.5066	Target missed
2020	9.0	7.9686	1.0314	Target missed

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

1	2018	296
2	2019	306
3	2020	319

e) Capacity of the school:

	Toilets	Classrooms	Laboratory	Library	Kitchen	Offices	Stores
Girls	12	25	6	1	1	13	3

f) Development projects carried out by the school:

S.NO	PROJECT	PROJECT FUND SOURCE	BUDGETED EXPENDITURE	ACTUAL EXPENDITURE 1 ST /JANUARY /2021- 30 TH /JUNE/2021	COMMENT
1	Costruction of Dinning hall	Ministry of Education(RMI)	23,000,000	6,034,702	Project is ongoing

Sign

School Principal

 **PRINCIPAL**
 MOI FORCES ACADEMY-LANET
 P.O. BOX 1238,
 NAKURU

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. **Accounts Receivable**
For the purposes of these financial statements, imprests and advances to authorized 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	157,760.56	0.00
Exercise books	0.00	0.00
Laboratory equipment	907,123.22	0.00
Internal exams	394,401.40	0.00
Teaching / learning materials	433,841.54	0.00
Chalks	78,880.28	0.00
Exams and assessment	0.00	0.00
Teachers guides	0.00	0.00
Total	1,972,007.00	0.00

2 CAPITATION GRANT FOR OPERATIONS

	2020-2021	2019-2020
	Kshs.	Kshs.
Personnel emoluments	2,404,738.00	0.00
Repairs and maintenance	0.00	0.00
Local transport / travelling	739,919.30	0.00
Electricity and water	1,973,118.30	0.00
Medical	0.00	0.00
Administration costs	1,161,584.00	0.00
Activity	0.00	0.00
Total	6,279,359.60	0.00

3 PARENTS CONTRIBUTION/FEEES - SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs.	Kshs.
Personnel Emoluments	6,659,181.60	Xxx
Repairs and Maintenance	1,376,541.40	Xxx
Local Transport / Travelling	1,545,133.50	Xxx
Electricity Water & Conservancy	5,797,264.70	Xxx
Medical	270,544.10	Xxx
Administration costs	2,379,744.70	Xxx
Activity	1,537,591.50	Xxx
Total	19,566,600.15	Xxx

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
Fee on Boarding Equipment and Stores	11,830,900.50	Xxx
Rent income	72,425.00	Xxx
Income from farming activities	1,112,120.00	Xxx
Insurance compensation	0.00	Xxx
Income from Posho mill	0.00	Xxx
Income from Bus Hire	0.00	Xxx
Fee for hire of ground and equipment	0.00	Xxx
Income from grants and donations*	0.00	Xxx
Interest income	0.00	Xxx
Dividends income	0.00	Xxx
Total	13,015,445.50	Xxx

(Include an explanation on the kind and source of grants/ donations received by the school.)

5 PAYMENTS FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
Reference Materials	74,250.48	Xxx
Exercise B0.00ooks	0.00	Xxx
Laboratory Equipment	632,290.26	Xxx
Internal Exams	185,626.20	Xxx
Teaching / Learning Materials	481,378.82	Xxx
Chalks	37,125.24	Xxx
Exams and assessment	0.00	Xxx
Teachers guides	0.00	Xxx
Administration Costs	0.00	Xxx
Bank Charges	180.00	Xxx
Total	1,410,671.00	Xxx

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 ACCOUNTS RECEIVABLE

Description	2020-2021 Kshs	2019-2020 Kshs
Fees arrears	4,950,774.00	
Other non-fees receivables	0.00	
Salary advances	0.00	
Imprest	0.00	
Total	4,950,774.00	

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

Description	2020-2021 Kshs	2019-2020 Kshs
Fees arrears for current year	2,699,010.00	Xxx
Fees arrears for the previous year	1,455,028.00	Xxx
Fees arrears for prior periods (over two years)	796,736.00	Xxx
Total	4,950,774.00	Xxx

12 ACCOUNTS PAYABLE

Description	2020-2021 Kshs	2019-2020 Kshs
Trade creditors (See ageing below and appendix 1)	2,501,629.95	Xxx
Prepaid fees	0.00	Xxx
Retention monies	0.00	Xxx
Total	2,501,629.95	Xxx

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

Description	2020-2021 Kshs	2019-2020 Kshs
Trade creditors for current year	2,501,629.95	Xxx
Trade creditors for the previous year	0.00	Xxx
Trade creditors for prior periods (over two years)	0.00	Xxx
Total	2,501,629.95	Xxx

PUBLIC SECONDARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 FUND BALANCE BROUGHT FORWARD

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank balances	6,095,921.23	Xxx
Cash balances	0.00	Xxx
Short Term Investments	0.00	Xxx
Receivables	4,950,774.00	Xxx
Payables	2,501,629.95	Xxx
Total	13,548,325.18	Xxx

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

14 Non-current Liabilities Summary

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank loan(s)	0.00	0.00
Outstanding Leases	0.00	0.00
Hire purchase	0.00	0.00
Gratuity and leave provision	0.00	0.00
Total	0.00	0.00

15 Biological assets

Description	Numbers	2020-2021	2019-2020
		Kshs	Kshs
Cattle		007	000
Goats		000	000
Trees		000	000
Coffee or tea plantation		000	000
Poultry		000	000
Total		007	000

16 Borrowings

Description	2020-2021	2019-2020
	KShs	KShs
a) Borrowings		
Borrowing at beginning of the year	0.00	0.00
Borrowings during the year	0.00	0.00
Repayments of during the year	0.00	0.00
Balance at end of the year	0.00	0.00

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Annual Report and Financial Statements
for the year ended 30th June 2021

7. Important disclosure notes
7.1 Stock/ Inventory

Description	2020-2021	2019-2020
	KSh'000	KSh'000
Borrowings		
Stock/ inventory at beginning of the year	0.00	0.00
Stock/ inventory purchased during the year	0.00	0.00
Stock/ inventory issued during the year	0.00	0.00
Balance at end of the year	0.00	0.00

PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
for the year ended 30th June 2021

II. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30th JUNE 20XX

		2020-2021	2019-2020
		KSh	Sh
Receipts for operating income			
Capitation grants for tuition	1	1,972,007.00	2,512,812.00
Capitation grants for operations	2	12,474,609.60	16,393,350.00
School fund income- Parents contributions/ fees	3	31,396,904.10	42,295,377.00
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Total receipts		47,028,065.70	42,449,877.00
Payments			
Payments for Tuition		1,410,851.00	2,614,730.00
Payments for operations		12,452,583.00	16,288,646.51
Boarding and school fund payments		39,072,035.44	45,173,662.00
Total payments		52,935,469.44	35,192,073.02
Net cash flow from operating activities		(5,907,403.74)	7,257,803.98
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		0.00	0.00
Acquisition of Assets		0.00	0.00
Proceeds from investments		0.00	0.00
Purchase of investments		0.00	0.00
Net cash flows from Investing Activities		0.00	0.00
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans		0.00	0.00
Repayment of principal borrowings		0.00	0.00
Net cash flow from financing activities		0.00	0.00
NET INCREASE IN CASH AND CASH EQUIVALENTS		Xxx	0.00
Cash and cash equivalent at BEGINNING of the year		6,095,921.23	14,977,411.81
Cash and cash equivalent at END of the year		1,319,914.14	6,095,921.23

The above presentation of cash flow statement uses the direct method of cash flow presentation which is encouraged under IPSAS. Schools' should therefore adopt the direct method of cashflow as recommended by PSASB.

PUBLIC SECONDARY SCHOOLS – MOI FORCES ACADEMY-LANET
Reports and Financial Statements
For the year ended 30th June 2021

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To Date	Outstanding Balance 20XX	Outstanding Balance 20XX-1	Comments
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Supply of goods						
4.						
5.						
6.						
Sub-Total						
Supply of services						
7.						
8.						
9.						
Sub-Total						
Grand Total						

PUBLIC SECONDARY SCHOOLS – MOI FORCES ACADEMY-LANET
 Reports and Financial Statements
 For the year ended 30th June 2021

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Particulars	Date purchased	Location	Historical Cost b/f (KShs) 1 st July 20xx	Additions during the year (KShs)	Disposals during the year (KShs)	Historical Cost c/f (KShs) 30 th June 20xx
Land 1						
Land 2						
Buildings and structures						
Motor vehicles						
Office equipment, furniture and fittings						
ICT Equipment, and Other ICT Assets						
Tools and apparatus						
Textbooks						
Other Machinery and Equipment						
Heritage and cultural assets						
Intangible assets- soft ware						