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REPORT

DATE: 20 FEB 2015

DAY:

Thursday

TABLED
BY:

Hon. Maomi Waco
Deputy Majority Whip

OF

CLERK-AT
THE-TABLE:

Insofa Male

THE AUDITOR-GENERAL

ON

MPEKETONI BOYS HIGH SCHOOL

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

LAMU COUNTY



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY

22 NOV 2024

RECEIVED

Revised 30th June 2021



MPEKETONI BOY'S HIGH SCHOOL
PUBLIC SECONDARY 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)

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Reports and Financial Statements For the year ended 30th June 2021

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Reports and Financial Statements For the year ended 30th June 2021**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 LAMU County, LAMU WEST Sub-County

The school was registered in JUNE 1982 under registration number G/A/125/82 and is currently categorized as a NATIONAL SCHOOL (*National, Extra County, county and Sub County*) public school established, owned or operated by the Government.

The school is a boarding school and had 930 number of students as at 30th June 2021. It has 5 streams and 41 teachers of which 8 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	DAVID NJOROGE	Chairman	30th aug 2019
2	SOVERINI TOLE	Secretary - Principal	30th aug 2019
3	PENINA BADASO	Member	30th aug 2019
4	PETER MUNGAI	Member	30th aug 2019
5	SAUDA KASSIM	Member	30th aug 2019
6	JOHN NDUNG'U	Member	30th aug 2019
7	JAMES MICHUKI	Member	30th aug 2019
8	JOSHUA K KAGA	Member – Rep CEB	30th aug 2019
9	JOHN NJENGA	Member Rep Teachers	30th aug 2019
10	SAUDA KASSIM	3 Members - Sponsor	30th aug 2019
11	MARGARET WAINAINA		30th aug 2019
12	JULIUS WAWERU		30th aug 2019
13	HILLARY VIDONYE	Member - Community	30th aug 2019
14	AHMED OMAR	Member Special Needs	30th aug 2019
15	PETER KIMANI	Rep Students	30th aug 2019

Reports and Financial Statements For the year ended 30th June 2021**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.

(e) 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	David Njoroge	Bom chairman	6 out of 6
		Severini Tole	Bom secretary	6 out of 6
		Penina Badaso	Bom member	6 out of 6
		Peter Mungai	Bom member	5 out of 6
		John Njenga	Teacher representative	6 out of 6
		John ndungu	PA Representative	6 out of 6
2	Audit Committee			
3	Finance, procurement and general purposes Committee		chairman	
		Ahmed omar		1 out of 1
		Penina badaso		1 out of 1
		Severine tole		1 out of 1
		John njenga		1 out of 1
		David njoroge		1 out of 1
4	Academic Committee	Emmanuel nzaro		1 out of 1
		Julius waweru	chairman	2 out of 2
		Sauda kassim	member	2 out of 2
		John njenga	Deputy chairman	2 out of 2

Reports and Financial Statements For the year ended 30th June 2021

		Severini tole	secretary	2 out of 2
		Emmanuel nzaro	member	2 out of 2
5	Development Committee	James Michuki	Sic chairman	4 out of 4
		David Njoroge	member	4 out of 4
		Mary Wainaina	secretary	4 out of 4
		John ndungu	member	4 out of 4
		Emmanuel nzaro	member	4 out of 4
		Severini tole	member	4 out of 4
6	Discipline and welfare Committee	Peter mungai	chairman	2 out of 2
		Hamid imam		2 out of 2
		Margaret wainaina		2 out of 2
		Athman amin		2 out of 2
7	Adhoc Committee (if any during the year)			

(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	SOVERINI TOLE	335449
2	Deputy Principal	JOHN NJENGA	275501
3	School Bursar	MARGARET KARICHU	MBHS 10

(e) Schools contacts

Post Office Box: BOX 37 MPEKETONI
 Telephone: 0712811080
 E-mail: mpeketoniboys@ gmail.com
 Website: XXXXXXXX
 Facebook: THE MPEKETONI BOYS NATIONAL SCHOOL
 Twitter:

(f) School Bankers

The following school operated 11 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

- Name of Bank: KCB
 Branch: MPEKETONI
 Account Number: 1104827506 BOARDING A/C

Reports and Financial Statements For the year ended 30th June 2021

2.	Name of Bank:	KCB	
	Branch:	MPEKETONI	
	Account Number:	1104827212	OPERATIONAL A/C
3.	Name of Bank:	KCB	
	Branch:	MPEKETONI	
	Account Number:	1104826496	TUITOIN A/C
4.	Name of Bank:	KCB	
	Branch:	MPEKETONI	
	Account Number:	1276584989	INFRASTRUCTURE A/C
5.	Name of Bank:	KCB	
	Branch:	MPEKETONI	
	Account Number:	1104259877	PTA A/C
6.	Name of Bank:	KCB	
	Branch:	MPEKETONI	
	Account Number:	1108024718	BUS A/C
7.	Name of Bank:	KCB	
	Branch:	MPEKETONI	
	Account Number:	11042597753	EXAMINATION A/C
8.	Name of Bank:	KCB	
	Branch:	MPEKETONI	
	Account Number:	1108980376	CAUTION MONEY A/C
9.	Name of Bank:	EQUITY	
	Branch:	MPEKETONI	
	Account Number:	1270298119720	CDF A/C
10.	Name of Bank:	EQUITY	
	Branch:	MPEKETONI	
	Account Number:	1270264273242	MINISTRY OF EDUC. PROJECTS
			A/C
11.	Name of Bank	EQUITY	
	Branch	MPEKETONI	
	Account number	1270298119689	MPEKETONI HG SC GENERAL
			A/C

12. MPESA Pay Bill No. 522123 A/C NO. 648476 attached to KCB 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

Reports and Financial Statements For the year ended 30th June 2021

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:

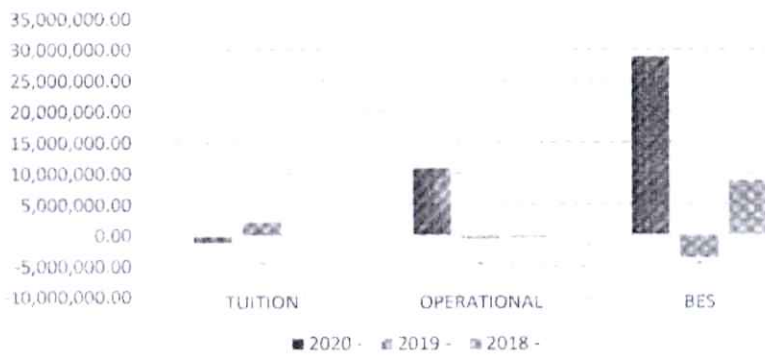
a) Financial performance:

(Under this section, the following information should be given:

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

YR	TUITION OPRATIONAL BES	TUITION	OPERATIONAL	BES
30 th june2021	(2,988,192.75)	-	-	-
2020	-	(1,116,371.50)	10,854,265.80	28,808,743.80
2019	-	2,231,012.90	(581,315.20)	(3,721,085.97)
2018	-	159,538.90	(400,665.00)	8,825,956.10

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

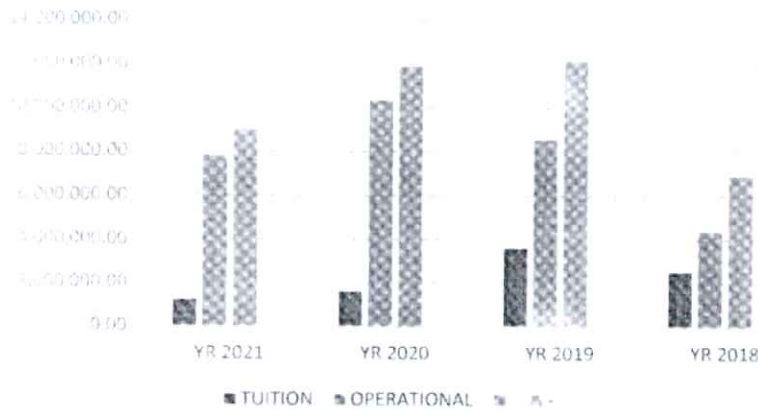


Reports and Financial Statements For the year ended 30th June 2021

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

ACCOUNT	YR 2021	YR 2020	YR 2019	YR 2018
TUITION	1,205,122.75	1,569,707.00	3,614,463.00	2,509,725.00
OPERATIONAL	7,807,010.95	10,316,037.00	8,538,185.40	4,395,425.00
	9,012,133.70	11,885,744.00	12,152,648.40	6,905,150.00

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

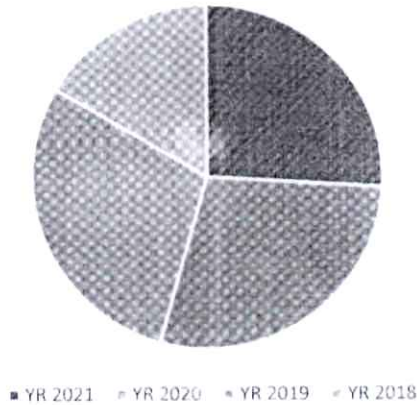


- Ratio of capitation grant per student over the last three years

ACCOUNT	YR 2021	YR 2020	YR 2019	YR 2018
TUITION	1,205,122.75	1,569,707.00	3,614,463.00	2,509,725.00
OPERATIONAL	7,807,010.95	10,316,037.00	8,538,185.40	4,395,425.00
	9,012,133.70	11,885,744.00	12,152,648.40	6,905,150.00

ACCOUNT	YR 2021	YR 2020	YR 2019	YR 2018
TOTAL	9,012,133.70	11,885,744.0	12,152,648.40	6,905,150.00
NO OF STUDENTS	950	925	820	742
RATIO	1:9486.419	1:12,849.45	1:14,820.3	1:9,306.13

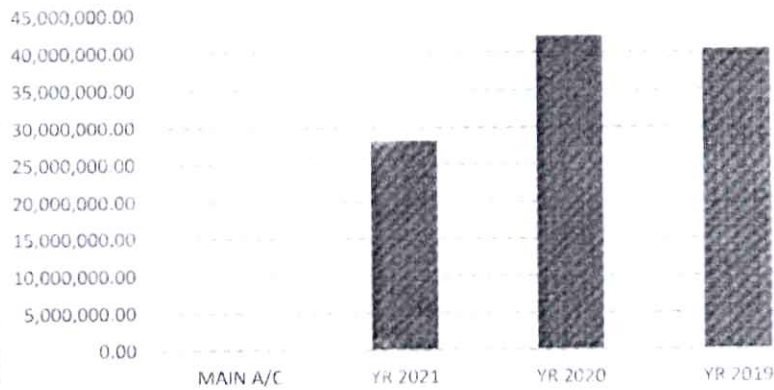
Ratio of capitation grant per student over the last three years



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

MAIN A/C	YR 2021	YR 2020	YR 2019
	28,160,534.00	42,233,760.75	40,372,628.00

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



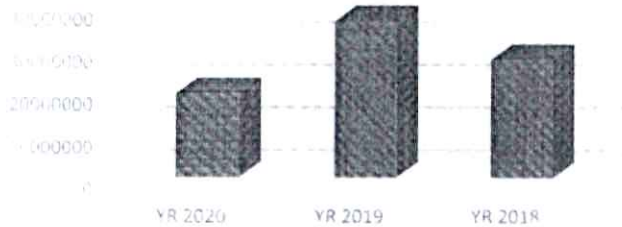
- A three-year overview of growth in expenditure of the school

MAIN A/C	YR 2020	YR 2019	YR 2018
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Reports and Financial Statements For the year ended 30th June 2021

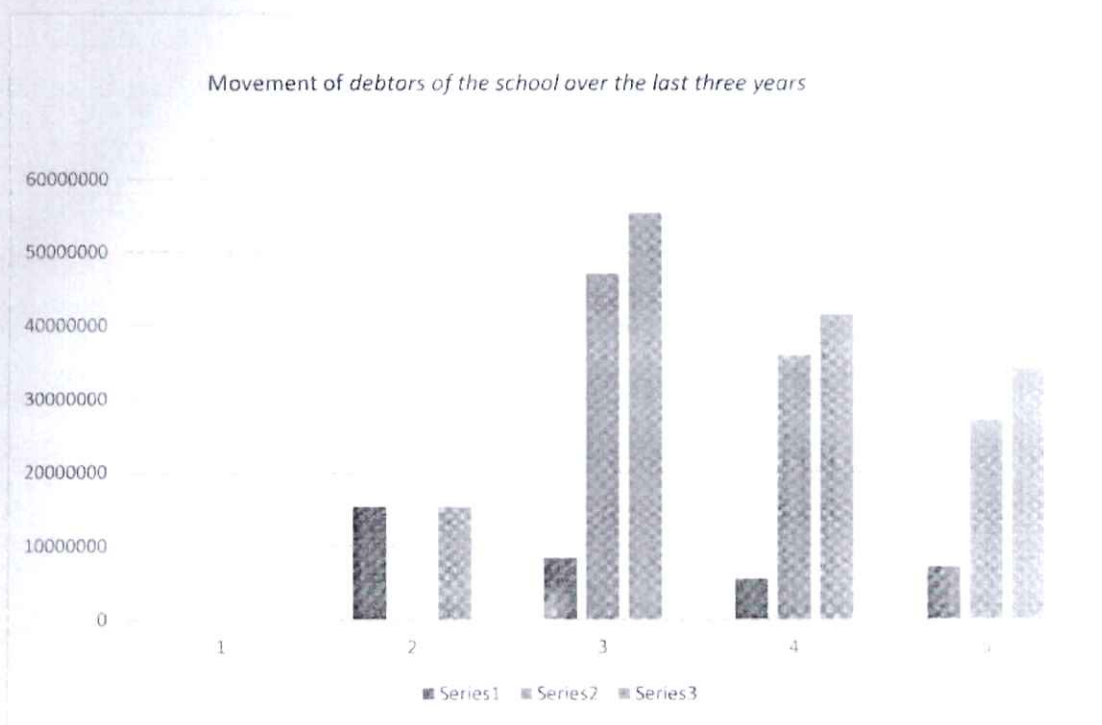
-	19737169.9	36,651,543.03	27,762,139.15
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A three-year overview of growth in expenditure of the school



- Movement of debtors of the school over the last three years
- DEBTORS MOVEMENT

A/C	YR 2021	YR 2020	YR 2019	YR 2018
TUITION	-	-	-	-
OPERATIONAL/BES	15,269,189.53	8,312,030.00	5,485,430.00	7,068,795.00
BES	-	47,029,173.65	36,018,245.65	27,114,389.65
	15,269,189.53	55,341,203.65	41,503,675.65	34,183,184.65

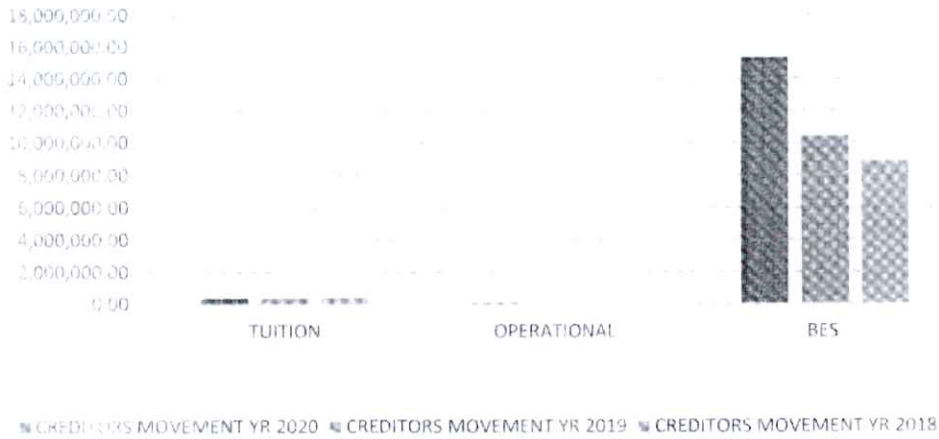


CREDITORS MOVEMENT

<i>A/C</i>	<i>YR 2020</i>	<i>YR 2019</i>	<i>YR 2018</i>
<i>TUITION</i>	<i>361,842.00</i>	<i>361,842.00</i>	<i>394,092.00</i>
<i>OPERATIONAL</i>	<i>79,433.70</i>	<i>-</i>	<i>-</i>
<i>BES/MAIN A/C</i>	<i>15,301,240.00</i>	<i>10,391,874.00</i>	<i>8,821,365.00</i>

Reports and Financial Statements For the year ended 30th June 2021

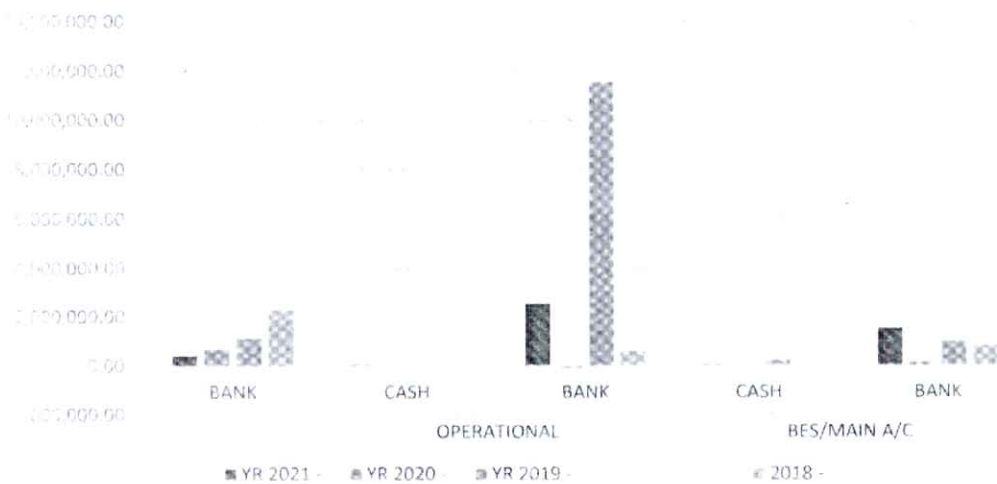
CREDITORS MOVEMENT



Movement of cash and bank balances over the last three years

ACCOUNT		YR 2021	YR 2020	YR 2019	2018
TUITION A/C	CASH	-	-	-	-
	BANK	409,766.05	673,833.30	1133,158.30	2281779.80
OPERATIONAL	CASH	62,688.00	3,428.00	478.00	3,574.00
	BANK	2,547,545.75	(79,423.70)	11,555,575.30	632,312.50
BES/MAIN A/C	CASH	60,467.25	5,957.25	217,928.47	1,787.02
	BANK	1,522,664.30	126,320.60	989,414.20	836,150.10

Movement of cash and bank balances over the last three years



Graphical presentation, ratios, tables, and pie charts should be used to show/ indicate trends).

b) Teacher Student ratio:

(Include the teacher to student ratio, number of teachers recruited and posted to the school within the year, number of teachers that were transferred/ retired during the period as well as number of teachers employed by TSC, and number employed by BOM. One may also include how many teachers the school has for each subject in order to indicate shortage/ allocation of resources).

The total Number of students is 900 against 36 TSC teachers and 8 BOM teachers.

There were 2 teachers transferred during the yr.

<i>Subject</i>	<i>No. of teachers</i>
<i>Maths</i>	<i>6</i>
<i>English</i>	<i>5</i>
<i>Kiswahili</i>	<i>5</i>
<i>Biology</i>	<i>3</i>
<i>Chemistry</i>	<i>3</i>
<i>Physics</i>	<i>3</i>
<i>Hist & govern</i>	<i>3</i>
<i>Geography</i>	<i>3</i>
<i>CRE</i>	<i>3</i>
<i>IRE</i>	<i>3</i>
<i>Agric</i>	<i>1</i>
<i>b/studies</i>	<i>2</i>
<i>computer</i>	<i>2</i>
<i>Arabic</i>	<i>1</i>
<i>French</i>	<i>0</i>
<i>PE</i>	<i>1</i>
<i>Lifeskills</i>	<i>0</i>
<i>Total</i>	<i>44</i>

c) Mean score in the 2021 KCSE:

YR	ENTRY	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E	X	Y	P	U	M.SC
2021	216	0	0	5	13	21	21	53	45	38	18	1	0	1	0	0	0	5.74

Reports and Financial Statements For the year ended 30th June 2021

2020	218	0	0	2	9	10	34	66	63	27	6	1	0	1	0	0	0	5.77
2019	159	0	0	2	6	15	14	26	36	31	22	7	0	0	0	0	0	5.23
2018	116	0	1	1	5	5	11	24	21	25	20	3	0	0	0	0	0	5.16

N/B

.Mpeketoni boys emerged number one overall in the county

.Quality grades (university grades) increased from 60 in 2021 to 102 in 2022

MPEKETONI BOYS HIGH SCHOOL

2021 KCSE ANALYSIS

ENTRY	A	A-	B+	B	B-	C+	C	C-	D+	D	D	E	X	Y	P	U	2018	2019	2020	2
											-									
216	0	0	5	13	21	21	53	45	38	18	1	0	1	0	0	0	5.155	5022	5.77	5

DEV - 4.93

Give performance of the school for each over the last three years. Include the number of students that have since transitioned to institutions of higher learning. Include the mean score and comment on improvement or otherwise as compared to the school's set score.

d) Number of Candidates in the 2021 KCSE:

(Tabulate the number of candidates sitting for KCSE over the last three years).

YR	2018	2019	2020	2021
NO. OF STUDENTS	116	159	218	216

e) Capacity of the school:

(Indicate the number of students in the school vis a vie the facilities like the dormitories, the dining hall, the laboratories, toilets and other amenities. This information will provide useful details for the Ministry of Education).

The capacity of the school is 900 students against the following facilities

s/no	facility	The ideal capacity	Actual capacity	Surplus/shortfall
1	classroom	20 plus 2 optional	22	-
2	dormitories	11	9	(2)
3	laboratory	5	4	(1)
4	toilets	60	60	-
5	bathrooms	60	50	(10)
6	Dining hall 500 capacity	2	1	(1)


Reports and Financial Statements For the year ended 30th June 2021

7	Small chapel	2	1	(1)
8	Medium size mosque	2	1	(1)
9	Library classroom	2	1	(1)
10	ICT classroom	2	1	(1)
11	Computer classroom	2	1	(1)

Summary Report of the Performance of the School (Continued)**f) Development projects carried out by the school:**

(Development projects carried out in the year and ongoing projects including a disclosure of project fund sources in a tabular format).

S/NO	PROJECTS	SOURCE OF FUND	STATUS	INITIAL COST (KSHS)	AMOUNT (SPENT KSHS)	EXPECTED COMPLETION TIME
1	3NO CLASSROOM	MOE	ONGOING	44 MILLION	7 MILLION	YR 2025
4	RENOVATION ABLUTION BLOCK NO.4	MOE	COMPLETE	931,931.24	931,931.24	JUNE 2021
5	RENOVATION ABLUTION BLOCK NO.5	MOE	COMPLETE	545,724.96	545,724.96	JUNE 2021
6	RENOVATION OF ABLUTION BLOCK 3	MOE	COMPLETE	907,590.96	907,590.96	JUNE 2021



School Principal



Reports and Financial Statements For the year ended 30th June 2021


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 (PSASB) of Kenya from time to time.

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

The Board of Management of *MPEKETONI BOYS 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, 2022, and of the school's financial position as at that date.



.....
Name:

Designation: Chairman, School Board of Management

Date:



.....
Name:

Designation: School Principal & Secretary to Board of Management

Date:



MARGARET N. KADITHI

.....
Name:

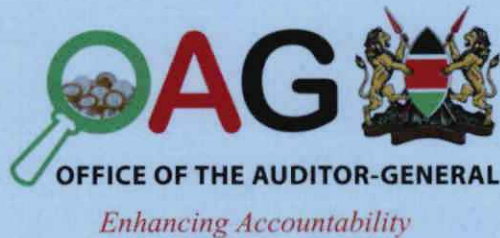
Designation: Bursar/ Finance Officer

Date: 7/7/2024



REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON MPEKETONI BOYS HIGH SCHOOL FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021 – LAMU COUNTY

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on 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 of Kenya, 2010, 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 Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Mpeketoni Boys High School – Lamu County set out on pages 1 to 17, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2021, and the statement of receipts and

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

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

Basis for Qualified Opinion

1. Inaccuracies in the Statements of Receipts and Payments

The statement of receipts and payments reflects boarding and school fund payments of Kshs.23,432,034 while the corresponding Note 7 to the financial statements reflects an amount of Kshs.19,737,170 resulting to an unexplained variance of Kshs.3,694,864.

In the circumstances, the accuracy of the boarding and school fund payments Kshs.23,432,034 could not be confirmed.

2. Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.15,568,750 in respect of fees arrears as disclosed in Note 11 to the financial statements. Included in the balance are receivables amounting to Kshs.12,868,186 which had been outstanding for more than one (1) year. 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.15,568,750 could not be confirmed.

3. Variances in Accounts Payable

The statement of financial assets and financial liabilities reflects accounts payable balance of Kshs.7,037,025 while the corresponding supporting Note 12 reflects a balance of Kshs.8,024,529 resulting to an unexplained variance of Kshs.987,504.

In the circumstances, the accuracy of the accounts payables balance of Kshs.15,568,750 could not be confirmed.

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Long Outstanding Payables

The statement of financial assets and financial liabilities and as disclosed in Note 12 to the financial statements reflects payables balance of Kshs.8,024,528. However, included in the balance are trade payables balance of Kshs.276,920 which had been outstanding for more than one (1) year. This was contrary to Section 53(8) of the Public Procurement and Asset Disposal Act, 2015 which states that 'an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contract (s) are reflected in approved budget estimates.

In the circumstances, the School Management was in breach of the law and there is a risk of loss of public funds through litigations, interests and penalties.

2. 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.

3. Lack of a Procurement Plan

The statement of receipts and payments reflects an amount of Kshs.37,172,668 and Kshs.37,980,764 in respect of total receipts and payments respectively. However, 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.

4. Anomalies in Construction at Mpeketoni Boys High School

During the period under review, Management engaged in construction of three (3) classrooms and ablution blocks. However, tender documents provided for audit for the construction of three (3) classrooms revealed the following anomalies:-

- Requisition form was not attached.
- Annual Procurement Plan was not provided.
- Opening Tender Minutes were not provided.
- Evaluation Committee Minutes were not provided.
- Minutes of the School Infrastructure Committee were not signed.
- The fourth payment certificate indicated a revised contract sum from an amount of Kshs.1,299,772 to Kshs.1,782,272, an increase by Kshs.482,500 or 37% which exceeds the 20% of the contract sum which is contrary to Section 139(4)(c) provided by the Public Procurement and Asset Disposal Act, 2015 threshold by 17%. The variation or amendment had not been approved in writing by the respective tender awarding authority within the procuring entity (School), contrary to Section 139(1)(a) (b) (c) of the Public Procurement and Asset Disposal Act, 2015.

Further, tender documents provided for audit for repair of ablution blocks revealed the following anomalies: -

- The contract to renovate ablution block 2 was awarded to a contractor who had not bid for the contract after bidders were found unresponsive.

- Opening tender minutes and evaluation committee minutes for the renovation of three (3) ablution blocks were not provided.

In the circumstances, the School may not get value for money in this Project and Management was in breach of procurement law.

5. Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements

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

- Table of Contents did not begin with Acronyms and Glossary of Terms and it omitted annexes.
- The narration of the statements in the table of contents did not match the reporting template.
- The reporting period was not indicated to be for the six months period ended 30 June, 2021.
- The budgeted amount of other income was not indicated.
- Information on Annex 2 on Summary of Fixed Asset Register was missing.
- The statement of budgeted versus actual amounts under page 10 does not contain totals as required by the template.
- Inconsistent pagination of the financial statement after page 17 pagination reverts to page 8 to 14.
- The statement of financial assets and financial liabilities included Note 10 against short term investment where no expenditure was incurred.

In the circumstances, Management was in breach of the PSASB guidelines.

6. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 10 July, 2023 instead of the statutory deadline of 30 September, 2021. This was contrary to the Ministry of Education circular Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the School's financial statements should be ready by 30 September, 2021 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the

financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter 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

Lack of Internal Audit Function and Audit Committee

During the year under review, the School had not constituted a proper audit committee and an internal audit unit as required by Regulation 166 (1) and (2) of the Public Finance Management (National Government) Regulations, 2015. The regulation requires the internal audit unit of a National Government entity to assess effectiveness of its 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.

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 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 control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

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

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

25 September, 2024

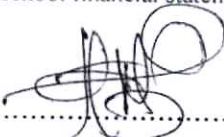
MPEKETONI BOY'S HIGH SCHOOL

Reports 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	30 th June 2021 Kshs	Yr 2020 Kshs
Receipts			
Capitation grants for tuition	1	1,205,122.75	1,569,707.00
Capitation grants for operations	2	7,807,010.95	10,316,037.00
School fund income- parents' contributions	3	24,456,393.00	35,673,956.00
School fund income- other receipts	4	3,704,141.00	3,189,813.00
Proceeds from borrowings		0.00	0.00
Total Receipts		37,172,667.70	50,749,513.00
Payments			
Payments for tuition	5	1,506,490.00	2,029,032.00
Payments for operations	6	13,042,240.05	12,885,510.20
Boarding and school fund payments	7	23,432,033.90	36,171,728.92
Total Payments		37,980,763.95	51,086,271.12
Surplus/Deficit		(808,096.25)	(336,758.12)

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


.....


Name:
Chair BOM

Date:


.....

Name:
School Principal/ Secretary to
BOM

Date:


.....

Name: MARGARET N
KARU
Bursar/ Finance Officer

Date: 27/6/21



MPEKETONI BOY'S HIGH SCHOOL

Reports and Financial Statements For the year ended 30th June 2021


MPEKETONI BOY'S HIGH SCHOOL

Reports and Financial Statements For the year ended 30th June 2021

VI. Statement Of Financial Assets And Financial Liabilities As At 30th June 2021

Description	Note	30 th June 2021	Yr 2020
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	8	11,517,954.06	15,046,081.55
Cash balances	9	123,155.25	9,415.25
Short term investment	10	-	-
Total cash and cash equivalent		11,641,109.30	15,055,496.80
Account's receivables	11	15,568,749.53	12,910,746.53
Total financial assets		27,209,858.84	27,966,243.33
Financial liabilities			
Accounts payables	12	(7,037,025.00)	(6,092,298.00)
Net financial assets		21,160,337.34	21,873,945.33
Represented by			
Accumulated fund b/fwd 1 ST JAN 2020	13	21,873,963.08	22,210,721.20
Surplus/deficit for the year		(713,625.75)	(336,758.12)
Net financial position		21,160,337.34	21,873,963.08

The school's financial statements were approved on _____ 2021 and signed by:



Name:
Chair BOM
Date:



Name:
School Principal/ Secretary to
BOM
Date:



Name: MARGARET H.
KADUNA
Bursar/ Finance Officer
Date:



VII. Statement of Cash Flows for The Period Ended 30th June 2021

Description	Notes	30 th June 2021	Yr 2020
		Kshs	Kshs
Operating activities			
Receipts			
Capitation grants for tuition	1	1,205,122.75	1,569,707.00
Capitation grants for operations	2	5,969,011.45	10,374,705.00
School fund income- parents contributions/ fees	3	14,746,954.00	44,956,067.00
Income other receipts		13,350,097.50	
income- other receipts--Infrastructure	4	1,838,000.00	-
Total receipts		37,109,185.70	56,900,479.00
Payments			
Payments for tuition	5	1,469,190.00	2,029,032.00
Payments for operations	6	5,443,482.00	12,917,178.00
Payment for infrastructure		7,514,837.05	-
Boarding and school fund payments	7	26,096,081.90	49,109,475.45
Total payments		40,523,590.95	64,055,685.45
Net cash flow from operating activities		(3,414,405.25)	(7,155,206.45)
Cashflow from investing activities			
Proceeds from sale of assets		xxx	xxx
Acquisition of assets		(xxx)	(xxx)
Proceeds from investments		xxx	xxx
Purchase of investments		(xxx)	(xxx)
Net cash flows from investing activities		xxx	xxx
Cashflow from borrowing activities			
Proceeds from borrowings/ loans		xxx	xxx
Repayment of principal borrowings		xxx	xxx
Net cash flow from financing activities		xxx	xxx
Net increase in cash and cash equivalents		(3,414,405.25)	(7,155,206.45)
Cash and cash equivalent at beginning of the year		15,055,466.55	22,210,673.00
Cash and cash equivalent at end of the year		11,641,106.30	15,055,466.55

(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).

MPEKETONI BOY'S HIGH SCHOOL

Reports and Financial Statements For the year ended 30th June 2021

MPEKETONI BOY'S HIGH SCHOOL

Reports and Financial Statements For the year ended 30th June 2021

VIII. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2021

Receipts/Expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b Kshs	Actual on Comparable Basis d Kshs	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
Receipts						
(1) Capitation Grant on Tuition						
Textbooks And Reference Materials						
Exercise Books						
Laboratory Equipment						
Internal Exams						
Teaching / Learning Materials	3,729,600.00	(1,864,800.00)	1,864,800.00	1,205,122.75	659,677.25	64.6%
Chalks						
Exams And Assessment						
Teachers Guides						
(2) Capitation Grant on Operations						
Personnel Emoluments	3,330,000.00	(1,665,000.00)	1,665,000.00	1,629,047.95	35952.05	97.8%
Repairs And Maintenance	4,500,000.00	(2,250,000.00)	2,250,000.00	3,458,250.00	(1,208,250.00)	153.7%
Local Transport / Travelling	450,000.00	(225,000.00)	225,000.00	154,807.50	70,192.50	68.80%
Electricity And Water	2,430,000.00	(1,215,000.00)	1,215,000.00	1,191,162.50	23837.50	98%
Medical	1,800,000.00	(900,000.00)	900,000.00	0.00	900,000.00	0.00%
Administration Costs	225,000.00	(112,500.00)	112,500.00	1,107,868.5	(995,368.50)	984%
Activity	1,350,000.00	(675,000.00)	675,000.00	0.00	0.00	0.00%

Reports and Financial Statements 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	Kshs	b	Kshs	c=a+b	Kshs	d	Kshs	e-c	Kshs	f-d/c%	Kshs
Gratuities	xxx		xxx		xxx		xxx		xxx			x
Smasse	xxx		xxx		xxx		xxx		xxx			x
(3) Fees Charged on Parents												
Personnel Emoluments	6,993,000.00		(3,496,500.00)		3,496,500.00		1,167,315.00		2,329,185.00			33.44%
Repairs And Maintenance	1,800,000.00		(900,000.00)		900,000.00		696,221.00		203,779.00			77.35%
Local Transport / Travelling	2,700,000.00		(1,350,000.00)		1,350,000.00		518,887.00		831,113.00			38.43%
Electricity And Water	(4,050,000.00)		(2,025,000.00)		2,025,000.00		1,473,220.00		551,780.00			72.75%
Medical	0.00		0.00		0.00		0.00		0.00			0.00%
Administration Costs	2,790,000.00		(1,395,000.00)		1,395,000.00		1,207,758.00		187,242.00			86.57%
Activity	718,200.00		(359,100.00)		359,100.00		243,192.00		115,908.00			67.72%
Fee On Boarding Equipment and Stores	27,346,500.00		(13,673,250.00)		13,673,250.00		9,440,361.00		4,232,889.00			69.04%
Other Income												
Rent Income	xxx		xxx		xxx		xxx		xxx			x
Income From Farming Activities	xxx		xxx		xxx		xxx		xxx			x
Insurance Compensation	xxx		xxx		xxx		xxx		xxx			x
Income From Posho Mill	xxx		xxx		xxx		xxx		xxx			x
Income From Bus Hire	xxx		xxx		xxx		xxx		xxx			x
Fee For Hire of Ground And Equipment	xxx		xxx		xxx		xxx		xxx			x
Interest Income	xxx		xxx		xxx		xxx		xxx			x
Income From Any Other Investment	xxx		xxx		xxx		xxx		xxx			x
Total Income	xxx		xxx		xxx		xxx		xxx			x

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Difference	%	
						Utilization	of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c	g=f/c
	Kshs	Kshs	Kshs	Kshs	Kshs		Kshs
(1) Expenditure For Tuition							
Textbooks And Reference Materials	474,500.00	(237,250.00)	237,500.00	126,180.00	111,070.00	52.12%	
Exercise Books	1,582,280.00	(791,140.00)	791,140.00	0	0	-	
Laboratory Equipment	928,700.00	(464,350.00)	464,350.00	704,286.00	(239,936.00)	151.67%	
Internal Exams	393,820.00	(196,910.00)	196,910.00	72,000.00	124,910.00	36.56%	
Teaching / Learning Materials	240,300.00	(120,150.00)	120,150.00	526,219.00	(406,069.00)	437.9%	
Chalks	0.00	0.00	0.00	0.00	0.00	0.00%	
Exams And Assessment	0.00	0.00	0.00	0.00	0.00	0.00%	
Teachers (Guides	110,000.00	(55,000.00)	55,000.00	0.00	0.00	0.00%	
Administration Costs	0.00	0.00	0.00	0.00	0.00	0.00%	
Bank Charges	0.00	0.00	0.00	2,805.00	0.00	0.00%	
(2) Expenditure For Operations							
Personnel Emoluments	3,333,000.00	(1,665,000.00)	1,665,000.00	1,521,801.00	143,199.00	91.3%	
Repairs, Maintenance & Improvements	4,500,000.00	(2,250,000.00)	2,250,000.00	1,853,000.00	397,000.00	82.35%	
Local Transport / Travelling	450,000.00	(225,000.00)	225,000.00	104,400.00	120,600.00	46.4%	
Electricity, Water and Conservancy	2,430,000.00	(1,215,000.00)	1,215,000.00	40,600.00	1,174,400.00	3.34%	
Medical	1,800,000.00	(900,000.00)	900,000.00	111,740.00	788,260.00	12.41%	
Administration Costs	2,250,000.00	(1,125,000.00)	1,125,000.00	1,107,868.50	92,051.00	98.4%	
Activity Expenses	1,350,000.00	(675,000.00)	675,000.00	0.00	0.00	0.00%	
Born teacher	2,768,000.00	(1,384,800.00)	1,384,800.00	323,120.00	1,061,680.00	23.3%	

Reports and Financial Statements For the year ended 30th June 2021

Receipt/Expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c = a+b Kshs	Actual on Comparable Basis d Kshs	Budget Utilization Difference e = c-d Kshs	% of Utilization f = d/c % Kshs
Acquisition of assets			7,514,837.00		xxx	x
Covid-19	400,000.00	0.00	400,000.00	400,000.00	0.00	100%
(3) Expenditure For School Fund						
Personnel Emoluments	3,496,950.00	0.00	3,496,950.00	3,043,418.00	453,532.00	87.03%
Repairs, Maintenance and Improvements	1,800,000.00	(900,000.00)	900,000.00	134,065.00	765,935.00	0.15%
Local Transport / Travelling	2,700,000.00	(1,350,000.00)	1,350,000.00	77,700.00	1,272,300.00	
Electricity, Water and Conservancy	4,050,000.00	(2,025,000.00)	2,025,000.00	2,142,588.00	(117,588)	105.8%
Medical Expenses	0.00	0.00	0.00	0.00	0.00	0.00%
Administration Costs	2,790,000.00	(1,395,000.00)	1,395,000.00	840,757.00	554,234.00	60.27%
Activity	718,200.00	(359,100.00)	359,100.00	173,500.00	185,600	48.31%
Gratuity	0.00	0.00	0.00	0.00	0.00	0.00
Uniform	0.00	0.00	5400.00	0.00	0.00	
Boarding Equipment and Stores	27,346,500.00	(13,673,250.00)	13,673,250.00	15,440,370.00	1,767,120.00	112.9%
Expenditure For Income Generating Activity	0.00	0.00	0.00	30,210.00	0.00	0.00%
PTA	0.00	0.00	0.00	850,901.00	0.00	x
Bus Hire	0.00	0.00	0.00	410,232.00	0.00	x
Tuition	0.00	0.00	0.00	37,300.00	0.00	x
Caution Money	0.00	0.00	0.00	0.00	0.00	x
Acquisition Of Assets	xxx	xxx	xxx	xxx	xxx	x
Farm.income				127,240.00		

MPEKETONI BOY'S HIGH SCHOOL

Reports and Financial Statements For the year ended 30th June 2021

Receipt/Expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b Kshs	Actual on Comparable Basis d Kshs	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
Totals	XXX	XXX	XXX	XXX	XXX	X

[Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization above 100%]

- i. For the underutilisation is caused by closure of schools due to covid-19 which happened at the end of first term and school resumed by end of the yr.
- ii. For over utilisation above 100% was caused by expenses incurred for implementation and prevention of spread of covid-19. Example ewc vote-head and administration cost.

Reports and Financial Statements For the year ended 30th June 2021

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.

Reports and Financial Statements For the year ended 30th June 2021

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 AIF 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 2022.

Reports and Financial Statements For the year ended 30th June 2021

X. Notes To The Financial Statements

1 Capitation Grant for Tuition

Description	30 th June 2021	Yr 2020
	Kshs	Kshs
Textbooks And Reference Materials	153,321.00	0.00
Exercise Books	511,268.20	0.00
Laboratory Equipment	300,083.00	0.00
Internal Exams	127,251.60	0.00
Teaching / Learning Materials	77,646.00	1,569,707.00
Chalks	0.00	0.00
Exams And Assessment	0.00	0.00
Teachers Guides	35,552.95	0.00
Total	1,205,122.75	1,569,707.00

2 Capitation Grant for Operations

Description	30 th June 2021	yr 2020
	Kshs	Kshs
Other Vote heads	-	3,397,000.00
MoE	-	
Personnel Emoluments	1,629,047.95	
Repairs And Maintenance	3,458,250.00	
MoE		3,414,305.00
Local Transport / Travelling	154,807.50	2,755,932.00
Electricity And Water	1,191,162.50	
Insurance		169,600.00
Administration Costs	1,107,868.00	
Activity		
Bus insurance	265,875.00	
MI		
Total	7,807,010.95	10,316,037.00

3 Parents Contribution/Fees - School Fund Account

Description	30 th June 2021	Yr 2020
	Kshs	Kshs
Personnel emoluments	3,0145,69.00	3,564,810.00
Lunch programee	14,330,900.00	20,634,517.00
Bom teachers	432,220.00	1,132,446.00

Reports and Financial Statements For the year ended 30th June 2021

Description	30 th June 2021	Yr 2020
	Kshs	Kshs
Repairs and maintenance	1,158,520.00	1,582,773.00
Local transport / travelling	1,155,092.00	992,160.00
Electricity and water	2,374,685.00	4,828,877.00
Lost items	0.00	21,603.00
Administration costs	1,988,706.00	2,069,430.00
Activity	433,921.00	847,340.00
Total	24,456,393.00	35,673,956.00

Notes To The Financial Statements (Continued)

4 Other Receipts – School Fund Account

Description	30 th June 2021	Yr 2020
	Kshs	Kshs
Uniforms	3,400.00	1,870,007.00
Tender fees	11,000.00	74,600.00
Bus hire	329,400.00	545,200.00
Income From farming activities	17,500.00	
kuccps	1,650.00	
IGA		659,706.00
canteen		40,300.00
Fee for hire of ground and equipment/hall	47,391.00	
Income from grant and donations	20,480.00	
PTA	609,444.00	
Staff trip	310,000.00	
ID	300.00	
Lost items	15,356.00	
PTA Savings	640800.00	
Bus Savings	1,2665,00.00	
Total	3,704,141.00	3189813.00

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

5 Payments For Tuition

Description	30 th June 2021	Yr 2020
	Kshs	Kshs

MPEKETONI BOY'S HIGH SCHOOL

Reports and Financial Statements For the year ended 30th June 2021

Textbooks And Reference Materials	126,180.00	
Exercise Books	-	263,485.00
Laboratory Equipment	704,286.00	
Internal Exams	72,000.00	
Teaching / Learning Materials	526,219.00	1,763,108.00
Bank Charges	2,805.00	2,439.00
Total	1,506,490.00	2,029,032.00

Reports and Financial Statements For the year ended 30th June 2021

Notes To The Financial Statements (Continued)

6 Payments For Operations

Description	30 th June 2021	Yr 2020
	Kshs	Kshs
Personnel Emoluments	1,521,801.00	1,789,902.20
Other vote heads		4,348,428.00
Infrastructure	1,838,000.00	5,000,000.00
Administration cost	1,245,804.00	
Maintenance and improvement	1,853,000.00	593,280.00
Local transport / travelling	104,400.00	
Electricity & water	40,600.00	
Medical	234,190.00	468,060.00
Activity expenses		306,400.00
BOM Teacher	323,120.00	379,440.00
Covid 19	400,000.00	
Acquisition Of Assets	7,514,837.05	
Bank charges	4488	
Rmi expenses	15,000.00	
Total	13,042,240.05	12,885,510.20

Reports and Financial Statements For the year ended 30th June 2021

Notes To The Financial Statements (Continued)

7 Boarding And School Fund Payments

Description	30 th June 2020	Yr 2020
	Kshs	Kshs
Activity	173,500.00	584,775.
PTA	558,102.00	
Bus Hire	256,600.00	321,677.00
Tuition	37,300.00	
Caution Money	10,000.00	
Personnel emoluments	3,043,418.00	8,451,945.00
Tender		72,000.00
BOM Teachers	646,240.00	1,183,216.00
Repairs maintenance & Improvement	140,565.00	888,035.00
Local transport /transport	143,650.00	1,638,730.00
Electricity and water	2,164,204.00	3,100,220.00
Uniforms	5,400.00	1,835,150.00
Administration costs	822,662.00	1,819,786.92
Boarding equipment & stores	11,457,983.00	16,148,994.00
Expenses on Income Generating Activities	30,210.00	
Farm income	127,240.00	
IGA		127,200.00
Staff Trip	100,500.00	
Total	19737169.90	36,171,728.92

*(Expenses on income generating activities** should include all costs relating to the school earnings on other receipts as recorded in note 4. These costs should include farm maintenance, posho mill maintenance, ground maintenance and costs incurred during hire of school bus among others).*

Notes To The Financial Statements (Continued)

6 Payments For Operations

Description	30 th June 2021	Yr 2020
	Kshs	Kshs
Personnel Emoluments	1,521,801.00	1,789,902.20
Other vote heads		4,348,428.00
Infrastructure	1,838,000.00	5,000,000.00
Administration cost	1,245,804.00	
Maintenance and improvement	1,853,000.00	593,280.00
Local transport / travelling	104,400.00	
Electricity & water	40,600.00	
Medical	234,190.00	468,060.00
Activity expenses		306,400.00
BOM Teacher	323,120.00	379,440.00
Covid 19	400,000.00	
Acquisition Of Assets	7,514,837.05	
Bank charges	4488	
Rmi expenses	15,000.00	
Total	13,042,240.05	12,885,510.20

Reports and Financial Statements For the year ended 30th June 2021

Notes To The Financial Statements (Continued)

7 Boarding And School Fund Payments

Description	30 th June 2020	Yr 2020
	Kshs	Kshs
Activity	173,500.00	584,775.
PTA	558,102.00	
Bus Hire	256,600.00	321,677.00
Tuition	37,300.00	
Caution Money	10,000.00	
Personnel emoluments	3,043,418.00	8,451,945.00
Tender		72,000.00
BOM Teachers	646,240.00	1,183,216.00
Repairs maintenance & Improvement	140,565.00	888,035.00
Local transport /transport	143,650.00	1,638,730.00
Electricity and water	2,164,204.00	3,100,220.00
Uniforms	5,400.00	1,835,150.00
Administration costs	822,662.00	1,819,786.92
Boarding equipment & stores	11,457,983.00	16,148,994.00
Expenses on Income Generating Activities	30,210.00	
Farm income	127,240.00	
IGA		127,200.00
Staff Trip	100,500.00	
Total	19737169.90	36,171,728.92

*(Expenses on income generating activities** should include all costs relating to the school earnings on other receipts as recorded in note 4. These costs should include farm maintenance, posho mill maintenance, ground maintenance and costs incurred during hire of school bus among others).*

Reports and Financial Statements For the year ended 30th June 2021

Notes To The Financial Statements (Continued)

8 Bank Accounts

Name Of Bank, Account No. & Currency	Bank Account Number	30 th June 2021	Yr 2020
		Kshs	Kshs
Tuition Account	1104826496	409,766.05	673,833.30
Operations Account	1104827272	2,547,545.75	(79,423.70)
School Fund Account/Boarding	1104827506	1,522,664.30	126,320.70
Savings Account			5,235,783.21
Equity Bank	1270298119689	861,338.96	
PTA Savings	1104259877	799,971.40	
Exam Savings	1104259753	15,722.50	
Caution Money savings	1108980376	222,118.10	
Bus Savings	1108024718	769,658.25	
Infrastructure Account	1276584989	3,412,748.75	9,089,585.80
MOE Projects	1270264273242	956,420.00	
Total		11,517,954.06	15,046,099.31

9 Cash In Hand

Description	30 th June 2021	Yr 2020
	Kshs	Kshs
Tuition Account		
Operation Account	62,688.00	3,428.00
School Fund account	60,467.25	5,987.25
Total	123,155.25	9,415.00

10 Short Term Investments

Description	30 th June 2021	Yr 2020
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit	-	-
Equity Stock	-	-
Other Investments	-	-
Total	-	-

Reports and Financial Statements For the year ended 30th June 2021

Notes To The Financial Statements (Continued)

11 Accounts Receivable

Description	30 th June 2021	Yr 2020
	Kshs	Kshs
Fees Arrears	14,822,989.53	12,868,186.53
PAYE	-	
RD Cheque	-	
Salary Advances	27,200.00	(27,000.00)
Imprest	718,590.00	569,590.00
Total	15,568,749.53	12,910,746.53

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

Description	30 th June 2021	Yr 2020
	Kshs	Kshs
Fees Arrears For Current Year	9,844,843.00	12,868,186.53
Fees Arrears For The Previous Year	12,868,186.53	
Fees Paid	(7,390,040.00)	
Fees Arrears For Prior Periods (Over Two Years)		
Total	15,322,989.53	12,868,186.53

12 Accounts Payable

Description	30 th June 2021	Yr 2020
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	619,366.00	193,720.00
Prepaid Fees	6,090,535.00	5,898,578.00
Canteen	117,875.00	
Bursaries	162,497.00	
Refundable Fees	24,752.00	
R/D Cheque	22,000.00	
Unpresented slips equity	773,859.00	
Unpresented slip kcb	213,644.50	
Total	8,024,528.50	6,092,298.00

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

Description	30 th June 2021	Yr 2020
	Kshs	Kshs

MPEKETONI BOY'S HIGH SCHOOL

Reports and Financial Statements For the year ended 30th June 2021

Trade Creditors for Current Year	619,366.00	-
Trade Creditors for The Previous Year	276,920.00	276,920.00
Trade creditors paid	(276,920.00)	
Trade Creditors for Prior Periods (Over Two Years)	-	xxx
Total	619,366.00	xxx

MPEKETONI BOY'S HIGH SCHOOL

Reports and Financial Statements For the year ended 30th June 2021

Notes To The Financial Statements (Continued)

13 Fund Balance Brought Forward

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank Balances	720,730.30	13,678,147.88
Cash Balances	9,415.00	218,454.47
Receivables	12,910,746.53	
Savings	4,167,119.25	8,314,118.85
Equity	112,243.96	
Infrastructure	9,089,585.80	
MoE projects	956,420.00	
Payables	(6,092,298.00)	
Total	21,873,963.84	22,210,721.20

Reports and Financial Statements For the year ended 30th June 2021

Other important disclosure notes

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

14 Non-current Liabilities Summary

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank Loan(S)	xxx	xxx
Outstanding Leases	xxx	xxx
Hire Purchase	xxx	xxx
Gratuity And Leave Provision	xxx	xxx
Total	xxx	xxx

15 Biological assets

Description	Numbers	2020-2021	2019-2020
		Kshs	Kshs
Cattle		12	9
Goats		-	-
Trees		100	100
Coffee Or Tea Plantation		-	-
Poultry		-	-
Total		112	109

16 Borrowings

Description	2020-2021	2019-2020
	Kshs	Kshs
a) Borrowings		
Borrowing at beginning of the year	xxx	xxx
Borrowings during the year	xxx	xxx
Repayments of during the year	(xxx)	(xxx)
Balance at end of the year	xxx	xxx

Other important disclosure notes

17 Stock/ Inventory

Description	2020-2021	2019-2020
	Kshs	Kshs
b) Inventory		
Stock/ inventory at beginning of the year	4,493,579.00	xxx
Stock/ inventory purchased during the year	11,136,437.00	xxx
Stock/ inventory issued during the year	(11,972,874.00)	(xxx)
Balance at end of the year	3,657,142.00	xxx

Provide working how you have arrived to the balance figure. (Stationery stores, Kitchen-food stores, Lab buildings Materials)- S1 stores ledgers must be updated on daily basis.

	INVENTORY	BOOKSTORE	KITCHEN	DISPENSARY	LAB	H/WARE
1	Opening stock	1,172,893.00	432,462.00	78,780.00	2,690,253.00	119,191.00
2	Stock purchased during the yr	1,349,065.00	6,036,250.00	226,810.00	429,915.00	3,094,397.00
3	Stock issues during the yr	(1,713,035.00)	(6,218,487.00)	(267,240.00)	(697,285.00)	(3,076,827.00)
4	Balance at the end of the yr	808,923.00	250,225.00	38,350.00	2,422,883.00	136,761.00

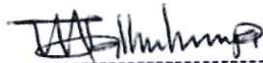
MPEKETONI BOY'S HIGH SCHOOL

Reports and Financial Statements For the year ended 30th June 2021

18 Progress On Follow Up Of Auditor Recommendations

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

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



Sign and Date
Principal

PRINCIPAL
MPEKETONI BOYS' HIGH SCHOOL
P.O. BOX 37-8050

MPEKETONI BOY'S HIGH SCHOOL

Reports and Financial Statements For the year ended 30th June 2021

MPEKETONI BOY'S HIGH SCHOOL

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 2021	Outstanding Balance 20XX-1	Comments
	a	b	c	d = a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1.	-	-	-	-	-	-
Sub-Total						
Supply of goods						
Lucy Njeri Irungu	21,060.00	24/6/21	21060.00	-	-	Cleared bill
Stony Filling Station	11,000.00	24/6/21	11000.00	-	-	Cleared bill
Fire Designer Generals	1,500.00	14/2/21	1500.00	-	-	Cleared bill
Augustine Njenga	11,050.00	23/6/21	11050.00	-	-	Cleared bill
Nyamuga Farm	38,120.00	24/6/21	38120.00	-	-	Cleared bill
Peter Mutua Muthami	2,500.00	25/6/21	2500.00	-	-	Cleared bill
Mwapa General Supplies	95,040.00	24/6/21	95040.00	-	-	Cleared bill
Healthroute pharmacy	122,450.00	24/6/21	122450.00	-	-	Cleared bill
Furaha Bookshop	75,000.00	24/6/21	75000.00	-	-	Cleared bill
Sub - Total	302,720.00		302720.00			
Supply of services						
Chenga auto hardware	54,950.00	26/6/21	54950.00	-	-	Cleared bill

MPEKETONI BOY'S HIGH SCHOOL

Reports and Financial Statements For the year ended 30th June 2021

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 20XX-1	Comments
Riello Eletrical service	152,800.00	29/6/21	152800.00	-	-	Cleared bill
Etech Digital Services	6,500.00	30/6/21	6500.00	-	-	Cleared bill
Josnet Enterprises	5,780.00	24/6/21	5780.00	-	-	Cleared bill
Rastros Eng Supplies	21,616.00	18/6/21	21616.00	-	-	Cleared bill
Sub-Total	241,646.00		241,646.00	-	-	X
Grand Total	619,366.00		619,366.00			

MPEKETONI BOY'S HIGH SCHOOL

Reports and Financial Statements For the year ended 30th June 2021

Annex 2 – Summary Of Fixed Assets Register list attached.

Asset Class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2022
Land 1		42 acres at mpeketoni settlement scheme				
Land 2		-				
Buildings And Structures		35 Within school compound				
Motor Vehicles – Bus KAY 071V		One in School compound				
Bus KCH 668Q		One in School compound				
Office Equipment, Furniture And Fittings		Ref. Assets register				
ICT Equipment, And Other ICT Assets		Ref. Assets register				
Tools And Apparatus		Ref.Assets register				
Textbooks -		Stocktaking report				
Other Machinery And Equipment –generator lawn mower and water pumps		Ref.Asset register				

MPEKETONI BOY'S HIGH SCHOOL

Reports and Financial Statements For the year ended 30th June 2021

Asset Class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2022
Heritage And Cultural Assets (trophies)		Principal's office.				
Intangible Assets- Soft Ware -2 zelaki & software for schools Kenya.		Dean of studies & accounts office				
Total						

*(The school should ensure that a detailed fixed assets register is maintained).
Asset register is attached covering all the assets in school*