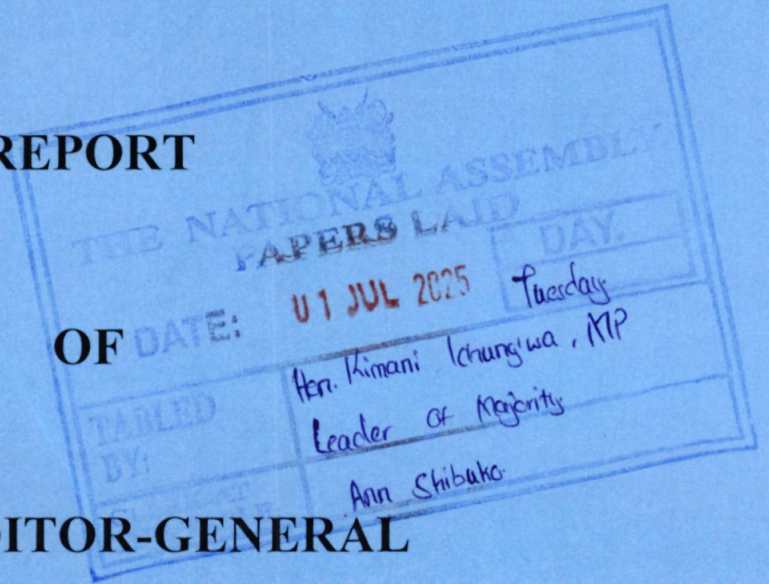
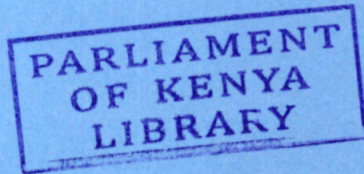


REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**



**THE AUDITOR-GENERAL**

**ON**

**MPEKETONI BOYS HIGH  
SCHOOL**

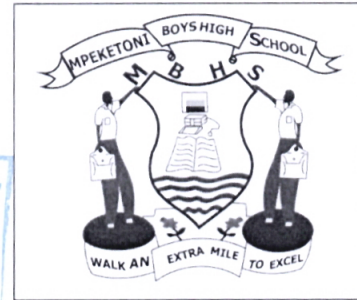
**FOR THE YEAR ENDED  
30 JUNE, 2024**

**LAMU COUNTY**

Revised 30<sup>th</sup> June 2024.



OFFICE OF THE AUDITOR GENERAL  
P. O. Box 81543, MOMBASA  
21 MAY 2025  
13431 kro  
RECEIVED  
MILIF REGIONAL OFFICE



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**MPEKETONI BOY'S HIGH SCHOOL**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>TH</sup> JUNE 2024**

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

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*(Mpeketoni boy's high school)*

## **Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

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### **1. Acronyms and Definition of Key Terms**

#### **A. Acronyms.**

|        |   |
|--------|---|
| BOM    | Board of Management   |
| CEB    | County Education Board  |
| IPSAS  | International Public Sector Accounting Standards                |
| KCSE   | Kenya Certificate of Secondary Education                        |
| PFM    | Public Finance Management                                       |
| PSASB  | Public Sector Accounting Standards Board                        |
| FY     | Financial Year  |
| FDSE   | Free Day Secondary Education                                    |
| TSC    | Teachers Service Commission                                     |
| SMASSE | Strengthening of Mathematics and Science in Secondary Education |
| BES    | Boarding Equipment & Stores                                     |
| S/NO   | Serial Number   |
| M/S    | Mean Score  |
| CBC    | Competence Based Curricular                                     |
| PA     | Parents Association   |
| RMI    | Repair maintenance and improvement                              |

#### **B. Definition of Key Terms**

**Comparative Year-** Means the prior period.

*(This list is an indication of the common acronyms and abbreviations; the Entity should include all from the annual report and financial statements prepared)*

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

**2. 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 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 (*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 1100 number of students as at 30<sup>th</sup> June 2024. It has 8 streams and 52 teachers of which 10 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                 | 23/2/2023           |
| 2    | JUMAA M KALUME       | Secretary - Principal    | 23/2/2023           |
| 3    | MOHAMED AHMED        | Member                   | 23/2/2023           |
| 4    | JEREMIAH MURIMI      | Member                   | 23/2/2023           |
| 5    | AISHA MOHAMED        | Member                   | 23/2/2023           |
| 6    | JOHN NDUNG'U         | Member                   | 23/2/2023           |
| 7    | LUCY WANJIRU         | Member                   | 23/2/2023           |
| 8    | BENARD BUYA          | Member                   | 23/2/2023           |
| 9    | SAUDA KASSIM         | Member – Rep CEB         | 23/2/2023           |
| 10   | ELIZABETH K GEREZA   | Member Rep Teachers      | 23/2/2023           |
| 11   | IBRAHIM NUNO         | Member -Sponsor          | 23/2/2023           |
| 12   | ATHMAN A AMIN        | Member -Sponsor          | 23/2/2023           |
| 13   | ALEX ODUOL           | Member -Special interest | 23/2/2023           |
| 14   | JOSEPH MUNGAI        | PA-Chair co-opted        | 23/2/2023           |
| 15   | DAMIANO MBURU        | PA-Chair co-opted        | 23/2/2023           |
| 16   | AHMED OMAR           | Member Special Needs     | 23/2/2023           |
| 17   | MUADH JAMAL          | Rep Students             | 23/2/2023           |

*(Mpeketoni boy's high school)*

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

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**The functions of the School Board of Management are to:**

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, of 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.

(Mpeketoni boy's high school)

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

**(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):*

| <b>Ref:</b> | <b>Name of Committee</b>                           | <b>Names of Members</b>  | <b>Designation</b>                               | <b>Number of meetings attended during the year</b>  |
|-------------|--|--|--|---|
| 1           | Executive Committee                                | 1.David Njoroge<br>2.Sauda Kassim<br>3.J. M. Kalume<br>4.Joseph Mungai<br>5.Mohamed Abubakar | Chairman<br>Member<br>Member<br>Member<br>Member | <b>4 out o 4</b><br><b>4 out o 4</b><br><b>4 out o 4</b><br><b>4 out o 4</b><br><b>0 out of 4</b> |
| 2           | Audit Committee                                    | 1.Athman Amin<br>2.Jeremiah Murimi<br>3.Mohamed Abubakar<br>4.Sauda Kassim<br>5.John Ndung'u | Chairman<br>Member<br>Member<br>Member<br>Member | -<br>-<br>-<br>-<br>-   |
| 3           | Finance,procurement and general purposes Committee | 1.Mohamed Abubakar<br>2.Sauda Kassim<br>3.Joseph Mungai<br>4.Lucy Wanjiru                    | Chairman   | -<br>-<br>-<br>-  |
| 4           | Academic Committee                                 | 1.Sauda Kassim<br>2.Ibrahim Nuno<br>3.Abuya Bernard<br>4 Elizabeth Gereza                    | Chairman   | 1 out of 1<br>1 out of 1<br>1 out of 1<br>1 out of 1  |
| 5           | Development Committee                              | 1.Jeremiah Murimi<br>2.Athman Amin<br>3.Aisha Mohamed<br>4.Joseph Mungai                     | Chairman   | 7 out Of 7<br>4 out Of 7<br>7 out Of 7<br>7 out Of 7  |

(Mpeketoni boy's high school)

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

|   |  |   |          |  |
|---|--|---|----------|--|
| 6 | Discipline and welfare Committee         | 1. John Ndung'u<br>2. Alex Oduol<br>3. Ahmed Omar<br>4. Aisha Mohamed | chairman | 1 out of 1<br>0 out of 1<br>1 out of 1<br>1 out of 1 |
| 7 | Adhoc Committee (if any during the year) |   |          | -  |

(Mpeketoni boy's high school)

## Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024

### (d) School operation Management

For the financial year ended 30<sup>th</sup> June, 2024 the School's day-to-day management was under the following persons:

| Ref: | Designation      | Name                  | Identification |
|------|------------------|-----------------------|----------------|
| 1    | Principal        | JUMAA M KALUME        | TSC No.337490  |
| 2    | Deputy Principal | JOHN NJENGA KANG'ETHE | TSC No.275501  |
| 3    | School Bursar    | MARGARET N. KARICHU   | ICPAK No.      |
| 4    | Other (specify)  |                       |                |

### (e) Schools contacts

Post Office Box: 37. MPEKETONI  
Telephone: 0712811080  
E-mail: mpeketoniboys@gmail.com  
Website: -  
Facebook: -  
Twitter: -

### (f) School Bankers

Name of Bank: Kenya Commercial Bank  
Branch: Mpeketoni  
Postal Address: P.O Box 48400-001000 NAIROBI

Name of Bank: Equity Bank  
Branch: Mpeketoni  
Postal Address: P.O Box 75104-00200 NAIROBI

### (g) Independent Auditors

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

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

**3. Summary Report of Performance of The School**

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

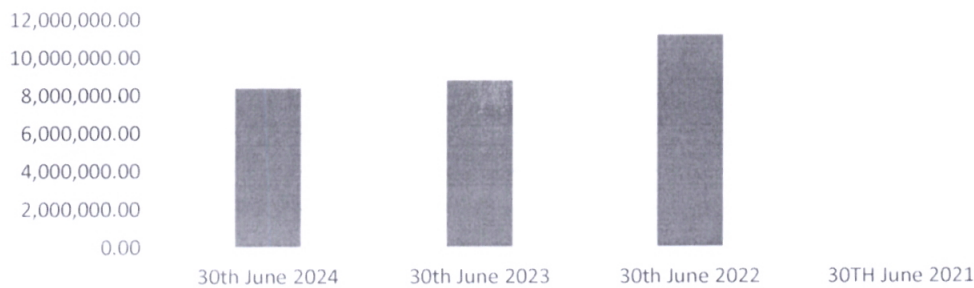
**a) Financial performance:**

*(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*

| <i>FY</i>               | <i>30<sup>th</sup> June 2024</i> | <i>30<sup>th</sup> June 2023</i> | <i>30<sup>th</sup> June 2022</i> | <i>30<sup>TH</sup> June 2021</i> |
|-------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| <i>Surplus/ deficit</i> | <i>7,202,978.06</i>              | <i>8,816,911.15</i>              | <i>11,211,706.15</i>             | <i>(1,458,501.75)</i>            |

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



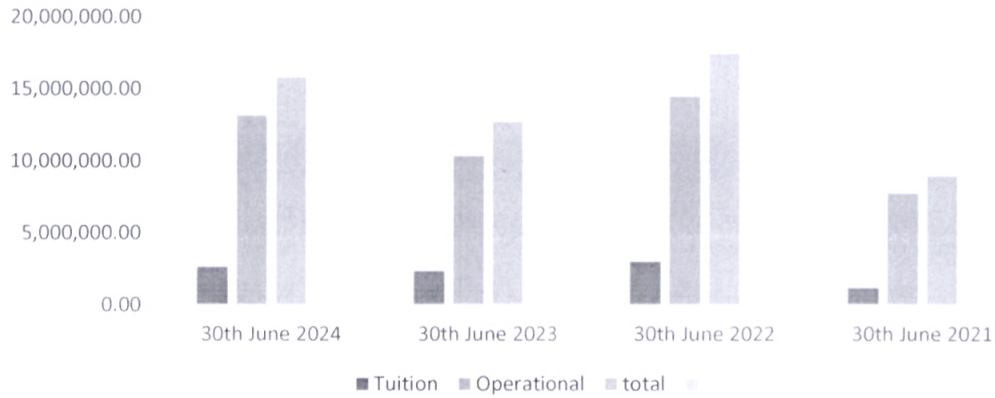
- *Capitation grants from the Ministry of Education for the last three years*

| <i>FY</i>          | <i>30<sup>th</sup> June 2024</i> | <i>30<sup>th</sup> June 2023</i> | <i>30<sup>th</sup> June 2022</i> | <i>30<sup>th</sup> June 2021</i> |
|--------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| <i>Tuition</i>     | <i>2,667,090.20</i>              | <i>2,365,597.35</i>              | <i>3,007,601.40</i>              | <i>1,205,122.75</i>              |
| <i>Operational</i> | <i>13,164,576.50</i>             | <i>10,373,929.45</i>             | <i>14,510,553.65</i>             | <i>7,807,011.45</i>              |
| <i>total</i>       | <i>1,5831,666.70</i>             | <i>12,739,526.80</i>             | <i>17,518,155.05</i>             | <i>9,012,134.20</i>              |

(Mpeketoni boy's high school)

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

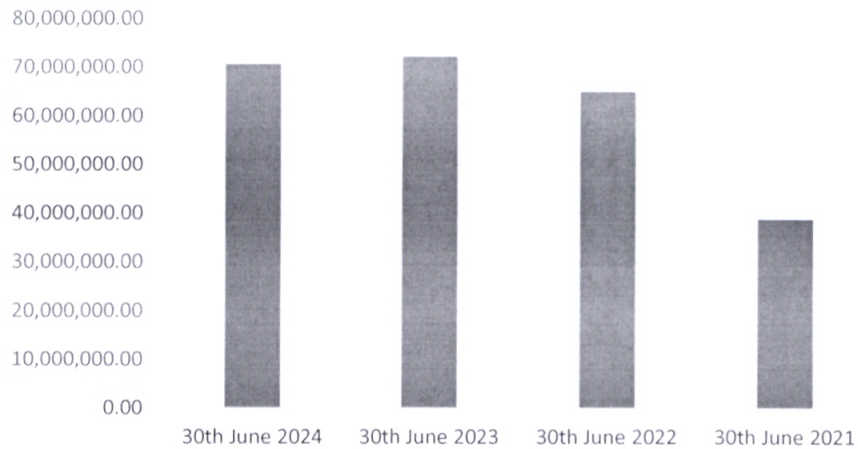
Capitation grants from the Ministry of Education for the last three years



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

|                          | 30 <sup>th</sup> June 2024 | 30 <sup>th</sup> June 2023 | 30 <sup>th</sup> June 2022 | 30 <sup>th</sup> June 2021 |
|--------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Boarding & other incomes | 70,753,807.00              | 72,197,899.00              | 65,003,773.00              | 38,863,769.00              |

Boarding & other incomes

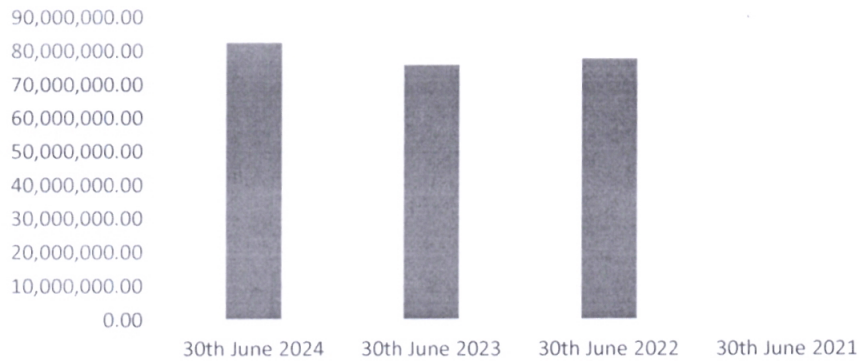


- A three-year overview of growth in expenditure of the school

| FY                        | 30 <sup>th</sup> June 2024 | 30 <sup>th</sup> June 2023 | 30 <sup>th</sup> June 2022 | 30 <sup>th</sup> June 2021 |
|---------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Tuition operational & bes | 82,659,607.89              | 76,120,415.50              | 77,878,621.90              | 38,6978,59.95              |

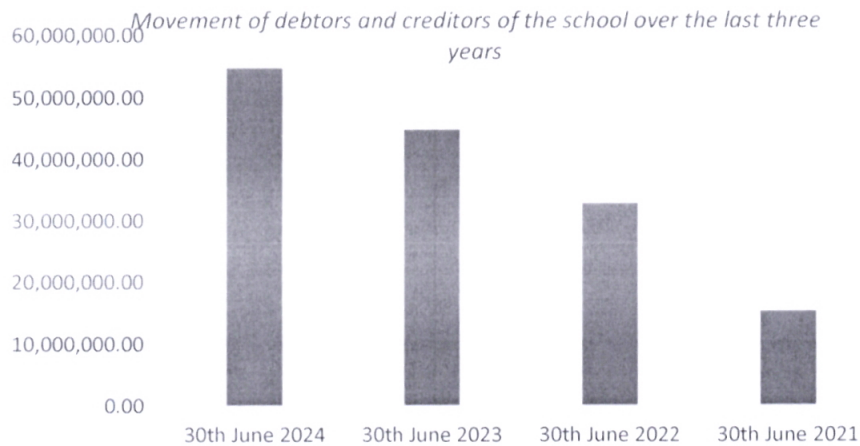
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

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



*Movement of debtors and creditors of the school over the last three years*

| FY  | 30 <sup>th</sup> June 2024 | 30 <sup>th</sup> June 2023 | 30 <sup>th</sup> June 2022 | 30 <sup>th</sup> June 2021 |
|-----|----------------------------|----------------------------|----------------------------|----------------------------|
| BES | 54,816,219.78              | 44,931,833.53              | 32,903,528.53              | 15,322,989.53              |



*Graphical presentation, ratios, tables, and pie charts should be used to show/ indicate trends unless the school is new).*

**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*

(Mpeketoni boy's high school)

### Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024

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 to indicate shortage/ allocation of resources).

The total No of students is 1100 against 42 TSC Teachers and 10 BOM Teachers  
Ratio 52:1100

1:21

| S/NO | Subject           | No of teachers- TSC | No of teachers -BOM |
|------|-------------------|---------------------|---------------------|
| 1    | Maths             | 9                   | 4                   |
| 2    | English           | 7                   | 2                   |
| 3    | Kiswahili         | 10                  | 0                   |
| 4    | Biology           | 4                   | 2                   |
| 5    | Chemistry         | 6                   | 3                   |
| 6    | Physics           | 4                   | 1                   |
| 7    | Hist & government | 5                   | 0                   |
| 8    | Geography         | 6                   | 0                   |
| 9    | CRE               | 4                   | 0                   |
| 10   | IRE               | 5                   | 0                   |
| 11   | Agric             | 1                   | 2                   |
| 12   | B/Studies         | 5                   | 0                   |
| 13   | Computer          | 3                   | 0                   |
| 14   | Arabic            | 1                   | 1                   |
| 15   | French            | 0                   | 2                   |
| 16   | PE                | 0                   | 0                   |
| 17   | Lifeskills        | 0                   | 0                   |
|      |                   | 42                  | 10                  |

**c) The mean score in the 2023 KCSE:**

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 2023 KCSE:**

(Mpeketoni boy's high school)

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

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

| <i>FY</i> | <i>ENTRY</i> | <i>A</i> | <i>A-</i> | <i>B+</i> | <i>B</i> | <i>B-</i> | <i>C+</i> | <i>C</i> | <i>C-</i> | <i>D+</i> | <i>D</i> | <i>D-</i> | <i>E</i> | <i>X</i> | <i>P</i> | <i>Y</i> | <i>MS</i> | <i>DEV</i> |
|-----------|--------------|----------|-----------|-----------|----------|-----------|-----------|----------|-----------|-----------|----------|-----------|----------|----------|----------|----------|-----------|------------|
| 2023      | 236          | 0        | 0         | 6         | 11       | 39        | 35        | 45       | 51        | 38        | 11       | 0         | 0        | 0        | 0        | 0        | 6         | -0.4       |
| 2022      | 235          | 0        | 4         | 10        | 21       | 25        | 42        | 58       | 48        | 21        | 5        | 0         | 0        | 0        | 1        | 0        | 6.5       | 0.7        |
| 2021      | 216          | 0        | 0         | 5         | 13       | 21        | 21        | 53       | 45        | 38        | 18       | 1         | 0        | 1        | 0        | 0        | 5.7       | -0         |

**e) The capacity of the school:**

*The capacity of the school is 1100 students against the following facilities*

| <i>s/no</i> | <i>Facility</i>             | <i>The ideal capacity</i> | <i>Actual capacity</i> | <i>Surplus/shortfall</i> |
|-------------|-----------------------------|---------------------------|------------------------|--------------------------|
| 1           | <i>Classroom</i>            | <i>25 plus 2 optional</i> | <i>25</i>              | <i>(2)</i>               |
| 2           | <i>Dormitories</i>          | <i>14</i>                 | <i>10</i>              | <i>(4)</i>               |
| 3           | <i>Science laboratories</i> | <i>7</i>                  | <i>5</i>               | <i>(2)</i>               |
| 4           | <i>Toilets</i>              | <i>80</i>                 | <i>60</i>              | <i>(20)</i>              |
| 5           | <i>Bathrooms</i>            | <i>70</i>                 | <i>50</i>              | <i>(20)</i>              |
| 6           | <i>Dining hall 500 cap.</i> | <i>2</i>                  | <i>1</i>               | <i>(1)</i>               |
| 7           | <i>Small v Chapel</i>       | <i>2</i>                  | <i>1</i>               | <i>(1)</i>               |
| 8           | <i>Medium size mosque</i>   | <i>2</i>                  | <i>1</i>               | <i>(1)</i>               |
| 9           | <i>Library classroom</i>    | <i>2</i>                  | <i>1</i>               | <i>(1)</i>               |
| 10          | <i>ICT Classroom</i>        | <i>2</i>                  | <i>1</i>               | <i>(1)</i>               |
| 11          | <i>Computer lab</i>         | <i>2</i>                  | <i>1</i>               | <i>(1)</i>               |

(Mpeketoni boys' high school)

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

**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).*

| Projects           | Source of funds | Status   | Initial Cost (Kshs) | Amount Spent (Kshs) | Expected completion time |
|--------------------|-----------------|----------|---------------------|---------------------|--------------------------|
| 3NO Classroom      | MOE             | Ongoing  | 44 million          | 7 million           | Yr 2025                  |
| Science laboratory | MOE             | Complete | 3,798,044.65        | 3,798,044.65        | Yr 2024                  |
| Computer lab       | MOE             | Complete | 1,886,620.80        | 1,886,620.80        | Yr 2024                  |

.....  
**School Principal**



(Mpeketoni boy's high school)

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

**4. Statement of School Management Responsibility**

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

Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to 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 30<sup>th</sup> June, 2024, and of the school's financial position as at that date.

.....  
  
**Name: DAVID NJOROGE**

**Designation:** Chairman, School Board of Management

**Date:** 19/05/2025

.....  
  
**Name: JUMAA KALUME**

**Designation:** School Principal & Secretary to Board of Management

**Date:**19/05/2025

.....  
  
**Name: MARGARET KARICHU**

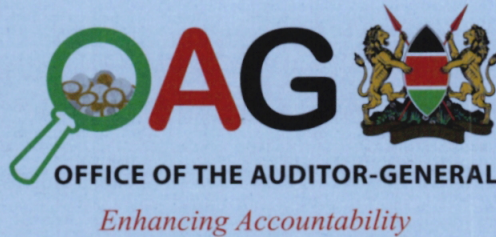
**Designation:** Bursar/ Finance Officer

**Date:**19/05/2025

PRINCIPAL  
MPEKETONI BOYS' HIGH SCHOOL  
P.O. BOX 37-80503 MPEKETONI

# 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 YEAR ENDED 30 JUNE, 2024 - LAMU COUNTY**

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### 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 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.

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

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

### REPORT ON THE FINANCIAL STATEMENTS

#### **Qualified Opinion**

I have audited the accompanying financial statements of Mpeketoni Boys High School - Lamu County set out on pages 1 to 24, which comprise the statement of financial

assets and financial liabilities as at 30 June, 2024, the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Mpeketoni Boys High School as at 30 June, 2024, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

## **Basis for Qualified Opinion**

### **1.0 Inconsistencies in the Financial Statements**

Review of the financial statements revealed the following:

- i. The statement of receipts and payments reflects receipts and payments amounts in four (4) items that had unexplained variances with corresponding schedules as indicated in the table below:

| <b>Particulars</b>                         | <b>Statement of Receipts and Payments Amount (Kshs)</b> | <b>Supporting Schedules Amount (Kshs)</b> | <b>Variance (Kshs)</b> |
|--|---|---|------------------------|
| Government Grants for Operations           | 10,434,092  | 13,048,877                                | 2,614,785              |
| School Fund Income - Parents Contributions | 67,938,542  | 35,315,165                                | 32,623,377             |
| Miscellaneous Incomes                      | 2,847,265   | 2,918,815                                 | 71,550                 |
| Boarding and School Fund Payments          | 60,344,458  | 58,728,297                                | 1,616,161              |

In addition, the variance in school fund income parents' contributions attributed to accruals was not supported by students' details such as student name, admission number, class and amount of fee paid.

- ii. The statement of receipts and payments reflects receipts totalling to Kshs.87,405,514 while the statement of cash flows reflects corresponding receipts totalling to Kshs.77,607,493 resulting to unreconciled variance of Kshs.9,798,021. In addition, the statement of budget and actual amounts reflects corresponding actual receipts totalling to Kshs.57,496,854 resulting to unreconciled variance Kshs.29,908,660.
- iii. The statement of receipts and payments reflects payments totalling to Kshs.80,202,536 while the statement of budget versus actual amounts reflects

payments totalling to Kshs.76,877,101 resulting to unexplained variance of Kshs.3,325,435.

- iv. The statement of receipts and payments reflects payments and proceeds that differed with statement of cash flows amounts as detailed below:

| Description                       | Statement of Receipts and Payments Kshs. | Cash flow statements Kshs. | Variance Kshs. |
|-----------------------------------|--|----------------------------|----------------|
| Tuition Payments                  | 3,143,650                                | 1,881,611                  | 1,262,039      |
| Operations Payments               | 7,245,201                                | 6,487,226                  | 757,975        |
| Boarding and School Fund Payments | 60,344,457                               | 63,588,342                 | 3,243,885      |
| Proceeds from MOE Project         | 0  | 950,000                    | 950,000        |

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

## 2.0 Variances in the Statement of Receipts and Payments' Comparative Amounts

The statement of receipts and payments reflects comparative boarding and school fund payments totalling to Kshs.62,960,165 as disclosed in Note 9 to the financial statements. Included in this amount is a comparative amount of Kshs.505,600 in respect of expenses on income generating activities. However, the previous year audited financial statements reflects a Nil amount resulting to unexplained variance of Kshs.505,600.

In the circumstances, the accuracy and completeness of the statement of receipts and payments could not be confirmed.

## 3.0 Inaccuracies in Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and operations amounts of Kshs.2,667,090 and Kshs.10,434,092 as disclosed in Notes 1 and 2 to the financial statements respectively. Review of the NEMIS capitation disbursements made to the school against the amount received by the school revealed an amount of Kshs.13,101,181 whereas NEMIS capitation reflects an amount of Kshs.14,816,655 resulting to unexplained variance of Kshs.1,715,474. Further, comparison of bank statements and the financial statements revealed amounts of Kshs.2,667,090 and Kshs.13,952,616 respectively, resulting to an unexplained variance of Kshs.3,518,524.

In the circumstances, the accuracy and completeness of capitation grants for tuition and operations of Kshs.2,667,090 and Kshs.10,434,092 respectively, could not be confirmed.

## 4.0 Unsupported Cash and Cash Equivalents

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.9,352,770. Included in this balance is bank balance of Kshs.9,344,505 and cash balance of Kshs.8,264 as disclosed in Notes 10 and 11 to the financial statements. Included in this balance are exam savings account, Caution

money account and Ministry of Education School Account balances of Kshs.Nil, Kshs.220,606 and Kshs.Nil respectively. However, the bank balances were not supported by bank reconciliation statements, bank statements, cash books, certificate of bank balances and board of survey reports.

In the circumstances, the accuracy, completeness and existence of cash and cash equivalents balance of Kshs.9,352,770 could not be confirmed.

## **5.0 Accounts Receivables**

### **5.1 Variances in Accounts Receivables**

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.54,844,633 as disclosed in Note 13 to the financial statements. However, the ledger balance reflects a balance of Kshs.40,692,478, resulting to an unexplained variance of Kshs.14,152,154.

### **5.2 Unsupported Accounts Receivables**

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.54,844,633 as disclosed in Note 13 to the financial statements. However, movement schedule, detailed aging analysis and issued invoices were not provided for audit review.

### **5.3 Long Outstanding Accounts Receivables**

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.54,844,633 as disclosed in Note 13 to the financial statements. Included in this balance is an amount of Kshs.54,118,382 in respect of fees arrears out of which an amount of Kshs.12,320,905 had 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, completeness and full recoverability of the accounts receivables balance of Kshs.54,844,633 could not be confirmed.

## **6.0 Variances in Accounts Payables**

The statement of financial assets and financial liabilities reflects accounts payables balance of Kshs.16,550,405 as disclosed in Note 14 to the financial statements. However, the ledger reflects a balance of Kshs.13,858,953 resulting to an unexplained variance of Kshs.2,691,452. In addition, Annex 1 on analysis of pending accounts payables reflect a Nil balance resulting to unreconciled variance of Kshs.16,550,405 and the ageing analysis reflects incorrect percentages.

In the circumstances, the accuracy and completeness of accounts payables balance of Kshs.16,550,405 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 Secondary School

Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.90,395,940 and Kshs.57,496,854 respectively, resulting to an under-funding of Kshs.32,899,086 or 36% of the budget. However, the School spent an amount of Kshs.76,877,101 against actual receipts of Kshs.57,496,854, resulting to an over-utilization of Kshs.19,380,247 or 34% of actual receipts.

The under-funding of the budget affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

### **Other Matter**

#### **Unresolved Prior Year Matters**

Various prior year audit issues remained unresolved as at 30 June, 2024. Management has not provided reasons for the delay in resolving the prior year audit issues. Further, the unresolved prior year issues are not disclosed under the progress on follow up of auditor's recommendations section of the financial statements as required by the Public Sector Accounting Standards Board.

### **Other Information**

The Management is responsible for the other information set out on page iii to xv, which comprise of Key school Information and Management, Summary Report of Performance of the School and Statement of School Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the School's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have

performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that other information is not materially inconsistent with the financial statements.

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

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

### Conclusion

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

### Basis for Conclusion

#### 1. 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.60,344,458 as disclosed in Note 9 to the financial statements. Included in the expenditure is an amount of Kshs.1,455,630 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.1,455,000 could not be confirmed.

#### 2. Under Funding of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amount of Kshs.2,667,090 and Kshs.10,434,091, respectively as disclosed in Notes 1 and Note 2 to the financial statements. During the financial year, NEMIS reported a total number of one thousand one hundred and fifty-nine (1,159) students, while the enrolment records provided by the school indicated a total number of one thousand two hundred and eighty-two (1,282) students, resulting to an unexplained variance of 123 students. As a result of the variances, the school was under funded by an amount of Kshs.2,736,012.

In the circumstances, the under-funding of the school may have affected service delivery to the students and value for money could not be confirmed.

### **3. Unconfirmed Students Enrolment Data**

The statement of receipts and payments reflects capitation grants for tuition, capitation grants for operations and infrastructure grants totalling Kshs.16,619,707. Comparison of data from National Education Management and information System (NEMIS) with records from the County Director of Education revealed that during the financial year ending 30 June, 2024, NEMIS reflected one thousand one hundred and fifty-nine (1,159) students, while records from the County Director of Education indicated that the School had one thousand (1,000) students. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 dated 16 June, 2021 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

In the circumstances, the school was in breach of the guidelines.

### **4. Excess Supply of Books**

During the period under review, the Ministry of Education distributed textbooks to the school through Kenya Institute of Curriculum Development (KICD). Examination of records revealed that the Institute distributed seven thousand six hundred (7,600) text books to the school while only one thousand three hundred and ninety-five (1,395) text books were issued to the students, resulting to an unexplained excess text books of six thousand two hundred and five (6,205) books in the school store.

In the circumstances, value for money on the excess six thousand two hundred and five (6,205) text books could not be confirmed.

### **5. Long Outstanding Payables**

The statement of financial assets and financial liabilities reflects payables balance of Kshs.16,550,405 as disclosed in Note 14 to the financial statements. However, included in the balance are trade payables balance of Kshs.8,274,166 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 contracts are reflected in approved budget estimates.

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

### **6. Failure to Prepare School Improvement Plan**

During the year under review, the School did not have an approved School Improvement plan, contrary to Section 2.2 of the Ministry of Education Operation Manual for Utilization of Learner Capitation Grant and Other School Funds, which requires schools to identify in every three-year school improvement planning cycle, one priority area in each of the four 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 policy guidelines.

#### **7. Failure/Late Transfer of Infrastructure Funds from Operations Bank Account**

The statement of receipts and payments reflects operations grants amount of Kshs.10,434,092 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.4,216,900 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.2,730,485 was transferred to infrastructure account, leaving a balance of Kshs.1,486,415 as at 30 June, 2024. Further, an amount of Kshs.1,486,415 was transferred after total of one hundred and fifteen days (115) of 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 policy guidelines.

#### **8. 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 and published by the Public Sector Accounting Standards Board (PSASB) as follows: -

- i) The key school information and management on page iii.
- ii) The committees of the Board on page vi.
- iii) The financial performance information on page ix and xi.
- iv) The mean score and number of candidates information on pages xii and xiii.
- v) The development projects information on page xiv.
- vi) The progress on follows up of auditor recommendation has not been populated with relevant information.
- vii) The summary of fixed register in Annex 2 to the financial statement reflect incorrect comparative information and amounts.
- viii) The summary report of performance of the school on page ix reflects capitation grants for operation and infrastructure of Kshs.13,164,577 whereas the statement of receipts and payments reflects Kshs.13,952,617 resulting to unreconciled variance of Kshs.788,040.
- ix) The Notes to the financial statements on page 1 and the corresponding Notes on pages 15 to 17 are not properly aligned.

In the circumstances, Management did not comply with the Public Sector Accounting Standards Board (PSASB) Financial Statements Reporting Template Requirements.

## **9. Late Submission of Financial Statements for Audit**

During the year under review, Management submitted the financial statements to the Auditor-General on 9 January, 2025, instead of the statutory deadline of 30 September, 2024. This was contrary to Section 47(1) of the Public Audit Act, 2015 which states that the financial statements required under the Constitution, the Public Finance Management Act, 2012 and any other legislation, shall be submitted to the Auditor-General within three (3) months after the end of the fiscal year to which the accounts relate.

In the circumstances, Management is in breach of the Law.

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

### **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

#### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

#### **Basis for Conclusion**

##### **1. Lack of Internal Audit Reports and Dysfunctional Board of Management Audit Committee**

Review of records revealed that during the year under review, no reports of the Directorate of Schools Audit Services were discussed and implemented by the Board of Management (BOM) audit sub-committee.

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 balance of Kshs.4,760,178 in respect of fixed assets which includes land with a Nil balance and motor vehicles with a balance of Kshs.4,900,000. However, land ownership documents and motor vehicle log books 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 controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of the Management and Those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls as 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 an intention to terminate the School or to cease operations.

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

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

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

### **Auditor-General's Responsibilities for the Audit**


My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of

assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section (1) (a) of the Public Audit Act, 2015.

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

05 June, 2025

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

**6. Statement Of Receipts and Payments for the Year Ended 30<sup>th</sup> June 2024**

| Description Of Vote Head                   | Note | FY 2023/2024         | FY 2022/2023         |
|--|------|----------------------|----------------------|
|  |      | Kshs                 | Kshs                 |
| <b>Receipts</b>                            |      |                      |                      |
| Government grants for tuition              | 1    | 2,667,090.20         | 2,365,598.25         |
| Government grants for operations           | 2    | 10,434,091.50        | 10,373,929.45        |
| Government Grants for infrastructure       | 3    | 3,518,525.00         | -                    |
| School fund income- parents' contributions | 4    | 67,938,542.00        | 68,643,950.00        |
| Miscellaneous incomes                      | 5    | 2,847,265.00         | 3,553,949.00         |
| Moe project transfer to infrastructure     | 6    |                      |                      |
| <b>Total Receipts</b>                      |      | <b>87,405,513.70</b> | <b>84,937,326.65</b> |
|  |      |                      |                      |
| <b>Payments</b>                            |      |                      |                      |
| Tuition                                    | 7    | 3,143,649.75         | 3,010,281.00         |
| Operations                                 | 8    | 7,245,201.40         | 10,149,969.50        |
| Infrastructure                             | 9    | 9,469,226.95         | -                    |
| Boarding and school fund                   | 10   | 60,344,457.54        | 62,960,165.00        |
| <b>Total Payments</b>                      |      | <b>80,202,535.64</b> | <b>76,120,415.50</b> |
|  |      |                      |                      |
| <b>Surplus/Deficit</b>                     |      | <b>7,202,978.06</b>  | <b>8,816,911.15</b>  |
|  |      |                      |                      |

The school financial statements were approved on \_\_\_\_\_ 2024 and signed by:



DAVID NJOROGE

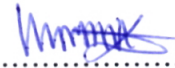
Chair BOM

Date:19/5/2025



Name: JUMAA KALUME  
School Principal/ Secretary to  
BOM

Date: 19/5/2025



Name: MARGARET  
KARICHU

Bursar/ Finance Officer

Date: 19/5/2025



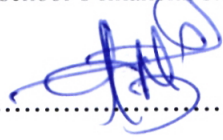
( Mpeketoni boy's high school)


Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024

7. Statement of Assets and Liabilities As At 30<sup>th</sup> June 2024

| Description                           | Note | FY 2023/2024<br>Kshs   | FY 2022/2023<br>Kshs   |
|---------------------------------------|------|------------------------|------------------------|
| <b>Financial Assets</b>               |      |                        |                        |
| <b>Cash and cash equivalents</b>      |      |                        |                        |
| Bank balances                         | 10   | 9,344,505.41           | 8,691,095.21           |
| Cash balances                         | 11   | 8,264.26               | 12,065.25              |
| Short term investments                | 12   | -                      | -                      |
| <b>Total cash and cash equivalent</b> |      | <b>9,352,769.67</b>    | <b>8,703,160.46</b>    |
| Account's receivables                 | 13   | 54,844,632.78          | 45,599,871.53          |
| <b>Total financial assets (a)</b>     |      | <b>64,197,402.45</b>   | <b>54,303,031.99</b>   |
| <b>Financial liabilities</b>          |      |                        |                        |
| Accounts payables                     | 14   | (16,550,404.75)        | (13,858,953.60)        |
| <b>Total Financial Labilities (b)</b> |      | <b>(16,550,404.75)</b> | <b>(13,858,953.60)</b> |
| <b>Net financial assets (a-b)</b>     |      | <b>47,646,997.70</b>   | <b>40,444,078.69</b>   |
| <b>Represented by</b>                 |      |                        |                        |
| Accumulated fund b/fwd.               | 15   | 40,444,078.39          | 31,627,167.24          |
| Surplus/deficit for the year          |      | 7,202,978.06           | 8,816,911.15           |
| <b>Net Assets</b>                     |      | <b>47,647,056.45</b>   | <b>40,444,078.39</b>   |

The school's financial statements were approved on \_\_\_\_\_ 2024 and signed by:

  
Name: DAVID NJOROGE  
Chair BOM  
Date:19/05/2025

  
Name:  
School Principal/ Secretary to  
BOM  
Date: 19/05/2025

  
Name: MARGARET  
KARICHU  
Bursar/ Finance Officer  
Date:19/05/2025



Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024

8. Statement of Cash Flows for the Year Ended 30<sup>th</sup> June 2024

| Description   | Note | FY 2023/2024           | FY 2022/2023            |
|---|------|------------------------|-------------------------|
|   |      | Kshs                   | Kshs                    |
| <b>Cash from Operating Activities</b>                     |      |                        |                         |
| <b>Receipts</b>   |      |                        |                         |
| Government grants for tuition                             | 1    | 2,667,090.20           | 2,365,598.25            |
| Government grants for operations                          | 2    | 10,441,991.50          | 11,559,147.45           |
| Government grants for infrastructure                      |      | -                      | -                       |
| School fund income- parents contributions/ fees           | 3    | 64,498,411.75          | 108,339,855.00          |
|   |      |                        | -                       |
| <b>Total receipts</b>                                     |      | <b>77,607,493.45</b>   | <b>122,264,600.65</b>   |
| <b>Payments</b>   |      |                        |                         |
| Cash outflows for tuition                                 | 6    | 1,881,611.75           | 3,010,281.00            |
| Cash outflows for operations                              | 7    | 6,487,226.40           | 11,674,532.00           |
| Cash outflows Boarding/lunch and school fund payments     | 9    | 63,588,342.03          | 115,933,179.00          |
| <b>Total payments</b>                                     |      | <b>(71,957,180.18)</b> | <b>(130,617,992.00)</b> |
| <b>Net cash inflow/outflow from operating activities</b>  |      | <b>5,650,313.27</b>    | <b>(8,353,391.35)</b>   |
|   |      |                        |                         |
| <b>Cash flow from investing activities</b>                |      |                        |                         |
| Receipts from investing activities                        | 3    | 3,518,525.00           | 3,414,000.00            |
| Acquisition of assets                                     | 8    | (9,469,226.95)         | (3,240,135.50)          |
| Proceeds from MOE project (equity bank)                   | 10   | 950,000.00             | xxx                     |
| Proceeds from investments                                 |      | xxx                    | xxx                     |
| Purchase of investments                                   |      | (xxx)                  | (xxx)                   |
| <b>Net cash inflow/outflows from investing activities</b> |      | <b>(5,000,701.95)</b>  | <b>173,864.50</b>       |
|   |      |                        |                         |
| <b>Cash flow from Financing activities</b>                |      |                        |                         |
| Proceeds from borrowings/ loans                           |      | -                      | -                       |
| Repayment of principal borrowings                         |      | (-)                    | (-)                     |
| <b>Net cash inflow/outflow from financing activities</b>  |      | <b>649,611.32</b>      | <b>(8,179,526.85)</b>   |
|   |      |                        |                         |
| <b>Net increase/decrease in cash and cash equivalents</b> |      | <b>649,611.32</b>      | <b>(8,179,526.85)</b>   |
| Cash and cash equivalent at beginning of the FY           |      | 8,703,158.35           | 16,883,685.20           |
| <b>Cash and cash equivalent at end of the FY</b>          |      | <b>9,352,769.67</b>    | <b>8,703,158.35</b>     |

Note: Cash and Cash Equivalent is the summation of Note 10, 11 and 12.

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

(Mpeketoni boy's high school)

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

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The school's financial statements were approved on \_\_\_\_\_ 2024 and signed by:



.....  
Name: DAVID NJOROGE

Chair BOM

Date: 19/05/2025



.....  
Name: JUMAA KALUME  
School Principal/ Secretary to  
BOM

Date: 19/05/25



.....  
Name: MARGARET  
KARICHU

Bursar/ Finance Officer

Date: 19/5/25



Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024

9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30<sup>th</sup> June 2024

| Receipt/Expenses Item                     | Original Budget<br>a<br>Kshs | Adjustments<br>b<br>Kshs | Final Budget<br>c=a+b<br>Kshs | Actual On<br>Comparable Basis<br>d<br>Kshs | % Of Utilization<br>e=d/c %<br>Kshs |
|---|------------------------------|--------------------------|-------------------------------|--|-------------------------------------|
| Receipts                                  |                              |                          |                               |  |                                     |
| <b>(1) Capitation Grant on Tuition</b>    |                              |                          |                               |  |                                     |
| Reference Materials                       | 330,000.00                   | -                        | 330,000.00                    | 214,875.00                                 | 65%                                 |
| Exercise Books                            | 1,155,000.00                 | -                        | 1,155,000.00                  | 799,363.00                                 | 69%                                 |
| Laboratory Equipment                      | 1,155,000.00                 | -                        | 1,155,000.00                  | 736,303.00                                 | 64%                                 |
| Internal Exams                            | 550,000.00                   | -                        | 550,000.00                    | 361,281.00                                 | 66%                                 |
| Teaching / Learning Materials             | 1,368,400.00                 | -                        | 1,368,400.00                  | 555,268.20                                 | 41%                                 |
| Exams And Assessment                      | -                            | -                        | -                             | -  | -                                   |
| <b>(2) Capitation Grant on Operations</b> |                              |                          |                               |  |                                     |
| Personnel Emoluments                      | 4,070,000.00                 | -                        | 4,070,000.00                  | 2,663,078.70                               | 65.4%                               |
| Repairs And Maintenance                   | 5,500,000.00                 | -                        | 5,500,000.00                  | 4,005,385.00                               | 73%                                 |
| Local Transport / Travelling              | 550,000.00                   | -                        | 550,000.00                    | 160,799.00                                 | 29%                                 |
| Electricity And Water                     | 2,970,000.00                 | -                        | 2,970,000.00                  | 1,919,314.00                               | 65%                                 |
| Medical                                   | 2,200,000.00                 | -                        | 2,200,000.00                  | 1,431,447.00                               | 65%                                 |
| Administration Costs                      | 2,750,000.00                 | -                        | 2,750,000.00                  | 1,854,996.30                               | 67%                                 |
| Activity                                  | 1,650,000.00                 | -                        | 1,650,000.00                  | 902,796.50                                 | 55%                                 |
| Gratuity                                  | -                            | -                        | -                             | -  | -                                   |

(Mpeketoni boy's high school)

Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024

| Receipt/Expenses Item                | Original Budget<br>a<br>Kshs | Adjustments<br>b<br>Kshs | Final Budget<br>c=a+b<br>Kshs | Actual On<br>Comparable Basis<br>d<br>Kshs | % Of Utilization<br>e=d/c %<br>Kshs |
|--------------------------------------|------------------------------|--------------------------|-------------------------------|--|-------------------------------------|
|                                      | -                            | -                        | -                             | -  | -                                   |
| <b>3) FDSE for infrastructure</b>    |                              |                          |                               |  |                                     |
| Maintenance & Improvement MoE        | 5,500,000.00                 | -                        | 5,500,000.00                  | 2,730,485.00                               | 50%                                 |
| M&I parents' contribution            | -                            | -                        | -                             | -  | -                                   |
| Economic Stimulus Programs           | -                            | -                        | -                             | -  | -                                   |
| Transition Infrastructure Grants     | 950,000.00                   | -                        | 950,000.00                    | 950,000.00                                 | 100%                                |
| CBC Classroom                        | 788,040.00                   | -                        | 788,040.00                    | 788,220.40                                 | 100%                                |
| <b>(4) Fees Charged on Parents</b>   |                              |                          |                               |  |                                     |
| Personnel Emoluments                 | 9,098,100.00                 | -                        | 9,098,100.00                  | 4,697,745.00                               | 52%                                 |
| Repairs And Maintenance              | 2,200,000.00                 | -                        | 2,200,000.00                  | 1,264,902.00                               | 58%                                 |
| Local Transport / Travelling         | 3,850,000.00                 | -                        | 3,850,000.00                  | 2,274,903.00                               | 59%                                 |
| Electricity And Water                | 4,400,000.00                 | -                        | 4,400,000.00                  | 2,192,409.00                               | 50%                                 |
| Medical                              | -                            | -                        | -                             | -  | -                                   |
| Administration Costs                 | 5,060,000.00                 | -                        | 5,060,000.00                  | 2,683,677.00                               | 53%                                 |
| Activity                             | 877,900.00                   | -                        | 877,800.00                    | 442,433.00                                 | 50%                                 |
| SMASSE                               | -                            | -                        | -                             | -  | -                                   |
| Fee On Boarding Equipment and Stores | 33,423,500.00                | -                        | 33,423,500.00                 | 21,783,508.00                              | 65%                                 |
| <b>5) Miscellaneous Income</b>       |                              |                          |                               |  |                                     |
| Loans / Borrowing                    | xxx                          | xxx                      | xxx                           | xxx  | x                                   |
| Rent income                          | xxx                          | xxx                      | xxx                           | xxx  | x                                   |
| Income From Farming Activities       | xxx                          | xxx                      | xxx                           | xxx  | x                                   |

Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024

| Receipt/Expenses Item                 | Original Budget      | Adjustments | Final Budget         | Actual On            | % Of Utilization |
|---------------------------------------|----------------------|-------------|----------------------|----------------------|------------------|
|                                       | a                    | b           | c=a+b                | d                    | e=d/c %          |
|                                       | Kshs                 | Kshs        | Kshs                 | Kshs                 | Kshs             |
| Insurance Compensation                | xxx                  | xxx         | xxx                  | xxx                  | x                |
| Income From Posho Mill                | -                    | -           | -                    | -                    | -                |
| Income From Bus Hire                  | -                    | -           | -                    | 232,000.00           | -                |
| Fee For Hire of Ground and Equipment  | -                    | -           | -                    | 1,351,855.00         | -                |
| Damages Recovery                      | -                    | -           | -                    | 22,000.00            | -                |
| Income From farm                      | -                    | -           | -                    | 477,810.00           | -                |
| <b>Total Income</b>                   | <b>90,395,940.00</b> | <b>-</b>    | <b>90,395,940.00</b> | <b>57,496,854.10</b> |                  |
| <b>(6) Expenditure For Tuition</b>    |                      |             |                      |                      |                  |
| Textbooks                             | -                    | -           | -                    | -                    | -                |
| Reference Materials                   | 330,000.00           | -           | 330,000.00           | -                    | 0%               |
| Exercise Books                        | 1,155,000.00         | -           | 1,155,000.00         | 326,600.00           | 28%              |
| Laboratory Equipment                  | 1,155,000.00         | -           | 1,150,000.00         | 1,453,635.00         | 126%             |
| Internal Exams                        | 550,000.00           | -           | 550,000.00           | 16,000.00            | 3%               |
| Teaching / Learning Materials         | 1,368,400.00         | -           | 1,368,400.00         | 80,000.00            | 6%               |
| Chalks                                | xxx                  | xxx         | xxx                  | xxx                  | x                |
| Exams And Assessment                  | xxx                  | xxx         | xxx                  | xxx                  | x                |
| Teachers Guides                       | xxx                  | xxx         | xxx                  | xxx                  | x                |
| Administration Costs                  | xxx                  | xxx         | xxx                  | xxx                  | x                |
| Bank Charges                          | -                    | -           | -                    | 5,376.75             | x                |
| <b>(7) Expenditure For Operations</b> |                      |             |                      |                      |                  |

( Mpeketoni boy's high school)

Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024

| Receipt/Expenses Item                                 | Original Budget | Adjustments | Final Budget  | Actual On    | % Of Utilization |
|---|-----------------|-------------|---------------|--------------|------------------|
|   | a<br>Kshs       | b<br>Kshs   | c=a+b<br>Kshs | d<br>Kshs    | e=d/c %<br>Kshs  |
| Personnel Emoluments                                  | 4,070,000.00    | -           | 4,070,000.00  | 2,901,453.40 | 71%              |
| Repairs, Maintenance & Improvements                   | 5500000.00      | -           | 5500000.00    | 2730485.00   | 50%              |
| Local Transport / Travelling                          | 550,000.00      | -           | 550,000.00    | 45,100.00    | 8%               |
| Electricity, Water and Conservancy                    | 2,970,000.00    | -           | 2,970,000.00  | 767,137.00   | 26%              |
| Insurance (medical & property)                        | 2,200,000.00    | -           | 2,200,000.00  | 560,901.00   | 26%              |
| Administration Costs                                  | 2,750,000.00    | -           | 2,750,000.00  | 2,141,285.00 | 78%              |
| Activity Expenses                                     | 1650,000.00     | -           | 1,650,000.00  | 71,350.00    | 4%               |
| Gratuity  | -               | -           | -             | -            | -                |
| SMASSE  | -               | -           | -             | -            | -                |
| <b>(8) Expenditure For infrastructure</b>             |                 |             |               |              |                  |
| Construction of classrooms                            | 798,475.00      | -           | 798,475.00    | 798,474.55   | 100%             |
| Construction of computer LAB                          | 1,886,620.80    | -           | 1,886,620.80  | 1,886,620.80 | 100%             |
| Construction of DORMS                                 | xxx             | xxx         | xxx           | xxx          | x                |
| Purchase of furniture                                 | 2,822,225.00    | -           | 2,822,225.00  | 2,822,225.00 | 100%             |
| Construction of science lab                           | 3,798,044.65    | -           | 3,798,044.65  | 3,798,044.65 | 100%             |
| Kitchen/dining hallrepairs                            | 159,070.90      | -           | 159,070.90    | 159,070.90   | 100%             |
| Bank charges  |                 |             |               | 4,791.00     |                  |
| <b>(9) Expenditure For school fund/lunch/boarding</b> |                 |             |               |              |                  |

Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024

| Receipt/Expenses Item                       | Original Budget      | Adjustments | Final Budget         | Actual On            | % Of Utilization |
|---|----------------------|-------------|----------------------|----------------------|------------------|
|   | a<br>Kshs            | b<br>Kshs   | c=a+b<br>Kshs        | d<br>Kshs            | e=d/c %<br>Kshs  |
| Personnel Emoluments                        | 9,098,100.00         | -           | 9,098,100.00         | 9,204,578.54         | 101%             |
| Repairs, Maintenance and Improvements       | 2,200,000.00         | -           | 2,200,000.00         | 1,358,530.00         | 62%              |
| Local Transport / Travelling                | 3,850,000.00         | -           | 3,850,000.00         | 2,649,185.00         | 69%              |
| Electricity, Water and Conservancy          | 4,400,000.00         | -           | 4,400,000.00         | 2,886,488.00         | 66%              |
| Medical Expenses                            | xxx                  | xxx         | xxx                  | xxx                  | x                |
| Administration Costs                        | 5,060,000.00         | -           | 5,060,000.00         | 4,299,290.50         | 85%              |
| Activity                                    | 877,800.00           | -           | 877,800.00           | 2,467,610.00         | 281%             |
| Gratuity                                    | xxx                  | xxx         | xxx                  | xxx                  | x                |
| Boarding Equipment and Stores               | 33,423,500.00        | -           | 33,423,500           | 33,442,869.00        | 100%             |
| Expenditure For Income Gene4rating Activity | xxx                  | xxx         | xxx                  | xxx                  | x                |
| Insurance Costs                             | xxx                  | xxx         | xxx                  | xxx                  | x                |
| Other Expenses On Investments               | xxx                  | xxx         | xxx                  | xxx                  | x                |
| Rent Expenses                               | xxx                  | xxx         | xxx                  | xxx                  | x                |
| Bank Charges                                | xxx                  | xxx         | xxx                  | xxx                  | x                |
| Loan Interest Repayment                     | xxx                  | xxx         | xxx                  | xxx                  | x                |
| Loan Principal Repayment                    | xxx                  | xxx         | xxx                  | xxx                  | x                |
| Acquisition Of Assets                       | xxx                  | xxx         | xxx                  | xxx                  | x                |
| <b>Totals</b>                               | <b>92,622,236.35</b> | <b>-</b>    | <b>92,622,236.35</b> | <b>76,877,101.09</b> | <b>x</b>         |

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

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

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- i. *The under utilization below 90% in tuition and operational accounts is caused by capitation from government which was not 100%. in boarding account, the fees collections were also not 100%, forcing most voteheads to be underutilised. The total fees collections for boarding account is 60% (receipts 35,338,877.00 ÷ 58,909,400.00 × 100 %)*
- ii. *The overutilization above 100% in activity vote head is caused curricular activities held in school for the year whereby its budget does not match with actual expenses. The limit amount of 798/= per student from parent and 1500/= from MOE is not enough to cater for activities. The fees arrears collected during the year is used to offset the overutilized vote heads*

## **10. Significant Accounting Policies**

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

### **1. Statement of compliance and basis of preparation**

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

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

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

### **2. Recognition of receipts and payments**

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

### **3. In-kind contributions**

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

### **4. Cash and cash equivalents**

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

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

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**5. Accounts Receivable**

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

**6. Accounts Payable**

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

**7. Non-current assets**

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

**8. Budget**

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

**9. Comparative figures**

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

**10. Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2024.

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

**11. Notes To the Financial Statements**

**1 Government Grants for Tuition**

| <b>Description</b>            | <b>YR 2023/2024</b> | <b>Fy 2022/2223</b> |
|-------------------------------|---------------------|---------------------|
|                               | <b>Kshs</b>         | <b>Kshs</b>         |
| Reference Materials           | 214,875.00          | 236,715.00          |
| Exercise Books                | 799,363.00          | 828,634.30          |
| Laboratory Equipment          | 736,303.00          | 522,904.60          |
| Internal Exams                | 361,281.00          | 244,593.00          |
| Teaching / Learning Materials | 555,268.20          | 167,410.90          |
| Reference text books          | -                   | 365,340.45          |
| <b>Total</b>                  | <b>2,667,090.20</b> | <b>2,365,598.25</b> |

*\*Include others as per MOE circulars*

**2 Government Grants for Operations**

| <b>Description</b>           | <b>YR 2023/2024</b>  | <b>FY2022/2023</b>   |
|------------------------------|----------------------|----------------------|
|                              | <b>Kshs</b>          | <b>Kshs</b>          |
| Personnel Emoluments         | 2,663,078.70         | 2,362,522.75         |
| Repairs And Maintenance      | 1,274,900.00         | 3,414,000.00         |
| Local Transport / Travelling | 160,799.00           | 314,577.70           |
| Electricity And Water        | 1,919,314.00         | 1,733,368.00         |
| Medical/Insurancez           | 1,431,447.00         | 406,758.00           |
| Administration Costs         | 1,854,996.30         | 1,607,536.00         |
| Activity                     | 902,796.50           | 424,444.00           |
| Other Vote Heads -MOE Grant  | 206,760.00           | 110,623.00           |
| -Insurance -Madson           | 20,000.00            | -                    |
| <b>Total</b>                 | <b>10,434,091.50</b> | <b>10,373,829.45</b> |

*\*Include others as per MOE circulars*

**3 Government Grants for infrastructure**

| <b>Description</b>                         | <b>FY 2023/2024</b> | <b>FY 2022/2023</b> |
|--|---------------------|---------------------|
|  | <b>Kshs</b>         | <b>Kshs</b>         |
| Maintenance & Improvement                  | 2,730,485.00        | 3,414,000.00        |
| Administration Block                       | -                   | -                   |
| Other- MOE CBC Classroom                   | 788,040.00          | -                   |
| MOE Project fund transfer from equity bank | -                   | -                   |
| <b>Total</b>                               | <b>3,518,525.00</b> | <b>3,414,000.00</b> |

**4 School Fund Income - Parents Contribution/Fees**

( Mpeketoni boy's high school)

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

| Description                          | FY 2023/2024         | FY 2022/2023         |
|--------------------------------------|----------------------|----------------------|
|                                      | Kshs                 | Kshs                 |
| Personnel emoluments                 | 10,929,493.00        | 12,596,724.00        |
| Repairs and maintenance              | 2,502,669.00         | 2,713,000.00         |
| Local transport / travelling         | 4,421,301.00         | 4,632,707.00         |
| Electricity and water                | 5,132,730.00         | 4,933,594.00         |
| Medical                              | -                    | -                    |
| Administration costs                 | 5,707,647.00         | 5,394,384.00         |
| Activity                             | 1,063,426.00         | 1,199,228.00         |
| Fee on Boarding Equipment and stores | 38,181,276.00        | 37,174,313.00        |
| <b>Total</b>                         | <b>67,938,542.00</b> | <b>68,643,950.00</b> |

*\*Includes all levies charged by the school outside the fees structure but by mutual agreement with the parents.*

**5 Miscellaneous Incomes**

| Description                          | FY 2023/2024        | FY 2022/2023        |
|--------------------------------------|---------------------|---------------------|
|                                      |                     | Kshs                |
| Rent Income                          | -                   | -                   |
| Income From Farming Activities       | 477,810.00          | 1,604,719.00        |
| Damages                              | 22,000.00           | xxx                 |
| Bus savings account income           | 293,000.00          | xxx                 |
| Income From Bus Hire (BES account)   | 32,000.00           | 314,000.00          |
| Fee For Hire of Ground and Equipment | 1,351,455.00        | 893,030.00          |
| PA                                   | 24,800.00           | -                   |
| Income from lost items               | 10,650.00           | 63,250.00           |
| Students trip                        | 18,000.00           | 20,500.00           |
| Staff welfare                        |                     | 196,000.00          |
| Students uniform                     | 616,550.00          | 3,150.00            |
| Administration income                |                     | 425,300.00          |
| tender                               | 1000.00             | 34,000.00           |
| <b>Total</b>                         | <b>2,847,265.00</b> | <b>3,553,949.00</b> |

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

*\*Ensure proper authorization from MOE before obtaining loans/borrowings.*

*\*Indicate what other income relates to including income arising from writebacks if any.*

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

**6 Tuition**

| <b>Description</b>            | <b>FY 2023/2024</b> | <b>FY 2022/2023</b> |
|-------------------------------|---------------------|---------------------|
|                               | <b>Kshs</b>         | <b>Kshs</b>         |
| Exercise Books                | 1,183,600.00        | 1,137,000.00        |
| Textbooks                     | -                   | -                   |
| Reference materials           | -                   | -                   |
| Laboratory Equipment          | 1,858,673.00        | 1, 514,605.00       |
| Teaching / Learning Materials | 80,000.00           | 268,180.00          |
| Exams And Assessment          | 16,000.00           | 88,000.00           |
| Teachers Guides               | -                   | -                   |
| Bank Charges                  | 5376.75             | 2,496.00            |
| Others ( <i>specify</i> )     | -                   | -                   |
| <b>Total</b>                  | <b>3,143,649.75</b> | <b>3,010,281.00</b> |

**7 Operations**

| <b>Description</b>                     | <b>FY 2023/2024</b> | <b>FY 2022/2023</b>  |
|--|---------------------|----------------------|
|  | <b>Kshs</b>         | <b>Kshs</b>          |
| Personnel Emoluments                   | 2,901,453.40        | 2,355,650.00         |
| Bom teacher                            | -                   | 646,240.00           |
| Administration Cost                    | 2,890,364.00        | 1,981,934.00         |
| Repairs And Maintenance & Improvements | -                   | 3,145,685.50         |
| Local Transport / Travelling           | 45,100.00           | 692,700.00           |
| Electricity And Water                  | 767,137.00          | 280,300.00           |
| Medical                                | xxx                 |                      |
| Activity Expenses                      | 71,350.00           | 711,870.00           |
| Medical/insurance                      | 560,901.00          | 335,590.00           |
| Bank charges                           | 8,896.00            | 4,822.00             |
| <b>Total</b>                           | <b>7,245,201.40</b> | <b>10,149,969.50</b> |

(Mpektoni boy's high school)

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

**8 Infrastructure**

| <b>Description</b>                  | <b>FY 2023/2024</b> | <b>FY 2022/2023</b> |
|-------------------------------------|---------------------|---------------------|
|                                     | <b>Kshs</b>         | <b>Kshs</b>         |
| Construction of CBC classrooms      | 798,474.60          | 336,013.80          |
| Construction of science laboratory  | 3,798,044.65        | -                   |
| Construction of computer laboratory | 1,886,620.80        | -                   |
| Renovation of kitchen/dining hall   | 159,070.90          | 1,686,151.40        |
| Purchase of furniture               | 1,328,825.00        | 888,500.00          |
| Purchase of double decker beds      | 1,493,400.00        | -                   |
| Ablution blocks 1 2 and 3           | -                   | 138,352.30          |
| Computer room repairs               | -                   | 94,450.00           |
| Bank charges                        | 4,791.00            | 2,218.00            |
| <b>Total</b>                        | <b>9,469,226.95</b> | <b>3,145,565.50</b> |

**9 Boarding And School Fund**

| <b>Description</b>                         | <b>FY 2023/2024</b> | <b>FY 2022/2023</b> |
|--|---------------------|---------------------|
|  | <b>Kshs</b>         | <b>Kshs</b>         |
| Personnel Emoluments                       | 9,204,578.54        | 7,028,679.00        |
| Service Gratuity                           | -                   |                     |
| Repairs And Maintenance & Improvements     | 1,358,530.00        | 1,456,015.00        |
| Local Transport / Travelling               | 2,649,185.00        | 1,880,482.00        |
| Electricity And Water                      | 2,886,488.00        | 3,646,507.00        |
| Administration Costs                       | 4,299,290.50        | 5,4078,77.00        |
| Activities                                 | 2,467,610.00        | 1,777,360.00        |
| School uniform                             | 621,750.00          | -                   |
| Expenses On Income Generating Activities** | 319,650.00          | 505,600.00          |
| Fee On Boarding Equipment and Stores       | 34,744,550.00       | 36,343,656.00       |
| Lab experimental expenses                  | 77840.00            | 362,900.00          |
| Caution money                              | 51,000.00           | xxx                 |
| Bus hire                                   | 32,000.00           | 437,660.00          |
| Bus fabrication                            | -                   | 864,600.00          |
| Bus account bank charges                   | 3,562.50            |                     |
| Farm expenses                              | 1,105,122.00        | 649,271.00          |
| Caution money bank charges                 | 1,312.75            | 33,000.00           |
| tender                                     | -                   | 42,000.00           |
| Bus savings                                | 242,000.00          |                     |
| Bank charges                               |                     | 3,806.00            |
| Bom teachers                               | -                   | 1,744,800.00        |
| Property insurance                         |                     | 248,152.00          |

Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024

|                            |                      |                      |
|----------------------------|----------------------|----------------------|
| PA Expenses                | 44,000.00            | 300,700.00           |
| PA accounts bank charges   | 3,562.50             |                      |
| MOE project bank charges   | 180.00               |                      |
| Caution money bank charges | 1311.75              |                      |
| Student uniform            | -                    | 85,000.00            |
| Bus insurance              | -                    | 248,152.00           |
| Bus savings                | 232,000.00           | 98,930.00            |
| Canteen income             |                      | 142,100.00           |
| Exam account bank charges  | 246.75               |                      |
| <b>Total</b>               | <b>60,344,457.54</b> | <b>62,960,165.00</b> |

(Expenses on income generating activities\*\* should include all costs relating to the school earnings on miscellaneous receipts as recorded in note 5. These costs should include farm maintenance, posho mill maintenance, ground maintenance and costs incurred during hire of school bus among others).

(Mpeketoni boy's high school)

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

**10 Bank Accounts**

| <b>Account Name &amp; Currency</b>     | <b>Status</b>         | <b>Bank Account Number</b> | <b>FY 2023/2024</b> | <b>FY 2022/2023</b> |
|--|-----------------------|----------------------------|---------------------|---------------------|
|  | <b>Active/Dormant</b> |                            | <b>Kshs</b>         | <b>Kshs</b>         |
| Tuition Account                        | Active                | 1104826496                 | 883,598.15          | 98,119.70           |
| Operations Account                     | Active                | 1104827212                 | 3,921,131.25        | (65,606.85)         |
| School Fund Account/Boarding           | Active                | 1104827506                 | 1,574,152.65        | (556,415.20)        |
| Mpeketoni high se general account      | Active                | 1270298119689              | 61,314.96           | 466,037.96          |
| Parent Association Development Account | Active                | 1104259877                 | 479,292.90          | 502,055.40          |
| Bus Account                            | Active                | 1108024718                 | 527,183.75          | 469,746.25          |
| Exam savings account                   | dormant               | 1104259753                 | -                   | 15,522.50           |
| Caution money account                  | dormant               | 1108980376                 | 220,606.35          | 221,918.10          |
| Infrastructural Account                | Active                | 1276584989                 | 1,677,225.40        | 6,583,477.35        |
| Moe account                            | dormant               | 1270264272242              | -                   | 956,240.00          |
| <b>Total</b>                           |                       |                            | <b>9,344,505.41</b> | <b>8,691,095.21</b> |

**11 Cash In Hand**

| <b>Description</b> | <b>FY 2023/2024</b> | <b>FY 2022/2023</b> |
|--------------------|---------------------|---------------------|
|                    | <b>Kshs</b>         | <b>Kshs</b>         |
| Notes and Coins    | 8,264.26            | 12,065.25           |
| <b>Total</b>       | <b>8,264.26</b>     | <b>12,065.25</b>    |

**12 Short Term Investments**

| <b>Description</b>     | <b>FY 2023/2024</b> | <b>FY 2022/2024</b> |
|------------------------|---------------------|---------------------|
|                        | <b>Kshs</b>         | <b>Kshs</b>         |
| Cooperative Shares     | xxx                 | xxx                 |
| Treasury Bills         | xxx                 | xxx                 |
| Fixed Deposit accounts | xxx                 | xxx                 |
| Other Investments      | xxx                 | xxx                 |
| <b>Total</b>           | <b>xxx</b>          | <b>xxx</b>          |

Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024

13 Accounts Receivable

| Description                              | FY 2023/2024         | FY 2022/2023         |
|--|----------------------|----------------------|
|  | Kshs                 | Kshs                 |
| Fees Arrears                             | 54,118,381.78        | 44,931,833.53        |
| <b>Other Non-Fees Receivables</b>        |                      |                      |
| Salary Advances (list/schedule attached) | 11,300.00            | 59,200.00            |
| Imprest (list/schedule attached)         | 583,360.00           | 383,810.00           |
| Infrastructure bank error                | -                    | 94,450.00            |
| paye                                     | 18.00                | 18.00                |
| Icealion life a comp ltd                 | 6.00                 | 6.00                 |
| R/D Cheques                              | 130,554.00           | 130,554.00           |
| Aghakhan foundation                      | 1,013.00             | 0                    |
| <b>Total</b>                             | <b>54,844,632.78</b> | <b>45,599,871.53</b> |

13 b) Ageing Analysis of Accounts Receivable

| Description                            | FY 2023/2024         |                | FY 2022/2023         |                |
|--|----------------------|----------------|----------------------|----------------|
|  | Current FY           | % of the total | Comparative FY       | % of the total |
| Less than 1 year                       | 32,599,965.00        | %              | 32,610,929.00        | %              |
| Between 1- 2 years                     | 9,197,512.25         | %              | 1,139,419.00         | %              |
| Between 2-3 years                      | 12,320,904.53        | %              | 11,181,485.53        | %              |
| Over 3 years                           | -                    | %              | -                    | %              |
| <b>Total (should tie to note 13 a)</b> | <b>54,118,381.78</b> | <b>%</b>       | <b>44,931,833.53</b> | <b>%</b>       |

14 Accounts Payable

| Description                                       | FY 2023/2024         | FY 2022/2023         |
|---|----------------------|----------------------|
|   | Kshs                 | Kshs                 |
| Trade Creditors (See Ageing Below and Appendix 1) | 3,386,494.00         | 4,169,483.00         |
| Prepaid Fees                                      | 6,520,872.00         | 4,866,526.00         |
| School clubs- canteen                             | 212,056.00           | 249,716.00           |
| bursaries   | 596,533.00           | 1,589,033.00         |
| Other payables - <i>unpresented slips</i>         | 5,789,353.75         | 2,823,369.60         |
| Refundable fees                                   | 45,096.00            | 44,096.00            |
| Donations -aghakhan foundation                    | -                    | 116,730.00           |
| <b>Total</b>                                      | <b>16,550,404.75</b> | <b>13,858,953.60</b> |

*( Mpeketoni boy's high school)*

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

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**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

**14a. Ageing Analysis of Accounts Payable**

| Description                          | FY 2023/2024        |                | FY 2022/2023        |                |
|--------------------------------------|---------------------|----------------|---------------------|----------------|
|                                      | Kshs                |                | Kshs                |                |
|                                      | Current FY          | % of the total | Comparative FY      | % of the total |
| Less than 1 year                     | 3,321,694.00        | 98%            | 4,086,683.00        | 98%            |
| Between 1- 2 years                   | -                   |                | 82,800.00           | 2%             |
| Between 2-3 years                    | 64,800.00           | 2%             | -                   |                |
| Over 3 years                         | -                   |                | -                   |                |
| <b>Total (should tie to note 14)</b> | <b>3,386,494.00</b> | <b>100%</b>    | <b>4,169,483.00</b> | <b>100%</b>    |

**15 Fund Balance Brought Forward**

| Description                   | FY 2023/2024         | FY 2022/2023         |
|-------------------------------|----------------------|----------------------|
|                               | Kshs                 | Kshs                 |
| Bank Balances                 | (523,902.35)         | 6,820,712.00         |
| Cash Balances                 | 12,065.25            | 40,925.25            |
| Equity bank                   | 466,037.96           | 510,398.96           |
| Infrastructure account        | 6,583,477.35         | 6,409,612.85         |
| Moe project account           | 956,240.00           | 956,420.00           |
| Caution money savings account | 221,918.10           | 222,118.10           |
| Bus account                   | 469,746.25           | 1,106,932.25         |
| PTA Savings account           | 502,055.40           | 799,845.40           |
| Exam savings                  | 15,522.50            | 15,722.50            |
| Receivables                   | 45,599,871.53        | 33,248,762.53        |
| Payables                      | (13,858,953.60)      | (18,504,282.00)      |
| <b>Total</b>                  | <b>40,444,078.39</b> | <b>31,627,167.24</b> |

(Mpeketoni boy's high school)

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

**Other important disclosure notes**

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

**16 Non-current Liabilities Summary**

| <b>Description</b>           | <b>FY 2023/2024</b> | <b>FY 2022/2023</b> |
|------------------------------|---------------------|---------------------|
|                              | <b>Kshs</b>         | <b>Kshs</b>         |
| Bank Loans                   | xxx                 | xxx                 |
| Outstanding Leases           | xxx                 | xxx                 |
| Hire Purchase                | xxx                 | xxx                 |
| Gratuity And Leave Provision | xxx                 | xxx                 |
| Others (specify)             | xxx                 | xxx                 |
| <b>Total</b>                 | <b>xxx</b>          | <b>xxx</b>          |

**17 Biological assets**

| <b>Description</b> | <b>Numbers</b> | <b>FY 2023/2024</b> | <b>FY 2022/2023</b> |
|--------------------|----------------|---------------------|---------------------|
|                    |                | <b>Kshs</b>         | <b>Kshs</b>         |
| Bulls              |                | 11                  | 1                   |
| Goats              |                | -                   | -                   |
| Trees              |                | 375                 | 375                 |
| Banana Plantation  |                | 154                 | 154                 |
| <b>Total</b>       |                | <b>540</b>          | <b>530</b>          |

**18 Borrowings**

| <b>Description</b>                    | <b>Kshs</b> | <b>Kshs</b> |
|---------------------------------------|-------------|-------------|
| Borrowings at beginning of the year   | xxx         | xxx         |
| Borrowings during the year            | xxx         | xxx         |
| Repayments during the year            | (xxx)       | (xxx)       |
| <b>Balance at the end of the year</b> | <b>xxx</b>  | <b>xxx</b>  |

( Mpeketoni boy's high school)

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

**19 Stock/ Inventory**

| <b>Description</b>     | <b>FY 2023/2024</b> | <b>FY 2022/2023</b>  |
|------------------------|---------------------|----------------------|
|                        | <b>Kshs</b>         | <b>Kshs</b>          |
| Food stuffs            | 560,030.00          | 10,666,105.00        |
| Lab consumables        | 283,423.00          | 862,641.50           |
| Farm produce           | -                   | 649,271.00           |
| Medication             | 21,840.00           | 275,570.00           |
| Construction Materials | 24,000.00           | 1,155,920.00         |
| Stationery             | 747,939.00          | 8,050,275.00         |
| Electrical             | 80,127.00           | 475,458.00           |
| dispensary             | 21,840.00           | -                    |
|                        | <b>1,739,199.00</b> | <b>22,133,420.50</b> |

*(Stock to be measured at lower of cost and net realisable value. Net realisable value is the difference between selling costs less costs to sell)*

( Mpeketoni boy's high school)

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

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**20 Progress On Follow Up of Auditor Recommendations**

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

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



Sign and Date 19/05/25  
Principal



Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024

12. Annexes

Annex I - Analysis of Pending Accounts Payable

| Supplier Of Goods or Services    | Original Amount<br>A<br>Kshs | Date Contracted<br>b<br>Kshs | Amount Paid To-Date<br>C<br>Kshs | Outstanding Balance Current FY<br>d=a-c<br>Kshs | Outstanding Balance Comparative FY<br>Kshs | Comments |
|----------------------------------|------------------------------|------------------------------|----------------------------------|---|--|----------|
| <b>Construction Of Buildings</b> | -                            | -                            | -                                | -   | -  | -        |
| Sub-Total                        | -                            | -                            | -                                | -   | -  | -        |
| <b>Supply Of Goods</b>           |                              |                              |                                  |   |  |          |
| 1. Jabez duka la sabuni          | 72,884.00                    |                              | 72,884.00                        |   |  | Cleared  |
| 2. Phineter enterprise           | 9,000.00                     |                              | 9,000.00                         |   |  | Cleared  |
| 3. Ahmed bakari ibrahim          | 246,950.00                   |                              | 246,950.00                       |   |  | Cleared  |
| 4. Bravin waters                 | 2,800.00                     |                              | 2,800.00                         |   |  | Cleared  |
| 5. Mwapa general supplier        | 36,837.00                    |                              | 36,837.00                        |   |  | Cleared  |
| 6. Mwakare general supplier      | 869,320.00                   |                              | 869,320.00                       |   |  | Cleared  |
| 7. Joserene ltd                  | 4,900.00                     |                              | 4,900.00                         |   |  | Cleared  |
| 8. Paul mwangi                   | 13,790.00                    |                              | 13,790.00                        |   |  | Cleared  |
| 9. Centrifugal technologies ltd  | 34,800.00                    |                              | 34,800.00                        |   |  | Cleared  |
| 10. Etech digital service        | 141,300.00                   |                              | 141,300.00                       |   |  | Cleared  |
| 11. Pentagon bookshop            | 518,915.300                  |                              | 518,915.00                       |   |  | Cleared  |

Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024

| Supplier Of Goods or Services         | Original Amount     | Date Contracted | Amount Paid To-Date | Outstanding Balance Current FY | Outstanding Balance Comparative FY | Comments |
|---------------------------------------|---------------------|-----------------|---------------------|--------------------------------|------------------------------------|----------|
| 12. Tunzaa chemical & school supplier | 151,910.00          |                 | 151,910.00          |                                |                                    | Cleared  |
| 13. Mwakare general supplier          | 857,000.00          |                 | 857,000.00          |                                |                                    | Cleared  |
| 14. Romze enterprise                  | 253,128.00          |                 | 253,128.00          |                                |                                    | Cleared  |
| <b>Sub-Total</b>                      | <b>3,213,534.00</b> |                 | <b>3,213,534.00</b> |                                |                                    |          |
| <b>Supply Of Services</b>             |                     |                 |                     |                                |                                    |          |
| 15. Mpeketoni h s s h group           | 45,000.00           |                 | 45,000.00           |                                |                                    | Cleared  |
| 16. Young billionaire suppliers       | 62,960.00           |                 | 62,960.00           |                                |                                    | Cleared  |
| <b>Sub-Total</b>                      | <b>107,960.00</b>   |                 | <b>107,960.00</b>   |                                |                                    |          |
| <b>Grand Total</b>                    | <b>3,321,694.00</b> |                 | <b>3,321,694.00</b> |                                |                                    |          |

Annex 2 – Summary of Fixed Assets Register

| Asset Class                              | Historical Cost b/f (Kshs) 1 <sup>st</sup> July 2023 | Additions during the year (Kshs) | Disposals during the year (Kshs) | Historical Cost c/f (Kshs) 30 <sup>th</sup> June 2024 |
|--|--|----------------------------------|----------------------------------|---|
| Land                                     | 42 acres   | -                                | -                                | 42 acres  |
| Buildings And Structures                 | 181  | -                                | -                                | 181   |
| New science lab and computer lab         | -  | 2                                | -                                | 5,684,665.45  |
| Motor Vehicles                           | 10,500,000.00  | -                                | Dep. 5,600,000.00                | 4,900,000.00  |
| Office Equipment, Furniture and Fittings | 13,658,990.00  | 3,902,000.00                     | 437,000.00                       | 17,123,990.00   |
| Textbooks                                | 2,657,9034.00  | -                                | -                                | 26579034.00   |
| ICT Equipment                            | 4,193,508.00   | 1,096,670.00                     | 530,000.00                       | 4,760,178.00  |

(Mpeketoni boy's high school)

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

| Asset Class                        | Historical Cost b/f /<br>(Kshs)<br>1 <sup>st</sup> July 2023 | Additions during the<br>year<br>(Kshs) | Disposals during the<br>year<br>(Kshs) | Historical Cost e/f<br>(Kshs)<br>30 <sup>th</sup> June 2024 |
|------------------------------------|--|--|--|---|
| Laboratory apparatus and equipment | 2,738,810.00   | 1,619,445.00                           | 326,225.00                             | 4,032,030.00  |
| Tools And equipment                | 420,500.00   | -                                      | -                                      | 420,500.00  |
| Other Machinery and Equipment      | 1,622,000.00   | -                                      | -                                      | 1,622,000.00  |
| Music instruments                  | 33   | -                                      | -                                      | 33  |
| Fire fighting equipments           | 164,500.00   | -                                      | -                                      | 164,500.00  |
| Kitchen utensils and equipment     | 3,873,389.00   | 126,100.00                             | -                                      | 3,995,489.00  |
| Heritage And Cultural Assets       |  |  |  |   |
| Intangible Assets- Soft Ware       | 2  | -                                      | -                                      | 2   |
| <b>Total</b>                       |  |  |  |   |

(The school should ensure that a detailed fixed assets register is maintained).

OFFICE OF THE AUDITOR GENERAL  
P. O. Box 81543, MOMBASA  
21 MAY 2025  
RECEIVED  
KILIFI REGIONAL OFFICE

## MPEKETONI BOYS HIGH SCHOOL

### CONSOLIDATED TRIAL BALANCE AS AT 30TH JUNE 2024

| VOTEHEAD               | F  | DR                           | CR                           |
|------------------------|----|------------------------------|------------------------------|
| <b>Opening Balance</b> |    |                              |                              |
| Cash                   |    | 9,344,505.41                 |                              |
| Bank                   |    | 8,264.26                     |                              |
| <b>INCOME</b>          |    |                              |                              |
| TUITION                | 1  |                              | 2,667,090.20                 |
| OPERATIONAL            | 2  |                              | 10,434,091.50                |
| INFRASTRUCTURE         | 3  |                              | 3,518,525.00                 |
| BOARDING               | 4  |                              | 67,938,542.00                |
| MISC INCOME            | 5  |                              | 2,847,265.00                 |
| <b>TOTAL</b>           |    |                              |                              |
| <b>EXPENDITURE</b>     |    |                              |                              |
| TUITION                | 6  | 3,143,649.75                 |                              |
| OPERATIONAL            | 7  | 7,245,201.40                 |                              |
| INFRASTRUCTURE         | 8  | 9,469,226.95                 |                              |
| SCHOOL FUND            | 9  | 60,344,457.54                |                              |
| Bank                   | 10 |                              |                              |
| Cash                   | 11 |                              |                              |
| RECEIVABLES            |    | 54,844,632.78                |                              |
| PAYABLES               |    |                              | 16,550,404.75                |
| ACCUMULATED FUND B/F   |    |                              | 40,444,078.39                |
| <b>TOTAL</b>           |    | <b><u>144,399,938.09</u></b> | <b><u>144,399,996.84</u></b> |

  
**BURSAR**  
**MPEKETONI BOYS' HIGH SCHOOL**  
**P.O. BOX 37-80503, MPEKETONI**  
 Date: 19/6/24