

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 10 JUN 2025	DAY: TUESDAY
TABLED BY:	HON. HADMI WAQO DEPUTY CHIP WHIP.
CLERK-AT THE-TABLE:	PERPETUAL MUIGA.



**OF**

**THE AUDITOR-GENERAL**

**ON**

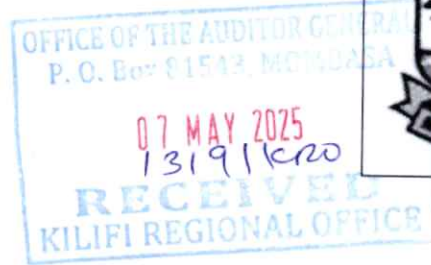
**MALINDI HIGH SCHOOL**

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

**KILIFI COUNTY**



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



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**MALINDI 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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**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

**B. Definition of Key Terms**

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

**2. Key School Information and Management****(a) Background information**

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

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

The school is a day/boarding school and had 1350 number of students as at 30<sup>th</sup> June 2024. It has 6 streams and 51 teachers of which 15 teachers are employed by the School Board of Management.

**(b) School Board of Management - Board Members**

The School Board of Management established under Section 55 of the Basic Education Act, 2013; is composed of the following members:

Ref:	Name of Board Member	Designation	Date of appointment
1	RASHID BAKULLY	Chairman	15TH, SEPT,2022
2	JOSEPH KAZUNGU	Secretary - Principal	15TH, SEPT,2022
3	SIZA MOHAMED	PA Chair	15TH, SEPT,2022
4	NAMROLD KALAMA	Member	15TH, SEPT,2022
5	DR, MUJAHID	Member	15TH, SEPT,2022
6	AMANI CHARO	Member	15TH, SEPT,2022
7	CONSTANCE PENDO	Member	15TH, SEPT,2022
8	SIMIYU KENT	Member – Rep CEB	15TH, SEPT,2022
9	OMONDI STEPHEN	Member Rep Teachers	15TH, SEPT,2022
10	SIDI JEFWA	Member	15TH, SEPT,2022
11	MARY JOY	Member - Community	15TH, SEPT,2022
12	BERNARD MWANGALA	Member Special Needs	15TH, SEPT,2022
13	ASHRAF AHAMED	Member Human rights	15TH, SEPT,2022

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

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

**(c) Committees of the Board**

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1. Joseph Kazungu 2. Rashid Bakully 3. Siza Mohamed 4. Namrolds Kalama Bernard Mwangala	Secretary Chairperson P.A. Chair Member Member	4 out of 4 4 out of 4 4 out of 4 4 out of 4 4 out of 4
2	Audit Committee	1. Narold Kalama 2. Bernard Mwangala 3. Sidi Chai 4. Oscar Charo	Chairperson Member Member Member	1 out of 1 1 out of 1 1 out of 1 1 out of 1
3	Finance, procurement and general purposes Committee	1. Pendo Constance 2. Siza Mohamed 3. Ashraf Mohamed 4. Johnson Ngala	Chairperson Member Member Member	1 out of 1 1 out of 1 1 out of 1 1 out of 1
4	Academic Committee	Dr. Mujahid Siza Mohamed Mr. Simiyu Mary Joy	Chairperson P.A. Chair Member Member	1 out of 1 1 out of 1 1 out of 1 1 out of 1
5	Development Committee	SCDE DR. Mujahid Siza Mohamed	Member Member Chairperson	4 out of 4 4 out of 4 4 out of 4

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

		Joseph kazungu	Member	4 out of 4
6	Discipline and welfare Committee	Kent simiyu Siza Mohamed Ashraf Ahmed Oscar charo	Chaiperson Member Member Member	2 out of 2 2 out of 2 2 out of 2 2 out of 2
7	Adhoc Committee (if any during the year)			

**(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:

<b>Ref:</b>	<b>Designation</b>	<b>Name</b>	<b>Identification</b>
1	Principal	JOSEPH C. KAZUNGU	TSC No.375601
2	Deputy Principal	CHARLES MANGI	TSC No.390454
3	School Bursar	JAMES THOYA	ICPAK No.

**(e) Schools contacts**

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

**(f) School Bankers**

Name of Bank: KCB  
 Branch                MALINDI  
 Account no.        1107991013

Name of Bank: KCB  
 Branch                MALINDI  
 Account no.        1104241692

Name of Bank: KCB  
 Branch                MALINDI  
 Account no.        11042330593

Name of Bank: KCB  
 Branch                : MALINDI  
 Account no.        : 1211503313

**(g) Independent Auditors**

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

**MALINDI HIGH SCHOOL**

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

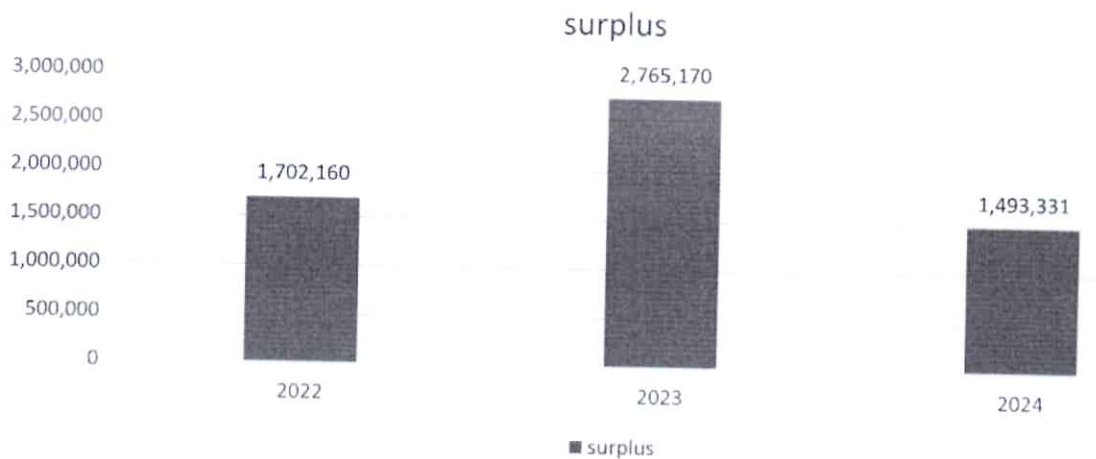
**3. Summary Report of Performance of The School**

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

**a) Financial performance:**

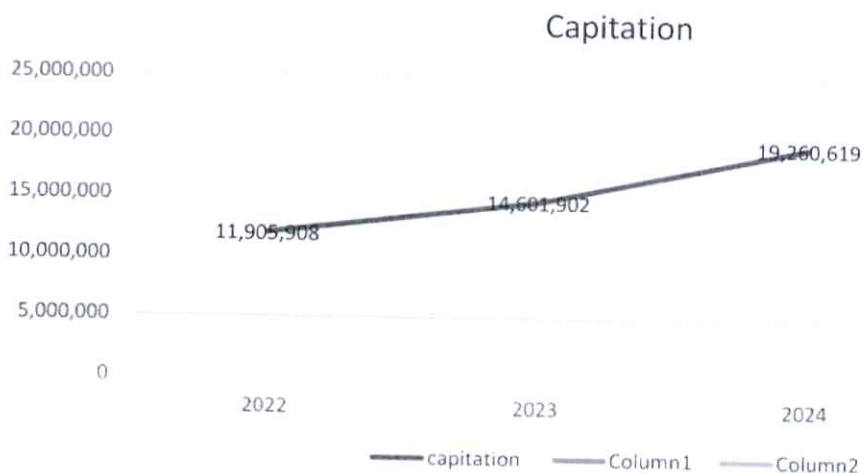
*- Surplus/ deficit for the year and a comparison of the same for the last three years*

2022	2023	2024
1,702,160	2,765,170	1,493,331



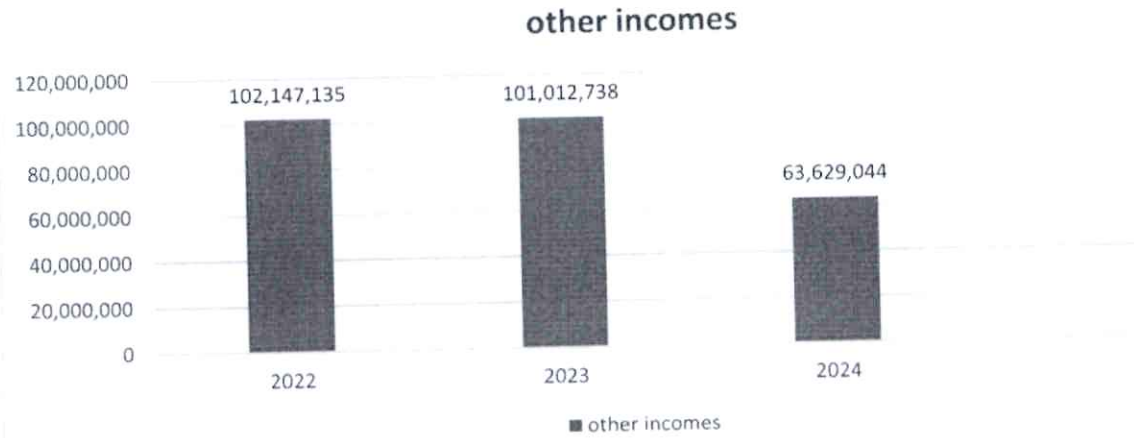
*- Capitation grants from the Ministry of Education for the last three years*

2022	2023	2024
11,905,908	11,305,901	19,233,618



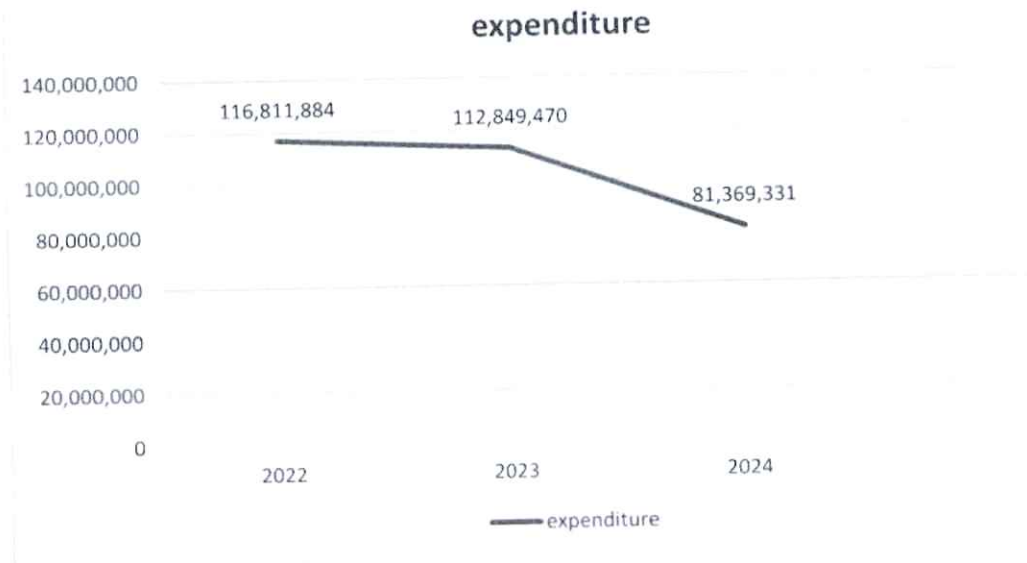
- *A three-year overview of growth of other income(s) earned by the school.*

2022	2023	2023
102,147,135	101,012,738	63,629,044



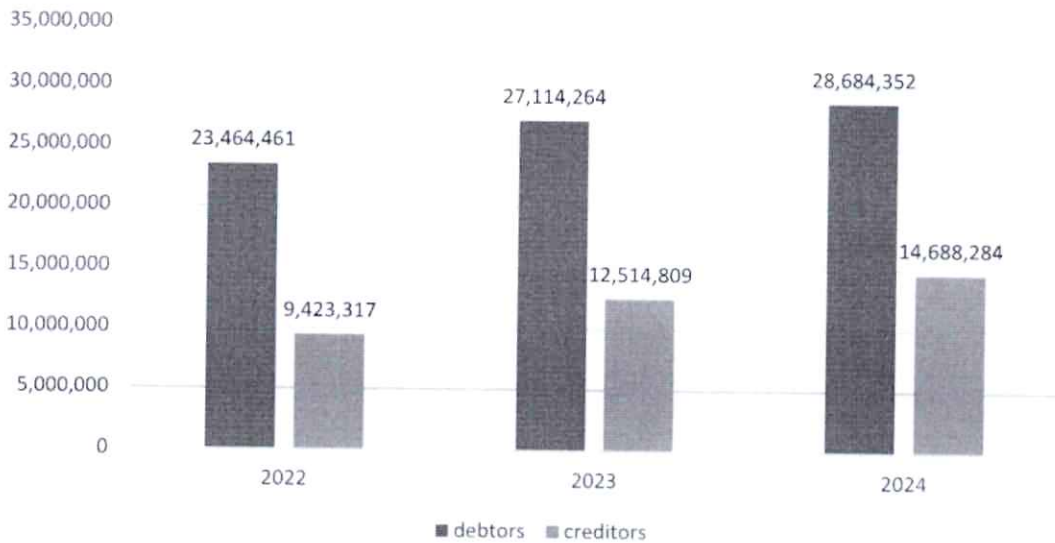
- *A three-year overview of growth in expenditure of the school*

2022	2023	2024
116,811,884	112,849,470	81,369,331



**MALINDI HIGH SCHOOL****Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024****- Movement of debtors and creditors of the school over the last three years**

Years	2022	2023	2024
Debtors	23,464,461	27,114,264	28,684,352
Creditors	9,423,317	12,514,809	14,688,284

**debtors and creditors****b) Teacher Student ratio:****Teacher student ratio**

Number of teachers	Number of students
53	1,274
Ratio of teachers to students	
1:	24

**Teachers recruited and posted within the year**

TSC	0
B.O.M	0
Number of teachers retired	2
Number of teachers employed by TSC	36
Number of teachers employed by B.O.M	17

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

<b>Subject Teacher</b>	<b>Number</b>
English	6
Kiswahili	9
Mathematics	11
Biology	8
Physics	5
Chemistry	7
History	3
Geography	3
CRE	2
IRE	2
Agriculture	2
Computer studies	2
Arabic	0
Business studies	3

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

<b>YEAR</b>	2021	2022	2023	2024
<b>MEAN SCORE</b>	5.36	6.33	5.086	5.46

<b>YEAR</b>	<b>Number of students to higher learning(C+ and above)</b>
2021	57
2022	104
2023	63

**d) Number of Candidates in the 2023 KCSE:**

<b>Year</b>	2021	2022	2023	2024
<b>Candidates</b>	229	217	279	278

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

<i>Number of students</i>	<i>Facilities</i>
1274	1 dining hall
1274	3 laboratories
1274	8 dormitories
1274	1 library
1274	1 kitchen
1274	10 toilets
1274	24 classrooms
1274	1274 lockers and chairs

**f) Development projects carried out by the school:**

<b>Projects</b>	<b>Source of funds</b>	<b>Status</b>	<b>Initial Cost (Kshs)</b>	<b>Amount Spent (Kshs)</b>	<b>Expected completion time</b>
Modern Domitory	MOE	Completed		1,500,000	

.....  
School Principal

PRINCIPAL  
MALINDI HIGH SCHOOL  
Date 20/8/2024

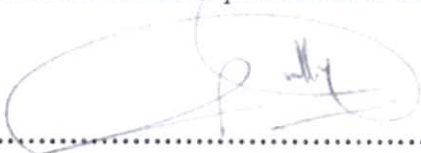
**4. Statement of School Management Responsibility**

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

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30<sup>th</sup> June, 2024, and of the school's financial position as at that date.



.....  
**Name:** RASHID BAKULLY

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

**Date:** 20/8/2024



.....  
**Name:** JOSEPH C. KAZUNGU

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

**Date:** 20/8/2024



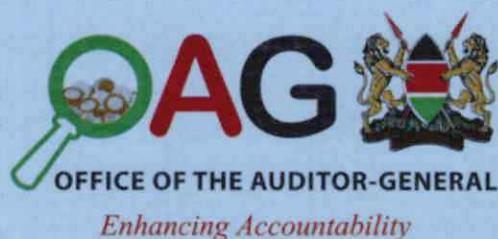
.....  
**Name:** JAMES THOYA

**Designation:** Bursar/ Finance Officer

**Date:** 20/8/2024

# REPUBLIC OF KENYA

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



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

## REPORT OF THE AUDITOR-GENERAL ON MALINDI HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2024 – KILIFI COUNTY

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### PREAMBLE

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

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

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

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

## REPORT ON THE FINANCIAL STATEMENTS

### Qualified Opinion

I have audited the accompanying financial statements of Malindi High School – Kilifi County set out on pages 1 to 21, which comprise the statement of financial assets and financial liabilities as at 30 June, 2024 and 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 Malindi 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 Basic Education Act, 2013 and the Public Finance Management Act, 2012.

### Basis for Qualified Opinion

#### 1. Unsupported Miscellaneous Incomes

The statement of receipts and payments reflects miscellaneous incomes amounting to Kshs.6,167,027 as disclosed in Note 5 to the financial statements. However, the supporting ledgers had not been summarized per month. Further, the supporting schedules, requisitions for services and official receipts were not provided for audit review. In addition, income from meat and milk products consumed from cows and goats owned by the school was not disclosed.

In the circumstances, the accuracy and completeness of miscellaneous incomes totalling to Kshs.6,167,027 could not be confirmed.

#### 2. Accounts Receivables

##### 2.1 Variances in Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.28,684,352 as disclosed in Note 13 to the financial statements. However, the supporting ledger reflects a balance of Kshs.21,110,362, resulting to an unexplained variance of Kshs.7,573,990.

##### 2.2 Unsupported Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.28,684,352 which relates to fee arrears as disclosed in Note 13 to the

financial statements. However, the supporting schedules, detailed aging analysis and issued invoices were not provided for audit review.

### **2.3 Long Outstanding Receivables**

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.28,684,352 in respect fees arrears as disclosed in Note 13 to the financial statements. Included in the balance are receivables amounting to Kshs.9,628,543 which had been outstanding for more than one (1) year. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy, completeness and full recoverability of the outstanding receivables balance of Kshs.28,684,352 could not be confirmed.

### **3. Unsupported Payables**

The statement of financial assets and financial liabilities reflects payables balance of Kshs.14,688,284 as disclosed in Note 14 to the financial statements. Included in the balance is trade creditors balance of Kshs.12,269,359 which was not supported by user requisitions, local purchase order, invoice, delivery notes, goods received notes and inspection and acceptance certificates and report.

In the circumstances, the accuracy and completeness of accounts payables balance of Kshs.14,688,284 could not be confirmed.

### **4. Cash and Cash Equivalents**

#### **4.1 Unsupported Cash and Cash Equivalents**

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.3,312,232. Included in this balance are bank balances of Kshs.3,104,512 and cash balance of Kshs.207,720 as disclosed in Notes 10 and 11 to the financial statements. However, the balances were not supported by bank certificates, bank reconciliation statements and board of survey report.

#### **4.2 Overdrawn Account and Netting off of Bank Balance**

The statement of financial assets and financial liabilities reflects bank balance of Kshs.3,104,512 as disclosed in Note 10 to the financial statements. Included in the bank balance is school fund account/boarding bank account with an overdraft balance of Kshs.1,544,368 which was offset against bank balances of Kshs.3,104,512 contrary to Section 28(4)(5) of the Public Finance Management Act, 2012.

In the circumstances, the accuracy, completeness and existence of the cash and cash equivalent balance of Kshs.3,312,232 could not be confirmed.

## **5. Unsupported Payments**

The statement of receipts and payments reflects Kshs.2,791,197, Kshs.12,183,922 and Kshs.64,894,212 in respect of tuition, operations and boarding and school fund payments respectively, all totalling to Kshs.79,869,331 as disclosed in Notes 6, 7 and 9 to the financial statements. Out of the total amount of Kshs.79,869,331, examination of payment vouchers amounting to Kshs.17,632,045 revealed that Management made payments without proper support documents such as requisitions, local purchase orders, delivery notes, inspection reports, goods received notes, certificate of payments.

In the circumstances, the regularity, accuracy and completeness of the tuition, operations and boarding and school fund payments amounting to Kshs.17,632,045 could not be confirmed.

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

### **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 of Qualified Opinion, I have determined that there are no other key audit matters to communicate in my report.

### **Other Matter**

### **Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. The Management had indicated in their disclosure that they had resolved these issues during the year under review. However, no supporting evidence was provided for audit review to confirm how the issues were resolved. The issues therefore, remained unresolved as at 30 June, 2024.

### **Other Information**

The Management is responsible for the other information set out on page ii to xiii which comprise of Key Entity Information and Management, The School Board of Management, School Operation Management, Summary Report of Performance of the School and

Statement of School Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the 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 THE USE OF PUBLIC RESOURCES

### Conclusion

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

### Basis for Conclusion

#### 1. 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.64,894,212 as disclosed in Note 9 to the financial statements. Included in the expenditure is an amount of Kshs.1,389,210 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.1,389,210 could not be confirmed.

#### 2. Over Funding of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and operations amount of Kshs.3,288,501 and Kshs.15,945,117, respectively as disclosed in

Notes 1 and 2 to the financial statements. During the financial year, NEMIS reported a total number of four thousand and fourteen (4,014) students while the enrolment records provided by the School indicated a total number of three thousand eight hundred and ninety-four (3,894) students, resulting to an unexplained variance of one hundred and twenty (120) students. As a result of the variances, the School was over funded by an amount of Kshs.414,792.

In the circumstances, the over-funding of the School may have affected service delivery to other schools which did not receive capitation for students and value for money could not be confirmed.

### **3. Irregular Procurement of Labour and Materials for Construction of School Dormitory**

The statement of receipts and payments reflects infrastructure payments totalling to Kshs.1,500,000 as disclosed in Note 8 to the financial statements. Review of the records revealed that the payment was in relation to construction of a dormitory and which was paid to a contractor for labour services. However, procurement records were not provided for audit verification. In addition, acknowledgement of receipt of the infrastructure funds through the County Director of Education was not done and an official receipt was not uploaded on the NEMIS platform. This is contrary to the guidelines by Ministry of Education provided under Circular Ref. No. MOE.HQS/3/10/18/(112) dated 15 November, 2022 which require that approval must be sought from the relevant office on utilization of this vote.

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

### **4. Long Outstanding Payables**

The statement of financial assets and financial liabilities reflects payables balance of Kshs.14,688,284 as disclosed in Note 14 to the financial statements. However, included in the balance are trade payables balance of Kshs.1,317,419 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 of loss of public funds through litigations, interests and penalties.

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

The statement of receipts and payments reflects operations grants amount of Kshs.15,945,117 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.5,191,500 in respect of infrastructure grants which were to be transferred to

infrastructure bank account for maintenance and improvement of the School's facilities. However, only Kshs.2,300,000 was transferred to infrastructure account, leaving a balance of Kshs.2,891,500 as at 30 June, 2024. Further, amounts of Kshs.989.600 and Kshs.1,274,300 were transferred two hundred and seventy-five (275) days or approximately nine (9) months and ninety-five (95) days or approximately three (3) months respectively of receipt. This was contrary to The Ministry of Education Circular Ref. No: circular MOE.HQS/3/13/3 dated 16 June, 2023 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

#### **6. Unapproved Fees on Bus Fund and Board of Management Teachers**

The statement of receipts and payments reflects school fund income - parents' contributions amount of Kshs.57,462,017 as disclosed in Note 4 to the financial statements which includes bus Fund and Board of Management (BOM) teachers amount of Kshs.4,233,780 and Kshs.5,934,322 respectively. Review of the records revealed that the school charged an amount of Kshs.4,750 for bus Fund and Kshs.7,050 for BOM teachers per student to support the programmes which had not been approved by the Ministry of Education through the County Education Board. This was contrary to Ministry of Education Circular No. MOE.HQS/3/10/18/(112) dated 15 November, 2022 on guidelines on implementation of Free Day Secondary Education for the year 2023 which stipulates that parents will only pay for school uniforms, boarding related costs as reflected in the boarding fees structure and lunch for the day scholars.

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

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

Management submitted the financial statements to the Auditor-General on 7 October, 2024 instead of the statutory deadline of 30 September, 2024. This was contrary to the 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 months after the end of the fiscal year to which the accounts relate.

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

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

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

## **Conclusion**

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

## **Basis for Conclusion**

### **1. 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. Weakness in Distribution of Textbooks**

Review of records revealed that Management did not undertake instructional need assessment to determine the number and subject of instructional materials needed by the school while evidence of existence of a School Instructional Materials Selection Committee (SIMSC) that does annual needs assessment of the textbooks urgently needed by the school to guide the Ministry of Education through Kenya Institute of Curriculum Development (KICD) on the distribution of textbooks to the school was not provided.

In the circumstances, effectiveness of text books management could not be confirmed.

### **3. Lack of Ownership Documents**

Annex 2 to the financial statements on summary of fixed assets register reflects a balance of Kshs.326,576,650 in respect of fixed assets which includes land measuring approximately seventy-eight (78) acres with a balance of Kshs.228,000,000 and motor vehicles with a balance Kshs.9,330,000. 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.

#### **4. Dysfunctional School Financial Management System**

During the year under review, the school was using a School Financial Management System supplied by a vendor. However, the signed contract/service level agreement with the vendor was not provided for audit review. In addition, the system had not been configured to capture miscellaneous income invoices arising from bus hire and farm income. Further, the reporting module was unable to generate reports for the year under review.

In the circumstances, the effectiveness of the school management system could not be confirmed.

#### **5. Unsupported Biological Assets Balances**

Note 17 to the financial statements under other important disclosures is a Kshs.Nil balance in respect of biological assets comprising of twenty-five (25) cattle, seventy-two (72) goats and forty-six (46) trees. However, Management did not disclose the method and significant assumptions applied in determining the Kshs.Nil fair value of the biological assets. Further, the animals' critical details including date of birth and where need be death was not provided.

In the circumstances, the effectiveness of the safeguards on the biological assets could not be confirmed.

#### **6. Unsupported Inventory Balances**

Note 19 to the financial statements under other important disclosures is inventory balance of Kshs.1,702,961. However, the inventory balance has not been supported by inventory listing and stock taking sheets and reports that were used to count stock balances at the end of the year.

In the circumstances, the effectiveness of the safeguards on the inventory 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 as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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 7 (1) (a) of the Public Audit Act, 2015.

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

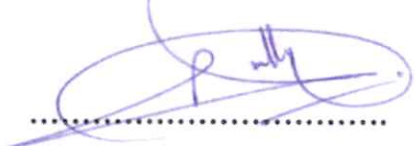
Nairobi

21 May, 2025

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

Description Of Vote Head	Note	2023-2024	2022-2023
		Kshs	Kshs
<b>Receipts</b>			
Government grants for tuition	1	3,288,501	3,368,289
Government grants for operations	2	15,945,117	7,937,613
Government Grants for infrastructure	3		3,296,000
School fund income- parents' contributions	4	57,462,017	100,729,738
Miscellaneous incomes	5	6,167,027	283,000
<b>Total Receipts</b>		<b>82,862,662</b>	<b>115,614,640</b>
<b>Payments</b>			
Tuition	6	2,791,197	3,368,062
Operations	7	12,183,922	8,675,463
Infrastructure	8	1,500,000	2,600,000
Boarding and school fund	9	64,894,212	98,205,945
<b>Total Payments</b>		<b>81,369,331</b>	<b>112,849,470</b>
<b>Surplus/Deficit</b>		<b>1,493,331</b>	<b>2,765,170</b>

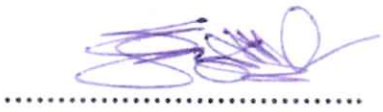
The school financial statements were approved on 20/8/ 2024 and signed by:



**Name: RASHID BAKULLY**

**Chair BOM**

**Date: 20/8/2024**



**Name: JOSEPH KAZUNGU**  
**School Principal/ Secretary to BOM**

**Date:** 



**Name: JAMES THOYA**

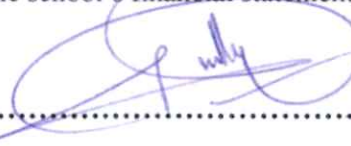
**Bursar/ Finance Officer**

**Date: 20/8/2024**

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

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash and cash equivalents</b>			
Bank balances	10	3,104,512	1,199,414
Cash balances	11	207,720	16,100
Short term investments	12	-	-
<b>Total cash and cash equivalent</b>		<b>3,312,232</b>	<b>1,215,514</b>
Account's receivables	13	28,684,352	27,114,264
<b>Total financial assets (a)</b>		<b>31,996,584</b>	<b>28,329,778</b>
<b>Financial liabilities</b>			
Accounts payables	14	(14,688,284)	(12,514,809)
<b>Total Financial Labilities (b)</b>		<b>(14,688,284)</b>	<b>(12,514,809)</b>
<b>Net financial assets (a-b)</b>		<b>17,308,300</b>	<b>15,814,969</b>
<b>Represented by</b>			
Accumulated fund b/fwd	15	15,814,969	13,049,799
<b>Surplus/deficit for the year</b>		<b>1,493,331</b>	<b>2,765,170</b>
<b>Net Assets</b>		<b>17,308,300</b>	<b>15,814,969</b>

The school's financial statements were approved on 20/8/2024 and signed by:



Name: RASHID BAKULLY

Chair BOM

Date: 20/8/2024



Name: JOSEPH KAZUNGU  
School Principal/ Secretary to  
BOM

Date:





Name: JAMES THOYA

Bursar/ Finance Officer

Date: 20/8/2024

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

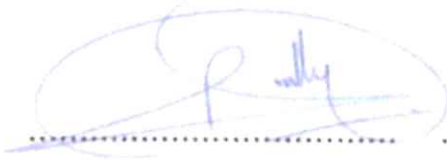
Description	Note	2023-2024	2022-2023
		Kshs	Kshs
<b>Cash from Operating Activities</b>			
<b>Receipts</b>			
Government grants for tuition		3,288,501	3,368,289
Government grants for operations		15,945,117	7,937,613
Government grants for infrastructure		-	3,296,000
School fund income- parents contributions/ fees		57,462,017	100,729,738
Other income		6,167,027	283,000
<b>Total receipts</b>		<b>82,862,662</b>	<b>115,614,640</b>
<b>Payments</b>			
Cash outflows for tuition		2,791,197	3,368,062
Cash outflows for operations		12,183,922	10,151,219
Cash outflows Boarding/lunch and school fund payments		64,894,212	98,990,659
<b>Total payments</b>		<b>(79,869,331)</b>	<b>(112,509,940)</b>
<b>Net cash inflow/outflow from operating activities</b>		<b>2,993,331</b>	<b>3,104,700</b>
<b>Adjustment</b>			
Decrease in Accounts receivables		(1,570,088)	
Increase in Accounts		2,173,475	
<b>Net cash inflow/outflow from operating activities</b>		<b>3,596,718</b>	
<b>Cash flow from investing activities</b>			
Acquisition of assets		(1,500,000)	(2,600,000)
Proceeds from sale of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
<b>Net cash inflow/outflows from investing activities</b>		<b>(1,500,000)</b>	<b>(2,600,000)</b>
<b>Cash flow from Financing activities</b>			
Proceeds from borrowings/ loans	18	-	-
Repayment of principal borrowings		-	-
<b>Net cash inflow/outflow from financing activities</b>		<b>(-)</b>	<b>(-)</b>
<b>Net increase/decrease in cash and cash equivalents</b>		<b>2,096,718</b>	<b>504,700</b>
Cash and cash equivalent at beginning of the FY		1,215,514	710,814
<b>Cash and cash equivalent at end of the FY</b>		<b>3,312,232</b>	<b>1,215,514</b>

**MALINDI 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 20/8/2024 2024 and signed by:



Name: RASHID BAKULLY

Chair BOM

Date: 20/8/2024



Name: JOSEPH KAZUNGU  
School Principal/ Secretary to  
BOM

Date:



Name: JAMES THOYA

Bursar/ Finance Officer

Date: 20/8/2024

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	B	c=a+b	D	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Receipts</b>					
<i>(1) Capitation Grant on Tuition</i>					
Reference Materials	-	-	-	-	0%
Exercise Books	-	-	-	-	0%
Laboratory Equipment	-	-	-	-	0%
Internal Exams	-	-	-	-	0%
Teaching / Learning Materials	5,279,456	-	5,279,456	3,288,501	62%
Exams And Assessment	-	-	-	-	-
<b>Sub-total</b>	<b>5,279,456</b>		<b>5,279,456</b>	<b>3,288,501</b>	<b>62%</b>
<i>(2) Capitation Grant on Operations</i>					
Personnel Emoluments	7,007,000	-	7,007,000	-	0%
Repairs And Maintenance	2,548,000	-	2,548,000	4,954,500	194%
Local Transport / Travelling	828,100	-	828,100	-	0%
Electricity And Water	6,242,600	-	6,242,600	-	0
Medical	-	-	-	351,725	0
Administration Costs	2,356,900	-	2,356,900	-	0
Activity	3,567,200	-	3,567,200	1,462,437	41%
Other voteheads BES	-	-	-	9,176,455	0
<b>Sub-total</b>	<b>22,549,800</b>		<b>22,549,800</b>	<b>15,945,117</b>	<b>71%</b>

**MALINDI 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 Comparable Basis	% Of Utilization
	a	B	c=a+b	D	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>3) FDSE for infrastructure</b>					
Maintenance & Improvement MoE	2,548,000	-	2,548,000	-	0
M&I parents' contribution	-	-	-	-	00
Economic Stimulus Programs	-	-	-	-	0
Transition Infrastructure Grants	-	-	-	-	0
<b>Sub total</b>	<b>2,548,000</b>	<b>-</b>	<b>2,548,000</b>	<b>-</b>	<b>0</b>
<b>(4) Fees Charged on Parents</b>					
Personnel Emoluments	7,007,000	-	7,007,000	6,364,897	91%
Repairs And Maintenance	2,548,000	-	2,548,000	2,208,605	87%
Local Transport / Travelling	828,100	-	828,100	758,768	92%
Electricity And Water	6,242,600	-	6,242,600	4,898,511	75%
Medical	-	-	-	-	0%
Administration Costs	2,356,900	-	2,356,900	1,717,085	73%
Activity	3,567,200	-	3,567,200	280,290	8%
Bus fund	6,051,500	-	6,051,500	4,233,780	70%
Fee On Boarding Equipment and Stores	32,340,490	-	32,340,490	31,065,759	96%
Other income B.O.M Teachers				5,934,322	0%
<b>Sub-total</b>	<b>60,941,790</b>		<b>60,941,790</b>	<b>57,462,017</b>	<b>94%</b>
<b>5) Miscellaneous Income</b>					
Loans / Borrowing	-	-	-	-	0%
damages	-	-	-	1,219,125	0
Income From Farming Activities	-	-	-	-	0

**MALINDI 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 Comparable Basis		% Of Utilization	
	a	Kshs	B	Kshs	c=a+b	Kshs	D	Kshs	e=d/c	%
Other income* personal income	-		-		-		745,112		0%	
Income From smasse	-		-		-		867,800		0	
Income From Bus Hire	-		-		-		55,000%		0	
Fee For Hire of Ground and Equipment	-		-		-		19,490		0	
Income from accomodation	-		-		-		3,209,500		0	
Income from sale of tender forms	-		-		-		51,000		0	
<b>Sub-total</b>										
<b>Total Income</b>	<b>91,319,046</b>				<b>91,319,046</b>		<b>6,167,027</b>		<b>0%</b>	
<b>(6) Expenditure For Tuition</b>							<b>82,862,662</b>		<b>91%</b>	
Textbooks	-		-		-		-		0	
Reference Materials	-		-		-		-		0	
Exercise Books	-		-		-		-		0	
Laboratory Equipment	-		-		-		-		0	
Internal Exams	-		-		-		-		0	
Teaching / Learning Materials	5,279,456		-		-		-		0	
Chalks	-		-		-		2,785,105		53%	
Exams And Assessment	-		-		-		-		0	
Teachers Guides	-		-		-		-		0	
Administration Costs	-		-		-		-		0	
Bank Charges	-		-		-		-		0	
<b>Sub-total</b>	<b>5,279,456</b>						<b>6,092</b>		<b>0</b>	
<b>(7) Expenditure For Operations</b>							<b>2,791,197</b>		<b>53%</b>	

**MALINDI 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 Comparable Basis	% Of Utilization
	a	B	c=a+b	D	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Personnel Emoluments	7,007,000	-	7,007,000	7,024,341	100%
Repairs, Maintenance & Improvements	2,548,000	-	2,548,000	684,930	27%
Local Transport / Travelling	828,100	-	828,100	482,200	58%
Electricity, Water and Conservancy	6,242,600	-	6,242,600	223,350	4%
Medical	-	-	-	97,700	0
Administration Costs	2,356,900	-	2,356,900	1,343,091	57%
Activity Expenses	3,567,200	-	3,567,200	2,328,310	65%
Gratuity	-	-	-	-	0
SMASSE	-	-	-	-	0
<b>Su- total</b>	<b>22,549,800</b>		<b>22,549,800</b>	<b>12,183,922</b>	<b>54%</b>
<b>(8) Expenditure For infrastructure</b>					
Construction of classrooms	-	-	-	-	0
Construction of LAB	-	-	-	-	0
Construction of DORMS	2,548,000	-	2,548,000	1,500,000	59%
Purchase of furniture	-	-	-	-	0
Purchase of equipment	-	-	-	-	0
<b>Sub-total</b>	<b>2,548,000</b>	<b>-</b>	<b>2,548,000</b>	<b>1,500,000</b>	<b>59%</b>
<b>(9) Expenditure For school fund/lunch/boarding</b>					
Personnel Emoluments	7,007,000	-	7,007,000	5,663,318	81%
Repairs, Maintenance and Improvements	2,548,000	-	2,548,000	1,464,689	58%

**MALINDI 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 Comparable Basis	% Of Utilization
	a Kshs	B Kshs	c=a+b Kshs	D Kshs	e=d/c % Kshs
Local Transport / Travelling	828,100	-	828,100	668,515	81%
Electricity, Water and Conservancy	6,242,600	-	6,242,600	2,159,430	35%
Medical Expenses	-	-	-	281,450	0
Administration Costs	2,356,900	-	2,356,900	3,828,687	162%
Activity	3,567,200	-	3,567,200	4,357,760	122%
Bus fund	6,051,500	-	6,051,500	1,034,475	17%
Fees on boarding Equipment and stores	32,340,490	-	32,340,490	38,086,011	118%
Expenses for smasse	-	-	-	449,809	0
Expenditure For Income Generating Activity	-	-	-	-	0
Insurance Costs	-	-	-	-	0
Expenses on accommodation	-	-	-	2,462,293	0
Personal items	-	-	-	250,000	0
Bank Charges	-	-	-	45,427	0
Others BOM Teachers	-	-	-	4,142,348	0
Loan Principal Repayment	-	-	-	-	0
<b>Sub-total</b>	<b>60,941,790</b>	<b>-</b>	<b>60,941,790</b>	<b>64,894,212</b>	<b>106%</b>
<b>Totals</b>	<b>91,319,046</b>	<b>-</b>	<b>91,319,046</b>	<b>81,369,331</b>	<b>89%</b>

- i. Vote heads: Administration, activity and boarding, equipment and stores on the payments are over 100% because of inflation of goods and services.
- ii. Vote heads teaching and learning materials, electricity and water, activity, administration costs and bus fund on the incomes are below 90% because funds were vired to where they were much needed.

## 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.

**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.

## 11. Notes To the Financial Statements

## 1 Government Grants for Tuition

Description	2023-2024	2022-2023
	Kshs	Kshs
Reference Materials	1,808,684	250,000
Exercise Books	-	300,000
Laboratory Equipment	-	1,000,000
Internal Exams	-	418,289
Teaching / Learning Materials	1,479,817	1,000,000
Others Exams and assessments	-	400,000
<b>Total</b>	<b>3,288,501</b>	<b>3,368,289</b>

## 2 Government Grants for Operations

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	-	4,496,089
Repairs And Maintenance	4,954,500	-
Local Transport / Travelling	-	454,315
Electricity And Water	-	1,252,341
Medical	351,725	108,500
Administration Costs	-	1,150,068
Activity	1,462,437	476,300
Other Vote Heads P.E	9,176,455	-
<b>Total</b>	<b>15,945,117</b>	<b>7,937,613</b>

## 3 Government Grants for infrastructure

Description	2023-2024	2022-2023
	Kshs	Kshs
Maintenance & Improvement	-	3,296,000
Transition infrastructure grants	-	-
Administration Block	-	-
Economic stimulus grants	-	-
Other (specify)(NGCDF and County govt.	-	-
<b>Total</b>	<b>-</b>	<b>3,296,000</b>

**MALINDI HIGH SCHOOL****Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024****4 School Fund Income - Parents Contribution/Fees**

<b>Description</b>	<b>2023-2024</b>	<b>2022-2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments	6,364,897	11,279,701
Repairs and maintenance	2,208,605	-
Local transport / travelling	758,768	1,216,544
Electricity and water	4,898,511	7,542,573
Medical	-	-
Administration costs	1,717,085	3,199,126
Activity	280,290	1,189,369
Fee on Boarding Equipment and stores	31,065,759	58,141,687
TIG	-	550,000
Bus fund	4,233,780	7,619,954
Others B.O.M Teachers	5,934,322	-
<b>Total</b>	<b>57,462,017</b>	<b>90,738,954</b>

**5 Miscellaneous Incomes**

<b>Description</b>	<b>2023-2024</b>	<b>2022-2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Damages	1,219,125	-
Income From Farming Activities	-	-
Insurance Compensation	-	-
Income From accommodation	3,209,500	-
Income From Bus Hire	55,000	283,000
Fee For Hire of Ground and Equipment	19,490	991,426
Income From smasse	867,800	-
Interest Income	-	-
Sale of tender forms	51,000	-
Loans/Borrowings*	-	-
Other Income personal items	745,112	-
<b>Total</b>	<b>6,167,027</b>	<b>1,274,426</b>

**MALINDI HIGH SCHOOL****Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024****6 Tuition**

<b>Description</b>	<b>2023-2024</b>	<b>2022-2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Exercise Books	-	-
Textbooks	-	250,000
Reference materials	18,320	330,000
Laboratory Equipment	1,576,285	1,000,000
Teaching / Learning Materials	1,072,500	1,000,000
Exams And Assessment	118,000	785,000
Teachers Guides	-	-
Bank Charges	6,092	2,862
Others ( <i>specify</i> )	-	-
<b>Total</b>	<b>2,791,197</b>	<b>3,368,062</b>

**7 Operations**

<b>Description</b>	<b>2023-2024</b>	<b>2022-2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel Emoluments	7,024,341	3,281,916
Service Gratuity	-	-
Administration Cost	1,343,091	1,817,378
Repairs And Maintenance & Improvements	684,930	-
Local Transport / Travelling	482,200	585,657
Electricity And Water	223,350	1,399,710
Medical	97,700	-
Activity Expenses	2,328,310	1,585,860
Insurance Cost	-	-
Others ( <i>specify</i> )	-	4,942
<b>Total</b>	<b>12,183,922</b>	<b>8,675,463</b>

**MALINDI HIGH SCHOOL****Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024****8 Infrastructure**

Description	2023-2024	2022-2023
	Kshs	Kshs
Construction of classrooms	-	-
Construction of laboratory	-	-
Construction of dormitory	1,500,000	2,600,000
Purchase of furniture	-	-
Purchase of equipment	-	-
Purchase of apparatus	-	-
Drilling of boreholes	-	-
Others (specify)	-	-
<b>Total</b>	<b>1,500,000</b>	<b>2,600,000</b>

**9 Boarding And School Fund**

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	5,663,318	9,949,803
Service Gratuity	-	-
Repairs And Maintenance & Improvements	1,464,689	-
Local Transport / Travelling	668,515	2,416,970
Electricity And Water	2,159,430	4,138,260
Medical Expenses	281,450	85,495
Administration Costs	3,828,687	4,303,336
Activity	4,357,760	4,040,183
Bank Charges	45,427	124,941
Expenses On accommodation	2,462,293	283,000
Fee On Boarding Equipment and Stores	38,086,011	61,097,817
Expenses for smasse	449,809	-
Insurance Cost ( <i>Life Property</i> )	-	-
Loan Principal Repayment	-	-
Personal items	250,000	-
Acquisition Of Assets	-	-
Bus expenses	1,034,475	4,444,485
Others BOM Teachers	4,142,348	5,021,655
<b>Total</b>	<b>64,894,212</b>	<b>98,205,945</b>

**MALINDI HIGH SCHOOL****Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024****10 Bank Accounts**

Account Name & Currency	Status	Bank Account Number	2023-2024	2022-2023
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	1104230593	499,415	2,111
Operations Account	Active	1104241692	3,346,427	4,241
School Fund Account/Boarding	Active	1107991013	(1,544,368)	377,776
Savings Account	Dormant	1168963338	0	0
Parent Association Development Account	Dormant	1103078364	0	0
Income Generating Activities Account	Dormant	1103104187	0	0
Infrastructural Account	Active	1211503313	803,038	815,286
<b>Total</b>			<b>3,104,512</b>	<b>1,199,414</b>

**11 Cash In Hand**

Description	2023-2024	2022-2023
	Kshs	Kshs
Notes and Coins	207,720	16,100
<b>Total</b>	<b>207,720</b>	<b>16,100</b>

**12 Short Term Investments**

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

**MALINDI HIGH SCHOOL****Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024****13 Accounts Receivable**

Description	2023-2024	2022-2023
	Kshs	Kshs
Fees Arrears	28,684,352	23,701,404
<b>Other Non-Fees Receivables</b>		
Salary Advances (list/schedule attached)	-	-
Imprest (list/schedule attached)	-	-
Rent arrears (list/schedule attached)	-	-
<b>Total</b>	<b>28,684,352</b>	<b>23,701,404</b>

**13 b) Ageing Analysis of Accounts Receivable**

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	2023-2024	% of the total	2022-2023	% of the total
Less than 1 year	19,055,809	66%	15,342,822	65%
Between 1- 2 years	2,054,553	7%	5,235,621	22%
Between 2-3 years	3,935,621	14%	3,122,961	13%
Over 3 years	3,638,369	13%	-	-
<b>Total (should tie to note 13 a)</b>	<b>28,684,352</b>	<b>100%</b>	<b>23,701,404</b>	<b>100%</b>

**14 Accounts Payable**

Description	2023-2024	2022-2023
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	12,269,359	11,879,510
Prepaid Fees	2,418,925	635,299
Retention Monies	-	-
Unpaid salaries and statutory deductions	-	-
Caution money	-	-
Other payables ( <i>specify</i> )	-	-
<b>Total</b>	<b>14,688,284</b>	<b>12,514,809</b>

## 14a. Ageing Analysis of Accounts Payable

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	2023-2024	% of the total	2022-2023	% of the total
Less than 1 year	10,951,940	89%	9,539,210	80%
Between 1- 2 years	1,317,419	11%	2,340,300	20%
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
<b>Total (should tie to note 14)</b>	<b>12,269,359</b>	<b>100%</b>	<b>11,879,510</b>	<b>100%</b>

## 15 Fund Balance Brought Forward

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank Balances	1,199,414	696,380
Cash Balances	16,100	14,434
Short Term Investments	-	-
Receivables	27,114,264	23,464,461
Payables	(12,514,809)	(9,423,317)
<b>Total</b>	<b>15,814,969</b>	<b>14,751,958</b>

**MALINDI 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**

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

**17 Biological assets**

Description	Numbers	2023-2024	2022-2023
		Kshs	Kshs
Cattle	25	0	16
Goats	72	0	81
Trees	46	0	64
Coffee Or Tea Plantation			0
Poultry			0
Others (specify)			0
<b>Total</b>	<b>143</b>	<b>0</b>	<b>161</b>

**18 Borrowings**

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

**Other important disclosure notes**

**19 Stock/ Inventory**

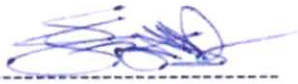
Description	2023-2024	2022-2023
	Kshs	Kshs
Food stuffs	1,450,540	1,256,230
Lab consumables	252,421	435,620
Farm produce	-	-
Medication	-	-
Construction Materials	-	-
Others (specify)	-	-
	<b>1,702,961</b>	<b>1,691,850</b>

*(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)*

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

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

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	<b>Unsupported payment vouchers</b>	-Unsupported payment vouchers can lead to fraudulent expenditure -increased risk of adverse audit findings and potential penalties from regulatory bodies.	<b>Resolved</b>	
2.	<b>Inaccuracies on presentation and disclosure of the financial statement</b>	Financial mismanagement.	<b>Resolved</b>	
3.	<b>Procurement of goods and services and unsupported expenditure</b>	-without proper documentation and procurement processes, there is possibility of misappropriation of funds. -unauthorised transactions and fraudulent activities can go unnoticed, allowing fraudsters to misappropriate funds without detection.	<b>Resolved</b>	

  
 -----  
 Sign and Date  
 Principal



**MALINDI HIGH SCHOOL,**  
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 A Kshs	Date Contracted b Kshs	Amount Paid To- Date C Kshs	Outstanding Balance 2023-2024 d-a-c Kshs	Outstanding Balance 2022-2023 Kshs	Comments
<b>Construction Of Buildings</b>						
<b>Supply Of Goods</b>						
1. Abdi Mohamed	2,054,395	1/7/2023	1,628,395	426,000		
2. Home healthy services	35,570	1/7/2023	18,320	17,250		
3. Gerald k munugu	2,597,500	1/7/2023	926,745	1,670,755		
4. Mulli-mikel products	437,670	1/7/2023	254,000	183,670		
5. Ziya investment	702,500	1/7/2023	600,000	102,500		
6. Myksoms investmet	1,445,350	1/7/2023	700,000	745,350		
7. Malindi meat	3,927,500	1/7/2023	1,959,350	1,968,150		
8. Shary services	10,017,391	1/7/2023	4,858,712	5,158,679		
1. Nuri mwanjungu ndaro	296,000	1/7/2023	200,000	96,000		
2. Mediscope	1,561,385	1/7/2023	1,200,000	361,385		
3. Timers	582,000	1/7/2023	430,000	152,000		
4. Burhany pharmacy	348,426	1/7/2023	271,941	76,485		
5. Abe limited	180,000	1/7/2023	100,000	80,000		
6. Telmnet enterprises	549,625	1/7/2023	540,000	9,625		

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

<b>Supplier Of Goods or Services</b>	<b>Original Amount</b>	<b>Date Contracted</b>	<b>Amount Paid To-Date</b>	<b>Outstanding Balance 2023-2024</b>	<b>Outstanding Balance 2022-2023</b>	<b>Comments</b>
7. Kapatsa enterprises	2,453,095	1/7/2023	2,087,585	3,65,510		
<b>Sub-Total</b>	<b>27,188,407</b>		<b>15,775,048</b>	<b>10,873,359</b>		
<b>Supply Of Services</b>						
8. Grand lab digital fixers	1,100,555	1/7/2023	864,555	236,000		
9. Catch security	1,232,000	1/7/2023	672,000	560,000		
10. Kimwa safety solution	220,000	1/7/2023	160,000	60,000		
<b>Sub-Total</b>	<b>2,552,555</b>		<b>1,696,555</b>	<b>1,396,000</b>		
<b>Grand Total</b>	<b>29,740,962</b>		<b>17,471,603</b>	<b>12,269,359</b>		

**MALINDI HIGH SCHOOL****Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024****Annex 2 – Summary of Fixed Assets Register**

<b>Asset Class</b>	<b>Historical Cost b/f (Kshs) 1<sup>st</sup> July 2023</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost c/f (Kshs) 30<sup>th</sup> June 2024</b>
Land	228,000,000			228,000,000
Buildings And Structures	78,300,000			78,300,000
Motor Vehicles	9,330,000			9,330,000
Office Equipment, Furniture and Fittings	5,430,200			5,430,200
Textbooks	2,321,450			2,321,450
ICT Equipment	1,530,000			1,530,000
Tools And Apparatus	230,000			230,000
Other Machinery and Equipment	1,220,000			1,220,000
Heritage And Cultural Assets	-			-
Intangible Assets- Soft Ware	215,000			215,000
<b>Total</b>	<b>326,576,650</b>			<b>326,576,650</b>

