

REPUBLIC OF KENYA



*Enhancing Accountability*

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 20 FEB 2023 DAY: Thursday

**REPORT**

TABLED  
BY:

Hon. Naomi Nago  
Deputy Majority Whip

CLERK-AT  
THE-TABLE:

Inaifu Mwale

**OF**

**THE AUDITOR-GENERAL**

**ON**

**LAMU BOYS SECONDARY SCHOOL**

**FOR THE YEAR ENDED**

**30 JUNE, 2023**

**LAMU COUNTY**

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LAMU BOYS SECONDARY SCHOOL

P.O. BOX 16 - 80500 LAMU.

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**ANNUAL REPORT & FINANCIAL  
STATEMENTS FOR THE YEAR ENDED  
30<sup>TH</sup> JUNE 2023.**

**TUITION OPERATIONS AND MAIN ACCOUNTS**

**09<sup>TH</sup> JULY 2024  
MINISTRY OF EDUCATION  
STATE DEPARTMENT FOR BASIC EDUCATION  
LAMU COUNTY**

*Revised 30<sup>th</sup> June 2023.*



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**LAMU BOYS SECONDARY SCHOOL**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>TH</sup> JUNE 2023**

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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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<b>Table of Contents</b>	<b>Page</b>
1. Acronyms and Glossary of Terms .....	ii
2. Key School Information and Management .....	iii
3. Summary Report of Performance of The School.....	vii
4. Statement of School Management Responsibility .....	xii
5. Report Of The Independent Auditors ( <i>To be attached</i> ) .....	xiii
6. Statement Of Receipts and Payments For the Year Ended 30 <sup>th</sup> June 2023.....	1
7. Statement of Assets and Liabilities As At 30 <sup>th</sup> June 2023 .....	2
8. Statement of Cash Flows for the Year Ended 30 <sup>th</sup> June 2023 .....	3
9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30 <sup>th</sup> June 2023.....	5
10. Significant Accounting Policies.....	11
11. Notes To The Financial Statements .....	13
12. Annexes .....	25

**1. Acronyms and Glossary of Terms**

*Provide a list of all applicable acronyms and glossary of terms e.g.*

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	

**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 Central Sub-County**.

The school was registered in February 2021 under registration number **05830000201** and is currently categorized as a Extra County (*National, Extra County, County and Sub County*) public school established, owned or operated by the Government.

The school is a boarding school and had **244** number of students as at 30<sup>th</sup> June 2023. It has **2** streams and **19** teachers of which **3** 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:

<b>Ref:</b>	<b>Name of Board Member</b>	<b>Designation</b>	<b>Date of appointment</b>
1	Raya Famau	Chairman	15.09.2022
2	Timothy Malili	Secretary - Principal	15.09.2022
3	Saida Abdalla Bunu	Member	15.09.2022
4	Khadija Mohamed Ahmed	Member	15.09.2022
5	Nuri Mbwana Gakweli	Member	15.09.2022
6	Hussein Ronald Osore	Member	15.09.2022
7	Mbarak Mohamed	Member	15.09.2022
8	Abdalla A,Barghash	Member – Rep CEB	15.09.2022
9	Joshua Ooko Were	Member Rep Teachers	15.09.2022
10	James Kariuki	3 Members – Sponsor	15.09.2022
	Feiswal Mukimina		15.09.2022
	Mohamed Kubwa		15.09.2022
11	Ahmed M, Hamza	Member - Community	15.09.2022
12	Ahmed M.Omar	Member Special Needs	15.09.2022
13	Jackim Opiyo	Rep Students	15.09.2022

**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, 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.Raya Famau 2.Timothy Malili 3.Saida A.Bunu 4.Mohamed Kubwa 5.Ahmed M.Omar	<b>Chairperson</b> <b>Secretary</b> <b>Member</b> <b>Member</b> <b>Member</b>	2 out of 2 2 out of 2 1 out of 2 2 out of 2 1 out of 2
2	Audit Committee	1.Mbarak Mohamed 2.Timothy Malili 3.Ahmed m. Hamza 4.Hussein R.Osore 5.Said Abdalla Bunu	Chairperson Secretary Member Member Member	0 out of 0 0 out of 0 0 out of 0 0 out of 0 0 out of 0
3	Finance,procurement and general purposes Committee	1.James Kariuki 2.Timothy Malili 3.Mohamed Kubwa 4.Mbarak Mohamed 5.Husna Mohamed	Chairperson Secretary Member Member Member	1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1
4	Academic Committee	1.Abdalla A.Bargash 2.Timothy Malili 3.Mbarak Mohmaed 4.Joshua ooko Were 5.Hussein R. Osore	Chairperson Secretary Member Member Member	0 out of 0 0 out of 0 0 out of 0 0 out of 0 0 out of 0
5	Development Committee	1.Khadija Mohamed 2.Timothy Malili 3.Raya Famau 4.Saida A. Bunu	Chairperson Secretary Member Member	2out of 2 2 out of 2 2out of 2 2 out of 2

**LAMU BOYS SECONDARY SCHOOL****Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

		5.Geofrey Maloba	Member	2 out of 2
6	Discipline and welfare Committee	1.Feiswal Mkimina 2.Timothy Malili 3.Ahmed M.Hamza 4.Hussein R.Osore 5.Said Abdalla Bunu	Chairperson Secretary Member Member Member	0 out of 0 0 out of 0 0 out of 0 0 out of 0 0 out of 0
7	Human rightsand students welfare	1.Ahmed M.Omar 2.Nuri M. Gakweli 3.Ahmed M.Hamza 4.Abdalla A. Bargash 5.Timothy Malili	Chairperson Member Member Member Secretary	0 out of 0 0 out of 0 0 out of 0 0 out of 0 0 out of 0
8	Adhoc Committee (if any during the year)			

**(d) School operation Management**

For the financial year ended 30<sup>th</sup> June 2023 the School day-to-day management was under the following persons:

Ref:	Designation	Name	Identification
1	Principal	Timothy Malili	TSC No.352683
2	Deputy Principal	Bonface Isaboke Osoro	TSC No.492719
3	School Bursar	Kadede Chigulu Chiro	ICPAK No. n/a
4	Other (specify)		

**(e) Schools contacts**

Post Office Box: 16-80500  
Telephone: 0743-954321  
E-mail: lamuboy@yahoo.com  
Website: n/a  
Facebook:  
Twitter:

**(f) School Bankers**

Name of Bank: KCB BANK (K) LTD  
Branch LAMU  
Postal Address.: 121-80500

Name of Bank: GULF AFRICAN BANK  
Branch LAMU  
Postal Address.: 191-80500

**(g) Independent Auditors**

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

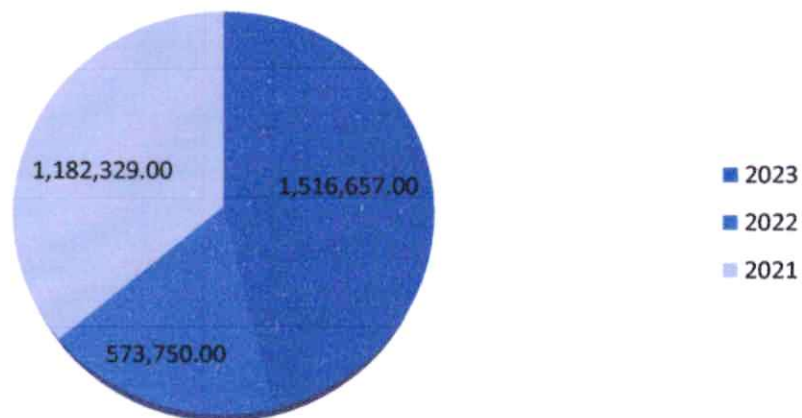
**3. Summary Report of Performance of The School**

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

**a) Financial performance:**

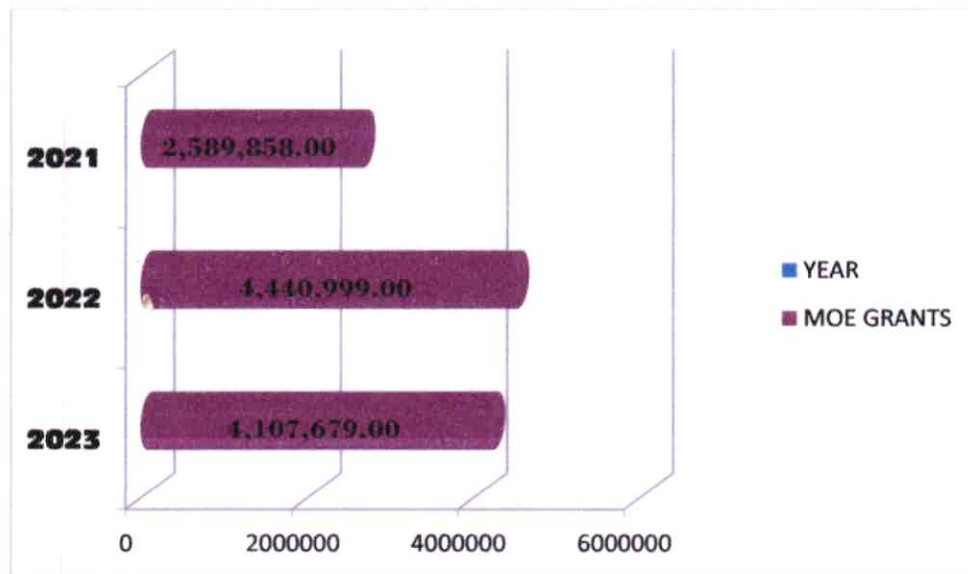
*Surplus/ deficit for the year and a comparison of the same for the last three years*

<i>YEAR</i>	<i>2023</i>	<i>2022</i>	<i>2021</i>
<i>SURPLUS/DEFICIT</i>	1,516,657.00	573,750.00	1,182,329.00

**SURPLUS/DEFICIT**

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

<i>YEAR</i>	<i>2023</i>	<i>2022</i>	<i>2021</i>
<i>MOE GRANTS</i>	4,107,679.00	4,440,999.00	2,589,858.00

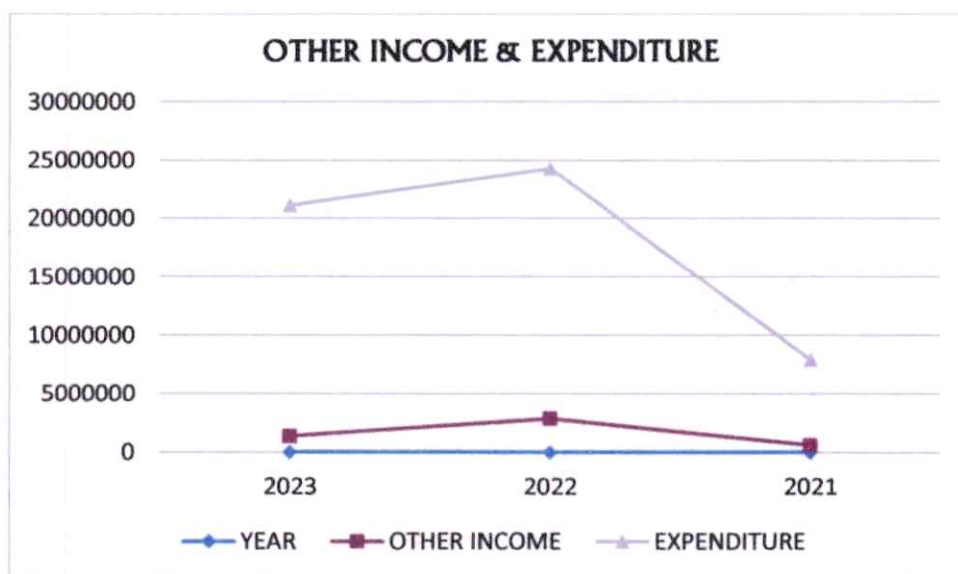


*A three-year overview of growth of other income(s) earned by the school.*

<b>YEAR</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>OTHER INCOME</b>	1,385,465.00	2,876,071.00	625,409.00

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

<b>YEAR</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>EXPENDITURE</b>	19,708,934.00	21,412,566.00	7,285,663.00



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

<b>YEAR</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
DEBTORS	28,247,823.00	26,651,599.00	23,854,902.00
CREDITORS	3,329,785.00	2,514,977.00	1,656,671.00

*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 period as well as number of teachers employed by TSC, and number employed by BOM. One may also include how many teachers the school has for each subject in order to indicate shortage/ allocation of resources).*

**Teacher Student ratio:**

**RATIO OF TEACHER TO STUDENT**      1:14

*Number of teachers recruited and posted to the school within the year,*

<b>2023</b>	<b>Recruited</b>	<b>Posted</b>
<i>Number of Teachers</i>	0	0

<b>2023</b>	<b>Transferred</b>	<b>Retired</b>	<b>Employed by TSC</b>	<b>Employed by BOM</b>
<i>No.of Teachers</i>	None	None	0	1

**No.of Teachers per subject.**

<b>Subje</b>	<b>Mat</b>	<b>Engl</b>	<b>Kis</b>	<b>Che</b>	<b>P</b>	<b>Bi</b>	<b>Hi</b>	<b>Ge</b>	<b>Ag</b>	<b>Busin</b>	<b>Co</b>	<b>IR</b>	<b>CR</b>	<b>Ara</b>
<b>ct</b>	<b>hs</b>	<b>ish</b>	<b>w</b>	<b>m</b>	<b>hy</b>	<b>o</b>	<b>st</b>	<b>o</b>	<b>ri</b>	<b>ess</b>	<b>mp</b>	<b>E</b>	<b>E</b>	<b>bic</b>
<i>No.of teachers</i>	4	4	3	3	3	3	1	3	1	2	1	4	1	1

c) Mean score in the 2023 KCSE: **3.639 D+**

d) Give performance of the school for each over the last three years.

Grades/ Year	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E	X	TOTAL
2022	0	0	0	0	1	0	4	10	17	17	9	3	0	61
2021	0	0	0	0	2	2	7	6	8	7	4	1	0	37
2020	0	0	0	2	1	1	8	14	12	10	5	0	1	54

Include the number of students that have since transitioned to institutions of higher learning.

YEARS	TRANSITION TO HIGHER LEARNING	MEAN SCORE	SCHOOL TARGET	VARIATIONS	COMMENTS
2022	15	3.6393	5.5	-1.87	Drop in performance compared to 2021
2021	17	4.432	5.5	-1.07	There is a drop in performance
2020	26	4.5094	5.5	-0.991	improvement in performance 2019

Include the mean score and comment on improvement or otherwise as compared to the school's set score.

e) Number of Candidates in the 2023 KCSE:

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

YEAR	2022	2021	2020
NUMBER OF CANDIDATES	61	37	54

**LAMU BOYS SECONDARY SCHOOL**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

**f) Capacity of the school:**

NUMBER OF STUDENTS: 268

**FACILITIES:**

DORM	D/HAL L	LAB	LIBR ARY	CLA SSRO OMS	TOI LET S	WEL LS	W/TAN KS	ADMIN BLOCK &S/RO OM	FOOTB ALL PITCH	BASKE TBALL GROU ND
4	1	2	1	12	34	4	3	1	1	1

**g) 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
Renovation of Kitchen & Dinning Hall	M&I-MOE	Completed	513,775.25	513,775.25	



**PRINCIPAL**  
LAMU BOYS SEC. SCHOOL  
P.O. BOX 16-80500, LAMU  
Date:.....Sign:.....

School Principal

15/7/2024

**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 be keep all proper books and records of accounts of the income, expenditure and assets of the institution.

The Board of Management of *Lamu Boys Secondary 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, 2023**, and of the school's financial position as at that date.




.....  
**Name:** RAYA FAMAU AHMED  
**Designation:** Chairman, School Board of Management  
**Date:** 10/7/2024



.....  
**Name:** NJUGUNA P. Mwangi  
**Designation:** School Principal & Secretary to Board of Management  
**Date:** 10/7/2024

**PRINCIPAL**  
LAMU BOYS SEC. SCHOOL  
P.O. BOX 16-80500, LAMU

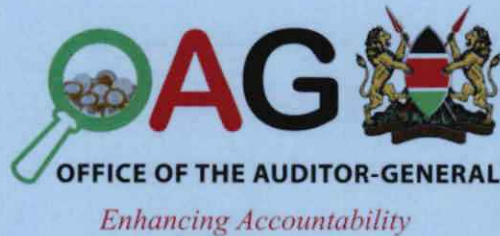


.....  
**Name:** KADEDE CHIGUWU  
**Designation:** Bursar/ Finance Officer  
**Date:** 10/7/2024



# REPUBLIC OF KENYA

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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 LAMU BOYS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 - 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 the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, 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 Lamu Boys Secondary School - Lamu County set out at pages 1 to 24 which comprise of the statement of financial assets and financial liabilities as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the year

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*Report of the Auditor-General on Lamu Boys Secondary School for the year ended 30 June, 2023 - Lamu County*

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Lamu Boys Secondary School - Lamu County as at 30 June, 2023, 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 Accounts Receivables**

#### **1.1 Unsupported Accounts Receivables**

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.28,249,292 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. Further, significant accounting policies on accounts receivables as disclosed in Note 13 is silent on the treatment of the students' fees balances which is the major source of income for the School.

#### **1.2 Long Outstanding Accounts Receivables**

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs. 28,249,292. Included in this balance is an amount of Kshs.28,247,823 in respect of fees arrears as disclosed in Note 13(b) to the financial statements. The fees arrears included a balance of Kshs.21,282,347 which had been outstanding for more than three (3) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.28,249,292 could not be confirmed.

### **2.0 Variances in the Financial Statements**

The statement of receipts and payments reflects total receipts amounting to Kshs.21,225,591 while the statement of budgeted versus actual amounts, reflect actual receipts amounting to Kshs.16,717,246 resulting into a variance of Kshs.4,508,345. Similarly, the statement of receipts and payments reflects total payments amounting to

Kshs.19,708,934 while the statement of budgeted versus actual reflects actual expenditure amounting to Kshs.18,726,804 resulting into variance of Kshs.982,130.

In the circumstances, the accuracy of the financial statement could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Lamu 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.19,909,960 and Kshs.16,717,245 respectively, resulting to an under-funding of Kshs.3,192,715 or 16.03% of the budget. However, the School spent a balance of Kshs.18,726,804 against actual receipts of Kshs.16,717,245 resulting to an over expenditure of Kshs.2,009,559 or 12% of actual receipts.

The under-funding 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 judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

### **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. However, Management had not resolved the issues as at 30 June,2023.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

### **Conclusion**

As required by Article 229(6) of the Constitution and based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness

and Effectiveness in use of Public Resources section of my report I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

## **Basis for Conclusion**

### **1. Long Outstanding Payables**

The statement of financial assets and financial liabilities and as disclosed in Note 14 to the financial statements reflects payables balance of Kshs.7,072,439. However, included in the balance are trade payables balance of Kshs.158,539 which had been outstanding for more than three (3) years. This was contrary to Section 53(8) of the Public Procurement and Asset Disposal Act, 2015 which states that 'an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contract (s) are reflected in approved budget estimates'.

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

### **2. 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 the law.

### **3. Lack of a Procurement Plan**

The statement of receipts and payments reflects an amount of Kshs.21,225,591 and Kshs.19,708,934 in respect of total receipts and payments respectively. However, during the year Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that 'a procuring entity prepare a procurement plan for each financial year as part of the annual budget preparation process'.

In the circumstances, Management was in breach of the law

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

During the year under review, Management submitted the financial statements to the Auditor-General on 15 February, 2024 instead of the statutory deadline of

30 September, 2023. This was contrary to the Ministry of Education circular Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the School's financial statements should be ready by 30 September, 2023 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements 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 governance were not effective.

### Basis for Conclusion

#### 1. Lack of Internal Audit Function and an Independent Audit Committee

During the year under review, the School had not constituted a proper audit committee and an internal audit unit as required by Regulation 166 (1) and (2) of the Public Finance Management (National Government), Regulation 2015 which require the internal audit unit of a National Government entity to assess effectiveness of the School through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury

In the circumstances, the School did not benefit from the oversight role and advice from the audit committee and the internal audit function.

#### 2. Failure by Board of Management to Comply with the Law

Review of the Board of Management activities established that the board met only twice during the year contrary to Section 3 of the first schedule of Basic Education Act, 2013 which requires the Board to meet at least thrice per year. Further, the minutes of the Board meetings were not signed by both the Secretary and Chairman and the board did not maintain an attendance register.

Under the circumstances, the Board may not have provided adequate oversight to the School.

Further, the Board was appointed on 16 September, 2022 and inaugural meeting held on 17 October, 2022 one month later contrary to Regulation Number 10 of Basic Education Regulation, 2015 which states that a newly appointed Board of Management shall hold its inaugural meeting, convened and chaired by the Secretary to County Education Board within two (2) weeks after appointment.

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 processes and systems of internal controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of Management and those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a

basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the school's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the school to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

23 September, 2024

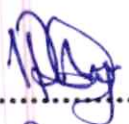
**LAMU BOYS SECONDARY SCHOOL**


**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

**6. Statement Of Receipts and Payments For the Year Ended 30<sup>th</sup> June 2023**


Description Of Vote Head	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Receipts</b>			
Government grants for tuition	1	764,053.00	834,116.00
Government grants for operations	2	3,343,626.00	3,606,883.00
Government Grants for infrastructure	3	-	-
School fund income- parents' contributions	4	15,732,447.00	14,669,247.00
Miscellaneous incomes	5	1,385,465.00	2,876,071.00
<b>Total Receipts</b>		<b>21,225,591.00</b>	<b>21,986,317.00</b>
<b>Payments</b>			
Tuition	6	1,076,593.00	1,043,293.00
Operations	7	1,905,510.00	1,870,563.00
Infrastructure	8	576,732.00	2,317,870.00
Boarding and school fund	9	16,150,099.00	16,180,841.00
<b>Total Payments</b>		<b>19,708,934.00</b>	<b>21,412,567.00</b>
<b>Surplus/Deficit</b>		<b>1,516,657.00</b>	<b>573,750.00</b>

The school financial statements were approved on \_\_\_\_\_ 2023 and signed by:

  
.....  
Name: **RAYA FAMA**  
Chair BOM  
Date: **10/7/2024**

  
.....  
Name: **SCHOOL PRINCIPAL/ SECRETARY TO BOM**  
Date: **10/7/2024**

**PRINCIPAL**  
L.A.M.U. BOYS SEC. SCHOOL  
P.O. BOX 16-30500, LAMU  
Date: \_\_\_\_\_ Sign: \_\_\_\_\_

  
.....  
Name: **KADIBE ATIGU**  
Bursar/ Finance Officer  
Date: **10/7/2024**

*(Comparative FY refers to the financial year preceding the current financial year.)*

**LAMU BOYS SECONDARY SCHOOL****Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023****7. Statement of Assets and Liabilities As At 30<sup>th</sup> June 2023**

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash and cash equivalents</b>			
Bank balances	10	1,004,230.00	286,624.00
Cash balances	11	19,714.00	178,853.00
Short term investments	12	-	-
<b>Total cash and cash equivalent</b>		<b>1,023,944.00</b>	<b>465,477.00</b>
Account's receivables	13	28,249,292.00	26,668,061.00
<b>Total financial assets</b>		<b>29,273,236.00</b>	<b>27,133,538.00</b>
<b>Financial liabilities</b>		(7,072,439.00)	(6,449,398.00)
<b>Net financial assets</b>		<b>22,200,797.00</b>	<b>20,684,140.00</b>
<b>Represented by</b>			
Accumulated fund b/fwd	15	20,684,140.00	20,110,390.00
Surplus/deficit for the year		1,516,657.00	573,750.00
<b>Net financial position</b>		<b>22,200,797.00</b>	<b>20,684,140.00</b>

The school's financial statements were approved on \_\_\_\_\_ 2023 and signed by:

.....  


Name: **RAYA FAMA**

Chair BOM

Date: **10/7/2024**

.....  


Name: \_\_\_\_\_  
 School Principal/ Secretary to  
 BOM

Date: **15/7/2024**

.....  


Name: **KADDE CIKWA**

Bursar/ Finance Officer

Date: **10/7/2024**

(Comparative FY refers to the financial year preceding the current Financial year.)

**8. Statement of Cash Flows for the Year Ended 30<sup>th</sup> June 2023**

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Cash from Operating Activities</b>			
Government grants for tuition		764,053.00	834,116.00
Government grants for operations		3,343,626.00	3,606,883.00
Government grants for infrastructure		-	-
School fund income- parents contributions/ fees		15,732,447.00	14,669,247.00
Other income		1,385,465.00	2,876,071.00
<b>Total receipts</b>		<b>21,225,591.00</b>	<b>21,986,317.00</b>
<b>Payments</b>			
Cash outflows for tuition		1,076,593.00	1,043,293.00
Cash outflows for operations		1,905,510.00	1,870,563.00
Cash out flows for Infrastructure		576,732.00	2,317,870.00
Cash outflows Boarding/lunch and school fund payments		16,150,099.00	16,180,841.00
<b>Total payments</b>		<b>19,708,934.00</b>	<b>21,412,567.00</b>
Adjustments:			
Increase/Decrease Accounts Receivables		-	2,813,159.00
Increase/Decrease Accounts Payables		-	(1,522,359.00)
		-	<b>1,290,800.00</b>
<b>Cash flow from investing activities</b>			
Acquisition of assets		(958,190.00)	(2,581,600.00)
Proceeds from sale of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
<b>Net cash inflow/outflows from investing activities</b>		<b>(958,190.00)</b>	<b>(2,581,600.00)</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>558,467.00</b>	<b>(717,050.00 )</b>
<b>Cash and cash equivalent at beginning of the FY</b>		<b>465,477.00</b>	<b>1,182,527.00</b>
<b>Cash and cash equivalent at end of the FY</b>		<b>1,023,944.00</b>	<b>465,477.00</b>

**LAMU BOYS SECONDARY SCHOOL**



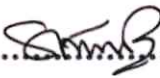

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

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

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

The school's financial statements were approved on \_\_\_\_\_ 2023 and signed by:

		
.....	.....	.....
<b>Name:</b> RAYA FANA	<b>Name:</b>  TUNA P. MATAKI	<b>Name:</b> KADEDE CHIGUL
<b>Chair BOM</b>	<b>School Principal/ Secretary to BOM</b>	<b>Bursar/ Finance Officer</b>
<b>Date:</b> 10/7/2024	<b>Date:</b> 15/7/2024	<b>Date:</b> 10/7/2024

(Comparative FY refers to the financial year preceding the current Financial year.)

**LAMU BOYS SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30<sup>th</sup> June 2023**

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>					
<b>(1) Capitation Grant on Tuition</b>					
Reference Materials	-	-	-	-	0%
Exercise Books	-	-	-	-	0%
Laboratory Equipment	-	-	-	-	0%
Internal Exams	-	-	-	-	0%
Teaching / Learning Materials	1,408,960.00	-	1,408,960.00	764,053.00	54.2%
Exams And Assessment	-	-	-	-	0.0%
<b>(2) Capitation Grant on Operations</b>					
Personnel Emoluments	1,219,240.00	-	1,219,240.00	1,072,110.30	87.93%
Repairs And Maintenance	-	-	-	-	0.00
Local Transport / Travelling	552,840.00	-	552,840.00	264,007.20	47.75%
Electricity And Water	949,960.00	-	949,960.00	453,646.50	47.75%
Medical	221,000.00	-	221,000.00	55,000.00	24.89%
Administration Costs	473,960.00	-	473,960.00	226,336.60	47.75%
Activity	272,000.00	-	272,000.00	154,525.00	56.81%
Gratuity	-	-	-	-	
	-	-	-	-	

**LAMU BOYS SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023

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	1,700,000.00	-	1,700,000.00	1,118,000.00	65.76%
M&I parents' contribution	-	-	-	-	0.00%
Economic Stimulus Programs	-	-	-	-	0.00%
Transition Infrastructure Grants	-	-	-	-	0.00%
Administration Block	-	-	-	-	0.00%
<b>(4) Fees Charged on Parents</b>					
Personnel Emoluments	1,570,800.00	90,000.00	1,660,800.00	1,415,710.00	85.24%
Repairs And Maintenance	680,000.00	-	680,000.00	561,980.00	82.64%
Local Transport / Travelling	275,400.00	30,000.00	305,400.00	220,760.00	72.29%
Electricity And Water	1,230,800.00	90,000.00	1,320,800.00	1,102,870.00	83.50%
Medical	-	-	-	-	0.00%
Administration Costs	890,800.00	75,000.00	965,800.00	746,925.00	77.34%
Activity	170,000.00	-75,000.00	95,000.00	100,010.00	105.27%
SMASSE	-	-	-	-	0.00%
Fee On Boarding Equipment and Stores	7,082,200.00	1,002,000.00	8,084,200.00	6,973,797.00	86.26%
Bom Teacher Salary	1,700,000.00	-1,700,000.00	-	286,660.00	0.00%
<b>5) Miscellenous Income</b>					
Loans / Borrowing	-	-	-	-	0.00%
Rent income	-	-	-	-	0.00%
Income From Farming Activities	-	-	-	5,920.00	0.00%
Penalties & Repayments				121,315.00	0.00%

**LAMU BOYS SECONDARY SCHOOL**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

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
Uniforms							786,520.00		0.00%	
Kcse Private Candidates							256,100.00		0.00%	
Tender							31,000.00		0.00%	
Insurance Compensation	-		-		-		-		0.00%	
Income From Posho Mill	-		-		-		-		0.00%	
Income From Bus Hire	-		-		-		-		0.00%	
Fee For Hire of Ground and Equipment	-		-		-		-		0.00%	
Interest Income	-		-		-		-		0.00%	
Income From Any Other Investment	-		-		-		-		0.00%	
<b>Total Income</b>	<b>20,397,960.00</b>		<b>- 488,000.00</b>		<b>19,909,960.00</b>		<b>16,717,245.60</b>		<b>83.96%</b>	
<b>(6) Expenditure For Tuition</b>										
Textbooks	-		-		-		-		0.00%	
Reference Materials	-		-		-		-		0.00%	
Exercise Books	663,600.00		-		663,600.00		240,600.00		36.26%	
Laboratory Equipment	332,684.00		-		332,684.00		24,317.00		7.31%	
Internal Exams	507,885.00		-		507,885.00		507,140.00		99.85%	
Teaching / Learning Materials	418,242.00		-		418,242.00		59,600.00		14.25%	
Chalks	3,780.00		-		3,780.00		-		0.00%	
Exams And Assessment	-		-		-		582,104.00		0.00%	
Teachers Guides	-		-		-		-		0.00%	
Administration Costs	-		-		-		-		0.00%	
Bank Charges	-		-		-		1,992.00		0.00%	

**LAMU BOYS SECONDARY SCHOOL**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

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
<b>(7) Expenditure For Operations</b>					
Personnel Emoluments	1,802,163.00	-	1,802,163.00	1,262,217.00	70.04%
Repairs, Maintenance & Improvements	1,016,964.00	-	1,016,964.00	11,500.00	1.13%
Local Transport / Travelling	754,261.00	-	754,261.00	5,200.00	0.69%
Electricity, Water and Conservancy	413,546.00	-	413,546.00	159,027.00	38.45%
Medical	90,750.00	-	90,750.00	-	0.00%
Administration Costs	672,268.25	-	672,268.25	117,500.00	17.48%
Activity Expenses	264,064.60	-	264,064.60	252,800.00	95.73%
Bank Charges	-	-	-	6,738.00	0.00%
Gratuity	-	-	-	-	0.00%
SMASSE	-	-	-	-	0.00%
<b>(8) Expenditure For infrastructure</b>					
Construction of classrooms	-	-	-	-	0.00%
Construction of LAB	-	-	-	10,000.00	0.00%
Construction of DORMS	-	-	-	40,000.00	0.00%
Repair of Dinning Hall & Kitchen	-	-	-	383,870.00	0.00%
Construction of a Store	-	-	-	141,350.00	0.00%
Purchase of furniture	-	-	-	-	0.00%
Administration Costs	-	-	-	-	0.00%
Purchase of equipment	-	-	-	-	0.00%

**LAMU BOYS SECONDARY SCHOOL**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

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
Purchase of machinery	-	-	-	-	0.00%
Lunch Programme	-	-	-	-	0.00%
<b>(9) Expenditure For school fund/lunch/boarding</b>					
Personnel Emoluments	2,321,805.00	-	2,321,805.00	2,693,133.00	115.99%
Repairs, Maintenance and Improvements	406,786.00	-	406,786.00	1,119,710.00	275.26%
Local Transport / Travelling	375,739.00	-	375,739.00	1,098,632.00	292.39%
Electricity, Water and Conservancy	535,804.00	-	535,804.00	412,347.00	76.96%
Medical Expenses	-	-	-	900.00	0.00%
Administration Costs	1,263,517.05	-	1,263,517.05	960,080.00	75.98%
Activity	165,040.40	-	165,040.40	416,716.00	252.49%
Gratuity	-	-	-	-	0.00%
Lunch Programme	-	-	-	-	0.00%
Boarding Equipment and Stores	7,857,256.04	-	7,857,256.04	6,969,925.00	88.71%
Bom Teachers Salary	997,200.00	-	997,200.00	868,160.00	87.06%
Expenditure For Income Generating Activity	-	-	-	-	0.00%
Insurance Costs	-	-	-	-	0.00%
Other Expenses On Investments	-	-	-	-	0.00%
Rent Expenses	-	-	-	-	0.00%
Farm Expenses	-	-	-	113,910.00	0.00%
Bank Charges	-	-	-	25,786.00	0.00%
Loan Interest Repayment	-	-	-	-	0.00%

**LAMU BOYS SECONDARY SCHOOL****Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

<b>Receipt/Expenses Item</b>	<b>Original Budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual On Comparable Basis</b>	<b>% Of Utilization</b>
	<b>a</b>	<b>b</b>	<b>c=a+b</b>	<b>d</b>	<b>e=d/c %</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Loan Principal Repayment	-	-	-	-	0.00%
Acquisition Of Assets	-	-	-	241,550.00	0%
<b>Totals</b>	<b>20,863,355.34</b>	<b>-</b>	<b>20,863,355.34</b>	<b>18,726,804.00</b>	<b>89.76%</b>

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

- i. Over expenditure in the activity and Local transport & Travel is due to the year having 4 terms where activities were held thrice instead of twice a year in 2022/2023.*
- ii. Personal emoluments overpayment in the boarding account is due to government funds not paid as per guidelines in the operations account.*



**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 the various sources when the event occurs, and the related cash has actually been received by the *school*. In addition, the *school* recognises all expenses when the event occurs, and the related cash has actually been paid out by the *school*. 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 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 fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Payables also include expenditure incurred for the purchase of goods, works and services that has 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 2023.

**11. Notes To The Financial Statements**

**1 Government Grants for Tuition**

Description	2022-2023	2021-2022
	Kshs	Kshs
Reference Materials	-	-
Exercise Books	-	-
Laboratory Equipment	-	-
Internal Exams	-	-
Teaching / Learning Materials	764,053.00	834,115.80
Others (specify)*	-	-
<b>Total</b>	<b>764,053.00</b>	<b>834,115.80</b>

*\*Include others as per MOE circulars*

**2 Government Grants for Operations**

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	1,072,110.30	-
Repairs And Maintenance	1,118,000.00	1,309,500.00
Local Transport / Travelling	264,007.20	-
Electricity And Water	453,646.50	-
Medical	55,000.00	52,600.00
Administration Costs	226,336.60	-
Activity	154,525.00	-
Other Vote Heads (specify)*pe,ltt,ewc,admin	-	2,244,783.00
		-
<b>Total</b>	<b>3,343,626.00</b>	<b>3,606,883.00</b>

*\*Include others as per MOE circulars*

**3 Government Grants for infrastructure**

Description	2022-2023	2021-2022
	Kshs	Kshs
Maintenance & Improvement	-	-
Transition infrastructure grants	-	-
Administration Block	-	-
Economic stimulus grants	-	-
Other (specify)(NGCDF and County govt.	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	1,893,461.00	1,676,564.00
Repairs and maintenance	780,701.00	675,678.00
Local transport / travelling	320,985.00	325,825.00
Electricity and water	1,476,586.00	1,195,800.00
Medical	-	-
Administration costs	1,067,715.00	878,645.00
Activity	139,700.00	170,220.00
Fee on Boarding Equipment and stores	9,476,093.00	8,021,525.00
PA Levies*(Bom Teacher Salary	577,206.00	1,724,990.00
Others (specify)	-	-
Stale cheques	-	-
<b>Total</b>	<b>15,732,447.00</b>	<b>14,669,247.00</b>

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

**5 Miscellaneous Incomes**

Description	2022-2023	2021-2022
	Kshs	Kshs
Rent Income	-	-
KCSE Pivate Candidates	256,100.00	543,750.00
Repayments	33,150.00	76,165.00
Badge& School ID	-	1,200.00
Students Unrest Damages	111,885.00	273,331.00
Tender Fees	31,000.00	26,000.00
Uniforms	786,520.00	1,580,460.00
Remedials	-	239,165.00
Pa Fund	-	136,000.00
Income From Farming Activities	42,660.00	-
Agakhan Projects	124,150.00	-
Insurance Compensation	-	-
Income From Posho Mill	-	-
Income From Bus Hire	-	-
Fee For Hire of Ground and Equipment	-	-
Income From Grants and Donations*	-	-

**LAMU BOYS SECONDARY SCHOOL**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

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Interest Income	-	-
Dividends Income	-	-
Loans/Borrowings*	-	-
Other Income ( <i>specify</i> )*	-	-
<b>Total</b>	<b>1,385,465.00</b>	<b>2,876,071.00</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.*

**Notes to the Financial Statements (continued)**

**6 Tuition**

<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Exercise Books	240,600.00	318,000.00
Textbooks	-	-
Reference materials	-	-
Laboratory Equipment	-	83,845.00
Teaching / Learning Materials	16,200.00	281,940.00
Exams And Assessment	565,334.00	251,836.00
Teachers Guides	-	-
Bank Charges	1,992.00	2,352.00
Others <i>Internal Exams</i>	252,467.00	105,320.00
<b>Total</b>	<b>1,076,593.00</b>	<b>1,043,293.00</b>

**7 Operations**

<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel Emoluments	1,262,217.00	1,393,157.00
Service Gratuity	-	-
Administration Cost	117,500.00	209,895.00
Repairs And Maintenance & Improvements	11,500.00	-
Local Transport / Travelling	5,200.00	-
Electricity And Water	174,027.00	156,320.00
Medical	-	67,520.00
Activity Expenses	252,800.00	-
Insurance Cost	-	-
Bank Charges	5,226.00	10,191.00
Bom Teacher Salary	70,740.00	-
Others (specify) Internal Exams	6,300.00	-
Teaching & Learning Materials	-	33,480.00
<b>Total</b>	<b>1,905,510.00</b>	<b>1,870,563.00</b>

**Notes to the Financial Statements (continued)**

**8 Infrastructure**

Description	2022-2023	2021-2022
	Kshs	Kshs
Construction of classrooms	-	-
Construction of laboratory(Repairs)	10,000.00	-
Construction of dormitory(Repairs)	40,000.00	1,227,559.80
Purchase of furniture	-	32,400.00
Purchase of equipment	-	774,910.00
Purchase of apparatus	-	-
Drilling of boreholes	-	-
Construction of Stores	141,350.00	-
School Wall Construction	-	283,000.00
Renovation of Kitchen & Dinning Hall	383,870.00	-
Bank Charges	1,512.00	-
<b>Total</b>	<b>576,732.00</b>	<b>2,317,869.80</b>

**9 Boarding And School Fund**

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	2,693,133.00	2,445,824.00
Service Gratuity	-	346,799.00
Repairs And Maintenance & Improvements	1,119,710.00	1,244,082.00
Local Transport / Travelling	1,098,632.00	702,070.00
Electricity And Water	412,347.00	417,835.00
Medical Expenses	900.00	1,700.00
Administration Costs	960,080.00	874,745.00
Activity Fund	421,666.00	120,600.00
Lunch Programme	-	-
Bank Charges	25,786.00	10,455.00
Expenses On Income Generating Activities**	-	-
Fee On Boarding Equipment and Stores	6,921,965.00	6,335,720.00
Rent Expenses	-	-
Insurance Cost (Life Property)	-	-
Loan Principal Repayment	-	-
Loan Interest Repayment	-	-
Acquisition Of Assets	88,050.00	257,960.00

**LAMU BOYS SECONDARY SCHOOL****Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

PA expenses	-	234,500.00
Uniforms Expenses	673,300.00	1,693,200.00
Kcse Private Candidates	243,700.00	481,700.00
Bom Teachers Salary	868,160.00	645,333.00
Tender Fees	8,500.00	10,500.00
Kssha Activities	-	37,500.00
Farm Expenses	113,910.00	-
Agakhan Project	153,500.00	
Others (Goats)	22,500.00	-
Internal Exams	264,090.00	205,520.00
Exam & Assesment	16,770.00	43,790.00
Teaching & Learning Materials	43,400.00	67,408.00
Lab Items	-	1,600.00
Teachers Guide	-	2,000.00
<b>Total</b>	<b>16,150,099.00</b>	<b>16,180,841.00</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).*

**Notes to the Financial Statements (continued)**

**10 Bank Accounts**

Account Name & Currency	Status	Bank Account Number	2022-2023	2021-2022
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	1104752050	2,540.00	6,869.00
Operations Account	Active	1104752743	153,047.00	- 25,310.00
School Fund Account/Boarding	Active	1108093604	82,109.00	16,974.00
Savings Account	Dormant	0750000802	27,525.00	27,027.00
Exam Savings Account	Active	0750000801	146,150.00	135,750.00
Parent Association Development Account	Dormant	110355464	25,446.00	25,446.00
Caution Money	Dormant	110355193	36,414.00	36,414.00
Income Generating Activities Account	-	-	-	-
Infrastructural Account	Active	1287412912	530,999.00	63,454.00
<b>Total</b>			<b>1,004,230.00</b>	<b>286,624.00</b>

**11 Cash In Hand**

Description	2022-2023	2021-2022
	Kshs	Kshs
Notes and Coins	19,714.00	178,853.00
<b>Total</b>	<b>19,714.00</b>	<b>178,853.00</b>

**12 Short Term Investments**

Description	2022-2023	2021-2022
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit accounts	-	-
Other Investments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Notes to the Financial Statements (continued)**

**13 Accounts Receivable**

Description	2022-2023	2021-2022
	Kshs	Kshs
Fees Arrears	28,247,823.00	26,651,594.00
<b>Other Non-Fees Receivables</b>		
Salary Advances (list/schedule attached)	-	-
Imprest (list/schedule attached)	-	15,000.00
Pension Fund	19.00	17.00
NSSF	400.00	400.00
NHIF	850.00	850.00
PAYE	200.00	200.00
Rent arrears (list/schedule attached)	-	-
<b>Total</b>	<b>28,249,292.00</b>	<b>26,668,061.00</b>

**13 b Ageing Analysis of Accounts Receivable**

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	Current 2022-2023	% of the total	Comparative 2021-2022	% of the total
Less than 1 year	4,153,508.00	14.70%	4,903,157.00	18.40%
Between 1- 2 years	2,466,693.00	8.73%	455,200.00	1.71%
Between 2-3 years	345,275.00	1.22%	587,328.00	2.20%
Over 3 years	21,282,347.00	75.34%	20,705,909.00	77.69%
<b>Total (should tie to note 13 a)</b>	<b>28,247,823.00</b>	<b>100.00%</b>	<b>26,651,594.00</b>	<b>100.00%</b>

**14 Accounts Payable**

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	3,329,785.00	2,514,977.00
Prepaid Fees	1,059,261.00	1,369,930.00
Retention Monies	-	-
Unpaid salaries and statutory deductions	78,202.00	-
Caution money	8,200.00	8,200.00
Direct Deposits	1,886,673.00	1,874,173.00
Bursary Susoense	710,318.00	682,118.00
<b>Total</b>	<b>7,072,439.00</b>	<b>6,449,398.00</b>

**Notes to the Financial Statements (continued)****14a. Ageing Analysis of Accounts Payable**

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	2022-2023	% of the total	2021-2022	% of the total
Less than 1 year	3,162,566.00	94.98%	2,356,438.00	93.70%
Between 1- 2 years	8,680.00	0.26%	-	0.00%
Between 2-3 years	-	0.00%	39,009.00	1.55%
Over 3 years	158,539.00	4.76%	119,530.00	4.75%
<b>Total (should tie to note 14)</b>	<b>3,329,785.00</b>	<b>100.00%</b>	<b>2,514,977.00</b>	<b>100.00%</b>

**15 Fund Balance Brought Forward**

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Bank Balances	286,624.00		1,013,710.00	
Cash Balances	178,853.00		168,817.00	
Short Term Investments	-		-	
Receivables	26,668,061.00		23,854,902.00	
Payables	( 6,449,398.00)		(4,927,039.00 )	
<b>Total</b>	<b>20,684,140.00</b>		<b>20,110,390.00</b>	

**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>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank Loans	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Others (specify)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**17 Biological assets**

<b>Description</b>	<b>Numbers</b>	<b>2022-2023</b>	<b>2021-2022</b>
		<b>Kshs</b>	<b>Kshs</b>
Cattle		0	-
Goats		2	-
Trees		0	-
Coffee Or Tea Plantation		0	-
Poultry		0	-
Others (specify)		0	-
<b>Total</b>		<b>2</b>	<b>-</b>

**18 Borrowings**

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

**LAMU BOYS SECONDARY SCHOOL  
INVENTORY STOCKS AS AT 30TH JUNE,2023**

S/NO	ITEM DESCRIPTION	Qty	unit	unit cost	Value	Source
<b>STATIONERY</b>						
1	Ball Pen (Blue)	46	pcs	12	552.00	F78'22
2	Printing Papers	10	reams	750	7,500.00	F82'22
7	White Board Marker	7	pcs	150	1,050.00	F80'22
8	Consumable Store Ledger	3	pcs	500	1,500.00	F11'22
10	Foolscap	2	reams	500	1,000.00	F73'22
11	Teachers MarkBook	3	pcs	400	1,200.00	F22'22
12	Ball Pen (Red)	47	pcs	12	564.00	F79'22
13	Graph Books	61	pcs	100	6,100.00	F27'22
15	White Board Ink	29	pcs	200	5,800.00	F63'22
17	Ledger 2 Quire	3	pcs	300	900.00	F32'22
	Dustless Chalks	18	pkts	140	2,520.00	F37'22
	Staple Pins	3	Boxes	50	150.00	F34'22
	School attendance Register	6	pcs	50	300.00	F58'22
19	Receipt Books	36	pcs	550	19,800.00	F81'22
	<b>Sub-Total</b>				<b>48,936.00</b>	
<b>FOOD STUFF</b>						
1	Sugar	278	kgs	124	34,472.00	F82'23
2	Beans	294	kgs	177.78	52,267.32	F85'23
3	Posho	372	kgs	92.5	34,410.00	F83'23
4	Rice	545	kgs	110	59,950.00	F87'23
5	IDP Soap	20	kgs	48	960.00	F68'22
6	Whole Maize	315	kgs	42.22	13,299.30	F90'23
7	Ginger	5	kgs	650	3,250.00	F94'23
8	Baking Flour	756	kgs	102.92	77,807.52	F84'23
9	Yeast	3	pcs	158.33	474.99	F105
10	Salt	80	kgs	30	2,400.00	F102'23
11	Royco	8	pcs	120.8	966.40	F76
12	Cooking Oil	114	lts	225	25,650.00	F86'23
	<b>Sub-Totals</b>				<b>280,257.53</b>	
<b>LABORATORY</b>						
1	Chloroform	Mls	300	0	-	F3
2	Benzoic Acid	500 gms	360	4.73	1,702.80	F225
3	Universal Indicator Solution	500 mls	100	4.5	450.00	F106
4	Dcpip Powder	gms	2	500	1,000.00	F249
5	Iodine Sublimed	gms	173	47.6	8,234.80	F94
6	Sucrose	gms	350	0.58	203.00	F96
7	Barium Nitrate	Gms	210	2.1	441.00	F221
8	Methylated Spirit	mls	5280	0.77	4,065.60	F102
9	Universal Indicator Paper	pkts	1	1793	1,793.00	F169
10	Oxallic Acid	gms	236	2.37	559.32	F113

11	Disodium Tetra borate	gms	500	1.96	980.00	F115
12	Candles	Pcs	48	25	1,200.00	F233
13	Filters Papers	pkts	1	1300	1,300.00	F234
14	Starch Indicator	500mls	2	595	1,190.00	F230
15	Aluminium Sulphate	500gms	550	2.37	1,303.50	F148
16	Glucose	500gms	290	1.38	400.20	F151
17	Wooden Splints	pkts	1	697	697.00	F184
18	Sodium Sulphate(Anhydrous)	500gms	1054	2.27	2,392.58	F165
19	Egg Albumen	gms	3	0	-	F7
20	Alluminium Chloride	gms	400	5.7	2,280.00	F149
21	Sodium Oxalate	gms	350	3.58	1,253.00	F118
22	Ammonium Nitrate	gms	355	2.6	923.00	F123
23	Sodium Chloride	gms	200	1.47	294.00	F126
24	Sodium Peroxide	gms	100	67.9	6,790.00	F191
25	Potassium Iodide	gms	4	31.62	126.48	F224
26	Copper II Sulphate	gms	200	2.61	522.00	F203
27	Calcium Hypochloride	gms	300	1.9	570.00	F204
28	Cyclohexane	gms	500	10	5,000.00	F205
29	Iron (II) Nitrate	mls	350	56	19,600.00	F20
30	Sulphuric Acid	mls	4726	1.26	5,954.76	F186
31	Nitric Acid	2.5l	7335	0.72	5,281.20	F231
32	Lead Nitrate	500 gms	1725	1.03	1,776.75	F199
33	Sodium Hydroxide	500 gms	1000	2.37	2,370.00	F201
34	Hydrochloric Acid	mls	8548	0.66	5,641.68	F216
35	Ethanol	mls	1000	3.16	3,160.00	F212
36	Hydrogen Peroxide	mls	1500	0.61	915.00	F213
37	Potassium Permanganate	gms	749	8.3	6,216.70	F211
38	Sodium Hydrogen Carbonate	gms	1900	0.45	855.00	F168
39	Sodium Carbonate(Anhydrous)	gms	1935	0.67	1,296.45	F171
40	Benedict's Solution	gms	416	4.74	1,971.84	F103
41	Litmus Solution	mls	500	4.816	2,408.00	F35
42	Magnesium Hydroxide	gms	190	4.48	851.20	F33
43	Sodium CarbonateDecahydrate)	gms	297	0.45	133.65	F182
44	Litmus Paper	pcs	4	986	3,944.00	F198
45	Glycerol	Lts	10000	1.58	15,800.00	F26
46	Silver Chloride	gms	25	378	9,450.00	F153
47	Sodium Ethanoate(Acetate)	gms	364	4.64	1,688.96	F154
48	Buckets	Pcs	8	100	800.00	F155
49	Potassium Dichromate	gms	1386	6	8,316.00	F156
50	Sodium Citrate	gms	175	2.37	414.75	F157
51	Phenolphthalein Indicators	mls	450	2.96	1,332.00	F166
52	Iron Powder	gms	450	3.32	1,494.00	F222
53	Zinc Carbonate	gms	930	1.25	1,162.50	F223
<b>Sub-Totals</b>					<b>148,505.72</b>	
<b>Grand Totals</b>					<b>477,699</b>	

**Other important disclosure notes****19 Stock/ Inventory**

<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Food stuffs	280,258.00	72,868.00
Lab consumables	148,506.00	305,248.00
Farm produce	-	-
Medication	-	-
Construction Materials	-	-
Stationery	48,936.00	156,722.00
Others (specify)	-	-
	<b>477,700.00</b>	<b>534,838.00</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)*



# LAMU BOYS SECONDARY SCHOOL

P.O. BOX 16 - 80500 LAMU.

TEL: - 0743 954321/ 0733 742202

4<sup>TH</sup> JULY 2024

## MANAGEMENT LETTER RESPONSE FOR THE YEAR 2023

REF:NO	ISSUE/OBSERVATION FROM AUDITOR	MANAGEMENT COMMENTS	STATUS RESOLVED/NOT RESOLVED	TIME FRAME Expected date of resolving issue
4.1.1	Late Submission of Financial statements	Document submitted in the county audit office on 5 <sup>th</sup> October,2023	Resolved	
4.1.2	<p><b>Inaccuracies/Improper presentation of Financial Statements</b></p> <p><b>ACCURACY: VARIANCES</b> Statement of receipts and Payments and Notes to Financial Statements</p> <p><b>INFRASTRUCTURE</b></p> <p><b>CASH FLOW STATEMENT</b> School Fund Income-Parents Contribution</p> <p>Other Income:</p>	<p>Improper presentation of the Financial Statements was as received.</p> <p>There was an omission during copying of the figure of Kshs.500,000/=</p> <p>The Variance is due to accrued incomes in the year 2023 of Kshs.4,323,735/=</p> <p>Cash flow is prepared on cash basis of all income received and payments made during that Financial year. This includes revenue collections as follows: other Income Kshs.1332005/=,Prepaid fees Kshs.305,375/=</p>	<p>Resolved</p> <p>Resolved</p> <p>Adjustments made as per the reporting document requirement</p>	<p>13.07.2024</p> <p>2022/2023 accounts</p> <p>2022/2023</p>

	<p>Tuition</p> <p>Operations</p> <p>Boarding and School Fund</p> <p><b>Statement of Budget versus Actual amounts for the year ended 30<sup>th</sup> June 2023</b></p> <p><b>Fees Charged on Parents</b></p> <p><b>Miscellaneous Income:</b></p> <p><b>Income from Farming activities</b></p>	<p>Fees Arrears Kshs.2,135,182,Bursary suspense Kshs.28,200/= Imprest and direct deposits Kshs.27,500/= Financial statements includes accrual from Farm income of Kshs.36,740/= and students unrest misallocation of Kshs.23,720/=</p> <p>Variance of Kshs.308,210/=is due 2022 creditors paid Kshs.467,691/=and Accruals for 2023 creditors of Kshs.775,901/=</p> <p>The Variance of Kshs.35777/= is due to2022 creditors paid of Kshs.34264/= and bank charges of Kshs.1512/= from Infrastructure account</p> <p>The Variance between payments in the Cash flow statement and Statement of receipts and payments is due to 2022 creditors payments of Kshs.1,617,830/= and creditors Accruals in 2023 of Kshs.2,245,315/=</p> <p>The variances are due to accrued income and prepayments reversal in the Financial year 2023 of Kshs.4,320,745/=</p> <p>The variance is due an adjustment for supplies of Kshs.29740/= consumed by the</p>		
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	<p><b>Penalties and Repayments</b></p> <p><b>Expenditure for schools:</b></p> <p><b>Activity Fund:</b></p> <p><b>Fee on Boarding equipment &amp; Stores</b></p> <p><b>No Budgetary Provisions:</b></p> <p><b>Expenditure for Infrastructure:</b></p> <p><b>Boarding and School Fund</b></p>	<p>students and a sale of 1 goat @ Kshs.7000/=</p> <p>The actual figure of Kshs.145,035/= is consolidated of the penalties and repayments but what is reflected on the financial statements is separated.</p> <p>The variance between the actuals and financial statements is an accrual of Kshs,5500/=in the year 2023</p> <p>The variance of Kshs.47960/= is due to a reversal to creditors paid of Kshs.(77,700/= ) and an adjustment of Kshs.29740 from farm income.</p> <p>The expenditures were the RMI vote head as follows :Laboratory Kshs.315,000/= Dormitory Carpentry works Kshs.100,000/= Repairs of Dinning hall Kshs.294,000/= Construction of Store done outside the budget.</p> <p>Kcse private candidates,Uniform expenses Tender fees Agakhan projects these expenses are paid as received and we cannot approximate on our collections. Bom Teachers salary has no direct income as we are not allowed to charge extra levies so it paid under Personal Emoluments</p>		
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		Farm expenses and Goats were fees in kind by a parent and farm is only for school consumption.		
4.1.3	<b>Weakness in Internal Controls</b>			
4.1.3.1	Audit Committee not Established	There is an audit committee but not active		
4.1.3.2	Risk Management Policy Not Established			
4.1.4	<b>RECEIPTS</b>			
4.1.4.1	Overstatement of Grants for Operations By Kshs.43,487/=	These were un presented cheques by our Clients which had been reversed		
4.1.4.2	Over-collection of School Fund Income-Parents Contribution Kshs.2,071,662/=	The over collection of Kshs.2,071,622/= is as a result of arrears received in 2023 recorded as Income		
	Overstated Parents Contribution: Stale Cheques	Un presented cheques which were stale reversed a total of Kshs.34,715/=		
	Spending Revenue at Source	Revenue is spent at source due to unavailability of Petty cash float.		
4.1.4.3	<b>BOARD OF MANAGEMENT</b>			
	i) Unsigned Board of Management Minutes	The minutes shall be maintained in a common file for the purpose of signing		
	ii) BOM Attendance Register	Attendance is usually on minutes for all the meetings stated.		
		There are 3 board		

<p>4.1.5 4.1.5.1</p>	<p>iii) BOM Meetings not meeting Threshold.</p> <p>iv) BOM Inaugural Meeting</p> <p><b>Appointment of Board Members</b></p> <p><b>PAYMENTS:</b></p> <p><b>GRANTS FOR TUITION PAYMENTS</b></p> <p>i) <b>Lack of requisition for Goods</b></p> <p>ii) <b>Lack of inspection of Goods acceptance certificate</b></p>	<p>meetings per year and a special one if need be.</p> <p>There was a delay due to some members resigning before the inauguration and some outside the Country</p> <p>. It was due to lack of access of the relevant information</p> <p>Tuition expenditures amounting to Kshs.638,770/= is due to Inter borrowing from Main account Kshs.324,260/= Operations Kshs.6300/= And the difference between 2022 paid creditors of (Kshs.467,691/=) against 2023 accrued creditors of Kshs.775,901/=</p> <p>Only Local purchase orders are raised for goods to be delivered</p> <p>Inspection is done when goods are delivered in the school but the acceptance does not issue any document but certify on the delivery note</p>		
<p>4.1.6</p>	<p><b>INFRASTRUCTURE</b></p> <p>a) <b>Projects not Included in the 2022/2023 Budget</b></p>	<p>Payments to various Infrastructure projects of Kshs.576,732/= were budgeted under the RMI vote head in the 2022/23</p>		

		<p>budget which was as follows:  Dinning hall - 294,000/=  Laboratory - 315,000/=  Dormitory(Carpentry works Kshs.100,000/=</p> <p>Tender opening appointed verbal  Tender opening minutes available  Tender evaluation signed by County works officer</p>		
4.1.7	<p><b>CASH &amp; CASH EQUIVALENTS</b></p> <p><b>Cash in Hand KShs.19714/=</b></p> <p><b>Bank Accounts-(a)</b></p> <p><b>Operations Account</b></p> <p><b>Infrastructural Account</b></p> <p><b>School Fund Account/Boarding</b></p>	<p>The difference of <b>Kshs.6600</b> was cash in hand in the infrastructure account for work done but not paid for.</p> <p>The dormant accounts are due the existing accounting officer and the Board members are not signatories to the PAD accounts and Caution money and for the savings account we have requested to close it since 2019 but in vain</p> <p>Bank reconciliation for July 2022 not available</p> <p>Bank reconciliation for the month of July2022 to Oct 2022</p> <p>This issue has been reported to the bank and agent but has not been rectified yet. Double credit of Kshs.3701/=</p>	<p>Payment done in 2023/24</p> <p>The board to agree in closing these accounts.</p> <p>Attached</p> <p>Attached</p> <p>The bank to resolve this issue</p>	
4.1.8	<b>Accounts Receivable</b>			

	<p><b>A) Unreconciled Difference</b></p> <p><b>b) Variance in Current year Fees Arrears</b></p> <p><b>c) Aged Analysis</b></p>	<p>The supporting schedule does not include those who have taken transfers and dropouts.</p> <p>The figure of Kshs.4167836/= is inclusive of the balance carried forward from previous years for on going students and the Kshs.4153508/= was the actual fees outstanding for the year 2022/2023</p> <p>Aged analysis was not presented but it was available.</p>	<p>Drop outs to be reconciled and added into the schedules.</p> <p>Ongoing students had outstanding fees for the previous years</p> <p>Schedules to be sent as soft copy.</p>	<p>2023/24 audit</p>
4.1.9	<p><b>Accounts Payable</b></p> <p><b>i) Misstatement of Accounts Payable Kshs. 2,556,291/=</b></p> <p><b>ii) Deposit Slips</b></p> <p><b>iii) Credit Policy</b></p>	<p>A follow up of the Bursary suspense has been done to the relevant authorities and no allocation has been done.</p> <p>Students depositing fees directly to the bank have been requested to collect the slips to the bank but to no response</p> <p>The credit policy of the school is 90 days as per our tender document but due to Financial constraints we have not been able to clear our creditors.</p>		

**LAMU BOYS SECONDARY SCHOOL**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

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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: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>

Sign and Date  
Principal



**PRINCIPAL**  
LAMU BOYS SEC. SCHOOL  
P.O. BOX 16-80500, LAMU  
Date: ..... Sign: .....

**LAMU BOYS SECONDARY SCHOOL****Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023****12. Annexes****Annex I - Analysis of Pending Accounts Payable**

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current 2023	Outstanding Balance Comparative 2022	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Construction Of Buildings</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Supply Of Goods</b>						
4. Mohamed Ali Omar	817,200.00	2023	658,525.00	158,675.00		
5. Faiz Bookshop	503,580.00	2023	376,050.00	127,530.00		
6. An-Noor Hardware Ltd	1,376,025.00	2023	994,765.00	327,380.00	53,960.00	
7. Everlyne Mshai	338,000.00	2023	291,300.00	46,700.00		
8. Abdulhakim Faraj Ahmed	5,983,633.00	2023	4,213,303.00	1,770,330.00		
9. Kalmar Marketing Services	759,342.00	2022/23	269,691.00	489,651.00		
10. Mabruk Sports Equipment & General Supplies	152,600.00	2022/23	92,000.00	52,000.00	8,600.0	
11. Digital Sports House	401,700.00	2023	373,000.00	28,700.00		
12. Kansbag Limited	240,600.00	2023	120,000.00	120,600.00		

**LAMU BOYS SECONDARY SCHOOL****Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

<b>Supplier Of Goods Or Services</b>	<b>Original Amount</b>	<b>Date Contracted</b>	<b>Amount Paid To-Date</b>	<b>Outstanding Balance Current 2023</b>	<b>Outstanding Balance Comparative 2022</b>	<b>Comments</b>
13. Ahmed Bwana Kale	104,659.00	2019	0		104,659.00	
<b>Sub-Total</b>	<b>10,677,339.00</b>		<b>7,388,634.00</b>	<b>3,121,566.00</b>	<b>167,219.00</b>	
<b>Supply Of Services</b>						
14. Etech Digital Services	104,500.00	2023	63,500.00	41,000.00		
<b>Sub-Total</b>	<b>104,500.00</b>		<b>63,500.00</b>	<b>41,000.00</b>		
<b>Grand Total</b>	<b>10,781,839.00</b>		<b>7,452,134.00</b>	<b>3,162,566.00</b>	<b>167,219.00</b>	

**LAMU BOYS SECONDARY SCHOOL**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

**Annex 2 – Summary of Fixed Assets Register**

<b>Asset Class</b>	<b>Historical Cost b/f (Kshs) 1<sup>st</sup> July 2022</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 2023</b>
Land	<b>7 Hectares</b>			
	Classroom Block - 4			
	Administration block-1	0	0	4
	Laboratory Block -2	0	0	1
	Library & stores -1	0	0	2
	Dinning Hall & Kitchen -1	0	0	1
	Bakery -1	0	0	1
	Dormitories - 4	0	0	1
	Staff Houses -2	0	0	4
	Day Scholar Toilets -1	0	0	2
	Mosque Blockc - 1	0	0	1
Buildings And Structures	School Libra. @slab level-1	0	0	1
Motor Vehicles	<b>0</b>			
	<b><u>OFFICE EQUIPMENT</u></b>	0	0	1
	School Safe: 1	0	0	5
	Printers: 5	1	0	3
	Photocopier: 2	12	0	80
	Ceiling Fan: 68	3	0	8
Office Equipment, Furniture And Fittings	Staple Machine - 5	0	0	1
	Paper Cutter: 1	0	0	3
	Office Calculator: 3	0	0	1
	Duplicating Machine: 1	0	0	5
	Wall clock : 5	0	0	2
	Office Trays: 2	0	0	1

**LAMU BOYS SECONDARY SCHOOL**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

Asset Class	Historical Cost b/f (Kshs) 1 <sup>st</sup> July 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 <sup>th</sup> June 2023
	Typewriter : 1			
	<b><u>FURNITURE &amp; FITTINGS:</u></b>			
	Students Lockers-Old - 119			
	Students Lockers-Moe- 51			
	Students Locker-New -100			
	Students Chairs-Old - 37			
	Students Chairs-moe - 28			
	Students Chairs-New- 78			
	Office tables - 11			
	Office Chairs - 32			
	Cupboards - 5			
	Cabinets - 8			
	Wooden Shelves 33			
	Teachers Lockers - 24			
	Teachers Chairs- 18			
	Teachers Tables- 8			
	Lab-Tables - 20			
	Laboratory stools - 85			
	Black Boards- 15			
	White Board - 11			
	Graph Boards - 9			
	Dining Tables- 33			
	Dinning Benches - 66			
	Student Beds D/Décor- 128			
	Students Bed Single - 34			
	Sofa Set (3in 1) - 1			
	Sofa Set ( small) -2			
	Wooden Table -1			
	Ladder -1			

**LAMU BOYS SECONDARY SCHOOL**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

Asset Class	Historical Cost b/f (Kshs) 1 <sup>st</sup> July 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 <sup>th</sup> June 2023
	Wardrobes -3 Beds&Mattresses -2 Notice Boards- 8 Wooden Tables -22 Wooden Benches -7			
Textbooks	Form 1- 1834 T/Guide-21 Form 2 -1688 T/Guide-10 Form 3 -1318 T/Guide- 18 Form 4 -783 T/Guide-20 Kigogo -133 Bembea ya Maisha -83 Tumbo lisiloshiba Form 3 -87 Form 4 -46 The Pearl Form 3 -87 Form 4 -46 Blossom of Savannah Form 3 -87 Form 4 -46 Inheritance Form3 -87 Form 4 -46 A silent song & other stories-61			

**LAMU BOYS SECONDARY SCHOOL**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

<b>Asset Class</b>	<b>Historical Cost b/f (Kshs) 1<sup>st</sup> July 2022</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 2023</b>
	An Artist of the floating world - 61 Mapambazuko ya Machweo-61			
ICT Equipment	Computers : 13 Lap tops : 2 Projectors : 2 Keyboards : 10 CPU : 10 Comp. Monitors : 11 Mouse : 2 Computer Desks: 22 Servers: 2 Ups : 4	3 0 0 0 0 0 1 0 0 0	0 0 0 0 0 1 0 0 0 0	16 2 2 10 10 11 2 22 2 4
Tools And Apparatus	<b>Chem -3792</b> <b>Physics-3558</b> <b>Biology -1076</b>			
Other Machinery And Equipment	Blower : 1 Power Saw : 2 Welding Machine: 1 Grinder Machine: 1 Television set: 3 Mettalic Ladder : 1 Freezer: 1 Gas Cylinders: 3 DVD Machine: 1 Speakers : 1	0 0 0 0 0 0 0 0 1 1	0 0 0 0 0 0 0 0 0 0	1 2 1 1 3 1 1 3 2 2

**LAMU BOYS SECONDARY SCHOOL**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

<b>Asset Class</b>	<b>Historical Cost b/f (Kshs) 1<sup>st</sup> July 2022</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 2023</b>
	Radio Cassette Sonitec :1	0	0	1
	Radio Cassette Philips: 1	0	0	1
	School Bell: 1	0	0	1
	Electronic Bell: 1	0	0	1
	Paper Punch: 5	1	1	5
	Water Pump Machine: 1	0	0	1
	Wheel Barrow : 1	0	0	1
	Fire Extinguisher: 29	0	0	29
	Re-Chargeable Lamp: 4	0	0	4
	Mettalic Cover : 2	0	0	2
	Storage Tanks: 4	0	0	4
	Solar Panel 1	0	0	1
	Bakery Mixer 2	0	0	2
	Oven 2	0	0	2
	Weighing Scale 2	0	0	2
	Measuring Scale Spring 1	0	0	1
	Jikos with Chimney 3	0	0	3
	Double Burner - Chimney 1	0	0	1
	Double Burner - 1	0	0	1
	Aluminium Baking Tins- 153	0	0	153
	Tea Urine 3	0	0	3
	Sufurias Big 4	1	0	4
	Sufurias (Small) 10	0	0	10
	Hotpots 5	3	0	8
	Serving Spoons 4	0	0	4
	Lids Cover Big 3	0	0	3

**LAMU BOYS SECONDARY SCHOOL****Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

<b>Asset Class</b>	<b>Historical Cost b/f (Kshs) 1<sup>st</sup> July 2022</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 2023</b>
	Lids Cover Small 6	0	0	6
	Cake Mixer 1	0	0	1
	Curtains & rods -74	0	0	0
	Shields - 4	0	0	0
Heritage And Cultural Assets	Award Cups - 17	0	0	0
Intangible Assets- Soft Ware	Zeraki software -1	0	0	1
<b>Total</b>				

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

