

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

**NATIONAL ASSEMBLY
PAPERS LAID**

DATE: 11 JUN 2025

DAY: Wednesday

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TABLED BY: Hon. Owen Banya, MP
OF Deputy Leader of Majority
MARK-AT-THE-TABLE: Lomale

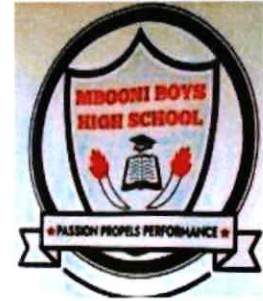
THE AUDITOR-GENERAL

ON

MBOONI BOYS' HIGH SCHOOL

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

MAKUENI COUNTY



MBOONI BOYS HIGH SCHOOL.

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2024.

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 Makueni County, Mbooni west Sub-County.

The school was registered in February 2019 under registration number 17S30000005 and is currently categorized as *Extra County* public school established, owned or operated by the Government.

The school is a boarding school and had 1604 number of students as at 30th June 2024. It has 7 streams and 58 teachers of which 5 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 | Eng. Titus Muthama | Representative of sponsor | 30/6/2022 |
| 2 | Dominic Maingi | Secretary - Principal | 30/6/2022 |
| 3 | Rael Mumo Muthoka | Representatives of parents/community representatives | 30/6/2022 |
| 4 | Patricia Kasei | Representatives of parents/community representatives | 30/6/2022 |
| 5 | Beatrice Khandega | Representatives of parents/community representatives | 30/6/2022 |
| 6 | Eng. Daniel Ngovi | Representatives of parents/community representatives | 30/6/2022 |
| 7 | Dr. Ferdinard Mbeche | Representatives of parents/community representatives | 30/6/2022 |
| 8 | Eng. Francis Mwau | Representative of CEB | 30/6/2022 |
| 9 | Francis Munyeke | Representative of teaching staff | 30/6/2022 |
| 10 | Eric Ngumbi | Representatives of parents/community representatives | 30/6/2022 |
| 11 | Phylis Muia | Representative of sponsor | 30/6/2022 |
| 12 | Rev. Samuel Muthama | Representative of sponsor | 30/6/2022 |
| 13 | Paul Mbili | Representative of persons with disabilities | 30/6/2022 |
| 14 | Faustin Niyitanga | Representative of students | 30/6/2023 |

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.Eng.Titus Muthama 2.Mr .Dominic Maing 3.Mr. Festus Kyalo 4.Eng.Francis Mwau 5.Ms.Patricia Kasei | Chairman BOM Secretary BOM PA Chair Member Member Member | 6/6 6/6 6/6 6/6 6/6 |
| 2 | Audit Committee | 1.Eng.Ngovi 2.Mr. Paul Mbili 3.Ms.Rael Mumo 4.Eng. Titus Muthama 5.Mr. Dominic Maingi | Chair Member Member BOM chairman BOM Secretray | 1/2 2/2 2/2 2/2 2/2 |
| 3 | Finance,procurement and general purposes Committee | | | |
| 4 | Academic Committee | 1.Ms Rael Mumo | Chair | 4/4 |

MBOONI BOYS HIGH SCHOOL.

Annual Report and Financial Statements For the year ended 30th June 2024

| | | | | |
|---|--|----------------------|---------------|-----|
| | | 2.Mr. Eric Ngumbi | Member | 4/4 |
| | | 3.Ms. Patricia Kasei | Member | 4/4 |
| | | 4.Festus Kyalo | Member | 4/4 |
| | | 5.Eng.Titus Muthama | BOM Chairman | 4/4 |
| | | 6.Dominic Maingi | BOM Secretary | 4/4 |
| 5 | Development Committee | 1.Eng. Francis Mwau | Chair | 2/3 |
| | | 2. Mrs. Phylis Muia | Member | 3/3 |
| | | 3. Mr. Festus Kyalo | Member | 3/3 |
| | | 4.Mr. Paul Mbili | Member | 3/3 |
| | | 5. Eng.Titus Muthama | BOM Chairman | 3/3 |
| | | 6.Dominic Maingi | BOM Secretary | 3/3 |
| 6 | Discipline and welfare Committee | 1.Ms. Patricia Kasei | Chair | 5/5 |
| | | 2.Mr.Eric Ngumbi | Member | 5/5 |
| | | 3.Mr.Munyeke Francis | Member | 5/5 |
| | | 4.Eng.Titus Muthama | BOM Chairman | 5/5 |
| | | 6.Dominic Maingi | BOM Secretary | 5/5 |
| 7 | Adhoc Committee (if any during the year) | | | |

(d) School operation Management

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

| Ref: | Designation | Name | Identification |
|------|------------------|------------------|----------------|
| 1 | Principal | Dominic Maingi | TSC No.349591 |
| 2 | Deputy Principal | Josephat Musyoka | TSC No.416466 |
| 3 | School Bursar | Mathew Mbevi | ICPAK No. |
| 4 | Accounts clerk | Dennis Wambua | |

(e) Schools contacts

Post Office Box: 50-90125
Telephone: 0708821728
E-mail: mboonibys@yahoo.com
Website:
Facebook:
Twitter:

(f) School Bankers

- 1.Name of Bank: KCB (BOARDING ACCOUNT)
Branch: Machakos
Account Number: 1106310330
- 2.Name of Bank: Equity (BOARDING ACCOUNT)
Branch: Wote
Account Number: 0670284439660
- 3.MPESA Pay Bill No. 522123 attached to 37258K bank account
- 4.Name of Bank: KCB (INFRASTRUCTURE ACCOUNT)
Branch: Machakos
Account Number: 123831870
5. Name of Bank: KCB (TUITION ACCOUNT)
Branch: Machakos
Account Number: 1106378571
6. Name of Bank: KCB (OPERATION ACCOUNT)
Branch: Machakos
Account Number: 1106311191

(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*

| YEARS | 2023/2024 | | 2022/2023 | | 2021/2022 | |
|-------|-----------|---------|-----------|---------|-----------|---------|
| | Surplus | Deficit | Surplus | Deficit | Surplus | Deficit |
| | 5,049,408 | - | 4,954,344 | - | 860,745 | - |

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

| Years | 2023/2024 | 2022/2023 | 2021/2022 |
|-------|------------|------------|------------|
| TOTAL | 21,494,851 | 27,086,453 | 25,977,040 |

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

| Years | 2023/2024 | 2022/2023 | 2021/2022 |
|-------|------------|------------|------------|
| TOTAL | 66,430,419 | 70,098,430 | 74,444,752 |

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

| Years | 2023/2024 | 2022/2023 | 2021/2022 |
|-------|------------|------------|------------|
| TOTAL | 82,875,862 | 92,230,539 | 99,561,077 |

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

| Years | 2023/2024 | | 2022/2023 | | 2021/2022 | |
|-------|------------|------------|------------|------------|------------|------------|
| | DEBTORS | CREDITORS | DEBTORS | CREDITORS | DEBTORS | CREDITORS |
| TOTAL | 42,124,822 | 30,335,611 | 35,317,837 | 23,528,624 | 33,280,958 | 21,491,745 |

b) Teacher Student ratio:

Teachers to student - 1: 28

Teachers Employed by BOM in 2024 - 5

Teachers transferred in 2024 - 3

Teachers retired 2024 -nil

Teachers employed by TSC -53

c) The mean score in the 2023 KCSE:

| Year | No. of students | Mean score | deviation |
|------|-----------------|------------|-----------|
| 2021 | 311 | 6.2 | -0.728 |
| 2022 | 363 | 6.5 | +0.3 |
| 2023 | 312 | 7.05 | +1.006 |

d) Number of Candidates in the 2024 KCSE:

| Year | No. of students |
|------|-----------------|
| 2021 | 311 |
| 2022 | 363 |
| 2023 | 312 |
| 2024 | 298 |

e) The capacity of the school:

| Year | No. of students | Dorms | Dining hall | Laboratory | Toilets | Classrooms |
|------|-----------------|-------|-------------|------------|---------|------------|
| 2024 | 1604 | 8 | 1 | 4 | 52 | 30 |

f) Development projects carried out by the school:

| Projects | Source of funds | Status | Initial Cost (Kshs) | Amount Spent (Kshs) | Expected completion time |
|--|-----------------|----------|---------------------|---------------------|--------------------------|
| REFURBISHMENT OF SCHOOL MULTIPURPOSE HALL AND LIBRARY. | MOE | COMPLETE | 4,368,257 | 4,300,000 | 7/09/2023. |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |


 School Principal



MBOONI BOYS HIGH SCHOOL.

Annual Report and Financial Statements For the year ended 30th June 2024

4. Statement of School Management Responsibility

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

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

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

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

.....


Name: Eng. Titus Muthama

Designation: Chairman, School Board of Management

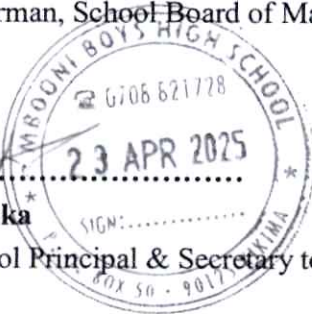
Date: 23/04/2025

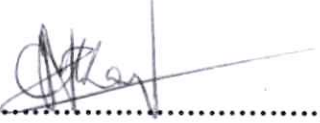
.....


Name: Joseph Nzoka

Designation: School Principal & Secretary to Board of Management

Date: 23/04/2025



.....


Name: Mathew Mbevi

Designation: Bursar/ Finance Officer

Date: 23/04/2025

REPUBLIC OF KENYA

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



Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON MBOONI BOYS' HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2024 – MAKUENI COUNTY

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 FINACIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Mbooni Boys' High School – Makueni County set out on pages 1 to 24 which comprise of the statement of assets and

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 the Mbooni Boys' High School - Makueni County as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Inaccuracies in Capitation Grants

The statement of receipts and payments reflects capitation grants for operations and infrastructure amounting to Kshs.12,313,093 and Kshs.5,509,600 respectively, all totalling Kshs.17,822,693 as disclosed in Note 2 and Note 3 to the financial statements. However, review of the National Education Management Information System (NEMIS) capitation revealed disbursements to the School total of Kshs.16,727,693 for both operation and infrastructure. This resulted to an unexplained variance of Kshs.1,095,000.

In the circumstances, the accuracy and completeness of capitation grants for operations and infrastructure of Kshs.17,822,693 could not be confirmed.

2. Accounts Receivables

2.1 Unsupported Accounts Receivables

The statement of assets and liabilities reflects accounts receivables balance of Kshs.42,124,822 as disclosed in Note 12 to the financial statements. The balance included an amount of Kshs.34,819,172 for school fees arrears. However, supporting schedules, detailed aging analysis and issued invoices were not provided for audit review.

In the circumstances, the accuracy and completeness of accounts receivables amounting to Kshs.42,124,822 could not be confirmed.

2.2 Long Outstanding Receivables

The statement of assets and liabilities reflects accounts receivables balance of Kshs.42,124,822 in respect of fees arrears as disclosed in Note 12 to the financial statements. The balance includes receivables amounting to Kshs.22,967,142 (or 52% of

accounts receivable balance) 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 long outstanding receivables balance of Kshs.22,967,142 could not be confirmed.

3. Unsupported Cash and Cash Equivalents

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.14,871,920 as disclosed in Notes 10 and 11 to the financial statements. However, the balance was not supported with bank reconciliation statements and board of survey reports.

In the circumstances, the accuracy, completeness and existence of the cash and cash equivalent balance of Kshs.14,871,992 could not be confirmed.

4. Unsupported Board of Management Expenditure

Review of Board of Management payments revealed that allowances amounting to Kshs.130,000 were paid to Board of Management members for a meeting held on 10 May, 2024. However, there was no documentation of meeting invitations or minutes and two members who did not sign the attendance register were still paid sitting allowances. Further, an executive Board of Management meeting with a power company staff held on 15 February, 2024 was not supported with invitation letters, signed minutes and attendance register.

In the circumstances, the accuracy of the Board of Management expenditure of Kshs.130,000 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Mbooni Boys' 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.

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.125,861,606 and Kshs.95,774,070 respectively, resulting to an under-funding of Kshs.30,117,536 or 24% of the budget. Similarly, the School spent an amount of Kshs.90,724,662 out of actual receipts of Kshs.95,774,070, resulting to an underutilization of Kshs.5,049,408 or 5% of the actual receipts.

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

My opinion is not modified in respect of this matter

Key Audit Matters

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

Other Matter

Unresolved Prior Year Issues

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, 2024.

Other Information

Management is responsible for other information set out on page iii to xi which comprise of Key School Information and Management, the 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. I have nothing to report in this regard.

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 and Religious Association

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.63,188,127 as disclosed in Note 9 to the financial statements. Included in the expenditure is an amount of Kshs.734,000 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from school principals only. Further, included in the expenditure is an amount of Kshs.192,000 transferred to AIC Machakos Schools (Association and the National Christian Chaplain Association. The two (2) organizations are not defined in Government funding system and there was no assurance that they have implemented effective, efficient and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, the value for money transferred to KESSHA amounting to Kshs.734,000 and an amount of Kshs.192,000 paid to the Religious Association could not be confirmed.

2. Under Funding of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and operations amount of Kshs.3,672,158 and Kshs.12,313,093 respectively, as disclosed in Notes 1 and 2 to the financial statements. During the financial year, NEMIS reported a total number of one thousand four hundred and sixty-two (1,462) students while the school records reflected a total number of one thousand six hundred and four (1,604) resulting to unexplained variance of one hundred and forty-two (142) students. Based on the official approved rate per student Kshs.2,681, the School was under funded by total amount Kshs.380,702.

In the circumstances, the under-funding of the School may have affected service delivery to the leaners.

3. Irregularities in Procurement

3.1 Use of Cash to Procure Goods, Works and Services

The statements of receipts and payments reflects total payments of Kshs.82,875,862. Included in these payments, is an amount of Kshs.4,600,000 withdrawn from the boarding school fund bank accounts to purchase goods and services exceeding an amount of Kshs.50,000 thresholds instead of procuring using other suitable procurement methods, this was contrary to the threshold matrix in the second schedule of the Public Procurement and Asset Disposal Regulations, 2020.

3.2 Failure to Prepare a Procurement Plan

Review of records revealed that 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 requires a procuring entity prepare a procurement plan for each financial year as part of the annual budget preparation process.

3.3 Failure to Use Standard Tender Documents

Review of the standard tender documents and other procurement documentation used in the year under review revealed noncompliance with the prescribed formats. The technical and financial evaluation criteria to be applied were not clearly indicated and Management did not provide copies of requests for quotations issued to suppliers that were used to procure works, goods and services for the period under review. This was contrary to the provisions of Regulation 68(1) – (5) of the Public Procurement and Asset Disposal Regulations, 2020 which requires that public entities use prescribed tender documents and formats.

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

4. Lack of Adequate Facilities in the Institution

Review of the institution's facilities revealed that the classrooms were holding an average of fifty-three (53) students each, which exceeds the recommended capacity for optimal learning conditions. This was contrary to Regulation 64(e) of Basic Education Regulations, 2015 which requires that every institution of basic education and training shall have provision for standard classrooms measuring 7mx8m for 45 learners for secondary schools.

In addition, the dormitories accommodated two hundred (200) students but the spacing between the beds was less than the required 1.2 metres and the pathways did not meet the minimum width of 2 metres. Hence, potentially compromising the comfort and safety of the students. This was contrary to Regulation 83(k) of the Basic Education Regulations, 2015 which requires the Board of Management to ensure the space between the beds shall be at least 1.2 metres while the corridors or pathways shall be at least 2 metres wide.

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

5. Excess Supply of Books

During the year under review, the Ministry of Education distributed textbooks to public secondary schools through Kenya Institute of Curriculum Development (KICD). Review of records revealed that the Institute distributed nine hundred and thirty-three (933) books to the School while only eight hundred and ninety-four (894) books were issued to the students, resulting to an unexplained excess text books of thirty-nine (39) books in the school store. Further, some books issued in the financial year 2023/2024 were still lying in the store as they were no longer in use.

In the circumstances, value for money on the excess text books could not be confirmed.

6. Long Outstanding Payables

The statement of assets and liabilities and as disclosed in Note 13 to the financial statements reflects payables balance of Kshs.30,335,611. However, included in the balance are trade payables balance of Kshs.905,842 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 contracts are reflected in approved budget estimates. Further, there is risk of loss of public funds through litigations, interests and penalties.

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

7. Unapproved Fees on Parents Association Support Programme

The statement of receipts and payments reflects other income of Kshs.4,974,670 as disclosed in Note 5 to the financial statements which includes Parents Association Support Programme amount of Kshs.1,317,700. Review of records revealed that the School charged an amount of Kshs.7,000 per student to support the Programme which had not been approved by the Ministry of Education through the County Education Board. This was contrary to the Ministry of Education Circular No. MOE.HQS/3/13/3 dated 16 June, 2021 on guidelines on implementation of Free Day and Secondary Education Programme 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 law.

8. Irregular Payment of Board Allowances

Review of documents related to board allowances revealed two non-board members were irregularly paid allowances amounting to Kshs.30,000 during an executive Board of Management meeting held on 8 March, 2024. This was contrary to the provisions of Section 63 of the Basic Education Act, 2013 which provides that the members of the Board of Management shall be paid such allowances as the Cabinet Secretary may provide by regulations upon the advice of the Salaries and Remuneration Commission.

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 to 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 Function

During the year under review, the School had no Internal Audit Unit as required by Regulation 166(1) and (2) of the Public Finance Management (National Government) Regulations, 2015 which requires the Internal Audit Unit of a national Government entity to assess its effectiveness through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury. Further, there was no evidence of sittings by the Audit Committee.

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

2. Lack of Land Ownership Documents

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.5,208,800 in respect of two (2) motor vehicles. In addition, the School has two parcels of land of unknown value, however, no land ownership documents were provided for audit review.

In the circumstances, existence of effective measures to safeguard ownership of the parcels of land could not be confirmed.

3. Weaknesses in Management of Imprests

The statement of receipts and payments reflects boarding and school fund payments of Kshs.63,188,127 as disclosed in Note 9 to the financial statements. Included in this expenditure is an amount of Kshs.950,135 allocated for local transport and or travel. However, review of records revealed absence of established processes and procedures for managing the imprest. Further, there were no imprest warrants or registers and no evidence indicating proper accountability or surrender of the imprest issued as required under Regulations 92, 93, and 94 of the Public Finance Management (National Government) Regulations, 2015.

In the circumstances, the effectiveness of controls on management and accounting for imprests 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 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 of 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

30 May, 2025

6. Statement Of Receipts and Payments for the Year Ended 30th June 2024

| Description Of Vote Head | Note | 2023/2024 | 2022/2023 |
|--|------|-------------------|-------------------|
| | | Kshs | Kshs |
| Receipts | | | |
| Government grants for tuition | 1 | 3,672,158 | 3,902,374 |
| Government grants for operations | 2 | 12,313,093 | 18,881,079 |
| Government Grants for infrastructure | 3 | 5,509,600 | 4,303,000 |
| School fund income- parents' contributions | 4 | 61,455,749 | 68,213,939 |
| Miscellaneous incomes | 5 | 4,974,670 | 1,884,491 |
| Total Receipts | | 87,925,270 | 97,184,883 |
| Payments | | | |
| Tuition | 6 | 3,495,925 | 4,058,876 |
| Operations | 7 | 11,889,033 | 16,880,731 |
| Infrastructure | 8 | 4,302,777 | 3,003,140 |
| Boarding and school fund | 9 | 63,188,127 | 68,287,792 |
| Total Payments | | 82,875,862 | 92,230,539 |
| Surplus/Deficit | | 5,049,408 | 4,954,344 |

The school financial statements were approved on 23 April, 2025 and signed by:

.....
Name: Eng. Titus Muthama

Chair BOM

Date: 23/04/2025

.....
Name: Joseph Nzoka
School Principal/ Secretary to
BOM

Date: 23/04/2025

.....
Name: Mathew Mbevi.

Bursar/ Finance Officer

Date: 23/04/2025

7. Statement of Assets and Liabilities As At 30th June 2024

| Description | Note | 2023/2024 Kshs | 2022/2023 Kshs |
|---------------------------------------|------|-------------------|-------------------|
| Financial Assets | | | |
| Cash and cash equivalents | | | |
| Bank balances | 10 | 14,863,362 | 9,820,375 |
| Cash balances | 11 | 8,630 | 2,207 |
| Short term investments | | | - |
| Total cash and cash equivalent | | 14,871,992 | 9,822,582 |
| Account's receivables | 12 | 42,124,822 | 35,317,837 |
| Total financial assets | | 56,996,814 | 45,140,419 |
| Financial liabilities | | | |
| Accounts payables | 13 | 30,335,611 | 23,528,624 |
| Total Financial Liabilities | | | |
| Net financial assets | | 26,661,203 | 21,611,795 |
| Represented by | | | |
| Accumulated fund b/fwd. | 14 | 21,611,795 | 16,657,451 |
| Surplus/deficit for the year | | 5,049,408 | 4,954,344 |
| Net Assets | | 26,661,203 | 21,611,795 |

The school's financial statements were approved on 23 April, 2025 and signed by:

.....


Name: Eng. Titus Muthama

Chair BOM

Date: 23/04/2025

.....



Name: Joseph Nzoka
 School Principal/ Secretary to
 BOM

Date: 23/04/2025

Name: Mathew Mbevi
 Bursar/ Finance Officer

Date: 23/04/2025


8. Statement of Cash Flows for the Year Ended 30th June 2024

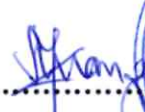
| Description | Note | 2023/2024 | 2022/2023 |
|---|------|-------------------|-------------------|
| | | Kshs | Kshs |
| Cash from Operating Activities | | | |
| Receipts | | | |
| Government grants for tuition | 1 | 3,672,158 | 3,902,374 |
| Government grants for operations | 2 | 12,313,093 | 18,881,079 |
| Government grants for infrastructure | 3 | 5,509,600 | 4,303,000 |
| School fund income- parents contributions/ fees | 4 | 61,455,749 | 68,213,939 |
| Other income | 5 | 4,974,670 | 1,884,491 |
| Total receipts | | 87,925,270 | 97,184,883 |
| Payments | | | |
| Cash outflows for tuition | 6 | 3,495,925 | 4,058,876 |
| Cash outflows for operations | 7 | 11,889,033 | 16,880,731 |
| Cash outflows infrastructure | 8 | 4,302,777 | 3,003,140 |
| Cash outflows Boarding/lunch and school fund payments | 9 | 63,188,127 | 68,287,792 |
| Total payments | | 82,875,862 | 92,230,539 |
| Net cash inflow/outflow from operating activities | | 5,049,408 | 4,954,344 |
| Cash flow from investing activities | | | |
| Acquisition of assets | | - | - |
| Proceeds from sale of Assets | | - | - |
| Proceeds from investments | | - | - |
| Purchase of investments | | - | - |
| Net cash inflow/outflows from investing activities | | - | - |
| Cash flow from Financing activities | | | |
| Proceeds from borrowings/ loans | | - | - |
| Repayment of principal borrowings | | - | - |
| Net cash inflow/outflow from financing activities | | - | - |
| Net increase/decrease in cash and cash equivalents | | 5,049,408 | 4,954,344 |
| Cash and cash equivalent at beginning of the FY | | 9,822,583 | 4,868,239 |
| Cash and cash equivalent at end of the FY | | 14,871,991 | 9,822,583 |

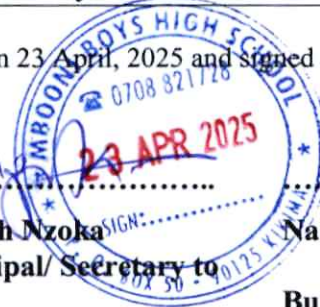
MBOONI BOYS HIGH SCHOOL.

Annual Report and Financial Statements For the year ended 30th June 2024

The school's financial statements were approved on 23 April, 2025 and signed by:


.....
Name: Eng. Titus Muthama
Chair BOM
Date: 23/04/2025


.....
Name: Joseph Nzoka
School Principal/ Secretary to BOM
Date: 23/04/2025




.....
Name: Mathew Mbevi
Bursar/ Finance Officer
Date: 23/04/2025

9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th 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 |
| Receipts | | | | | |
| | | | | | |
| (1) Capitation Grant on Tuition | | | | | |
| Reference Materials | - | - | - | - | - |
| Exercise Books | - | - | - | - | - |
| Laboratory Equipment | - | - | - | - | - |
| Internal Exams | - | - | - | - | - |
| Teaching / Learning Materials | 6,630,400 | - | 6,630,400 | 3,672,158 | 55% |
| Exams And Assessment | - | - | - | - | - |
| | | | | | |
| (2) Capitation Grant on Operations | | | | | |
| Personnel Emoluments | 7,520,000 | - | 7,520,000 | 4,572,794 | 61% |
| Repairs And Maintenance | 8,000,000 | - | 8,000,000 | - | 60% |
| Local Transport / Travelling | 2,506,000 | - | 2,506,000 | 1,512,900 | 87% |
| Electricity And Water | 2,506,000 | - | 2,506,000 | 1,512,900 | 60% |
| Medical | - | - | - | 1,650,900 | - |
| Salary advance | | | | 32,000 | - |
| NSSF | 386,784 | - | 386,784 | 100,372 | 26% |
| CBC | - | - | - | - | - |
| Boarding account (BES) | - | - | - | - | - |

| 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 |
| House levy | - | - | - | 49,128 | - |
| NHIF | 129,900 | | 129,900 | 118,900 | 92% |
| Administration Costs | 2,508,000 | - | 2,508,000 | 1,544,774 | 62% |
| Activity | 2,400,000 | - | 2,400,000 | 1,218,424 | 51% |
| Gratuity | - | - | - | - | - |
| | | | | | |
| 3) FDSE for infrastructure | | | | | |
| Maintenance & Improvement MoE | 11,200,000 | - | 11,200,000 | 5,509,600 | 49% |
| M&I parents' contribution | - | - | - | - | - |
| Economic Stimulus Programs | - | - | - | - | - |
| Transition Infrastructure Grants | - | - | - | - | - |
| Administration Block | - | - | - | - | - |
| (4) Fees Charged on Parents | | | | | |
| Personnel Emoluments (KCB) | 9,803,316 | - | 9,803,316 | 4,393,306 | 45% |
| Repairs And Maintenance (KCB) | 3,200,000 | - | 3,200,000 | 2,729,663 | 85% |
| Local Transport / Travelling (KCB) | 3,440,000 | - | 3,440,000 | 3,446,188 | 100% |
| Electricity And Water (KCB) | 3,440,000 | - | 3,440,000 | 6,480,211 | 188% |
| Medical | | - | - | - | - |
| Administration Costs (KCB) | 3,440,000 | - | 3,440,000 | 3,591,529 | 104% |
| Activity (KCB) | 400,000 | - | 400,000 | 494,520 | 124% |
| Fee On Boarding Equipment and Stores (KCB) | 49,225,261 | - | 49,225,261 | 36,132,473 | 73% |
| Personnel Emoluments (EQUITY) | - | - | - | 141,206 | |

| 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 |
| Repairs And Maintenance (EQUITY) | - | - | - | 90,525 | |
| Local Transport / Travelling (EQUITY)) | - | - | - | 97,166 | |
| Electricity And Water (EQUITY) | - | - | - | 202,990 | |
| Medical | - | - | - | - | |
| Administration Costs (EQUITY) | - | - | - | 76,615 | |
| Activity (EQUITY) | - | - | - | 8,990 | |
| Fee On Boarding Equipment and Stores (EQUITY) | - | - | - | 1,142,012 | |
| Arrears | 6,409,261 | - | 6,409,261 | 966,269 | 15% |
| Prepaid fees | - | - | - | 2,037,108 | |
| NHIF | 129,900 | - | 129,900 | 97,350 | 75% |
| NSSF | 386,784 | - | 386,784 | 334,786 | 87% |
| Salary advance | - | - | - | 41,000 | |
| Housing levy | - | - | - | 50,252 | |
| Operation account | - | - | - | - | |
| 5) Miscellaneous Income | | | | | |
| Loans / Borrowing | - | - | - | - | - |
| Rent income | - | - | - | 23,100 | - |
| Income From Farming Activities | - | - | - | 2,980 | - |
| Insurance Compensation | - | - | - | - | - |
| Income From Posho Mill | - | - | - | - | - |
| Income From Bus Hire | - | - | - | 226,000 | - |

| 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 |
| Uniforms | - | - | - | 500,385 | - |
| Tender income | - | - | - | 21,000 | - |
| Damages /losses | - | - | - | 34,785 | |
| KCSE EXAM | - | - | - | 143,200 | |
| Disposal | - | - | - | 37,800 | |
| Prize Giving | - | - | - | 1,317,700 | |
| Canteen sales | 2,200,000 | - | - | 675,030 | 31% |
| Fee For Hire of Ground and Equipment | - | - | - | - | - |
| Interest Income | - | - | - | - | - |
| Income From Any Other Investment | - | - | - | - | - |
| Total Income | 125,861,606 | - | 125,861,606 | 95,774,070 | 76% |
| (6) Expenditure For Tuition | | | | | |
| Textbooks | - | - | - | - | - |
| Reference Materials | - | - | - | - | - |
| Exercise Books | - | - | - | - | - |
| Laboratory Equipment and apparatus | - | - | - | 810,283 | - |
| Internal Exams | - | - | - | - | - |
| Teaching / Learning Materials | 6,630,400 | - | 6,630,400 | 1,875,746 | 28% |
| Dusters | - | - | - | - | - |
| Exams And Assessment | - | - | - | - | - |
| Teachers Guides | - | - | - | - | - |
| Payments for creditors | - | - | - | 806,534 | |

| 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 |
| Bank charges | - | - | - | 3,362 | - |
| Administration Costs | - | - | - | - | - |
| (7) Expenditure For Operations | | | | | |
| Personnel Emoluments | 7,520,000 | - | 7,520,000 | 3,822,098 | 51% |
| Repairs, Maintenance & Improvements | 8,000,000 | - | 8,000,000 | 0 | - |
| Local Transport / Travelling | 2,506,000 | - | 2,506,000 | 106,100 | 4% |
| Electricity, Water and Conservancy | 2,506,000 | - | 2,506,000 | 2,989,406 | 119% |
| Medical | | | | 441,910 | - |
| Administration Costs | 2,508,000 | - | 2,508,000 | 1,648,444 | 66% |
| Activity Expenses | 2,400,000 | - | 2,400,000 | 351,000 | 15% |
| Salary advance | | | | 32,000 | - |
| NSSF | | | | 260,244 | - |
| NHIF | | | | 117,150 | - |
| Payment creditors | | | | 1,401,194 | |
| Bank charges | | | | 4,653 | |
| CBC Classroom | | | | 714,834 | - |
| Gratuity | | | | - | |
| SMASSE | | | | - | |
| | | | | | |
| (8) Expenditure For infrastructure | | | | | |
| Infrastructure | - | - | - | 4,300,000 | - |
| Bank charges | - | - | - | 2,776 | - |

| 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 |
| Construction of classrooms | - | - | - | - | - |
| Construction of LAB | - | - | - | - | - |
| Construction of DORMS | - | - | - | - | - |
| Purchase of furniture | - | - | - | - | - |
| Purchase of equipment | - | - | - | - | - |
| Purchase of machinery | - | - | - | - | - |
| (9) Expenditure For school fund/lunch/boarding | | | | | |
| <i>Fee on Boarding and stores (KCB)</i> | 49,225,261 | | 49,225,261 | 35,815,008 | 73% |
| Personnel Emoluments (KCB) | 9,803,316 | - | 9,803,316 | 5,431,048 | 55% |
| Repairs, Maintenance and Improvements (KCB) | 3,200,000 | - | 3,200,000 | 2,156,655 | 67% |
| Local Transport / Travelling (KCB) | 3,440,000 | - | 3,440,000 | 950,135 | 28% |
| Electricity, Water and Conservancy (KCB) | 3,440,000 | - | 3,440,000 | 3,129,924 | 91% |
| Medical Expenses | - | - | - | - | - |
| Administration Costs (KCB) | 3,440,000 | - | 3,440,000 | 5,505,060 | 160% |
| Activity (KCB) | 400,000 | - | 400,000 | 1,970,856 | 493% |
| Electricity and water (EQUITY) | - | - | - | 936,148 | - |
| Grounds and Bus hire | | | | 34,500 | - |
| Salary advances | | | | 54,000 | |
| Bank charges | | | | 77,607 | - |

| 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 |
| Payment for creditors (KCB) | - | - | - | 6,193,431 | - |
| NSSF | 386,784 | - | 386,784 | 283,458 | 73% |
| Uniform | | | | 1336,700 | - |
| NHIF | 129,900 | - | 129,900 | 18,900 | 15% |
| Bank charges (equity) | | | | 2,797 | - |
| Rent expenses | | | | 10,000 | |
| Tenders | - | - | - | 49,100 | - |
| Gratuity | - | - | - | - | - |
| KCSE | - | - | - | 142,800 | - |
| Boarding account (KCB) | - | - | - | 290,000 | - |
| Operation account | - | - | - | - | - |
| Boarding Equipment and Stores | - | - | - | - | - |
| Expenditure For Income Generating Activity | - | - | - | - | - |
| Insurance Costs | - | - | - | - | - |
| Rent Expenses | - | - | - | - | - |
| Loan Interest Repayment | - | - | - | - | - |
| Loan Principal Repayment | - | - | - | - | - |
| Acquisition Of Assets | - | - | - | - | - |
| Totals | 105,535,661 | - | 105,535,661 | 90,724,662 | 80% |

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 30th June 2024.

11. Notes To the Financial Statements**1 Government Grants for Tuition**

| Description | 2023/2024 | 2022/2023 |
|-------------------------------|------------------|------------------|
| | Kshs | Kshs |
| Reference Materials | - | - |
| Exercise Books | - | - |
| Laboratory Equipment | - | - |
| Internal Exams | - | - |
| Teaching / Learning Materials | 3,672,158 | 3,902,374 |
| Others (<i>specify</i>)* | - | - |
| Total | 3,672,158 | 3,902,374 |

2 Government Grants for Operations

| Description | 2023/2024 | 2022/2023 |
|--------------------------------------|-------------------|-------------------|
| | Kshs | Kshs |
| Personnel Emoluments | 4,572,794 | 5,159,536 |
| Repairs And Maintenance | - | 5,723,000 |
| Local Transport / Travelling | 1,512,900 | 1,717,468 |
| Electricity And Water | 1,512,900 | 1,717,468 |
| Medical | 1,650,900 | 287,100 |
| Administration Costs | 1,544,775 | 1,725,711 |
| Activity | 1,218,424 | 804,950 |
| Salary advance | 32,000 | - |
| NSSF | 100,372 | 184,046 |
| NHIF | 118,900 | 130,800 |
| Boarding account (BES) | - | 1,431,000 |
| House levy | 49,128 | - |
| CBC | - | - |
| Other Vote Heads (<i>specify</i>)* | - | - |
| Total | 12,313,093 | 18,881,079 |

MBOONI BOYS HIGH SCHOOL.

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3 Government Grants for infrastructure

| Description | 2023/2024 | 2022/2023 |
|--|------------------|------------------|
| | Kshs | Kshs |
| Maintenance & Improvement | 5,509,600 | 4,303,000 |
| Transition infrastructure grants | - | - |
| Administration Block | - | - |
| Economic stimulus grants | - | - |
| Other (specify)(NGCDF and County govt. | - | - |
| Total | 5,509,600 | 4,303,000 |

4 School Fund Income - Parents Contribution/Fees

| Description | 2023/2024 | 2022/2023 |
|---|-------------------|-------------------|
| | Kshs | Kshs |
| Personnel emoluments (KCB) | 4,393,306 | 5,841,571 |
| Repairs and maintenance (KCB) | 2,729,663 | 3,567,364 |
| Local transport / travelling (KCB) | 3,446,189 | 1,470,395 |
| Electricity and water (KCB) | 6,309,047 | 8,183,580 |
| Administration costs (KCB) | 3,591,529 | 3,139,432 |
| Activity (KCB) | 494,520 | 490,364 |
| Fee on Boarding Equipment and stores (KCB) | 36,132,473 | 2,332,607 |
| Fee on Boarding Equipment and stores (EQUITY) | 1,142,012 | - |
| Personnel emoluments (EQUITY) | 141,206 | - |
| Repairs and maintenance (EQUITY) | 90,525 | - |
| Local transport / travelling (EQUITY) | 97,166 | - |
| Electricity and water (EQUITY) | 202,990 | - |
| Medical | - | - |
| Activity (EQUITY) | 8,990 | - |
| Administration costs (EQUITY) | 76,615 | - |
| Arrears | 39,022 | 1,399,250 |
| Prepaid fees | 2,037,108 | 1,495,916 |
| NHIF | 97,350 | 131,150 |
| NSSF | 334,786 | 133,760 |
| Salary advance | 41,000 | 28,550 |
| Housing levy | 50,252 | - |
| Operation account | - | - |
| Total | 61,455,749 | 68,213,939 |

5 Miscellaneous Incomes

| Description | 2023/2024 | 2022/2023 |
|--------------------------------------|------------------|------------------|
| | Kshs | Kshs |
| Rent Income | 23,100 | 10,800 |
| Income From Farming Activities | 2,980 | 26,860 |
| Insurance Compensation | - | - |
| Uniforms | 500,385 | 196,455 |
| Prize giving | 1,317,700 | - |
| Income From Bus Hire | 226,000 | 273,000 |
| Fee For Hire of Ground and Equipment | - | - |
| Income From Grants and Donations* | - | - |
| Damages and losses | 34,785 | 187,376 |
| KCSE EXAM | 143,200 | 47,000 |
| Canteen sales | 675,030 | 1,090,000 |
| Tender income | 21,000 | 53,000 |
| Disposal | 37,800 | - |
| CBC curriculum | 1,204,650 | |
| CBC classroom | 788,040 | |
| Total | 4,974,670 | 1,884,491 |

MBOONI BOYS HIGH SCHOOL.

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6 Tuition

| Description | 2023/2024 | 2022/2023 |
|-------------------------------|------------------|------------------|
| | Kshs | Kshs |
| Exercise Books | - | - |
| Textbooks | - | - |
| Reference materials | - | - |
| Laboratory Equipment | 810,283 | 2,240,250 |
| Teaching / Learning Materials | 1,875,746 | 619,000 |
| Exams And Assessment | - | - |
| Payment creditors | 806,534 | 1,195,000 |
| Bank Charges | 3,362 | 4,626 |
| Others (<i>specify</i>) | | |
| Total | 3,495,925 | 4,058,876 |

7 Operations

| Description | 2023/2024 | 2022/2023 |
|--|-------------------|-------------------|
| | Kshs | Kshs |
| Personnel Emoluments | 3,822,098 | 5,613,769 |
| Bank charges | 4,653 | 7,036 |
| Administration Cost | 1,648,444 | 2,327,080 |
| Repairs And Maintenance & Improvements | - | 4,303,000 |
| Local Transport / Travelling | 106,100 | 82,850 |
| Electricity And Water | 2,989,406 | 2,475,196 |
| Medical | 441,910 | 45,000 |
| Activity Expenses | 351,000 | 235,000 |
| Payment for creditors | 1,401,194 | 18,350 |
| NSSF | 260,244 | 162,260 |
| NHIF | 117,150 | 180,190 |
| Salary advance | 32,000 | - |
| Boarding account (BES) | - | 1,431,000 |
| CBC Classroom | 714,834 | - |
| Total | 11,889,033 | 16,880,731 |

MBOONI BOYS HIGH SCHOOL.

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8 Infrastructure

| Description | 2023/2024 | 2022/2023 |
|-------------------------------|------------------|------------------|
| | Kshs | Kshs |
| Refurbishment of MPH /library | 4,300,000 | 2,999,120 |
| Construction of laboratory | - | - |
| Construction of dormitory | - | - |
| Purchase of furniture | - | - |
| Purchase of equipment | - | - |
| Purchase of apparatus | - | - |
| Drilling of boreholes | - | - |
| Bank charges | 2,777 | 4,020 |
| Total | 4,302,777 | 3,003,140 |

9 Boarding And School Fund

| Description | 2023/2024 | 2022/2023 |
|--|------------------|------------------|
| | Kshs | Kshs |
| Personnel Emoluments (KCB) | 5,431,048 | 6,524,897 |
| Service Gratuity | - | - |
| Repairs And Maintenance & Improvements (KCB) | 2,156,655 | 1,529,720 |
| Local Transport / Travelling (KCB) | 950,135 | 997,160 |
| Electricity And Water (KCB) | 3,129,924 | 3,751,879 |
| Medical Expenses | | - |
| Administration Costs (KCB) | 5,505,060 | 3,134,339 |
| Lunch Programme | | - |
| Bank Charges (KCB) | 77,607 | 97,002 |
| Activity (KCB) | 1,970,856 | 2,705,024 |
| Fee On Boarding Equipment and Stores (KCB) | 35,815,008 | 46,517,724 |
| Electricity and water (EQUITY) | 936,148 | - |
| Bank charges (EQUITY) | 2,797 | - |
| NSSF | 283,458 | - |
| NHIF | 18,900 | 87,400 |
| Salary advance | 54,000 | 28,550 |
| KCSE | 142,800 | 52,500 |
| Payment for creditors | 6,193,431 | 2,683,737 |
| Uniforms | 136,700 | 157,860 |

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| | | |
|------------------------|-------------------|-------------------|
| Boarding account (KCB) | 290,000 | - |
| Operation account | - | - |
| Rent expenses | 10,000 | - |
| Farming activities | - | - |
| Tenders | 49,100 | 20,000 |
| Bus hire | 34,500 | - |
| Activity | | - |
| Total | 63,188,127 | 68,287,792 |

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10 Bank Accounts

| Account Name & Currency | Status | Bank Account Number | 2023/2024 | 2022/2023 |
|---------------------------------------|-----------------------|----------------------------|-------------------|------------------|
| | Active/Dormant | | Kshs | Kshs |
| Tuition Account | Active | 1106378571 | 389,872 | 213,639 |
| Operations Account | Active | 1106311191 | 3,785,718 | 2,007,044 |
| School Fund Account/Boarding (KCB) | Active | 1106310330 | 6,009,783 | 4,659,085 |
| School Fund Account/Boarding (EQUITY) | Active | 0670284439660 | 530,559 | - |
| Infrastructural Account | Active | 1238318770 | 4,147,430 | 2,940,607 |
| Total | | | 14,863,362 | 9,820,375 |

11 Cash In Hand

| Description | 2023/2024 | 2022/2023 |
|--------------------|------------------|------------------|
| | Kshs | Kshs |
| Notes and Coins | 8,630 | 2,207 |
| Total | 8,630 | 2,207 |

12 a) Accounts Receivable

| Description | 2023/2024 | 2022/2023 |
|--|-------------------|-------------------|
| | Kshs | Kshs |
| Fees Arrears | 41,979,362 | 35,174,577 |
| Other Non-Fees Receivables | - | - |
| Salary Advances (list/schedule attached) | - | - |
| Imprest (list/schedule attached) | - | - |
| Rent arrears (list/schedule attached) | 145,460 | 143,260 |
| Total | 42,124,822 | 35,317,837 |

12 b) Ageing Analysis of Accounts Receivable

| Description | 2023/2024 | | 2022/2023 | |
|--|----------------------|-------------------|--------------------------|-------------------|
| | Kshs | | Kshs | |
| | Current 2023/2024 | % of the total | Comparative 2022/2023 | % of the total |
| Less than 1 year | 7,916,514 | 18% | 3,292,869 | 9% |
| Between 1- 2 years | 3,292,869 | 8% | 7,948,297 | 23% |
| Between 2-3 years | 7,948,297 | 19% | 23,933,411 | 68% |
| Over 3 years | 22,967,142 | 55% | - | 0% |
| Total (should tie to note 12 a) | 42,124,822 | 100% | 35,174,577 | 100% |

13 a) Accounts Payable

| Description | 2023/2024 | | 2022/2023 | |
|---|-----------|-------------------|-----------|-------------------|
| | Kshs | | Kshs | |
| Trade Creditors (See Ageing Below and Appendix 1) | | | | |
| | | 27,040,751 | | 22,032,708 |
| Prepaid Fees | | 2,037,108 | | 1,495,916 |
| Retention Monies | | - | | - |
| Unpaid salaries and statutory deductions | | 1,257,752 | | - |
| Caution money | | - | | - |
| Other payables (<i>specify</i>) | | - | | - |
| Total | | 30,335,611 | | 23,528,624 |

13b. Ageing Analysis of Accounts Payable

| Description | 2023/2024 | | 2022/2023 | |
|--------------------------------------|----------------------|-------------------|--------------------------|-------------------|
| | Kshs | | Kshs | |
| | Current 2023/2024 | % of the total | Comparative 2022/2023 | % of the total |
| Less than 1 year | 16,704,717 | 55% | 11,619,596 | 49% |
| Between 1- 2 years | 2,980,272 | 10% | 11,003,342 | 47% |
| Between 2-3 years | 9,744,780 | 32% | 905,686 | 4% |
| Over 3 years | 905,842 | 3% | | 0% |
| Total (should tie to note 13) | 30,335,611 | 100% | 23,528,624 | 100% |

MBOONI BOYS HIGH SCHOOL.

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14 Fund Balance Brought Forward

| Description | 2023/2024 | 2022/2023 |
|------------------------|-------------------|-------------------|
| | Kshs | Kshs |
| Bank Balances | 9,820,375 | 4,852,838 |
| Cash Balances | 2,207 | 15,400 |
| Short Term Investments | - | - |
| Receivables | 35,317,837 | 33,280,958 |
| Payables | (23,528,624) | (21,491,745) |
| Total | 26,611,795 | 16,657,451 |

MBOONI BOYS HIGH SCHOOL.

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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.

15 Biological assets

| Description | Numbers | 2023/2024 | 2022/2023 |
|--------------------------|----------|----------------|-----------|
| | | Kshs | Kshs |
| Cattle | 2 | 210,000 | - |
| Goats | - | - | - |
| Trees | - | - | - |
| Coffee Or Tea Plantation | - | - | - |
| Poultry | - | - | - |
| Others (specify) | - | - | - |
| Total | 2 | 210,000 | - |

16 Stock/ Inventory

| Description | Unit | 2023/2024 | 2022/2023 |
|----------------------------|------------|------------------|-----------|
| | | Kshs | Kshs |
| Bulbs | 7 | 3,360 | - |
| Diesel | 120litres | 20,999 | - |
| Detergent | 275litres | 20,625 | - |
| Engine oil | 10litres | 6,800 | - |
| Fluorescent lights fitting | 20pieces | 21,980 | - |
| Flood light | 1 piece | 7,800 | - |
| Construction Materials | - | - | - |
| Green grams | 8 Bags | 120,000 | - |
| Maize | 200 Bags | 1,440,000 | - |
| Pigeon peas | 2 Bags | 32,000 | - |
| Cabbages | 158 Kgs | 6320 | - |
| Canisters | 48 Packets | 194,400 | - |
| Filter paper | 10 Packets | 10,280 | - |
| Optical pins | 2 Packets | 1,592 | - |
| Cooking oil | 444 Litres | 133,200 | - |
| TOTALS | | 2,019,356 | - |

MBOONI BOYS HIGH SCHOOL.

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17 Progress On Follow Up of Auditor Recommendations

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

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

Sign and Date
Principal



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 2023/2024 | Outstanding Balance Comparative 2022/2023 | Comments |
|--------------------------------|-----------------|-----------------|---------------------|---------------------------------------|---|----------|
| | A | b | C | d=a-c | | |
| | Kshs | Kshs | Kshs | Kshs | Kshs | |
| 1. ABBYTINT MERCHANTS | | | | 111,900 | | |
| 2. TREG ENTERPRISE | | | | 386,700 | | |
| 3. CALESTER GENERAL SUPPLIES | | | | 73,015 | | |
| 4. BONSIIV ENTERPRISE | | | | 3,173,810 | | |
| 5. MAXXMIT SUPPLIES | | | | 590,500 | | |
| 6. TUVILANI DAIRY FARMER SHG | | | | 252,780 | | |
| 7. JAMES MUTUA MBITHI | | | | 609,520 | | |
| 8. FAMIJA ENTERPRISE | | | | 2,400 | | |
| 9. JANNITEX INVESTMENTS | | | | 245,000 | | |
| 10. CRYSTAL LUCK ENTERPRISES | | | | 2,356,600 | | |
| 11. KASYOKA ENGINEERING | | | | 40,150 | | |
| 12. NATHAN NZUMA MULI | | | | 58,050 | | |
| 13. KENNEDY N MWEA | | | | 45,000 | | |
| 14. AMAZON GAS OIL COMPANY LTD | | | | 41,286 | | |

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| Supplier Of Goods or Services | Original Amount | Date Contracted | Amount Paid To-Date | Outstanding Balance Current 2023/2024 | Outstanding Balance Comparative 2022/2023 | Comments |
|---------------------------------------|------------------------|------------------------|----------------------------|--|--|-----------------|
| 15. MULOKI GENERAL SUPPLIES | | | | 14,850 | | |
| 16. BOM EMPOLYEEES SALARY JUNE 2024 | | | | 671,762 | | |
| 17. CASUALS SALARIES | | | | 121,500 | | |
| 18. NSSF | | | | 334,786 | | |
| 19. NDANU CARE PHARMANCY | | | | 884,180 | | |
| 20. FAYTECH (IT) SYSTEM LTD | | | | 179,700 | | |
| 21. MBUMA ELECTRICALS | | | | 73,920 | | |
| 22. STANKO ELECTRICALS | | | | 40,000 | | |
| 23. ZYNELLE KENYA LTD | | | | 213,000 | | |
| 24. MUOKKI MUIA ARTIST | | | | 73,700 | | |
| 25. NYAPENJO ENTERPRISES | | | | 7,500 | | |
| 26. TOP GRADE PREDICTOR PUBLISHER LTD | | | | 320,000 | | |
| 27. SHREDS PUBLISHERS | | | | 5,000 | | |
| 28. BRAND CAR GARAGE | | | | 76,200 | | |
| 29. HOUSING LEVY | | | | 109,554 | | |
| 30. NHIF | | | | 20,150 | | |
| 31. MBOONI PRIDE HOTEL | | | | 419,200 | | |
| 32. JACKSON KALIMA | | | | 8,000 | | |
| 33. KPLC | | | | 3,040,751 | | |

MBOONI BOYS HIGH SCHOOL.

Annual Report and Financial Statements For the year ended 30th June 2024

| Supplier Of Goods or Services | Original Amount | Date Contracted | Amount Paid To-Date | Outstanding Balance Current 2023/2024 | Outstanding Balance Comparative 2022/2023 | Comments |
|------------------------------------|-----------------|-----------------|---------------------|---------------------------------------|---|----------|
| 34. PREPAID FEES | | | | 2,037,108 | | |
| 35. DISCOVERY LIFE SPRINGS | | | | 67,300 | | |
| 36. SUNDRY CREDITORS B/F 2022/2023 | | | | 13,630,894 | | |
| TOTAL | | | | 30,335,611 | | |

Annex 2 – Summary of Fixed Assets Register

| Asset Class | Historical Cost b/f (Kshs) 1 st July 2023 | Additions during the year (Kshs) | Disposals during the year (Kshs) | Historical Cost c/f (Kshs) 30 th June 2024 |
|--|--|----------------------------------|----------------------------------|---|
| Land | | | | |
| Buildings And Structures | | | | |
| Motor Vehicles KBU 178T | - | | | 3,808,800 |
| Motor Vehicle KAV 615E | - | | | 1,400,000 |
| Office Equipment, Furniture and Fittings | | | | |
| Textbooks | | | | |
| ICT Equipment | | | | |

