

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LTD

REPORT DATE: 20 FEB 2015 DAY: Thursday
TABLED BY: Hon Naomi Waga Deputy Majority Whip
OF CLERK-AT-THE-TABLE: Imrope Mwale

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

LAMU BOYS SECONDARY SCHOOL

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

LAMU COUNTY



LAMU BOYS SECONDARY SCHOOL

P.O. BOX 16 - 80500 LAMU.

TEL: - 0743 954321/ 0733 742202



**ANNUAL REPORT & FINANCIAL
STATEMENTS FOR THE YEAR ENDED
30TH JUNE 2021.**

TUITION OPERATIONS AND MAIN ACCOUNTS

**09TH JULY 2024
MINISTRY OF EDUCATION
STATE DEPARTMENT FOR BASIC EDUCATION
LAMU COUNTY**

Revised 30th June 2021.



LAMU BOYS SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30th June 2021

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

LAMU BOYS SECONDARY SCHOOL
Reports and Financial Statements
For the year ended 30th June 2021

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LAMU BOYS SECONDARY SCHOOL
Reports and Financial Statements
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Acronyms and Glossary of Terms

Provide a list of all applicable acronyms and glossary 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	Free Day Secondary Education

I. KEY SCHOOL INFORMATION AND MANAGEMENT

(a) Background information

Lamu Boys Secondary School is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is located in **Lamu County, Lamu Central** Sub-County

The school was re-registered in **February 2021** under registration number **05830000201** and is currently categorized as an **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 **236** number of students as at **30th June 2021**. It has **2** streams and **17** teachers of which **2** 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	Majid H. Basheikh	Chairman	09.10.2019
2	Timothy Malili	Secretary - Principal	10.01.2020
3	Raya Famau Ahmed	Vice Chairperson	09.10.2019
4	Fatma Said Abdalla	Member	09.10.2019
5	Khadija Mohamed Ahmed	Member	09.10.2019
6	Hajj Mahmoud	Member	09.10.2019
7	Omar Ahmed Saggaf	Member – Rep CEB	09.10.2019
8	David Nduru Kinyati	Member Rep Teachers	09.10.2019
9	James Kariuki Geofrey W. Maloba Mohamed Kubwa	3 Members - Sponsor	09.10.2019
10	Ahmed Mohamed Hamza	Member - Community	09.10.2019
11	Ahmed Mohamed Omar	Member Special Needs	09.10.2019
12	Imran Aboud	Rep Students	09.10.2019

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The function of the School Board of Management include:

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013
- Ensure and assure the provision of proper and adequate facilities for the School
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School.
- Determine cases of pupils discipline and make reports to the CEB
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB
- Administer and manage the resources of the School
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule para 21 and 23 of the Basic Education Act, 2013.

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Majid H.Basheikh Timothy Malili Ahmed M.Hamza Raya F.Ahmed Khadija M.Ahmed	Chairman Secretary Member Member Member	1 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1
2	Audit Committee	Mohamed Kubwa Timothy Malili Geofrey W.Maloba Khadija M.Ahmed Ahmed M.Hamza	Chairman 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	James Kariuki Timothy Malili Ahmed M.Omar Omar Ahmed Sagaf Raya Famau Ahmed	Chairman Secretary Member Member Member	1 out of 1 1 out of 1 1 out of 1 0 out of 1 1 out of 1
4	Academic Committee	Fatma Said Abdalla Timothy Malili Geofrey W.Maloba David N. Kinyati Mohamed Kubwa	Chairperson Secretary Member Member Member	1 out of 1 1 out of 1 0 out of 1 1 out of 1 1 out of 1
5	Human Rights & students Welfare	Raya F.Ahmed Timothy Malili Khadija Mohamed James Kariuki Feiswal Mkimina	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

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	Discipline and welfare Committee	Haji Mahmoud Timothy Malili Feiswal Mkimina Ahmed M.Hamza Mohamed Kubwa	Chairman Secretary Member Member Member	0 out of 1 1 out of 1 1 out of 1 1 out of 1 1 out of 1
7	Adhoc Committee (if any during the year)	Majid Basheikh Raya Famau Ahmed M.Hamza Ahmed M.Omar James Kariuki Feiswal M.Shee David N Kinyati Khadija Mohamed Mohamed Kubwa Geoffrey W. Maloba	Special meetings during an arson attempt at the school	2 out of 2 1 out of 2 2 out of 2 1 out of 2 2 out of 2 1 out of 2 2 out of 2 1 out of 2 1 out of 2 1 out of 2

(d) School operation Management

For the financial year ended 30th June 2021 the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	Timothy Malili	TSC/352683
2	Deputy Principal	Bonface Osoro Isaboke	TSC/492719
3	School Bursar	Kadede Chigulu Chiro	8621350

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

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

(f) School Bankers

The following school operated 8 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: Kcb Bank(K) Ltd
Branch: Lamu
Account Number: 1108093604 –Main Account
2. Name of Bank: Kcb Bank(K) Ltd
Branch: Lamu
Account Number: 1104752743- Operations Account
3. Name of Bank: Kcb Bank (K) Ltd
Branch: Lamu
Account Number: 110472050 –Tuition Account
4. Name of Bank: Kcb Bank (K) Ltd
Branch: Lamu
Account Number: 1287412912 – Infrastructure Account
5. Name of Bank: Gulf African Bank
Branch: Lamu
Account Number: 0750000801/2 – Savings Exam/Uniform
6. Name of Bank: Kcb Bank (K) Ltd
Branch: Lamu
Account Number: 1167501292 – CDF Account
7. Name of Bank: Kcb Bank (K) Ltd
Branch: Lamu
Account Number: 1103551930 –Caution Money Account -Dormant
8. Name of Bank: Kcb Bank (K) Ltd
Branch: Lamu
Account Number: 1103555464 –PA Development Account-Dormant

MPESA Pay Bill No. N/A

(Ensure all bank accounts operated by the school are disclosed and that all Pay Bill Numbers are also disclosed)

(g) Independent Auditors

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

II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

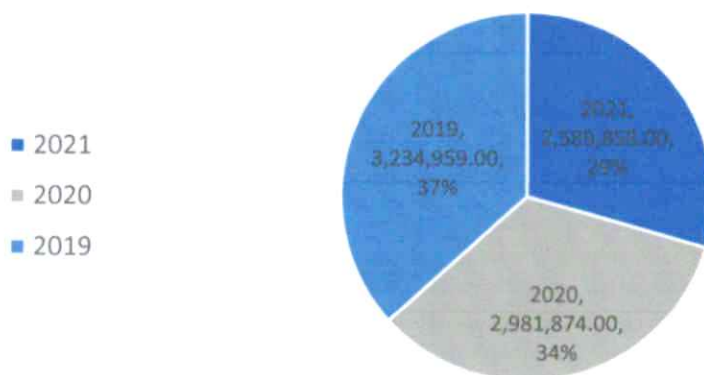
a) **Financial performance:**

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

YEAR	2021	2020	2019
SURPLUS/DEFICIT	1,182,328	(224,608.)	717,309.00

YEAR	2021	2020	2019
MOE GRANTS	2,589,858.	2,981,874.00	3,234,959.00

MOE CAPITATION GRANTS RECEIVED



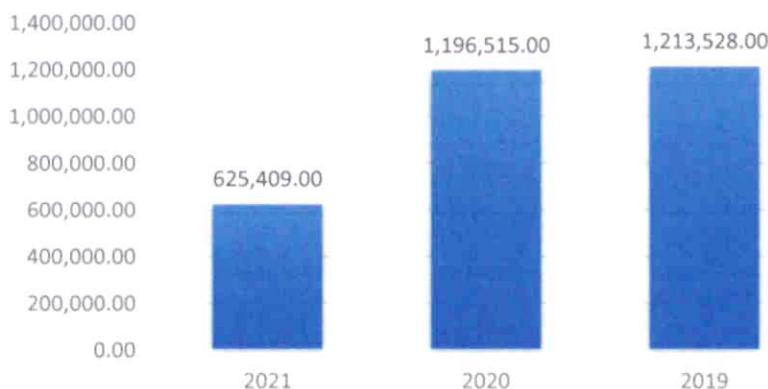
Ratio of capitation grant per student over the last three years

YEAR	2021	2020	2019
RATIO PER STUDENT	11,221.	13,501.00	18,699.

Other Income Growth over the last three years

YEAR	2021	2020	2019
OTHER INCOME	625,409.00	1,196,515.00	1,213,528.00

OTHER INCOME GROWTH



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

YEAR	2021	2020	2019
EXPENDITURE	7,285,663.00	10,851,127.00	13,943,580.00
GROWTH			



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

YEAR	2021	2020	2019
DEBTORS	23,854,901.00	23,328,073.00	21,939,203.00
CREDITORS	1,656,671.00	835,061.00	998,474.00

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- *Movement of cash and bank balances over the last three years*

YEAR	2021	2020	2019
<i>BANK BALANCES</i>	<i>1,013,709.00</i>	<i>461,557.00</i>	<i>915,550.00</i>
<i>CASH BALANCES</i>	<i>168,817.00</i>	<i>38,861.00</i>	<i>135,023.00</i>

b) **Teacher Student ratio:**

RATIO OF TEACHER TO STUDENT *1:14*

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

2021	Recruited	Posted
<i>Number of Teachers</i>	<i>1</i>	<i>1</i>

Number of teachers transferred/ retired during the period & a well as number of teachers employed by TSC, and number employed by BOM.

2021	Transferred	Retired	Employed Tsc	Employed by BOM
<i>No.of Teachers</i>	<i>None</i>	<i>None</i>	<i>1</i>	<i>3</i>

No.of Teachers per subject.

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

c) **Mean score in the 2020 KCSE:**

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
2020	<i>0</i>	<i>0</i>	<i>0</i>	<i>2</i>	<i>1</i>	<i>1</i>	<i>8</i>	<i>14</i>	<i>12</i>	<i>10</i>	<i>5</i>	<i>0</i>	<i>1</i>	<i>54</i>
2019	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>13</i>	<i>0</i>	<i>0</i>	<i>31</i>
2018	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>4</i>	<i>6</i>	<i>9</i>	<i>12</i>	<i>15</i>	<i>0</i>	<i>0</i>	<i>46</i>

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Include the number of students that have since transitioned to institutions of higher learning. Include the mean score and comment on improvement or otherwise as compared to the school's set score.

YEARS	TRANSITION TO HIGHER LEARNING	MEAN SCORE	SCHOOL TARGET	VARIATIONS	COMMENTS
2020	4	4.5094	5.5	-0.991	Improvement in performance
2019	2	3.3871	5.5	-2.113	Improvement in performance
2018	0	3.39	5.5	-2.113	Slight improvement compared to 2017

d) Number of Candidates in the 2021 KCSE:

YEAR	2020	2019	2018
NUMBER OF CANDIDATES	54	31	46

e) Capacity of the school:

NUMBER OF STUDENTS: 236

FACILITIES:

AREA	RECOMMENDED RATIO	IDEAL NO.	ACTUALS JUNE'21	REMARKS
Classrooms	1:45	6	12	Excess classrooms are used for optional subjects and 3 are stem, computer lab and e-learning
Dormitories	1:66	4	4	Sufficient
Dinning Hall	1:300	1	1	sufficient

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Laboratory	1:60	3	2	Insufficient
Library	1:150	2	1	Shortfall of 1
Boreholes		4	3	
Water Tanks		3	3	
Toilets –Tuition Area	1:30	8	6	Toilet area toilets are not in good order
-Boarding Area	1:30	8	6	
Administration Block	1:1	4	1	
				Shortage in the admin block for teachers and non-teaching staff

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For the year ended 30th June 2021

f) Development projects carried out by the school:

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

Sign



School Principal

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

16/7/2021

LAMU BOYS SECONDARY SCHOOL
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For the year ended 30th June 2021

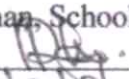
III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

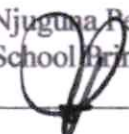
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant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

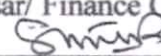
The Board of Management of *Lamu Boys Secondary School* accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

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 **30th June, 2021**, and of the school's financial position as at that date.

Name: Raya Ahmed Famau
Designation: Chairman, School Board of Management
Sign: 
Date: 10/7/2024

Name: Njuguna Peter Mwangi
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 10/7/2024

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

Name: Kadede Chigulu Chiro
Designation: Bursar/ Finance Officer
Sign: 
Date: 10/7/24

REPUBLIC OF KENYA

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



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

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

PREAMBLE

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

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

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

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, 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 on pages 16 to 27, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2021, and the statement of receipts and

payments, statement of cash flows and statement of budgeted versus actual amounts for the six (6) months' period then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Lamu Boys Secondary School - Lamu County as at 30 June, 2021, 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 receivable balance of Kshs.23,854,901 as disclosed in Note 11 to the financial statements. However, the supporting schedules were not provided for audit review.

1.2 Long Outstanding Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.23,854,901 in respect of fees arrears as disclosed in Note 11 to the financial statements. Included in the balance are receivables amounting to Kshs.21,046,773 which had been outstanding for more than two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.23,854,901 could not be confirmed.

2. Variances in the Financial Statements

The statement of budgeted versus actual amounts reflects a recomputed actual receipt on a comparable basis amounting to Kshs.3,595,050 on fees charged on parents. However, the statement of receipts and payments reflects parents' contribution fees amounting to Kshs.5,252,724 as disclosed under Note 3 to the financial statement resulting to an unexplained variance of Kshs.1,657,674.

In the circumstances, the accuracy and completeness of the statement of budgeted versus actual amounts could not be confirmed.

The audit was conducted in accordance with the International Standards for 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.10,164,341 and Kshs.6,789,118 respectively, resulting to an under-funding of Kshs.3,375,223 or 33 % of the budget. However, the School spent a balance of Kshs.7,285,663 against actual receipts of Kshs.6,789,118 resulting to an absorption 107% of actual receipts.

Further the statement of receipts and payments reflects total receipts amounting to Kshs.8,467,992 casting doubt on the accuracy of the statement of budgeted versus actual.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution 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 Accounts Payables

The statement of financial assets and financial liabilities reflects accounts payables balance of Kshs.4,927,039 as disclosed in Note 12 to the financial statements. However,

included in the balance are trade payables balance of Kshs.119,530 which had been outstanding for more than two (2) 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 loss of public funds through litigations, interests and penalties.

2. Failure to Prepare School Improvement Plan

During the period under review, the School did not have an approved School Improvement plan, contrary to Section 2.2 of the Ministry of Education Operation Manual for Utilization of Learner Capitation Grant and Other School Funds, which requires schools to identify in every three-year school improvement planning cycle, one priority area in each of the four key areas which include curriculum implementation, foundational literacy and numeracy outcomes, an enabling environment for learning and parental involvement and community engagement for implementation.

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

3. Lack of a Procurement Plan

The statement of receipts and payments reflects an amount of Kshs.8,467,991 and Kshs.7,285,663 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. Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements

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

- (i) Inconsistencies were noted in pagination of the Financial Statements.
- (ii) Inconsistencies between statement of receipts and payments and the statement of budgeted versus actual amounts.

In the circumstances, Management was in breach of the PSASB guidelines. Further, lack relevant information may affect users' reliance on the financial statements for decision-making.

5. Late Submission of Financial Statements for Audit

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

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

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

During the period under review, the school had not constituted a proper audit committee and an internal audit unit as required by Regulation 166(1) and (2) of the Public Finance Management (National Government), Regulations 2015 which requires 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. Inadequate Board of Management Records

During the year under review, the School Board of Management meeting minutes were not signed by both the Secretary and Chairman. It was further noted that the Board did not maintain an attendance register.

In the circumstances, the School may not achieve its strategic objectives.

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 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

18 September, 2024

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V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD FOR THE YEAR ENDED 30TH JUNE 2021



DESCRIPTION OF VOTE HEAD	Note	JAN-JUNE 2021	2019-2020
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition	1	349,343.00	377,649.00
Capitation grants for operations	2	2,240,515.00	2,604,225.00
School Fund Income- Parents' Contributions	3	5,252,724.00	6,448,130.00
School Fund Income- Other receipts	4	625,409.00	1,196,515.00
TOTAL RECEIPTS		8,467,991.00	10,626,519.00
PAYMENTS			
Payments for Tuition	5	670,534.00	560,103.00
Payments for operations	6	1,532,583.00	3,165,002.00
Boarding and school fund payments	7	5,082,546.00	7,126,022.00
TOTAL PAYMENTS		7,285,663.00	10,851,127.00
SURPLUS/DEFICIT		1,182,328.00	(224,608.00)

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

Sign: 
 Name: RAYA FAMAHA

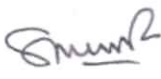
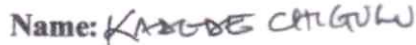
Chair BOM

Date xxxx 10/7/2024

Sign: 
 Name: 

School Principal/
 Secretary to BOM

Date 10/7/2024

Sign: 
 Name: 

Bursar/
 Finance Officer

Date 10/7/2024

LAMU BOYS SECONDARY SCHOOL
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For the year ended 30th June 2021

VI. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30TH JUNE 2021

	Note	JAN-JUNE 2021	2019-2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	1,013,709.00	461,556.00
Cash Balances	9	168,817.00	38,861.00
Short term Investment	10	-	-
Total Cash and Cash Equivalents		1,182,526.00	500,417.00
Account's receivables	11	23,854,901.00	23,342,523.00
TOTAL FINANCIAL ASSETS		25,037,427.00	23,842,940.00
FINANCIAL LIABILITIES			
Accounts Payables	12	(4,927,039.00)	(4,914,880.00)
NET FINANCIAL ASSETS		20,110,388.00	18,928,060.00
REPRESENTED BY			
Fund balance b/fwd 1st Jan 2020	13	18,928,060.00	19,152,668.00
Surplus/Deficit for the year		1,182,328.00	(224,608.00)
NET FINANCIAL POSITION		20,110,388.00	18,928,060.00

The School's financial statements were approved on _____ 2023 and signed by:

Name: Raya Ahmed Famau
 Chairman, BoM

Sign: 

Date: 10/7/2024

Name: Njuguna P.Mwangi
 School Principal/Secretary
 to BoM

Sign: 

Date: 10/7/2024

Name: Kadede Chigulu
 Bursar/Finance

Sign: 

Date: 10/7/24

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

VII. STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30TH JUNE 2021

	Jan – June 2021	2019-2020
	Kshs	Kshs
Receipts from operating activities		
Capitation grants for tuition	349,344.00	404,399.00
Capitation grants for operations	2,524,257.00	2,626,227.00
School fund income- Parents contributions/ fees	5,252,724.00	11,343,947.00
Other Income	625,409.00	
Total receipts	8,467,992.00	14,374,573.00
Payments from operating activities		
Payments for Tuition	670,534.00	560,103.00
Payments for operations	1,532,583.00	3,127,943.00
Boarding and school fund payments	5,082,546.00	11,236,683.00
Total payments	7,285,663.00	14,924,729.00
Net cash flow from operating activities	1,182,329.00	(550,156.00)
Adjustments:		
Increase/Decrease in Receivables	(512,379.00)	
Increase/Decrease in Payables	12,159.00	
	(500,220.00)	
CASHFLOW FROM INVESTING ACTIVITIES		
Receipts from investing activities		
Proceeds from Sale of Assets	-	-
Proceeds from investments	-	-
Total receipts	-	-
Payments from investing activities		
Acquisition of Assets (Classroom)		
Total payments	-	-
Net cash flows from Investing Activities	-	-
Net increase in cash and cash equivalents	682,109.00	(550,156.00)
Cash and cash equivalent at BEGINNING of the year	500,417.00	1,050,573.00
Cash and cash equivalent at END of the year	1,182,526.00	500,417.00

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.

VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2021

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
RECEIPTS						
<i>(1) CAPITATION GRANT ON TUITION</i>						
Textbooks and reference materials						-
Exercise books						-
Laboratory equipment						-
Internal exams						-
Teaching / learning materials	2,513,182.00	(1,256,591.00)	1,256,591.00	349,344.00	907,247.00	27.8%
Chalks						-
Exams and assessment	-	-	-	-	-	-
Teachers guides	-	-	-	-	-	-
<i>(2) CAPITATION GRANT ON OPERATIONS</i>						
Personnel emoluments	1,075,800.00	(537,900.00)	537,900.00	-	-	-
Repairs and maintenance	1,500,000.00	(750,000.00)	750,000.00	931,000.00	(181,000.00)	124.13%
Local transport / travelling	487,800.00	(243,900.00)	243,900.00	-	-	-
Electricity and water	838,200.00	(419,100.00)	419,100.00	-	-	-
Medical	195,000.00	(97,500.00)	97,500.00	-	97,500.00	-
Administration costs	418,200.00	(209,100.00)	209,100.00	-	-	-
Activity	240,000.00	(120,000.00)	120,000.00	-	120,000.00	-
Other Voteheads	2,820,000.00	(1,410,000.00)	1,410,000.00	1,309,515.65	100,484.35	92.87%
SMASSE	-	-	-	-	-	-

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Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on	Budget Utilization	% of Utilization
	a Kshs	b Kshs	c=a+b	d	e=c-d Kshs	f=d/c % Kshs
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	1,530,000.00	(765,000.00)	765,000.00	351,350.00	413,650.00	45.93%
Repairs and maintenance	600,000.00	(300,000.00)	300,000.00	210,145.00	89,855.00	70.05%
Local transport / travelling	270,000.00	(135,000.00)	135,000.00	28,485.00	106,515.00	21.10%
Electricity and water	1,200,000.00	(600,000.00)	600,000.00	291,667.00	308,333.00	48.61%
Medical	0	-	-	-	-	0%
Administration costs	870,000.00	(435,000.00)	435,000.00	120,240.00	314,760.00	27.64%
Activity	75,000.00	(37,500.00)	37,500.00	4,800.00	32,700.00	12.8%
SMASSE	-	-	-	-	-	0%
Fee on Boarding Equipment and Stores	7,615,500.00	(3,807,750.00)	3,807,750.00	2,291,118.00	1,516,632.00	60.17%
Bom Teachers Salary	900,000.00	(450,000.00)	450,000.00	297,245.00	152,755.00	66.05%
OTHER INCOME						
Rent income	-	-	-	-	-	-
Tender	-	-	-	13,000.00	(13,000.00)	0%
Insurance compensation	-	-	-	-	-	-
Repayments on Lost Items	-	-	-	18,380.00	(18,380.00)	0%
Uniforms	-	-	-	254,564.00	(254,564.00)	0%
Students Unrest damages	-	-	-	156,165.00	(156,165.00)	0%
Income from Posho mill	-	-	-	-	-	-
Donations	-	-	-	84,500.00	(84,500.00)	0%
Income from Bus Hire	-	-	-	-	-	-
Fee for hire of ground and equipment	-	-	-	-	-	-
Interest income	-	-	-	-	-	-
Income from any other	-	-	-	77,600.00	(77,600.00)	0%

LAMU BOYS SECONDARY SCHOOL
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Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
investment						
TOTAL INCOME	20,328,682.00	(10,164,341.00)	10,164,341.00	6,789,118.65	3,375,222.35	66.79%
(1) EXPENDITURE FOR TUITION						
Textbooks and reference materials	-	-	-	-	-	-
Exercise books	477,540.00	(238,770.00)	238,770.00	69,360.00	169,410.00	29.05%
Laboratory equipment	557,405.00	(278,702.50)	278,702.50	399,288.00	(120,585.50)	143.27%
Internal exams	492,135.00	(246,067.50)	246,067.50	182,850.00	63,217.5	74.31%
Teaching / learning materials	982,322.00	(491,161.00)	491,161.00	400.00	490,761.00	0.08%
Chalks	3,780.00	(1,890.00)	1,890.00	5,360.00	(3,470.00)	283.6%
Exams and assessment	-	-	-	-	-	-
Teachers guides	-	-	-	-	-	-
Administration costs	-	-	-	-	-	-
Bank Charges	-	-	-	1,236.00	(1,236.00)	0%
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	1,698,248.00	(849,124.00)	849,124.00	870,340.00	(21,216.00)	102.5%
Repairs, maintenance & improvements	1,500,000.00	(750,000.00)	750,000.00	-	750,000.00	0%
Local transport / travelling	836,817.00	(418,408.50)	418,408.50	104,000.00	314,408.50	24.86%
Electricity, water and conservancy	408,983.00	(204,491.50)	204,491.50	141,796.00	62,695.50	69.34%
Medical	84,750.00	(42,375.00)	42,375.00	-	42,375.00	0%
Administration costs	696,151.20	(348,075.60)	348,075.60	39,520.00	308,555.60	11.35%
Activity Expenses	615,965.70	(307,982.85)	307,982.85	-	307,982.85	0%

LAMU BOYS SECONDARY SCHOOL
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Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Gratuity	-	-	-	276,800.00	(276,800.00)	0%
SMASSE	-	-	-	-	-	-
Bank Charges				3,876.00	(3,876.00)	0%
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel emoluments	2,415,244.00	(1,207,622.00)	1,207,622.00	810,124.00	397,498.00	67.08%
Repairs, maintenance and improvements	600,000.00	(300,000.00)	300,000.00	257,450.00	42,550.00	85.82%
Local transport / travelling	463,183.00	(231,591.50)	231,591.50	28,442.00	203,149.50	12.28%
Electricity, water and conservancy	585,517.00	(292,758.50)	292,758.50	159,443.00	133,315.5	54.46%
Medical Expenses	-	-	-	-	-	-
Administration costs	1,448,234.20	(724,117.10)	724,117.10	453,030.00	271,087.10	62.56%
Activity	192,489.30	(96,244.65)	96,244.65	25,100.00	71,144.65	26.08%
Gratuity	-	-	-	-	-	-
Bom Salary	604,800.00	(302,400.00)	302,400.00	360,000.00	(57,600.00)	119.05%
Boarding Equipment and Stores	6,349,882.00	(3,174,941.00)	3,174,941.00	2,998,819.00	176,122.00	94.45%
Expenditure for Income Generating Activity	-	-	-	-	-	-
Insurance costs	-	-	-	-	-	-
Other expenses on investments	-	-	-	-	-	-
Rent Expenses	-	-	-	-	-	-
Bank Charges	-	-	-	8,479.17	(8,479.17)	0%
Uniforms	-	-	-	60,950.00	(60,950.00)	0%
Tender	-	-	-	5,000.00	(5,000.00)	0%
Loan Principal Repayment	-	-	-	-	-	-
Acquisition of Assets	-	-	-	-	-	-

LAMU BOYS SECONDARY SCHOOL
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Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Kcse Private Candidates				24,000.00	(24,000.00)	0%
TOTALS	21,013,446.40	(10,506,723.20)	10,506,723.20	7,285,663.17	3,221,060.03	69.34%

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

- i. *Personal emoluments was overutilized in Operations account but underutilized in the boarding account.
 Bom salaries was overutilized due to extra manpower.
 Laboratory equipments were overutilized due to national exams practical requirements.
 Local travelling and subsistence was under utilized due tour students did not participate fully in Term One activities*

IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

The *school* recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the *school*. In addition, the *school* recognises all expenses when the event occurs and the related cash has actually been paid out by the *school*.

3. In-kind contributions

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

4. Cash and cash equivalents

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as expenditure when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements. Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years.

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended **30th June 2021**

X. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	Jan – June 2021	2020-2020
	Kshs	Kshs
Textbooks and reference materials	-	-
Exercise books	-	-
Laboratory equipment	-	-
Internal exams	-	-
Teaching / learning materials	349,343.50	377,649.00
Chalks	-	-
Exams and assessment	-	-
Teachers guides	-	-
Total	349,343.50	377,649.00

2 CAPITATION GRANT FOR OPERATIONS

	Jan-June 2021	2020-2020
	Kshs	Kshs
Other Vote heads	1,309,514.65	-
BOM teacher's salary	-	60,000.00
Personnel emoluments	-	570,403.90
Repairs and maintenance	931,000.00	940,500.00
Local transport / travelling	-	181,509.20
Electricity and water	-	486,587.20
Medical	-	40,800.00
Administration costs	-	242,824.70
Activity	-	81,600.00
Total	2,240,514.65	2,604,225.00

3 PARENTS CONTRIBUTION/FEEs – SCHOOL FUND ACCOUNT

	Jan –June 2021	2020-2020
	Kshs	Kshs
Personnel emoluments	580,940.00	697,215.00
BES	3,024,236.00	3,588,737.00
BOM Teachers Salary	446,755.00	780,410.00
Repairs and maintenance	250,457.00	264,358.00
Local transport / travelling	74,592.00	147,970.00
Electricity and water& Conservancy	514,102.00	539,050.00
Administration costs	355,842.00	374,405.00
Activity	5,800.00	55,985.00
Total	5,252,724.00	6,448,130.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	Jan –June 2021	2020-2020
	Kshs	Kshs
Fee on Boarding Equipment and Stores	21,200.00	
Electricity, water & Conservancy	-	
Donations	84,500.00	
KCSE (Private Candidates)	77,600.00	139,400.00
Personal Emoluments	-	
Repayments	18,380.00	
Badge ID		200.00
Students Unrest Damages	156,165.00	74,935.00
Caution Money	-	45,600.00
Tender fees	13,000.00	15,000.00
Uniforms	254,564.00	780,150.00
Lost time Recovery	-	1,100.00
Income from Poultry Project	-	36,130.00
Rental Charges	-	102,000.00
PA Projects	-	2,000.00
Total	625,409.00	1,196,515.00

Donations for students who lost their belongings during arson.

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

5 PAYMENTS FOR TUITION

	Jan –June 2021	2020-2020
	Kshs	Kshs
Textbooks and reference materials	-	-
Exercise books	69,360.00	175,750.00
Laboratory equipment	-	-
Internal exams	182,850.00	262,925.00
Teaching / learning materials	400.00	4,775.00
Chalks	5,360.00	-
Exams and assessment	399,288.00	3,400.00
Teachers guides	-	111,375.00
Administration Costs	-	-
Bank Charges	1,236.00	1,878.00
Total	658,494.00	560,103.00

LAMU BOYS SECONDARY SCHOOL
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For the year ended 30th June 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 PAYMENTS FOR OPERATIONS

	Jan -June-2021	2020-2020
	Kshs	Kshs
Personal Emoluments	870,340.00	1,564,641.00
BoM Salary	-	121,000.00
Other Voteheads	-	74,748.00
Service Gratuity	276,800.00	
Administration Cost	39,520.00	108,910.00
Maintenance & improvement		899,749.00
Local transport / travelling	104,000.00	83,400.00
Electricity and water	141,796.00	177,417.00
Medical		37,950.00
Activity Expenses	-	90,259.00
Bank Charges	3,876.00	6,928.00
Acquisition of Assets		
Transfers	-	
TOTAL	1,436,332.00	3,165,002.00

7 BOARDING AND SCHOOL FUND PAYMENTS

	Jan -June 2021	2020-2020
	Kshs	Kshs
Activity	25,100.00	130,425.00
Personnel emoluments	810,124.00	1,965,534.00
Tender	5,000.00	
BOM Teachers	360,000.00	321,930.00
Repairs and maintenance & Improvements	257,450.00	553,749.00
Local transport / travelling	28,442.00	677,320.00
Electricity and water	159,443.00	213,672.00
Medical Expenses		810.00
Administration costs	453,030.00	427,639.13
BES	2,998,819.00	1,958,771.00
KCSE(Private Candidates)	24,000.00	158,000.00
Badge ID		300.00
Uniforms	60,950.00	703,120.00
Bank Charges	8,479.17	14,752.00
TOTAL	5,190,837.17	7,126,022.13

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

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For the year ended 30th June 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	Jan-June 2021	2020-2020
		Kshs	Kshs
Tuition Account	1104752050	32,251.00	87,706.00
Operations Account	1104752743	649,617.00	(36,640.00)
School Fund Account/Boarding	1108093604	82,934.00	176,850.00
Exam Savings Account	0750000802	36,733.00	56,850.00
Infrastructural Account	1287412912	-	-
Savings Account (Gulf)	0750000801	150,315.00	114,931.00
Pta Savings Account	1103555464	25,446.00	25,446.00
Caution Money Savings Account	1103551930	36,413.00	36,413.00
Farm Account	-	-	-
Total		1,013,709.00	461,556.00

9 CASH IN HAND

Description	Jan-June 2021	2020-2020
	Kshs	Kshs
Tuition Account	-	-
Operation Account	-	-
School Fund account	168,817.00	38,861.00
Infrastructure	-	-
Total	168,817.00	38,861.00

10 SHORT TERM INVESTMENTS

Description	2020-2021	2020-2020
	Kshs	Kshs
Cooperative shares	-	-
Treasury Bills	-	-
Equity stock	-	-
Other investments	-	-
Total	-	-
Cooperative shares	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 ACCOUNTS RECEIVABLE

Description	Jan –June 2021	2020-2020
	Kshs	Kshs
Fees arrears	23,854,901.00	23,328,073.00
Prepaid fees	-	-
Salary advances	-	6,000.00
NSSF	-	800.00
NHIF	-	1,600.00
Imprest	-	-
Lamu Sacco	-	6,049.00
Total	23,854,901.00	23,342,523.00

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

Description	Jan –June 2021	2020-2020
	Kshs	Kshs
Fees arrears for current year	1,433,850.00	2,281,300.00
Fees arrears for the previous year	2,281,300.00	1,721,480.00
Paid/Collected	(907,022.00)	(892,430.00)
Fees arrears for prior periods (over two years)	21,046,773.00	20,217,723.00
Total	23,854,901.00	23,328,073.00

12 ACCOUNTS PAYABLE

Description	Jan –June 2021	2020-2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	1,656,671.00	835,061.00
Prepaid fees	1,013,316.00	1,579,086.00
Lamu Sacco	500.00	-
NSSF	-	1,200.00
NHIF	-	2,350.00
Caution money	8,200.00	
Direct Deposits	1,585,378.00	1,882,209.00
Bursary Suspense	662,974.00	614,974.00
Total	4,927,039.00	4,914,880.00

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

Description	Jan – June 2021	2020-2020
	Kshs	Kshs
Trade creditors for current year	1,418,282.00	703,931.00
Trade creditors for the previous year	703,931.00	944,594.00
Paid Creditors	(585,072.00)	(867,344.00)
Trade creditors for prior periods (over two years)	119,530.00	53,880.00
Total	1,656,671.00	835,061.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 FUND BALANCE BROUGHT FORWARD

Description	Jan –June 2021	2020-2020
	Kshs	Kshs
Bank balances	461,556.00	915,550.00
Cash balances	38,861.00	135,023.00
Short Term Investments		
Receivables	23,342,523.00	21,939,204.00
Payables	(4,914,880.00)	(3,837,109.00)
Total	18,928,060.00	19,152,668.00

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Other important disclosure notes

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

14 Non-current Liabilities Summary

Description	Jan –June 2021	2020-2020
	Kshs	Kshs
Bank loan(s)	-	-
Outstanding Leases	-	-
Hire purchase	-	-
Gratuity and leave provision	-	-
Total	-	-

15 Biological assets

Description	Numbers	Jan –June 2021	2020-2020
		Kshs	Kshs
Cattle		-	-
Goats		-	-
Trees		-	-
Coffee or tea plantation		-	-
Poultry		-	-
Total		-	-

16 Borrowings

Description	Jan –June 2021	2020-2020
	KShs	KShs
a) a) Borrowings		
Borrowing at beginning of the year	-	-
Borrowings during the year	-	-
Repayments of during the year	-	-
Balance at end of the year	-	-

Other important disclosure notes

17 Stock/ Inventory

Description	Jan –June 2021	2020-2020
	KShs	KShs
b) Stock/Inventory		
Stock/ inventory at beginning of the year	-	-
Stock/ inventory purchased during the year	2,704,669.00	-
Stock/ inventory issued during the year	(2,142,974.00)	-
Balance at end of the year	561,695.00	-

18 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.1.1	Non submission of financial statements to the auditor General	Financial statements were not compliant to the current reporting requirements	Resolved	On or before 30/6/2023
4.1.2	Non Compliance with PSASB reporting requirements	Staff had not yet been trained on IPSAS	Resolved Training held on 29 th Mar-31 st Mar'23	30/06/2023
4.1.3	Inaccuracies in the Accountability statements	The figure Kshs.568,386.00 under suspense was debt for 2011 and the Kshs.93,538/= was a recovery from staff salaries with students in the school which was not receipted for.	Resolved	
4.2.1	Student enrolment data	The difference was lack of updates.	Resolved	

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For the year ended 30th June 2021

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.3.1	Failure to prepare Bank Reconciliations	The difference between Cash book and bank reconciliation was caused by a petty cash cheque No.003488 dtd 29.06.2021 of Kshs.70,000/= which had not been cashed at the end of June 2021 fully signed but held by signatories.	Resolved. Cash book balance adjusted to agree with Bank reconciliation	
	Unpresented Cheques	Faiz bookshop cheque 243 cleared on 2/7/2022 Paymaster General chq.1052 dtd 27.05.2021 cleared on 08.07.2021 Chq.no.3488 for 70,000/= was cancelled Chqnos.3495,3496,3504& 3505 cleared in July,21 Stale Cheques:000631 dtd 3.5.2016,000828 dtd3/9/2018,000946 dtd26/11/2019 in operations account Chq.nos 002602 dtd 04.5.2015,002618 dtd 26.5.2015,002654 dtd 01.09.2015 from Main a/c are stale	Resolved Cheques Cleared Resolved	Reversed in 28.2.2023
4.4.1	Long Outstanding accounts Receivable	Demand letters and messages are being sent to parents but no response and the government directive is not to send students home.	Resolved	
4.5.1	Lack of Assets Register	The Challenge is the Values for Assets purchased and some past records are missing		
4.5.2	Lack of Land Ownership Documents			
4.6.1	Lack of Documents to Confirm BOM members			

	down and whatever is collected or received from the government is according to the numbers, The school credit policy is 90days as indicated on the Tender document.		
Basis of Conclusion: Late submission of Financial Statements:	No training had been on Ipsas document.	Financial statements submitted after training.	Training letter attached.
Audit Committee not Established	As per Board of Management inauguration meeting held on 9 th Oct 2019. There is an Audit committee in existence.	Minutes attached Bom Inaugration Meeting held on 9 th October2019	
2.Risk Management Policy			
3. Board of Management i) Unsigned Board of Management Minutes ii) BOM attendance Register not maintained	Minutes of 08/01/2021 and 29/06/2021 signed copies attached The school does not maintain an attendance register but maintains the payment lists.	Resolved Not resolved	2024/2025 Financial year

LAMU BOYS SECONDARY SCHOOL
Reports and Financial Statements
For the year ended 30th June 2021

ANNEX 1 – ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2021-1	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Supply of goods						
4. Nurul Yaqeen General Merchants	1,990,755.00	Mar,May & June'21	1,283,500.00	707,255.00		
5. Mohamed Ali Omar	340,000.00	May,June'21	245,000.00	95,000.00		
6. An Noor Hardware An Noor Hardware	228,650.00 53,880.00	Jan,Feb,Mar & Jun'21 Feb'2015	53,600.00	175,050.00	53,880.00	
7. Maysara Establishment	185,950.00	Jan& Feb'21	125,000.00	60,950.00		
8. Solomon's Trading	45,000.00	Jan'21		45,000.00		
9. Ahmed Bwana Kale	104,659.00	Dec'19		-	104,659.00	
10. Faiz Bookshop	210,390.00	June'21	133,290.00	77,100.00		
11. Kalmar Marketing Services	381,258.00	Mar'21	165,873.00	215,385.00		
Sub-Total	3,540,542.00		2,006,263.00	1,375,740.00	158,539.00	
Supply of services						
12. Kessha	109,850.00	Dec'20	30,000.00	-	79,850.00	
13. Kenya Power & Lighting Co.Ltd	42,542.00	June'21		42,542.00		
14.						
Sub-Total	152,392.00		30,000.00	42,542.00	79,850.00	
Grand Total	3,692,934.00		2,036,263.00	1,418,282.00	238,389.00	

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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Nos	Historical Cost b/f (Kshs) 1st July 2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2021
Land 1		School	7 Hectares				
Land 2							
Buildings and structures		School	18				
Motor vehicles			0				
Office equipment, furniture and fittings		School	1523				
ICT Equipment, and Other ICT Assets		School	56				
Tools and apparatus		Laboratory	Chem -3218 Physics-3345 Biology -1032				
Textbooks		Stores	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				

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Asset class	Date purchased	Location	Nos	Historical Cost b/f (Kshs) 1st July 2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2021
School wells		School	4				
Other Machinery and Equipment		School	214				
Heritage and cultural assets		School	75				
Intangible assets- soft ware		Deans of studies office	2				
Total							

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

THE
RECORDS
OF
THE
COURT
OF
COMMON PLEAS
FOR THE COUNTY OF
MIDDLESEX
IN THE
YEAR 1880

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