

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

REPORT DATE: 20 FEB 2025 DAY: Thursday

TABLED
BY:

Hani Naomi Wago
Deputy Majority Whip

OF CLERK-AT
THE-TABLE:

Inzafu Mwale

THE AUDITOR-GENERAL

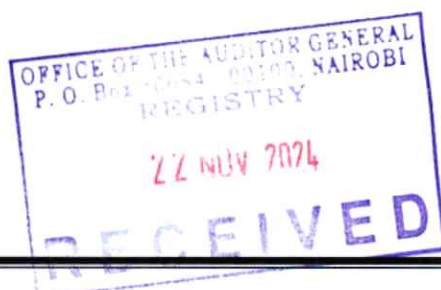
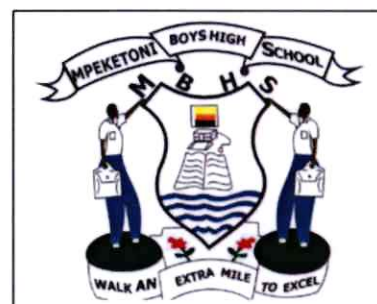
ON

MPEKETONI BOYS HIGH SCHOOL

**FOR THE YEAR ENDED
30 JUNE, 2023**

LAMU COUNTY

Revised 30th June 2023.



MPEKETONI BOY'S HIGH SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2023

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 Glossary of Terms

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

BOM	Board of Management
CEB	County Education Board
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
FY	Financial Year
FDSE	Free Day Secondary Education

2. Key School Information and Management

[Customise the details in this section to suit your School]

(a) Background information

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

The school was registered in June/1982 under registration number G/A/125/82 and is currently categorized as a National school (*National, Extra County, County and Sub County*) public school established, owned or operated by the Government.

The school is a boarding school and had 1094 number of students as at 30th June 2023. It has 6 streams and 49 teachers of which 10 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

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

Ref:	Name of Board Member	Designation	Date of appointment
1	DAVID NJOROGE	Chairman- Sponsor	23/2/2023
2	KALUME M JUMAA	Secretary - Principal	23/2/2023
3	SAUDA KASSIM	Member - CEB	23/2/2023
4	JEREMIAH MURIMI	Member	23/2/2023
5	MOHAMED AHMED	Member	23/2/2023
6	AISHA MOHAMED	Member	23/2/2023
7	JOHN NDUNGU	Member	23/2/2023
8	LUCY WANJIRU	Member	23/2/2023
9	BENARD ABUYA	Member	23/2/2023
10	IBRAHIM NUNO	Member -Sponsor	23/2/2023
11	ATHMAN M ATHMAN	Member -sponsor	23/2/2023
12	ALEX ODUOL	Member -special interest	23/2/2023
13	ELIZABETH KUPHER	Member Rep Teachers	23/2/2023
14	JOSEPH MUNGAI	PA- chair co-opted	23/2/2023
15	DAMIANO MBURU	PA-chair co-opted	23/2/2023
16	AHMED OMAR	Member Special Needs	23/2/2023
17	MUADH JAMALI	Rep Students	23/2/2023

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, 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

(Provide the names of the various committees of the Board established by the Board and the names of the committee members):

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1.David njoroge 2.Sauda kassim 3.Joseph Mungai 4.Mohamed Abubakar	chairma V/Chairperson member member	5 out of 5 5 out of 5 5 out of 5
2	Audit Committee	1 Joseph Mungai 2 Sauda Kassim 3 John Ndungu 4 Mohamed Abubakar	Chairman Member Member member	5 out of 5 5 out of 5 5 out of 5 5 out of 5
3	Finance,procurement and general purposes Committee	1 Mohamed Abubakar 2 Sauda Kassim 3 Joseph Mungai Lucy Wanjiru	Chairman Member Member member	5 out of 5 5 out of 5 5 out of 5 5 out of 5

4	Academic Committee	Sauda Kassim	Chairperson	5 out of 5
		Joseph Mungai	Member	5 out of 5
		Abuya Bernard	Member	5 out of 5
		Elizabeth Gereza	member	5 out of 5
5	Development Committee	Jeremiah Murimi	Chairman	5 out of 5
		Athman Mohamed	Member	5 out of 5
		Aisha Mohamed	Member	5 out of 5
		Joseph Mungai	member	5 out of 5
6	Discipline and welfare Committee	John Ndungu	Chairman	5 out of 5
		Alex Oduol	Member	5 out of 5
		Ahmed Omar	Member	5 out of 5
		Aisha Mohamed	member	5 out of 5
7	Adhoc Committee (if any during the year)			

(d) School operation Management

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

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

(e) Schools contacts

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

(f) School Bankers

Provide details of the school bankers.

1. Name of Bank: KCB
Branch: MPEKETONI
Account No: 1104827506 boarding a/c
Postal Address.
2. Name of Bank: KCB
Branch: MPEKETONI
Account No: 1104827212 operational a/c
Postal Address.
3. Name of Bank: KCB
Branch: MPEKETONI
Account No: 1104826496 tuition a/c
Postal Address.
4. Name of Bank: KCB
Branch: MPEKETONI
Account No: 1276584989 infrastructure a/c
Postal Address.
- 5 Name of Bank: KCB
Branch: MPEKETONI
Account No: 1104259877 PTA a/c
Postal Address.

6. Name of Bank: KCB
Branch MPEKETONI
Account No 1108024718 bus a/c
Postal Address.
7. Name of Bank: KCB
Branch MPEKETONI
Account No 1104259753 examination savings a/c
Postal Address.
8. Name of Bank: KCB
Branch MPEKETONI
Account No 1108980376 caution money a/c
Postal Address.
- 9 Name of Bank: EQUITY BANK
Branch MPEKETONI
Account No 1270298119720-CDF a/c
Postal Address.
10. Name of Bank: EQUITY BANK
Branch MPEKETONI
Account No 1270264273242 MOE Project a/c
Postal Address.
11. Name of Bank: EQUITY BANK
Branch MPEKETONI
Account No 1270298119689 Mpeketoni high sc general a/c
Postal Address.

(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

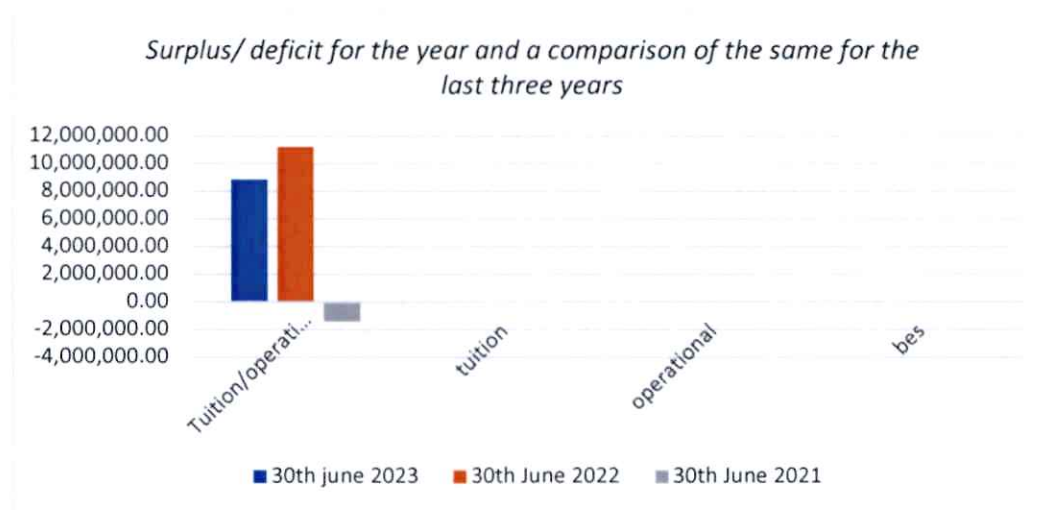
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) Financial performance:

(Under this section, the following information should be given:

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

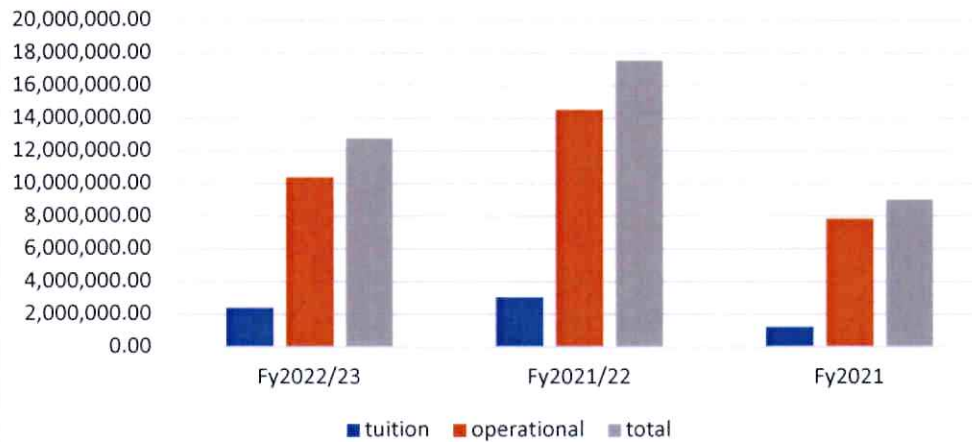
	<i>Tuition/operati onal/bes</i>	<i>tuition</i>	<i>operational</i>	<i>bes</i>
<i>30th june 2023</i>	<i>8,816,911.15</i>	-	-	-
<i>30th June 2022</i>	<i>11,211,706.15</i>	-	-	-
<i>30th June 2021</i>	<i>(1,458,501.75)</i>	-	-	-



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

<i>account</i>	<i>Fy2022/23</i>	<i>Fy2021/22</i>	<i>Fy2021</i>
<i>tuition</i>	<i>2,365,597.35</i>	<i>3,007,601.40</i>	<i>1,205,122.75</i>
<i>operational</i>	<i>10,373,829.40</i>	<i>14,510,553.65</i>	<i>7,807,011.45</i>
<i>total</i>	<i>12,739,426.75</i>	<i>17,518,155.05</i>	<i>9,012,134.20</i>

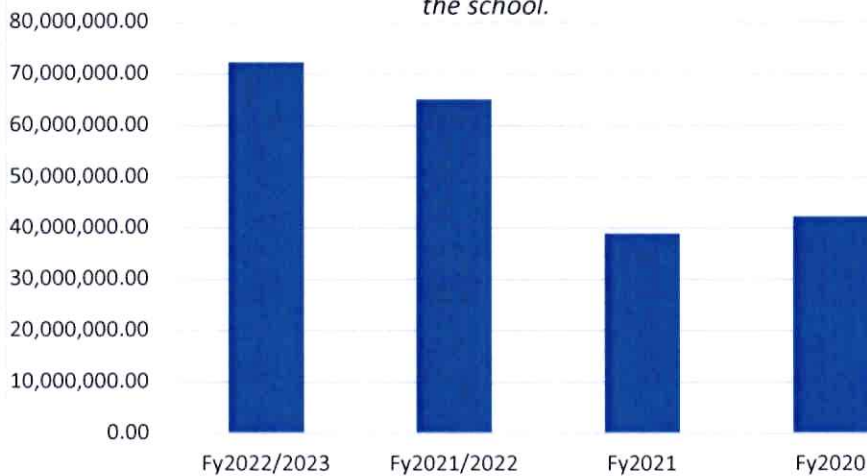
Capitation grants from the Ministry of Education for the last three years



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

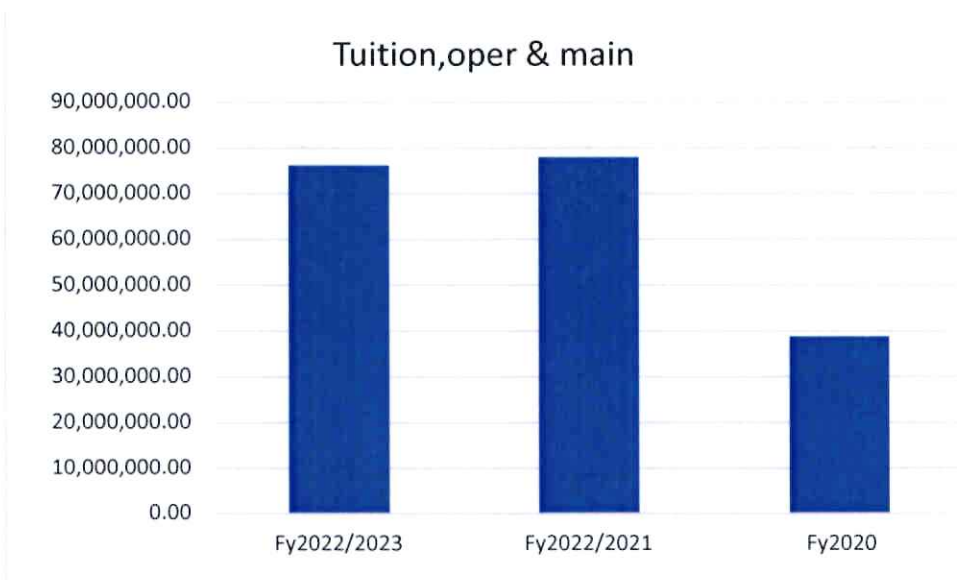
<i>Fy2022/2023</i>	<i>Fy2021/2022</i>	<i>Fy2021</i>	<i>Fy2020</i>
<i>72,197,899.00</i>	<i>65,003,773.00</i>	<i>38,863,769.00</i>	<i>42,233,760.75</i>

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



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

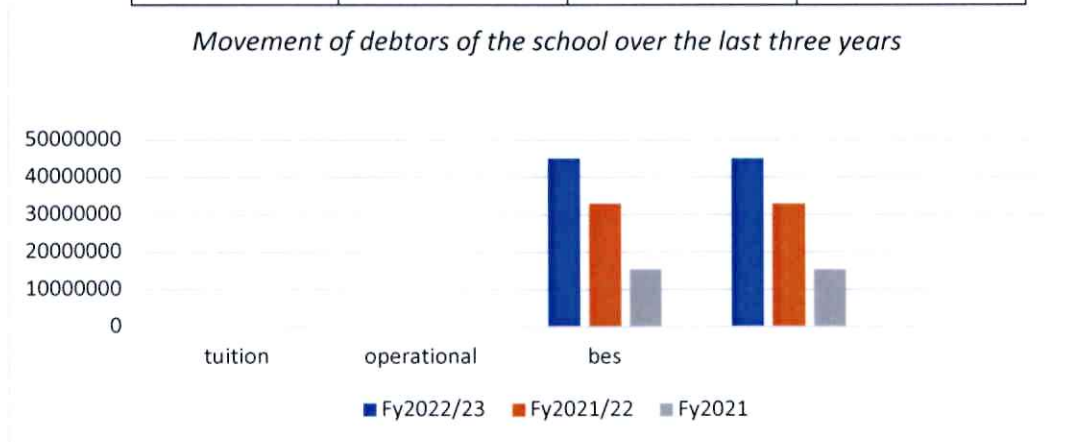
	<i>Fy2022/2023</i>	<i>Fy2022/2021</i>	<i>Fy2020</i>
<i>Tuition,oper & main</i>	76,120,415.50	77,878,621.90	38,697,859.95



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

<i>yr.</i>	<i>Fy2022/23</i>	<i>Fy2021/22</i>	<i>Fy2021</i>
<i>tuition</i>	-	-	-
<i>operational</i>		-	-
<i>bes</i>	44,931,833.53	32,903,528.53	15,322,989.53
	44,931,833.53	32,903,528.53	15,322,989.53

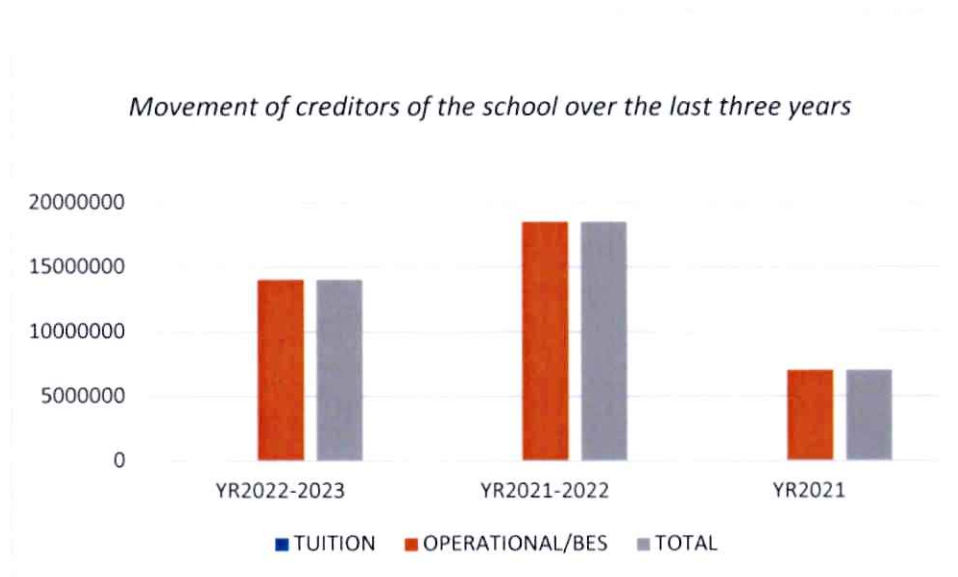
Movement of debtors of the school over the last three years



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

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

	YR2022-2023	YR2021-2022	YR2021
TUITION	-	-	-
OPERATIONAL/BES	14,015,623.60	18,504,282.60	7,015,025.00
TOTAL	14,015,623.60	18,504,282.60	7,015,025.00



b) Teacher Student ratio:

(Include the teacher to student ratio, number of teachers recruited and posted to the school within the year, number of teachers that were transferred/ retired during the period as well as number of teachers employed by TSC, and number employed by BOM. One may also include how many teachers the school has for each subject in order to indicate shortage/ allocation of resources).

The total no of students is 1100 against 39 tsc and 10 bom teachers

Ratio is 39:1100

1:28.2

<i>Sr</i>	<i>subject</i>	<i>No of teachers tsc</i>	<i>No of teachers bom</i>
1	Maths	7	2
2	English	4	2
3	Kiswahili	4	0
4	Biology	3	2
5	Chemistry	2	2
6	Physics	2	0
7	Hist & govern	3	0
8	Geography	4	0
9	CRE	2	0
10	IRE	2	0
11	Agric	2	1
12	b/studies	2	1
13	Computer	1	0
14	Arabic	1	0
15	French	0	0
16	PE	0	0
17	Lifeskills	0	0
	<i>total</i>	39	10

c) Mean score in the 2023 KCSE:

Give performance of the school for each over the last three years. Include the number of students that have since transitioned to institutions of higher learning. Include the mean score and comment on improvement or otherwise as compared to the school's set score.

<i>YR</i>	<i>entr y</i>	<i>A</i>	<i>A -</i>	<i>B +</i>	<i>B</i>	<i>B-</i>	<i>C+</i>	<i>C</i>	<i>C-</i>	<i>D +</i>	<i>D</i>	<i>D -</i>	<i>E</i>	<i>X</i>	<i>Y</i>	<i>P</i>	<i>U</i>	<i>M.S C</i>
2023	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2022	235	0	4	10	21	25	43	58	48	21	5	0	0	0	0	-	-	6.47

2021	216	0	0	5	13	21	21	53	45	38	18	1	0	1	0	0	0	0	5.74
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d) Number of Candidates in the 2023 KCSE:

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

YRS	2023	2022	2021
NO.OF STUDENTS	-	235	216

e) Capacity of the school:

(Indicate the number of students in the school vis a vie the facilities like the dormitories, the dining hall, the laboratories, toilets and other amenities. This information will provide useful details for the Ministry of Education).

The capacity of the school is 950 students against the following facilities

s/no	facility	The ideal capacity	Actual capacity	Surplus/shortfall
1	classroom	22 plus 2 optional	22	(2)
2	dormitories	12	9	(3)
3	Laboratory	6	4	(2)
4	toilets	70	60	(10)
5	bathrooms	60	50	(10)
6	Dining hall 500 cap.	2	1	(1)
7	Small chapel	2	1	(1)
8	Medium size mosque	2	1	(1)
9	Library classroom	2	1	(1)
10	ICT classroom	2	1	(1)
11	Computer classroom	2	1	(1)

f) Development projects carried out by the school:

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

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
3NO CLASSROOM	MOE	ONGOING	44 MILLION	7 MILLION	YR 2025



Jumaa Kalume

School Principal

4. Statement of School Management Responsibility

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

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

The Board of Management of *Mpeketoni boy's 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, 2023, and of the school's financial position as at that date.



.....
Name: David Njoroge

Designation: Chairman, School Board of Management

Date: 02/08/2024



.....
Name: Jumaa Kalume

Designation: School Principal & Secretary to Board of Management

Date: 02/08/2024



.....
Name: Margaret Karichu

Designation: Bursar/ Finance Officer

Date: 02/08/2024

REPUBLIC OF KENYA

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Enhancing Accountability

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

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

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 Mpeketoni Boys High School – Lamu County set out on pages 1 to 25, which comprise of the statement of financial assets

and financial liabilities as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the year 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 Mpeketoni Boys High School - Lamu County as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Long Outstanding Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.45,599,872, out of which a balance of Kshs.44,931,834 was in respect of fees arrears as disclosed in Note 13 to the financial statements. Included in the balance are receivables amounting to Kshs.11,180,089 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.45,599,871 could not be confirmed.

2. Unsupported Accounts Payables

The statement of financial assets and financial liabilities reflects accounts payables balance of Kshs.13,858,954 as disclosed in Notes 14 to the financial statements. However, the supporting ledgers revealed an amount of Kshs.9,329,821 leading to an unexplained variance of Kshs.4,529,132.

In the circumstances, the accuracy and completeness of the accounts payables balance of Kshs.13,858,954 could not be confirmed.

3. Overdrawn Accounts and Netting Off of Balances

The statement of financial assets and liabilities reflects bank balance of Kshs.8,691,095 as disclosed in Note 10 to the financial statements. Included in the bank balances are operations bank account and school fund accounts with overdraft balances of Kshs.65,607 and Kshs.556,415 respectively, which had been netted off from the bank balance of Kshs.8,691,095. This was contrary to Section 28(4)(5) of the Public Finance Management Act, 2012.

In the circumstances, the accuracy, completeness and existence of bank balance of Kshs.8,691,095 could not be confirmed.

4. Unexplained Variances in the Financial Statements

The statement of receipts and payments reflects Government grants for operations amount of Kshs.10,373,829 which differs from an amount of Kshs.11,559,147 as reflected in the statement of cash flows. The variances were not explained.

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

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Mpeketoni Boys High School Management in accordance with ISSAI 130 on 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 did not reflect total final receipts budget and actual on a comparable basis nor did it reflect final expenditure budget and actual on a comparable basis. However, the recalculated final receipts budget and actual on a comparable basis amounted to Kshs.68,441,800 and Kshs.55,438,072 respectively, resulting to an under-funding of Kshs.13,003,728 or 19% of the budget. However, the School spent a balance of Kshs.74,460,191 against actual receipts of Kshs.55,438,072 resulting to an over-expenditure of Kshs.19,022,119 or 34% of actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in use of Public

Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues as at 30 June, 2023.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Transfer of Funds to Kenya Secondary Schools Heads Association

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.62,960,165 as disclosed in Note 9 to the financial statements. Included in the expenditure is an amount of Kshs.671,780 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by Schools.

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

2. Long Outstanding Payables

The statement of financial assets and financial liabilities and as disclosed in Note 14 to the financial statements reflects payables balance of Kshs.13,858,953. However, included in the balance are trade payables balance of Kshs.82,800 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.

3. Failure to Prepare School Improvement Plan

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

numeracy outcomes, an enabling environment for learning and parental involvement and community engagement for implementation.

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

4. Lack of a Procurement Plan

The statement of receipts and payments reflects an amount of Kshs.84,937,326 and Kshs.76,120,415 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

5. Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements

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

- i. The statement of budgeted versus actual amounts did not include totals for the different components.
- ii. Inconsistencies were noted between the financial statement and the corresponding Notes to the financial statements.
- iii. Failure to include Notes to the financial statements in the statement of cash flows.

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.

6. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 05 March, 2024 instead of the statutory deadline of 30 September, 2023. This was contrary to the requirement of Section 81(4)(a) of the Public Finance Management Act, 2012 on submission of the financial statements to the Auditor-General, within three (3) months after the end of the financial year to which they relate.

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

Lack of Internal Audit Function and Audit Committee

During the year under review, the School had not constituted an 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 states that, 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.

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 control, 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 of Kenya, 2010. 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 of Kenya, 2010, 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 of Kenya, 2010. 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.

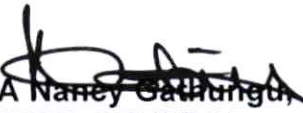
Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that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

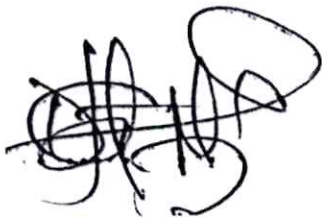
Nairobi

27 September, 2024

MPEKETONI BOYS HIGH SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2023****6. Statement Of Receipts and Payments For the Year Ended 30th June 2023**

Description Of Vote Head	Note	Insert Current	Insert Comparative
		2022-2023	2021-2022
		Kshs	Kshs
Receipts			
Government grants for tuition	1	2,365,598.35	3,007,601.40
Government grants for operations	2	10,373,829.40	21,078,953.65
Government Grants for infrastructure	3		
School fund income- parents' contributions	4	68,643,950.00	62,836,345.00
Miscellaneous incomes	5	3,553,949.00	2,167,428.00
Total Receipts		84,937,326.65	89,090,328.05
Payments			
Tuition	6	3,010,281.00	2,674,565.00
Operations	7	10,149,969.50	20,550,382.90
Infrastructure	8		xxx
Boarding and school fund	9	62,960,165.00	54,653,674.00
Total Payments		76,120,415.50	77,878,621.90
Surplus/Deficit		8,816,911.15	11,211,706.15

The school financial statements were approved on 30th June 2023 and signed by:



.....
Name: David Njoroge
Chair BOM

Date: 02/08/2024



.....
Name: Jumaa Kalume
School Principal/ Secretary to BOM

Date: 02/08/2024



.....
Name: Margaret Karichu
Bursar/ Finance Officer

Date: 02/08/2024

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

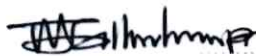
7. Statement of Assets and Liabilities As At 30th June 2023

Description	Note	Insert Current FY	Insert Comparative FY
		2022-2023	2021-2022
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	8	8,691,095.21	16,841,762.06
Cash balances	9	12,065.25	40,925.25
Short term investments	12	xxx	xxx
Total cash and cash equivalent		8,703,160.46	16,882,687.31
Account's receivables	13	45,599,871.53	33,248,762.53
Total financial assets		54,303,031.99	50,131,449.84
Financial liabilities			
Accounts payables	14	(13,858,953.60)	(18,504,282.60)
Net financial assets		40,444,078.39	31,627,167.24
Represented by			
Accumulated fund b/fwd	15	31,627,167.24	20,415,461.09
Surplus/deficit for the year		8,816,911.15	11,211,706.15
Net financial position		40,444,078.39	31,627,167.24

The school's financial statements were approved on 30TH June 2023 and signed by:



.....
Name:David Njoroge
Chair BOM
Date: 02/08/2024



.....
Name:Jumaa Kalume
School Principal/ Secretary to BOM
Date: 02/08/2024



.....
Name:Margaret Karichu
Bursar/ Finance Officer
Date: 02/08/2024

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

8. Statement of Cash Flows for the Year Ended 30th June 2023

Description	Note	Insert Current FY 2022-2023	Insert Comparative FY 2021-2022
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition		2,365,598.25	3,007,601.40
Government grants for operations		11,559,147.40	16,305,737.00
Government grants for infrastructure			6,568,400.00
School fund income- parents contributions/ fees		108,339,855.00	96,146,758.50
Other income			xxx
Total receipts		122,264,600.65	122,028,496.90
Payments			
Cash outflows for tuition		3,010,281.00	2,674,565.00
Cash outflows for operations		11,674,532.00	18,765,029.00
Cash outflows Boarding/lunch and school fund payments		115,933,179.00	91,775,789.00
Total payments		(130,617,992.00)	(116,786,918.90)
Net cash inflow/outflow from operating activities		(8,353,391.35)	5,241,578.00
Cash flow from investing activities			
Receipts from investing activities		3,414,000.00	(xxx)
Proceeds from sale of Assets		xxx	xxx
Proceeds from investments			xxx
Acquisition of assets		(3,240,135.50)	(xxx)
Net cash inflow/outflows from investing activities		173,864.50	xxx/(xxx)
Cash flow from Financing activities			
Proceeds from borrowings/ loans	18	xxx	xxx
Repayment of principal borrowings		(xxx)	(xxx)
Net cash inflow/outflow from financing activities			xxx/(xxx)
Net increase/decrease in cash and cash equivalents		(8,179,526.85)	(5,241,578.00)
Cash and cash equivalent at beginning of the FY		16,882,685.20	11,641,106.30
Cash and cash equivalent at end of the FY		8,703,158.35	16,882,685.20

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

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

The school's financial statements were approved on 30th June 2023 and signed by:



.....
Name:David Njoroge

Chair BOM

Date: 02/08/2024

.....
Name:Jumaa Kalume
School Principal/ Secretary to BOM

Date: 02/08/2024

.....
Name:Margaret Karichu

Bursar/ Finance Officer

Date: 02/08/2024

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

MPEKETONI BOYS HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2023

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
(1) Capitation Grant on Tuition					
Reference Materials	472,500.00	-	472,500.00	236,715.00	50.09%
Exercise Books	1,220,000.00	-	1,220,000.00	828,634.20	67.92%
Laboratory Equipment	802,305.00	-	802,305.00	522,904.60	65.17%
Internal Exams	380,495.00	xxx	380,495.00	244,593.00	64.28%
Teaching / Learning Materials	1,061,500.00	xxx	1,061,500.00	532,751.35	50.1%
Exams And Assessment	xxx	xxx	xxx	xxx	x
(2) Capitation Grant on Operations					
Personnel Emoluments	3,515,000.00	xxx	3,515,000.00	2,362,522.70	67.21%
Repairs And Maintenance	4,750,000.00	xxx	4,750,000.00	3,414,000.00	71.87%
Local Transport / Travelling	475,000.00	xxx	475,000.00	314,577.70	66.22%
Electricity And Water	2,565,000.00	xxx	2,565,000.00	1,733,368.00	67.57%
Medical	1,900,000.00	xxx	1,900,000.00	406,758.00	21.40%
Administration Costs	2,375,000.00	xxx	2,375,000.00	1,607,536.00	67.68%
Activity	1,425,000.00	xxx	1,425,000.00	424,444.00	29.78%
Gratuity	xxx	xxx	xxx	xxx	x
	xxx	xxx	xxx	xxx	x

MPEKETONI BOYS HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a Kshs	b Kshs	c=a+b Kshs	d Kshs	e=d/c % Kshs
3) FDSE for infrastructure					
Maintenance & Improvement MoE	4,750,000.00	xxx	4,750,000.00	3,414,000.00	71.87%
M&I parents' contribution	1,900,000.00	xxx	1,900,000.00	1,585,924.00	83.46%
Economic Stimulus Programs	xxx	xxx	xxx	xxx	x
Transition Infrastructure Grants	xxx	xxx	xxx	xxx	x
Administration Block	xxx	xxx	xxx	xxx	x
(4) Fees Charged on Parents					
Personnel Emoluments	7,382,450.00	-	7,382,450.00	4,716,616.00	63.88%
Local Transport / Travelling	2,850,000.00	xxx	2,850,000.00	2,710,970.00	95.12%
Electricity And Water	3,226,200.00	xxx	3,226,200.00	2,382,363.00	73.84%
Medical	xxx	xxx	xxx	xxx	x
Administration Costs	2,945,000.00	xxx	2,945,000.00	2,819,249.00	95.73%
Activity	758,100.00	xxx	758,100.00	638,174.00	84.18%
SMASSE	xxx	xxx	xxx	xxx	x
Fee On Boarding Equipment and Stores	23,688,250.00	xxx	23,688,250.00	21,179,725.00	89.41%
5) Miscellaneous Income					
Loans / Borrowing	xxx	xxx	xxx	xxx	x
Rent income	xxx	xxx	xxx	xxx	x
Income From Farming Activities	xxx	xxx	xxx	1,604,719.00	x
Income from bus	xxx	xxx	xxx	xxx	x
Income From tuition activities	xxx	xxx	xxx	425,300.00	x
Income From Bus Hire	xxx	xxx	xxx	439,200.00	x

MPEKETONI BOYS HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

Receipt/Expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b Kshs	Actual On Comparable Basis d Kshs	% Of Utilization e=d/c % Kshs
Fee For Hire of Ground and Equipment	xxx	xxx	xxx	893,030.00	x
Interest Income	xxx	xxx	xxx	xxx	x
Income From Any Other Investment	xxx	xxx	xxx	xxx	x
Total Income					
(6) Expenditure For Tuition					
Textbooks	xxx	xxx	xxx	xxx	x
Reference Materials	472,500.00	xxx	472,500.00	-	0.00%
Exercise Books	1,220,000.00	xxx	1,220,000.00	1,137,000.00	93.19%
Laboratory Equipment	802,305.00	xxx	802,305.00	1,514,605.00	188.78%
Internal Exams	380,495.00	xxx	380,500.00	88,000.00	23.12%
Teaching / Learning Materials	1,061,500.00	xxx	1,061,500.00	268,180.00	25.26%
Chalks	xxx	xxx	xxx	xxx	x
Exams And Assessment	xxx	xxx	xxx	xxx	x
Teachers Guides	xxx	xxx	xxx	xxx	x
Administration Costs	xxx	xxx	xxx	xxx	x
Bank Charges	xxx	xxx	xxx	2496.00	x
(7) Expenditure For Operations					
Personnel Emoluments	3,515,000.00	xxx	3,515,000.00	2,355,650.00	67.01%
Repairs, Maintenance & Improvements	4,750,000.00	xxx	4,750,000.00	3,414,000.00	71.87%
Local Transport / Travelling	475,000.00	xxx	475,000.00	692,700.00	145.83%
Electricity, Water and Conservancy	2,565,000.00	xxx	2,565,000.00	280,300.00	10.92%

MPEKETONI BOYS HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a Kshs	b Kshs	c=a+b Kshs	d Kshs	e=d/c % Kshs
Medical	1,900,000.00	xxx	1,900,000.00	335,590.00	17.66%
Administration Costs	2,375,000.00	xxx	2,375,000.00	1,981,934.00	83.44%
Activity Expenses	1,425,000.00	xxx	1,425,000.00	711,870.00	49.95%
Gratuity	xxx	xxx	xxx	xxx	x
SMASSE	xxx	xxx	xxx	xxx	x
(8) Expenditure For infrastructure					
Construction of classrooms- CBC TOP-UP	xxx	xxx	336,013.80	336,013.80	x
Renovation of kitchen & dining hall	1,845,222.44	xxx	1,845,222.44	1,686,151.40	91.37%
Construction of DORMS	xxx	xxx	xxx	xxx	x
Renovation Ablution blocks			138,352.30		
Purchase of furniture	xxx	xxx	982,950.00	xxx	x
Purchase of equipment	xxx	xxx	xxx	xxx	x
Bank charges			2218.00		
Purchase of machinery	xxx	xxx	xxx	xxx	x
(9) Expenditure For school fund/lunch/boarding					
Personnel Emoluments	7,382,450.00		7,382,450.00	7,028,679.00	95.20%
Repairs, Maintenance and Improvements	1,900,000.00	xxx	1,900,000.00	1,456,015.00	76.63%
Local Transport / Travelling	2,850,000.00	xxx	2,850,000.00	1,880,482.00	65.98%
Electricity, Water and Conservancy	3,226,200.00	xxx	3,226,200.00	3,646,507.00	113.02%

MPEKETONI BOYS HIGH SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2023

Receipt/Expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b Kshs	Actual On Comparable Basis d Kshs	% Of Utilization e=d/c % Kshs
Medical Expenses		xxx	xxx	xxx	x
Administration Costs	2,945,000.00	xxx	2,945,000.00	5,416,003.00	183.90%
Activity	758100.00	xxx	758100.00	1,777,360.00	234.40%
Gratuity	xxx	xxx	xxx	xxx	x
Lunch Programme	-	xxx	-	-	-
Boarding Equipment and Stores	23,688,250.00	xxx	23,688,250.00	36,343,656.00	153.42%
Expenditure For Income Generating Activity		xxx	xxx	xxx	x
Tuition activities	xxx	xxx	xxx	362900.00	x
Other Expenses On Investments	xxx	xxx	xxx	xxx	x
Bom teachers	xxx	xxx	xxx	1,744,800.00	x
Bank Charges	xxx	xxx	xxx	xxx	x
Loan Interest Repayment	xxx	xxx	xxx	xxx	x
Loan Principal Repayment	xxx	xxx	xxx	xxx	x
Acquisition Of Assets	xxx	xxx	xxx	xxx	x
Totals	xxx	xxx	xxx	xxx	x

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

- i. The underutilisation of vote heads is caused by less expenditures compared to amount allocated to those vote heads
- ii. The overutilization of vote heads is caused by expenses that over exceeds the allocated budget that cannot be avoided during the day to day running of institution example the amount allocated for activity is far much less than the actual activities held in school.
- iii. The other cause is the capitation grant from the government is not 100% remitted to school,
- iv. The school does not receive 100% fees from parents
- v. Lastly the inflation of products in the market is also affecting the same especially foodstuff and electricity.

10. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2023.

11. Notes To The Financial Statements

1 Government Grants for Tuition

Description	Insert Current FY 2022-2023		Insert Comparative FY 2021-2022	
		Kshs		Kshs
Textbooks and reference materials		365,340.45		1,314,799.35
Tuition				
Exercise books		828,634.30		302,918.40
Laboratory equipment		522,904.60		771,568.70
Internal exams		244,593.00		327,314.40
Teaching / learning materials		167,410.90		199,615.50
Chalks				
Exams and assessment				
Teachers guides		236,715.00		91,385.05
Reference/Library				
Total		2,365,598.25		3,007,601.40

**Include others as per MOE circulars*

2 Government Grants for Operations

Description	Insert Current FY 2022/2023		Insert Comparative FY 2021/2022	
		Kshs		Kshs
Other voteheads				
MOE		110,623.00		97,397.00
Personnel emoluments		2,362,522.70		3,777,730.60
Maintenance & Improvement		3,414,000.00		4,086,000.00
MOE				
Local transport / travelling		314,577.70		293,264.00
Electricity and water		1,733,368.00		2,731,892.35
Medical/Insurance		406,758.00		778,480.00
Administration costs		1,607,536.00		2,538,035.70
B.O.M Teachers				
Activity		424,444.00		207,754.00
M. I				6,568,400.00
Total		10,373,829.40		21,078,953.65

**Include others as per MOE circulars*

3 Government Grants for infrastructure

Description	Insert Current FY 2022-2023	Insert Comparative FY 2021-2022
	Kshs	Kshs
Maintenance & Improvement	3,414,000.00	4,086,000.00
Transition infrastructure grants	xxx	xxx
Administration Block	xxx	xxx
Economic stimulus grants	xxx	xxx
Other (specify)(NGCDF and County govt.	xxx	xxx
Total	3,414,000.00	4,086,000.00

4 School Fund Income - Parents Contribution/Fees

Description	Insert Current FY 2022/2023	Insert Comparative FY 2021/2022
	Kshs	Kshs
Personnel emoluments	12,596,724.00	6,225,603.00
Repairs and maintenance	2,713,000.00	1,751,617.00
Local transport / travelling	4,632,707.00	2,551,,976.00
Electricity and water	4,933,594.00	2,956,337.00
Medical	xxx	xxx
Administration costs	5,394,384.00	2,636,366.00
Activity	1,199,228.00	676,461.00
Fee on Boarding Equipment and stores	37,174,313.00	46,016,117.00
PA Levies*	xxx	20,556.00
Others Bom teachers	xxx	21,868.00
Total	68,643,950.00	62,836,345.00

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

5 Miscellaneous Incomes

Description	Insert Current FY 2022/2023	Insert Comparative FY 2021/2022
	Kshs	Kshs
Rent Income	xxx	xxx
PA Levies		20,556.00
Income From Farming Activities	1,604,719.00	208,770.00
Income from tuition activities	382,900.00	xxx
Income From ID	1,350.00	13,350.00

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Income From Bus Hire	314,000.00	386,800.00
Fee For Hire of Ground and Equipment	893,030.00	296,780.00
Staff welfare	196,000.00	849,407.00
Lost items	63,250.00	1,890.00
Tender fees	34,000.00	66,000.00
Other Income- <i>administration income</i>	42,400.00	15,825.00
students truck	1,800	105,950.00
Student T/shirt	20,500.00	79,100.00
Student trip		123,000.00
Total	3,553,949.00	2,167,428.00

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

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

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

Notes to the Financial Statements (continued)

6 Tuition

Description	Insert Current FY 2022/2023	Insert Comparative FY 2012/2022
	Kshs	Kshs
Exercise Books	1,137,000.00	1,424,185.00
Textbooks		241,320.00
Reference materials		
Laboratory Equipment	1,514,605.00	341,116.00
Teaching / Learning Materials	268,180.00	488,020.00
Exams And Assessment	xxx	xxx
Teachers Guides	xxx	xxx
Internal exams	88,000.00	172,520.00
Bank Charges	2,496.00	7,404.00
Others (<i>specify</i>)	xxx	xxx
Total	3,010,281.00	2,674,565.00

7 Operations

Description	Insert Current F 2022/2023	Insert Comparative FY 2021/2022
	Kshs	Kshs
Personnel Emoluments	2,355,650.00	3,751,026.00
Administration Cost	1,981,934.00	3,368,193.00
Repairs And Maintenance & Improvements		6,032,000.00
Local Transport / Travelling	692,700.00	243,950.00
Electricity And Water	280,300.00	731,704.00
Medical	xxx	518,940.00
Activity Expenses	711,870.00	450.00
Insurance Cost	335,590.00	130,926.00
Others Acquisition of assets	3,145,685.50	3,571,535.90
Bom teacher	646,240.00	900,120.00
moe		1,301,538.00
Total	10,149,,969.50	2,0550,038.20

Notes to the Financial Statements (continued)

8 Infrastructure

Description	<i>Insert Current FY 2022-2023</i>	<i>Insert Comparative FY 2021-2022</i>
	Kshs	Kshs
Renovation of kitchen and dining hall	1,686,151.40	xxx
Construction 2 cbc classroom top-up	336,013.80	xxx
Ablution blocks retention	138,352.30	xxx
Purchase of furniture	888,500.00	xxx
Purchase of equipment	xxx	xxx
Purchase of apparatus	xxx	xxx
Bank charges	2,218	xxx
Others (computer room improvement)	94,450	xxx
Total	3,145,565.50	xxx

9 Boarding And School Fund

Description	<i>Insert Current FY 2022-2023</i>	<i>Insert Comparative FY 2021-2022</i>
	Kshs	Kshs
Personnel Emoluments	7,028,679.00	5,298,644.00
activity	1,777,360.00	718,516.00
Repairs And Maintenance & Improvements	1,456,015.00	1,257,760.00
Local Transport / Travelling	1,880,482.00	1,710,986.00
Electricity And Water	3,646,507.00	1,952,963.00
Administration costs	5,407,877.00	4,491,431.00
Administration income		6000.00
Farm income	649,271.00	530,724.00
Achievers donation		20,000.00
Expenses On Income Generating Activities**		198,880.00
Fee On Boarding Equipment and Stores	36,343,656.00	34698586.00
Bom teachers	1,744,800.00	1,297,795.00
Students t/shirt	85,000.00	320,100.00
Tuition activities	362,900.00	32,715.00
Caution money	33,000.00	26,500.00
tender	42,000.00	xxx
PA expenses	300,700.00	631,350.00
Others bus hire	437,660.00	293,317.00
Bus fabrication	864,600.00	
Students trip		122,000.00

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Staff trip		196,000.00
Staff welfare		849,407.00
Property insurance	248,152.00	
Hiring of ground and facilities	505,600	
Bank charges	3,806.00	
Canteen income	142,100.00	
Total	62,960,165.00	54,653,674.00

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

Notes to the Financial Statements (continued)

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	<i>Insert Current FY</i> 2022-2023	<i>Insert Comparative FY</i> 2021-2022
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	1104826496	98,119.70	742,802.45
Operations Account	Active	1104827212	(65,606.85)	(50,382.25)
School Fund Account/Boarding	Active	1104827506	(556,415.20)	6,128,291.80
Equity bank	Active	1270298119720	466,037.96	510,398.96
Exam Savings Account	Dormant	1104259753	15,522.50	15,722.50
Parent Association Development Account	Active	1104259877	502,055.40	799,845.40
Caution money savings account	Dormant	1108980376	221,918.10	222,118.10
Bus savings account	Active	1108024718	469,746.25	1,106,932.25
Infrastructure account	Active	1276584989	6,583,477.35	6,409,612.85
MOE Account	Active	1270264273242	956,240.00	956,420.00
Total			8,691,095.21	16,841,762.06

11 Cash In Hand

Description	<i>Insert Current FY</i> 2022-2023	<i>Insert Comparative FY</i> 2021-2022
	Kshs	Kshs
Tuition account	-	-
Operational account	4,164.00	(5,676.00)
School fund account	7,901.25	46,601.25
Total	12,065.25	40,925.25

12 Short Term Investments

Description	<i>Insert Current FY</i> 2022/2023	<i>Insert Comparative FY</i> 2021/2022
	Kshs	Kshs
Cooperative Shares	xxx	xxx
Treasury Bills	xxx	xxx
Fixed Deposit accounts	xxx	xxx
Other Investments	xxx	xxx
Total	xxx	xxx

Notes to the Financial Statements (continued)

13 Accounts Receivable

Description	Insert Current FY 2022-2023	Insert Comparative FY 2021-2022
	Kshs	Kshs
Fees Arrears	44,931,833.53	32,903,528.53
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)	59,200.00	73,500.00
Imprest (list/schedule attached)	90,500.00	73,500.00
paye	18	18
R/D Cheques	130,554.00	27,000.00
Icealion life a comp ltd	6.00	6.00
imprest	383,810.00	244,710.00
Bank error	94,450.00	
Total	45,599,871.53	33,248,762.53

13 b Ageing Analysis of Accounts Receivable

Description	Insert Current FY 2022-2023		Insert Comparative FY 2022-2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	32,610,929.00	72.57%	21,723,443.00	66.02%
Between 1- 2 years	21,723,443.00	48.34%	5,478,146.53	16.64%
Fees arrears paid	(20,582,624.00)		(4,142,904.00)	
Between 2-3 years	11,180,088.53	24.88%	9,844,843.00	29.92%
Over 3 years	xxx	%	xxx	%
Total (should tie to note 13 a)	44,931,833.53	%	32,903,528.53	%

14 Accounts Payable

Description	Insert Current FY 2022-2023	Insert Comparative FY 2021-2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	4,169,483.00	2,261,070.00
Prepaid Fees	4,866,526.00	5,469,699.00
Canteen	249,716.00	249,716.00
Unpresented slips kcb	337,244.10	337,244.10

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Unpresented slips equity	2,486,125.50	820,824.50
bursaries	1,589,033.00	9,324,633.00
Refundable fees	44,096.00	41,096.00
Unpaid salaries and statutory deductions	xxx	xxx
Aghakhan foundation	116,730.00	xxx
Other payables (<i>specify</i>)	xxx	xxx
Total	13,858,953.60	18,504,282.60

Notes to the Financial Statements (continued)

14a. Ageing Analysis of Accounts Payable

Description	Insert Current FY 2022-2023		Insert Comparative FY 2021-2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	4,086,683.00	98.01%	2,057,840.00	91.01%
Between 1- 2 years	2,057,840.00	49.35%	619,366.00	27.39%
Trade creditors paid	(2,057,840.00)		(416,136.00)	
Between 2-3 years	82,800.00	19.85%		%
Over 3 years	xxx	%	xxx	%
Total (should tie to note 14)	4,169,483.00	%	2,261,070.00	%

15 Fund Balance Brought Forward

Description	Insert Current FY 2022-2023	Insert Comparative FY 2021-2022
	Kshs	Kshs
Bank Balances	6,820,712.00	4,478,976.10
Cash Balances	40,925.25	123,155.25
Short Term Investments	xxx	xxx
Receivables	33,248,762.53	15,789,377.03
equity	510,398.96	861,338.96
infrastructure	6,409,612.85	3,412,748.75
moe	956,240.00	956,420.00
Exam savngs	15,722.50	15,722.50
Caution money savings a/c	222,118.10	222,118.10
Bus savings a/c	1,106,932.25	769,658.95
PTA a/c	799,845.40	799,971.45
Payables	(18,504,282.00)	(7,015,026.00)
Total	31,627,167.24	20,415,461.09

Other important disclosure notes

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

16 Non-current Liabilities Summary

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Bank Loans	xxx	xxx
Outstanding Leases	xxx	xxx
Hire Purchase	xxx	xxx
Gratuity And Leave Provision	xxx	xxx
Others (specify)	xxx	xxx
Total	xxx	xxx

17 Biological assets

Description	Numbers	Insert Current FY	Insert Comparative FY
		Kshs	Kshs
Cattle		0	14
Goats		0	6
Trees		375	100
Coffee Or Tea Plantation		xxx	xxx
Poultry		xxx	xxx
Others (specify)		xxx	xxx
Total		375	120

18 Borrowings

Description	Kshs	Kshs
Borrowings at beginning of the year	xxx	xxx
Borrowings during the year	xxx	xxx
Repayments during the year	(xxx)	(xxx)
Balance at the end of the year	xxx	xxx

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

Description	Insert Current FY 2022/2023	Insert Comparative 2021/2022
	Kshs	Kshs
Food stuffs	10,666,105.00	11,068,288.00
Lab consumables	862,641.50	1,094,237.00
Farm produce	649,271.00	530,724.00
Medication	275,750.00	38,350.00
Construction Materials	1,155,920.00	1,907,429.00
stationery	8,050,275.00	3,838,257.00
Others -electrical	473,458.00	xx
	22,133,420.50	18,477,285.00

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

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20 Progress On Follow Up Of Auditor Recommendations

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

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: 02/07/24
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 FY	Outstanding Balance Comparative FY	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1. Joseph mugacia	65,000.00	17 th July 2023	65,000.00	-	-	cleared
Sub-Total	65,000.00		65,000.00			
Supply Of Goods						
2. Bravin waters	12,200.00		12,200.00			
3. Centrifugal technologies ltd	85,000.00		85,000.00			
4. Salomm investments	25,000.00		25,000.00			
5. Stantech electricals & gen enterprises	8,900.00		8,900.00			
6. Mpeketoni traders	40,000.00		40,000.00			
7. Stoni filling station	106,790.00		106,790.00			
8. Jabez duka la dawa	88,420.00		88,420.00			
9. Teknobyte publishers ltd	6,900.00		6,900.00			
10. Joserene ltd	16,400.00		16,400.00			
11. Mpeketoni agency	5,800.00		5,800.00			
12. Benson mwanyika mkawana	174,000.00		174,000.00			

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Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
13. David kinuthia kahuhu	9,000.00		9000.00			
14. Bahhar c suppliers ltd	570,990.00		570,990.00			
15. Kisiwani bakery	261,200.00		261,200.00			
16. Mpeketoni merchant ltd	569,970.00		569,970.00			
17. Mwakare g suppliers	135,000.00		135,000.00			
18. Mwapa general supplies	225,500.00		225,500.00			
19. Jostech computer centre	279,770.00		279,770.00			
20. Phineter enterprise	196,330.00		196,330.00			
21. Rastros eng & gen supplies	77,210.00		77,210.00			
22. Warewco investment ltd	21,550.00		21,550.00			
23. New pisama general supplies	344,800.00		344,800.00			
Sub-Total	3,260,730.00		3,260,730.00			
Supply Of Services						
24. Naomy nduta ngugi	39,600.0		39,600.00			
25. Young billionare suppliers	84,000.00		84,000.00			
26. Kenya power	245,493.00		245,493.00			
27. Demesi hellen lung'aho	10,000.00		10,000.00			
28. Joseph opondo mambe	40,000.00		40,000.00			
29. Medina enterprise	94,260.00		94,260.00			
30. Mpeketoni h s s s help group	149,000.00		149,000.00			

MPEKETONI BOYS HIGH SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2023**

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
31. Vaniss eng & gen supplies	98,600.00		98,600.00			
Sub-Total	760,953.00		760,953.00			
Grand Total	4,086,683.00		4,086,683.00			

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 st July 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2023
Land	42 acres	0	0	42 acres
Buildings And Structures	76			76
Motor Vehicles	2	0	0	2
Office Equipment, Furniture And Fittings	14,148,490.00	712,500.00	234,500.00	14,626,490.00
Textbooks	47294 copies			47294 copies
ICT Equipment	3,695,008.00	0	160,500.00	3,534,508.00
Tools And Apparatus	290,500.00			290,500.00
Kitchen items	3,873,389.00			3,873,389.00
Other Machinery And Equipment	1,725,900.00	0		1,725,900.00
Heritage And Cultural Assets trophies				
Intangible Assets- Soft Ware Zeraki and financial software	2			2
Total				

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