

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 17 JUN 2025

DAY.

TUESDAY

OF

TABLED
BY:

THE LEADER OF THE
MAJORITY PARTY

CLERK-AT
THE-TABLE:

WILLIE OBIERO

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

MBITA HIGH SCHOOL

FOR THE YEAR ENDED

30 JUNE, 2024

HOMA BAY COUNTY

Revised 30th June 2024.



MBITHA HIGH SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2024

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

Table of Contents

Page

1. Acronyms and Definition of Key Terms	ii
2. Key School Information and Management	iii
3. Summary Report of Performance of The School	viii
4. Statement of School Management Responsibility	xi
5. Report Of The Independent Auditors (<i>To be attached</i>).....	xii
6. Statement Of Receipts and Payments for the Year Ended 30 th June 2024.....	1
7. Statement of Assets and Liabilities As At 30 th June 2024.....	2
8. Statement of Cash Flows for the Year Ended 30 th June 2024	3
9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30 th June 2024	5
10. Significant Accounting Policies	10
11. Notes To the Financial Statements	12
12. Annexes	22

1. **Acronyms and Definition of Key Terms**

A. **Acronyms.**

BOM	Board of Management
CEB	County Education Board
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
FY	Financial Year
FDSE	Free Day Secondary Education
TSC	Teachers Service Commission
SMASSE	Strengthening of Mathematics and Science in Secondary Education

B. **Definition of Key Terms**

Comparative Year- Means the prior period.

2. Key School Information and Management

(a) Background information

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

The school was registered in 1966 under registration number **43S130000107** and is currently categorized as a National public school established, owned or operated by the Government.

The school is a boarding school and had 1841 number of students as at **30th June 2024**. It has 30 streams and 79 teachers of which 30 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	MR. JARRED OMONDE KISERA	Chairman	1.05.2022
2	MR. KENNEDY OJIJO	Secretary - Principal	20.05.2022
3	DR. PATRICK SAWA	Member	20.05.2022
4	PROF. OGODO MANYASA	Member	20.05.2022
5	DR. NAFULA WERE	Member	20.05.2022
6	ENG. DORIS OMBARA	Member	20.05.2022
7	DR. ROSE OPONDO	Member	20.05.2022
8	CPA JOSEPH O. MAREMBO.	Member – Rep CEB	20.05.2022
9	MRS. BENTER ODHIAMBO	Member Rep Teachers	20.05.2022
10	- PROF. ENOSE SIMATWA - MRS. JANET BETTY ONYANGO	Members - Sponsor	20.05.2022
11	MRS. BENTER AKINYI	Member - Community	20.05.2022
12	MASTER SIMON MASANA	Rep Students	20.05.2022
13	DR. ROSE KOWERU	Member Special Needs	20.05.2022

The functions of the School Board of Management are to:

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

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee			3 out of 3
		1.MR. JARRED OMONDE KISERA	CHAIRMAN	
		2.MR. KENNEDY OJIJO	SECRETARY	
		3.DR. PATRICK SAWA	MEMBER	
		4.DR. ROSE OPONDO	MEMBER	
		5. DR. ROSE KOWERU	MEMBER	
2	Audit Committee			4 out of 3
		1. CPA JOSEPH MAREMBO	CHAIRMAN	
		2. DR. ROSE OPONDO	MEMBER	
		3.MR. DICKENS MITAWIA	MEMBER	

3	Finance,procurement and general purposes Committee			
		1. PROF. ENOS SIMATWA	MEMBER	
		2. CPA MAREMBO JOSEPH	CHAIRPERSON	
		3.MR. OMONDE KISERA	MEMBER	
4	Academic Committee			3 of 3
		1. MRS. JANET BETTY	CHAIRPERSON	
		2. PROF. OGODO MANYASA	MEMBER	
		3. DR. ROSE KOWERU	MEMBER	
		4. MR. THOMAS KOGOLLA	MEMBER	
5	Infrastructure Committee			5 of 3
		1. MRS. SABINA OTIENO		
		2. MR. KENNEDY OJJO		
		3. MR. JARRED O. KISERA	MEMBER	
		4. DR. PATRICK SAWA	CHAIRPERSON	
6	Discipline and welfare Committee			3 of 3
		1. MR. DICKENS KITAWIA		
		2. MR. ELIJAH MARINDA		
		3. MR. JARRED O. KISERA		
		4. DR. PATRICK SAWA		

(d) School operation Management

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

Ref:	Designation	Name	Identification
1	Principal	MR. KENNEDY OJIJO	349223
2	Deputy Principal	MR. OTIENO NATHANIEL	450500
3	School Bursar	MR. NASSUR OKECH	N/A

(e) Schools contacts

Post Office Box: 81 – 40305, MBITA
 Telephone: 0700448644
 E-mail: mbitahigh@gmail.com
 Website: www.mbitahigh.ac.ke
 Facebook:
 Twitter:

(f) School Bankers

1. Name of Bank: Co-operative
 Branch: Mbita
 Account Number: 01129047218400
2. Name of Bank: Co-operative
 Branch: Mbita
 Account Number: 01139047218400
3. Name of Bank: Co-operative
 Branch: Mbita
 Account Number: 01139047218401
4. Name of Bank: Co-operative
 Branch: Mbita
 Account Number: 01139047218402
5. KCB
 Branch: Mbita
 Account Number: 1154826813
6. EQUITY
 Branch: Mbita
 Account Number: 0760268497276
7. MPESA Pay Bill No. 247247 attached to Equity bank account No. 0760268497276

(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:

YEAR	TUITION			OPERATION			SCHOOL FUND		
	2022	2023	2024	2022	2023	2024	2022	2023	2024
INCOME	3,406,485	9,716,246	4,869,712	22,061,380.9	27,845,745	34,495,562	127,781,258.25	160,834,858	162,266,685
EXPENDITURE	12,517,223	9,716,480	10,459,445	30,585,561.1	27,562,053	44,012,159	141,844,181.00	186,622,132	145,431,890
CASH & BANK BALANCES	1,130,462.19	34,379	178,721	161,413.80	273,878	4,117,967	1,557,738.36	535,198	658,682

b) Teacher Student ratio:

	SUBJECT	TEACHER	ENROLL
1	MATHEMATICS	13	1841
2	ENGLISH	13	1841
3	KISWAHILI	12	1841
4	GEOGRAPHY	5	1050
5	HISTORY & GOVT.	8	1841
6	CRE	5	1221
7	PHYSICS	8	1841
8	CHEMISTRY	13	1841
9	BIOLOGY	13	1841
10	AGRICULTURE	2	522
11	COMPUTER	2	355
12	BUSINESS STUDIES	3	921

c) The mean score in the KCSE:

YEAR	MEAN SCORE	MEAN GRADE
2023	9.2689	B
2022	9.1957	B
2021	9.1567	B
2020	8.9747	B

d) Number of Candidates in the KCSE:

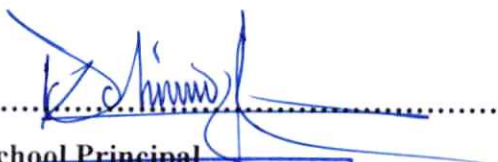
YEAR	NUMBER OF CANDIDATES
2023	424
2022	322
2021	351
2020	356

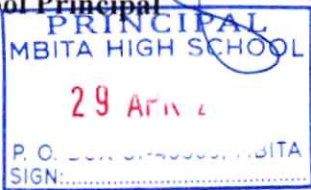
e) The capacity of the school:

YEAR	ENROLMENT	LABS	DORMS	CLASSES	D/HALL	TOILETS
2022	1841	120	1750	1800	1000	1400

f) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Multipurpose Hall	MoE			7,603,085	
Ultra-modern Computer Lab	MoE/PA			10,157,874	
14 door Pit Latrine	MoE			1,456,300	
3 No Classroom	MoE			1,296,650	
Lockers, Chairs & Beds	MoE			8,346,226	



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

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

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

.....

Name:

Designation: Chairman, School Board of Management

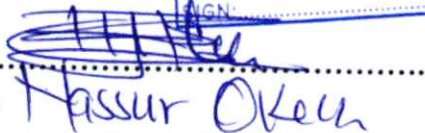
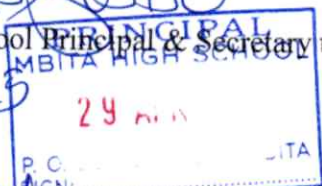
Date:



.....
Name: ~~KENNEDY OJITO~~

Designation: School Principal & Secretary to Board of Management

Date: 29/4/25



.....
Name: Nassur Okech

Designation: Bursar/ Finance Officer

Date: 29.04.2025

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 MBITA HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2024 – HOMA BAY COUNTY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Mbita High School set out on pages 1 to 23, which comprise the statement of assets and liabilities as at 30 June, 2024

Report of the Auditor-General on Mbita High School for the year ended 30 June, 2024 – Homa Bay County

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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Mbita High School as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1.0. Inaccuracies in the Financial Statements and Non-compliance with the Prescribed Reporting Template

The statement of cash flows reflects total receipts of Kshs.201,449,828 and total payments of Kshs.197, 692,238, while the statement of budgeted versus actual amounts shows total income of Kshs.195,692,973 and total expenditure of Kshs.158,542,731, resulting in unreconciled variances of Kshs.5,756,855 and Kshs.39,149,507 respectively.

Further, the statement of cash flows reflects acquisition of assets amount of Kshs.33,159,304, while the statement of budgeted versus actual amounts shows nil expenditure for infrastructure, resulting in an unreconciled variance of Kshs.33,159,304.

In addition, the statement of assets and liabilities reflects accounts payables balance of Kshs.79,029,331, while the list of creditors as at 30 June, 2024 provided for audit shows total balance of Kshs.21,801,818, resulting in a variance of Kshs.57,227,513 which has not been explained. Further, the balance of Kshs.79,029,331 has not been analyzed in Annex 1 – Analysis of Pending Accounts Payable – as required.

Also, the statement of budgeted versus actual amounts does not have explanatory notes to explain the budget under-utilizations below 90% and over utilizations reflected therein as required by the prescribed reporting template.

Additionally, Note 10 to the financial statements on bank accounts does not reflect currency in Column 1, status (active or dormant in Column 2 and bank account number in column 3 as required.

In the circumstances, the accuracy, completeness and fair presentation of the financial statements could not be confirmed.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed. Also, the financial statements do not comply with the accounting

standards as prescribed by the Public Sector Accounting Standards Board in line with Section 81(3) of the Public Finance Management Act, 2012.

2.0. Boarding and School Fund - Lack of an Imprest Register

The statement of receipts and payments reflects boarding and school fund amount of Kshs.145,431,890 which, as disclosed in Note 9 to the financial statements, includes local transport/travelling amount of Kshs.6,494,598. However, Management did not maintain an imprest register for all issued and surrendered imprests.

In the circumstances, the accuracy, completeness and propriety of the expenditure of Kshs.6,494,598 on local transport or travelling, and effectiveness of internal controls over local transport and travelling expenses could not be confirmed.

3.0. Unsupported Cash and Cash Equivalents

Reported in the statement of assets and liabilities is cash and cash equivalents balance of Kshs.4,955,170. However, the supporting cash books and approved bank reconciliation statements were not provided for audit review, contrary to regulation 90(1) of the Public Finance Management (National Government) Regulations, 2015 which states that accounting officers shall ensure bank accounts reconciliations are completed for each bank account held by that accounting officer, every month and submit a bank reconciliation statement not later than the 10th of the subsequent month to the National Treasury with a copy to the Auditor-General.

Further, the bank statements from Kenya commercial bank and equity bank were not provided for audit verification.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.4,955,170 could not be confirmed.

4.0. Inaccuracies in the Student Enrolment Data

The statement of receipts and payments reflects Government grants for tuition and Government grants for operations amounts of Kshs.4,869,712 and Kshs.16,792,162 respectively as disclosed in Note 1 and Note 2 to the financial statements. However, review of records revealed discrepancies between the National Education Management Information System (NEMIS) and the School's records relating to the enrolment of students in the months of September, 2023, January, 2024 and May, 2024. According to NEMIS, the number of students during these months were 1,874, 1,946 and 2,102, while the number students as per the School's records were 2,260, 2,246 and 2,246 respectively. The total capitation receipts for the three (3) months, which were based on the number of students in NEMIS, amounted to Kshs.27,075,087, while the corresponding capitation calculated using the number of students in the School's records totalled Kshs.30,744,850, resulting in an unexplained underfunding of Kshs.3,669,764.

In the circumstances, the accuracy and completeness of the Government grants for tuition and Government grants for operations amounts of Kshs.4,869,712 and Kshs.16,792,162 respectively could not be confirmed.

5.0. Unsupported and Long Outstanding Accounts Receivables

The statement of assets and liabilities reflects accounts receivable balance of Kshs.102,619,820 which, as disclosed Note 13 to the financial statements, includes fees arrears of Kshs.101,364,680 whose supporting receivable's ledger (movement schedule) outlining the opening balance, billings for the year, receipts and adjustments, to arrive at the reported closing balance was not provided for audit.

Further, the aging analysis of fees arrears in Note 13 (b) indicates that receivables balance of Kshs.70,395,951 was in arrears for over two years, with no evidence that the Management has made any efforts to recover the debts. In addition, the School did not have a debt recovery plan.

In the circumstances, accuracy, completeness and recoverability of the fees arrears of Kshs.101,364,680 could not be confirmed.

6.0. Unsupported Fixed Assets Balance

Annex 2 to the financial statements on summary of fixed assets register has not been updated with the cost values of the School's fixed assets, contrary to regulation 23 (1) (c) and (d) of the Public Finance Management (National Government) Regulations, 2015, which states that Accounting Officers shall, in accordance with Article 226(2) of the Constitution and Section 68(1) of the Act, be accountable to the National Assembly for maintaining effective systems of internal control and ensure that measures are taken to confirm the preparation of financial reports that reflect a true and fair financial position of the entity.

Further, Management had not maintained a fixed asset register, capturing important details such as asset tagging, serial/log book number, location, opening balances, additions, dates of acquisitions, disposals, depreciation charged, accumulated depreciation to date and net book value.

In addition, title deed for land and logbooks for three (3) motor vehicles were not provided for audit.

In the circumstances, existence, accuracy, completeness and ownership of the School's assets could not be confirmed.

7.0. Unauthorized Loans

The statement of receipts and payments reflects boarding and school fund amount of Kshs.145,431,890 which, as disclosed in Note 9 to the financial statements, includes LPG gas loan interest and principal of Kshs.258,215 and Kshs.607,715 respectively.

Further, included in the amount is School van loan principal and interest repayment amounts of Kshs.863,468 and 135,722 respectively. The loans were taken out without approval from the respective Cabinet Secretary. This was contrary to Paragraph 3.7.1 of Ministry of Education Circular, MOE.HQs/3/10/18/ (46) dated 7 February, 2022 issued guidelines on implementation of Free Day Secondary Education (FDSE) which states that schools should not enter into financial contracts such as hire purchase and bank loans without express written approval of the cabinet secretary in line with Section 18 of the 4th Schedule of the Basic Education Act, 2013.

Further, the loan agreements indicating the principal amount, interest rates and repayment period were not provided for audit verification.

In the circumstances, the accuracy and completeness of LPG gas loan principal and interest, and van loan principal and interest could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects total receipts budget and actual on comparable basis amounts of Kshs.231,755,292 and Kshs.195,692,973 respectively, resulting in underfunding of Kshs.36,062,319 or 14% of the budget. Similarly, the School spent Kshs.158,542,731 out of actual receipts of Kshs.195,692,973, resulting in underutilization of Kshs.37,150,242, or 19% of the actual receipts.

Further, the statement reflects total income and total expenditure budget amounts of Kshs.231,755,292 and Kshs.Kshs.190,185,130, resulting in a budget surplus of Kshs.41,570,162 which indicates an unbalanced budget. This is contrary to Regulation 33 (c) and (e) of the Public Finance Management (National Government) Regulations, 2015, which states that budget shall be balance and that total budgeted revenue shall cover total budgeted expenditure.

In addition, the budget presented for approval to the Board did not align with the vote heads as presented in the financial statements.

In addition, the School did not maintain a vote book, contrary to Regulation 52(1)(d) of the Public Finance Management (National Government) Regulations, 2015, which states that when the authority to incur expenditure is issued by the Ministry or State Department or Agency, the allocation shall be entered as a commitment in the Ministry's or State Department's or Agency's master vote book so as to ascertain at all times the availability of uncommitted funds.

The underfunding and under-utilization affected planned activities and may have impacted negatively on learning in the School. Additionally, Management was in breach of the law.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Matters

The prior year audit matters remained unresolved as at 30 June, 2024, and have not been disclosed in the Progress on Follow Up on Auditor Recommendations section of the financial statements. Management has not provided explanations for not resolving the prior year audit issues, and not disclosing them in the financial statements.

Other Information

The Management is responsible for the other information set out on page iii to xi which comprises Key School, Summary Report of Performance of the School and Statement of School Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the School's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.0. Late Submission of Financial Statements

During the year under review, the School Management submitted financial statements to the Auditor-General, for the financial year ended 30 June, 2024 on 27 March 2025 six (6) months late contrary to Section 47(1) of the Public Audit Act, 2015 which states that the financial statements required under the Constitution, the Public Finance Management Act, 2012 and any other legislation, shall be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.

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

2.0. Long Outstanding Accounts Payables

The statement of assets and liabilities reflects accounts payables balance of Kshs.79,029,331 as disclosed in Note 14 to the financial statements. However, as disclosed in the aging analysis in Note 14 (a) to the financial statements, the balance includes payables amounting to Kshs.45,583,419 that had remained unsettled for more than one (1) years. These long outstanding payables did not form a first charge in the financial year 2023/2024, contrary to regulation 42 (1)(a) of the Public Finance Management (National Government) Regulations 2015, which states that debt service payments shall be a first charge on the consolidated fund and the accounting officer shall ensure this is done to the extent possible that the government does not default on debt obligations.

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

3.0. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

Review of records revealed that during the year under review, the School transferred an amount of Kshs.290,950 to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. This organization is not defined in Government Funding 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.

This was contrary to Regulation 23(2)c of the Public Finance Management (National Government) Regulations, 2015. Which requires that an Accounting Officer shall, before transferring any funds to an entity within or outside Government, ensure that there is a written assurance from the entity that it shall implement effective, efficient and transparent financial management and internal control systems, or, if such written assurance is not or cannot be given, render the transfer of the funds subject to conditions and remedial measures requiring the entity to establish and implement effective, efficient and transparent financial management and internal control systems.

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

4.0. Missing of Essential Documents from Staff Files

The statement of receipts and payments, as disclosed in Note 9 to the financial statements, reflects an amount of Kshs.145,431,890 in respect of boarding and school fund. Included in the amount is Kshs.16,406,101 in respect of personnel emoluments. However, sampled staff files revealed that essential documents were missing from their records, including KRA Tax PIN, NSSF, NHIF, Certificate of Good Conduct from the Directorate of Criminal Investigations, colored passport-sized photographs, and bank account details. This was contrary to Paragraph B.12 (1) of the Human Resource Policies and Procedures Manual for the Public Service May, 2016, which states that a candidate on first appointment shall provide National identity card, Birth Certificate, KRA tax PIN, Original academic and professional certificates duly authenticated by the issuing authority, Certificate of good conduct from the Directorate of Criminal Investigations, Color Passport size photograph and Bank account details.

In the circumstances, Management was in breach of the requirements of the Human Resource Policies and Procedures Manual for the Public Service May, 2016.

5.0. Failure to Prepare and Present Procurement Plan

The School did not prepare and present for audit a procurement plan for the year ended 30 June, 2024. This was contrary to Regulation 114(2) of the Public Finance Management (National Government) Regulations, 2015, which states that every year a procurement plan shall be prepared by accounting officers to form the basis for procurement activities undertaken by government entities in the financial year. Failure to prepare procurement plan may result to irregular project implementation and expenditure.

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

6.0. Unsupported Expenditure on Infrastructure Development

The statement of receipts and payments, as disclosed in Note 8 of the financial statements, reflects infrastructure expenditure of Kshs.36,049,956. The following unsatisfactory matters were noted:

6.1. Construction of Multipurpose Hall

The infrastructure development expenditure includes Kshs.7,603,085 in respect of construction of a Multipurpose Hall. However, the procurement was not supported by tender evaluation and award meeting minutes, duly executed contract agreement and priced bill of quantities.

6.2. Ultra-Modern Computers Lab

The infrastructure development expenditure includes Kshs.10,157,874 spent on the construction of an Ultra-Modern Computer Lab. However, key procurement documents such as the tender advertisement, evaluation, award, acceptance, and priced bill of quantities were not provided. Additionally, there was no evidence that the supplied materials were inspected, recorded, taken to charge to store, and how they were issued to the contractor.

6.3. Painting and Glasses Repair

The infrastructure development expenditure includes Kshs.1,531,129 spent on painting and glass repairs. However, Management did not provide the supporting procurement documents, including tender evaluation and award report, acceptance, LPO/LSO, and inspection and acceptance reports.

6.4. Procurement of New Furniture-Lockers, Chairs and Beds

The infrastructure development expenditure includes Kshs.8,346,226 in respect of procurement of new furniture, whose supporting procurement documents such as tender advertisement, evaluation and award report, notification and acceptance, LPO/LSO were not provided for audit. Further, there was no clarity on how the items were received and issued from the store.

6.5. Construction of New Three (3) Classrooms

The infrastructure development expenditure includes Kshs.1,296,650 in respect to construction of new three (3) classrooms. However, evidence of tender advertisement, tender evaluation and award, notification and acceptance and duly executed contract agreement were not provided for audit. Further, certificate of work done were not provided for audit.

6.6. Construction of a 14-Door Pit Latrine

The infrastructure development expenditure includes Kshs.1,436,300 spent on the construction of a 14-door pit latrine. Project inspection on 3 April, 2025 revealed the project was complete and in use. However, it was not branded and some doors had fallen off, thus comprising their usability. Further, the expenditure was not supported by tender advertisement, tender evaluation and award report, notification and acceptance and duly executed contract agreement.

In addition, certificate of work done were not provided for audit. In the circumstances, the value for money realized from the expenditure of Kshs.30,371264 on the six (6) projects could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on the 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

1.0. Lack of School Improvement Plan

During the year under review, the School did not have an improvement plan as required by Paragraph 2.2 of the Ministry of Education Operations Manual for Utilization of Learner Capitation Grant and Other School Funds. The School Improvement Planning requires the School to identify in every 3-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, the School lacked a clear development direction. Management may not know what to prioritize, resulting in confusion, inconsistent performance, and poor use of resources and time management.

2.0. Lack of Staff Establishment

Review of records revealed that the School did not have an approved staff establishment, an indication that the School had not determined the skills and optimal staffing levels required to achieve its goals and objectives. Additionally, there was no evidence that the School had prepared a human resource plan based on a comprehensive job analysis. As a result, it was not possible to ascertain whether the total staff employed by the School was at the optimal operating level and how key decisions regarding employees were made without an approved human resource policy.

In the circumstances, the productivity of the School's workforce during the year under review could not be confirmed.

3.0. Inefficiencies in the Management of Text Books

Review of records revealed that teachers' guidebooks were not recorded in the library textbook ledger. Instead, they were received by the Head of the Department, who keeps them without filling out a textbook issuance form. As a result, there was no record in the library ledger indicating the total number of teacher guidebooks or who is responsible for them. Further, Management had not implemented an effective system to recover lost books, as students were charged by class teachers rather than the School accounts office. In addition, a total of 620 books were not received in the library textbooks ledger and were not signed for to indicate the teacher who picked them. Also, some books received in the year 2019 were still lying in the store as they were no longer in use.

In the circumstances, the effectiveness with which text books were managed could not be confirmed.

4.0. Lack of Internal Audit Function

During the financial year under review, it was observed that the School did not have an Internal Audit department, contrary to Regulation 162(2)(a)((b)(c) and (d) of the Public Finance Management (National Government) Regulations, 2015, which provides that an Accounting Officer shall ensure that the organizational structure of the internal audit unit facilitates the entity to accomplish its internal audit responsibilities, the internal auditor with sufficient authority to promote independence and to ensure broad audit coverage, adequate consideration of internal audit reports, appropriate action to be taken on internal audit recommendations and the internal auditor to be independent of the programs, operations and activities he or she audits to ensure the impartiality and credibility of the internal audit work undertaken.

Further, there was no internal audit charter, internal audit work plan and internal audit reports on the state of risk management, control and governance within the school.

In the circumstances, there was no assurance that the existing internal control systems, risk management and governance processes of the School were effective.

5.0. Lack of Audit Committee

Review of records, revealed that the school did not have in place an audit committee contrary to Regulation 174 (1) of the Public Finance Management (National Government) Regulations, 2015 which states that subject to paragraph (2) of this regulation, each national government entity shall establish an audit committee. Further, there was no annual review of the independence, performance, and competency of the internal audit unit.

In the circumstances, the effectiveness of the Audit Committee in discharging its mandate could not be confirmed.

6.0. Lack of a Risk Management Policy, Framework and Information Technology Management Policy

It was noted that the School had not developed or implemented a risk management policy or framework to guide on risk assessment and mitigation processes. Further, the School had not carried out risk assessment and had no updated risk register. Further, it was noted that the School did not have a disaster recovery plan. Therefore Management contravened Regulation 165 (1) (a) and (b) of the Public Finance Management (National Government) Regulations, 2015, which states that an accounting officer shall ensure that

the National Government entity develops risk management strategies, which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations. Further, the School did not have approved information technology policy for governance and management of its ICT resources.

In the circumstances, the risks inherent in the School's operations may not be identified and minimized.

7.0. Irregularities in Board of Management

Review of the Board of Management files revealed that the qualifications of the members of the Board could not be confirmed since academic certificates were not provided for audit. Further, the Board did not have an annual workplan or schedule of activities and there were no approved rates for allowances payable to the Board members. In addition, review of records relating to Board of Management revealed that the Board did not submit any report on governance, contrary to Section 60 of the Basic Education Act, 2013 which requires every public school or institution of basic education to submit on an annual basis a report to the Director of Basic Education. Also, there was no evidence that the Board had established relevant committees with documented work plans and evidence of Committee's activities including minutes of regular meetings.

The Board meeting minutes provided for audit were not confirmed by the Chair in the subsequent meeting hence making it difficult to establish if the resolutions passed were implemented by the School Principal.

In the circumstances, the effectiveness of oversight and governance of the School could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 2315 and 2330. The Standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these

Report of the Auditor-General on Mbita High School for the year ended 30 June, 2024 – Homabay County

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

In preparing the financial statements, Management is responsible for assessing the School's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way.

In addition, I also consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1) (a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

15 May, 2025

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

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

Description Of Vote Head	Note	2024	2023
		Kshs	Kshs
Receipts			
Government grants for tuition	1	4,869,712	3,882,246
Government grants for operations	2	16,792,162	27,736,145
Government Grants for infrastructure	3	17,703,400	28,592,750
School fund income- parents' contributions	4	129,621,974	134,892,146
Miscellaneous incomes	5	32,644,711	15,769,364
Total Receipts		201,631,959	210,872,651
Payments			
Tuition	6	10,459,445	9,680,480
Operations	7	7,962,203	21,397,053
Infrastructure	8	36,049,956	18,403,053
Boarding and school fund	9	145,431,890	180,170,432
Total Payments		199,903,494	229,651,018
Surplus/Deficit		1,728,465	(18,778,366)

The school financial statements were approved on _____ 2024 and signed by:

.....

Name: **KENNEDY OJITO** Name: **Nassur Oken**
 School Principal/ Secretary to BOM Bursar/ Finance Officer
 Chair BOM
 Date: **29/4/25** Date: **29.04.2025**

PRINCIPAL
MBITA HIGH SCHOOL

29 APR

P. O. BOX 40000 NTA
SIGN:.....

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

Description	Note	2024	2023
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	4,955,170	1,197,580
Cash balances	11		
Short term investments	12		
Total cash and cash equivalent		<u>4,955,170</u>	<u>1,197,580</u>
Account's receivables	13	102,619,820	89,501,267
Total financial assets (a)		107,574,990	90,698,848
Financial liabilities			
Accounts payables	14	79,029,331	63,881,654
Total Financial Liabilities (b)		79,029,331	63,881,654
Net financial assets (a-b)		28,545,659	26,817,194
Represented by			
Accumulated fund b/fwd	15	26,817,194	45,595,560
Surplus/deficit for the year		1,728,465	(18,778,366)
Net Assets		28,545,659	26,817,194

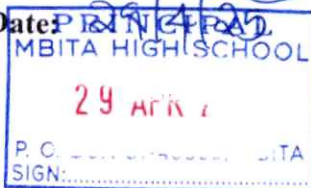
The school's financial statements were approved on _____ 2024 and signed by:

Name:

Chair BOM

Date:

Name: *Kennedy Oloo*
 School Principal/ Secretary to
 BOM

Date: *29/04/2025*

 MBITA HIGH SCHOOL
 29 APR 2025
 P. O. _____ MBITA
 SIGN: _____

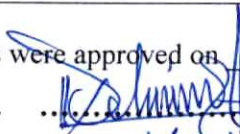

Name: *Hassur Oken*
 Bursar/ Finance Officer

Date: *29.04.2025*

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

Description	Note	2024	2023
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition		4,869,712	3,882,246
Government grants for operations		16,792,162	27,736,145
Government grants for infrastructure		17,703,400	
School fund income- parents contributions/ fees		129,439,843	139,328,272
Other income		32,644,711	15,769,364
Total receipts		201,449,828	186,716,027
Payments			
Cash outflows for tuition		7,618,870	9,680,480
Cash outflows for operations		7,962,203	4,104,303
Cash outflows Boarding/lunch and school fund payments		148,951,861	154,661,876
Total payments		164,532,934	168,446,659
Net cash inflow/outflow from operating activities		36,916,894	18,269,368
Cash flow from investing activities			
Acquisition of assets		(33,159,304)	(18,677,953)
Proceeds from sale of Assets			
Proceeds from investments			
Purchase of investments			
Net cash inflow/outflows from investing activities		(33,159,304)	(18,677,953)
Cash flow from Financing activities			
Proceeds from borrowings/ loans	18		
Repayment of principal borrowings			
Net cash inflow/outflow from financing activities			
Net increase/decrease in cash and cash equivalents		3,757,590	(408,585)
Cash and cash equivalent at beginning of the Year		1,197,580	1,606,165
Cash and cash equivalent at end of the Year		4,955,170	1,197,580

The school's financial statements were approved on _____ 2024 and signed by

.....  

Name: Kennedy Ojoo Name: Nassur Oken

Chair BOM School Principal/ Secretary to BOM Bursar/ Finance Officer

Date: 29/4/25 Date: 29.04.2025

PRINCIPAL
MBITA HIGH SCHOOL
29 APR 3
P. O. MBITA
SIGN:

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
<i>(1) Capitation Grant on Tuition</i>					
Reference Materials					
Exercise Books					
Laboratory Equipment					
Internal Exams					
Teaching / Learning Materials	11,051,063		11,051,634	4,869,712	44%
Exams And Assessment					
<i>(2) Capitation Grant on Operations</i>					
Personnel Emoluments					
Repairs And Maintenance					
Local Transport / Travelling					
Electricity And Water	22,188,608		22,188,608	2,554,149	12%
Medical	5,333,800		5,333,800	1,617,149	30%
Administration Costs					
Activity	6,128,536		6,128,536	1,573,579	26%
Gratuity					

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a Kshs	b Kshs	c=a+b Kshs	d Kshs	e=d/c % Kshs
3) FDSE for infrastructure					
Maintenance & Improvement MoE	18,668,300		18,668,300	17,703,400	95%
M&I parents' contribution					
Economic Stimulus Programs					
Transition Infrastructure Grants					
Administration Block					
(4) Fees Charged on Parents					
Personnel Emoluments	33,822,330		33,822,330	17,363,132	51%
Repairs And Maintenance	4,336,000		4,336,000	4,719,698	108%
Local Transport / Travelling	8,713,886		8,713,886	5,300,206	61%
Electricity And Water	22,188,608		22,188,608	11,467,491	52%
Medical	5,333,800		5,333,800		
Administration Costs	11,814,223		11,814,223	7,776,006	66%
Activity	6,128,536		6,128,536	1,720,648	28%
SMASSE					
Fee On Boarding Equipment and Stores	76,017,031		76,017,031	81,274,793	107%
5) Miscellaneous Income					
Loans / Borrowing					
Rent income					
Income From Farming Activities					
Insurance Compensation					
Income From Posho Mill					

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Income From Bus Hire					
Fee For Hire of Ground and Equipment					
Interest Income					
Income From Any Other Investment					
Total Income	231,755,292		231,755,292	195,692,973	84%
(6) Expenditure For Tuition					
Textbooks					
Reference Materials					
Exercise Books					
Laboratory Equipment					
Internal Exams					
Teaching / Learning Materials	21,690,500		21,690,500	4,010,575	19%
Chalks					
Exams And Assessment					
Teachers Guides					
Administration Costs					
Bank Charges					
(7) Expenditure For Operations					
Personnel Emoluments	14,245,846		14,245,846	3,685,751	26%
Repairs, Maintenance & Improvements					
Local Transport / Travelling	3,935,00		3,935,000		

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Electricity, Water and Conservancy	6,710,000		6,710,000	2,937,182	44%
Medical	1,841,000		1,841,000		
Administration Costs	3,485,066		3,485,066	889,270	26%
Activity Expenses	4,690,000		4,690,000	450,000	10%
Gratuity					
SMASSE					
(8) Expenditure For infrastructure					
Construction of classrooms					
Construction of LAB					
Construction of DORMS					
Purchase of furniture					
Purchase of equipment					
Purchase of machinery					
(9) Expenditure For school fund/lunch/boarding					
Personnel Emoluments	16,498,454		16,498,454	16,406,101	99%
Repairs, Maintenance and Improvements					
Local Transport / Travelling	5,000,000		5,000,000	6,494,598	130%
Electricity, Water and Conservancy	6,754,000		6,754,000	10,690,695	158%
Medical Expenses	3,492,800		3,492,800	1,000	

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Administration Costs	4,518,300		4,518,300	9,377,089	207%
Activity	5,251,420		5,251,420	5,899,543	112%
Gratuity					
Lunch Programme					
Boarding Equipment and Stores	78,622,590		78,622,590	68,667,690	87%
Expenditure For Income Generating Activity					
Insurance Costs					
Other Expenses On Investments					
SMASSE	250,000		250,000	250,000	100%
Bank Charges					
Uniform	13,039,854		13,039,854	13,039,854	100%
ID card	160,300		160,300	160,300	100%
Acquisition Of Assets					
Totals	190,185,130		190,185,130	158,542,731	83%

10. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2024.

11. Notes To the Financial Statements

1 Government Grants for Tuition

Description	2024	2023
	Kshs	Kshs
Reference Materials		
Exercise Books		
Laboratory Equipment		
Internal Exams		
Teaching / Learning Materials	4,869,712	3,882,246
Others (<i>specify</i>)*		
Total	4,869,712	3,882,246

2 Government Grants for Operations

Description	2024	2023
	Kshs	Kshs
Personnel Emoluments	5,108,298	
Repairs And Maintenance		15,927,000
Special Needs Education	42,468	
Local Transport / Travelling	2,554,149	
CBC Classroom 2022	788,220	
Electricity And Water	2,554,149	
Medical	1,617,149	274,900
Administration Costs	2,554,149	
Activity	1,573,579	855,138
Other Vote Heads		10,697,107
Total	16,792,162	27,736,145

3 Government Grants for infrastructure

Description	2024	2023
	Kshs	Kshs
Maintenance & Improvement	17,703,400	17,292,750
Transition infrastructure grants		
M & I parents contribution		11,300,000

Description	2024	2023
	Kshs	Kshs
Economic stimulus grants		
Other, <i>NGCDF and County govt.</i>		
Total	17,703,400	28,592,750

4 School Fund Income - Parents Contribution/Fees

Description	2024	2023
	Kshs	Kshs
Personnel emoluments	17,363,132	16,764,487
Repairs and maintenance	4,719,698	4,987,028
Local transport / travelling	5,300,206	5,779,932
Electricity and water	11467,491	16,012,815
Medical		285,460
Administration costs	7,776,006	8,479,905
Activity	1,720,648	1,968,197
Fee on Boarding Equipment and stores	81,274,793	80,614,322
PA Levies*		
Others		
Total	129,621,974	134,892,146

5 Miscellaneous Incomes

Description	2024	2023
	Kshs	Kshs
Income from bus hire		22,000
Uniform	14,025,827	15,550,264
ID cards	228,300	197,100
PA Development Fund	18,140,584	
SMASSE	250,000	
Fee For Hire of Ground and Equipment		
Income From Grants and Donations*		
Loans/Borrowings*		
Other Income		
Total	32,644,711	15,769,364

NOTES TO FINANCIAL STATEMENT (CONTINUED)

6 Tuition

Description	2024	2023
	Kshs	Kshs
Exercise Books	4,250,000	6,734,000
Textbooks		
Reference materials		90,000
Laboratory Equipment	1,500,000	1,600,000
Teaching / Learning Materials	4,010,575	656,000
Exams And Assessment	698,400	600,000
Teachers Guides		
Bank Charges	470	480
Others (<i>specify</i>)		
Total	10,459,445	9,680,480

7 Operations

Description	2024	2023
	Kshs	Kshs
Personnel Emoluments	3,685,751	920,638
Service Gratuity		
Administration Cost	889,270	855,500
Repairs And Maintenance & Improvements		17,292,750
Local Transport / Travelling		37,920
Electricity And Water	2,937,182	1,024,320
Medical		292,720
Activity Expenses	450,000	973,205
Insurance Cost		
Others		
Total	7,962,203	21,397,053

8 Infrastructure

Description	2024	2023
	Kshs	Kshs
Construction of Multipurpose Hall	7,603,085	4,446,530
Construction of Homa Dorm		397,900
Painting & glasses repair	1,531,129	1,113,515
Repair of lockers, chairs & beds	571,151	683,743
CBC Classroom 2022	788,193	1,426,515
Procurement of new Furnitures –Lockers, chairs & bed	8,346,226	1,540,00
Three classroom –New	1,296,650	5,202,969
General repairs	1,083,600	506,000
Homa Dorm	138,300	
Plumbing work	20,000	
New science laboratories	114,000	
Ultra- Modern Computers Lab	10,157,874	
14 Door Pit Latrine	1,456,300	
Vote22	200,000	
Migingob B Dorm	2,737,298	3,085,871
Bank charge	6,150	
Total	36,049,956	18,403,053

9 Boarding And School Fund

Description	2024	2023
	Kshs	Kshs
Personnel Emoluments	16,406,101	12,440,837
Service Gratuity	444,000	
Repairs And Maintenance & Improvements		11,300,000
Local Transport / Travelling	6,494,598	6,341,077
Electricity And Water	10,690,695	6,341,077
Medical Expenses	1,000	285,460
Administration Costs	9,377,089	18,882,073
Activity	5,899,543	5,564,665
NITA Levy	17,650	
Bus Hire		15,000
Fee On Boarding Equipment and Stores	68,667,690	100,670,172

MBITA HIGH SCHOOL

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

SMASSE	250,000	
Uniform	13,039,854	15,887,150
ID Card	160,300	265,300
Curriculum Support	12,118,250	
LPG Gas- Loan Interest	258,215	
LPG Gas –loan principal	607,715	
Van Loan –Principal	863,468	755,943
Van Loan –interest	135,722	220,821
Total	145,431,890	180,170,432

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2024	2023
	Active/Dormant		Kshs	Kshs
Tuition Account			178,721	34,379
Operations Account			4,086,237	273,878
School Fund Account/Boarding			24,701	94,673
Infrastructure account			31,730	354,125
School Fund			298,434	149,722
School fund			335,347	290,803
Total			4,955,170	1,197,580

11 Cash In Hand

Description	2024	2023
	Kshs	Kshs
Notes and Coins		
Total		

12 Short Term Investments

Description	2024	2023
	Kshs	Kshs
Cooperative Shares		
Treasury Bills		
Fixed Deposit accounts		
Other Investments		
Total		

13 Accounts Receivable

Description	2024	2023
	Kshs	Kshs
Fees Arrears	101,364,680	87,887,455
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)	1,167,422	1,603,812
Unsurrendered Imprest (list/schedule attached)	63,000	10,000
Non fee Receivable PAYE	24,718	
Total	102,619,820	89,501,267

13 b) Ageing Analysis of Accounts Receivable

Description	2024		2023	
	Kshs		Kshs	
	2024	% of the total	2023	% of the total
Fees Arrears for current year	24,933,595	24.6%		
Fees Arrears for the previous year	6,035,134	6.0%	17,491,504	20%
Fees Arrears for prior periods(over two years)	70,395,951	69.4%	70,395,951	80%
Total (should tie to note 13 a)	101,364,680	100%	87,887,455	100%

14 Accounts Payable

Description	2024	2023
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	67,385,783	53,356,965
Prepaid Fees	9,072,263	10,504,589
Retention Monies		
Refundable fees	302,183	20,100
Caution money		
Other payables –NHIF, NSSF , KUDHEIHA	2,269,102	
Total	79,029,331	63,881,654

14a. Ageing Analysis of Accounts Payable

Description	2024		2023	
	Kshs		Kshs	
	2024	% of the total	2023	% of the total
Trade creditors for current year	21,801,818	32.4%		
Trade creditors for the previous year	32,092,026	47.6%	39,865,026	75%
Trade creditors for the prior periods(over two years)	13,491,939	20.0%	13,491,939	25%
Total (should tie to note 14)	67,385,783	100%	53,356,965	100%

15 Fund Balance Brought Forward

Description	2024		2023	
	Kshs		Kshs	
Bank Balances	1,197,580		1,606,165	
Cash Balances				
Short Term Investments				
Receivables	89,501,267		82,586,304	
Payables	(63,881,654)		(38,596,909)	
Total	26,817,194		45,595,560	

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	2024	2023
	Kshs	Kshs
Bank Loans	321,463	1,184,931
Outstanding Leases		
Hire Purchase		
Gratuity And Leave Provision		
Others (specify)		
Total	321,463	1,184,931

17 Biological assets

Description	Numbers	2024	2023
		Kshs	Kshs
Cattle			
Goats			
Trees			
Coffee Or Tea Plantation			
Poultry			
Others (specify)			
Total			

18 Borrowings

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

Other important disclosure notes

19 Stock/ Inventory

Description	2024	2023
	Kshs	Kshs
Food stuffs		
Lab consumables		
Farm produce		
Medication		
Construction Materials		
Others (specify)		

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
 Principal



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

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.						
2.						
3.						
Sub-Total						
Supply Of Goods						
4.						
5.						
Sub-Total						
Supply Of Services						
6.						
7.						
8.						
Sub-Total						
Grand Total						

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

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 st July 2024	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2024
Land				
Buildings And Structures				
Motor Vehicles				
Office Equipment, Furniture and Fittings				
Textbooks				
ICT Equipment				
Tools And Apparatus				
Other Machinery and Equipment				
Heritage And Cultural Assets				
Intangible Assets- Soft Ware				
Total				