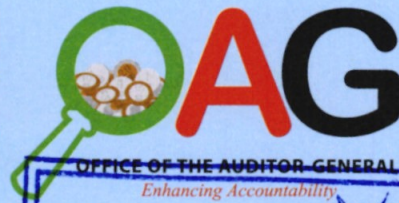


REPUBLIC OF KENYA

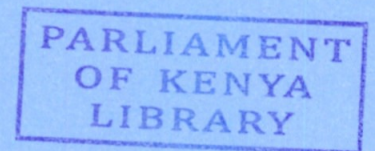


 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 16 JUN 2026	
DAY. Tuesday	
TABLED REPORT	Hon Naomi Klege, CBS, MP (Deputy Majority Party Whip)
CLERK-AT THE-TABLE:	Lemalo

OF

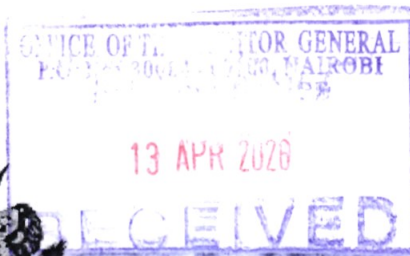
THE AUDITOR-GENERAL

ON



MOI FORCES ACADEMY MOMBASA

FOR THE YEAR ENDED
30 JUNE, 2023



MOI FORCES ACADEMY MOMBASA

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)**

MOI FORCES ACADEMY MOMBASA
Annual Report and Financial Statements
For the year ended 30th June 2023

MOI FORCES ACADEMY MOMBASA
Annual Report and Financial Statements
For the year ended 30th June 2023

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MOI FORCES ACADEMY MOMBASA
Annual Report and Financial Statements
For the year ended 30th June 2023

I. 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.

MOI FORCES ACADEMY, MOMBASA
Reports and Financial Statements
For the year ended 30th June 2023

II. 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 located in Mombasa County, Likoni Sub-County

The school was registered in **12/05** under registration number **01S30000372** and is currently categorized as a Extra- County public school established, owned or operated by the Government.

The school is a Day/Boarding school and had **1545** number of students as at 30th June 2023. It has 8 streams and **56** teachers of which **22** 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	Brig. Peter Chelimo	Chairman	March, 2022
2	Benjamin Natho	Secretary - Principal	March, 2022
3	Lt. Col. E.O. Onyancha	Member - Sponsor	March, 2022
4	Captain Malelu	Member - Sponsor	March, 2022
5	Captain Jimala	Member - Sponsor	March, 2022
6	WOI Geofrey Mwandih	Member - Sponsor	March, 2022
7	Knight Odoll	Member	March, 2022
8	Patience Toya	Member	March, 2022
9	Okumu Gabriel Ojwang'	Member	March, 2022
10	Evans Oguta	Member – Teachers rep	March, 2022
11	Khamisi Juma	Member - Rep Teachers	March, 2022
12	Athman Omar Shakombo	Member	March, 2022
13	Mohamed Jin Masoud	Member - Special Needs	March, 2022
14	Dr. Abdulkadir Sheikh Banafa	Member	March, 2022
15	Daniel Njane	Member	March, 2022
16	Sophia Mungelesa	Member	March, 2022
17	Robert Mutuko	Member	March, 2022

MOI FORCES ACADEMY MOMBASA
Annual Report and Financial Statements
For the year ended 30th June 2023

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The function of the School Board of Management include:

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

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Brig. Peter Chelimo Lt. Col. Kombo Benjamin Ngatho WOI Mwandih	Chairperson Vice - Chairperson Secretary Member	3/3 3/3 3/3 2/3
2	Finance & procurement and general purposes committee	Brig. Peter Chelimo Lt. Col. Kombo Benjamin Ngatho Knight Odoll Khamisi Juma	Chairman Vice Chair Secretary Member Member	2/2 2/2 2/2 2/2 2/2
3	Academic Committee	Dr. Abdulkadir Sheikh Banafa Mohamed Jin Benjamin Ngatho Daniel Thuo Patience Toya Captain Malelu	Chairperson Member Secretary Member Member Member	3/3 3/3 2/3 3/3 3/3 1/3
4	Infrastructure Committee	Captain Malelu WOI Mwandih Benjamin Ngatho Khamis Juma Mohamed Jin	Chairperson Member Secretary Member Member	3/3 3/3 2/3 1/3 3/3
5	Development Committee	1.Captain Malelu 2. WOI Mwandih 3. Benjamin Ngatho 4. Khamis Juma 5.Mohamed Jin	Chairperson Member Secretary Member Member	0/3 0/3 0/3 0/3 0/3

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Ref	Designation	Name	TSC Number
1	Principal	Benjamin M. Ngatho	358688
2	Deputy Principal	Daniel Thuo	350121
3	School Bursar	Shalleth W. Mwangemi	ID.22086137

MOI FORCES ACADEMY MOMBASA
Annual Report and Financial Statements
For the year ended 30th June 2023

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(d) Schools contacts

Post Office Box: 90731
Telephone: 0713788086
E-mail: moiforcesacademy@gmail.com
Website: www.moiforcesacademy.sc.ke
Facebook: N/A
Twitter: N/A

(e) School Bankers

The following school operated 6 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: **KENYA COMMERCIAL BANK**
Branch: **MVITA**
Account Number: **1107894409**
2. Name of Bank: **KENYA COMMERCIAL BANK**
Branch: **MVITA**
Account Number: **1107905788**
3. Name of Bank : **KENYA COMMERCIAL BANK**
Branch; **MVITA**
Account Number; **1107914442**
- 4 Name of Bank: **KENYA COMMERCIAL BANK**
Branch: **MVITA**
Account Number **1267502320**
5. Name of Bank: **KENYA COMMERCIAL BANK**
Bank: **MVITA**
Account Number: **1226167136**
- 6 Name of Bank: **COOPERATIVE**
Bank: **LIKONI**
Account Number: **01129627577800**
- 7 Name of Bank: **COOPERATIVE**
Bank: **LIKONI**
Account Number: **01139627577800**
8. MPESA Pay Bill No. ; **522522 attached to Kenya Commercial Bank Account.**
(Ensure all bank accounts operated by the school are disclosed and that all Pay Bill Numbers are also disclosed)

(f) Independent Auditors

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

MOI FORCES ACADEMY MOMBASA
Annual Report and Financial Statements
For the year ended 30th June 2023

III. 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:

(i) Surplus/ deficit for the year and a comparison of the same for the last three years

S/N	ACCOUNT	2023	2022	2021
1	TUITION ACCOUNT	51,436.00	113,071.00	22,537.00
2	OPERATION ACCOUNT	6,098,101.00	3,963,244.00	1,363,545.00
3	MAIN ACCOUNT	8,174,051.00	(5,601,971.00)	1,219,745.00

(ii) Capitation grants from the Ministry of Education for the last three years

S/N	ACCOUNT	2023	2022	2021
1	TUITION ACCOUNT	3,891,351.00	4,064,818.00	1,370,225.00
2	OPERATION ACCOUNT	17,186,720.00	17,645,735.00	8,963,260.00

(iii) Ratio of capitation grant per student over the last three years

S/N	ACCOUNT	2023	2022	2021
1	TUITION ACCOUNT	1:1.31	1:1.3	1:29
2	OPERATION ACCOUNT	1:1.31	1:1.3	1:14

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

S/N	ACCOUNT	2023	2022	2021
1	MAIN ACCOUNT	84,313,125.00	84,520,331.00	21,026,633.00

(v) A three-year overview of growth in expenditure of the school

S/N	ACCOUNT	2023	2022	2021
1	TUITION ACCOUNT	3,839,915.00	3,951,747.00	1,347,688.00
2	OPERATION ACCOUNT	11,077,483.00	13,682,491.00	7,599,715.00
3	MAIN ACCOUNT	76,139,074.00	90,490,302.00	19,806,888.00

(vi) Movement of debtors and creditors of the school over the last three years

S/N	PARTICULARS	2023	2022	2021
1	DEBTORS	40,189,082.00	7,776,380.00	4,109,418.00
2	CREDITORS	31,214,079.00	16,250,825.00	20,629,469.00

(vii) Movement of cash and bank balances over the last three years

S/N	PARTICULARS	2023	2022	2021
1	CASH ON HAND	258,135.00	276,690.00	39,800.00
2	CASH ON BANK	2,216,634.00	1,046,959.00	358,263.00

MOI FORCES ACADEMY MOMBASA
Annual Report and Financial Statements
For the year ended 30th June 2023

b).Teacher to Student ratio	1:55
1. Number of teachers recruited/posted to the school within the year.	3
2. Number of teachers transferred during the year.	2
3. Number of teachers retired during the year.	0
4. Number of teachers employed by TSC.	34
5. Number of teachers employed by BOM.	22
6. Number of Intern teachers	1
7. Subject Allocation; i. MATHEMATICS	11
ii. ENGLISH	3
iii. KISWAHILI	7
iv. CHEMISTRY	12
v. BIOLOGY	4
vi PHYSICS	6
vii BUSINESS STUDIES	3
viii. AGRICULTURE	1
ix. GEOGRAPHY	5
x. HISTORY & GOVERNMENT	5
xi CHRISTIAN RELIGIOUS EDUCATION	3
xii ISLAMIC RELIGIOUS EDUCATION	1
xiii. HOMESCIENCE	0
xxx; COMPUTER	2
ixx. MUSIC	1
	3
N/B The school has a shortage in the following subject	
• ENG/LIT - 9	MATHS/CHEM - 2
• MATHS/COMPUTER - 3	MATHS/BIO - 2
• AGR/BIO - 2	HOMESC/BIO - 2
• GEOG/BIO -1	BIO/CHEM - 2
• PHY/CHEM -2	PHY/MATHS - 3
• KISW/ARABIC - 2	KISW/IRE - 3 KISW/CRE- 2
• MUSIC - 1	IRE/ARABIC - 2
• KISW/HIST - 1	MATHS/BUS -3

MOI FORCES ACADEMY MOMBASA
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Mean score in the 2022 KCSE:

S/N	DESCRIPTION	2022	2021	2020
1	Performance of the school	C-	C-	C-
2	School mean score	4.376	4.74	4.89
3	Number of students transited to higher learning.	20	35	28

(d) Number of Candidates in the 2021 KCSE:

S/NO	DESCRIPTION	2022	2021	2020
1	KCSE	250	186	208

(e) Capacity of the school:

S/NO	DESCRIPTION	2023
1	Number of students	1,545
2	Dormitories	2
3	Dining Hall	1
4	Laboratories - ICT Lab	1
	- Home Science Lab	1
	- Physics Lab	1
	- Chemistry Lab	2
5	Toilet	64
6	Kitchen	1
7	Classrooms	28

b) Development projects carried out by the school: N/A

Sign

School Principal



MOI FORCES ACADEMY MOMBASA
Annual Report and Financial Statements
For the year ended 30th June 2023

IV. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

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

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

The Board of Management of Moi Forces Academy Mombasa 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: Bng. Peter Chelimo
Designation: Chairman, School Board of Management

Sign: [Signature]
Date: 9/10/26

Name: Mr. Benjamin Ngatia
Designation: School Principal & Secretary to Board of Management

Sign: [Signature]
Date: 9/10/26

Name: Shalleh Mwangi
Designation: Bursar/ Finance Officer

Sign: [Signature]
Date: 9/10/26



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 MOI FORCES ACADEMY MOMBASA FOR THE YEAR ENDED 30 JUNE, 2023

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 Moi Forces Academy Mombasa set out on pages 1 to 18, 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 Moi Forces Academy Mombasa 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 Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Variances in the Financial Statements

The financial statements presented for audit had the following variances:

- i) The statement of receipts and payments reflects total receipts of Kshs.105,391,196 while re-computation revealed Kshs.106,391,196 resulting to unexplained variance of Kshs.1,000,000.
- ii) The statement of receipts and payments reflects a surplus of Kshs.14,323,588 while re-computation revealed an amount of Kshs.15,323,588 resulting to an unexplained variance of Kshs.1,000,000.
- iii) The statement of receipts and payments reflects payments for operations of Kshs.11,077,483 while Note 6 to the financial statements reflects an amount of Kshs.11,088,619 resulting to an unexplained variance of Kshs.11,136.
- iv) The statement of cash flows reflects payment from investing activities of Kshs.3,211,136 relating to acquisition of assets which was not included in the statement of receipts and payments, statement of budgeted versus actual amounts and Notes to the financial statements.
- v) The statement of cash flows reflects total receipts of Kshs.98,478,690 while the statement of receipts and payments reflects total receipts of Kshs.105,391,196 resulting to an unexplained variance of Kshs.6,912,506.
- vi) The statement of cash flows reflects total payments of Kshs.97,327,243 while the statement of receipts and payments reflects total payments of Kshs.91,067,608 resulting to an unexplained variance of Kshs.6,259,635.
- vii) The statement of budgeted versus actual amounts reflects total receipt of Kshs.68,436,800 while re-computation revealed an amount of Kshs.28,095,500 resulting to an unexplained variance of Kshs.40,341,300.
- viii) The statement of budgeted versus actual amounts reflects total expenditure of Kshs.68,436,800 while re-computation revealed an amount of Kshs.62,442,800 resulting to an unexplained variance of Kshs.5,994,000.

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

2. Unsupported Infrastructure Payments

The statement of receipts and payments reflects payment for infrastructure amount of Kshs.11,136. However, review of the infrastructure cash book and bank statements revealed payments amounting to Kshs.2,300,000 for the construction of a dormitory which was not disclosed in the financial statements and the respective payment vouchers to support these payments were not provided for audit.

In the circumstances, the accuracy and completeness of payments for infrastructure amount of Kshs.11,136 could not be confirmed.

3. Unsupported Cash and Cash Equivalents

The statement of financial assets and financial liabilities and as disclosed in Note 8 and Note 9 to the financial statements reflects cash and cash equivalents balance of Kshs.2,474,769. The balance includes Kshs.2,216,634 bank balance while re-computation revealed a balance of Kshs.1,845,143 resulting to an unexplained variance of Kshs.371,491. Further, bank reconciliation statements for the seven (7) bank accounts were not provided for audit. In addition, the cash books for two (2) bank accounts with a balance of Kshs.14,610 and board of survey certificate to support cash balance of Kshs.258,135 were not provided for audit.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.2,474,769 could not be confirmed.

4. Variance in Accounts Payables

The statement of financial assets and financial liabilities and as disclosed in Note 12 to the financial statements reflects accounts payables balance of Kshs.31,214,079. Included in the balance is trade creditors of Kshs.28,241,481 which were not supported by goods received notes, inspection and acceptance committee reports and the procurement files. Further, the balance includes prepaid fees of Kshs.2,972,598 while analysis of the ledger revealed a balance of Kshs.1,335,159 resulting in an unexplained variance of Kshs.1,637,439.

In the circumstances, the accuracy and completeness of accounts payables balance of Kshs.31,214,079 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Moi Forces Academy Mombasa 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 recomputed total receipt budget amount of Kshs.28,095,500 and recomputed actual income amount of Kshs.38,964,362 resulting to overfunding of Kshs.10,868,872 or 39%. Further, the recomputed total actual expenditure amounted to Kshs.88,386,856 against the recomputed actual income of Kshs.38,964,362 resulting to over utilization of Kshs.49,422,496 or 127%.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of 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 Information

The Management is responsible for the Other Information set out on page iv to xi which comprise of Key School Information and Management, Summary Report of Performance of the School and Statement of 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 THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I

confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

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

Note 6 and Note 7 to the financial statements, reflects payments for operations and boarding and school fund payments totalling Kshs.22,166,102 out of which Kshs.1,203,000 was transferred to the Kenya Secondary School Heads Association (KESSHA) a welfare organization that is not defined in Government Funding system. 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 the 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.

In the circumstances, value for money transferred to KESSHA, amounting to Kshs.1,203,000 could not be confirmed.

2. Underfunding for Infrastructure Grant by the Government

The statement of receipts and payments reflects Government grants for infrastructure amount of Kshs.3,385,000. During the year under review, Government was to contribute Kshs.5,000 per student but contributed Kshs.3,900 per students resulting to underfunding of Kshs.1,100 per student.

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

3. Irregular Transfer of Funds

Review of the cash books and bank statements revealed infrastructure amount of Kshs.5,710,000 but only Kshs.3,385,000 was transferred to infrastructure accounts resulting to a balance of Kshs.2,325,000. This was contrary to the Ministry of Education Circular Ref. No. MOE.HQS/3/13/3 dated 16 June, 2021, which states that maintenance and improvement funds should be transferred to the infrastructure account fifteen days upon receipts of funds. Further, analysis of the cash book and bank statements revealed inter account transfers of Kshs.4,100,000 contrary to Paragraph 3.1.3 of Ministry of Education Circular Ref: MOE.HQS/3/3/10/18(112) dated 15 November.

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

4. Irregularities in Procurement Processes

During the year under review, Management did not reserve any tender for youth, women and persons with disabilities contrary to Section 157(5) of the Public Procurement and Asset Disposal Act, 2015 and members of the Tender Opening and Inspection Committees were not appointed in writing contrary to Section 78 of the Public

Procurement and Asset Disposal Act, 2015. Further, the Annual Procurement Plan was not prepared contrary to Section 53(2) of the Public Procurement and Asset Disposal Act, 2015 which requires an Accounting Officer to prepare a realistic Annual Procurement Plan within the approved budget prior to the commencement of each financial year as part of the budget preparation process.

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

5. Failure to Deduct and Remit PAYE

Note 6 to the financial statements reflects payments for operations amount of Kshs.11,088,619. Review of the payrolls revealed that the School paid an amount of Kshs.2,231,066 as personnel emoluments but Management did not deduct and remit Pay As You Earn to the Kenya Revenue Authority. This was contrary to Section 37 of the Income Tax Cap 470, which states that an employer paying emoluments to an employee shall deduct therefrom, and account for tax thereon, to such extent and in such manner as may be prescribed.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements 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 effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Failure to Open Income Generating Activities Account

Note 4 to the financial statements reflects miscellaneous income amount of Kshs.1,169,086 which was banked under the school fund account/boarding instead of income generating account. This was contrary to the Ministry of Education Circular Ref No. MOE/CONF/G5 dated 26 November, 2019 which states that schools with income generating activities shall open a separate bank account for the same.

In the circumstances, the effectiveness of internal controls on maintaining cashbooks and bank accounts could not be confirmed.

2. Long Outstanding Receivables

Note 11 to the financial statements reflects accounts receivables balance of Kshs.39,827,785 out of which Kshs.14,862,392 had been outstanding for over two (2) years.

In the circumstances, the existence of effective mechanisms for debt management could not be confirmed.

3. Lack of Policies and Manuals

During the year under review, Management operated without Human Resource Policies and Procedures, Disaster Recovery Plan, Risk Management Policy and Finance and Procurement Manuals.

In the circumstances, the effectiveness of internal controls and risk management could not be confirmed.

4. Failure to Prepare School Improvement Plan

During the year under review, Management did not have an Approved School Improvement Plan (SIP) which is a key strategic planning tool that guides academic performance targets, infrastructure development, resource allocation, and overall institutional growth.

In the circumstances, the effectiveness of overall governance and strategic direction of the School could not be confirmed.

5. Weak Governance Structure

During the year under review the Internal Audit Unit in the Ministry of Education did not conduct an internal audit and risk assessment and an Audit Committee had not been established. Further, Management did not submit the annual governance report to the Director of Basic Education which is intended to provide accountability on the school's governance, management, performance, and utilization of resources.

In the circumstances, the existence of an effective oversight mechanisms could not be confirmed.

6. Use of Manual Systems

During the year under review, Management operated manual reporting system for receipting and expensing transactions as well as preparing financial statements, maintenance of ledgers and maintaining students' data. However, manual systems have low efficiency, high rates of human error, time-consuming to maintain, often resulting in inconsistent data, limited security, and an inability to provide real-time information.

In the circumstances, the effectiveness of internal controls on manual systems used by the School could not be confirmed.

7. Weaknesses in Management of Assets

Annex 2 to the financial statements on summary of fixed assets register indicates that the school owns ten (10) acres of land of undetermined value and the land ownership documents were not provided for audit. Further, physical verification in the month of March, 2026 revealed existence of fixed assets such as land, vehicles, generator, deep freezer, desktops, printers, duplicating machine. However, Management did not maintain an asset register with details such as condition of the asset, asset tag number, estimated cost and physical location.

In the circumstances, the effectiveness of internal controls on management of fixed assets could not be confirmed.

8. Weak Controls in Management of Textbooks

During the year under review, the School did not receive text books from Kenya Institute of Curriculum Development (KICD). Further, Management did not have an adequate system for recording and tracking lost or recovered textbooks and there was no clear trail showing when students return books to class teachers and how they reconcile these records with the storekeeper.

In the circumstances, effectiveness of internal controls on textbook management could not be confirmed.

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

22 May, 2026

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VI. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2023

DESCRIPTION OF VOTE HEAD	Note	2022-2023	2021-2022
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition	1	3,891,351.00	4,064,818.00
Capitation grants for operations	2	13,801,720.00	17,645,735.00
Capitation grants for infrastructure	3	3,385,000.00	
School Fund Income- Parents' Contributions	4	84,144,039.00	84,520,331.00
School Fund Income- Other receipts	5	1,169,086.00	176,703.00
Proceeds from borrowings			
TOTAL RECEIPTS		105,391,196.00	106,407,587.00
PAYMENTS			
Payments for Tuition	6	3,839,915.00	3,951,747.00
Payments for operations	7	11,077,483.00	13,682,491.00
Payments for infrastructure	8	11,136.00	
Boarding and school fund payments	9	76,139,074.00	91,186,971.00
TOTAL PAYMENTS		91,067,608.00	108,821,335.00
SURPLUS/DEFICIT		14,323,588.00	(2,413,748.00)

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

Sign

Name *Brig. Peter Chelomo*

Chair BOM

Date *9/04/26*

Sign *Benjamin*

Name *Mr. Benjamin Ngũgĩ*

J. School Principal/
Secretary to BOM

Date *9/04/26*

Sign *Sir. Ruth*

Name *Shalith Mwangi*

Bursar/
Finance Officer

Date *9/04/26*



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VII. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30TH JUNE 2023

	Note	2022-2023	2021-2022
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	2,216,634.00	1,046,633.00
Cash Balances	9	258,135.00	276,690.00
Short term Investment	10		0
Total Cash and cash equivalent		2,474,769.00	1,323,323.00
Account's receivables	11	40,189,082.00	25,079,761.00
TOTAL FINANCIAL ASSETS		42,663,851.00	26,403,083.00
FINANCIAL LIABILITIES			
Accounts Payables	12	(31,214,079.00)	(29,276,889.00)
NET FINANCIAL ASSETS		11,449,772.00	(2,873,816.00)
REPRESENTED BY			
Accumulated Fund b/fwd	13	(2,873,816.00)	(460,067.00)
Surplus/Deficit for the year		14,323,588.00	(2,413,748.00)
NET FINANCIAL POSSITION		11,449,772.00	(2,873,816.00)

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

Name: *Brig. Peter Chelomo*
Chairman, BoM

Sign:

Date: *9/04/26*

Name: *Benjamin Njoroge*
School Principal/Secretary
to BoM

Sign: *ibmwell*

Date: *9/04/26*

Name: *Shaleah Mwangi*
Bursar/Finance

Sign: *for: Ruel*

Date: *9/04/26*



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VIII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2023

	2022-2023	2021-2022
CASHFLOW FROM OPERATING ACTIVITIES	Kshs	Kshs
Receipts for operating income		
Capitation grants for tuition	3,891,351.00	4,064,818.00
Capitation grants for operations	18,086,720.00	17,810,735.00
Capitation grants for infrastructure	3,385,000.00	0.00
School fund income- Parents contributions/ fees	73,115,619.00	78,949,677.00
School fund income- other receipts	98,478,690.00	100,825,230.00
Total receipts		
Payments		
Payments for Tuition	3,839,915.00	3,951,747.00
Payments for operations	14,462,483.00	11,082,061.00
Boarding and school fund payments	75,813,709.00	81,653,392.00
Total payments	94,116,107.00	96,687,200.00
Net cash flow from operating activities	4,362,583.00	4,138,030.00
CASHFLOW FROM INVESTING ACTIVITIES		
Receipts from Investing Activities		
Proceeds from Sale of Assets		0
Maintenance & Improvement		0
Proceeds from investments		0
Total receipts		0
Payments from Investing Activities		
Maintenance & Improvement		
Acquisition of Assets	3,211,136.00	4,100,535.00
Total payment	3,211,136.00	4,100,535.00
Net cash flows from Investing Activities	(3,211,136.00)	(4,100,535.00)
CASHFLOW FROM BORROWING ACTIVITIES		
Receipts from Financing Activities		
Proceeds from borrowings/ loans		0
Payments from Financing Activities		
Repayment of principal borrowings		0
Net cash flow from financing activities		0
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,151,447.00	37,495.00
Cash and cash equivalent at BEGINNING of the year	1,323,323.00	1,285,829.00
Cash and cash equivalent at END of the year	2,474,769.00	1,323,323.00

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IX. 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	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Textbooks and reference materials	158,400.00	0	158,400.00	0	158,400.00	0%
Exercise books	300,000.00	0	300,000.00	280,000.00	0.00	93%
Laboratory equipment	682,210.00	0	682,210.00	695,930.00	(13,720.00)	102%
Internal exams	900,000.00	0	900,000.00	86,000.00	814,000	10%
Teaching / learning materials	140,000.00	0	140,000.00	284,900.00	(144,900.00)	204%
Chalks	17,400.00	0	17,400.00	0.00	17,400.00	0%
Exams and assessment	296,250.00	0	296,250.00	0	296,250.00	0%
Teachers guides	59,940.00	0	59,940.00	0	59,940.00	0%
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	2,827,000.00	0	2,827,000.00	6,857,260.00	(4,030,260.00)	144%
Repairs and maintenance	3,300,000.00	0	3,300,000.00	2,106,000.00	1194000.00	95%
Local transport / travelling	392,000.00	0	392,000.00		392,000.00	0%
Electricity and water	572,000.00	0	572,000.00		0.00	0%
Medical	1,100,000.00	0	1,100,000.00		1,100,000.00	0%
Administration costs	572,00.00	0	572,00.00	0	572,00.00	0%
Insurance	825,000.00	0	825,000.00	0	825,000.00	0%
(3) FEES CHARGED ON PARENTS						
BOM Teachers salaries	1781600.00	0	1781600.00	2,146,128	1,453,872	60%
Personal Emoluments	888,000.00	0	888,000.00	4,319,735	272,965	94%
Local transport / travelling	0	0	0	0	0	0

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Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Electricity and water	1,890,600.00	0	1,890,600.00	4,876,431	(42,231)	101%
Medical	0		0			
Administration costs	1,054,800.00	0	1,054,800.00	3,162,646	(502,646)	119%
Activity	239,400.00	0	239,400.00	519,420	39,180	93%
SMASSE						
Fees on Boarding equipment	9,715,500.00	0	9,715,500.00	13,261,922	(6,761,922)	204%
OTHER INCOME						
Rent income	197,000	0	384,000	368,000	16,000	96%
Income from farming activities	-	-	-	-	-	-
Insurance compensation	-	-	-	-	-	-
Income from Posho mill	-	-	-	-	-	-
Income from Bus Hire	-	-	-	-	-	-
Tender	0	0	0	0	0	0%
Interest income	-	-	-	-	-	-
Income from any other investment	-	-	-	-	-	-
TOTAL INCOME	68,436,800	0	68,436,800	0	68,436,800	0%
(I) EXPENDITURE FOR TUITION						
Textbooks and reference materials	0	0	0	657,400	(657,400)	0%
Exercise books	0	0	0	555,800	(555,800)	0%
Laboratory equipment	0	0	0	1,514,100	(1,514,100)	0%
Internal exams	0	0	0	168,000	(168,000)	0%
Teaching / learning materials	4,972,800	0	4,972,800	1,054,599	3,918,201	21%
Chalks	0	0	0	0	0	0%

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Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs.	Kshs
Exams and assessment	0	0	0	0	0	0%
Teachers guides	0	0	0	0	0	0%
Administration costs	0	0	0	0	0	0%
Bank Charges	0	0	0	1,846	(1,848)	0
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	7,968,000	0	7,968,000	2,422,130	5,545,870	30%
Repairs, maintenance & improvements	6,0000	0	6,0000	3,320,200	2,679,800	35%
Local transport / travelling	816,000	0	816,000	126,000	690,000	15%
Electricity, water and conservancy	1,248,000	0	1,248,000	318,220	929,780	25%
Medical/Insurance costs	2,400,000	0	2,400,000	156,105	2,243,895	7%
Administration costs	1,248,000	0	1,248,000	3,973,980	(2,725,980)	318%
Activity Expenses	1,800,000	0	1,8000	849,000	951,000	47%
Gratuity	0	0	0	0	0	0
SMASSE	0	0	0	0	0	0
(3) EXPENDITURE FOR SCHOOL FUNDS						
BOM Teachers Salaries	3,600,000	0	3,600,000	1,486,633	2,113,367	41%
Repairs, maintenance and improvements	1,400,000	0	1,400,000	15,043,194.27	(13,643,194.27	1075%
Local transport / travelling	0	0	0	2,087,936	(2,087,936)	0%
Electricity, water and conservancy	4,834,200	0	4,834,200	2,445,620	2,388,580	51%
Medical Expenses	0	0	0	259,317	(259,317)	348%
Administration costs	2,660,000	0	2,660,000	9,248,060	(6,588,060)	51%
Activity	558,600	0	558,600	1,112,640	(554,040)	199%
Gratuity						
Lunch programme	6,500,000	0	6,500,000	9,205,981	(2,705,981)	142%

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Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Boarding Equipment and Stores	17,454,500	0	17,454,500	26,413,626	(8959,126)	151%
Expenditure for Income Generating Activity						
Insurance costs						
Tender	0	0	0	25,000	(25,000)	0%
Other expenses on investments						
Rent Expenses	384,000	0	384,000	25,000	359,000	7%
Bank Charges				65,230,73	(68,230.73)	0%
Loan Interest Repayment						
Loan Principal Repayment						
Acquisition of Assets						
Personal Emoluments	4,592,700	0	4,592,700	5,831,239	(1,238,539)	127%
Imprest	0	0	0	20,000	(20,000)	0%
TOTALS	68,436,800	0	68,436,800		68,436800	0%

X. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

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SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

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XI. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2022-2023	2021-2022
	Kshs	Kshs
Textbooks and reference materials	0	0
Exercise books	0	0
Laboratory equipment	0	0
Internal exams	0	0
Teaching / learning materials	3,891,351.00	4,018,672.00
Chalks	0	0
Exams and assessment	0	0
Teachers guides	0	0
Library/reference	0.00	46,146.00
Total	3,891,351.00	4,064,818.00

2 CAPITATION GRANT FOR OPERATIONS

	2022-2023	2021-2022
	Kshs	Kshs
Other Vote Heads	10,298,257.00	11,479,572.00
Personnel emoluments		0.00
Repairs and maintenance	2,325,000.00	5,708,810.00
Local transport / travelling		0
Electricity and water		0
BOM Salaries		0
Medical	317,800.00	457,353.00
Infrastructure		0
Activity	860,663.00	0
BOM Teachers		0
Total	13,801,720.00	17,645,735.00

3 PARENTS CONTRIBUTION/FEEs - SCHOOL FUND ACCOUNT

	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	6,388,916.00	4,319,735.00
Lunch programme	21,402,848.00	13,261,922.00
Repairs and maintenance	3,879,250.00	4,804,496.00
Local transport / travelling	1,536,598.00	0.00
BOM Teachers	0.00	2,146,128.00
Medical	0.00	0.00
Administration costs	4,073,807.00	3,162,646.00

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	2022-2023	2021-2022
	Kshs	Kshs
Electricity and water	6,836,458.00	4,876,431.00
Activity Fund	921,992.00	519,420.00
Fee on Boarding Equipment and Stores	38,104,170.00	51,343,553.00
Infrastructure Account		0
Tender		86,000.00
Total	83,144,039.00	84,520,331.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2022-2023	2021-2022
	Kshs	Kshs
Rent income	0	0
Income from farming activities	0	0
Insurance compensation	0	0
Income from Posho mill	0	0
Tender fees	56,000.00	0
Rent income	199,000.00	176,703.00
Income from Bus Hire	0	0
Hire for hall	0	0
Fee for hire of ground and equipment	0	0
Income from grants and donations*	0	0
Harambee fund	914,086.00	0
Dividends income	0	0
Total	1,169,086.00	176,703.00

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

5 PAYMENTS FOR TUITION

	2022-2023	2021-2022
	Kshs	Kshs
Textbooks and reference materials	950,000.00	657,400.00
Exercise books	1,161,792.00	555,800.00
Laboratory equipment		1,514,100.00
Internal exams	61,000.00	168,000.00
Teaching / learning materials	1,662,872.00	1,054,599.00
Administration Costs		0
Bank Charges	4,248.00	1,848.00
Total	3,839,915.00	3,951,747.00

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6 PAYMENTS FOR OPERATIONS

	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	3,440,681.00	2,422,130.00
Service Gratuity	0.00	0
Other vote heads	0.00	0
Administration Cost	2,447,155.00	3,973,980.00
Repairs and maintenance & improvements	2,442,305.00	3,230,200.00
Local transport / travelling		126,000.00
Electricity and water	1,535,960.00	318,220.00
Medical		156,105.00
Activity Expenses	1,201,700.00	849,000.00
SMASSE		0
Insurance Cost		0
Bank Charges	9,682.00	6,426.00
Acquisition of Assets	11,136.00	2,600,556.00
Transfers		
TOTAL	11,088,619.00	13,682,617.00

7 BOARDING AND SCHOOL FUND PAYMENTS

	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	3,440,681	5,831,239.00
Service Gratuity		
Repairs and maintenance & Improvements	2,442,305	15,043,194.00
Local transport / travelling		2,087,936.00
Electricity and water	1,535,960	2,445,620.00
Medical Expenses		259,317.00
Administration costs	2,447,155	9,248,060.00
Lunch Programme		9,014,684.00
Tender		25,000.00
Bank Charges	9,682	68,231.00
Expenses on Income Generating Activities		0
Fee on Boarding Equipment and Stores		42,664,451
BOM teachers		1,486,633
Rent Expenses		25,000.00
Lab chemicals and equipment		987,000.00
Activity	1,201,700	1,112,640.00
Insurance Cost (Life Property)		0
Loan Principal repayment		
Loan Interest repayment		
Acquisition of Assets		
TOTAL	11,077,483	91,186,971.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2022-2023	2021-2022
		Kshs	Kshs
Tuition Account		188,573	137,137.00
Operations Account		924,842	605.00
School Fund Account/Boarding		31,875	897,315.00
Savings Account: salary/ Gratuity a/c		70	196.00
Saving account: PTA Savings a/c			0
Savings Account: BOM savings a/c			0
Parent Association Development Account			0
CDF		14,540	0
Infrastructural Account		685,243	11,379.00
Total		2,216,634.00	1,046,633.00

9 CASH IN HAND

Description	2022-2023	2021-2022
	Kshs	Kshs
Tuition Account	0	0
Operation Account	0	199.00
School Fund account	0	276,491.00
Notes and coins	258,135	
Total	258,135	276,690.00

10 SHORT TERM INVESTMENTS

Description	2022-2023	2021-2022
	Kshs	Kshs
Cooperative shares	0	0
Treasury Bills	0	0
Fixed deposit	0	0
Equity stock	0	0
Total	0	0

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 ACCOUNTS RECEIVABLE

Description	2022-2023	2021-2022
	Kshs	Kshs
Fees arrears	39,827,785.00	24,903,464.00
Other non-fees receivables		0
Salary advances		0
Rent arrears	341,297.00	156,297.00
Imprest	20,000.00	20,000.00
Total		25,079,761.00

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

Description	2022-2023	2021-2022
	Kshs	Kshs
Fees arrears for current year	16,280,215.00	7,776,380.00
Fees arrears for the previous year	8,685,178.00	2,264,692.00
Fees arrears for prior periods (over two years)	14,862,392.00	14,862,392.00
Total	39,827,785.00	24,903,464.00

12 ACCOUNTS PAYABLE

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	28,241,481.00	20,742,224.00
Prepaid fees	2,972,598.00	482
Caution money	0	0
Retention monies	0	0
Total	31,214,079.00	20,742,706.00

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

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade creditors for current year	19,515,407.00	16,250,825.00
Trade creditors for the previous year	8,726,074.00	13,026,074.00
Trade creditors for prior periods (over two years)		0
Total	28,241,481.00	29,276,899.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 FUND BALANCE BROUGHT FORWARD

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank balances	1,046,633.00	1,246,029.00
Cash balances	276,690.00	39,800.00
Short Term Investments	0	0
Receivables	25,079,761.00	18,996,810.00
Payables	(29,276,899.00)	(20,742,706.00)
Total	(2,873,816.00)	(460,067.00)

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Other important disclosure notes

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

14 Non-current Liabilities Summary

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank loan(s)	0	0
Outstanding Leases	0	0
Hire purchase	0	0
Gratuity and leave provision	0	0
Total	0	0

15 Biological assets

Description	Numbers	2022-2023	2021-2022
		Kshs	Kshs
Cattle		300,000	240,000
Goats		0	0
Trees		0	0
Coffee or tea plantation		0	0
Poultry		0	0
Total		300,000	240,000

16 Borrowings

Description	2022-2023	2021-2022
	KShs	KShs
a) Borrowings	0	0
Borrowing at beginning of the year	0	0
Borrowings during the year	0	0
Repayments of during the year	0	0
Balance at end of the year	0	0

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Other important disclosure notes

17 Stock/ Inventory

Description	2022-2023	2021-2022
	KShs	KShs
b) Borrowings	0	0
Stock/ inventory at beginning of the year	0	0
Stock/ inventory purchased during the year	0	0
Stock/ inventory issued during the year	0	0
Balance at end of the year	0	0

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18 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	The school management should formulate workable fees strategies to address fees collection and debts recovered	The management should pay trade creditors amounting to 28,241,481.00 to avoid legal action being preferred against the institution	Not resolved	June 2023
2				

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XII. ANNEXES

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2021/22	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1. Dormitory Project	13,026,074				13,026,074	
2.						
Sub-Total	13,026,074				13,026,074	
Supply of goods						
3. Nancy Kavili	3,680,300				3,680,300	
4. Jedisha Limited	350,600				350,600	
5. Rikard Consultants & General Sup.	20,400				20,400	
6. Danice Enterprises	644,000				644,000	
7. Ebony impressions	2,518,366,00				2,518,366,00	
8. Fremer Limited	460,170				2,518,366,00	
9. Mzalendo Stores	1,824,166				1,824,166	
10. Adaba Electrical Goods Supp & Eng. Comp	886,550				886,550	
11. Felix Munyao Martin	513,300				513,300	
12. Joymart Merchants	1,835,320				1,835,320	
13. Dakar General Merchants	761,100				761,100	
14. Aduba Cleaners Limited	409,340				409,340	
15. Arrow Link	141,980				141,980	
16. Charltech Electrical & Hardware	107,150				107,150	
17. Shukaran ventures	556,400				556,400	
18. Charles Omukaya	75,000				75,000	
19. Digital Sanitation Services Limited	11,900				11,900	
20. Wanzanga General Suppliers	335,300				335,300	
21. Maheeb Books & Stationers	23,670				23,670	

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2021/22	Comments
22. Kalmer Marketing Services	1,144,820				1,144,820	
23.						
Sub-Total	16,250,825				16,250,825	
Supply of services						
24.						
25.						
26.						
Sub-Total						
Grand Total	29,276,889				29,276,889	

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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Quantity	Location	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 2022
Land 1	2001	10 ACRE	Mtongwe (LIKONI)	SPONSOR (Kenya Navy)			
Land 2							
Buildings and structures				SPONSOR (Kenya Navy)			
TUITION BLOCK	2000	Includes 12 classrooms, 1 ICT lab, 1 Physics lab, 1 Homescience lab and administration block which includes Principal's, Secretary's, bursar's, Deputy principal's, Dean of studies' and exams office. Facilities include 24 toilets & 2 urinals.					
MULIPURPOSE D/HALL	JAN -2009	Includes: Dining Hall, school kitchen, food store, cooks, changing room and school's canteen.		Parents			10,000,000
Dormitories)	2pcs	1 Store Building		Parents/CDF			60,559,952
Classrooms	2020	5 Classrooms		MOE			5,000,000
	May 2022	1 Classroom Capacity 60 students		Parents			800,000
	17/6/22	1 Classroom CBC Capacity 60 Students		MOE			N/A
					TOTAL		76,359,352

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Asset class	Date purchased	Quantity	Location	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 2022
Office equipment, furniture and fittings:							
Students Lockers-1700	May -20	Metal Framework and wooden top		Parents and MOE(ESP)			5,6950
Students Chairs-1700pcs	May-20	Metal Framework and wooden seat		Parents			3,825,000
Laboratory Stools-190pcs	Aug-19	Metal Framework and wooden top		Parents			418,000
Laboratory Tables -26pcs	Aug-19	Metal Framework with wooden tops		Parents			221,000
	Jan-2018	Metal framework with Synthetic Sponch covered seat		Parents			
Teachers Chairs-70pcs	May-2022			Parents			405,000
Executive/Office Chairs		Executive office chairs		Parents			280,000
Office Tables/Executive 7pcs	2019	Wooden tables top covered with formica		Parents			126,000
	2019					TOTAL	<u>10,970,000</u>
BIOLOGICAL ASSESTS BULLS AND COWS (5)							
	26/1/2020	Bulls for school Meat (Beef)		Parents			220,000
						TOTAL	<u>220,000</u>

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Asset class	Date purchased	Quantity	Location	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 2022
ICT Equipment, and Other ICT Assets							
Computers (36)	2020	HP System units		Parents and MOE			1,6200
Photocopy machines (2pcs)	22.01.2020 & 10.11.2020	RISO duplicator and taskalifa copier		Parents and MOE			7200
					TOTAL		2,3400

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Asset class	Date purchased	Quantity	Location	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 2022
Tools and apparatus			LIKONI				302,000
Posho Mill-1pc	17.5.2021	Combined F40 posho mill type b1 muthoko		Parents			84,000
	26.01.2020	Chest freezer of 1154 model		Parents			90,000
Deep Freezer -1pc	30.08.2021	Stainless table with steel framework		Parents			103,500
Stainless table(kitchen 1pc)	20/06/2010	Jikos of capacity 6000,150,100 And 40ltrs		Parents			
Energy saving jikos-9pcs	2014	Aluminium sufurias of capacity 600,150		Parents			9,000
Sufurias (14)	19.1.20	Capacity of 10 Litres each		Parents			450,000
Tea Urns	&16.01.21			Parents			71,500
	10.06.22	Mika MRNF 201XLB model		Parents			9,000
Refrigerator	16.11.21	Jembes with wooden handles		Parents			5,800
Jembes	23.11.21	Metallic Watering can		Parents			105,000
Watering cans	13.03.21	Steel Office Cabinet		Parents			440,000
Office Cabinet (2 pcs)				Parents			
Sewing Machine 22 pieces	Jan - 2006	Singer sewing machines		Parents			56,000
Gas electric Cooker (2 burner)	26.10.21	2 burner electric					
					TOTAL		<u>2,626,800</u>

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Asset class	Date purchased	Quantity	Location	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 2022
Textbooks:							
Textbooks 690 pages	13/5/2017	F1-4, Chem, Maths, Kisw, CRE	LIKONI	MOE/Parents			383,330
Revision Books 110Pcs	3/7/2009	Topical Revision Books		MOE/Parents			33,000
Revision Books 110Pcs	19/6/2019	Top National Exam		MOE / Parents			395,000
Revision books 110Pcs	8/10/2019	Cluster Revision Books		MOE/Parents			300,000
Revision Books 110Pcs	28/8/2021	Top National Trial Exam		MOE/Parents			375,000
Revision Books 110Pcs	28/8/2021	Top Notich Revision Books		MOE/Parents			499,860
Revision Books 110Pcs	18/10/2021	Master Revision Books		MOE/Parents			63,700
EXERCISE BOOKS					<u>TOTAL</u>		<u>2,049,890</u>
A4 Single line & Square line exercise books (2500 Pcs)	31/5/2019	A4 Single line & Square line Exercise Books		MOE/Parents			80,000
A4 Single line & Square Exercise books	5/12/2021	A4 Single line & Square line Exercise books		MOE/Parents			280,000
A4 S/L & SQ/L exercise Bks	23/8/2021	A4 S/L & SQ/L Exercise books					294,000
A4 SL/ & SQ/L exercise Bks	14/6/2022	A4 S/L & SQ/L Exercise books			TOTAL		556,480
							<u>1,210,480</u>
Other Machinery and Equipment							
Heritage and cultural assets							
Intangible assets- soft ware							
Total							

