

REPUBLIC OF KENYA



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OFFICE OF THE AUDITOR-GENERAL
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REPORT

 OF THE NATIONAL ASSEMBLY PAPERS LAID THE AUDITOR GENERAL	
TABLED BY:	HON. MARIANG KITANYI ON BEHALF OF LOM
CLERK-AT THE-TABLE:	ON W. STANLEY AG. NTO

**MBAKALO FRIENDS
SECONDARY SCHOOL**

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

BUNGOMA COUNTY

Revised 30th June 2024.



MBAKALO FRIENDS SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2024

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

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MBAKALO FRIENDS SECONDARY SCHOOL

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

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1. Acronyms and Definition of Key Terms

A. Acronyms.

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

B. Definition of Key Terms

Comparative Year- Means the prior period.

(This list is an indication of the common acronyms and abbreviations; the Entity should include all from the annual report and financial statements prepared)

MTAKALO FRIENDS SECONDARY SCHOOL

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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 Bungoma County, Bungoma North Sub-County.

The school was registered in 01 / 1987 under registration number 39530000223 and is currently categorized as a *County* public school established, owned or operated by the Government.

The school is a day/boarding school and had 1,230 number of students as at 30th June 2024. 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:

			Date of appointment
1	Mr. Peter Wabomba	Chairman	2/6/2022
2	Mr. Alex Luyali	Secretary - Principal	2/6/2022
3	Mr. Mutali Sirengo	Member	2/6/2022
4	Mr. Wyclife Nanaswa	Member	2/6/2022
5	Mrs. Emily Estock	Member	2/6/2022
6	Miss Namiti Gladys	Member	2/6/2022
7	Mr. Joseph Walunywa	Member	2/6/2022
8	Mr. Rodgers Makokha	Member – Rep CEB	2/6/2022
9	Miss Catherine Wekesa	Member Rep Teachers	2/6/2022
10	Mr. Jacob Wafula	3 Members - Sponsor	2/6/2022
11	Mrs. Getrud Barasa	Member - Community	2/6/2022
12	Mr. Moses Shikanga	Member Special Needs	2/6/2022
13	Mr. Luke Mukanda	Rep Students	2/6/2022

MTAKALO FRIENDS SECONDARY SCHOOL

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

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

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

Committees of the Board				
No.	Name of Committee	Members	Designation	Quorum
1	Executive Committee	1.Peter Wabomba 2.Alex Luyali 3.Jacob Wafula 4.Rayleigh Wanyama ...	Chair Person Secretary Member Member	3 out of 4
2	Audit Committee	1.Wycliffe Namas 2.Rodgers Makokha 3.Peter Wabomba	Chair Member Member	1 out of 1
3	Finance, procurement and general purposes Committee	1.Jacob Wafula 2.Miss Gladys Namiti 3.Mutali Sirengo 4.Luke Mukanda	Chair. Member Member Member	4 out of 4
4	Academic Committee	1.Moses Shikanga	Chair	3 out of 4

MTAKALO FRIENDS SECONDARY SCHOOL

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

		2.Sirengo Mutali	Member	
		3.Raylein Wanyama.	Member	
		4.Getrud Barasa	Member	
5	Development Committee	1.Rodgers Makokha	Chair	3 out of 4
		2.Wyclffe Namaswa	Member	
		3.Peter Wabomba	Member	
		4.Catherine Wekesa	Member	
6	Discipline and welfare Committee	1.Emily Estock	Chair	3 out of 4
		2.Charles Siimiyu	Member	
		3.Moses Shikanga	Member	
		4.Raylein Wanyama	Member	
7	Adhoc Committee (if any during the year)	Raylein Wanyama	Chair	1 out of 1
		Joshua Wanambisi	Vice Chair	
		Store keeper	Secretary	
		Departmental heads		

MTAKALO FRIENDS SECONDARY SCHOOL

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

(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. Alex Luyali	TSC No.390514
2	Deputy Principal	Mr. Sikalo Wanjala	TSC No.333714
3	Deputy Principal	Mr.Rayleigh Wanjala	TSC No.473796
4	School Bursar	Mr. Joshua Wanambisi	186278
5	Other (specify)		

(e) Schools contacts

Post Office Box: 42 – 50211 Naitiri
Telephone: 0746819776
E-mail: mbakaloboy@gmail.com
Website:
Facebook:
Twitter:

(f) School Bankers

Provide details of the school bankers.

1.Name of Bank: K c b
Branch Kitale
Account Number : 11050106667

2.Name of Bank : Co-operative
Branch : Kimilili
Account Number : 01139096944200

3.Name of Bank : K c b
Branch Webuye
Account Number: 1108074537

4.Name of Bank: Co-operative
Branch : Kitale
Account Number : 001139096944201

5. Name of Bank : Co-operative
Branch : Kimilili
Account Number : 01103096944200

6. MPESA Pay Bill MNO.522123 Account 50064k

MBAKALO FRIENDS SECONDARY SCHOOL

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Independent Auditors

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

MTAKALO FRIENDS SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2024

3. Summary Report of Performance of The School

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

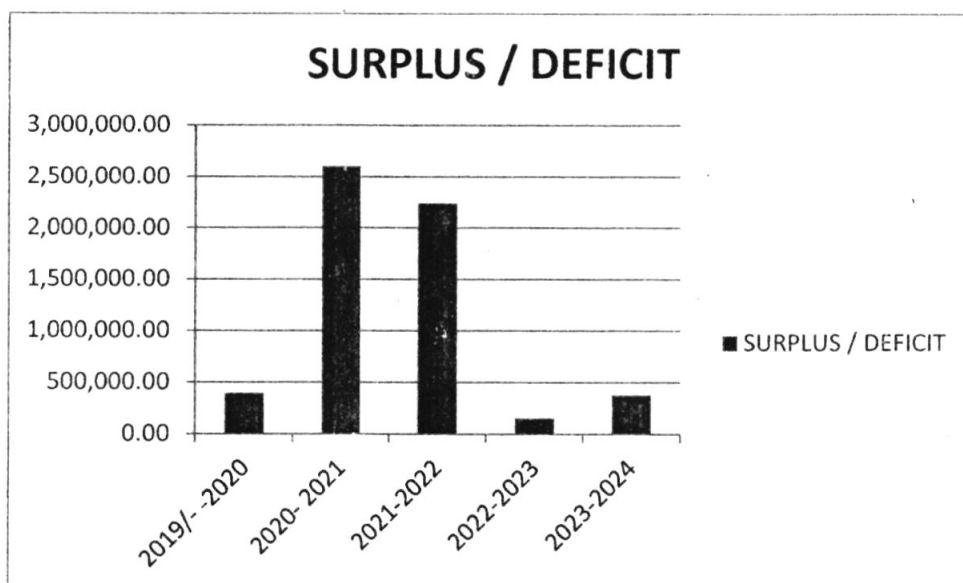
a) Financial performance:

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

TABULAR PRESENTATION

YEAR	SURPLUS / DEFICIT
2019/- -2020	(393,465.30)
2020- 2021	(2,600,198.00)
2021-2022	2,238,521.00
2022-2023	152,655.80
2023-2024	(376,734.5)
- TOTALS	(979,221.00)

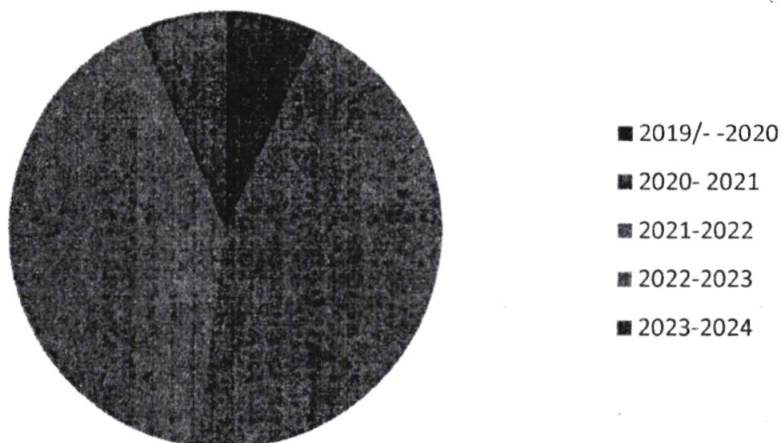
GRAPHICAL PRESENTATION



PIE CHARTS PRESENTATION

MBAKALO FRIENDS SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2024

SURPLUS / DEFICIT

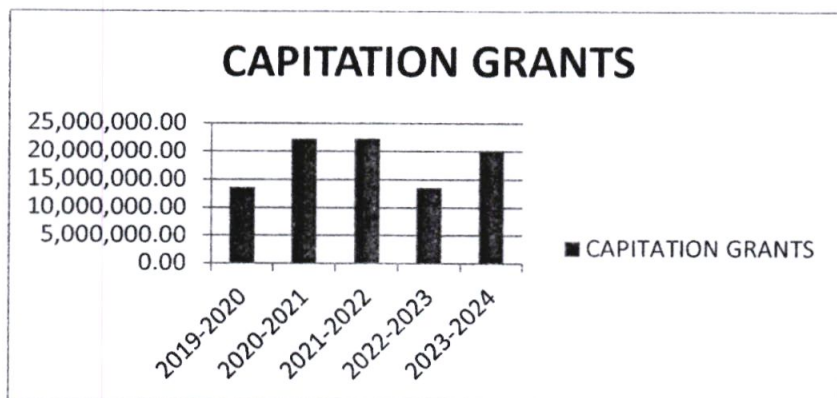


Capitation grants from the Ministry of Education for the last three years

TABULAR PRESENTATION

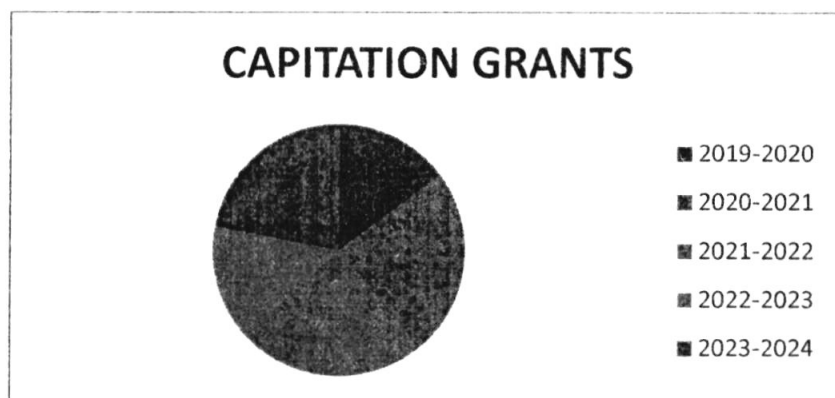
YEAR	CAPITATION GRANTS
2019-2020	13,639,345.00
2020-2021	22,240,266.00
2021-2022	22,324,254.00
2022-2023	13,570,892.80
2023-2024	20,215,122.50
- TOTALS	91,989,880.30

GRAPHICAL PRESENTATION



MBAKALO FRIENDS SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2024

PIE CHARTS PRESENTATION

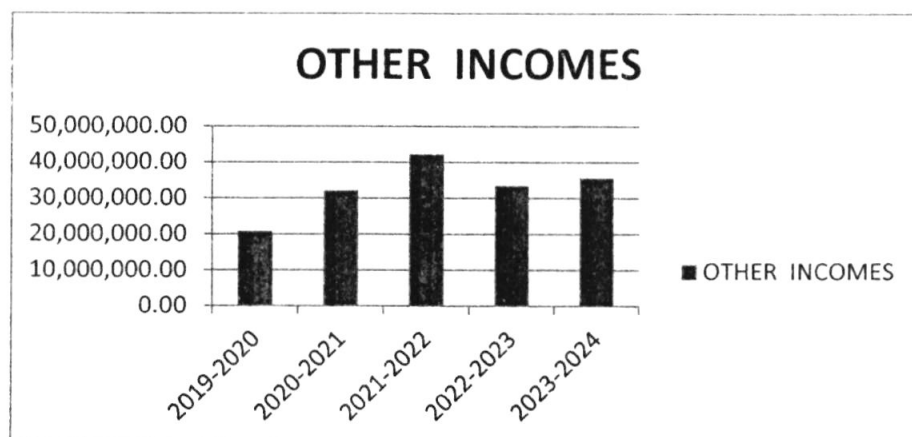


A three-year overview of growth of other income(s) earned by the school.

TABULAR PRESENTATION

YEAR	OTHER INCOMES
2019-2020	20,802,626.00
2020-2021	32,134,851.00
2021-2022	42,129,609.00
2022-2023	33,436,750.00
2023-2024	35,645,487.00
- TOTALS	- 164,149,323.00

GRAPHICAL PRESENTATION

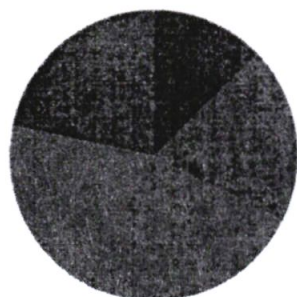


PIE CHARTS PRESENTATION

MTAKALO FRIENDS SECONDARY SCHOOL

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

OTHER INCOMES



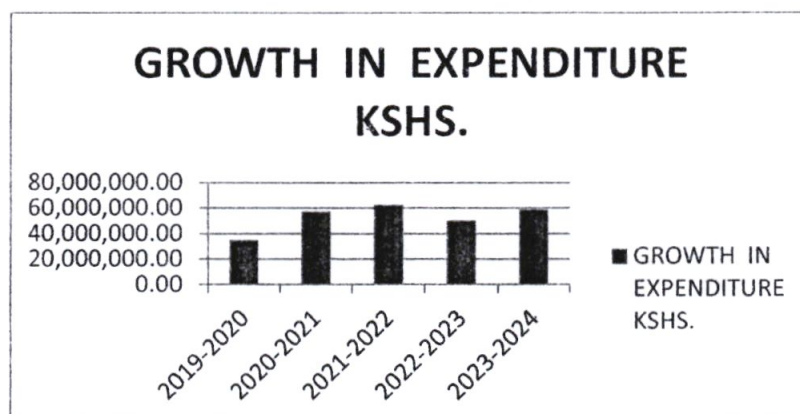
- 2019-2020
- 2020-2021
- 2021-2022
- 2022-2023
- 2023-2024

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

TABULAR PRESENTATION

YEAR	GROWTH IN EXPENDITURE KSHS.
2019-2020	34,831,262.00
2020-2021	57,240,265.00
2021-2022	62,505,593.00
2022-2023	50,324,487.00
2023-2024	58,882,589.00
TOTALS	263,784,196.00

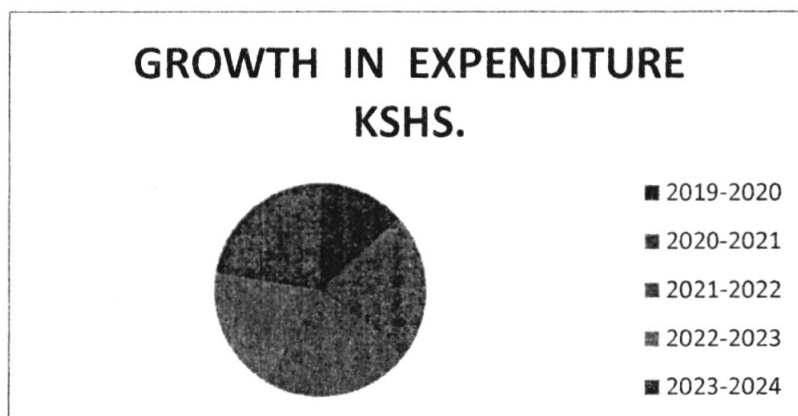
GRAPHICAL PRESENTATION



PIE CHARTS PRESENTATION

MBAKALO FRIENDS SECONDARY SCHOOL

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

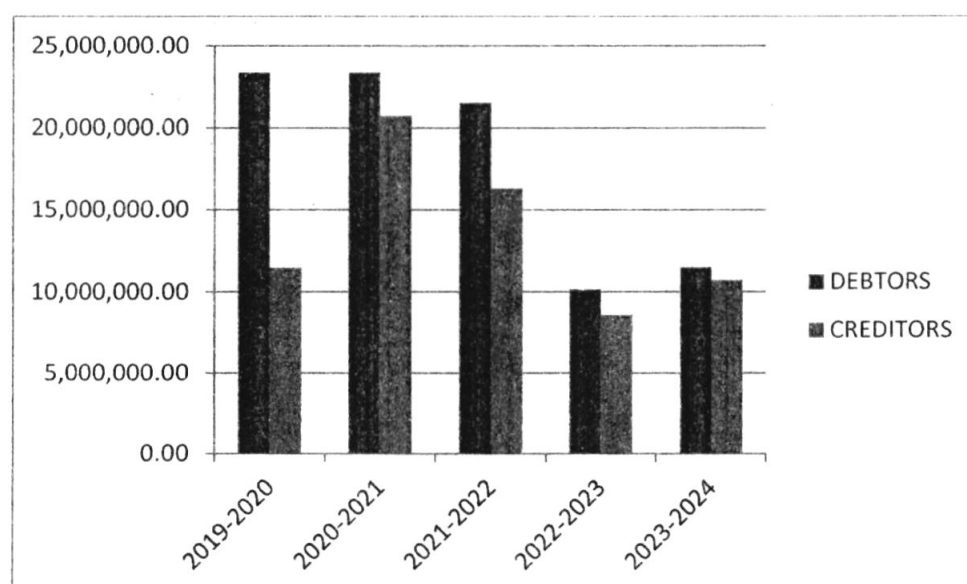


- Movement of debtors and creditors of the school over the last three years

- *TABULAR PRESENTATION*

YEAR	DEBTORS	CREDITORS
2019-2020	23,355,011.25	11,506,003.00
2020-2021	23,355,011.00	20,731,098.00
2021-2022	21,520,602.00	16,297,646.00
2022-2023	10,174,110.00	8,576,070.00
2023-2024	11,493,029.00	10,740,665.00
- TOTALS	- 89,897,763.35	- 67,851,482.00

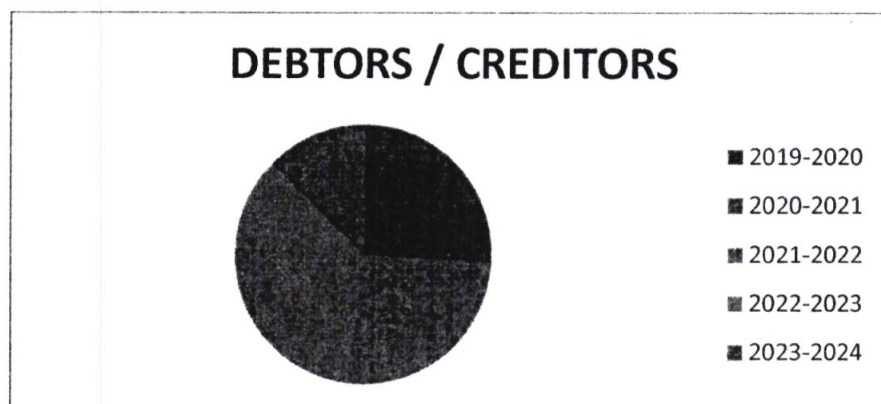
GRAPHICAL PRESENTATION



MTAKALO FRIENDS SECONDARY SCHOOL

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

PIE CHARTS PRESENTATION



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

b) Teacher Student ratio:

No. of Teachers Recruited and posted	No. of Teachers Transferred	No. of Teachers Retired	No. of Teachers Employed by TSC	No. of Teachers Employed by BOM	Teacher Students ratio

Number of Teachers per Subject

S/NO.	SUBJECT	NO.OF TEACHERS.
1	English	5
2	Kiswahili	8
3	Mathematics	8
4	Chemistry	7
5	Biology	8
6	Physics	3
7	Geography	4
8	History	5

MTAKALO FRIENDS SECONDARY SCHOOL

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

9	C R E	5
10	Business Studies	2
11	Agriculture	3
12	Music	1
13	Computer	1
TOTAL		

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

c) The mean score in the 2023KCSE:

The performance of the school for each over the last four year

YEAR	NO.OF CANDIDATES	MEAN SCORE	GRADE	C- MINUS AND ABOVE	COMMENTS
2018	194				
2019	225				
2020	244				
2021	179	5.7	c	52	
2022	321	5.0	c	48	
2023					
TOTALS					

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

d) Number of Candidates in the 2023 KCSE:

YEAR	NO. OF CANDIDATES SAT FOR KCSE
2018	

MBAKALO FRIENDS SECONDARY SCHOOL

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

2019	
2020	
2021	179
2022	321
2023	
2024	
TOTALS	

e) The capacity of the school:

The Enrolment of the School in the year 2024 was
Number of Student - 1162

The number of students in the school vis a vie the facilities .

S/NO.	FACILITIES	NUMBER	COMMENT
1	Class rooms	20	
2	Laboratory	2	
3	Toilets	34	
4	Dining Hall	1	
5	Library	1	
6	Dormitories	5	
7	TOTAL.		

f) Development projects carried out by the school:

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

Project	Source of Funds	Amount	Period	Reported
dormitory	FDSE	25,000,000		

MBAKALO FRIENDS SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2024


.....
School Principal
P. O. Box 42 - 50211, NAITIRI - KENYA

MTAKALO FRIENDS SECONDARY SCHOOL

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

4. Statement of School Management Responsibility

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

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

The Board of Management of *(Name of 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.

Sign.....

Name: Mr. Peter Wabomba

Designation: Chairman, School Board of Management

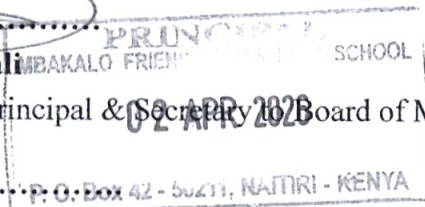
Date: 1/4/2026

Sign.....

Name: Mr. Alex Luyali

Designation: School Principal & Secretary Board of Management

Date:.....



Sign.....

Name: Joshua Wanambisi

Designation: Bursar/ Finance Officer

Date: 1/4/2026

REPUBLIC OF KENYA

Phone: +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 MBAKALO FRIENDS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2024 – BUNGOMA 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 Mbakalo Friends Secondary School set out on pages 1 to 23, which comprise of the statement of assets and liabilities as at 30 June, 2024 and the statement of receipts and payments, statement of cash flows

Report of the Auditor-General on Mbakalo Friends Secondary School for the year ended 30 June, 2024 – Bungoma County

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 Mbakalo Friends Secondary 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 Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unconfirmed Accounts Receivables Balance

The statement of assets and liabilities reflects accounts receivables balance of Kshs.17,533,957 as disclosed in Note 13 to the financial statements. However, the ledger reflects a balance of Kshs.9,078,237 resulting to an unexplained variance of Kshs.8,455,719. Further, the balance includes fees arrears amounting to Kshs.15,108,052 that had been outstanding for a period of more than three (3) years without clear strategy to ensure recovery of the same. Additionally, there was no policy on the impairment of long outstanding accounts receivables casting doubt on the fair statement of accounts receivables balance.

In the circumstances, the accuracy, completeness and recoverability of accounts receivables balance of Kshs.17,533,957 could not be confirmed.

2. Unconfirmed School Fund Income - Parents Contribution

The statement of receipts and payments reflects school fund income - parents contribution amounting to Kshs.35,645,487 as disclosed in Note 4 to the financial statements. Management indicated that parents sometimes pay school fees in kind upon which the school fee receipt is issued based on the value of items supplied. However, during the year under review the School did not maintain a register of school fees paid in kind.

In the circumstances, the accuracy and completeness of school fund income- parents contribution amounting to Kshs.35,645,487 could not be confirmed.

3. Unconfirmed Boarding and School Fund Payments

The statement of receipts and payments reflects boarding and school fund payments amounting to Kshs.35,508,643 while Note 9 to the financial statements reflects Kshs.32,864,843 resulting to unexplained variance of Kshs.2,643,800.

In the circumstances, the accuracy and completeness of boarding and school fund payments amounting to Kshs.35,508,643 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis amounts of Kshs.76,836,430 and Kshs.55,860,609 respectively, resulting to an under-funding of Kshs.20,975,821 or 27% of the budget.

The under-funding affected implementation of 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

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

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

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. Late Submission of Financial Statements for Audit

Management of the School submitted the financial statements to the Auditor-General on 20 February, 2026 instead of the statutory deadline of 30 September, 2024. This was 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, Management was in breach of the law.

2. Long Outstanding Accounts Payables

The statement of assets and liabilities and as disclosed in Note 14 to the financial statements reflects accounts payables balance of Kshs.10,740,665 which is comprised of trade payables totalling Kshs.9,233,578 and Kshs.1,507,087 prepaid fees. However, included in the balance are trade payables balance of Kshs.8,014,370 which had been outstanding for more than one (1) year exposing the School to the risk loss of public funds through litigations, interests and penalties.

This was contrary to Regulation 42 (1) (a) of the Public Finance Management (National Government) Regulations, 2015 which states that, 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. Lack of an Annual Procurement Plan

The statement of receipts and payments reflects amounts of Kshs.58,505,854.50 and Kshs.58,882,589 in respect of total receipts and payments, respectively. However, during the year under review, Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that a procuring entity prepare a procurement plan for each financial year as part of the annual budget preparation process.

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

4. Failure to Maintain a Fixed Assets Register

Review of the School's records revealed that the school did not maintain a fixed asset register. This was contrary to Regulation 143 (1) of Public Finance Management (National Government) Regulations, 2015 which provides that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

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

5. Failure to Develop a School Improvement Plan

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

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

6. Lack of an Approved Staff Establishment and Salary Structure

Note 7 and Note 9 to the financial statements reflects personnel emoluments totalling Kshs.7,680,205. However, there was no documentary evidence indicating that the School had an approved staff establishment and salary structure.

In the circumstances, Management was not able to adequately plan for the optimum number of employees and remunerate them accordingly.

7. Failure to Maintain Memorandum Cashbook

During the year under review, an amount of Kshs.9,596 was issued as standing imprest for various operation expenses according to the petty cash expenditure report. However, the memorandum cashbook to record all receipts and payments was not maintained.

This was contrary to Regulation 93(14) of the Public Finance Management (National Government) Regulations, 2015 which states that, the holder of a standing imprest shall keep a memorandum cash book to record all receipts and payments and the balance on hand shall agree with the cash balance recorded in the cashbook.

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

8. Failure to Adhere to the Prescribed Financial Reporting Template Requirements

Review of the financial statements revealed non-compliance with the Public Sector Accounting Standards Board reporting requirements in that Annex 1 and Annex 2 to the financial statements in respect of accounts payables analysis and summary of fixed assets register are blank. This is contrary to Section 81(3) of the Public Finance Management Act, 2012 which states that the Accounting Officer should prepare the

financial statements in a form that complies with the relevant accounting standards prescribed by the Public Sector Accounting Standards Board.

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. Lack of Internal Audit Reports

During the year under review, the School had constituted a Board Committee to deal with internal and external audit reports. However, there was no evidence that the Committee received and deliberated on any internal audit reports in the year under review.

In the circumstances, the effectiveness of the School's oversight mechanism could not be confirmed.

2. Weaknesses in Management of Textbooks

During the year under review, the Ministry of Education distributed textbooks to Public Secondary Schools through Kenya Institute of Curriculum Development (KICD). Review of records revealed that the textbook per student ratio was below the recommended 1:1 ratio. Further, during the year under audit, the recorded number of text books lost was one thousand four hundred and sixty-two (1,462) and there were no proper mechanisms to recover the textbooks from the relevant students.

In the circumstances, the effectiveness of management of textbooks could not be confirmed.

3. Lack of Risk Management Policy

The School did not have a risk management policy, strategies, and risk register to mitigate against risk, contrary to Regulation 165 (1) of Public Finance Management (National

Government) Regulation, 2015 which requires Accounting Officers to ensure that the national government entity develops risk management strategies, which include fraud prevention mechanism.

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

4. Ineffective Management of Scholarships and Bursaries

Analysis of the cheque inward registers indicated that the institution received cheques from various National Government Constituencies Development Funds (NGCDFs) and other donors to support needy students during the year under review. However, it was observed that the institution did not maintain a list bursaries or scholarships received during the year under review.

In the circumstances, the existence of effectiveness internal controls on management of bursaries and scholarships could not be confirmed.

5. Lack of Land Ownership Documents

Mbakalo Friends Secondary School sits on a parcel of land measuring approximated four (4) acres. However, ownership documents for the land were not provided for audit review.

In the circumstances, the ownership status of the School's land 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

21 April, 2026

MTAKALO FRIENDS SECONDARY 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

Receipts			
Government grants for tuition	1	1,762,016.20	3,105,420.00
Government grants for operations	2	13,828,426.30	10,465,472.80
Government Grants for infrastructure	3	4,624,680.00	-
School fund income- parents' contributions	4	35,645,487.00	33,436,750.00
Miscellaneous incomes	5	2,645,245.00	3,469,500.00
Total Receipts		58,505,854.50	50,477,142.80
Payments			
Tuition	6	3,684,138.00	4,474,305
Operations	7	15,280,964.00	10,702,507.00
Infrastructure	8	4,408,844.00	-
Boarding and school fund	9	35,508,643.00	35,147,675.00
Total Payments		58,882,589.00	50,324,487.00
Surplus/Deficit		(376,734.90)	152,655.80

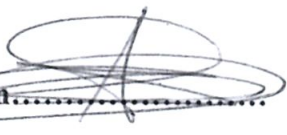
The school financial statements were approved on _30th June_____ 2024 and signed by:

Sign.....

Name: Mr. Peter Wabomba

Chair BOM

Date: ...1/4/2026.....

Sign.....

Name: Mr. Alex Luyali
School Principal/ Secretary to

BOM PRINCIPAL

MTAKALO FRIENDS SECONDARY SCHOOL
Date: ...02 APR. 2026.....

P. O. Box 42 - 50211, NAITIRI - KENYA

Sign.....

Name: Joshua Wanambisi

Bursar/ Finance Officer

Date: ...1/4/26.....

MTAKALO FRIENDS SECONDARY SCHOOL

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

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

Financial Assets			
Cash and cash equivalents			
Bank balances	10	618,333.60	139,844.25
Cash balances	11	48.00	9,596.00
Short term investments	12	-	-
Total cash and cash equivalent		618,381.60	149,440.25
Account's receivables	13	17,533,956.55	16,215,037.80
Total financial assets (a)		18,152,338.15	16,364,478.05
Financial liabilities			
Accounts payables	14	(10,740,665.00)	(8,576,070.00)
Total Financial Labilities (b)			
Net financial assets (a-b)		7,411,673.15	7,788,408.05
Represented by			
Accumulated fund b/fwd	15	7,788,408.05	7,635,752.00
Surplus/deficit for the year		(376,734.90)	152,656.05
Net Assets		7,411,673.15	7,788,408.05

The school's financial statements were approved on 30th June _____ 2024 and signed by:

Sign.....

Sign.....

Sign.....

Name: Mr. Peter Wabomba

Name: Mr. Alex Luyali
School Principal/ Secretary to

Name: Mr. Joshua Wanambisi

Chair BOM

Bursar/ Finance Officer

Date: 1/4/2026

Date: 1/4/26



MBAKALO FRIENDS SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2024

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

Cash from Operating Activities			
Receipts			
Government grants for tuition		1,762,016.20	3,105,420.00
Government grants for operations		13,828,426.30	6,986,472.80
Government grants for infrastructure		4,624,680.00	3,479,000.00
School fund income- parents contributions/ fees		36,125,605.00	31,173,394.25
Other income		41,200.85	3,469,500.00
Total receipts		56,381,928.35	48,213,787.05
Payments			
Cash outflows for tuition		1,780,000.00	3,230,355.00
Cash outflows for operations		13,480,964.00	6,939,867.00
Cash outflows Boarding/lunch and school fund payments		36,243,179.00	35,300,330.00
Total payments		(51,504,143.00)	(46,714,502.80)
Net cash inflow/outflow from operating activities		4,877,785.35	1,499,284.25
Cash flow from investing activities			
Acquisition of assets		(4,408,844.00)	(3,762,640.00)
Proceeds from sale of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash inflow/outflows from investing activities		(4,408,844.00)	(3,762,640.00)
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		468,941.35	(2,263,356.05)
Cash and cash equivalent at beginning of the FY		149,440.25	2,412,796.30
Cash and cash equivalent at end of the FY		618,381.60	149,440.25

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

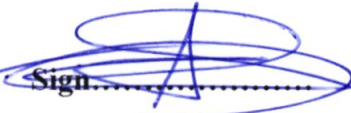
(The above presentation of the cash flow statement uses the direct method of cash flow presentation which is encouraged under IPSAS. Schools should therefore adopt the direct method of cash flow as recommended by PSASB).

MTAKALO FRIENDS SECONDARY SCHOOL

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

The school's financial statements were approved on 30th June _____ 2024 and signed by:

Sign.....
Name: Mr. Peter Wabomba
Chair BOM
Date:.....1/4/2026

Sign.....
Name: Mr. Alex Luyali
School Principal/ Secretary to
BOM
Date:.....

Sign.....
Name: Mr. Joshua Wanambisi
Bursar/ Finance Officer
Date:.....1/4/26

MTAKALO FRIENDS SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2024

TRIAL BALANCE AS AT 30TH JUNE 2024

		DR	CR
CASH AND CASH EQUIVALENT		KSHS.	KSHS.
	Bank Balances	618,333.60	
	Cash Balances	48.00	
	Shot term investments		
	Receivables	17,533,956.55	
PAYMENTS :			
	Payments for Tuion	3,684,138.00	
	Payments for Operation	15,280,964.00	
	Boarding and Stores	35,508,643.00	
	Infrastructure Account	4,408,844.00	
RECEIPTS :			
	Capitation grants for Tuition		1,762,016.20
	Capitation grants for Operation		13,828,426.30
	Boarding Fees		35,646,285.60
	Infrastructure grants		4,624,881.00
	Miscelen Income		2,645,245.00
Prior Year Adjustment			
	Fund Balance B / F		7,788,408.05
	Payables		10,740,665.00
TOTALS		77,034,927.15	77,034,927.15

MTAKALO FRIENDS SECONDARY SCHOOL

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

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

Receipts					
(1) Capitation Grant on Tuition					
Reference Materials	198,650.00	-	198,650.00	140,675.00	71
Exercise Books	675,350.00	-	675,350.00	476,350.00	71
Laboratory Equipment	755,480.00	-	755,480.00	556,320.00	74
Internal Exams	486,500.00	-	486,500.00	264,275.00	54
Teaching / Learning Materials	433,600.00	-	433,600.00	208,296.20	48
Exams And Assessment	250,680.00	-	250,680.00	-	
Chalk	280,900.00	-	280,900.00	116,100.00	41
	3,081,030.00	-	3,081,030	1,762,016.20	57
(2) Capitation Grant on Operations		-			
Personnel Emoluments	6,850,000.00	-	6,850,000.00	5,436,938.20	79
Repairs And Maintenance	-	-	-	-	-
Local Transport / Travelling	1,064,800.00	-	1,064,800.00	864,424.65	81
Electricity And Water	1,600,000.00	-	1,600,000.00	832,900.00	52
Medical	1,300,000.00		1,300,000.00	862,000.00	66
Administration Costs	4,300,000.00	-	4,300,000.00	2,963,535.00	69
Activity	1,200,600.00	-	1,200,600.00	982,377.70	82
Gratuity	-		-	400,000.00	

MTAKALÒ FRIENDS SECONDARY SCHOOL

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

	25,315,400.00	-	25,315,400.00	13,828,426.30	55
3) FDSE for infrastructure		-			
Maintenance & Improvement MoE	6,000,000.00	-	6,000,000.00	4,624,680.00	77
M&I parents' contribution	-	-	-	-	-
Economic Stimulus Programs	-	-	-		-
Transition Infrastructure Grants	-	-	-		-
Administration Block	-	-	-		-
(4) Fees Charged on Parents	-	-			
Personnel Emoluments	4,600,000.00	-	4,600,000.00	3,566,070.00	78
Repairs And Maintenance	1,800,000.00	-	1,800,000.00	884,652.00	49
Local Transport / Travelling	800,000.00	-	800,000.00	507,275.00	63
Electricity And Water	1,600,000.00	-	1,600,000.00	1,074,748.00	67
Medical	-	-	-	-	-
Administration Costs	860,000.00	-	860,000.00	544,363.00	63
Activity	580,000.00	-	580,000.00	273,565.00	47
PTA	8,000,000.00	-	8,000,000.00	6,170,000.00	77
Fee On Boarding Equipment and Stores	24,200,000.00	-	24,200,000.00	22,624,814.00	93
	42,440,000.00	-	42,440,000.00	35,645,487.00	84
5) Miscellaneous Income		-			
Loans / Borrowing	-	-	-	-	-
Rent income	-	-			-

MBAKALO FRIENDS SECONDARY SCHOOL

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

Particulars	2023	2022	2021	2020	2019
Income From Farming Activities	-	-	-		-
Insurance Compensation	-	--	-		-
Income From Posho Mill	-	-	-		-
Income From Bus Hire	-	-	-		-
Fee For Hire of Ground and Equipment	-	-	-		-
Interest Income	-	-	-		-
Income From Any Other Investment	-	-	-		-
Total Income	76,836,430.00	-	76,836,430.00	55,860,609.00	73
(6) Expenditure For Tuition		--			
Textbooks		-			-
Reference Materials	198,650.00	-	198,650.	270,900.00	136
Exercise Books	675,350.00	-	675,350.00	630,850.00	93
Laboratory Equipment	755,480.00	-	755,480.00	1,600,036.00	212
Internal Exams	486,500.00	-	486,500.00	380,000.00	78
Teaching / Learning Materials	433,600.00	-	433,600.00	622,152.00	143
Chalks	280,900.00	-	280,900.00	180,200.00	64
Exams And Assessment		-			-
Teachers Guides		-			-
Administration Costs		-			-
Bank Charges		-			-
	3,081,030.00	-	3,081,030.00	3,684,138.00	110
(7) Expenditure For Operations		-			

MBAKALO FRIENDS SECONDARY SCHOOL

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

Personnel Emoluments	6,850,000.00	-	6,850,000.00	5,888,758.00	86
Repairs, Maintenance & Improvements		-		-	-
Local Transport / Travelling	1,064,800.00	-	1,064,800.00	879,210.00	83
Electricity, Water and Conservancy	1,600,000.00	-	1,600,000.00	2,422,886.00	151
Medical	1,300,000.00	-	1,300,000.00	1,143,730.00	88
Administration Costs	4,300,000.00	-	4,300,000.00	3,977,530.00	93
Activity Expenses	1,200,600.00	-	1,200,600.00	968,850.00	81
Gratuity	-	-		-	-
SMASSE	-	-		-	-
	25,315,400.00	-	25,315,400.00	15,280,964.00	60
(8) Expenditure For infrastructure		-			-
Construction of classrooms	6,000,000.00	-	6,000,000.00	4,408,844.00	73
Construction of LAB	-	-			-
Construction of DORMS	-	-			-
Purchase of furniture	-	-			-
Purchase of equipment	-	-			-
Purchase of machinery	-	-			-
(9) Expenditure For school fund/lunch/boarding		-			
Personnel Emoluments	4,600,000.00	-	4,600,000.00	1,791,447.00	39
Repairs, Maintenance and Improvements	1,800,000.00	-	1,800,000.00	636,995.00	35

MTAKALO FRIENDS SECONDARY SCHOOL

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

Local Transport / Travelling	800,000.00	-	800,000.00	365,730.00	46
Electricity, Water and Conservancy	1,600,000.00	-	1,600,000.00	738,460.00	46
Medical Expenses	-	-	-	-	-
Administration Costs	860,000.00	-	860,000.00	496,696.00	58
Activity	580,000.00	-	580,000.00	221,800.00	38
Gratuity	-	-	-	-	-
Lunch Programme	-	-	-	-	-
Boarding Equipment and Stores	24,200,000.00	-	24,200,000.00	22,168,905.00	92
Expenditure For Income Generating Activity	-	-	-	-	-
Insurance Costs	-	-	-	-	-
Other Expenses On Investments	-	-	-	-	-
Rent Expenses	-	-	-	-	-
Pta	8,000,000.00	-	8,000,000.00	6,444,810.00	81
Loan Interest Repayment	-	-	-	-	-
Loan Principal Repayment	-	-	-	-	-
Acquisition Of Assets	-	-	-	-	-
Totals	76,835,430.00	-	76,835,430.00	56,238,789.00	73

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

- All incomes of the school was below 90% since there was reduction in funding.*
- Most of the school expenses were a 100% i.e overutilization meaning increase in credits.*

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.

MTAKALO FRIENDS SECONDARY SCHOOL

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

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

MBAKALO FRIENDS SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2024

11. Notes To the Financial Statements

1 Government Grants for Tuition

Reference Materials		116,100.00
Exercise Books	592,450.00	685,164.00
Laboratory Equipment	696,995.00	1,081,900.00
Internal Exams	264,275.00	800,593.50
Teaching / Learning Materials	208,296.20	280,987.50
Others Chalk	-	140,675.00
Total	1,762,016.20	3,105,420.00

**Include others as per MOE circulars*

2 Government Grants for Operations

Personnel Emoluments	5,436,938.20	3,189,250.00
Repairs And Maintenance	-	-
Local Transport / Travelling	864,424.65	413,241.40
Electricity And Water	1,632,900.00	747,278.40
Medical	862,000.00	231,700.00
Administration Costs	2,963,535.75	1,651,103.00
Activity	982,377.70	753,900.00
Insurence	686,250.00	
Other Vote Heads Service graquit	400,000.00	
Total	13,828,426.30	6,986,472.80

**Include others as per MOE circulars*

3 Government Grants for infrastructure

Maintenance & Improvement	4,624,680.00	3,479,000.00
Transition infrastructure grants	-	-
Administration Block	-	-
Economic stimulus grants	-	-

MBAKALO FRIENDS SECONDARY SCHOOL

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

Other (specify)(NGCDF and County govt.	-	-
Total	4,624,680.00	3,479,000.00

4 School Fund Income - Parents Contribution/Fees

Personnel emoluments	3,566,070.00	3,170,975.00
Repairs and maintenance	884,652.00	1,668,590.00
Local transport / travelling	507,275.00	1,008,989.00
Electricity and water	1,074,748.00	2,483,490.00
Medical	-	-
Administration costs	544,363.00	742,652.00
Activity	273,565.00	359,356.00
Fee on Boarding Equipment and stores	22,624,814.00	24,002,698.00
PA Levies*	6,170,000-	-
Others (specify)	-	-
Total	35,645,487.00	33,436,750.00

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

5 Miscellaneous Incomes

Rent Income	-	
Income From Farming Activities	50,945.00	194,125.00
Bursary	2,522,300.00	3,168,375.00
Income From Posho Mill	-	-
Income From Bus Hire	72,000.00	107,000.00
Fee For Hire of Ground and Equipment	-	-
Income From Grants and Donations*	-	-
Interest Income	-	-
Dividends Income	-	-
Loans/Borrowings*	-	-
Other Income (specify)*	-	-
Total	2,645,245.00	3,469,500.00

MTAKALO FRIENDS SECONDARY SCHOOL

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

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

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

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

MBAKALO FRIENDS SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2024****6 Tuition Payments**

Exercise Books	630,850.00	910,010.00
Internal Exam	380,000.00	370,000.00
Reference materials	30,000.00	75,750.00
Laboratory Equipment	1,840,936.00	2,096,735.00
Teaching / Learning Materials	802,352.00	906,230.00
Exams And Assessment	-	-
Teachers Guides	-	-
Bank Charges	-	-
Others <i>Chalk</i>	-	115,580.00
Total	3,684,138.00	4,474,305.00

7 Operations Payments

Personnel Emoluments	5,888,758.00	2,768,490.00
Service Gratuity	-	-
Administration Cost	3,977,530.00	1,837,177.00
Repairs And Maintenance & Improvements	-	-
Local Transport / Travelling	879,210.00	510,500.00
Electricity And Water	2,422,886.00	1,414,850.00
Medical / Insurance	1,143,730.00	72,000.00
Activity Expenses	968,850.00	336,850.00
Insurance	-	-
Others (specify)	-	-
Total	15,280,964.00	6,939,867.00

MBAKALO FRIENDS SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2024

8 Infrastructure Payments

Construction of classrooms	4,408,844.00	3,762,640.00
Construction of laboratory		
Construction of dormitory		
Purchase of furniture		
Purchase of equipment		
Purchase of apparatus		
Drilling of boreholes		
Others (specify)		
Total	4,408,844.00	3,762,640.00

9 Boarding And School Fund Payments

Personnel Emoluments	1,791,447.00	2,992,810.00
Service Gratuity	-	-
Repairs And Maintenance & Improvements	636,995.00	1,349,864.00
Local Transport / Travelling	365,730.00	1,020,137.00
Electricity And Water	738,460.00	1,709,670.00
Medical Expenses	-	-
Administration Costs	496,696.00	636,448.00
Farming activity	38,750	
Bank Charges	-	-
Expenses On Income Generating Activity(bus hire)	82,750	
Fee On Boarding Equipment and Stores	22,168,905.00	23,679,731.00
Rent Expenses	-	-
Insurance Cost (Life Property)	-	-
Loan Principal Repayment	-	-
Loan Interest Repayment	-	-
Activity	221,800.00	438,140.00
PA expenses	6,444,810	-
Others (bursary)	2,522,300	-
Total	35,508,643.00	31,826,800.00

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

MTAKALO FRIENDS SECONDARY SCHOOL

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

10 Bank Accounts

Tuition Account			37,795.85	55,779.00
Operations Account			141,530.55	26,928.25
School Fund Account/Boarding			181,971.20	57,137.00
Savings Account			-	-
Parent Association Development Account			-	-
Income Generating Activities Account			-	-
Infrastructural Account			257,036.00	-
Total			618,333.60	139,844.25

11 Cash In Hand

Notes and Coins	-	-
Operation Account	-	9,500.00
School Fund Account.	48.00	96.00
Total	48.00	9,596.00

12 Short Term Investments

Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit accounts	-	-
Other Investments	-	-
Total	-	-

MTAKALO FRIENDS SECONDARY SCHOOL

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13 Accounts Receivable

Fees Arrears	17,533,956.55	16,215,037.00
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)	-	-
Imprest (list/schedule attached)	-	-
Rent arrears (list/schedule attached)	-	-
Total	17,533,956.55	16,215,037.00

13 b) Ageing Analysis of Accounts Receivable

	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	1,584,939.00	9%	1,106,985.85	7%
Between 1- 2 years	840,965.60	5%	1,414,792.00	9%
Between 2-3 years	-	%	-	%
Over 3 years	15,108,051.95	86%	13,693,259.95	84%
Total (should tie to note 13 a)	17,533,956.55	100%	16,215,037.80	100%

14 Accounts Payable

Trade Creditors (See Ageing Below and Appendix 1)	9,233,578.00	8,014,370.00
Prepaid Fees	1,507,087.00	561,700.00
Retention Monies	-	-
Unpaid salaries and statutory deductions	-	-
Caution money	-	-
Other payables (<i>specify</i>)	-	-
Total	10,740,665.00	8,576,070.00

MTAKALO FRIENDS SECONDARY SCHOOL

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

14a. Ageing Analysis of Accounts Payable

	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	1,219,208.00	13%	327,559.15	4%
Between 1- 2 years	327,559.15	4%	850,621.00	11%
Between 2-3 years	-	%	-	%
Over 3 years	7,686,810.85	83%	6,836,189.85	85%
Total (should tie to note 14)	9,233,578.00	100%	8,014,370.00	100%

15 Fund Balance Brought Forward

Bank Balances	139,844.25	2,155,360.30
Cash Balances	9,596.00	257,436.00
Short Term Investments	-	
Receivables	16,215,037.80	21,520,601.95
Payables	(8,576,070.00)	(16,297,646.00)
Total	7,788,408.05	7,635,752.00

MBAKALO FRIENDS SECONDARY SCHOOL

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

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

Bank Loans	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Others (specify)	-	-
Total	-	-

17 Biological assets

Cattle			
Goats			
Trees			
Coffee Or Tea Plantation			
Poultry			
Others (specify)			
Total			

18 Borrowings

Borrowings at beginning of the year	-	-
Borrowings during the year	-	-
Repayments during the year	-	-
Balance at the end of the year	-	-

MTAKALO FRIENDS SECONDARY SCHOOL

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

Other important disclosure notes

19 Stock/ Inventory

	2023-2024	2022-2023
Food stuffs	1,048,500	
Lab consumables		
Farm produce		
Medication		
Construction Materials		
Others (specify)		

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

MBAKALO FRIENDS SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2024

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.

Sign and Date
Principal

MBAKALO FRIENDS SECONDARY SCHOOL

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

12. Annexes

Annex I - Analysis of Pending Accounts Payable

Construction Of Buildings						
1. dormitory	25,000,000					
2.						
3.						
Sub-Total	25,000,000					
Supply Of Goods						
4. Maize and beans						
5. meat						
Sub-Total						
Supply Of Services						
6.						
7.						
8.						
Sub-Total						
Grand Total						

MBAKALO FRIENDS SECONDARY SCHOOL

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

Annex 2 – Summary of Fixed Assets Register

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				

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

REPUBLIC OF KENYA

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

Ref: OAG/KRO/MTAKALO F SECS/2023/2024/(17)

15 June, 2026

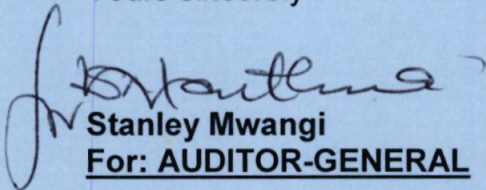
Mr. Samuel Josephat Njoroge, CBS
Clerk of the National Assembly
Parliament Buildings
P. O. Box 41842-00100
NAIROBI

Dear Mr. Njoroge

REPORT OF THE AUDITOR-GENERAL ON MBACKALO FRIENDS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2024 - BUNGOMA COUNTY

I transmit the report of the Auditor-General on the examination and audit of Mbackalo Friends Secondary School for the year ended 30 June, 2024 in accordance with the provisions of Article 229(7) of the Constitution of Kenya for the necessary action as required by Article 229(8) of the Constitution.

Yours sincerely


Stanley Mwangi
For: AUDITOR-GENERAL

Copy to: **Dr. Chris K. Kiptoo, PhD., CBS**
Principal Secretary
The National Treasury
P. O. Box 30007-00100
NAIROBI

Mr. John Lekakeny Ololtuaa, CBS
Principal Secretary
Ministry of Education
State Department for Basic Education
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Mr. Alex Luyali
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Mbackalo Friends Secondary School
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NAITIRI

