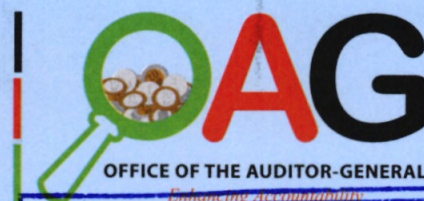


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability



THE NATIONAL ASSEMBLY  
PAPERS LAID

REPORT

DATE: 16 JUN 2026

DAY.

Tuesday

TABLED  
BY:

Hon. Naomi Kalouzi CBS, MP  
(Opposition Majority Party Whip)

OF  
WORK-AT  
THE-TABLE:

Lomale

THE AUDITOR-GENERAL

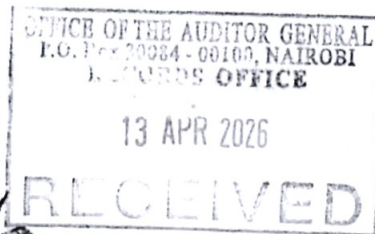
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MOI FORCES ACADEMY MOMBASA

FOR THE SIX (6) MONTHS' PERIOD ENDED

30 JUNE, 2021



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**MOI FORCES ACADEMY MOMBASA**  
**REPORT AND FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD**  
**ENDED 30<sup>TH</sup> JUNE 2021**

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



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**MOI FORCES ACADEMY, MOMBASA**  
**Report and Financial Statements**  
**For six months Period ended 30<sup>th</sup> June 2021**

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**MOI FORCES ACADEMY, MOMBASA**  
**Report and Financial Statements**  
**For six months Period ended 30<sup>th</sup> June 2021**

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**MOI FORCES ACADEMY, MOMBASA**  
**Report and Financial Statements**  
**For six months Period ended 30<sup>th</sup> June 2021**

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**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**  
**Report and Financial Statements**  
**For six months Period ended 30<sup>th</sup> June 2021**

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**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 County public school established, owned or operated by the Government.

The school is a Day/Boarding school and had 1,274 number of students as at 30<sup>th</sup> June 2021. It has 8 streams and 43 teachers of which 15 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 Mutai               | Chairman               | February, 2019      |
| 2    | Benjamin Ngadho          | Secretary - Principal  | February, 2019      |
| 3    | Lt. Col. Benjamin Kiprop | Member - Sponsor       | February, 2019      |
| 4    | Maj. Cliff Richard       | Member - Sponsor       | February, 2019      |
| 5    | W0I Geofrey Mwandih      | Member - Sponsor       | February, 2019      |
| 6    | Knight Odoll             | Member                 | February, 2019      |
| 7    | Patience Toya            | Member                 | February, 2019      |
| 8    | Mariam Ahmed             | Member - Rep CEB       | February, 2019      |
| 9    | Titus Nzioka             | Member - Rep Teachers  | February, 2019      |
| 10   | Robert Sammy             | Member                 | February, 2019      |
| 11   | Nasrudin Swaleh          | Member                 | February, 2019      |
| 12   | Sosten Kipkemboi         | Member - Special Needs | February, 2019      |
| 13   | Ramadhan Anganya         | Rep. Students          | February, 2019      |
| 14   | Pascal Kiwo              | Member                 | February, 2019      |
| 15   | Josephine Moraa          | Member                 | February, 2019      |

**MOI FORCES ACADEMY, MOMBASA**  
**Report and Financial Statements**  
**For six months Period ended 30<sup>th</sup> June 2021**

**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 Moi Forces Academy - Mombasa 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. Ng'ang'a<br>Col. Kiprop<br>Benjamin Ngatho<br>WOI Ngatho                                    | Chairperson<br>Vice - Chairperson<br>Secretary<br>Member         | 2/3<br>3/3<br>3/3<br>3/3                    |
| 2    | Finance & procurement and general purposes committee | Brig. T. Ng'ang'a<br>Col. Kiprop<br>Benjamin Ngatho<br>Knight Odoll<br>Josphine Moraa             | Chairman<br>Vice Chair<br>Secretary<br>Member<br>Member          | 2/3<br>3/3<br>3/3<br>3/3<br>3/3             |
| 3    | Academic Committee                                   | Major Apiyo<br>Geofrey Mwandih<br>Benjamin Ngatho<br>Pascal Kiwo<br>Patience Toya<br>Knight Odoll | Chairperson<br>Member<br>Secretary<br>Member<br>Member<br>Member | 1/3<br>2/3<br>3/3<br>3/3<br>3/3<br>2/3      |
| 4    | Infrastructure Committee                             | Col. Kiprop<br>WOI Mwandih<br>Benjamin Ngatho<br>Josephine Moraa<br>Steve Mwakio                  | Chairperson<br>Member<br>Secretary<br>Member<br>Member           | 3/3<br>3/3<br>3/3<br>3/3<br>2/3             |
| 5    | Development Committee                                | Col. Kiprop<br>Benjamin Ngatho<br>Rosemary Maina<br>Pascal Kiwo<br>Mariam Ahmed<br>Josphine Moraa | Chairperson<br>Secretary<br>Member<br>Member<br>Member<br>Member | 2/2<br>2/2<br>2/2<br>2/2<br>1/2<br>2/2      |
| 6    | Adhoc committee                                      | N/A                                                                                               | N/A                                                              | N/A                                         |



**MOI FORCES ACADEMY, MOMBASA**  
**Report and Financial Statements**  
**For six months Period ended 30<sup>th</sup> June 2021**

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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**  
**Report and Financial Statements**  
**For six months Period ended 30<sup>th</sup> June 2021**

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**KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)**

**(d) Schools contacts**

Post Office Box: 90731  
Telephone: 0718788086  
E-mail: [moiforcesacademy@gmail.com](mailto:moiforcesacademy@gmail.com)  
Website: [www.moiforcesacademy.sc.ke](http://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**  
**Report and Financial Statements**  
**For six months Period ended 30<sup>th</sup> June 2021**

**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           | 2021         | 2020         | 2019         |
|-----|-------------------|--------------|--------------|--------------|
| 1   | TUITION ACCOUNT   | 22,537.00    | 966,437.00   | 947,167.70   |
| 2   | OPERATION ACCOUNT | 3,377,845.00 | 7,761,005.00 | 1,405.60     |
| 3   | MAIN ACCOUNT      | 93,211.00    | 1,219,096.00 | 3,237,275.00 |

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

| S/N | ACCOUNT           | 2021         | 2020          | 2019          |
|-----|-------------------|--------------|---------------|---------------|
| 1   | TUITION ACCOUNT   | 1,370,225.00 | 1,606,751.00  | 2,647,136.30  |
| 2   | OPERATION ACCOUNT | 8,963,260.15 | 18,021,375.00 | 13,517,906.60 |

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

| S/N | ACCOUNT           | 2021 | 2020 | 2019  |
|-----|-------------------|------|------|-------|
| 1   | TUITION ACCOUNT   | 1:29 | 1:21 | 1: 32 |
| 2   | OPERATION ACCOUNT | 1:14 | 1:15 | 1:15  |

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

| S/N | ACCOUNT      | 2021          | 2020          | 2019          |
|-----|--------------|---------------|---------------|---------------|
| 1   | MAIN ACCOUNT | 21,012,633.00 | 28,099,778.00 | 29,349,362.00 |

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

| S/N | ACCOUNT           | 2021          | 2020          | 2019          |
|-----|-------------------|---------------|---------------|---------------|
| 1   | TUITION ACCOUNT   | 1,347,688.00  | 640,314.00    | 3,594,304.00  |
| 2   | OPERATION ACCOUNT | 5,585,415.00  | 10,260,370.00 | 13,516,501.00 |
| 3   | MAIN ACCOUNT      | 20,919,422.00 | 26,880,682.33 | 26,012,087.00 |

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

| S/N | PARTICULARS | 2021          | 2020          | 2019          |
|-----|-------------|---------------|---------------|---------------|
| 1   | DEBTORS     | 18,996,810.00 | 15,273,214.00 | 3,303,985.00  |
| 2   | CREDITORS   | 20,742,706.00 | 20,682,079.00 | 26,101,014.00 |

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

| S/N | PARTICULARS  | 2021         | 2020         | 2019       |
|-----|--------------|--------------|--------------|------------|
| 1   | CASH ON HAND | 39,800.00    | 27,541.00    | 1,008.00   |
| 2   | CASH ON BANK | 1,246,029.00 | 1,427,663.97 | 353,044.70 |



**MOI FORCES ACADEMY, MOMBASA**  
**Report and Financial Statements**  
**For six months Period ended 30<sup>th</sup> June 2021**

**b) Teacher Student ratio:**

|                                                                       |                |
|-----------------------------------------------------------------------|----------------|
| 1. Teacher to Student ratio                                           | 1:45           |
| 2. Number of teachers recruited/posted to the school within the year. | 0              |
| 3. Number of teachers transferred during the year.                    | 0              |
| 4. Number of teachers retired during the year.                        | 0              |
| 5. Number of teachers employed by TSC.                                | 28             |
| 6. Number of teachers employed by BOM.                                | 15             |
| 7. Subject Allocation;                                                |                |
| i. MATHEMATICS                                                        | 9              |
| ii. ENGLISH                                                           | 4              |
| iii. KISWAHILI                                                        | 5              |
| iv. CHEMISTRY                                                         | 6              |
| 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                                                     | 1              |
| ixx; COMPUTER                                                         | 1              |
| <b>N/B The school has a shortage in the following subject</b>         |                |
| • ENG/LIT - 1                                                         | MATHS/CHEM - 3 |
| • MATHS/COMPUTER - 3                                                  | MATHS/BIO - 3  |
| • AGR/BIO - 2                                                         | HOMESC/BIO - 3 |
| • GEOG/BIO - 3                                                        | BIO/CHEM - 1   |
| • PHY/CHEM - 2                                                        | PHY/MATHS - 3  |
| • KISW/ARABIC - 2                                                     | KISW/IRE - 3   |
| • MUSIC - 1                                                           | IRE/ARABIC - 2 |
| • KISW/HIST - 1                                                       |                |
|                                                                       |                |

**MOI FORCES ACADEMY, MOMBASA**  
**Report and Financial Statements**  
**For six months Period ended 30<sup>th</sup> June 2021**

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**Mean score in the 2020 KCSE:**

| S/N | DESCRIPTION                                      | 2020 | 2019  | 2018  |
|-----|--------------------------------------------------|------|-------|-------|
| 1   | Performance of the school                        | C-   | C-    | C-    |
| 2   | School mean score                                | 4.89 | 4.703 | 4.745 |
| 3   | Number of students transited to higher learning. | 28   | 39    | 27    |

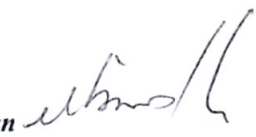
**(d) Number of Candidates in the 2020 KCSE:**

| S/NO | DESCRIPTION | 2020 | 2019 | 2018 |
|------|-------------|------|------|------|
| 1    | KCSE        | 208  | 220  | 147  |

**(e) Capacity of the school:**

| S/NO | DESCRIPTION            | 2021  |
|------|------------------------|-------|
| 1    | Number of students     | 1,274 |
| 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     |

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

Sign   
 School Principal



**MOI FORCES ACADEMY, MOMBASA**  
**Report and Financial Statements**  
**For six months Period ended 30<sup>th</sup> June 2021**

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

Name: Brig. Mutar  
Designation: Chairman, School Board of Management

Sign: [Signature]  
Date: 9/04/26

f. Name: Mr. Benjamin Ngatia  
Designation: School Principal & Secretary to Board of Management  
Sign: [Signature]  
Date: 9/04/26

Name: Shalleh W. Mwangi  
Designation: Bursar/ Finance Officer

Sign: [Signature]  
Date: 9/04/26





# REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke  
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**HEADQUARTERS**  
Anniversary Towers  
Monrovia Street  
P.O Box 30084-00100  
NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON MOI FORCES ACADEMY MOMBASA FOR THE SIX (6) MONTHS PERIOD ENDED 30 JUNE, 2021**

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### **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

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*Report of the Auditor-General on Moi Forces Academy Mombasa for the six (6) months' period ended 30 June, 2021*



liabilities for the six (6) months' period ended 30 June, 2021 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 as at 30 June, 2021 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with Basic Education Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Unsupported School Fund Income – Parents' Contributions**

The statement of receipts and payments and as disclosed in Note 3 to the financial statements reflects school fund income – parents' contribution amount of Kshs.20,987,633. The amount includes Kshs.9,826,743 in respect to fees on boarding equipment and stores which was not supported with the ledger.

In the circumstances, the accuracy and completeness of fees on boarding equipment and stores amount of Kshs.9,826,743 could not be confirmed.

#### **2. Unsupported Payments**

The statement of receipts and payments reflects total payments of Kshs.27,852,525. The amount includes operation expenses of Kshs.5,585,415 out of which Kshs.614,000 relates to transport/travelling expenses and Kshs1,765,362 on acquisition of assets which were not supported by the general ledgers. Further, total payments include boarding and school fund expenditure of Kshs.20,919,422 whose sampled payment vouchers amounting to Kshs.2,028,635 were not supported with requisitions from the user department and Local Purchase Orders (LPOs). In addition, analysis of the infrastructure ledger revealed payments of Kshs.3,870,510 which were omitted from the financial statements.

In the circumstances, the accuracy and completeness of total payments of Kshs.27,852,525 could not be confirmed.

#### **3. Variances in the Financial Statements**

The following variances were noted in the financial statements.

- i) The statement of cash flows reflects capital grant for operations of Kshs.5,957,261 while Note 2 to the financial statements reflects an amount of Kshs.8,963,260 resulting to an unexplained variance of Kshs.3,006,001.



- ii) The statement of cash flows reflects school fund income parents contribution/fees amount of Kshs.21,012,633 while Note 3 to the financial statements reflects an amount of Kshs.20,987,633 resulting to an unexplained variance of Kshs.25,000.
- iii) The statement of cash flows reflects school fund income other receipts of Kshs.28,340,119 while Note 4 to the financial statements reflects and Kshs.25,000 resulting to unexplained variance of Kshs.28,315,119.
- iv) The statement of cash flows reflects net cash flows from operating activities of negative Kshs.695,986 while re-computation revealed an amount of Kshs.695,986 resulting to an unexplained variance of Kshs.1,391,972.
- v) The statement of cash flows reflects net increase in cash and cash equivalents of negative Kshs.169,376 while re-computation revealed negative Kshs.1,561,320 resulting to an unexplained variance of Kshs.1,391,944.
- vi) The figures in the financial statements have not been rounded off to the nearest shilling and bank account numbers are not disclosed in Note 8 to the financial statements.
- vii) The statement of budgeted versus actual amounts reflects total final budgeted receipts of Kshs.3,250,000 while re-computation revealed a total of Kshs.22,962,130 resulting to an unexplained variance of Kshs.19,712,130.
- viii) The statement of budgeted versus actual amounts reflects actual receipts on a comparable basis of Kshs.3,898,805 while re-computation revealed an amount of Kshs.16,915,120 resulting to an unexplained variance of Kshs.13,016,315.
- ix) The statement of budgeted versus actual amounts reflects final budgeted expenditure of Kshs.32,678,230 while re-computation revealed an amount of Kshs.30,855,279 resulting to an unexplained variance of Kshs.1,822,951.
- x) The statement of budgeted versus actual amounts reflects Nil actual expenditure while re-computation revealed an amount of Kshs.20,934,598
- xi) The statement of budgeted versus actual amounts reflects receipts utilization differences of negative Kshs.648,805 while re-computation revealed an amount of Kshs.4,903,609 resulting to an unexplained variance of Kshs.5,552,414.
- xii) The statement of budgeted versus actual amounts reflects expenditure utilization differences of Kshs.32,678,230 while re-computation revealed an amount of Kshs.20,400,751 resulting to an unexplained variance of Kshs.12,277,479.
- xiii) The statement of budgeted versus actual amounts reflects Nil tuition income while the statement of cash flows and statement of receipts and payments reflects an amount of Kshs.1,370,225.
- xiv) The statement of budgeted versus actual amounts reflects recomputed total operations income amount of Kshs.8,963,260 while the statement of cash flows reflects a total of Kshs.5,957,260 resulting to a variance of Kshs.3,036,000

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

#### **4. Unsupported Bank Balances**

The statement of financial assets and financial liabilities and as disclosed in Note 8 to the financial statements reflects bank balances of Kshs.1,246,029. However, the bank reconciliation statements for all the nine (9) bank accounts were not provided for audit. Further, cash books for six (6) bank accounts with a balance of Kshs.396 were not provided for audit.



In the circumstances, the accuracy and completeness of bank balance of Kshs.1,246,029 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 re-computed total income budget of Kshs.22,962,130 and recomputed actual on a comparable basis amount of Kshs.16,915,120 resulting to underfunding of Kshs.6,047,010 or 26% of the budget. In addition, budget for 2020/2021 was not signed by the Board Chairman, Principal and Bursar and board minutes to confirm the approval of budget were not provided for audit. Further, the statement reflects recomputed actual expenditure amount of Kshs.20,934,598 and recomputed actual receipts of Kshs.16,915,120 resulting to over utilization of Kshs.4,019,478.

The under-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 Matter**

#### **Unaudited Comparative Balances**

I draw attention to the fact that, prior to the 2020/2021 financial year, schools did not prepare financial statements for audit in accordance with Article 229(5) of the Constitution, which mandates the Auditor-General to audit and report on the accounts of all entities funded from public funds.

Although the financial statements presented include comparative figures for the year ended 30 June 2020, the 2020/2021 financial year represents the first year of audit for schools. Accordingly, audit procedures did not extend to the verification of opening balances or prior-year comparative information.



## **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**

The statement of receipts and payment and as disclosed in Note 6 and Note 7 to the financial statements, reflects operation expenses, and boarding and school fund expenses totalling Kshs.26,504,837. The amount includes Kshs.363,100 transferred to Kenya Secondary School Heads Association (KESSHA) a welfare organization which 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.363,100 could not be confirmed.

#### **2. Failure to Transfer Infrastructure Funds from Operations Account**

The statement of receipts and payments and as disclosed in Note 2 to the financial statements reflects Government grants for operations of Kshs.8,963,260. The amount



includes infrastructure grants of Kshs.3,946,500 but only Kshs.2,106,000 was transferred to the infrastructure accounts resulting to a balance of Kshs.1,840,500. This was contrary to Paragraph 3.0 of Ministry of Education Circular Ref No. MOE.HQS/3/13/3 dated 16 June, 2021 which states that infrastructure grant as well as maintenance and improvement funds should be transferred to infrastructure account fifteen days upon receipt of funds and that it is illegal to spend infrastructure grant from any other account and therefore all grants must be transferred whole into this account.

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

### **3. Under Funding for Infrastructure Grant**

The statement of receipts and payments and as disclosed in Note 2 to the financial statements reflects Government grants for operations of Kshs.8,963,260 which includes Kshs.3,946,500 in respect to infrastructure grants. It was noted that the Government was to contribute Kshs.5,000 per student but contributed Kshs.4,000 per students resulting to unexplained variance of Kshs.1,000 per student.

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

### **4. Irregular Transfer of Funds**

Analysis of the cash book and bank statements revealed inter account transfers amounting to Kshs.1,300,000 from operations to school fund account/boarding. This was contrary to Paragraph 2.0.1 of Ministry of Education Circular Ref No. MOE/CONF/G5 dated 26 November, 2019 which states that boarding account is for banking money paid by parents for boarding related expenses and operation account is for banking all Government subsidies except tuition, infrastructure and maintenance and improvement funds.

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

### **5. 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 addition, only one bidder responded and was awarded procurements amounting to Kshs.1,994,475 contrary to Section 106(2)(b) of the Public Procurement and Asset Disposal Act, 2015 which states the request shall be given to as many persons as necessary to ensure effective competition and shall be given to at least three persons, unless that is not possible.

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



## **6. Irregular Procurement of the Construction Dormitories**

During the year under review, it was noted that the construction of two (2) modern dormitories was awarded at a contract sum of Kshs.54,550,480 on 01 July, 2019. However, Management did not provide the procurement file with documentation on the procurement method used, the method of advertisement, minutes of the tender opening and evaluation. Further, the contract was varied by Kshs.9,431,958 or 17.3% resulting to a new contract price of Kshs.63,982,438 but there were no minutes approving the variation. This was contrary to Section 139(1)(a) of the Public Procurement and Asset Disposal Act, 2015 which states that an amendment or a variation to a contract resulting from a procurement proceeding is effective only if the variation or amendment has been approved in writing by the respective tender awarding authority within a procuring entity.

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

## **7. Late Submission of the Financial Statements**

The annual report and financial statements were submitted to the Office of the Auditor-General on 11 March, 2026 instead of the statutory deadline of 30 September, 2021. This was contrary to Section 47(1) of the Public Audit Act, 2015 which requires that financial statements be submitted to the Auditor-General within three (3) months after the end of the fiscal year to which the accounts relate.

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. Weak Controls in Maintaining Cashbooks and Bank Accounts**

Note 8 to the financial statements reflects school fund account/boarding account balance of Kshs1,087,595 which was held in two (2) different commercial bank accounts but only one cash book was maintained for both accounts. Further, Note 4 to the financial

statements reflects school fund incomes – other receipts amount of Kshs.25,000 which was banked under the school fund account/boarding instead of income generating account 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. 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.

## **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 school bus, generator, posho mill, deep freezers, desktop, printer, smart TVs, photocopiers and biological assets. However, Management did update 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.

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**

**18 May, 2026**



**MOI FORCES ACADEMY, MOMBASA**  
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**VI. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30<sup>TH</sup> JUNE 2021**

| DESCRIPTION OF VOTE HEAD                   | Note | 2020-2021     | 2019-2020     |
|--------------------------------------------|------|---------------|---------------|
|                                            |      | Kshs          | Kshs          |
| <b>RECEIPTS</b>                            |      |               |               |
| Capitation grants for tuition              | 1    | 1,370,225.00  | 1,606,751.00  |
| Capitation grants for operations           | 2    | 8,963,260.00  | 18,021,375.00 |
| School Fund Income- Parents' Contributions | 3    | 20,987,633.00 | 27,789,678.00 |
| School Fund Income- Other receipts         | 4    | 25,000.00     | 310,100.00    |
| Proceeds from borrowings                   |      | 31,346,118.00 | 47,727,904.00 |
| <b>TOTAL RECEIPTS</b>                      |      |               |               |
| <b>PAYMENTS</b>                            |      |               |               |
| Payments for Tuition                       | 5    | 1,347,688.00  | 640,314.00    |
| Payments for operations                    | 6    | 5,585,415.00  | 10,260,370.00 |
| Boarding and school fund payments          | 7    | 20,919,422.00 | 26,880,682.00 |
| <b>TOTAL PAYMENTS</b>                      |      | 27,852,525.00 | 37,781,366.00 |
| <b>SURPLUS/DEFICIT</b>                     |      | 3,493,593.00  | 9,946,538.00  |

The school financial statements were approved on \_\_\_\_\_ 2021 and signed by:

Sign .....

Name *Benj. Mutai*

Chair BOM

Date *9/04/26*

Sign *Benjamin*

Name *Benjamin Ngani*

School Principal/  
Secretary to BOM

Date *9/04/26*

Sign *Shallon*

Name *Shallon Mwangi*

Bursar/  
Finance Officer

Date *9/04/26*



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**VII. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30<sup>TH</sup> JUNE 2021**

|                                       | Note | 2020-2021            | 2019-2020             |
|---------------------------------------|------|----------------------|-----------------------|
|                                       |      | Kshs                 | Kshs                  |
| <b>FINANCIAL ASSETS</b>               |      |                      |                       |
| <b>Cash and Cash Equivalents</b>      |      |                      |                       |
| Bank Balances                         | 8    | 1,246,029.00         | 1,427,663.97          |
| Cash Balances                         | 9    | 39,800.00            | 27,541.00             |
| Short term Investment                 | 10   | 0.00                 | 0.00                  |
| <b>Total Cash and cash equivalent</b> |      | <b>1,285,829.00</b>  | <b>1,455,204.97</b>   |
| Account's receivables                 | 11   | 18,996,810.00        | 15,273,213.75         |
| <b>TOTAL FINANCIAL ASSETS</b>         |      | <b>20,282,638.00</b> | <b>16,728,418.72</b>  |
| <b>FINANCIAL LIABILITIES</b>          |      |                      |                       |
| Accounts Payables                     | 12   | (20,742,706.00)      | (20,682,079.00)       |
| <b>NET FINANCIAL ASSETS</b>           |      | <b>(460,067.00)</b>  | <b>(3,953,660.28)</b> |
| <b>REPRESENTED BY</b>                 |      |                      |                       |
| Accumulated Fund b/fwd                | 13   | (3,953,660.28)       | (13,900,197.95)       |
| Surplus/Deficit for the year          |      | 3,493,593.00         | 9,946,537.67)         |
| <b>NET FINANCIAL POSSITION</b>        |      | <b>(460,067.00)</b>  | <b>(3,953,660.28)</b> |

The School's financial statements were approved on \_\_\_\_\_ 2022 and signed by:

Name: *Brig. Mutai*  
Chairman, BoM

Sign: .....

Date: *9/10/26*

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

Sign: *Utumil*

Date: *9/10/26*

Name: *Shalaka Mwangi*  
Bursar/Finance

Sign: *for Raula*

Date: *9/10/26*





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**VIII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2021**

|                                                          |          | <b>2020-2021</b>      | <b>2019-2020</b>     |
|----------------------------------------------------------|----------|-----------------------|----------------------|
| <b>CASHFLOW FROM OPERATING ACTIVITIES</b>                |          | <b>Kshs</b>           | <b>Kshs</b>          |
| <b>Receipts for operating income</b>                     |          |                       |                      |
| Capitation grants for tuition                            | <b>1</b> | 1,370,225.00          | 1,606,751.00         |
| Capitation grants for operations                         | <b>2</b> | 5,957,260.55          | 8,250,990.00         |
| School fund income- Parents contributions/ fees          | <b>3</b> | 21,012,633            | 26,813,111.00        |
| School fund income- other receipts                       | <b>4</b> | <b>28,340,118.55</b>  | <b>36,670,852.00</b> |
| <b>Total receipts</b>                                    |          |                       |                      |
| <b>Payments</b>                                          |          |                       |                      |
| Payments for Tuition                                     |          | 1,347,688.00          | 640,314.00           |
| Payments for operations                                  |          | 5,377,022.67          | 11,517,221.33        |
| Boarding and school fund payments                        |          | 20,919,422.00         | 24,628,927.00        |
| <b>Total payments</b>                                    |          | <b>27,644,132.67</b>  | <b>36,786,462.33</b> |
| <b>Net cash flow from operating activities</b>           |          | <b>(695,985.88)</b>   | <b>(115,610.33)</b>  |
| <b>CASHFLOW FROM INVESTING ACTIVITIES</b>                |          |                       |                      |
| <b>Receipts from Investing Activities</b>                |          |                       |                      |
| Proceeds from Sale of Assets                             |          | 0.00                  | 0.00                 |
| Maintenance & Improvement                                |          | 3,006,000.00          | 10,472,000.00        |
| Proceeds from investments                                |          | 0.00                  | 0.00                 |
| <b>Total receipts</b>                                    |          | <b>3,006,000.00</b>   | <b>10,472,000.00</b> |
| <b>Payments from Investing Activities</b>                |          |                       |                      |
| Maintenance & Improvement                                |          | 3,871,362.00          | 9,511,296.00         |
| Purchase of investments                                  |          | 0.00                  | 0.00                 |
| <b>Total payment</b>                                     |          | <b>3,871,362.00</b>   | <b>9,511,296.00</b>  |
| <b>Net cash flows from Investing Activities</b>          |          | <b>(865,362.00)</b>   | <b>960,704.00</b>    |
| <b>CASHFLOW FROM BORROWING ACTIVITIES</b>                |          |                       |                      |
| <b>Receipts from Financing Activities</b>                |          | 0.00                  | 0.00                 |
| Proceeds from borrowings/ loans                          |          | 0.00                  | 0.00                 |
| <b>Payments from Financing Activities</b>                |          |                       |                      |
| Repayment of principal borrowings                        |          |                       |                      |
| <b>Net cash flow from financing activities</b>           |          |                       |                      |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>         |          | <b>(169,376.00)</b>   | <b>845,093.67</b>    |
| <b>Cash and cash equivalent at BEGINNING of the year</b> |          | <b>(1,455,205.00)</b> | <b>(610,111.300)</b> |
| <b>Cash and cash equivalent at END of the year</b>       |          | <b>1,285,829.00</b>   | <b>1,455,205.00</b>  |

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IX. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2021

| Receipt/expenses Item                     | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Budget Utilization Difference | % of Utilization |
|-------------------------------------------|-----------------|-------------|--------------|----------------------------|-------------------------------|------------------|
|                                           | a               | b           | c=a+b        | d                          | e=c-d                         | f=d/c %          |
|                                           | Kshs            | Kshs        |              |                            | Kshs                          | Kshs             |
| <b>RECEIPTS</b>                           |                 |             |              |                            |                               |                  |
|                                           |                 |             |              |                            |                               |                  |
| <b>(1) CAPITATION GRANT ON TUITION</b>    |                 |             |              |                            |                               |                  |
| Textbooks and reference materials         | 158,400.00      | 0.00        | 158,400.00   | 0.00                       | 158,400.00                    | 0%               |
| Exercise books                            | 300,000.00      | 0.00        | 300,000.00   | 0.00                       | 300,000.00                    | 0%               |
| Laboratory equipment                      | 682,210.00      | 0.00        | 682,210.00   | 0.00                       | 682,210.00                    | 0%               |
| Internal exams                            | 900,000.00      | 0.00        | 900,000.00   | 0.00                       | 900,000.00                    | 0%               |
| Teaching / learning materials             | 140,000.00      | 0.00        | 140,000.00   | 0.00                       | 140,000.00                    | 979%             |
| Chalks                                    | 17,400.00       | 0.00        | 17,400.00    | 0.00                       | 17,400.00                     | 0%               |
| Exams and assessment                      | 296,250.00      | 0.00        | 296,250.00   | 0.00                       | 296,250.00                    | 0%               |
| Teachers guides                           | 59,940.00       | 0.00        | 59,940.00    | 0.00                       | 59,940.00                     | 0%               |
|                                           |                 |             |              |                            |                               |                  |
| <b>(2) CAPITATION GRANT ON OPERATIONS</b> |                 |             |              |                            |                               |                  |
| Personnel emoluments                      | 2,827,000.00    | 0.00        | 2,827,000.00 | 6,857,260.15               | (4,030,260.15)                | 243%             |
| Repairs and maintenance                   | 3,300,000.00    | 0.00        | 3,300,000.00 | 2,106,000.00               | 1,194,000.00                  | 64%              |
| Local transport / travelling              | 392,000.00      | 0.00        | 392,000.00   | 0.00                       | 392,000.00                    | 0%               |
| Electricity and water                     | 572,000.00      | 0.00        | 572,000.00   | 0.00                       | 0.00                          | 0%               |
| Medical                                   | 1,100,000.00    | 0.00        | 1,100,000.00 | 0.00                       | 1,100,000.00                  | 0%               |
| Administration costs                      | 572,000.00      | 0.00        | 572,000.00   | 0.00                       | 572,000.00                    | 0%               |
| Activity                                  | 694,130.00      |             | 694,130.00   | 0.00                       | 694,130.00                    | 0%               |
| Gratuity                                  |                 |             |              |                            |                               |                  |
| SMASSE                                    |                 |             |              |                            |                               |                  |
| <b>(3) FEES CHARGED ON PARENTS</b>        |                 |             |              |                            |                               |                  |
| BOM Teachers salaries                     | 1,650,000.00    | 0.00        | 1,650,000.00 | 1,001,443.00               | 648,557.00                    | 38%              |



**MOI FORCES ACADEMY, MOMBASA**  
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**For six months Period ended 30<sup>th</sup> June 2021**

| Receipt/expenses Item                | Original Budget      | Adjustments | Final Budget        | Actual on Comparable Basis | Budget Utilization Difference | % of Utilization |
|--------------------------------------|----------------------|-------------|---------------------|----------------------------|-------------------------------|------------------|
|                                      | a                    | b           | c=a+b               | d                          | e=c-d                         | f=d/c %          |
|                                      | Kshs                 | Kshs        |                     |                            | Kshs                          | Kshs             |
| Personal Emoluments                  | 1,781,600.00         | 0.00        | 1,781,600.00        | 802,088.00                 | 979,512.00                    | 45%              |
| Repairs and maintenance              | 888,000.00           | 0.00        | 888,000.00          | 1,011,130.00               | (123,130.00)                  | 114%             |
| Local transport / travelling         | 0.00                 | 0.00        | 0.00                | 0.00                       | 0.00                          | 0%               |
| Electricity and water                | 1,890,600.00         | 0.00        | 1,890,000.00        | 716,449.00                 | 1,174,151.00                  | 38%              |
| Medical                              | 0.00                 | 0.00        | 0.00                | 0.00                       | 0.00                          | 0%               |
| Administration costs                 | 1,054,800.00         | 0.00        | 1,054,800.00        | 496,945.00                 | 557,855.00                    | 47%              |
| Activity                             | 239,400.00           | 0.00        | 239,400.00          | 0.00                       | 239,400.00                    | 0%               |
| SMASSE                               | 0.00                 | 0.00        | 0.00                | 0.00                       | 0.00                          | 0%               |
| Lunch Program                        | 3,250,000.00         | 0.00        | 3,250,000.00        | 3,898,805.00               | (648,805.00)                  | 120%             |
| <b>OTHER INCOME</b>                  |                      |             |                     |                            |                               |                  |
| Rent income                          | 197,000.00           | 0.00        | 197,000.00          | 25,000.00                  | 172,000.00                    | 13%              |
| Income from farming activities       | -                    | -           | -                   | -                          | -                             | -                |
| Insurance compensation               | -                    | -           | -                   | -                          | -                             | -                |
| Income from Posho mill               | -                    | -           | -                   | -                          | -                             | -                |
| Income from Bus Hire                 | -                    | -           | -                   | -                          | -                             | -                |
| Fee for hire of ground and equipment | -                    | -           | -                   | -                          | -                             | -                |
| Tender                               | -                    | -           | -                   | -                          | -                             | -                |
| Interest income                      | -                    | -           | -                   | -                          | -                             | -                |
| Income from any other investment     | -                    | -           | -                   | -                          | -                             | -                |
| <b>TOTAL INCOME</b>                  | <b>32,678,230.00</b> | <b>0.00</b> | <b>3,250,000.00</b> | <b>3,898,805.00</b>        | <b>(648,805.00)</b>           | <b>120%</b>      |
|                                      |                      |             |                     |                            |                               |                  |
|                                      |                      |             |                     |                            |                               |                  |
| <b>(1) EXPENDITURE FOR TUITION</b>   |                      |             |                     |                            |                               |                  |
| Textbooks and reference materials    | 158,400.00           | 0.00        | 158,400.00          | 86,000.00                  | 72,400.00                     | 54%              |
| Exercise books                       | 300,000.00           | 0.00        | 300,000.00          | 280,000.00                 | 20,000.00                     | 93%              |

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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             |
| Laboratory equipment                    | 682,210.00      | 0.00        | 682,210.00   | 695,930.00                 | (13,720.00)                   | 102%             |
| Internal exams                          | 900,000.00      | 0.00        | 900,000.00   | 0.00                       | 900,000.00                    | 0%               |
| Teaching / learning materials           | 140,000.00      | 0.00        | 140,000.00   | 284,908.00                 | (144,900.00)                  | 204%             |
| Chalks                                  | 17,400.00       | 0.00        | 17,400.00    | 0.00                       | 17,400.00                     | 0%               |
| Exams and assessment                    | 296,250.00      | 0.00        | 296,250.00   | 0.00                       | 296,250.00                    | 0%               |
| Teachers guides                         | 59,940.00       | 0.00        | 59,940.00    | 0.00                       | 296,250.00                    | 0%               |
| Administration costs                    |                 |             |              |                            |                               |                  |
| Bank Charges                            | 0.00            | 0.00        | 0.00         | 0.00                       | 0.00                          | 0.00             |
|                                         |                 |             |              |                            |                               |                  |
| <b>(2) EXPENDITURE FOR OPERATIONS</b>   |                 |             |              |                            |                               |                  |
| Personnel emoluments                    | 2,827,000.00    | 0.00        | 2,827,000.00 | 1,728,460.00               | 1,098,540.00                  | 61%              |
| Repairs, maintenance & improvements     | 3,300,000.00    | 0.00        | 3,300,000.00 | 542,180.00                 | 2,557,820.00                  | 16%              |
| Local transport / travelling            | 392,000.00      | 0.00        | 392,000.00   | 614,000.00                 | (222,000.00)                  | 15%              |
| Electricity, water and conservancy      | 572,000.00      | 0.00        | 572,000.00   | 686,000.00                 | (114,000.00)                  | 120%             |
| Medical/Insurance                       | 1,100,000.00    | 0.00        | 1,100,000.00 | 0.00                       | 1,100,000.00                  | 0%               |
| Administration costs                    | 572,000.00      | 0.00        | 572,000.00   | 1,567,395.00               | (995,395.00)                  | 274%             |
| Activity Expenses                       | 694,130.00      | 0.00        | 694,130.00   | 694,130.00                 | 0.00                          | 100%             |
| Gratuity                                | 0.00            | 0.00        |              |                            |                               |                  |
| SMASSE                                  | 0.00            | 0.00        |              |                            |                               |                  |
| <b>(3) EXPENDITURE FOR SCHOOL FUNDS</b> |                 |             |              |                            |                               |                  |
| BOM Teachers Salaries                   | 1,650,000.00    | 0.00        | 1,650,000.00 | 271,674.00                 | 1,378,326.00                  | 16%              |
| Repairs, maintenance and improvements   | 888,000.00      | 0.00        | 888,000.00   | 1,309,777.00               | (421,777.00)                  | 147%             |
| Local transport / travelling            | 0.00            | 0.00        | 0.00         | 503,000.00                 | (503,010.00)                  | 0%               |
| Electricity, water and conservancy      | 1,890,600.00    | 0.00        | 0.00         | 1,294,620.00               | (1,294,620.00)                | 0%               |
| Medical Expenses                        | 0.00            | 0.00        | 1,890,000.00 |                            | 1,890,000.00                  | 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             |
| Administration costs                       | 1,054,800.00         | 0.00        | 1,054,800.00         | 1,632,061.00               | (577,261.00)                  | 155%             |
| Activity                                   | 239,400.00           | 0.00        | 239,400.00           | 221,400.00                 | 18,000.00                     | 92%              |
| Gratuity                                   | 0.00                 | 0.00        | 0.00                 | 0.00                       | 0.00                          | 0%               |
| Lunch programme                            | 3,250,000.00         | 0.00        | 3,208,649.00         | 3,208,649.00               | 41,351.00                     | 99%              |
| Boarding Equipment and Stores              | 9,715,000.00         | 0.00        | 9,715,500.00         | 5,291,957.00               | 4,423,543.00                  | 54%              |
| Expenditure for Income Generating Activity | 0.00                 | 0.00        | 0.00                 | 0.00                       | 0.00                          | 0%               |
| Insurance costs                            |                      |             |                      |                            |                               |                  |
| Tender                                     |                      |             |                      |                            |                               |                  |
| Other expenses on investments              |                      |             |                      |                            |                               |                  |
| Rent Expenses                              | 197,000.00           | 0.00        | 197,000.00           | 7,000.00                   | 190,000.00                    | 4%               |
| Bank Charges                               | 0.00                 | 0.00        | 0.00                 | 15,456.00                  | (15,456.00)                   | 0%               |
| Loan Interest Repayment                    |                      |             |                      |                            |                               |                  |
| Loan Principal Repayment                   |                      |             |                      |                            |                               |                  |
| Acquisition of Assets                      |                      |             |                      |                            |                               |                  |
| <b>TOTALS</b>                              | <b>32,678,230.00</b> |             | <b>32,678,230.00</b> |                            | <b>32,678,230.00</b>          | <b>0%</b>        |

**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.



**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 30<sup>th</sup> June 2021.

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**XI. NOTES TO THE FINANCIAL STATEMENTS**

**1 CAPITATION GRANT FOR TUITION**

|                                   | 2020-2021           | 2019-2020           |
|-----------------------------------|---------------------|---------------------|
|                                   | Kshs                | Kshs                |
| Textbooks and reference materials |                     |                     |
| Exercise books                    |                     |                     |
| Laboratory equipment              |                     |                     |
| Internal exams                    | 363,285.00          |                     |
| Teaching / learning materials     | 1,006,940.00        | 1,606,751.00        |
| Chalks                            |                     |                     |
| Exams and assessment              |                     |                     |
| Teachers guides                   | -                   |                     |
| <b>Total</b>                      | <b>1,370,225.00</b> | <b>1,606,751.00</b> |

**2 CAPITATION GRANT FOR OPERATIONS**

|                              | 2020-2021           | 2019-2020            |
|------------------------------|---------------------|----------------------|
|                              | Kshs                | Kshs                 |
| Personnel emoluments         | 6,857,260.15        | 5,953,075.00         |
| Repairs and maintenance      | 2,106,000.00        | 3,947,500.00         |
| Local transport / travelling |                     |                      |
| Electricity and water        |                     |                      |
| BOM Salaries                 |                     | 600,000.00           |
| Medical                      |                     | 173,600.00           |
| Infrastructure               |                     | 7,000,000.00         |
| Activity                     |                     | 347,200.00           |
| BOM Teachers                 |                     |                      |
| <b>Total</b>                 | <b>8,963,260.15</b> | <b>18,021,375.00</b> |

**3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT**

|                                      | 2020-2021            | 2019-2020            |
|--------------------------------------|----------------------|----------------------|
|                                      | Kshs                 | Kshs                 |
| Personnel emoluments                 | 802,088.00           | 1,867,317.00         |
| Lunch programme                      | 4,839,405.00         | 19,865,692.00        |
| Repairs and maintenance              | 1,918,030.00         | 2,434,810.00         |
| Local transport / travelling         | 604,900.00           | 0.00                 |
| BOM Teachers                         | 1,001,443.00         | 1,541,343.00         |
| Fee on Boarding Equipment and Stores | 9,826,743.00         | 0.00                 |
| Administration costs                 | 498,175.00           | 1,044,345.00         |
| Electricity and water                | 1,496,849.00         | 1,036,171.00         |
| <b>Total</b>                         | <b>20,987,633.00</b> | <b>27,789,678.00</b> |



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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT**

|                                      | <b>2020-2021</b> | <b>2019-2020</b>  |
|--------------------------------------|------------------|-------------------|
|                                      | <b>Kshs</b>      | <b>Kshs</b>       |
| Rent income                          | 25,000.00        | 181,000.00        |
| Income from farming activities       | 0.00             | 0.00              |
| Insurance compensation               | 0.00             | 0.00              |
| Income from Posho mill               | 0.00             | 0.00              |
| Tender fees                          | 0.00             | 88,900.00         |
| Income from Bus Hire                 | 0.00             | 0.00              |
| Hire for hall                        | 0.00             | 0.00              |
| Fee for hire of ground and equipment | 0.00             | 0.00              |
| Income from grants and donations*    | 0.00             | 0.00              |
| Interest income                      | 0.00             | 0.00              |
| Dividends income                     | 0.00             | 0.00              |
| <b>Total</b>                         | <b>25,000.00</b> | <b>310,100.00</b> |

**5 PAYMENTS FOR TUITION**

|                                   | <b>2020-2021</b>    | <b>2019-2020</b>  |
|-----------------------------------|---------------------|-------------------|
|                                   | <b>Kshs</b>         | <b>Kshs</b>       |
| Textbooks and reference materials | 0.00                | 0.00              |
| Exercise books                    | 280,000.00          | 0.00              |
| Laboratory equipment              | 695,930.00          | 0.00              |
| Internal exams                    | 86,000.00           | 0.00              |
| Teaching / learning materials     | 284,900.00          | 640,194.00        |
| Chalks                            | 0.00                | 0.00              |
| Exams and assessment              | 0.00                | 0.00              |
| Teachers guides                   | 0.00                | 0.00              |
| Administration Costs              | 0.00                | 0.00              |
| Bank Charges                      | 858.00              | 120.00            |
| <b>Total</b>                      | <b>1,347,688.00</b> | <b>640,314.00</b> |

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**6 PAYMENTS FOR OPERATIONS**

|                                        | 2020-2021           | 2019-2020            |
|----------------------------------------|---------------------|----------------------|
|                                        | Kshs                | Kshs                 |
| Personnel emoluments                   | 1,322,590.00        | 1,946,560.00         |
| Service Gratuity                       | 0.00                | 1,154,640.00         |
| Other voteheads                        | 0.00                | 0.00                 |
| Administration Cost                    | 1,567,395.00        | 515,940.00           |
| Repairs and maintenance & improvements | 542,180.00          | 1,947,350.00         |
| Local transport / travelling           | 614,000.00          | 390,000.00           |
| Electricity and water                  | 285,700.00          | 205,000.00           |
| Medical                                | 0.00                | 0.00                 |
| Activity Expenses                      | 100,000.00          | 0.00                 |
| SMASSE                                 | 0.00                | 0.00                 |
| Insurance Cost                         | 0.00                | 0.00                 |
| Bank Charges                           | 2,188.00            | 0.00                 |
| Acquisition of Assets                  | 1,765,362.00        | 4,100,800.00         |
| Transfers                              | -                   | -                    |
| <b>TOTAL</b>                           | <b>5,585,415.00</b> | <b>10,260,370.00</b> |

**7 BOARDING AND SCHOOL FUND PAYMENTS**

|                                          | 2020-2021            | 2019-2020            |
|------------------------------------------|----------------------|----------------------|
|                                          | Kshs                 | Kshs                 |
| Personnel emoluments                     | 1,684,348.00         | 1,726,140.00         |
| Service Gratuity                         | 0.00                 | 0.00                 |
| Repairs and maintenance & Improvements   | 2,688,922.00         | 4,303,435.00         |
| Local transport / travelling             | 503,010.00           | 1,170,952.00         |
| Electricity and water                    | 1,294,620.00         | 768,981.00           |
| Medical Expenses                         | 0.00                 | 0.00                 |
| Administration costs                     | 2,782,195.00         | 1,084,949.15         |
| Lunch Programme                          | 4,133,674.00         | 15,864,919.18        |
| Tender                                   | 0.00                 | 10,000.00            |
| Bank Charges                             | 15,456.00            | 0.00                 |
| Expenses on Income Generating Activities | 0.00                 | 0.00                 |
| Fee on Boarding Equipment and Stores     | 7,317,123.00         | 0.00                 |
| BOM teachers                             | 271,674.00           | 536,246.00           |
| Rent Expenses                            | 7,000.00             | 0.00                 |
| Activity                                 | 221,400.00           | 0.00                 |
| Loan Principal repayment                 | 0.00                 | 0.00                 |
| Loan Interest repayment                  | 0.00                 | 0.00                 |
| Acquisition of Assets                    | 0.00                 | 0.00                 |
| <b>TOTAL</b>                             | <b>20,919,422.00</b> | <b>26,880,682.33</b> |



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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**8 BANK ACCOUNTS**

| Name of Bank, Account No. & currency   | Bank Account Number | 2020-2021           | 2019-2020           |
|----------------------------------------|---------------------|---------------------|---------------------|
|                                        |                     | Kshs                | Kshs                |
| Tuition Account                        |                     | 24,066.00           | 1,529.30            |
| Operations Account                     |                     | 37,932.00           | 324.40              |
| School Fund Account/Boarding           |                     | 1,087,595.00        | 463,760.27          |
| Savings Account: salary/ Gratuity a/c  |                     | 396.00              | 648.00              |
| Saving account: PTA Savings a/c        |                     | 0.00                | 0.00                |
| Savings Account: BOM savings a/c       |                     | 0.00                | 0.00                |
| Parent Association Development Account |                     | 0.00                | 0.00                |
| Income generating activities Account   |                     | 0.00                | 0.00                |
| Infrastructural Account                |                     | 96,040.00           | 961,412.00          |
| <b>Total</b>                           |                     | <b>1,246,029.00</b> | <b>1,427,663.97</b> |

**9 CASH IN HAND**

| Description         | 2020-2021        | 2019-2020        |
|---------------------|------------------|------------------|
|                     | Kshs             | Kshs             |
| Tuition Account     | 0.00             | 0.00             |
| Operation Account   | 199.0            | 199.0            |
| School Fund account | 39,601.00        | 27,342.00        |
| <b>Total</b>        | <b>39,800.00</b> | <b>27,541.00</b> |

**10 SHORT TERM INVESTMENTS**

| Description        | 2020-2021   | 2019-2020   |
|--------------------|-------------|-------------|
|                    | Kshs        | Kshs        |
| Cooperative shares | 0.00        | 0.00        |
| Treasury Bills     | 0.00        | 0.00        |
| Fixed deposit      | 0.00        | 0.00        |
| Equity stock       | 0.00        | 0.00        |
| Other investments  | 0.00        | 0.00        |
| <b>Total</b>       | <b>0.00</b> | <b>0.00</b> |

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**11 ACCOUNTS RECEIVABLE**

| Description                | 2020-2021            | 2019-2020            |
|----------------------------|----------------------|----------------------|
|                            | Kshs                 | Kshs                 |
| Fees arrears               | 18,956,810.00        | 15,247,214.00        |
| Other non-fees receivables | 40,000.00            | 26,000.00            |
| Salary advances            | 0.00                 | 0.00                 |
| Imprest                    | 0.00                 | 0.00                 |
| <b>Total</b>               | <b>18,996,810.00</b> | <b>15,273,214.00</b> |

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

| Description                                     | 2020-2021            | 2019-2020            |
|-------------------------------------------------|----------------------|----------------------|
|                                                 | Kshs                 | Kshs                 |
| Fees arrears for current year                   | 4,094,418.00         | 3,708,193.00         |
| Fees arrears for the previous year              | 3,708,193.00         | 3,303,985.00         |
| Fees arrears for prior periods (over two years) | 11,154,199.00        | 8,235,036.00         |
| <b>Total</b>                                    | <b>18,956,810.00</b> | <b>15,247,214.00</b> |

**12 ACCOUNTS PAYABLE**

| Description                                       | 2020-2021            | 2019-2020            |
|---------------------------------------------------|----------------------|----------------------|
|                                                   | Kshs                 | Kshs                 |
| Trade creditors (See ageing below and appendix 1) | 20,742,224.00        | 20,682,079.00        |
| Prepaid fees                                      | 482.00               | 0.00                 |
| Cuation money                                     | 0.00                 | 0.00                 |
| Retention monies                                  | 0.00                 | 0.00                 |
| <b>Total</b>                                      | <b>20,742,706.00</b> | <b>20,682,079.00</b> |

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

| Description                                        | 2020-2021            | 2019-2020            |
|----------------------------------------------------|----------------------|----------------------|
|                                                    | Kshs                 | Kshs                 |
| Trade creditors for current year                   | 20,629,469.00        | 20,682,079.00        |
| Trade creditors for the previous year              | 112,755.00           | 0.00                 |
| Trade creditors for prior periods (over two years) | 0.00                 | 0.00                 |
| <b>Total</b>                                       | <b>20,742,224.00</b> | <b>20,682,079.00</b> |



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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**13 FUND BALANCE BROUGHT FORWARD**

| Description            | 2020-2021             | 2019-2020              |
|------------------------|-----------------------|------------------------|
|                        | Kshs                  | Kshs                   |
| Bank balances          | 1,427,664.00          | 607,757.00             |
| Cash balances          | 27,541.00             | 1,008.00               |
| Short Term Investments | 0.00                  | 0.00                   |
| Receivables            | 15,273,214.00         | 12,565,047.00          |
| Payables               | (20,682,079.00)       | (27,074,010.00)        |
| <b>Total</b>           | <b>(3,953,660.00)</b> | <b>(13,900,198.00)</b> |

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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                  | 2020-2021   | 2019-2020   |
|------------------------------|-------------|-------------|
|                              | Kshs        | Kshs        |
| Bank loan(s)                 | 0.00        | 0.00        |
| Outstanding Leases           | 0.00        | 0.00        |
| Hire purchase                | 0.00        | 0.00        |
| Gratuity and leave provision | 0.00        | 0.00        |
| <b>Total</b>                 | <b>0.00</b> | <b>0.00</b> |

**15 Biological assets**

| Description              | Numbers | 2020-2021         | 2019-2020         |
|--------------------------|---------|-------------------|-------------------|
|                          |         | Kshs              | Kshs              |
| Cattle                   |         | 240,000.00        | 900,000.00        |
| Goats                    |         | 0.00              | 0.00              |
| Trees                    |         | 0.00              | 0.00              |
| Coffee or tea plantation |         | 0.00              | 0.00              |
| Poultry                  |         | 0.00              | 0.00              |
| <b>Total</b>             |         | <b>240,000.00</b> | <b>900,000.00</b> |

**16 Borrowings**

| Description                        | 2020-2021   | 2019-2020   |
|------------------------------------|-------------|-------------|
|                                    | KShs        | KShs        |
| <b>a) Borrowings</b>               | <b>0.00</b> | <b>0.00</b> |
| Borrowing at beginning of the year | 0.00        | 0.00        |
| Borrowings during the year         | 0.00        | 0.00        |
| Repayments of during the year      | 0.00        | 0.00        |
| <b>Balance at end of the year</b>  | <b>0.00</b> | <b>0.00</b> |



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**Other important disclosure notes**

**17 Stock/ Inventory**

| Description                                | 2020-2021   | 2019-2020   |
|--------------------------------------------|-------------|-------------|
|                                            | KShs        | KShs        |
| <b>b) Borrowings</b>                       | 0.00        | 0.00        |
| Stock/ inventory at beginning of the year  | 0.00        | 0.00        |
| Stock/ inventory purchased during the year | 0.00        | 0.00        |
| Stock/ inventory issued during the year    | 0.00        | 0.00        |
| <b>Balance at end of the year</b>          | <b>0.00</b> | <b>0.00</b> |

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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 20,742,706.00 to avoid legal action being preferred against the institution | Not resolved                      | June 2021                                                        |
| 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 20XX | Outstanding Balance 2020/21 | Comments |
|-----------------------------------------|-----------------|-----------------|---------------------|--------------------------|-----------------------------|----------|
|                                         | a               | b               | c                   | d=a-c                    |                             |          |
|                                         | Kshs            | Kshs            | Kshs                | Kshs                     | Kshs                        |          |
| <b>Construction of buildings</b>        |                 |                 |                     |                          |                             |          |
| 1. Dormitory Project- Fanstanc Agencies | 16,262,784.00   |                 |                     |                          | 16,262,784.00               |          |
| 2.                                      |                 |                 |                     |                          |                             |          |
| <b>Sub-Total</b>                        | 16,262,784.00   |                 |                     |                          | 16,262,784.00               |          |
| <b>Supply of goods</b>                  |                 |                 |                     |                          |                             |          |
| 3. Ndaba Electrical goods               | 371,960.00      |                 |                     |                          | 371,960.00                  |          |
| 4. Ndogagafo Company Limited            | 1,781,820.00    |                 |                     |                          | 1,781,820.00                |          |
| 5. Mizalendo Stores                     | 1,007,185.00    |                 |                     |                          | 1,007,185.00                |          |
| 6. Abuba Cleaners Limited               | 139,095.00      |                 |                     |                          | 139,095.00                  |          |
| 7. Danice Enterprrise                   | 104,000.00      |                 |                     |                          | 104,000.00                  |          |
| 8. Jona Pestcon                         | 2,600.00        |                 |                     |                          | 2,600.00                    |          |
| 9. Jetlikk Enterprises                  | 21,000.00       |                 |                     |                          | 21,000.00                   |          |
| 10. Kalmar Marketing Services           | 939,025.00      |                 |                     |                          | 939,025.00                  |          |
| <b>Sub-Total</b>                        | 4,366,685.00    |                 |                     |                          | 4,366,685.00                |          |
| <b>Supply of services</b>               |                 |                 |                     |                          |                             |          |
| 11.                                     |                 |                 |                     |                          |                             |          |
| 12.                                     |                 |                 |                     |                          |                             |          |
| 13.                                     |                 |                 |                     |                          |                             |          |
| <b>Sub-Total</b>                        |                 |                 |                     |                          |                             |          |
| <b>Grand Total</b>                      | 20,682,079.00   |                 |                     |                          | 20,682,079.00               |          |

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**ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER**

| Asset class                     | Date purchased | Quantity                                                                                                                                                                                                                                          | Location         | Historical Cost b/f (Kshs) 1 <sup>st</sup> July 20xx | Additions during the year (Kshs) | Disposals during the year (Kshs) | Historical Cost c/f (Kshs) 30 <sup>th</sup> June 20xx |
|---------------------------------|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------------------------------------------|----------------------------------|----------------------------------|-------------------------------------------------------|
| Land 1                          | 2001           | 10 ACRE                                                                                                                                                                                                                                           | Mtongwe (LIKONI) | SPONSOR (Kenya Navy)                                 |                                  |                                  |                                                       |
| Land 2                          |                |                                                                                                                                                                                                                                                   |                  |                                                      |                                  |                                  |                                                       |
| <b>Buildings and structures</b> |                |                                                                                                                                                                                                                                                   |                  | 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                                              |                                  |                                  | 10,000,000.00                                         |
| Dormitories (2PCS)              |                | 1. Store Building                                                                                                                                                                                                                                 |                  | Parents/CDF                                          |                                  |                                  | 60,539,952.00                                         |
| Classrooms                      | 2020           | 5 Classrooms                                                                                                                                                                                                                                      |                  | MOE                                                  |                                  |                                  | 5,000,000.00                                          |
| <b>Motor vehicles</b>           |                |                                                                                                                                                                                                                                                   |                  |                                                      |                                  |                                  |                                                       |
| SCHOOL BUS                      | 11-2-2006      | REG. NO. KAV030E<br>Capacity 51 seater                                                                                                                                                                                                            |                  | Parents/Spons or/ Kenya Navy                         |                                  |                                  | 4,090,200.00                                          |



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| Asset class                                      | Date purchased | Quantity                               | Location | Historical Cost b/f (Kshs) 1 <sup>st</sup> July 20xx | Additions during the year (Kshs) | Disposals during the year (Kshs) | Historical Cost c/f (Kshs) 30 <sup>th</sup> June 20xx |
|--------------------------------------------------|----------------|----------------------------------------|----------|------------------------------------------------------|----------------------------------|----------------------------------|-------------------------------------------------------|
| <b>Office equipment, furniture and fittings:</b> |                |                                        |          |                                                      |                                  |                                  |                                                       |
| Students Lockers-1700                            | May -20        | Metal Framework and wooden top         |          |                                                      |                                  |                                  | 5,95,000.00                                           |
| Students Chairs-1700pcs                          | May-20         | Metal Framework and wooden seat        |          | Parents and MOE(ESP)                                 |                                  |                                  | 3,825,000.00                                          |
| Laboratory Stools-190pcs                         | Aug-19         | Metal Framework and wooden top         |          |                                                      |                                  |                                  | 408,000.00                                            |
| Laboratory Tables -26pcs                         | Aug-19         | Metal Framework with wooden tops       |          |                                                      |                                  |                                  | 221,000.00                                            |
|                                                  |                | Metal framework with Synthetic         |          |                                                      |                                  |                                  |                                                       |
| Teachers Chairs-70pcs                            | Jan-2018       | Sponch covered seat                    |          |                                                      |                                  |                                  | 405,000.00                                            |
| Executive/Office Chairs                          | May-2022       |                                        |          | Parents                                              |                                  |                                  | 280,000.00                                            |
| Office Tables/Executive 7pcs                     | 2019           | Executive office chairs                |          | Parents                                              |                                  |                                  | 126,000.00                                            |
|                                                  | 2019           | Wooden tables top covered with formica |          | Parents                                              |                                  | <b>TOTAL</b>                     | <b><u>10,970,000.00</u></b>                           |
| <b>BIOLOGICAL ASSESTS</b>                        |                |                                        |          |                                                      |                                  |                                  |                                                       |
| <b>BULLS AND COWS (5)</b>                        | 26/1/2020      | Bulls for school Meat (Beef)           |          | Parents                                              |                                  | <b>TOTAL</b>                     | <b><u>220,000.00</u></b>                              |

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| Asset class                                | Date purchased | Quantity                             | Location | Historical Cost b/f (Kshs) 1 <sup>st</sup> July 20xx | Additions during the year (Kshs) | Disposals during the year (Kshs) | Historical Cost c/f (Kshs) 30 <sup>th</sup> June 20xx |
|--------------------------------------------|----------------|--------------------------------------|----------|------------------------------------------------------|----------------------------------|----------------------------------|-------------------------------------------------------|
| <b>ICT Equipment, and Other ICT Assets</b> |                |                                      |          |                                                      |                                  |                                  |                                                       |
| Computers (36)                             | 2020           | HP System units                      |          | Parents and MOE                                      |                                  |                                  | 1,620.00                                              |
| Photocopy machines (2pcs)                  | 22.01.2020     | RISO duplicator and taskalifa copier |          | Parents and MOE                                      |                                  |                                  | 360.00                                                |
|                                            |                |                                      |          |                                                      | <b>TOTAL</b>                     |                                  | <b>1,980.00</b>                                       |



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| Asset class                  | Date purchased | Quantity                                | Location      | Historical Cost b/f (Kshs) 1 <sup>st</sup> July 20xx | Additions during the year (Kshs) | Disposals during the year (Kshs) | Historical Cost c/f (Kshs) 30 <sup>th</sup> June 20xx |
|------------------------------|----------------|-----------------------------------------|---------------|------------------------------------------------------|----------------------------------|----------------------------------|-------------------------------------------------------|
| <b>Tools and apparatus</b>   |                |                                         | <b>LIKONI</b> |                                                      |                                  |                                  |                                                       |
| Posho Mill-1pc               | 17.5.2021      | Combined F40 posho mill type b1 muthoko |               | Parents                                              |                                  |                                  | 302,000.00                                            |
|                              |                | Chest freezer of 1154 model             |               | Parents                                              |                                  |                                  | 84,000.00                                             |
| Deep Freezer -1pc            | 26.01.2020     | Stainless table with steel framework    |               | Parents                                              |                                  |                                  | 90,000.00                                             |
| Stainless table(kitchen 1pc) | 30.08.2021     | Jikos of capacity 6000,150,100          |               | Parents                                              |                                  |                                  | 103,300.00                                            |
| Energy saving jikos-9pcs     | 20/06/2010     |                                         |               |                                                      |                                  |                                  |                                                       |
|                              |                | Aluminium sufurias of capacity 600,150  |               | Parents                                              |                                  |                                  | 900,000.00                                            |
| Sufurias (14)                | 2014           | Capacity of 10 Litres each              |               | Parents                                              |                                  |                                  |                                                       |
|                              |                |                                         |               | Parents                                              |                                  |                                  | 450,000.00                                            |
| Tea Urns                     | 19.1.20        |                                         |               | Parents                                              |                                  |                                  | 71,500.00                                             |
|                              | &16.01.21      | Mika MRNF 201XLB model                  |               | Parents                                              |                                  |                                  | 9,000.00                                              |
| Refrigerator                 | 10.06.22       | Jembes with wooden handles              |               | Parents                                              |                                  |                                  | 5,000.00                                              |
| Jembes                       | 16.11.21       | Metallic Watering can                   |               | Parents                                              |                                  |                                  | 105,000.00                                            |
| Watering cans                | 23.11.21       | Steel Office Cabinet                    |               | Parents                                              |                                  |                                  | 440,000.00                                            |
| Office Cabinet (2 pcs)       | 13.03.21       | Singer sewing machines                  |               | Parents                                              |                                  |                                  |                                                       |
| Sewing Machine 22 pieces     | Jan - 2006     |                                         |               | <b>TOTAL</b>                                         |                                  |                                  | <b><u>2,570,000.00</u></b>                            |

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| Asset class                                             | Date purchased | Quantity                                    | Location | Historical Cost b/f (Kshs) 1 <sup>st</sup> July 20xx | Additions during the year (Kshs) | Disposals during the year (Kshs) | Historical Cost c/f (Kshs) 30 <sup>th</sup> June 20xx |
|---------------------------------------------------------|----------------|---------------------------------------------|----------|------------------------------------------------------|----------------------------------|----------------------------------|-------------------------------------------------------|
| <b>Textbooks:</b>                                       |                |                                             |          |                                                      |                                  |                                  |                                                       |
| Textbooks 690 pages                                     | 13/5/2017      | F1-4, Chem, Maths, Kisw, CRE                | LIKONI   | MOE/Parents                                          |                                  |                                  | 383,330.00                                            |
| 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                                               |
| <b>EXERCISE BOOKS</b>                                   |                |                                             |          |                                                      | <b>TOTAL</b>                     |                                  | <b><u>1,111,330</u></b>                               |
| A4 Single line & Square line exercise books ( 2500 Pcs) | 31/5/2019      | A4 Single line & Square line Exercise Books |          | MOE/Parents                                          |                                  |                                  | 80,000.00                                             |
| A4 Single line & Square Exercise books                  | 5/12/2021      | A4 Single line & Square line Exercise books |          | MOE/Parents                                          |                                  |                                  | 280,000.00                                            |
|                                                         |                |                                             |          |                                                      | <b>TOTAL</b>                     |                                  | <b><u>360,000.00</u></b>                              |
| <b>Other Machinery and Equipment</b>                    |                |                                             |          |                                                      |                                  |                                  |                                                       |
| <b>Heritage and cultural assets</b>                     |                |                                             |          |                                                      |                                  |                                  |                                                       |
| <b>Intangible assets- soft ware</b>                     |                |                                             |          |                                                      |                                  |                                  |                                                       |
| <b>Total</b>                                            |                |                                             |          |                                                      |                                  |                                  |                                                       |



