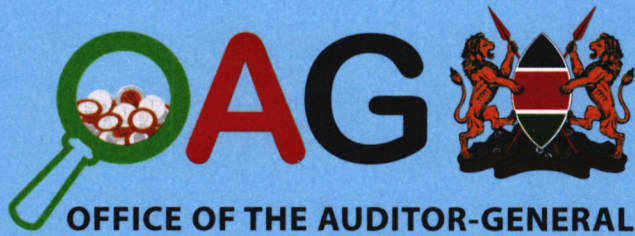


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL  
*Enhancing Accountability*

THE NATIONAL ASSEMBLY  
PAPERS LAID

**REPORT**

DATE: 07 DEC 2023

PARLIAMENT  
OF KENYA  
LIBRARY

TABLED  
BY:

OF

**THE AUDITOR-GENERAL**

THE NATIONAL ASSEMBLY  
PAPERS LAID

ON: 07 DEC 2023

TABLED  
BY:

*Handwritten:*  
Hon Owen Baya CBS, MP  
Deputy majority leader  
*[Signature]*

**MTONGWE GIRLS SECONDARY SCHOOL**

**FOR THE YEAR ENDED  
30 JUNE, 2022**

**MOMBASA COUNTY**





---

*MTONGWE GIRLS SECONDARY SCHOOL*  
**MOMBASA COUNTY**  
**LIKONI SUB COUNTY**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>th</sup> June 2022**

---

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

---

*MTONGWE GIRLS SECONDARY SCHOOL*  
**MOMBASA-LIKONI**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

---

Table of Contents	Page
I. KEY SCHOOL INFORMATION AND MANAGEMENT.....	2
II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL .....	5
III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY .....	7
IV. REPORT OF THE INDEPENDENT AUDITORS ON THE ANNUAL FINANCIAL STATEMENTS OF MTONGWE GIRLS SECONDARY SCHOOL OF THE YEAR ENDING 30 <sup>TH</sup> JUNE 2022 .....	8
V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30 <sup>TH</sup> JUNE 2022 .....	9
VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30 <sup>TH</sup> JUNE 2022 10	
VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 <sup>TH</sup> JUNE 2022 .....	25
VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30 <sup>TH</sup> JUNE 2022 .....	
11 IX. SIGNIFICANT ACCOUNTING POLICIES .....	
15	
X. NOTES TO THE FINANCIAL STATEMENTS .....	17

---

**MTONGWE GIRLS SECONDARY SCHOOL**  
**Reports and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

---

**I. 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 3/3/2010 under registration number GP/A/8064/10 and is currently categorized as a County public school established, owned or operated by the Government.

The school is a day school and had 403 number of students as at 30<sup>th</sup> June 2022. It has 2 streams and 20 teachers of which 3 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	Charles Mwanyoha Ndegwa	Chairman	1/3/2022
2	Rosemary Muthanje	Secretary - Principal	1/3/2022
3	Mwero Wa Mkalla	Member	1/3/2022
4	James Omingo	Member	1/3/2022
5	Gladys Achieng	Member	1/3/2022
6	Philip Adipo	Member	1/3/2022
7	Asha Yusuf	Member	1/3/2022
8	Omar Rais	Member – Rep CEB	1/3/2022
9	Rose Ngatia	Member Rep Teachers	1/3/2022
10	Juma Kassim, Winfred Muthina, Fr. Henry Ndune	3 Members - Sponsor	1/3/2022
11	Salim Juma Saria	Member - Community	1/3/2022
12	Athman Said Mwakunenwa	Member Special Needs	1/3/2022
	Olga Omaset	Rep Students	1/3/2022

## KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

### The function of the School Board of Management include:

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

### (c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Charles Mwanyoha Rosemary Muthanje James Omingo Mwero Wa Mkalla Gladys Achieng	Chairman Secretary Deputy Chair PA Chairman Member	2 out of 2
2	Audit Committee	James Omingo Fr. Henry Ndune Winfred Muthina Omar Rais	Chairman Member Member Member	2 out of 2
3	Finance, procurement and general purposes Committee	Charles Mwanyoha Rosemary Muthanje James Omingo Mwero Wa Mkalla Gladys Achieng	Chairman Member Member Member Member	2 out of 2
4	Academic Committee	Charles Mwanyoha Mwero Wa Mkalla Omar Rais Winfred Muthina	Member Chairman Member Member	3 out of 3
5	Development Committee	James Omingo Rosemary Muthanje	Chairman Secretary	3 out of 3

		Charles Mwanyoha Mwero Wa Mkalla Gladys Achieng	Member Member Member	
6	Discipline and welfare Committee	Omar Rais Mwero Wa Mkalla Charles Mwanyoha Winfred Muthina Salim Saria	Member Member Member Chairman Member	
7	Adhoc Committee (if any during the year)			



**(d) School operation Management**

For the financial year ended 30<sup>th</sup> June 2022 the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	Rosemary Muthanje	350762
2	Deputy Principal	Leila Abdulmajid	352897
3	School Bursar	Nasimiyu Siranjofu	13503740

7 4

---

## KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

### (e) Schools contacts

Post Office Box: 96,166-80110 Likoni  
Telephone: 0794 673 453  
E-mail: mtongwegirls@gmail.com Website:  
NIL  
Facebook: NIL  
Twitter: NIL



### (f) School Bankers

The following school operated 4 number of bank accounts in the following banks:

1. Name of Bank: KCB  
Branch: Kilindini  
Account Number: 1101534443 (TUITION ACCOUNT)
2. Name of Bank: KCB  
Branch: Kilindini  
Account Number: 1101535520 ( OPERATIONS ACCOUNT )
3. Name of Bank: KCB  
Branch: Kilindini  
Account Number: 1274913411(INFRASTRUCTURE ACCOUNT)
4. Name of Bank: KCB  
Branch: Kilindini  
Account Number: 1101535980 ( MAIN/LUNCH ACCOUNT)

MPESA Pay Bill No. 4061431 attached to KCB bank account

### (g) Independent Auditors Office of the Auditor General

Anniversary Towers, University Way  
P.O. Box 30084  
GPO 00100  
Nairobi, Kenya

5

## II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

### a) Financial performance

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

YEAR	2020	2021	2022	COMMENT
	KSHS.	KSHS.	KSHS.	
Surplus/Deficit	2,685,091.66	635,887.17	4,091,919.30	The school recorded a surplus for the 3 years.

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

YEAR	TUITION	OPERATIONS	TOTAL
	KSHS.	KSHS.	KSHS.
2020	745,934.00	4,624,175.00	5,370,109.00
2021	522,742.00	3,251,735.75	3,774,477.75
2022	1,356,301.00	6,467,290.30	7,823,591.30
<b>TOTAL</b>	<b><u>2,624,977.00</u></b>	<b><u>14,343,201.05</u></b>	<b><u>16,968,178.05</u></b>

- *Ratio of capitation grant per student over the last three years*

YEAR	NO. OF STUDENTS	TOTAL CAPITATION (KSHS)	RATIO
2020	403	5,370,109.00	1:13,325.33
2021	406	3,774,477.75	1:9,296.41
2022	403	7,823,591.30	1:19,413.38

See the graphical presentation as attachments for the following:

- *A three-year overview of growth of other income(s) earned by the school.*
- *A three-year overview of growth in expenditure of the school*
- *Movement of debtors and creditors of the school over the last three years*
- *Movement of cash and bank balances over the last three years*



or 6

b) **Teacher Student ratio:**

S/N	Narration	Summary
1.	Teacher, student ratio	1:20
2.	Number of teachers recruited and posted during the year	2
3.	Number of teachers transferred during the year	-
4.	Number of teachers employed by TSC during the year	-
5.	Number of teachers employed by BOM	-

c) **Mean score in the 2022 KCSE:**

S/N	YEAR	MEAN SCORE	NUMBER OF STUDENTS TRANSFORMED TO HIGHER LEARNING INSTITUTIONS	COMMENTS
1.	2020	2.848	13	Absenteesm of the learners and covid -19 effects.
2.	2021	2.726	7	One quality grade attained that facilitated entry to university
3.	2022	-	-	



d) **Number of Candidates in the 2022 KCSE:**

S/N	YEAR	NUMBER OF STUDENTS
1.	2020	99
2.	2021	84
3.	2022	84

e) **Capacity of the school:**

S/NO	FACILITIES IN THE SCHOOL	NUMBER	REMARKS
1.	Class rooms	10	Require renovation and painting
2.	Laboratories	2	Require renovation and painting
3.	Dining hall	1	-
4.	Toilets	14	-
5.	Library	1	Needs to be equipped
6.	Computer lab	1	Needs painting

f) **Development projects carried out by the school:**

S/NO	DEVELOPMENT PROJECT	SOURCE OF FUNDS
1.	Construction of CBC class room	-CDF funded  -Governments under MIF

Sign

School Principal



MULHANTE

4

8


### III. 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.

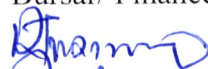
The Board of Management of *Mtongwe Girls Secondary* accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

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, 2022, and of the school's financial position as at that date.

**Name:** Charles Mwanyoha Ndegwa  
**Designation:** Chairman, School Board of Management  
**Sign:**   
**Date:** 15/7/2023

**Name:** Rosemary Muthanje  
**Designation:** School Principal & Secretary to Board of Management  
**Sign:**   
**Date:** 15/7/23



**Name:** Nasimiyu Siranjofu  
**Designation:** Bursar/ Finance Officer  
**Sign:**   
**Date:** 15/7/2023



# REPUBLIC OF KENYA

Telephone: +254-(20) 3214000  
E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



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

## **AUDIT REPORT OF THE AUDITOR-GENERAL ON MTONGWE GIRLS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 – MOMBASA COUNTY**

---

### **PREAMBLE**

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Mtongwe Girls Secondary School – Mombasa County set out on pages 10 to 25, which comprise of the statement of financial assets and financial liabilities, as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual

amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Mtongwe Girls Secondary School as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

### **Basis for Qualified Opinion**

#### **1. Unsupported Accounts Payables**

The statement of financial assets and financial liabilities and Note 12 to the financial statements for the year ended 30 June, 2022 reflects an amount of Kshs.1,978,490 on accounts payables. Included in the balance is an amount of Kshs.577,456 in respect of prepaid fees. However, the amount was not supported with a ledger indicating students names, admission numbers, class and amounts prepaid.

In the circumstances, the accuracy and completeness of the accounts payables of Kshs.577,456 could not be confirmed.

#### **2. Unsupported Cash and Cash Equivalents**

The statement of financial assets and financial liabilities and Notes 8 and 9 to the financial statements reflects bank and cash balances of Kshs.2,696,848 and Kshs. 98,602 respectively, as at 30 June, 2022. However, board of survey reports were not provided for audit. In addition, the School Fund Account bank balance certificate reflected a balance of Kshs.230,673. However, the respective cash book indicated a balance of Kshs.170,970, resulting to an unreconciled variance of Kshs.59,703.

In the circumstances, the accuracy and completeness of cash and cash equivalents of Kshs.2,795,450 could not be confirmed.

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

## **Key Audit Matters**

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

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Inadequate Management of Inventory**

The school had books and stationery, food stuff and repairable furniture stores. However, inventory management records such as receipts vouchers (S13), receipts counter issue vouchers (S11) and stores ledger cards (S9) were not maintained. This was contrary to Regulation 166(4) of the Public Procurement and Asset Disposal Regulations, 2020.

Further, no evidence was provided for audit to indicate that stock taking exercise was conducted at the end of the financial and no inventory disclosure was made in the annual report and financial statements as required by the financial reporting template for public secondary schools.

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

#### **2. Lack of School Improvement Plan**

The School did not have School Improvement Plan as required by Operation Manual for Utilization of Learner Capitation Grant and Other School Funds, June, 2020 issued by the Ministry of Education.

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

#### **3. Unexplained Variances in Student Enrollment Data**

Examination of documents provided for audit revealed discrepancies between the data in the National Education Management Information System (NEMIS) and the School's records on student's enrolment as detailed below;

<b>Month</b>	<b>Amount Received (Kshs.)</b>	<b>No. of Students in NEMIS</b>	<b>No. of students in School Register</b>	<b>Variance</b>
January, 2022 - Operation	1,296,070	401	353	52
January, 2022 - Tuition	132,825	401	353	52
October, 2021 - Operation	1,393,050	380	453	(83)
October, 2021 - Tuition	274,400	380	453	(83)

The School may have been over funded in the January, 2022 disbursements and underfunded in the October, 2021 disbursements. Further, the School had students who were not registered in NEMIS due to lack of birth certificates and some students who had left/ transferred to or from other schools were not removed from or added to NEMIS system on time. This is contrary to the Ministry of Education Circular Ref. MOE.HQs/3/10/18/(46) of 7 February, 2022 and Circular Ref. MOE.HQS/3/13/3 of 16 June, 2021 which issued guidelines on implementation of Free Day Secondary Education (FDSE) and requires that all learners be registered in NEMIS by the Principals to ensure their records are accurate.

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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### Basis for Conclusion

#### 1. Lack of Risk Management Framework

During the year under review, the School operated without a risk management policy framework. In addition, the audit and risk committee of the Board of Management did not undertake the process of risk identification, risk assessment and evaluation of likelihood of risk occurrence and its impact on entities' operation.

Failure to effectively manage risks negatively impacts the attainment of the entity's strategic, operational, reporting and compliance objectives.

## **2. Lack of Fixed Assets Register**

The annual report and financial statements provided for audit did not include summary of fixed assets register contrary to the requirement of financial reporting framework for public secondary schools. In addition, Management did not maintain a fixed assets register contrary to Regulation 136(1) of the Public Finance Management (National Government) Regulations, 2015.

Further, the School land measured approximately 2.4 hectares. However, Management did not have ownership documents for the land.

In the circumstances, it was not possible to confirm proper custody, care, control and use of the School's assets.

## **3. Under Supply of Text Books**

The Ministry of Education supplied four hundred and ninety-six (496) less textbooks under five different titles in comparison to the number of students. Management explained this was as a result of the Ministry allocating the books using the NEMIS information which was not updated with the correct student's status.

Further, inspection of the School's book store revealed that there was no system to track the books received and issued, which made it difficult to authenticate the current status of the stock as at the time of audit in June, 2023. This was contrary to Regulation 140 of the Public Finance Management (National Government) Regulations, 2015 requiring an Accounting Officer to be responsible for the proper custody, care and use of government inventories under their control.

In the circumstances, effectiveness of the internal control system for books receipts, issuance, custody, care, and use of the Schools' assets could not be confirmed.

## **4. Unsafe Learning Environment**

Physical inspection and review of documents revealed that there were incomplete building structures with no surrounding barriers and open garbage pits positioned less than ten (10) meters from the classrooms.

In the circumstances, the School Management exposed learners, teaching and non-teaching staff to a dangerous and hazardous environment.

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 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 overall governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or to cease operations.

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

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

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

## **Auditor-General's Responsibilities for the Audit**

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in

an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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


As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

13 October, 2023

V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30<sup>TH</sup> JUNE 2022

DESCRIPTION OF VOTE HEAD	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>RECEIPTS</b>			
Capitation grants for tuition	1	2,293,301.00	523,126.00
Capitation grants for operations	2	9,431,954.00	7,157,015.00
School Fund Income- Parents' Contributions	3	7,407,179.00	3,011,819.00
School Fund Income- Other receipts	4	4,419,465.00	3,246,615.00
<b>TOTAL RECEIPTS</b>		<b><u>23,551,899.00</u></b>	<b><u>13,938,575.00</u></b>
<b>PAYMENTS</b>			
Payments for Tuition	5	2,291,251.00	730,811.00
Payments for operations	6	10,453,725.00	9,088,946.00
Boarding and school fund payments	7	11,554,458.00	6,393,258.00
<b>TOTAL PAYMENTS</b>		<b>24,299,434.00</b>	<b>16,213,015.00</b>
<b>SURPLUS/DEFICIT</b>		<b>( 747,535.00)</b>	<b>(2,274,440.00)</b>

The school financial statements were approved on 4/11/ 2022 and signed by:

Sign: 

Name: Charles  
Mwanyoha

Chair BOM

Date 15/7/2023

Sign 

Name :Rosemary  
Muthanje

School Principal/  
Secretary to BOM

Date 15/7/2023



Sign 

Name: Nasimiyu  
Siranjofu

Bursar/  
Finance Officer

Date 

**VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT  
30<sup>TH</sup> JUNE 2022**

	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	8	2,696,848.00	3,786,557.00
Cash Balances	9	98,602.00	67,194.00
Short term Investment	10	-	-
<b>Total Cash and cash equivalent</b>		<b>2,795,450.00</b>	<b>3,853,751.00</b>
Account's receivables	11	3,288,918.00	2,541,812.00
<b>TOTAL FINANCIAL ASSETS</b>		<b>6,084,368.00</b>	<b>6,395,563.00</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payables	12	(1,978,490.00)	(1,542,150.00)
<b>NET FINANCIAL ASSETS</b>		<b>4,105,878.00</b>	<b>4,853,413.00</b>
<b>REPRESENTED BY</b>			
Accumulated Fund b/fwd	13	4,853,413.00	7,127,853.00
Surplus/Deficit for the year		(747,535.00)	(2,274,440.00)
<b>NET FINANCIAL POSSITION</b>		<b>4,105,878.00</b>	<b>4,853,413.00</b>

The School's financial statements were approved on 04/11/2022 and signed by:

**Name:** Charles Mwanyoha  
Chairman, BoM

**Sign:** 

**Date:** 15/7/2023

**Name:** Rosemary Muthanje  
Principal/Secretary Bom

**Sign:** 

**Date:** 15/7/2023



**Name:** Nasimiyu  
Siranjofu

Bursar/Finance

**Sign:** 

**Date:** 15/7/2023

VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2022

		2021-2022	2020-2021
		Kshs	Kshs
<b>Receipts for operating income</b>			
Capitation grants for tuition	1	2,293,301.00	523,126.00
Capitation grants for operations	2	9,431,954.00	7,157,015.00
School fund income- Parents contributions/ fees	3	7,407,179.00	3,011,819.00
School fund income- other receipts	4	4,419,465.00	3,246,615.00
<b>Total receipts</b>		<b>23,551,899.00</b>	<b>13,938,575.00</b>
<b>Payments</b>			
Payments for Tuition		2,291,251.00	730,811.00
Payments for operations		10,453,725.00	9,088,946.00
Boarding and school fund payments		11,554,458.00	6,393,258.00
<b>Total payments</b>		<b>24,299,434.00</b>	<b>16,213,015.00</b>
<b>Net cash flow from operating activities</b>		<b>(747,535.00)</b>	<b>(2,274,440.00)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
		-	-
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>			
		-	-
<b>Net cash flow from financing activities</b>			
		-	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(747,535.00)</b>	<b>(2,274,440.00)</b>
Cash and cash equivalent at BEGINNING of the year		3,853,751.00	2,390,885.00
Cash and cash equivalent at END of the year		2,795,450.00	3,853,751.00



12

**MTONGWE GIRLS SECONDARY SCHOOL**  
**PUBLIC SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

---

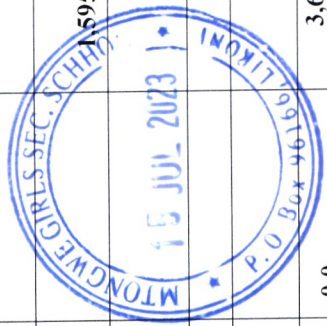


**MTONGWE GIRLS SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL  
Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2022**

<b>TOTALS</b>	15,878,940.00	0.0	15,878,940.00	10,988,481.10	4,936,964.90	69.2%
---------------	---------------	-----	---------------	---------------	--------------	-------

**STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a Kshs	b Kshs	c=a+b	d	e=c-d Kshs	f=d/c % Kshs
<b>RECEIPTS</b>						
<b>(1) CAPITATION GRANT ON TUITION</b>	1,595,440.00		1,595,440.00	1,356,301.00	239,139.00	85.01%
Textbooks and reference materials: Tuition	RETAINED					
<b>(2) CAPITATION GRANT ON OPERATIONS</b>						
<b>Other voteheads:</b>	3,619,200.00	0.0	3,619,000.00	3,848,011.70	(229,011.70)	106.3%
Repairs and maintenance	1,925,000.00	0.0	1,925,000.00	2,539,004.00	(614,004.00)	131.9%
Medical & insurance	770,000.00	0.0	770,000.00	84,000.00	686,000.00	10.9%
Activity	577,500.00	0.0	577,500.00	0.0	0.0	0.0



15



## VIII. SIGNIFICANT ACCOUNTING POLICIES

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

### IX. 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* authorized 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* authorized 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.

---

**5. Accounts Receivable**

For the purposes of these financial statements, imprests and advances to 21 authorized 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 2022

## X. NOTES TO THE FINANCIAL STATEMENTS

### 1 CAPITATION GRANT FOR TUITION

	2021-2022	2020-2021
	Kshs	Kshs
Tuition	1,356,301.00	523,126.00
From Operations Account	929,000.00	-
From Main Account	8,000.00	-
<b>Total</b>	<b>2,293,301.00</b>	<b>523,126.00</b>

### 2.CAPITATION GRANT FOR OPERATIONS

	2021-2022	2020-2021
	Kshs	Kshs
Repairs and maintenance	2,284,502.00	1,571,000.00
Savings Account:Infrastructure Account	2,774,067.00	
Other Votehesds	3,530,733.00	2,535,677.00
NHIF-Education Afya	84,000.00	-
Bom Teacher' salaries	-	180,000.00
MOE/FSF Programme	-	575,029.00
TIG	-	2,000,000.00
Inter Account Transfers:Tuition Account	-	58,600.00
Inter Account Transfers:Main Account	480,000.00	67,409.00
NSSF	195,722.00	134,824.00
NHIF	72,300.00	71,588.00
PAE/KRA	1,831.00	3,844.00
ABOGE	8,800.00	9,400.00
<b>Total</b>	<b>9,431,954.00</b>	<b>7,157,015.00</b>

### 3.PARENTS CONTRIBUTION/FEES – SCHOOL FUND ACCOUNT

	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments		
Lunch programme	5,105,817.00	2,600,695.00
BOM teachers salaries	2,301,362.00	411,124.00
<b>Total</b>	<b>7,407,179.00</b>	<b>3,011,819.00</b>

28 19

#### 4.OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2021-2022	2020-2021
	Kshs	Kshs
Caution money	500.00	13,000
Uniform account	203,610.00	46,850.00
Tender account	52,000.00	29,000.00
CDF Project:Dining Hall Furniture	200,000.00	-
Inter A ccount Transfers:From Operations Account	145,000.00	295,070.00
Knec Registration	19,900.00	-
Salary Advance Recovery	9,000.00	-
NSSF	65,448.00	72,738.00
NHIF	37,000.00	25,450.00
KRA/PAYE	21,994.00	20,825.00
Arrears	1,108,566.00	408,173.00
Bursary funds	1,976,191.00	1,787,700.00
Prepaid fees	577,456.00	510,089.00
Refunds	500.00	8,000.00
Knec registration	-	5,900.00
Academic trip	-	20,000.00
Text books	-	3,100.00
<b>Total</b>	<b>4,419,465.00</b>	<b>3,246,615.00</b>



#### 5.PAYMENTS FOR TUITION

	2021-2022	2020-2021
	Kshs	Kshs
Tuition	2,283,211.00	670,729.00
Bank Charges	8,040.00	1,482.00
Transfer to Operations Account	-	58,600.00
<b>Total</b>	<b>2,291,251.00</b>	<b>730,811.00</b>

23 20

## 6. PAYMENTS FOR OPERATIONS

	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	1,731,033.00	1,441,325.00
Savings Account:Infrastructure Account	2,539,000.00	2,991,000.00
Administration Cost	839,999.00	726,385.00
Repairs and maintenance & improvements	2,870,965.00	47,840.00
Local transport / travelling	82,119.00	415,341.00
Electricity and water	28,016.00	471,440.00
MOE/ADB	-	1,848,948.00
MOE/FSF	575,507.00	521,304.00
Inter Account Transfers/Main Account	163,000.00	301,070.00
Inter Account Transfers:Tuition Account	929,000.00	-
Kra penalty	-	10,061.00
BOM Salaries	-	90,000.00
Activity Expenses	260,950.00	-
Bank Charges	4,432.00	5,352.00
TIG	151,052.00	-
NSSF	195,722.00	134,824.00
NHIF	72,300.00	71,588.00
ABOGE	8,800.00	9,400.00
PAYE/KRA	1,831.00	3,488.00
<b>TOTAL</b>	<b>10,453,725.00</b>	<b>9,088,946.00</b>



## 7. BOARDING AND SCHOOL FUND PAYMENTS

	2021-2022	2020-2021
	Kshs	Kshs
Bom teachers salaries	847,680.00	446,800.00
Caution money	1,200.00	2,000.00
Uniform account	35,070.00	30,100.00
Tender account	26,000.00	73,650.00
Lunch Programme	5,398,921.00	2,675,085.00
Bank Charges	6,850.00	8,548.00
CDF Project:Dining Hall furniture	200,000.00	-
Students Ids	-	9,750.00
Academic trip	-	20,000.00
Knec subscriptions	-	95,000.00
Inter Account Transfers/Tuition Account	52,300.00	28,850.00
Inter Account Transfers:Operations Account	1,585,890.00	520,510.00
Knec Registration	24,000.00	-
NSSF	65,448.00	72,738.00
NHIF	37,000.00	25,450.00
KRA/PAYE	21,994.00	20,825.00
Bursary funds	1,976,191.00	1,787,700.00
Prepaid fees	1,274,664.00	6,700.00
Refunds	1,250.00	8,000.00
Creditors		561,553.00
<b>TOTAL</b>	<b>11,554,458.00</b>	<b>6,393,258.00</b>



25 22

## 8. BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2021-2022	2020-2021
		Kshs	Kshs
Tuition Account:	1101534443	3,486.00	1,436.00
Operations Account:	1101535520	17,789.00	746,432.00
School Fund Account/Boarding	1101523980	170,970.00	47,815.00
Infrastructural Account	1274913411	2,504,603.00	2,990,874.00
<b>Total</b>		<b>2,696,848.00</b>	<b>3,786,557.00</b>

## 9 CASH IN HAND

Description	2021-2022	2020-2021
	Kshs	Kshs
School Fund account	98,602.00	67,194.00
<b>Total</b>	<b>98,602.00</b>	<b>67,194.00</b>

## 11. ACCOUNTS RECEIVABLE

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees arrears	3,288,918.00	2,541,812.00
<b>Total</b>	<b>3,288,918.00</b>	<b>2,541,812.20</b>

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

20 23



Description	2021-2022	2020-2021
	Kshs	Kshs
Fees arrears for current year	2,272,218.00	1,156,222.00
Fees arrears for the previous year	621,508.00	573,851.00
Fees arrears for prior periods (over two years)	395,192.00	811,,739.00
<b>Total</b>	<b>3,288,918.00</b>	<b>2,541,812.00</b>



## 12.ACCOUNTS PAYABLE

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	1,401,033.50	1,414,650.00
Prepaid fees	577,456.00	127,500.00
<b>Total</b>	<b>1,978,489.50</b>	<b>1,542,150.00</b>

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade creditors for current year	1,239,593.5	1,078,413.00
Trade creditors for the previous year	-	165,020.00
Trade creditors for prior periods (over two years)	161,440.00	171,217.00
<b>Total</b>	<b>1,401,033.50</b>	<b>1,414,650.00</b>

27 2x

### 13.FUND BALANCE BROUGHT FORWARD

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank balances	2,696,848.00	3,786,557.00
Cash balances	98,602.00	67,194.00
Receivables	5,133,539.00	2,541,812.00
Payables	(1,978,490.00)	(1,542,150.00)
<b>Total</b>	<b>5,950,499.00</b>	<b>4,853,413.00</b>



28

25

ANNEX 1 – ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2022	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Construction of buildings</b>						
1. None	0	0	0	0	0	
2. None	0	0	0	0	0	
3. None	0	0	0	0	0	
<b>Sub-Total</b>						
<b>Supply of goods</b>						
4. Maheb Books & Stationers	0			0	392,764.00	
5. Kalmar Marketing Services	0			0	146,451.00	
6. Arona Hope Vision Investment ltd	0			0	104,050.00	
7. Mayfair Rnterprises ltd	0			0	146,003.50	
8. Sky Point Technology	0			0	117,500.00	
9. Nkombo Agencies	83,580.00	23/7/2019	43,580.00	40,000.00	40,000.00	
10. Mnagoni Trading Co.ltd	0			0	49,880.00	
11. Margid Enterprises	0			0	275,025.00	
12. BookFlyer Precise Publishers	121,440.00	29/4/2019	0	121,440.00	121,440.00	
<b>Sub-Total</b>					<b>1,393,113.50</b>	
<b>Supply of services</b>						
13. Virgin Clean					7,920.00	
<b>Grand Total</b>					<b>1,401,033.50</b>	



29 26