

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 26 FEB 2025

DAY:
Wed

REPORT

TABLED
BY:

Hon. Samuel
Chepkunga, MP

CLERK-AT
THE-TABLE:

Mr. Mudo

PARLIAMENT
OF KENYA
LIBRARY

OF

THE AUDITOR-GENERAL

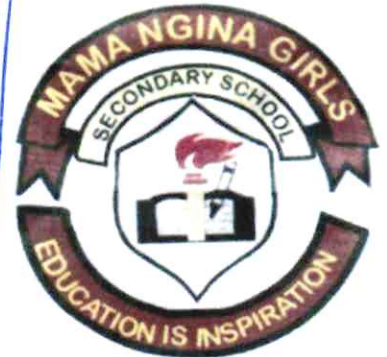
ON

MAMA NGINA GIRLS SECONDARY SCHOOL

**FOR THE SIX (6) MONTHS' PERIOD ENDED
30 JUNE, 2021**

MOMBASA COUNTY

Revised 30th June 2021



**MAMA NGINA GIRLS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th June 2021**

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

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I. ACRONYMS AND GLOSSARY OF TERMS

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
MOE	Ministry Of Education

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, Mvita Sub-County.

The school was registered in 1988 under registration number PU/S/3/631/13 and is currently categorized as a National Public School established, owned or operated by the Government.

The school is a day/boarding school and had 894 number of students as at 30th June 2021. It has 2 four streams and 2 five streams and 42 teachers of which 0 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	Professor Hamadi Boga	Chairman	8/6/2019
2	Faris Mohamed	Member	8/6/2019
3	Eric Mwanyumba	Member	8/6/2019
4	Jacob Mutua	Member	8/6/2019
5	Husna Mbarak	Member	8/6/2019
6	Caroline Kola	Member	8/6/2019
7	Abdikheir Bashey	Member	8/6/2019
8	Margaret Mwathi	Member	8/6/2019
9	George Sunguh	Member – Rep CEB	8/6/2019
10	Duke Moseti	Member Rep Teachers	8/6/2019
11	Rukia Harith	3 Members - Sponsor	8/6/2019
12	Khalid O. Shariff	“ “	8/6/2019
13	Hamisa M. Zaja	MemberSpecial Needs	8/6/2019
14	Daisy Achieng	Rep Students	8/6/2019
15	Mwanahamisi Omar	Secretary - Principal	8/6/2019
16	Joseph Cheki	P.A T Co-opted member	8/6/2019
17	Sohal Singh	Co-opted member	8/6/2019

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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		Designation	Number of meetings attended during the year
	Audit Committee	1 .Mwanahamisi Omar 2. Rukiya H. Swaleh 3. Khalid O. Shariff 4. Dr. Shem Patta	Principal BOM Chairlady BOM Member - BOM Member	6 out of 6 6 out of 6 4 out of 6 6 out of 6
1		1. Dr Rukiya Harith 2. Dr. Faiz Shee 3. Mr. Khalid Shariff 4. Mdm Husna Mbarak 5. Mdm Loise Kimani 6. Mdm Mwanaharusi 7. Mrs. Omar Mwanahamisi	BOM Chair BOM Member " " " " " " " " " " " " principal	2 out of 3 3 out of 3 0 out of 3 2 out of 3 0 out of 3 2 out of 3 2 out of 3 3 out of 3
2	Finance, procurement and general purposes Committee	1. Qs Eric Mwanyumba 2. Mr. Khalid Shariff 3. Dr. Patta Shem 4. Mr. Kakai Cornelius 5. Dr. Rukiya Harith 6. Mrs. Omar Mwanahamisi 7. Mdm Loise Kimani	BOM Chair BOM Member " " " " " " " " " "	2 out of 3 3 out of 3 0 out of 3 2 out of 3 0 out of 3 out of 3 2 out of 3

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3	Academic standards, quality and environment Committee	<ol style="list-style-type: none"> 1. Mdm Saadu Rashid 2. Dr.Faiz Shee 3. Dr. Sophie Uyoga 4. Mdm Sophia Dzombo 5. Dr. Rukiya Harith 6. Mr. Kakai Cornelius 7. Mdm Loise Kimani 8. Mrs. Omar Mwanahamisi 	<p>Chair</p> <p>Member</p> <p>“</p> <p>“</p> <p>“</p> <p>“</p> <p>”</p> <p>Principal/Secretary</p>	<p>4 out of 4</p> <p>4 out of 4</p> <p>2 out of 4</p> <p>3 out of 4</p> <p>4 out of 4</p> <p>4 out of 4</p> <p>3 out of 4</p>
4	Discipline and welfare Committee	<ol style="list-style-type: none"> 1. Dr. Sophie Uyoga 2. Mr. Onesums Mulwa 3. Mdm Rosebella Ambune 4. Mdm Fatima Saad 5. Mdm Hamisa Zaja 6. Mdm Loise Kimani 7. Mr. Hamadi Hemed K. 	<p>Chair</p> <p>Member</p> <p>“</p> <p>“</p> <p>“</p> <p>“</p>	<p>4 out of 4</p> <p>4 out of 4</p> <p>2 out of 4</p> <p>3 out of 4</p> <p>4 out of 4</p> <p>4 out of 4</p> <p>3 out of 4</p>

(d) School Operation Management

For the financial year ended 30th June 2021 the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	Mwanahamisi Omar	350221
2	Deputy Principal	Loice kimani	334156
3	School Bursar	Basil Barasa Haduba	-

**MAMA NGINA GIRLS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021
KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)**

(e) Schools contacts

Post Office Box: 81074-80100
Telephone: 0721743742
E-mail: mamanginagirls.highschool@gmail.com
Website: www.mamanginagirls.sc.ke
Facebook:
Twitter:

(f) School Bankers

The school operated 9 number of bank accounts in the following banks:

1. Name of Bank: Kenya Commercial Bank
Branch: Mvita Branch-Mombasa
Account Number: 1264854285 – Boarding

MPESA Pay Bill No. 522123
Account 67610K- attached to KCB -account Number 1264854285
2. Name of Bank: Kenya Commercial Bank
Branch: Mvita Branch- Mombasa
Account Number: 1261263170 - Tuition
3. Name of Bank: Kenya Commercial Bank
Branch: Mvita Branch- Mombasa
Account Number: 1261262220 – Operation
4. Name of Bank: Kenya Commercial Bank
Branch: Mvita Branch- Mombasa
Account Number: 1261263499 – BOM Savings
5. Name of Bank: Kenya Commercial Bank
Branch: Mvita Branch- Mombasa
Account Number: 1261262042 – Service Gratuity Savings
6. Name of Bank: Equity Bank
Branch: Digo Road Branch- Mombasa
Account Number: 046293773687 - Boarding
7. Name of Bank: National Bank Of Kenya
Branch: Nkrumah Branch- Mombasa
Account Number: 1021007512800 – Boarding

School Bankers [countined]

8. Name of Bank: Kenya Commercial Bank
Branch: Treasury Square
Account Number: 08020464581- NG-CDF

9. Name of Bank: Kenya commercial Bank
Branch: Mvita
Account Number: 1170742394 -Infrastructure

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[g] Independent Auditors

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

MAMA NGINA GIRLS SECONDARY SCHOOL**PUBLIC SECONDARY SCHOOL****ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH 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	(184,310.00)	538,246.00	(913,826.00)
2	OPERATION	(36,842,007.00)	(44,343.00)	4,616,093.00
3	MAIN	(1,320,918.00)	6,931,244.00	391,274.00

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

S/N	ACCOUNT	2021	2020	2019
1	TUITION	1,085,461.00	1,456,781.00	2,575,426.00
2	OPERATION	7,228,581.00	61,213,394.00	12,178,332.00

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

S/N	ACCOUNT	2021	2020	2019
1	TUITION	1:2992	1:2098	1:3195
2	OPERATION	1:13968	1:14628	1:15110

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

S/N	ACCOUNT	2021	2020	2019
1	MAIN	18,455,048.00	30,302,488.00	49,821,838.00

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

S/N	ACCOUNT	2021	2020	2019
1	TUITION	1,269,770.00	918,535.00	3,489,153.00
2	OPERATION	44,070,589.00	9,376,793.00	7,562,240.00
3	MAIN	19,775,966.00	23,371,244.00	49,430,563.00

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

S/N	PARTICULARS	2021	2020	2019
1	DEBTORS	8,716,598.00	5,352,868.00	5,007,169.00
2	CREDITORS	18,704,378.00	4,510,386.00	1,969,099.00

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

S/N	PARTICULARS	2021	2020	2019
1	CASH ON HAND	29,575.00	2,568.00	3,543.20
2	CASH ON BANK	26,697,880.00	13,937,743.00	83,027,328.00

b) **Teacher Student ratio:**

Teachers student ratio	1:20
1. Number of teachers recruited/posted to the school within the year	
2. Number of teachers transferred within the year	
3. Number of teachers retired during the year	
4. Number of teachers recruited/posted to the school within the year	
5. Number of teachers employed by TSC	42
6. Number of teachers employed by BOM	Nil
7. Subject allocation: (i) Maths	5 teachers
(ii) English	3 teachers
(iii) Kiswahili	5 teachers
(iv) Chemistry	5 teachers
(v) Biology	5 teachers
(vi) Physics	4 teachers
(vii) Business studies	2 teachers
(viii) Agriculture	1 teacher
(ix) Geography	5 teachers
(x) History and government	2 teachers
(xi) CRE	1 teacher
(xii) IRE	1 teacher
(xiii) Home science	1 teacher
(xiv) Computer	1 teacher
(xv) French	1 teacher

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(xvi) Arabic	0
<u>Shortage</u>	
1. Physics/Maths	
2. Arabic	
3. Computer	

c) Mean score in the 2020 KCSE:

S/N	DESCRIPTION	2020	2019	2018
1.	Performance of the school	C+	C+	C+
2.	School mean score	7.42	7.12	6.5
3.	Number of students transited to higher learning	114	122	90

d) Number of candidates in the 2020 KCSE:

S/N	DESCRIPTION	2020	2019	2018
1.	KCSE candidates	177	199	185

e) Capacity of the school

S/N	DESCRIPTION	2021
1.	Number of students	894
2.	Dormitories	9
3.	Dining hall	1
4.	Laboratories :- ICT lab	1
	Home science lab	1
	Physics lab	1
	Chemistry/biology lab	2
5.	Toilets	63
6.	Kitchen	1

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PUBLIC SECONDARY SCHOOL

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f) Development projects carried out by the school:

Relocation of Mama Ngina Girls Secondary School to Shimo la Tewa.

	PROJECTS	SOURCE OF FUNDS	DATE CONTRACTED	DATE EXPECTED TO BE COMPLETED	PROJECT TOTAL COST KSH	AMOUNT PAID TODATE KSH	COMMENT
1	TUITION BLOCK	MOE	07/10/2019	MAY 2022	172,221,401.00	132,191,658.00	WORK IN PROGRESS
2	STAFF HOUSE-PRINCIPAL	MOE	07/05/2021	SEPT 2021	3,853,728.00	3,184,700.00	WORK IN PROGRESS

Sign



School Principal

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

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2021, and of the school's financial position as at that date.

Name: Eric Mwanjumba

Designation: Chairman, School Board of Management

Sign: Eric Mwanjumba

Date: 30-8-2021

Name: Mrs Dina

Designation: School Principal & Secretary to Board of Management

Sign: Mrs Dina

Date: 30/8/21

Name: Basil Barasa

Designation: Bursar/ Finance Officer

Sign: Basil Barasa

Date: 30-8-2021

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON MAMA NGINA GIRLS SECONDARY SCHOOL FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021 – 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 Mama Ngina Girls Secondary School – Mombasa County set out on pages 1 to 20, which comprise of the statement of

financial assets and financial liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and the statement of budgeted versus actual amounts for the period 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 Mama Ngina Girls Secondary School – Mombasa County 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 the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Review of the statement of receipts and payments revealed amounts at variance with the balances reflected in the statement of cash flows as analysed below;

Account Description	Statement of Receipts and Payments Amount (Kshs.)	Statement of Cash Flows Amount (Kshs.)	Variance (Kshs.)
Capitation Grants for Operations	7,228,581	7,014,394	214,187
School Fund Income-Parents Contribution	983,171	15,530,687	14,547,516
School Fund Income-Other Receipts	17,471,877	0	17,471,877
Payments for Operations	44,070,589	6,077,535	37,993,053
Boarding and School Fund Payments	19,775,966	20,577,024	801,057
Receipts from Investing Activities - Maintenance and Improvement Funds	0	11,622,154	11,622,154
Proceeds from Sale of Assets	0	40,541,225	40,541,225

The variances were not explained or reconciled.

Further, the statement of financial assets and financial liabilities reflects bank balances for the years ended 30 June, 2021 and 30 June, 2020 of Kshs.26,697,880 and Kshs.13,937,743 respectively. However, casting of the corresponding Note 8 to the financial statements reflects total balances of Kshs.26,699,878 and Kshs.13,973,138 resulting to variances of Kshs.1,998 and Kshs.35,395 which were not reconciled.

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

2. Non-Disclosure of Investment and Investment Returns

The statement of financial assets and financial liabilities reflects short term investment of Kshs.Nil. However, review of bank statements for the year under audit revealed that the School Management authorized a total of Kshs.73,000,000 to be invested in fixed deposit account and on call deposits as analyzed below;

Date Invested	Amount (Kshs.)
09.10.2020	15,000,000
14.12.2020	30,000,000
14.12.2020	16,000,000
05.08.2020	12,000,000
Total	73,000,000

Further, it was noted that although Management indicated that total amounts of Kshs.1,880,944 as at 30 December, 2020 and Kshs.421,255 as at 30 June, 2021 was realized and disclosed, there was no investment schedule showing how many times the investment was made, when the investment matured and how much interest was earned. In addition, the total interest earned amounting to Kshs.2,302,199 was not disclosed in the financial statements and the respective investment was not approved by the Principal Secretary of the Parent Ministry. Further, there was no proof of negotiations carried out between the Bank and the School for a possible higher rate of interest or evidence of search for a higher interest rate from other banks in the market.

In the circumstances, the School was exposed to loss of funds and the financial statements may be misstated.

3. Inconsistencies in School Fund Income - Parents Contribution

The statement of receipts and payments reflects school fund income - parent's contribution and school fund income – other receipts of Kshs.983,171 and Kshs.17,471,877 as disclosed in Note 3 and Note 4 to the financial statements totalling Kshs.18,455,048. However, the ledger reflects a balance of Kshs.15,403,133 resulting to an unreconciled variance of Kshs.3,051,915. Further, an examination of revenue reports generated by the QuickPay System revealed an amount of Kshs.15,339,941.

In the circumstances, the accuracy of the school fund income totalling Kshs.18,455,048 could not be confirmed.

4. Inaccuracies in Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and operations amounts of Kshs.1,085,461 and Kshs.7,228,581 as disclosed in Note 1 and

Note 2 to the financial statements. Review of the NEMIS capitation disbursements made to the School against the amount received by the School revealed amounts of Kshs.12,450,995 and Kshs.7,119,130 respectively, resulting to an unexplained variance of Kshs.5,331,865. Further, comparison of banks statements and the financial statements reflects amounts of Kshs.7,119,130 and Kshs.8,314,042 resulting to an unexplained variance of Kshs.1,194,912.

In the circumstances, the accuracy and completeness of capitation grants for tuition and operation of Kshs.1,085,461 and Kshs.7,228,581 could not be confirmed.

5. Unsupported and Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.8,716,598 as disclosed in Note 11 to the financial statements. However, the supporting detailed aging analysis and issued invoices were not provided for audit review. Further, significant accounting policies on accounts receivables as disclosed in Note 5 is silent on the treatment of the students' fees balances which is the major source of income for the School. In addition, the balance of Kshs.8,716,598 includes an amount of Kshs.8,178,752 in respect of fees arrears as disclosed in Note 11 to the financial statements. However, included in the fee balance are receivables amounting to Kshs.552,963 which had been outstanding for more than two (2) years.

In the circumstances, the accuracy, completeness and full recoverability of the outstanding receivables balance of Kshs.8,716,598 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.28,539,725 and Kshs.26,196,929 respectively, resulting to an under-funding of Kshs.2,342,796 or 8% of the budget. However, the School spent a balance of Kshs.26,623,533 against actual receipts of Kshs.26,196,929 resulting to an over utilization of Kshs.426,604 or 1.6% of actual receipts. Further, the actual expenditure on comparable basis of Kshs.26,623,533 differ with the actual expenditure of Kshs.65,116,325 reflected in the statement of receipts and payments resulting to an unbudgeted expenditure of Kshs.38,492,792.

The under-funding 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 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 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. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 28 February, 2023 instead of the statutory date of 30 September, 2021. This was contrary to the Ministry of Education circular Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the schools financial statements should be ready by 30 September, 2021 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of financial statements.

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

2. Non-Compliance with the Public Sector Accounting Standards Board (PSASB) Reporting Requirements

The financial statements presented for audit did not include all information provided in the format prescribed and published by the Public Sector Accounting Standards Board (PSASB) as follows;

- i. The statement of cash flows has missing reference notes to the financial statements.
- ii. The statement of budgeted versus actual amounts does not contain commentary on significant underutilization (below 90% of utilization) and any overutilization above 100%.

- iii. The statement of financial assets and financial liabilities and Note 12 to the financial statements reflects accounts payable totalling Kshs.18,704,378 however, Annex 1 under analysis of pending accounts payable is blank.
- iv. Annex 2 on summary of fixed assets register has details on land, buildings and motor vehicles omitted.

In the circumstances, Management was in breach of the PSASB guidelines. Further, lack of relevant information may affect users' reliance on the financial statements for decision making.

3. Lack of Effective Management of Textbooks

During the year under review, it was observed that the School had not implemented mechanisms to eliminate loss of textbooks in the custody of students, and the students are only accountable to the books when picking their certificates upon clearing from the School. Further, the audit revealed that stock taking of books had not been carried out, and books that were not in the custody of students and teachers were not properly arranged in the bookstore and some remained on the floor. It was therefore not possible to ascertain books available as well as lost textbooks.

In the circumstances, the School may not have derived value from the textbooks exposed to loss and the School's re-order level may not be effective in the absence of proper records.

4. Excess Supply of Books

During the year under review, the Ministry of Education distributed textbooks to public secondary schools through Kenya Institute of Curriculum Development (KICD). Examination of records revealed that the Institute distributed three thousand three hundred and fifty-two (3,352) books to the School while only three thousand one hundred and thirty-six (3,136) books were issued to the students, resulting to an unexplained two hundred and sixteen (216) excess text books in the School store.

In the circumstances, value for money on the excess two hundred and sixteen (216) textbooks could not be confirmed.

5. Employees Earning Less Than a Third of Basic Pay

The statement of receipts and payments reflects payments for operations amounting to Kshs.44,070,589, out of which an amount of Kshs.4,233,480 relates to other vote heads which includes payments made to employees. Examination of a sample of the December, 2020 payroll revealed that some employees were earning less than a third of their basic pay contrary to Section C.1 (3) of the Public Service Commission, Human Resource Policies, of May, 2016, as indicated in the table below:

Employee Designation	Basic Pay (Kshs.)	Net Pay (Kshs.)	A Third of Basic (Kshs.)
Account Clerk	21,470	500	7,157
Matron	25,400	195	8,467
Store Keeper	21,470	500	7,157
Cateress	19,770	500	6,590
Librarian	19,770	533	6,590
Employee Designation	Basic Pay (Kshs.)	Net Pay (Kshs.)	A Third of Basic (Kshs.)
Watchman	15,620	4,000	5,207
Bursar	31,520	9,024	10,507
Account Clerk	21,470	3,044	7,157
Matron	25,400	3,562	8,467

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

6. Failure to Transfer Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.7,228,581 as disclosed in Note 2 to the financial statements, from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.3,746,500 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, no funds had been transferred to the infrastructure account as at 30 June, 2021 contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

7. Unconfirmed Students Enrolment Data

The statement of receipts and payments reflects capitation grants for tuition, operations and infrastructure totalling Kshs.8,314,042. Comparison of data from National Education Management and Information System (NEMIS) with records from the County Director of Education revealed that during the financial year 2020/2021, NEMIS reflected eight hundred and thirty-one (831) students while records from the County Director of Education had eight hundred and ninety-four (894) students, resulting to an underfunding of the School by an amount of Kshs.1,356,884. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 dated 16 June, 2021 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the Principals to ensure their records are accurate.

In the circumstances, underfunding of the School may have affected service delivery to the students.

8. Long Outstanding Payables

The statement of financial assets and financial liabilities and as disclosed in Note 12 to the financial statements reflects payables balance of Kshs.18,704,387. However, included in the balance are trade payables balance of Kshs.3,000,001 which had been outstanding for more than two (2) years. This was contrary to Section 53(8) of the Public Procurement and Asset Disposal Act, 2015 which states that 'an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contracts are reflected in approved budget estimates'.

In the circumstances, the School Management was in breach of the law and there is risk loss of public funds through litigations, interests and penalties

9. Unbalanced Budget

The statement of budgeted versus actual amounts reflects final budgeted income of Kshs.28,539,725 and final budgeted expenditure of Kshs.28,385,525 resulting to a budget surplus of Kshs.154,200 contrary to Regulation 33(c) of the Public Finance Management (National Government) Regulations, 2015 which provides that 'unless provided otherwise in the Act, these Regulations or any other guidelines developed in furtherance of the Act or these Regulations, that at all times during budget formulation and approval it must be ensured that the budget shall be balanced.

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 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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

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 control, 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 control 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 control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain 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.

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

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 control 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 control 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 control 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 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 control.
- 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 control 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.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

17 September, 2024

**MAMA NGINA GIRLS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021**

VI. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2021

DESCRIPTION OF VOTE HEAD	Note	2020-2021 Kshs	2019-2020 Kshs
RECEIPTS			
Capitation grants for tuition	1	1,085,461.00	1,456,781.00
Capitation grants for operations	2	7,228,581.00	61,213,394.00
School Fund Income- Parents' Contributions	3	983,171.00	769,075.00
School Fund Income- Other receipts	4	17,471,877.00	30,353,165.00
Proceeds from borrowings			
TOTAL RECEIPTS		26,769,090.00	93,792,415.00
PAYMENTS			
Payments for Tuition	5	1,269,770.00	918,534.00
Payments for operations	6	44,070,589.00	94,375,597.00
Boarding and school fund payments	7	19,775,966.00	28,564,455.00
TOTAL PAYMENTS		65,116,325.00	123,858,586.00
SURPLUS/DEFICIT		(38,347,235.00)	(30,066,171.00)

The school financial statements were approved on 30-8- 2021 and signed by:

Sign 

Name Eric Mwangi

Chair BOM

Date 30-8-2021

Sign 

Name Mwa Duma

School / Principal

Date 30/8/21

Sign 

Name Basil Barasa

Bursar/ Finance Officer

Date 30-8-2021

MAMA NGINA GIRLS SECONDARY SCHOOL
 PUBLIC SECONDARY SCHOOL
 ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

VII. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT
 30TH JUNE 2021

	Note	2020-2021	2019-2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	26,697,880.00	13,937,743.00
Cash Balances	9	29,575.00	2,568.00
Short term Investment	10	-	46,000,000.00
Total Cash and cash equivalent		26,727,455.00	59,940,311.00
Account's receivables	11	8,716,598.00	5,352,868.00
TOTAL FINANCIAL ASSETS		35,444,053.00	65,293,179.00
FINANCIAL LIABILITIES			
Accounts Payables	12	(18,704,378.00)	(10,206,271.00)
NET FINANCIAL ASSETS		16,739,675.00	55,086,908.00
REPRESENTED BY			
Fund balance b/fwd 1 st Jan. 2020	13	55,086,908.00	85,153,079.00
Surplus/Deficit for the year		(38,347,235.00)	(30,066,171.00)
NET FINANCIAL POSITION		16,739,674.00	55,086,908.00

The School's financial statements were approved on 30-8- 2021 and signed by:

Name: Eric Mwanjumba
 Chairman, BOM
 Sign: [Signature]
 Date: 30-8-2021

Name: Mrs OMAA
 School Principal/Secretary
 to BOM
 Sign: [Signature]
 Date: 30/8/21

Name: Basil Baga
 Bursar/Finance
 Sign: [Signature]
 Date: 30-8-2021

**MAMA NGINA GIRLS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

VIII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2021

		2020-2021	2019-2020
		Kshs	Kshs
Receipts from operating activities			
Capitation grants for tuition	1	1,085,461.00	1,456,781.00
Capitation grants for operations	2	7,014,394.00	9,332,450.00
School fund income- Parents contributions/ fees	3	15,530,687.00	30,970,699.00
Total receipts		23,630,542.00	41,759,930.00
Payments from operating activities			
Payments for Tuition		1,269,770.00	1,396,464.00
Payments for operations		6,077,535.00	9,376,793.00
Boarding and school fund payments		20,577,024.00	26,672,954.00
Total payments		27,924,329.00	37,446,211.00
Net cash flow from operating activities		(4,293,787.00)	4,313,719.00
CASHFLOW FROM INVESTING ACTIVITIES			
Receipts from investing activities			
Maintenance & Improvement funds		11,622,154.00	54,812,377.00
Proceeds from Sale of Assets		(40,541,225.00)	(82,216,655.00)
Proceeds from investments		-	
Total receipts		(28,919,071.00)	(27,404,277.00)
Payments from investing activities			
Acquisition of Assets			
Total payments		-	
Net cash flows from Investing Activities		(28,919,071.00)	(27,404,277.00)
CASHFLOW FROM BORROWING ACTIVITIES			
Receipts from financing activities			
Proceeds from borrowings/ loans		-	-
Total receipts		-	-
Payments from financing activities			
Repayment of principal borrowings/loans		-	-
Total payments			
Net cash flows from financing activities		-	-
Net increase in cash and cash equivalents		(33,212,858.00)	(23,090,559.00)
Cash and cash equivalent at BEGINNING of the year		59,940,311.00	83,030,871.00
Cash and cash equivalent at END of the year		26,727,453.00	59,940,311.00

**MAMA NGINA GIRLS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021**

IX. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH 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
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Textbooks and reference materials	-	-	-	-	-	-
Exercise books	-	-	-	-	-	-
Laboratory equipment	-	-	-	-	-	-
Internal exams	-	-	-	-	-	-
Teaching / learning materials	1,900,000.00	-	1,900,000.00	1,085,461.00	814,540.00	57.1%%
Chalks	-	-	-	-	-	-
Exams and assessment	-	-	-	-	-	-
Teachers guides	-	-	-	-	-	-
Reference/Library	-	-	-	-	-	-
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	-	-	-	-	-	-
Maintenance & Improvement	2,475,000.00	-	2,475,000.00	1,630,837.00	844,163.00	65.9%
Local transport / travelling	-	-	-	-	-	-
Other Incomes	2,743,125.00	-	2,743,125.00	3,945,992.00	-1,202,867.00	143.8%
Electricity and water	-	-	-	-	-	-
Medical	-	-	-	-	-	-
Administration costs	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Activity	-	-	-	-	-	-
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	-	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-	-
Local transport /	-	-	-	-	-	-

**MAMA NGINA GIRLS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH 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
travelling						
Electricity and water	-	-	-	-	-	-
Medical	-	-	-	-	-	-
Administration costs	-	-	-	-	-	-
Activity	-	-	-	-	-	-
SMASSE	-	-	-	-	-	-
Fee on Boarding Equipment and Stores	-	-	-	-	-	-
OTHER INCOME						
Fee on Boarding Equipment and Stores	12,154,000.00		12,154,000.00	7,787,962.00	4,366,038.00	64%
Electricity, water & Conservancy						
Local Travelling & Transport						
Repairs & Maintenance	800,000.00		800,000.00	679,255.00	120,745.00	84.9%
Personal Emoluments						
Admin Costs						
Activity	319,200.00		319,200.00	228,994.00	90,206.00	71.7%
Other voteheads	8,148,400.00		8,148,400.00	5,622,216.00	2,526,184.00	69%
Students ID Cards						
Caution Money						
Rent income				-		
Income from farming activities				-		
Insurance compensation				-		
Income from Posho mill				-		
Income from Bus Hire				-		
Fee for hire of ground and equipment/hall				-		
Income from grants and donations*						
Interest income				-		
Dividends income				-		
TOTAL INCOME	28,539,725.00		28,539,725.00	26,196,930.00		

**MAMA NGINA GIRLS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH 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
EXPENDITURE						
(1) EXPENDITURE FOR TUITION						
Tuition	1,900,000.00	-	1,900,000.00	1,269,770.00	630,230.00	67%
Laboratory equipment	-	-	-	-	-	-
Internal exams	-	-	-	-	-	-
Teaching / learning materials	-	-	-	-	-	-
Chalks	-	-	-	-	-	-
Exams and assessment	-	-	-	-	-	-
Teachers guides	-	-	-	-	-	-
Bank charges						
Administration costs	-	-	-	-	-	-
(2) PAYMENTS FOR OPERATIONS						
Personnel emoluments	-	-	-	-	-	-
Others	2,743,125.00		2,743,125.00	4,233,480.00	[1,490,355]	154%
Local transport / travelling						
Repairs & Maintenance	2,475,000.00		2,475,000.00	1,761,893.00	713,107.00	71%
Electricity and water	-	-	-	-	-	-
Medical	165,000.00		165,000.00	6150.00	158850.00	4%
Administration costs	-	-	-	-	-	-
Insurance cost	-	-	-	-	-	-
Activity expenses	-	-	-	-	-	-
Bank charges						
Acquisition of assets				-	-	-
						-

**MAMA NGINA GIRLS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH 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
EXPENDITURE						
(3) BOARDING AND FOR SCHOOL FUND PAYMENTS						
Activity		-	-	-	-	-
Other vote heads	8,148,400.00		8,148,400.00	6,928,044	1,220,356	85%
Bus hire	-	-	-	-	-	-
Pocket money	-	-	-	-	-	-
Personal emolmunet						
Service gratuity	-	-	-	-	-	-
Repair maintaince and improvements	800,000.00		800,000.00	1,192,103	[392,103]	149%
Fee on boarding	12,154,000.00	-	12,154,000.00	11,232,093.00	921,907	92%
Electricity and water	-	-	-	-	-	-
Expense on income generating activities						
TOTAL EXPENDITURE	28,385,525.00		28,385,525.00	26,623,533.00		107%

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 30th June 2021.

MAMA NGINA GIRLS SECONDARY SCHOOL**PUBLIC SECONDARY SCHOOL****ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021****1. NOTES TO THE FINANCIAL STATEMENTS****1 CAPITATION GRANT FOR TUITION**

	2020-2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials	-	-
Tuition	1,085,461.00	1,456,781.00
Exercise books	-	-
Laboratory equipment	-	-
Internal exams	-	-
Teaching / learning materials	-	-
Chalks	-	-
Exams and assessment	-	-
TOTAL	1,085,461.00	1,456,781.00

2 CAPITATION GRANT FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Other voteheads	3,945,992.00	1,456,781.00
Lunch Programme		
Personnel emoluments		
Maintenance & Improvement	2,861,334.00	3,563,500.00
Local transport / travelling		
Infrastructure	421,255.00	51,880,944.00
Service Gratuity		
Electricity and water	-	-
Medical	-	-
Administration costs	-	-
Insurance		157,400.00
Activity		314,800.00
Total	7,228,581.00	61,213,394.00

**MAMA NGINA GIRLS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021**

3 PARENTS CONTRIBUTION/FEEES - SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments		
Lunch Programme		
BOM Teachers		
Repairs and maintenance	729,639.00	755,793.00
Administration costs		13,282.00
Activity	253,532.00	
Total	983,171.00	769,075.00

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
Fee on Boarding Equipment and Stores	11,422,010.00	16,717,289.00
Electricity, water & Conservancy		
Local transport & travelling		
Home science	115,905.0	72,288.00
Other voteheads	5,898,962.00	12,674,802.00
Canteen	20,000.00	20,000.00
Activity		296,765.00
Students ID Cards		
Caution money		
Tender fees	15,000.00	70,000.00
Sale of jericans		
Infrastructure		379,771.00
Hire of facilities		122,250.00
Income form posho mill		
Total	17,471,877.00	30,353,165.00

NOTE: RECEIPTS UNDER THE VOTE HEAD ARE INCLUSIVE OF PARENT CONTRIBUTION FEES

5 PAYMENTS FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
Teaching / learning materials	1,269,770.00	918,534.00
Total	1,269,770.00	918,534.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 PAYMENTS FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments		
Other voteheads	4,233,480.00	5,408,488.00
Lunch programme		
Service Gratuity		
Administration cost		
Maintenance & Improvement	1,761,893.00	3,574,394.00
Local transport / travelling		
Reference materials		
Welfare		
Rental income		
Boarding		
Electricity and water		
Medical	6,150.00	155,843.00
Activity Expenses		238,068.00
SMASSE		
Insurance Cost		
Bank Charges		
Acquisition of Assets	38,069,065.00	
Transfers		
TOTAL	44,070,588.00	94,375,597.00

7 BOARDING AND SCHOOL FUND PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Activity		1,286,700.00
Home science	111,466.00	116,747.00
Other voteheads	6,928,044.00	10,211,920.00
Tender	19,430.00	4,000.00
BOM Teachers	127,500.00	
Gratuity	165,330.00	
Hire of facilities		132,821.00
Repairs and maintenance & Improvements	1,192,103.00	1,097,785.00
Caution money		18,300.00
Fee on Boarding Equipment and Stores	11,232,093.00	11,014,001.00
Acquisition of Assets		4,682,181.00
TOTAL	19,775,966.00	28,564,455.00

8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2020-2021	2019-2020
		Kshs	Kshs
Tuition Account	1261263170	37,950.00	222,260.00
Operations Account	1261262220	5,526,676.00	4,589,918.00
EQUITY Account	0460293773687	269,055.00	33,692.00
School Fund Account/Boarding	1264854285	42,842.00	404,346.60
KCB A/c-NG-CDF	08020464581	114.00	114.00
Gratuity A/c	1261262942	1,169,629.00	3,194,928.00
BOM Savings account	1261263499	702,966.00	3,863,266.00
Infrastructure account	1170742394	18,727,846.00	1,646,916.00
NBK A/c	01021007512800	222,800.00	17,698.00
Total		26,697,880.00	13,937,743.00

9 CASH IN HAND

Description	2020-2021	2019-2020
	Kshs	Kshs
Tuition Account		
Operation Account	117.00	16.00
School Fund account	29,457.00	2,552.00
Infrastructure	-	
Total	29,574.00	2,568.00

10 SHORT TERM INVESTMENTS

Description	2020-2021	2019-2020
	Kshs	Kshs
Cooperative shares	-	-
Treasury Bills	-	-
Fixed deposit	-	46,000,000.00
Total	-	46,000,000.00

11 ACCOUNTS RECEIVABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears	8,178,752.00	4,844,188.00
Other non-fees receivables	499,680.00	499,680.00
R/D CHEQUE	9,000.00	9,000.00
Salary advances	29,166.00	
Total	8,716,598.00	5,352,868.00

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AGEING FEE ARREARS

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears for current year	3,833,838.00	3,791,951.00
Fees arrears for the previous year	3,791,951.00	1,052,237.00
Fees arrears for prior periods (over two years)	552,963.00	-
Total	8,178,752.00	4,844,188.00

12 ACCOUNTS PAYABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	3,767,492.00	4,340,810.00
Prepaid fees	343,507.00	151,878.00
Undistributed bursary	20,000.00	
Retention	14,573,379.00	5,713,582.00
Total	18,704,378.00	10,206,270.00

See ageing below and appendix 1

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors for current year	767,492.00	358,629.00
Trade creditors for the previous year	-	-
Trade creditors for prior periods (over two years)	3,000,000.00	3,982,181.00
Total	3,767,492.00	4,340,810.00

13 FUND BALANCE BROUGHT FORWARD

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank balances	59,937,743.00	83,027,327.00
Cash balances	2,567.00	3,543.00
Short Term Investments		
Receivables	5,352,868.00	4,569,237.00
Payables	10,206,270.00	2,447,029.00
Total	55,086,908.00	85,153,079.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14 Non-current Liabilities Summary

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank loan(s)	-	-
Outstanding Leases	-	-
Hire purchase	-	-
Gratuity and leave provision	-	-
Total	-	-

15 Biological assets

Description	2020-2021	2019-2020
	Kshs	Kshs
Cattle	-	-
Goats	-	-
Poultry	-	-
Total	-	-

16 Borrowings

Description	2020-2021	2019-2020
	KShs	KShs
a) Borrowings		
Borrowing at beginning of the year	-	-
Borrowings during the year	-	-
Repayments of during the year	-	-
Balance at end of the year	-	-

Other important disclosure notes

17 Stock/ Inventory

Description	2020-2021	2019-2020
	KShs	KShs
b) Borrowings		
Stock/ inventory at beginning of the year	-	-
Stock/ inventory purchased during the year	-	-

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Stock/ inventory issued during the year	-	-
Balance at end of the year	-	-

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)

**MAMA NGINA GIRLS SECONDARY SCHOOL
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XI. Annexes

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Supply of goods						
4.						
5.						
6.						
Sub-Total						
Supply of services						
7.						
8.						
9.						
Sub-Total						
Grand Total						

**MAMA NGINA GIRLS SECONDARY SCHOOL
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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Quantity	Location	Historical Cost b/f (Kshs) 1st July 2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2021
Land 1							
Land 2							
Buildings and structures							
Motor vehicles	-	-	-	-	-	-	-
Office equipment, furniture and fittings							
File Cabinet	2019	1 pc	Reception	33,493	-	-	33,493
Leather Visitors Chairs	2017	2 pcs	Principal's Office	33,493	-	-	33,493
Office Chairs	2017	4 pcs	Principal's office	15,517	-	-	15,517
			Accounts &	70,000	-	-	70,000
Glass Top Coffee Table	2017	1 pc	D.O.S	34,566	-	-	34,566
Conference Table	2017	4 pcs	Principal's Office	88,300	-	-	88,300
Restaurant Chairs	2017	50 pcs	Boardroom	137,750	-	-	137,750
Link Chairs 3 pax & 4 pax	2017	2 pcs	Boardroom	32,650	-	-	32,650
Office Table	2017	1 pc	Reception	8275	-	-	8275
			Reception				
ICT Equipment, and Other ICT Assets							
HP Printers.		1 pc	Dean of Students	32,000	-	-	32,000
		1 pc	Reception	36,000	-	-	36,000

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Asset class	Date purchased	Quantity	Location	Historical Cost b/f (Kshs) 1st July 2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2021
Copy Printer Kyocera Taskaifa 3510i Laptops Computers	2018	1 pc	Computer Lab	35,000			35,000
		1 pc	Reception	40,000	-	-	40,000
	2021	1 pc	Exam Room	455,520	-	-	455,520
		1 pc	Reception	150,000	-	-	150,000
	2017-2021	10 pcs	Teachers	259,990	-	-	259,990
	2017-2021	11 pcs	Reception & Staffroom	100,340	-	-	100,340
Tools and apparatus							
TEXT BOOKS (Government Textbooks)	2018-2019			-	--	-	-
English		1993 pcs	Stores				
Kiswahili		2063 pcs	Stores				
Biology		1660 pcs	Stores				
Chemistry		1435 pcs	Stores				
Physics		1426 pcs	Stores				
Geography		1301 pcs	Stores				
History		1500 pcs	Stores				
Home Science		508 pcs	Stores				
Business studies		1240 pcs	Stores				
Computer Studies		234 pcs	Stores				
Islamic Religious Education		322 pcs	Stores				
Christian Religious Education		891 pcs	Stores				
Agriculture		265 pcs	Stores				
French		129 pcs	Stores				
Mathematics		2029 pcs	Stores				

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Asset class	Date purchased	Quantity	Location	Historical Cost b/f (Kshs) 1st July 2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2021
Other Machinery and Equipment							
Chest Freezer	2021	1 pc	Kitchen	37,900	-	-	37,900
Sony Mini HIFI System	2021	1 pc	French Teacher	29,000	-	-	29,000
Water Pump	2021	1 pc	Dorms	71,300	-	-	71,300
Micro Wave	2021	1 pc	Principal's office	17,895	-	-	17,895
Vegetable Chopping Machine	2108	1 pc	Kitchen	170,000	-	-	170,000
Gasoline Lawn Mower	2018	1 pc	Boarding	68,530	-	-	68,530
Baking Oven	2018	1 pc	Kitchen	170,000	-	-	170,000
Dough Mixer	2017	1 pc	Kitchen	285000	-	-	285000
Heritage and cultural assets	-	-	-	-	-	-	-
Intangible assets- soft ware	-	-	-	-	-	-	-
Total	-	-	-	2,412,519.00	-	-	2,412,519.00