

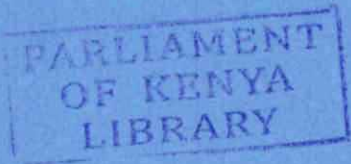
REPUBLIC OF KENYA



*Enhancing Accountability*



# REPORT



OF

**THE AUDITOR-GENERAL**

ON

**OUR LADY OF FATIMA CHINGA GIRLS**

**FOR THE YEAR ENDED**

**30 JUNE, 2021**

THE NATIONAL ASSEMBLY  
PAPERS LAID

**NYERI COUNTY**

JUN 2021	
Wednesday	
TABLED BY:	Hon. Naomi Waga MP
CHECK AT THE TABLE:	Deputy Majority Party Whip A. Jiribuko

OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
REGISTRY

07 OCT 2021

RECEIVED



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***OUR LADY OF FATIMA CHINGA GIRLS***  
**PUBLIC SECONDARY SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>th</sup> June 2021**

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

**OUR LADY OF FATIMA CHINGA GIRLS  
PUBLIC SECONDARY SCHOOL  
Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

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	Page
Table of Contents	
I. KEY SCHOOL INFORMATION AND MANAGEMENT	2
II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL	6
III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY	10
IV. REPORT OF THE INDEPENDENT AUDITORS ON THE ANNUAL FINANCIAL STATEMENTS	11
V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30 <sup>th</sup> JUNE 2021	12
VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30 <sup>th</sup> JUNE 2021	13
VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 <sup>th</sup> JUNE 2021	14
VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30 <sup>th</sup> JUNE 2021	16
IX. SIGNIFICANT ACCOUNTING POLICIES	20
X. NOTES TO THE FINANCIAL STATEMENTS	22

**PUBLIC SECONDARY SCHOOLS - OUR LADY OF FATIMA CHINGA GIRLS**  
**Reports and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2021**

**I. KEY SCHOOL INFORMATION AND MANAGEMENT**

**Background information**

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is located in Nyeri County, Nyeri South Sub-County

The school was registered in 22/08/2016 under registration number 19S00300064 and is currently categorized as an Extra County public school established, owned or operated by the Government.

The school is a boarding school and had 762 number of students as at 30<sup>th</sup> June 2021. It has 4 streams and 33 teachers of which 8 teachers are employed by the School Board Of Management.

**(a) 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	MR. KING'ORI KURAIHU	Chairman	04/03/2019
2	MRS. ESTHER NJIRU	Secretary - Principal	04/03/2019
3	MS. MARY KIMAMO	Member	04/03/2019
4	DR. CARO KARUGU	Member	04/03/2019
5	PATRICK MWAURA	Member	04/03/2019
6	MS. IRENE MWANGI	Member	04/03/2019
7	MR. CYRUS IKAHU	Member	04/03/2019
8	MR. MWAI KIRAGU	Member – Rep CEB	04/03/2019
9	MRS. AGNES MWANGI	Member Rep Teachers	04/03/2019
10	FR. DAVID MUTAHI MR. KING'ORI KURAIHU MS. MARY KIMAMO	3 Members - Sponsor	04/03/2019
11	DR. THOMAS THIGA	Member - Community	04/03/2019
12	BEATRICE WANJIRU WAITITU	Member Special Needs	04/03/2019
	-	Rep Students	

**OUR LADY OF FATIMA CHINGA GIRLS  
PUBLIC SECONDARY SCHOOL  
Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

**KEY SCHOOL INFORMATION AND MANAGEMENT**

**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**

*Names of the various committees of the Board established by the Board and the names of the committee members:*

Ref	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	<b>Executive Committee</b>			
2	Audit Committee			X out of XX
3	Finance, procurement and general purposes Committee	-KINGORI KURAIHU -ESTHER NJIRU -GERALD GITHUKU -CYRUS IKAHU -JOHN GATHERU -MARY KIMAMO	-B.O.M CHAIR -B.O.M SECRETARY -COMMUNITY -MEMBER -SPONSOR -SPONSOR	
4	Academic Committee	-JANE WAITHAKA -IRENE MWANGI -MOSES MUYA -DANIEL MWAI -MRS. ESTHER NJIRU	-B,O,M V.C CHAIR -MEMBER -SPONSOR -MEMBER REP CED- -B.O.M SECRETARY	
5	Development Committee			
6	Discipline and welfare Committee			

**OUR LADY OF FATIMA CHINGA GIRLS  
PUBLIC SECONDARY SCHOOL**

**Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

7	Adhoc Committee (if any during the year)			
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**(d) School operation Management**

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

Ref	Designation	Name	TSC Number
1	Principal	Esther W. Njiru	291415
2	Deputy Principal	Margaret W. Kang'au	284007
3	School Bursar	Joseph T. Nderitu	29360464

**OUR LADY OF FATIMA CHINGA GIRLS  
PUBLIC SECONDARY SCHOOL**

**Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

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

**(e) Schools contacts**

Post Office Box: 79-10106, OTHAYA  
Telephone: +254703 753 811  
E-mail: chingagirlshighschool@gmail  
Website: XXXXXXXX  
Facebook:  
Twitter:

**(f) School Bankers**

The following school operated 7 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: KCB Branch:  
OTHAYA  
Account Number: 1103535749 –Tuition  
110156257 –Operations  
1103535110 –School fund  
1271873206 –Infrastructure  
1261535634 -CDF
2. Name of Bank: EQUITY Branch:  
OTHAYA  
Account Number: 0080298891491 –School fund  
0080297413113 -Development
3. MPESA Pay Bill No. xxxxxxxx attached  
to XX bank account

**(g) Independent Auditors** Office of the Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084 GPO  
00100  
Nairobi, Kenya

**OUR LADY OF FATIMA CHINGA GIRLS  
PUBLIC SECONDARY SCHOOL**

**Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

**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:**

*Under this section, the following information should be given:*

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

**SURPLUS/DEFICIT FOR THE YEAR AND A COMPARISON OF THE SAME FOR THE  
LAST FOUR YEARS**

ACCOUNTS	1 <sup>st</sup> jan2021- 30 <sup>th</sup> june 2021	2020	2019	2018
	Kshs	Kshs	Kshs	Kshs
School Fund Account	(781,785.00)	5,527,594.00	694,506.00	(1,672,864.78)
Operations Account	718,357.75	(830,326.00)	1,234,289.50	(129,005.00)
Tuition Account	(211,536.50)	(560,009.00)	(561,276.70)	1,601,697.70
Infrastructure Account	(286,409.00)	2,289,436.00	-	-
Development account	-	-	-	-
CDF account	-	-	-	-
<b>TOTAL</b>	<b>(561,372.75)</b>	<b>6,426,695.00</b>	<b>1,367,518.80</b>	<b>(200,172.08)</b>
<b>Increase/Decrease</b>	<b>Decrease</b>	<b>Increase</b>	<b>Increase</b>	<b>Decrease</b>

- *Capitation grants from the Ministry of Education for the last three years*
- *Ratio of capitation grant per student over the last three years*

**CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS**

SNO	ACCOUNTS	1 <sup>st</sup> jan2021- 30 <sup>th</sup> june 2021	2020	2019	2018
		KSHS	KSHS	KSHS	KSHS
1	Operations Account	6,343,977.75	8,960,100.00	12,342,997.50	8,897,037.00
2	Tuition Account	1,016,003.50	1,314,266.00	2,317,468.30	3,726,974.70
	<b>Total</b>	<b>7,359,981.25</b>	<b>10,274,366.00</b>	<b>14,660,465.80</b>	<b>12,624,011.70</b>
	<b>Increase/Decrease</b>	<b>(2,914,384.74)</b>	<b>(4,386,099.80)</b>	<b>2,036,454.10</b>	
	No of Students	768	710	710	707

**OUR LADY OF FATIMA CHINGA GIRLS  
PUBLIC SECONDARY SCHOOL**

**Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

	<b>Ratio Capitation student</b>	<b>of per</b>	<b>1:9,583.30</b>	<b>1:14,470.93</b>	<b>1:20,648.54</b>	<b>1:17,855.74</b>
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- 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

**OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL**

<b>ACCOUNTS</b>	<b>1<sup>st</sup>jan2021- 30<sup>th</sup>june 2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
School Fund Account	11,798,062.00	15,452,535.00	28,671,133.00	32,253,070.78
Operations Account	5,625,620.00	9,790,426.00	11,108,708.00	9,026,042.00
Tuition Account	1,227,540.00	1,874,275.00	2,878,745.00	2,125,277.00
Infrastructure Account	2,995,389.00	4,649,064.00	-	-
Development Account	-	-	-	-
CDF Account	-	-	-	-
<b>Total</b>	<b>21,646,611.00</b>	<b>31,766,300.00</b>	<b>68,568,586.00</b>	<b>43,404,389.78</b>
<b>Increase/Decrease</b>	<b>(10,119,689.00)</b>	<b>(36,802,286.00)</b>	<b>25,164,196.22</b>	

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

**III. MOVEMENT OF DEBTORS OF THE SCHOOL**

<b>SNO</b>	<b>ACCOUNTS</b>	<b>1<sup>st</sup>jan2021- 30<sup>th</sup>june 2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>1</b>	<b>School Fund Account</b>	<b>KSHS</b>	<b>KSHS</b>	<b>KSHS</b>	<b>KSHS</b>
a	Debtors	1,917,536.00	3,529,260.00	2,395,148.00	1,516,248.00
	<b>Total</b>	<b>1,917,536.00</b>	<b>3,529,260.00</b>	<b>2,395,148.00</b>	<b>1,516,248.00</b>
	<b>Increase/Decrease</b>	<b>(1,611,724.00)</b>	<b>1,134,112.00</b>	<b>878,900.00</b>	

**MOVEMENT OF CREDITORS OF THE SCHOOL**

<b>SNO</b>	<b>ACCOUNTS</b>	<b>1<sup>st</sup>jan2021- 30<sup>th</sup>june 2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>b</b>		<b>KSHS</b>	<b>KSHS</b>	<b>KSHS</b>	<b>KSHS</b>
	School fund account	2,013,169.00	2,770,821.00	1,845,546.00	2,254,545.00
	Operations account	-	654,885.00	4,136,418.00	36,540.00
	Tuition account	-	-	-	-
	<b>Total</b>	<b>2,013,169.00</b>	<b>3,425,706.00</b>	<b>5,981,964.00</b>	<b>2,291,085.00</b>
	<b>Increase/Decrease</b>	<b>(1,412,537.00)</b>	<b>(2,556,258.00)</b>	<b>3,690,879.00</b>	<b>-</b>

**OUR LADY OF FATIMA CHINGA GIRLS  
PUBLIC SECONDARY SCHOOL**

**Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

- *Movement of cash and bank balances over the last three years*

<b>MOVEMENT OF CASH AND BANK BALANCES</b>					
<b>SNO</b>	<b>ACCOUNTS</b>	<b>1<sup>st</sup>jan2021- 30<sup>th</sup>june 2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
		<b>KSHS</b>	<b>KSHS</b>	<b>KSHS</b>	<b>KSHS</b>
1	School Fund Account	7,512,954.17	5,703,378.17	1,194,607.17	2,087,216.17
2	Operations Account	3,823,410.95	3,759,938.20	8,086,797.20	2,752,629.70
3	Tuition Account	1,399,890.40	1,611,426.90	2,171,435.90	2,732,712.60
4	Infrastructure Account	2,029,027.00	2,529,436.00	-	-
5	Development Account	972,186.00	736,186.00	-	-
6	CDF Account	23,704.50	23,704.50	-	-
	<b>Total</b>	<b>15,761,173.02</b>	<b>14,364,070.00</b>	<b>11,452,840.27</b>	<b>7,572,558.47</b>
	<b>Increase/Decrease</b>	<b>1,397,103.00</b>	<b>2,911,230.00</b>	<b>3,880,282.00</b>	

*Graphical presentation, ratios, tables, and pie charts should be used to show/  
indicate trends.*

**b) Teacher Student ratio:**

. Between the month of January 2021 and June 2021, the status of the teaching staff is as follows:

There are 27 teachers posted by the Teachers Service Commission and 8 recruited by the Board of Management. We are grateful that 1 teachers have been posted to school after

One (1) transferred. There was two (2) retiree in January 2021. Although the teacher student ratio lies at 1: 22. We have a shortage of 6 teachers from the given CBE. This is due to subject specialization in Form 3 and Form 4

**OUR LADY OF FATIMA CHINGA GIRLS  
PUBLIC SECONDARY SCHOOL**

**Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

c) Mean score in the 2020, 2019, 2018 KCSE:


YEAR	ENROLMENT	MEAN	TRANSITION	TRANSITION (%)	SCHOOL TARGET	COMMENTS
2020	180	6.739	144	80%	7.3	Positive deviation of 2 transition rate. The qualified for middle 1 colleges and universit
2019	162	5.932	86	53%	6.5	Negative deviation of transition rate.
2018	164	6.164	100	61%	6.5	.

d) Capacity of the school:

*Indicate the number of students in the school vis a vie the facilities like the dormitories, the dining hall, the laboratories, toilets and other amenities. This information will provide useful details for the Ministry of Education.*

e) Development projects carried out by the school:

sno.	Project	Year	Status	Amount	Fund Source
1	Kitchen renovation	2021	Completed	As per BQ	Maintenance&improvement
2					
3					

Sign  E. NJIRU  
Principal  
Our Lady of Fatima - Chinga Girls  
P. O. Box 79 - 10106, OTHAYA  
Tel: 0793 - 753 811  
Date: 2/10/24

School Principal

**OUR LADY OF FATIMA CHINGA GIRLS  
PUBLIC SECONDARY SCHOOL**

**Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

**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 keep all proper books and records of accounts of the income, expenditure and assets of the institution.

The Board of Management of *Our Lady of Fatima Chinga 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 **30<sup>th</sup> June, 2021**, and of the school's financial position as at that date.

**Name:** MR. KING'ORI KURAIHU  
**Designation:** Chairman, School Board of Management  
**Sign:** *K.K.*  
**Date:** *2/10/24*

**Name:** MRS. ESTHER NJIRU  
**Designation:** School Principal & Secretary to Board of Management  
**Sign:** *[Signature]*  
**Date:** *2/10/24*

*Principal*  
*Our Lady of Fatima - Chinga Girls*  
*P. O. Box 79 - 10106, NTHIAYA*  
*Tel: 0703 - 753 811*  
*Date: 2/10/24*

**Name:** MR. JOSEPH NDERITU  
**Designation:** Bursar/ Finance Officer  
**Sign:** *[Signature]*  
**Date:** *2<sup>nd</sup> Oct. 2024*

# 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 OUR LADY OF FATIMA CHINGA GIRLS FOR THE YEAR ENDED 30 JUNE, 2021 – NYERI COUNTY**

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### **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 the Government achieves value for money and that such funds are applied for intended purpose; and,
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal control, 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 Our Lady of Fatima Chinga Girls Secondary School - Nyeri County set out on pages 12 to 32, which comprise of the

statement of financial assets and financial liabilities as at 30 June, 2021, the statement of receipts and payments, statement of cash flows and statement of comparison 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 Our Lady of Fatima Chinga Girls Secondary School – Nyeri 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**

The statement of receipts and payments reflect amounts of Kshs.6,343,978 and Kshs.2,708,980 in respect of capitation grants for operations and infrastructure as disclosed in Note 2 and Note 5 respectively. However, review of the ledger in support of the grants for operations revealed that that the grant includes the amount of Kshs.2,708,980 in respect of the infrastructure grant resulting to double accounting.

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

### **2. Inaccuracies in Capitation Grants**

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amount of Kshs.1,016,004 and Kshs.6,343,878 respectively as disclosed in Notes 1 and Note 2 to the financial statements. During the financial year, NEMIS reported a total number of seven hundred and eighty-four (784) students while the enrolment records provided by the School indicated a total number of seven hundred and sixty eight (768) students, resulting to an unexplained variance of sixteen (16) students. As a result of the variance, the School was over funded by an amount of Kshs.142,519.

In the circumstances, the over-funding of the School may have affected service delivery to the other schools which did not receive capitation for students and value for money could not be confirmed

### **3. Long Outstanding Receivables**

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.4,806,915 in respect of fees arrears as disclosed in Note 17 to the

financial statements. Included in the balance are receivables amounting to Kshs.2,335,182 which had been outstanding for more than two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.4,806,915 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Our Lady of Fatima Chinga Girls 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.45,254,238 and Kshs.26,785,819 respectively, resulting to an underfunding of Kshs.18,468,428 or 59% of the budget. Similarly, the School spent a total amount of Kshs.25,388,707 against actual receipts of Kshs.26,785,819 resulting to an under absorption of Kshs.1,397,103 of the actual receipts.

The underfunding affected the execution of 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 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. Late Submission of Financial Statements to the Auditor-General**

During the year under review, the School Management submitted the financial statements to the Auditor-General on 30 April, 2024 instead of the statutory date of 30 September, 2021. This is contrary to Section 47(1) of the Public Audit Act, 2015 which requires that financial statements should be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.

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

### **2. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association**

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.14,671,273 as disclosed in Note 10 to the financial statements. Included in the expenditure is an amount of Kshs.293,655 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, regularity and value for money transferred to KESSHA amounting to Kshs.293,655 could not be confirmed.

### **3. Lack of an Updated Fixed Asset Register**

During the year under review, the School Management did not maintain an updated register of assets. This was contrary to Section 143(1) of Public Finance Management (National Government) Regulations, 2015 prescribes that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

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

### **4. Late Transfer of Infrastructure Funds from Operations Bank Account**

The statement of receipts and payments reflects operations grants amount of Kshs.6,343,978 as disclosed in Note 2 to the financial statements. The grants were received from the Ministry of Education and credited in the operations bank account. Included in the amount is Kshs.1,548,00 in respect of infrastructure grants which were transferred to infrastructure bank account after more than twenty-five days (25) with one transfer being done more than three months from the date of receipt. This was contrary to Ministry of Education (MOE) Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directs that infrastructure grants as well as maintenance and improvement funds be transferred to the school infrastructure account fifteen days (15) upon receipt of the funds in the operations account.

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

#### **5. Uncollected House Rent**

During the year under review, management did not budget and collect rent income from thirty-five staff houses located in the school compound and occupied by the teaching and non-teaching staff. This was contrary to Section 63(4) of the PFM (National Government Regulations), 2015 requires an accounting officer and a receiver of revenue to be personally responsible for ensuring that adequate safeguards exist and are applied for the prompt collection and proper accounting for, all national government revenue and other public moneys relating to their Ministries, departments or agencies.

In the circumstances, Management was in breach of law.

#### **6. Irregular Engagement of Temporary Workers**

Review of the records provided for revealed that 17 casuals were engaged continuously for more than three (3) months earning a gross salary of Kshs.803,800. This was contrary to Section 37, subsection 1(a) and (b) of the Employment Act, 2007 which requires that casual employees should not be engaged for more than period of three months.

In the circumstances, Management was in breach of the law

#### **7. Failure to Prepare School Improvement Plan**

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

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

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 THE 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 matter 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. Weaknesses in the School Governance**

Review of the School Board of Management in records provided for audit revealed that the School did not have an audit committee in place which helps to give guidance on risk, control and governance and associated assurance especially in financial aspects of the operations of the school. In addition, the School Board of Management held only one full board meetings on 10 February 2023 instead of the required minimum three meetings. This was contrary to Section 6(1) of the Fourth Schedule of the Basic Education Act, 2013 States that a Board of Management shall meet at least once every four months.

In the circumstances, the effectiveness of the School Governance could not be confirmed.

### **2. Lack of Asset Ownership Documents**

Review of documents on land revealed that, the School occupies land where school administration block, classrooms, dormitory, staff houses and other amenities are constructed. In addition, the school did not maintain a land register. However, there was no evidence that the School Management had obtained the title deed for the land.

In the circumstances, the ownership and safe custody of the fixed assets could not be confirmed

The audit was conducted in accordance with ISSAIs 2315 and 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 governance.

In preparing the financial statements, management is responsible for assessing the School's ability 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.

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the entity 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 controls 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 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 to 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

**OUR LADY OF FATIMA CHINGA GIRLS  
PUBLIC SECONDARY SCHOOL**

**Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

**V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30<sup>TH</sup> JUNE 2021**

DESCRIPTION OF VOTE HEAD	Note	1 <sup>st</sup> Jan2021-30 <sup>th</sup> June	2019-2020
		2021 Kshs	Kshs
<b>RECEIPTS</b>			
Capitation grants for tuition	1	1,016,004.00	
Capitation grants for operations	2	6,343,978.00	
School Fund Income- Parents' Contributions	3	3,634,661.00	
School Fund Income- Other receipts	4	12,846,188.00	
Transfer From Operation /R.M.I (Infrastructure account)	5	2,708,980.00	
Development account	6	236,000.00	
CDF account	7	-	
<b>TOTAL RECEIPTS</b>		<b>26,785,810.00</b>	
<b>PAYMENTS</b>			
Payments for Tuition	8	1,227,540.00	
Payments for operations	9	6,280,505.00	
Boarding and school fund payments	10	14,671,273.00	
Payment for Infrastructure	11	3,209,389.00	
Development account	12	-	
CDF account	13	-	
<b>TOTAL PAYMENTS</b>		<b>25,388,707.00</b>	
<b>SURPLUS/DEFICIT</b>		<b>1,397,103.00</b>	

The school financial statements were approved on 2nd Oct 2024 and signed by:

Sign: KK

Name KINGORI KURATHU

Chair BOM

Date 2/10/24

Sign [Signature]

Name ESTHER NJIRU

School Principal/  
Secretary to BOM

Date 2/10/24

*Principal*  
Our Lady of Fatima - Chinga Girls  
P. O. Box 79 - 10106. OTHAYA  
TEL: 0703 - 753 811  
Date: 2/10/24

Sign [Signature]

Name JOSEPH MUR

Bursar/

Finance Officer  
Date 2nd Oct 2024

**OUR LADY OF FATIMA CHINGA GIRLS  
PUBLIC SECONDARY SCHOOL**

**Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

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

	Note	1 <sup>st</sup> Jan 2021 30 <sup>th</sup> June 2021 Kshs	2019-2020 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	14	15,711,433.00	
Cash Balances	15	49,740.00	
Short term Investment	16	-	
<b>Total Cash and cash equivalent</b>		<b><u>15,761,173.00</u></b>	
Account's receivables	17	4,806,915.00	
<b>TOTAL FINANCIAL ASSETS</b>		<b>20,568,088.00</b>	
<b>FINANCIAL LIABILITIES</b>			
Accounts Payables	18	(1,709,057.00)	
<b>NET FINANCIAL ASSETS</b>		<b>18,859,031.00</b>	
<b>REPRESENTED BY</b>			
Accumulated Fund b/fwd	19	17,461,928.00	
Surplus/Deficit for the year		1,397,103.00	
<b>NET FINANCIAL POSSITION</b>		<b>18,859,031.00</b>	

The School's financial statements were approved on 2<sup>nd</sup> Oct 2021 and signed by:

**Name:** MR. KING'ORI KURAIHU **Name:** MRS. ESTHER NJIRU

Chairman, BoM

School Principal/Secretary to  
BoM

**Name:** MR. JOSEPH  
NDERITU

Bursar/Finance

Sign: K.K.

Sign: [Signature]

Sign: [Signature]

Date: 21/10/24

Date: 21/10/24

Date: 2<sup>nd</sup> Oct 2024

*Principal*  
Our Lady of Fatima - Chinga Girls  
P. O. Box 19 - 11-103, OT-HAYA  
Tel: 0703-753811  
Date: 21/10/24

**OUR LADY OF FATIMA CHINGA GIRLS  
PUBLIC SECONDARY SCHOOL**

**Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

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

		1 <sup>st</sup> Jan 2021 - 30 <sup>th</sup> June 2021	2019-2020
		Kshs	Kshs
<b>Receipts for operating income</b>			
Capitation grants for tuition	1	1,016,004.00	
Capitation grants for operations	2	6,343,978.00	
School fund income- Parents contributions/ fees	3	12,846,188.00	
School fund income- other receipts	4	3,634,661.00	
Transfer From Operation /R.M.I (Infrastructure account)	5	2,708,980.00	
Development account	6	236,000.00	
CDF account	7		
<b>Total receipts</b>		<b>26,785,810.00</b>	
<b>Payments</b>			
Payments for Tuition	8	1,227,540.00	
Payments for operations	9	6,280,505.00	
Boarding and school fund payments	10	14,671,273.00	
Infrastructure account	11	3,209,389.00	
Development account	12	-	
CDF account	13	-	
<b>Total payments</b>		<b>25,388,707.00</b>	
<b>Net cash flow from operating activities</b>		<b>1,397,103.00</b>	
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets		-	
Acquisition of Assets		(-)	
Proceeds from investments		-	
Purchase of investments		(-)	
<b>Net cash flows from Investing Activities</b>		<b>-</b>	

**OUR LADY OF FATIMA CHINGA GIRLS  
PUBLIC SECONDARY SCHOOL**

**Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

<b>CASHFLOW FROM BORROWING ACTIVITIES</b>			
Proceeds from borrowings/ loans			-
Repayment of principal borrowings			(-)
<b>Net cash flow from financing activities</b>			-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>			<b>1,397,103.00</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>			<b>14,364,070.00</b>
<b>Cash and cash equivalent at END of the year</b>			<b>15,761,173.00</b>

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

**OUR LADY OF FATIMA CHINGA GIRLS  
PUBLIC SECONDARY SCHOOL  
Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

**VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

STATEMENT OF BUDGETED VERSUS 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	Kshs	
<b>RECEIPTS</b>						
<b>(1) CAPITATION GRANT ON TUITION</b>		-				
Exercise Books	791,209.00	-	791,209.00			
Lab. Equipment	799,713.00	-	799,713.00			
T/L Materials	150,000.00	-	150,000.00	752,079.00		
Internal Exam	303,910.00	-	303,910.00			
Ref/Lib	72,118.00	-	72,118.00			
Textbooks	1,317,139.00		1,317,139.00			
CHALK	25,735.00	-	25,735.00			
TUITION				263,925.00		
<b>SUB-TOTAL</b>	<b>3,459,824.00</b>	<b>-</b>	<b>3,459,824.00</b>	<b>1,016,004.00</b>	<b>2,443,821.00</b>	<b>29%</b>
<b>(2) CAPITATION GRANT ON OPERATIONS</b>						
Local, Transport & Travelling	1,323,426.00		1,323,426.00			
Electricity, Water & Conservancy	2,275,022.00		2,275,022.00			
Transfer to infrastructure account (R.M.I)	1,361,692.00		1,361,692.00	2,904,980.00		
Activity (i)	906,832.00		906,832.00			
Medical/Insurance	1,443,278.00		1,443,278.00			
Personal Emoluments	4,155,110.00		4,155,110.00			
Administration Costs	1,134,984.00		1,134,984.00			
Other vote heads (P.E, E.W.C, L.T&T, ADM)				3,438,998.00		
<b>SUB-TOTAL</b>	<b>12,600,344.00</b>		<b>12,600,344.00</b>	<b>6,343,978.00</b>	<b>6,256,366.00</b>	<b>50%</b>

**OUR LADY OF FATIMA CHINGA GIRLS  
PUBLIC SECONDARY SCHOOL  
Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

<b>STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021 (Continued)</b>						
<b>(3) FEES CHARGED ON PARENTS</b>						
Boarding, Equipment & Stores	19,771,970.00		19,771,970.00	7,352,616.00		
Local, Transport & Travelling	469,300.00		469,300.00	179,311.00		
Electricity, Water & Conservancy	3,537,800.00		3,537,800.00	1,369,170.00		
Repair, Maintenance & Improvement	1,732,800.00		1,732,800.00	661,680.00		
Activity (ii)	108,300.00		108,300.00	41,355.00		
Personal Emoluments	2,238,200.00		2,238,200.00	869,318.00		
Administration Costs	1,335,700.00		1,335,700.00	513,827.00		
Arrears				2,975,616.00		
Prepayment				2,013,169.00		
Bursary				471,340.00		
Income from farming				5,000.00		
Income from bus hire				29,000.00		
<b>SUB-TOTAL</b>	<b>29,194,070.00</b>		<b>29,194,070.00</b>	<b>16,480,849.00</b>		
<b>INFRASTRUCTURE ACCOUNT</b>						
Transfer From Operation / R.M.I				2,708,980.00		
<b>SUB-TOTAL</b>				2,708,980.00		
<b>DEVELOPMENT ACCOUNT</b>						
Rent				236,000.00		
<b>SUB-TOTAL</b>				236,000.00		
<b>GRANDTOTAL INCOME</b>	<b>45,254,238.00</b>		<b>45,254,238.00</b>	<b>26,785,810.00</b>	<b>18,468,428.00</b>	<b>59%</b>

For the year ended 30<sup>th</sup> June 2021

<b>STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021 (Continued)</b>						
<b>EXPENDITURE FOR:</b>						
<b>(1) TUITION</b>						
Exercise Books	791,209.00	-	791,209.00			
Lab. Equipment	799,713.00	-	799,713.00	86,130.00		
T/L Materials	150,000.00	-	150,000.00			
Internal Exam	303,910.00	-	303,910.00			
Ref/Lib	72,118.00	-	72,118.00			
Textbooks	1,317,139.00		1,317,139.00			
CHALK	25,735.00	-	25,735.00			
Bank Charges				990.00		
TUITION				1,140,420.00		
<b>SUB-TOTAL</b>	<b>3,459,824.00</b>	<b>-</b>	<b>3,459,824.00</b>	<b>1,227,540.00</b>	<b>2,232,284.00</b>	<b>36%</b>
<b>(2) OPERATIONS</b>						
Local, Transport & Travelling	1,323,426.00		1,323,426.00	106,724.00		
Electricity, Water & Conservancy	2,275,022.00		2,275,022.00	468,621.00		
Transfer to Infrastructure / R.M.I	1,361,692.00		1,361,692.00	2,708,980.00		
Activity (i)	906,832.00		906,832.00			
Medical/Insurance	1,443,278.00		1,443,278.00	743,880.00		
Personal Emoluments	4,155,110.00		4,155,110.00	471,336.00		
Administration Costs	1,134,984.00		1,134,984.00	24,220.00		
Sundry creditors				654,885.00		
Other vote heads (P.E, E.W.C, L.T&T, ADM)				1,100,509.00		
Bank charges				1,350.00		
<b>SUB-TOTAL</b>	<b>12,600,344.00</b>		<b>12,600,344.00</b>	<b>6,280,505.00</b>	<b>6,319,839.00</b>	<b>50%</b>

**OUR LADY OF FATIMA CHINGA GIRLS  
PUBLIC SECONDARY SCHOOL**

**Annual Report and Financial Statements**

**For the year ended 30<sup>th</sup> June 2021**

<b>(3) SCHOOL FUND</b>						
Boarding, Equipment & Stores	19,771,970.00		19,771,970.00	8,521,311.00		
Local, Transport & Travelling	469,300.00		469,300.00	381,850.00		
Electricity, Water & Conservancy	3,537,800.00		3,537,800.00	953,674.00		
Repair, Maintenance & Improvement	1,732,800.00		1,732,800.00	234,836.00		
Activity (ii)	108,300.00		108,300.00	71,040.00		
Personal Emoluments	2,238,200.00		2,238,200.00	934,262.00		
Administration Costs	1,335,700.00		1,335,700.00	683,393.00		
Sundry creditors				291,545.00		
Prepayment refunds				2,110,326.00		
Bursary				471,340.00		
Bus hire				1,000.00		
Bank charges				16,696.00		
<b>SUB-TOTAL</b>	<b>29,194,070.00</b>		<b>29,194,070.00</b>	<b>14,671,273.00</b>	<b>14,522,797.00</b>	<b>50%</b>
<b>STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021 (Continued)</b>						
<b>INFRASTRUCTURE ACCOUNT</b>						
Sundry creditors				214,000.00		
Ablution repair				20,390.00		
Dorm repair				624,529.00		
Dining hall renovation				2,350,470.00		
<b>SUB-TOTAL</b>				<b>3,209,389.00</b>		
<b>DEVELOPMENT ACCOUNT</b>						
<b>SUB-TOTAL</b>				-		-
<b>TOTAL EXPENDITURE</b>	<b>45,254,238.00</b>		<b>45,254,238.00</b>	<b>25,388,707.00</b>	<b>19,865,531.00</b>	<b>56%</b>

## **IX. SIGNIFICANT ACCOUNTING POLICIES**

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

### **1. Statement of compliance and basis of preparation**

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

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

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

### **2. Recognition of receipts and payments**

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

### **3. In-kind contributions**

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

### **4. Cash and cash equivalents**

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

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**5. Accounts Receivable**

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

**6. Accounts Payable**

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

**7. Non-current assets**

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

**8. Budget**

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

**9. Comparative figures**

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

**10. Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2021.

**OUR LADY OF FATIMA CHINGA GIRLS  
PUBLIC SECONDARY SCHOOL**

**Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

**X. NOTES TO THE FINANCIAL STATEMENTS**

**1 CAPITATION GRANT FOR TUITION**

	1 <sup>st</sup> jan2021-30 <sup>th</sup> june 2021 Kshs	2019-2020 Kshs
Textbooks and reference materials /TUITION	263,925.00	
Exercise books		
Laboratory equipment		
Internal exams		
Teaching / learning materials	752,079.00	
Chalks		
Exams and assessment		
Teachers guides		
<b>Total</b>	<b>1,016,004.00</b>	

**2 CAPITATION GRANT FOR OPERATIONS**

	1 <sup>st</sup> jan2021-30 <sup>th</sup> june 2021 Kshs	2019-2020 Kshs
Personnel emoluments		
Repairs and maintenance	2,904,980.00	
Local transport / travelling		
Electricity and water		
Medical		
Administration costs		
Activity		
Other vote heads (P.E, E.W.C, L.T&T, ADM)	3,438,998.00	
<b>Total</b>	<b>6,343,978.00</b>	

**N:B, Total receipts have been overstated by 2,708,980 under Repair and Maintenance vote head transferred to infrastructure account, for R.M.I grant. It was a bookkeeping entry in both cashbooks for operation and infrastructure**

**OUR LADY OF FATIMA CHINGA GIRLS  
PUBLIC SECONDARY SCHOOL**

**Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

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

	1 <sup>st</sup> jan2021-30 <sup>th</sup> june 2021 Kshs	2019-2020 Kshs
Personnel emoluments	869,318.00	
Repairs and maintenance	661,680.00	
Local transport / travelling	179,311.00	
Electricity and water	1,369,170.00	
Medical	-	
Administration costs	513,827.00	
Activity	41,355.00	
<b>Total</b>	<b>3,634,661.00</b>	

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

**4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT**

	1 <sup>st</sup> jan2021-30 <sup>th</sup> june 2021 Kshs	2019-2020 Kshs
Fee on Boarding Equipment and Stores	7,352,616.00	
Arrears	2,975,063.00	
Prepayments	2,013,169.00	
Bursary	471,340.00	
Income from farming activities	5,000.00	
Income from Bus Hire	29,000.00	
Fee for hire of ground and equipment	-	
<b>Total</b>	<b>12,846,188.00</b>	

**5 INFRASTRUCTURE ACCOUNT**

	1 <sup>st</sup> jan2021-30 <sup>th</sup> june 2021 Kshs	2019-2020 Kshs
Transfer from Operation Account (R.M.I)	2,708,980.00	
<b>Total</b>	<b>2,708,980.00</b>	

**OUR LADY OF FATIMA CHINGA GIRLS  
PUBLIC SECONDARY SCHOOL**

**Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

23

**6 DEVELOPMENT ACCOUNT**

	1 <sup>st</sup> jan2021-30 <sup>th</sup> june 2021 Kshs	2019-2020 Kshs
Rent	236,000.00	
<b>Total</b>	<b>236,000.00</b>	

**7 CDF ACCOUNT**

	1 <sup>st</sup> jan2021-30 <sup>th</sup> june 2021 Kshs	2019-2020 Kshs
	-	
<b>Total</b>		

**8 PAYMENTS FOR TUITION**

	1 <sup>st</sup> jan2021- 30 <sup>th</sup> june 2021 Kshs	2019-2020 Kshs
Textbooks and reference materials / TUITION	1,114,420.00	
Exercise books		
Laboratory equipment	86,130.00	
Internal exams		
Teaching / learning materials		
Chalks		
Exams and assessment		
Teachers guides		
Administration Costs		
Bank Charges	990.00	
<b>Total</b>	<b>1,227,540.00</b>	

24

**OUR LADY OF FATIMA CHINGA GIRLS  
PUBLIC SECONDARY SCHOOL  
Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

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

**9 PAYMENTS FOR OPERATIONS**

	1 <sup>st</sup> Jan2021- 30 <sup>th</sup> June 2021	2019-2020
	Kshs	Kshs
Personnel emoluments	471,336.00	
Service Gratuity		
Administration Cost	24,220.00	
Transfer to infrastructure account (R.M.I)	2,708,980.00	
Local transport / travelling	106,724.00	
Electricity and water	468,621.00	
Medical		
Activity Expenses		
Sundry creditors	654,885.00	
Insurance Cost	743,880.00	
Bank Charges	1,350.00	
Other vote heads (P.E, EWC, L.T&T, ADM)	1,100,509.00	
<b>TOTAL</b>	<b>6,280,505.00</b>	

**N:B, Total expenditure have been overstated by 2,708,980 transferred to infrastructure account, for R.M.I grant. It was a bookkeeping entry in both cashbooks for operation and infrastructure**

**10 BOARDING AND SCHOOL FUND PAYMENTS**

	1 <sup>st</sup> Jan2021- 30 <sup>th</sup> June 2021	2019-2020
	Kshs	Kshs
Personnel emoluments	934,262.00	
Repairs and maintenance & Improvements	234,836.00	
Local transport / travelling	381,850.00	
Electricity and water	953,674.00	
Medical Expenses	-	
Administration costs	683,393.00	
Activities	71,040.00	
Bank Charges	16,696.00	
Fee on Boarding Equipment and Stores	8,521,311.00	
Sundry creditors	291,545.00	
Prepayments refund	2,110,326.00	
Bursary	471,340.00	
Bus hire	1,000.00	
<b>TOTAL</b>	<b>14,671,273.00</b>	

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

**11 INFRASTRUCTURE ACCOUNT**

	1 <sup>st</sup> Jan2021-30 <sup>th</sup> June 2021	2019-2020
	Kshs	Kshs
Sundry creditors	214,000.00	
Ablution repair	20,390.00	
Dorm repair	624,529.00	
Dining hall renovation	2,350,470.00	
<b>Total</b>	<b>3,209,389.00</b>	

**12 DEVELOPMENT ACCOUNT**

	1 <sup>st</sup> Jan2021-30 <sup>th</sup> June 2021	2019-2020
	Kshs	Kshs
<b>Total</b>	-	

**13 CDF ACCOUNT**

	2020-2021	2019-2020
	Kshs	Kshs
<b>Total</b>		

**14 BANK ACCOUNTS**

Name of Bank, Account No. & currency	Bank Account Number	1 <sup>st</sup> Jan2021- 30 <sup>th</sup> June 2021	2019-2020
		Kshs	Kshs
Tuition Account - KCB	1103535749	1,399,890.00	
Operations Account -KCB	110156257	3,823,411.00	
School Fund Account/Boarding -KCB	1103535110	3,826,383.00	
-EQUITY	0080298891491	3,646,331.00	
Savings Account		-	
Development Account	0080297413113	972,186.00	
Infrastructural Account -KCB	1271873206	2,019,527.00	
CDF Account -KCB	1261535634	23,705.00	

**OUR LADY OF FATIMA CHINGA GIRLS  
PUBLIC SECONDARY SCHOOL  
Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

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

<b>Total</b>		15,711,264,333.00	
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**CASH IN HAND**

Description	1 <sup>st</sup> jan2021- 30 <sup>th</sup> june 2021	2019-2020
	Kshs	
Tuition Account	00.00	
Operation Account	00.00	
School Fund account	40,240.00	
Infrastructural Account	9,500.00	
<b>Total</b>	<b>49,740.00</b>	

**15 SHORT TERM INVESTMENTS**

Description	1 <sup>st</sup> jan2021- 30 <sup>th</sup> june 2021	2019-2020
		Kshs
Cooperative shares	-	
Treasury Bills	-	
Fixed deposit	-	
Equity stock	-	
Other investments	-	
<b>Total</b>	<b>-</b>	

**ACCOUNTS RECEIVABLE**

Description	1 <sup>st</sup> jan2021- 30 <sup>th</sup> june 2021	2019-2020
	Kshs	Kshs
Fees arrears	1,917,536.00	
Other non-fees receivables	-	
Salary advances	-	
Imprest	-	

**OUR LADY OF FATIMA CHINGA GIRLS  
PUBLIC SECONDARY SCHOOL  
Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

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

<b>Total</b>	<b>1,917,536.00</b>
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[Include an ageing of the fees / non fees arrears below]

Description	1 <sup>st</sup> jan2021- 30 <sup>th</sup> june 2021	2019-2020
	Kshs	Kshs
Fees arrears for current year	1,917,536.00	
Fees arrears for the previous year	3,529,260.00	
Fees arrears for prior periods (over two years)	2,335,182.35	
2021 recoveries	(2,975,063.00)	
<b>Total</b>	<b>4,806,915.00</b>	<b>5,864,442.35</b>

**16 ACCOUNTS PAYABLE**

Description	1 <sup>st</sup> jan2021- 30 <sup>th</sup> june 2021	2019-2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	-	
Prepaid fees for the year	2,013,169.00	
Prepaid for the previous years	2,479,276.00	
Previous years refund	(673,062.00)	
Refund for the year	(2,110,326.00)	
Retention monies	-	
<b>Total</b>	<b>1,709,057.00</b>	<b>1,806,214.00</b>

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

Description	1 <sup>st</sup> jan2021- 30 <sup>th</sup> june 2021	2019-2020
	Kshs	Kshs
Trade creditors for current year	-	
Trade creditors for the previous year	291,545.00	
2021 paid creditors	(291,545.00)	
Trade creditors for prior periods (over two years)	10,335.00	
Paid prior periods	(10,335.00)	

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

<b>Total</b>	-	<b>291,545.00</b>
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**17 FUND BALANCE BROUGHT FORWARD**

Description	1 <sup>st</sup> jan 2021- 30 <sup>th</sup> June 2021 Kshs	2019-2020 Kshs
Bank balances (as at 1 <sup>st</sup> jan 2021)	14,079,025.00	
Cash balances (as at 1 <sup>st</sup> jan 2021)	285,045.00	
Short Term Investments	-	
Receivables for the year	4,806,915.00	
Payables for the year	(1,709,057.00)	
<b>Total</b>	<b>17,461,928.00</b>	

**OUR LADY OF FATIMA CHINGA GIRLS  
PUBLIC SECONDARY SCHOOL  
Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

**Other important disclosure notes**

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

**18 Non-current Liabilities Summary**

Description	1 <sup>st</sup> jan2021- 30 <sup>th</sup> june 2021 Kshs	2019-2020 Kshs
Bank loan(s)	-	
Outstanding Leases	-	
Hire purchase	-	
Gratuity and leave provision	-	
<b>Total</b>	-	

**19 Biological assets**

Description	Numbers	1 <sup>st</sup> jan2021- 30 <sup>th</sup> june 2021 Kshs	2019-2020 Kshs
Pigs	7	60,000.00	
Goats / sheep	8	30,000.00	
Trees	50	500,000.00	
Coffee or tea plantation		-	
Poultry		-	
<b>Total</b>		560,000.00	-

**OUR LADY OF FATIMA CHINGA GIRLS  
PUBLIC SECONDARY SCHOOL  
Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

20 Borrowings

Description	1 <sup>st</sup> jan2021-30 <sup>th</sup> june	2019-2020
	2021	
	KShs	KShs
<b>a) Borrowings</b>		
Borrowing at beginning of the year		
Borrowings during the year		
Repayments of during the year	(-)	(-)
<b>Balance at end of the year</b>	-	-

**Other important disclosure notes**

21 Stock/ Inventory

Description	1 <sup>st</sup> jan2021-30 <sup>th</sup> june 2021	2019-2020
	KShs	KShs
<b>b) Borrowings</b>		
Stock/ inventory at beginning of the year	456,930.00	
Stock/ inventory purchased during the year	9,748,851.00	
Stock/ inventory issued during the year	(8,480,600.00)	(-)
<b>Balance at end of the year</b>	<b>1,725,181.00</b>	

**22 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)

**OUR LADY OF FATIMA CHINGA GIRLS  
PUBLIC SECONDARY SCHOOLS  
Reports and Financial Statements  
for the year ended 30<sup>th</sup> June 2021**

**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid ToDate	Outstanding Balance 20XX	Outstanding Balance 20XX-1
	a	b	c	d=a-c	
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Construction of buildings</b>					
1.					
2.					
3.					
<b>Sub-Total</b>					
<b>Supply of goods</b>					
4.					
5.					
6.					
<b>Sub-Total</b>					
<b>Supply of services</b>					
7.					
8.					
9.					
<b>Sub-Total</b>					
<b>Grand Total</b>					

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

<b>Asset class</b>	<b>Date purchased</b>	<b>Location</b>	<b>Historical Cost b/f (Kshs) 1<sup>st</sup> July 20xx</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals d th</b>	
Land 1						
Land 2						
Buildings and structures						
Motor vehicles						
Office equipment, furniture and fittings						
ICT Equipment, and Other ICT Assets						
Tools and apparatus						
Textbooks						
Other Machinery and Equipment						
Heritage and cultural assets						
Intangible assets- soft ware						
<b>Total</b>						

*Valuations ongoing*

