

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability



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REPORT

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	04 JUN 2023 Wednesday
TABLED BY:	Hon. Naomi Wago, MP Deputy Majority Whip
CLERK-AT-THE-TABLE:	Irene Nduku

OF THE AUDITOR-GENERAL

ST. TERESA'S
SECONDARY SCHOOL
FOR THE YEAR ENDED
30 JUNE, 2022

WILDI COUNTY





ST. TERESA'S SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2022

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

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I. Key School Information and Management

(a) Background information

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

The school was registered in 08/2011 under registration number PU/S/3/5/132/11 and is currently categorized as a County public school established, owned or operated by the Government.

The school is a day/boarding school and had 700 numbers of students as at 30th June 2022. It has 4 streams and 32 teachers of which 15 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

The School Board of Management established under Section 55 of the Basic Education Act, 2013; is composed of the following members:

Ref:	Name of Board Member	Designation	Date of appointment
1	Theresia Luvuno Munga	Chairman	05/07/2019
2	Richard Chitsava Saha	Secretary - Principal	05/07/2019
3	Christine Mwaka	Member	05/07/2019
4	Hemeline Nazi	Member	05/07/2019
5	Bakari Kahindi	Member	05/07/2019
6	Johnson Mzungu	Member	05/07/2019
7	Onesmus Rungua Chiro	Member	05/07/2019
8	Emmaculate Kiti	Member	05/07/2019
9	Timothy Janji Nzomo	Member – Rep CEB	05/07/2019
10	Esther Dzame Mwagona	Member Rep Teachers	05/07/2019
11	Stephen Ngala Mtondoo	Members - Sponsor	05/07/2019
12	George Pacha	Members - Sponsor	05/07/2019
13	Charles Chapa	Member - Community	05/07/2019
14	Edwin Kiti Kalu	Member Special Needs	05/07/2019
15	Joseph Ziro Gari	Rep Students	05/07/2019

The functions of the School Board of Management are to:

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

(c) Committees of the Board

Ref :	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1. Theresia Munga 2. Stephen Ngala 3. Richard Saha 4. Edwin Kiti 5. Rose Karisa	BOM Chair BOM vice Chair Principal/Secretary Member PA Chair	2 out of 2
2	Audit Committee	1. Stephen Ngala 2. Theresia Munga 3. Richard Saha 4. Janji Nzomo 5. Rose Karisa	Chairperson Member Member Member Member	2 out of 2
3	Finance, procurement and general purposes Committee	1. Stephen Ngala 2. Theresia Munga 3. Richard Saha 4. Janji Nzomo 5. Rose Karisa	Chairperson Member Member Member Member	2 out of 2

4	Academic Committee	1. Charles Chapa 2. Esther Mwagona 3. Immaculate Kiti 4. Onesmus Rungua 5. Johnson Mzungu	Chairperson Member Member Member Member	2 out of 2
5	Development Committee	1. Stephen Ngala 2. Laban Mupe 3. Theresia Munga 4. Edwin Kiti 5. Rose Karisa 6. Richard Saha 7. Carlos Nyamawi	Chairperson Secretary/D.principal Member Member Member Member/principal Member/Bursar	2 out of 2
6	Discipline and welfare Committee	1. Janji Nzomo 2. Edwin Kiti 3. Hemeline Nazi 4. Christine Mwaka 5. Bakari Kahindi	Chairperson Member Member Member Member	2 out of 2
7	Adhoc Committee			

(d) School operation Management

For the financial year ended 30th June, 2022 the School day-to-day management was under the following persons:

Ref:	Designation	Name	Identification
1	Principal	Gabriel Ngao Mbaji	TSC No.356460
2	Deputy Principal	Badi Joga	TSC No.463332
3	School Bursar	Janet Gesare Ombogo	ID. 25900667
4	Other		

(e) Schools contacts

Post Office Box: 1223-80108 KILIFI
Telephone: 0722829678
E-mail: sttresseco@gmail.com
Website: N/A
Facebook: N/A
Twitter: N/A

(f) School Bankers

1. Name of Bank: Kenya Commercial Bank (KCB)
Branch: Treasury Square Mombasa
Account Number: 1106571509
2. Name of Bank: Kenya Commercial Bank (KCB)
Branch: Kilifi
Account Number: 1102274607
3. Name of Bank: Kenya Commercial Bank (KCB)
Branch: Kilifi
Account Number: 1102273414
4. Name of Bank: Kenya Commercial Bank (KCB)
Branch: Kilifi
Account Number: 1179551338
5. Name of Bank: Kenya Commercial Bank (KCB)
Branch: Kilifi
Account Number: 1272008584
6. Name of Bank: Kenya Commercial Bank (KCB)
Branch: Kilifi
Account Number: 1105135152

7. MPESA Pay Bill No. 522123 A/C 60182K attached to 1106571509 bank account

(g) Independent Auditors

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

ii. Summary Report of Performance of the School

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

a) **Financial performance:**

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

DESCRIPTION	2021-2022	2020-2021	2019-2020
	Ksh.	Ksh.	Ksh.
SURPLUS/DEFICIT	6,093,485	7,089,814	(30,377)

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

DESCRIPTION	2021-2022	2020-2021	2019-2020
RECEIPTS	Ksh.	Ksh.	Ksh.
Capitation grants for tuition	2,472,474	1,049,597	1,543,710
Capitation grants for operation	10,885,481	7,098,373	9,591,644
TOTAL	13,357,955	8,147,970	11,135,354

Ratio of capitation grant per student over the last three years

DESCRIPTION	2021-2022	2020-2021	2019-2020
RECEIPTS	Ksh.	Ksh.	Ksh.
Total Capitation	13,357,955	8,147,970	11,135,354
No .of Students	715	821	755
Capitation per student	18,683	9,924	14,748
RATIO			

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

DESCRIPTION	2021-2022	2020-2021	2019-2020
RECEIPTS	Ksh.	Ksh.	Ksh.
School fund Income –School fees	24,710,256	12,829,899	14,681,047
School Fund Income-Other receipts	476,750	704,467	204,000
TOTAL	25,187,006	13,534,366	14,885,047

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

DESCRIPTION	2021-2022	2020-2021	2019-2020
PAYMENTS	Ksh.	Ksh.	Ksh.
Tuition Account	2,690,348	1,458,590	1,481,149
Operation Account	10,360,974	3,663,364	12,091,547
School Fund Account	19,400,154	9,470,568	12,478,081
Total	32,451,476	14,592,522	26,050,777

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

DESCRIPTION	2021-2022	2020-2021	2019-2020
DEBTORS	Ksh.	Ksh.	Ksh.
School Fund Account	26,708,964	29,919,363	26,618,840
Total	26,708,964	29,919,363	26,618,840

DESCRIPTION	2021-2022	2020-2021	2019-2020
CREDITORS	Ksh.	Ksh.	Ksh.
	6,618,913	15,094,055	15,436,195
Total	6,618,913	15,094,055	15,436,195

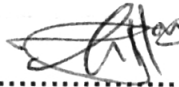
Movement of cash and bank balances over the last three years

DESCRIPTION	2021-2022	2020-2021	2019-2020
CASH	Ksh.	Ksh.	Ksh.
Operation Account	0	710	0
School Fund Account	305	5,666	0
Infrastructure Account	1,070	0	0
Total			

DESCRIPTION	2021-2022	2020-2021	2019-2020
BANK	Ksh.	Ksh.	Ksh.
Tuition Account	49,370	20,48200	63,874
Operation Account	234,149	243,585	15,323
School Fund Account	646,011	323,008	(68,190)
Infrastructure Account	3,376,692	2,828,408	27,284
Bus Account	84,091	141,087	77,503
Saving Account	691	691	691
NTS Account	3,973	3,973	3,973
TOTAL	4,394,977	3,561,234	120,459

a) Development projects carried out by the school:

PROJECT NAME	FUND SOURCE	AMOUNT	REMARKS
DINNING & KITCHEN	M.O.E		Complete



.....
School Principal

PRINCIPAL
ST. TERESAS SEC. SCHOOL
P.O. Box 1223-80108, KILIFI

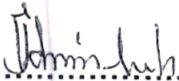
iii. Statement of School Management Responsibility

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

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

The Board of Management of St. Teresa's 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, 2022, and of the school's financial position as at that date.



.....
Name: Charles Kai

Designation: Chairman, School Board of Management

Date: 21/08/24



.....
Name: Gabriel Mbaji

Designation: School Principal & Secretary to Board of Management

Date: 21/08/24



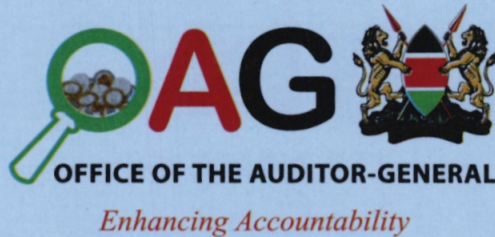
.....
Name: Janet Gesat

Designation: Bursar/ Finance Officer

Date: 21/08/24

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
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HEADQUARTERS
Anniversary Towers
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P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON ST. TERESA'S SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 – KILIFI 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 intended purpose; and
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, 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.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of St. Teresa's Secondary School - Kilifi County set out on pages 1 to 21, which comprise of the statement of financial assets and financial liabilities as of 30 June, 2022 and the statement of receipts and payments, statement of cash flows, statement of budgeted versus actual amounts for the years 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, 2010 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 St. Teresa's Secondary School as at 30 June, 2022 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Parent's Contribution and Other Receipts

The statement of receipts and payments reflects school fund income - parents contribution and other receipts amount of Kshs.24,710,256 and Kshs.476,750, respectively as disclosed in Notes 3 and 4 to the financial statements. However, schedules supporting the amount were not provided for audit review.

In the circumstances, the accuracy and completeness of school fund income - parents contribution and other receipts amounting to Kshs.25,187,006 could not be confirmed.

2. Unsupported Payments

The statement of receipts and payments reflects an amount of Kshs.10,360,974 and Kshs.16,659,054 in respect of payments for operations and payments for boarding and school fund respectively as disclosed in Note 6 to the financial statements. However, examination of payment vouchers amounting to Kshs.3,231,388 revealed that Management made payments without proper supporting documents such as requisitions, local purchase orders, delivery notes, inspection reports, goods received notes, and certificate of payments.

In the circumstances, the accuracy and completeness of the operations payments and payments for boarding and school fund amounting to Kshs.3,231,388 could not be confirmed.

3. Unsupported Cash and Cash Equivalents

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.4,396,352 as disclosed in Notes 9 and 10 to the financial statements. Included in this balance are savings account and parents' association development bank account balances of Kshs.3,973 and Kshs.691, respectively. However, the bank balances were not supported by cash books and bank reconciliation statements. Further, the Board of survey report for cash balance of Kshs.1,375 was not provided for audit review.

In the circumstances, the accuracy, completeness and existence of the Cash and Cash equivalents balance of Kshs.4,396,352 could not be confirmed.

4. Unsupported Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.26,708,965 as disclosed in Note 12 to the financial statements. However, supporting schedules, detailed aging analysis and issued invoices were not provided for audit review. Further, significant accounting policies on accounts receivables as disclosed in Note 10 (5) are silent on the treatment of the students' fee balances which is the major source of income for the school.

In the circumstances, the accuracy, completeness and existence of the receivables balance of Kshs.26,708,965 could not be confirmed.

5. Unsupported Accounts Payables

The statement of financial assets and financial liabilities reflects accounts payables balance of Kshs.6,592,288 as disclosed in Note 13 to the financial statements. However, schedules provided for audit review reflects a balance of Kshs.2,492,492 resulting to an unexplained variance of Kshs.4,099,797.

In the circumstances, the accuracy and completeness of accounts payable balance of Kshs.6,592,288 could not be confirmed.

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the St. Teresa's 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 amount of Kshs.44,098,340 and Kshs.38,402,211 respectively, resulting in an under-funding of Kshs.5,696,129 or 13% of the budget. However, the School spent Kshs.34,947,979 against actual receipts of Kshs.38,402,211 resulting in an under-utilization of Kshs.3,454,232 or 9% of actual receipts.

The underfunding and under-utilization may have affected the planned activities and impacted negatively on service delivery.

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.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues as at 30 June, 2022

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion, 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 17 May, 2024 instead of the statutory deadline of 30 September 2022. This was contrary to the Ministry of Education Circular Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the school's financial statements should be ready by

30 September, 2022 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

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

The statement of receipts and payments reflects operations payments amount of Kshs.10,360,974 as disclosed in Note 6 to the financial statements. Included in the expenditure is an amount of Ksh.475,515 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 the 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, the value for money transferred to KESSHA amounting to Kshs.475,515 could not be confirmed.

3. Failure to Transfer Infrastructure Funds from the Operations Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.10,885,481 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.3,743,500 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the school's facilities. However, only an amount of Kshs.2,308,890 was transferred to the infrastructure account, leaving a balance of Kshs.1,434,610. This was 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 to 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.

4. Under-Funding of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amount of Kshs.2,472,474 and Kshs.10,885,481, respectively as disclosed in Notes 1 and 2 to the financial statements. During the financial year, NEMIS reported a total number of two thousand nine hundred fifty-one (2,951) students while the enrolment records provided by the School indicated a total number of three thousand two hundred twenty-one (3,221) students, resulting to an unexplained variance of two hundred and seventy (270) students. As a result of the variances, the School was under funded by an amount of Kshs.1,180,170.

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

5. Irregular Procurement Process of Infrastructure Projects

As disclosed in Note 8 to the financial statements, the statement of receipts and payments reflects payment for infrastructure amount of Kshs.2,741,100 which includes payments for construction of kitchen & Dining hall at a contract sum of Kshs.1,493,629. The contract was awarded to Company under labour contract through Request for Quotation (RFQ) method of procurement, however, the following anomalies were observed;

- i. The identification of the Company to quote under RFQ was not provided for audit.
- ii. The Tender Committees were not appointed formally by the Principal and tender opening minutes were not provided.
- iii. Tender evaluation minutes for both the Committee and individual score sheets were not provided.
- iv. Professional opinion from the head of procurement was not provided.
- v. Inspection and acceptance committee was not appointed by The Chief Principal.
- vi. Inspection Committee and acceptance committee minutes on the progress of the project at each stage were not provided.

This was contrary to Regulation 25 of Public Procurement and Asset Disposal Regulation (PPADR) , 2020 which requires the accounting officer to appoint a tender opening committee, Section 80(1) of PPADA, 2015 requires the evaluation committee appointed by the accounting officer pursuant to Section 46 of the Act to evaluate and compare the responsive tenders other than tenders rejected under section 82(3) and Regulation 31(2) of PPADR, 2020 which states the individual score sheets shall be kept as records of a procurement proceeding, Section 84(1) of PPADA, 2015 requires the head of procurement function of a procuring entity alongside the report to the evaluation committee to make secretariat comments, review the tender evaluation report and provide a signed professional opinion to the accounting officer on the procurement or asset disposal proceedings.

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

6. Failure to Match Textbooks Delivered with the Distribution List

During the period under review, the Ministry of Education distributed textbooks to public secondary schools through the Kenya Institute of Curriculum Development (KICD). Examination of records revealed that the Institute did not distribute any textbooks to St. Teresa's Secondary school, yet the school had been allocated one hundred and forty-six (146) textbooks each for the four (4) different categories as per the contract resulting in a deficit of five hundred and eighty-four (584) textbooks.

In the circumstances, the undistributed textbooks affected the planned activities and may have impacted negatively on service delivery to the students.

7. Inadequate Need Assessment Guiding Distribution of Textbooks

During the year under review, the audit revealed that there was no evidence of instructional need assessment that provided the basis for determining the number and

subject of instructional material needed by the school. In addition, there was no evidence of St. Teresa's Girls having set up a School Instructional Materials Selection Committee (SIMSC) that does annual needs assessment of the textbooks urgently needed by the school that will guide the Ministry of Education through the Kenya Institute of Curriculum Development (KICD) on the distribution of textbooks to the school.

In the circumstances, the School may not have received value for money for the books supplied.

8. Failure to Prepare the School Improvement Plan

During the year 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 the International Standards for 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 effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management, and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management, and governance were not effective.

Basis for Conclusion

1. Lack of Fixed Asset Register

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.69,253,250. Review of list of assets provided for audit reflects fixed assets which includes land, buildings and structures, office equipment, other machinery equipment, intangible assets, motor vehicles, furniture and fittings, ICT equipment, tools and apparatus and textbooks. However, Management did not maintain an asset register as

required by Regulation 143(1) of the Public Finance Management (National Government) Regulations, 2015.

In the circumstances, it was not possible to confirm safe custody and ownership of the School's assets.

2. Lack of Adequate Facilities in the Institution

During the year under review, it was observed that the school did not have a kitchen, dining hall, library and adequate dormitories, outdoor playing facilities and equipment, classrooms, or laboratories and there were no provisions for persons with disabilities, contrary to Regulation 64 of Basic Education Regulation, 2015

In the circumstances, inadequate facilities in the institution affected the planned activities and may have impacted negatively on service delivery to the students.

3. Lack of Internal Audit Function and Audit Committee

During the year under review, the School had not constituted an audit committee and an internal audit unit as required by Regulation 166(1) and (2) of the Public Finance Management (National Government) Regulations, 2015 which states that, the internal audit unit of a National Government entity is to assess effectiveness of the School through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury.

In the circumstances, the School did not benefit from the oversight role and advice from the audit committee and the internal audit function.

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 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 (Modified 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 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 close 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 following 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 overall 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 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 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 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

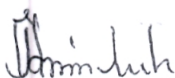
Nairobi

30 December, 2024

V. **STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2022**

DESCRIPTION OF VOTE HEAD	Note	2021-2022	2020-2021
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition	1	2,472,474	1,049,597
Capitation grants for operations	2	10,885,481	7,098,373
School Fund Income- Parents' Contributions	3	24,710,256	12,829,899
Capitation for Infrastructure		0	0
School Fund Income- Other receipts	4	476,750	704,467
Proceeds from borrowings		0	0
TOTAL RECEIPTS		38,544,961	21,682,336
PAYMENTS			
Payments for Tuition	5	2,690,348	1,458,590
Payments for operations	6	10,360,974	3,636,738
Boarding and school fund payments	7	16,659,054	9,470,568
Infrastructure	8	2,741,100	0
TOTAL PAYMENTS		32,451,476	14,565,896
SURPLUS/DEFICIT		6,093,485	7,116,440

The school financial statements were approved on 21/08/2024 and signed by:



Name: Charles Kai

Chair BOM

Date: 21/08/24



Name: Gabriel Mbaji
School Principal/ Secretary
to BOM

Date: 21/08/24



Name: Janet Gesare
Bursar/ Finance Officer

Date: 21/08/24

VI. STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE 2022

	Note	2021-2022	2020-2021
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	9	4,394,973	3,561,234
Cash Balances	10	1,375	6,376
Short term Investment	11	0	0
Total Cash and cash equivalent		4,396,352	3,567,610
Account's receivables	12	26,708,965	29,919,363
TOTAL FINANCIAL ASSETS		31,105,316	33,486,973
FINANCIAL LIABILITIES			
Accounts Payables	13	(6,592,288)	(15,067,431)
NET FINANCIAL ASSETS		24,513,028	18,419,542
REPRESENTED BY			
Accumulated Fund b/fwd 1stJun 2021	14	18,419,543	11,303,103
Surplus/Deficit for the year		6,093,485	7,116,440
NET FINANCIAL POSSITION		24,513,028	18,419,543

The school's financial statements were approved on 21/08/2024 and signed by:

.....
 Name: Charles Kai
 Chair BOM
 Date: 21/08/24

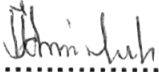
.....
 Name: Gabriel Kibaji
 School Principal/ Secretary
 to BOM
 Date: 21/08/24


.....
 Name: Janet Gesarf
 Bursar/ Finance Officer
 Date: 21/08/24

VII. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2022

	Note	2021-2022 Kshs	2020-2021 Kshs
Receipts for operating income			
Capitation grants for tuition	1	2,472,474	1,049,597
Capitation grants for operations	2	10,885,481	7,098,373
School fund income- Parents contributions/ fees	3	24,710,256	12,829,899
School fund income- other receipts	4	476,750	704,467
Total receipts		38,544,961	21,682,336
Payments			
Payments for Tuition	5	2,690,348	1,458,590
Payments for operations	6	10,360,974	3,636,738
Boarding and school fund payments	7	16,659,054	9,470,568
Infrastructure	8	2,741,100	0
Total payments		32,451,476	14,565,896
Net cash flow from operating activities		6,093,485	7,116,440
CASHFLOW FROM INVESTING ACTIVITIES			
Maintenance & Improvement Funds			
Proceeds from Sale of Assets			
Proceeds from investments			
Acquisition of Assets			
Net cash flow from Investing Activities			
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
Net cash flow from financing activities			
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		6,093,485	7,116,440
Cash and cash equivalent at BEGINNING of the year		7,236,899	120,459
Cash and cash equivalent at END of the year		13,330,384	7,236,899

The school's financial statements were approved on 21/08/2024 and signed by:







Name: Charles Kai

Name: Gabriel N'bâi
School Principal/ Secretary
to BOM

Name: Janet Gesare

Chair BOM

Bursar/ Finance Officer

Date: 21/08/24

Date: 21/08/24

Date: 21/08/24

VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2022

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% of Utilization
	a	b	c=a+b	d	f=d/c %
	Kshs	Kshs			Kshs
RECEIPTS					
(1) CAPITATION GRANT ON TUITION					
Textbooks and reference materials					
Exercise books	2,210,000		2,210,000	1,406,094	64%
Laboratory equipment	683,400		683,400	479,905	70%
Internal exams	338,895		338,895	358,761	106%
Teaching / learning materials	290,105		290,105	142,414	49%
Chalks				85,300	-
Exams and assessment					
Teachers guides					
Sub Total	3,522,400		3,522,400	2,472,474	70%
(2) CAPITATION GRANT ON OPERATIONS					
Personnel emoluments	4,338,635		4,338,635	3,920,307	90%
Repairs and maintenance	4,250,000		4,250,000	3,586,750	84%
Local transport / travelling	1,173,800		1,173,800	902,904	77%
Electricity and water	928,400		928,400	855,170	92%
Medical	552,500		552,500	0	0%
Administration costs	1,931,765		1,931,765	1,620,350	84%
Activity	1,275,000		1,275,000		0%
Gratuity					

St. Teresa's Secondary School
Annual Report and Financial Statements For the year ended 30th June 2022

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% of Utilization
	a	b	c=a+b	d	f=d/c %
	Kshs	Kshs			Kshs
SMASSE					
Sub Total	14,450,100		14,450,100	10,885,481	75%
(3) FEES CHARGED ON PARENTS					
Personnel emoluments	993,760		993,760	880,491	113%
Repairs and maintenance	520,000		520,000	603,948	86%
Local transport / travelling	628,100		628,100	722,569	87%
Electricity and water	1,200,000		1,200,000	1,246,599	96%
BOM Teachers	7,000,000		7,000,000	6,020,648	116%
Administration costs	583,880		583,880	1,045,952	56%
Activity	65,000		65,000	139,731	47%
SMASSE					
Fee on Boarding Equipment and Stores	12,500,100		12,500,100	14,050,318	89%
Sub Total	23,490,840		23,490,840	24,710,256	95%
OTHER INCOME					
Rent income					
Income from farming activities					
Insurance compensation					
Income from Posho mill					
Income from Bus Hire	2,635,000		2,635,000	334,000	13%
Fee for hire of ground and equipment					
Interest income					

St. Teresa's Secondary School
Annual Report and Financial Statements For the year ended 30th June 2022

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% of Utilization
	a	b	c=a+b	d	f=d/c %
	Kshs	Kshs			Kshs
Income from any other investment					
Sub Total	2,635,000		2,635,000	334,000	
TOTAL INCOME	44,098,340		44,098,340	38,402,211	87%
(1) EXPENDITURE FOR TUITION					
Textbooks and reference materials					
Exercise books	2,210,000		2,210,000	1,433,900	65%
Laboratory equipment	683,400		683,400	624,485	91%
Internal exams	338,895		338,895	395,820	117%
Teaching / learning materials	290,105		290,105	193,962	67%
Chalks				39,500	-
Exams and assessment					
Teachers guides					
Administration costs					
Bank Charges					
Sub Total	3,522,400		3,522,400	2,687,667	76%
(2) EXPENDITURE FOR OPERATIONS					
Personnel emoluments	4,338,635		4,338,635	3,777,103	87%
Repairs, maintenance & improvements	4,250,000		4,250,000	5,666,750	133%
Local transport / travelling	1,173,800		1,173,800	629,162	54%

St. Teresa's Secondary School
Annual Report and Financial Statements For the year ended 30th June 2022

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% of Utilization
	a	b	c=a+b	d	f=d/c %
	Kshs	Kshs			Kshs
Electricity, water and conservancy	928,400		928,400	558,870	60%
Medical	552,500		552,500	23,050	4%
Administration costs	1,931,765		1,931,765	1,479,445	77%
Activity Expenses	1,275,000		1,275,000	955,350	75%
Gratuity					
SMASSE					
Sub Total	14,450,100		14,450,100	13,089,730	91%
(3) EXPENDITURE FOR SCHOOL FUND					
Personnel emoluments	993,760		993,760	1,052,239	106%
Repairs, maintenance and improvements	520,000		520,000	186,295	36%
Local transport / travelling	628,100		628,100	657,530	105%
Electricity, water and conservancy	1,200,000		1,200,000	672,635	56%
BOM Teachers	7,000,000		7,000,000	4,046,353	58%
Administration costs	583,880		583,880	775,835	133%
Activity	65,000		65,000	57,900	89%
Gratuity					
Boarding Equipment and Stores	12,500,100		12,500,100	11,331,705	91%
Expenditure for Income Generating Activity	2,635,000		2,635,000	390,090	15%
Insurance costs					

St. Teresa's Secondary School
Annual Report and Financial Statements For the year ended 30th June 2022

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% of Utilization
	a	b	c=a+b	d	f=d/c %
	Kshs	Kshs			Kshs
Other expenses on investments					
Rent Expenses					
Bank Charges					
Loan Interest Repayment					
Loan Principal Repayment					
Acquisition of Assets					
Sub Total	26,125,840		26,125,840	19,170,582	73%
TOTAL	44,098,340		44,098,340	34,947,979	79%

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 30th June 2022

X. Notes To The Financial Statements

1 Government Grants for Tuition

	2021-2022	2020-2021
	Kshs	Kshs
Textbooks and reference materials	0	0
Exercise books	1,406,094	658,522
Laboratory equipment	479,905	203,625
Internal exams	358,761	100,975
Teaching / learning materials	142,414	86,475
Chalks	85,300	0
Exams and assessment		0
Teachers guides		0
Total	2,472,474	1,049,597

2 Government Grants for Operations

	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	3,920,307	1,930,704
Repairs and maintenance	3,586,750	3,002,750
Local transport / travelling	902,904	352,006
Electricity and water	855,170	413,164
BOM Teachers	0	540,000
Administration costs	1,620,350	859,749
Activity	0	0
Total	10,885,481	7,098,373

3 School Fund Income - Parents' Contribution/Fees

	2021-2022	2020-2021
	Kshs	Kshs
Boarding Stores and Equipment	14,050,318	6,972,035
Repairs and maintenance	603,948	327,945
BOM Teachers	6,020,648	3,415,771
Local transport / travelling	722,569	378,999
Electricity and water	1,246,599	512,182
Administration costs	1,045,952	597,875

	2021-2022	2020-2021
	Kshs	Kshs
Personnel Emoluments	880,491	587,869
Activity	139,731	37,223
Total	24,710,256	12,829,899

4 Miscellaneous Incomes

	2021-2022	2020-2021
	Kshs	Kshs
Rent income	0	0
Income from farming activities	0	0
Income from Posho mill	0	0
Income from Bus Hire	334,000	217,880
Fee for Bus Fund	0	464,637
Tender Fees	38,000	13,000
KNEC Fees	11,750	6,500
Student IDs	93,000	2,450
Total	476,750	704,467

Notes to the Financial Statements (continued)

5 Tuition

	2021-2022	2020-2021
	Kshs	Kshs
Textbooks and reference materials	0	0
Exercise books	0	920,300
Laboratory equipment	0	230,060
Internal exams	0	107,500
Teaching / learning materials	193,962	199,740
Chalks	39,500	0
Exams and assessment	0	0
Teachers guides	0	0
Administration Costs	0	0
Bank Charges	2,681	990
Total	2,690,348	1,458,590

6 Operations

	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	3,777,103	1,992,865
BOM Teachers	0	271,000
Administration Cost	1,479,445	965,097
Repairs and maintenance & improvements	0	0
Local transport / travelling	629,162	63,100
Electricity and water	558,870	240,376
Medical	23,050	20,100
Activity Expenses	955,350	110,700
SMASSE	0	0
Insurance Cost	0	0
Bank Charges	12,344	126

St. Teresa's Secondary School

Annual Report and Financial Statements For the year ended 30th June 2022

Acquisition of Assets-Class rooms	2,925,650	0
TOTAL	10,360,974	3,636,738

Notes to the Financial Statements (continued)

7 Boarding And School Fund

	2021-2022	2020-2021
	Kshs	Kshs
Boarding Equipment and stores	8,590,605	5,515,519
Personnel emoluments	1,052,239	426,175
BOM Teachers	4,046,353	2,208,185
Repairs and maintenance & Improvements	186,295	0
Local transport / travelling	657,530	291,850
Electricity and water	672,635	300,556
Activity	57,900	0
Tender	32,500	19,000
Administration costs	775,835	317,302
Bank Charges	996	996
Expenses on Income Generating Activities- Bus Hire	390,090	103,830
Student ID	54,000	44,750
Bus Fund	0	242,404
Medical & Insurance	142,076	0
TOTAL	16,659,054	9,470,568

8 INFRASTRUCTURE

	2021-2022	2020-2021
	Kshs	Kshs
Construction of Dining Hall	2,741,100	00
TOTAL	2,741,100	00

9 Bank Accounts

Name of Bank, Account No. & currency	Bank Account Number	2021-2022	2020-2021
		Kshs	Kshs
Tuition Account	1102273414	49,370	20,482
Operations Account	1102274607	234,149	243,585
School Fund Account/Boarding	1106571509	646,011	323008
Savings Account	1105655083	3973	3,973
Parent Association Development Account	1105135152	691	691
Bus Account	1179551338	84,091	141,087
Infrastructure Account	127200854	3,376,692	2,828,408
Total		4,394,977	3,561,234

Notes to the Financial Statements (continued)

10 Cash In Hand

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition Account	0	0
Operation Account	1,070	710
School Fund account	305	5,666
Total	1,375	6,376

11 Short Term Investments

Description	2021-2022	2020-2021
	Kshs	Kshs
Cooperative shares	0	0
Treasury Bills	0	0
Fixed deposit	0	0
Equity stock	0	0
Other investments	0	0
Total	0	0

Notes to the Financial Statements (continued)

12 Accounts Receivable

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees arrears	26,680,714	27,829,180
Other non-fees receivables	28,250	682,135
Salary advances	0	171,891
Imprest	0	1,236,157
Total	26,708,964	29,919,363

Ageing Analysis of Accounts Receivable

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees arrears for current year	5,735,937	7,977,593
Fees arrears for the previous year	7,295,424	7,834,432
Fees arrears for prior periods (over two years)	13,649,354	12,017,155
Total	26,680,715	27,829,180

13 Accounts Payable

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	6,321,467	7,669,183
Prepaid fees	270,822	631,456
Short Term loans	0	267,994
Caution Money	0	1,083,021
MOE	0	44,740
Bus Fund	0	2,258,042
PAYE	0	18,393
PTA	0	3,010,436
KCSE Exam Fees	0	57,012
RD Cheque	0	27,154
Total	6,592,289	15,067,431

Notes to the Financial Statements (continued)

Ageing Analysis of Accounts Payable

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade creditors for current year	2,337,842	3,465,335
Trade creditors for the previous year	0	4,203,848
Trade creditors for prior periods (over two years)	3,983,625	0
Total	6,321,467	7,669,183

14 Fund Balance Brought Forward

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank balances	4,394,977	3,561,234
Cash balances	1,375	6,376
Short Term Investments	0	0
Receivables	26,708,965	29,919,363
Payables	(6,592,288)	(15,067,431)
Total	24,513,028	18,419,542

Other important disclosure notes

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

15 Non-current Liabilities Summary

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank loan(s)	0	0
Outstanding Leases	0	0
Hire purchase	0	0
Gratuity and leave provision	0	0
Total		

16 Biological assets

Description	Numbers	2021-2022	2020-2021
		Kshs	Kshs
Cattle			
Goats			
Trees			
Coffee or tea plantation			
Poultry			
Total			

17 Borrowings

Description	2021-2022	2020-2021
	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

18 Stock/ Inventory

Description	2021-2022 KShs	2020-2021 KShs
b) Borrowings		
Stock/ inventory at beginning of the year		
Stock/ inventory purchased during the year		
Stock/ inventory issued during the year		
Balance at end of the year		

19 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)

NB: The accounts are being audited by the auditor General for the first time and the above recommendations may not apply.

Sign and Date
Principal

[Handwritten Signature]
PRINCIPAL
 P.O. TERESA'S SECONDARY SCHOOL
 P.O. BOX 108, KILIFI

XI. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021
	a	b	c	d=a-c
	Kshs	s	Kshs	Kshs
Construction of buildings				
Sub-Total	0.00			0
Supply of goods				
PENJUM ENTERPRISES				125,000
AZANIA SPORTS HOUSE				90,500
KANSBAG LIMITED				226,000
LABOQUIPS SUPPLIERS				720,050
ZABACH ENTERPRISES LTD				672,230
KILIFI NEWFACE ENTERPRISES				672,662
UTUBORA TRADERS				1,545,650
PRESHESON ENTERPRISES				1,281,000
FAJRI BAKERS LTD				88,250
LAKE PARM AGENCIES				600,000
HILKATH VENTURES				160,500
SHUME MEAT, FISH & CHICKEN BUTCHERY				52,040
MAHOZA MWASAMBU				10,000
GALLANT VIDEO PRODUCTIONS				449,000
FELIX KATUA				84,150
Sub-Total				5,480,817
1. STAFF –SALARY ARREARS SUPPLY OF SERVICES				840,650
Sub-Total				840,650
Grand Total				6,321,467

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021

Annex 2 – Summary of Fixed Assets Register

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2022
Land 1	19.02.1997	Chonyi-0.41 Ha	506,650			506,650
Land 2	21.03.2007	Chonyi-1.0 Ha	1,235,500			1,235,500
Buildings and structures	Various Dates		47,500,000	4,765,000		52,265,000
Motor vehicles	28.11.2014		3,700,000			3,700,000
Office equipment, furniture and fittings	Various Dates		5,873,000	1,350,000		7,223,000
ICT Equipment, and Other ICT Assets	Various Dates		946,000			946,000
Tools and apparatus	Various Dates		535,000			535,000
Textbooks	Various Dates		1,600,000	450,000		2,050,000
Other Machinery and Equipment	Various Dates		642,100			642,100
Heritage and cultural	Various Dates		0			0

St. Teresa's Secondary School

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Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2022
assets						
Intangible assets- software	Various Dates		150,000			150,000
Total			62,688,250	6,565,000		69,253,250