

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF

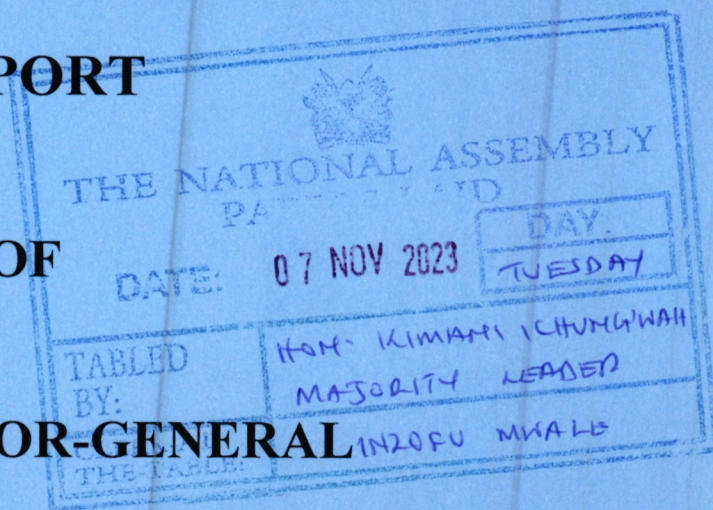
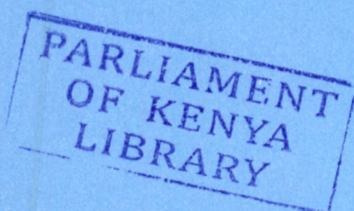
THE AUDITOR-GENERAL

ON

ST. MONICA'S BUTUNYI GIRLS
SECONDARY SCHOOL

FOR THE EIGHTEEN (18) MONTHS'
PERIOD ENDED 30 JUNE, 2021

BUSIA COUNTY





ST. MONICA'S BUTUNYI GIRLS SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE EIGHTEEN (18) MONTHS' PERIOD ENDED
30th JUNE 2021**

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

ST. MONICA'S BUTUNYI GIRLS SECONDARY SCHOOL
Annual reports and Financial Statements
For the eighteen (18) months' period ended 30th June 2021

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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 located in Busia County, Butula Sub-County

The school was registered in 11/2/2010 under registration number GP/A/7987/2010 and is currently categorized as a Sub-County public school established, owned or operated by the Government.

The school is a day school and had 134 number of students as at 30th June 2021. It has 1 streams and 12 teachers of which 5 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

Ref:	Name of Board Member	Designation	Date of appointment
1	Md. Elizabeth A Onyango	Chairperson	14/3/2019
2	Md.Evallyne Nyaoke	Secretary – Principal	14/3/2019
3	Md.Prudence Yawetsi	Member –Vice Chair	14/3/2019
4	Mr.Peter wesonga	Member –PA	14/3/2019
5	Mr.Obuya Gabriel	Member	14/3/2019
6	Mr.Daniel Oloo	Member	14/3/2019
7	Mr.Sylvester Onyango	Member	14/3/2019
8	Md.Agripina Oyatsi	Member – Rep CEB	14/3/2019
9	Mr.Peter Namulundu	Member Rep Teachers	14/3/2019
10	Mr Fredrick Omoto	Member - Sponsor	14/3/2019
11	Md.Christabel Wandama	Member - Community	14/3/2019
12	Salome Kezza	MemberSpecial Needs	14/3/2019
13	Goretty Achieng	Rep Students	14/3/2019

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 pupil's 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

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KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

- 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. Md.Elizabeth A.Onyango 2..Md.Agripina Oyatsi 3.Md.Prudence Yawetsi 4.Mr.Fredrick Omoto 5.Md Evallyne Nyaoke 6.Mr.Peter Wesonga	Chairperson Member Member Member Member	3
2	Audit Committee			
3	Finance,procurement and general purposes Committee	1.Md.Christabel Wandama 2.Mr.Fredrick Omoto 3.Md.Elizabeth A. Onyango 4.Mr.Peter Wesonga 5.Md.Evallyne Nyaoke	Chairperson Member Member Member Member	3
4	Academic Committee	1.Md.Prudence Yawetsi 2.Md.Agripina Oyatsi 3.Mr.Peter Namlundu 4.Mr.Peter Wesonga 5.Mr.Atinda Felix	Chairperson Member Member Member Member	3
5	Development Committee	1.Mr.Gabriel Obuya 2.Mr.Patrick Wesonga 3.Md.Evallyne Nyaoke 4.Md.Elizabeth A.Onyango 5.Mr.Peter Wesonga	Chairperson Member Member Member Member	4
6	Discipline and welfare Committee	1.Md.Salome Kesia 2.Mr.Daniel Oloo 3.Mr.Peter Namlundu 4.Md.Evallyne Nyaoke 5.Md.Consolata Juma	Chairperson Member Member Member Member	3
7	Adhoc Committee (if any during the year)			

(d) School Operation Management

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

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KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

Ref:	Designation	Name	TSC Number
1	Principal	Md.Evallyne Nyaoke	338020
2	Deputy Principal	Md.Consolata Juma	364490
3	School Bursar	Md. Mildred Nancy Oundo	

(e) Schools contacts

Post Office Box: 77-50404 Bumala
Telephone: 0721973806
E-mail : stmonicabutunyi@gmail.com

(f) School Bankers

The following school operated 3 number of bank accounts in the following banks:

1. Name of Bank: National Bank.
Branch: Busia.
Account Number: 01025038172300.
Account Name: St. Monicas Butunyi Secondary School, Tuition account.
2. Name of Bank: National Bank.
Branch: Busia.
Account Number: 01242038172302.
Account Name: St. Monicas Butunyi Secondary School, Operations Account.
3. Name of Bank: National Bank.
Branch: Busia.
Account Number: 01242038172300
Account Name: St. Monicas Butunyi Secondary School, School fund Account.
4. Name of Bank: National Bank.
Branch: Busia.
Account Number: 01022231253100.
Account Name: St. Monicas Butunyi Secondary School, Infrastructure Account.

(g) Independent Auditors

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

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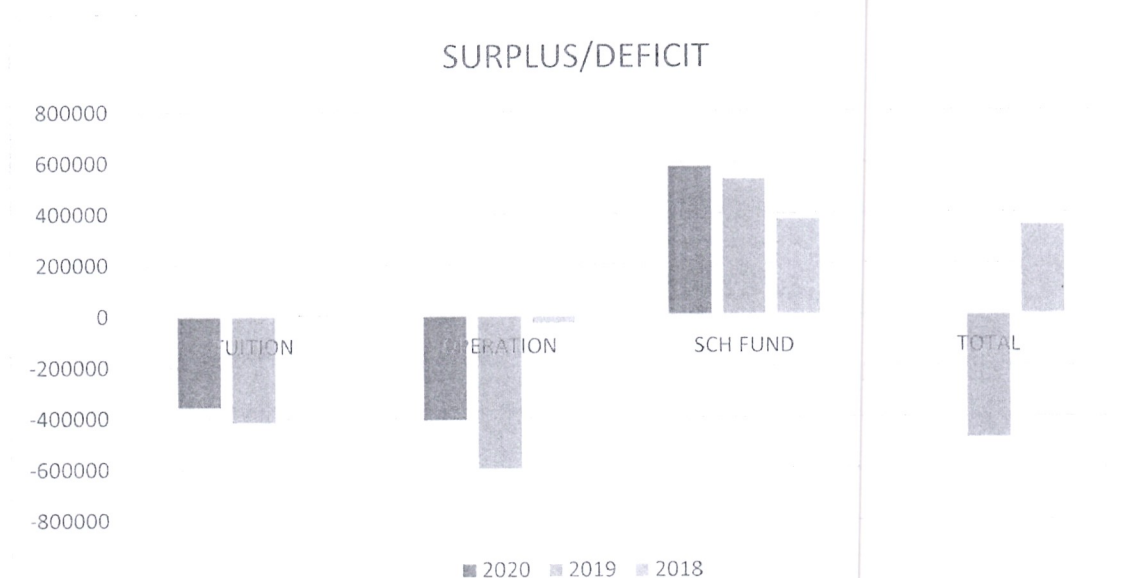
II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

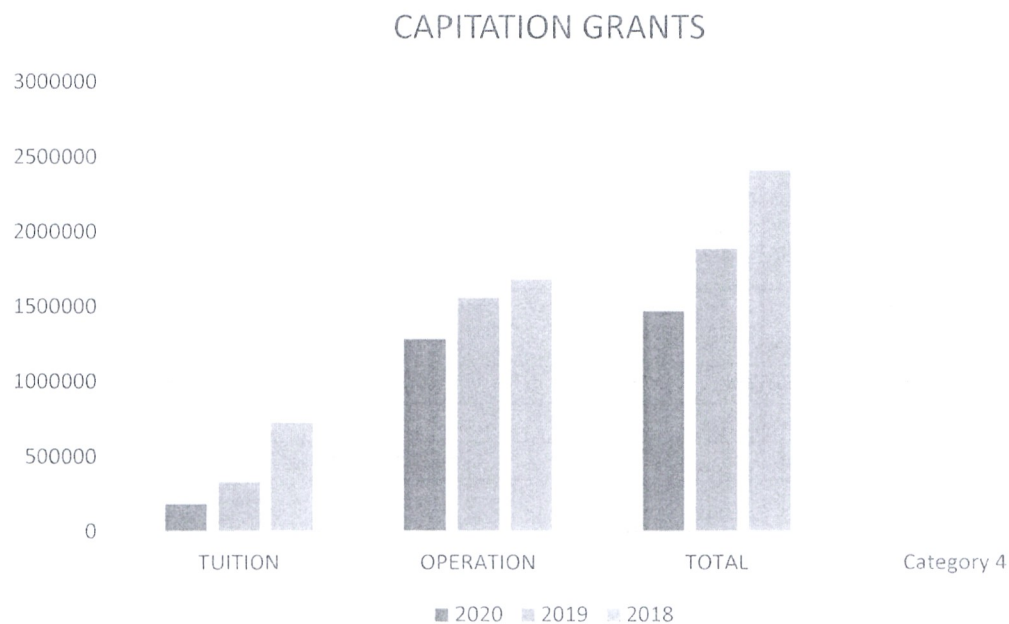
Year	2020	2019	2018
Tuition	(356,929)	(416,082)	5,626
Operation	(408,860)	(599,893)	(29,768.)
School Fund	582,626	531,592	374,782
Total	(237,163)	(484,384)	35,0639



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

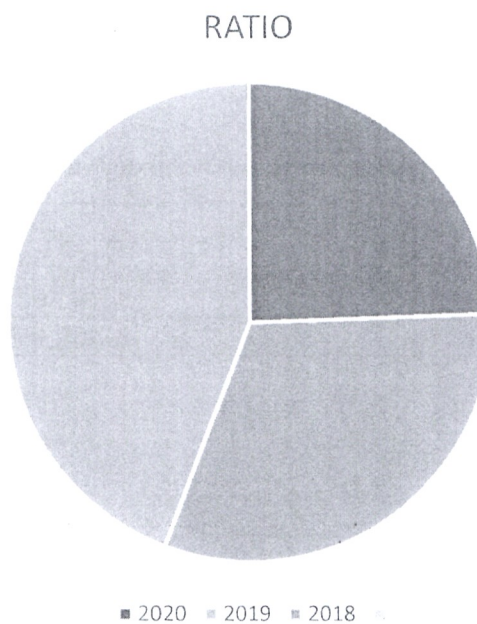
Year	2020	2019	2018
Tuition	185,980	329,668	728,375
Operation	1,28,3675	1,558,950	1,683,344
Total	1,469,655	1,888,618	2,411,719

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

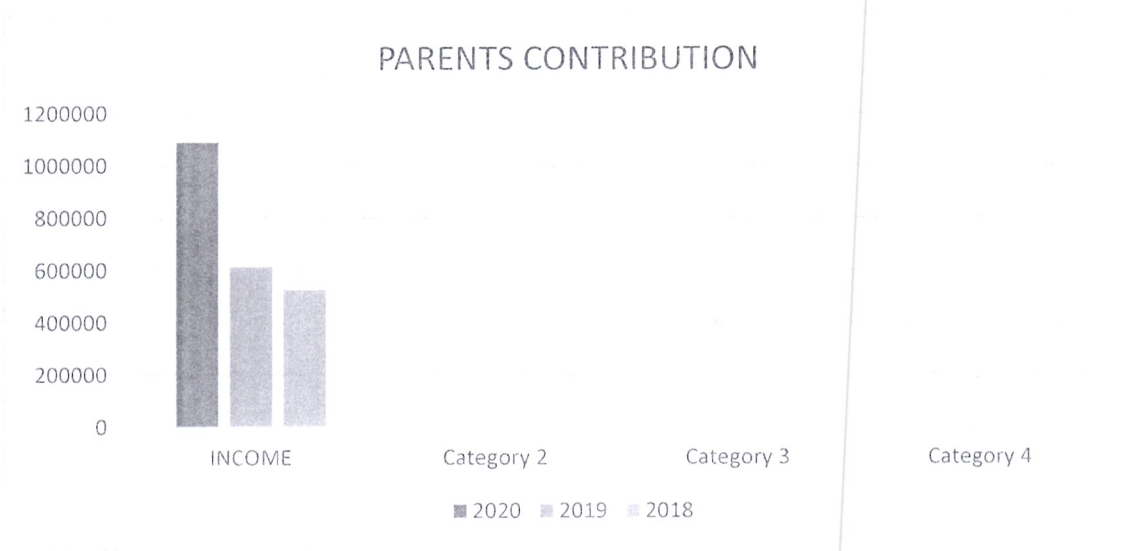
Year	2020	2019	2018
Ratio	11,305	14,527	20,438



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

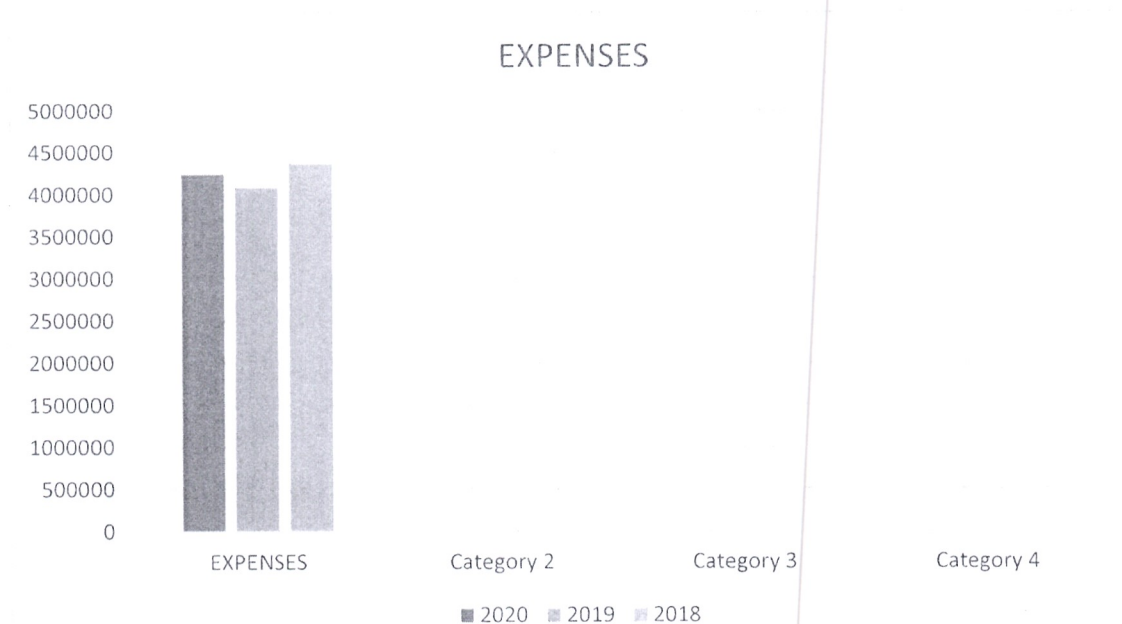
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Year	2020	2019	2018
Parents Contribution	1,090,871	614,691	527,538



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

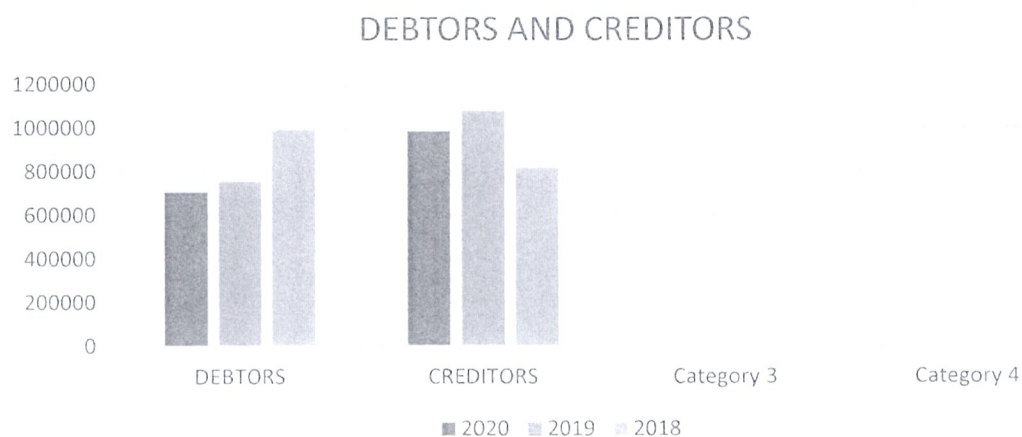
Year	2020	2019	2018
Expenses	4,243,056	4,08,3363	4,361,884



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

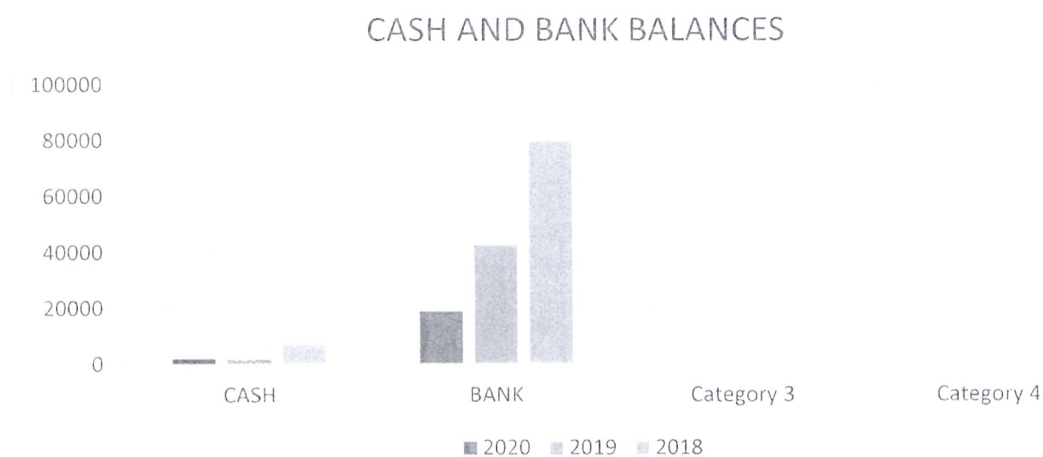
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Year	2020	2019	2018
Debtors	706,576	754,809	992,424
Creditors	983,830	1,077,980	817,152



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

Year	2020	2019	2018
Cash Balances	1,994	1,898	7,310
Bank Balances	18,893	42,603	79,645



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b) Teacher Student ratio:

Teacher student ratio.	1;19
No of teachers recruited	1
No of teachers transferred	1
No of teachers retired	0
No of teachers employed by TSC	7
No of teachers employed by BOM	5
No of students	134

No.	Subjects	Tsc Teachers	Bom Teachers	Total
1.	Mathematics	1	1	2
2	English	1	0	1
3	Kiswahili	1	1	2
4	Biology	2	0	2
5	Chemistry	1	0	1
6	Business	0	1	1
7	Agriculture	1	0	1
8	History	0	1	1
9	Geography	1	0	1
10	CRE	1	1	2
11	PHYSICS	1	0	1

Mean score in the 2021 KCSE:

.YEAR	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E	MEAN SCORE
2020	0	0	0	0	0	2	2	3	4	7	8	1	3.3448
2019	0	0	0	0	0	1	1	1	0	0	14	3	2.5220
2018	0	0	0	0	0	0	1	0	4	7	7	0	3.0000

Year	Qualified For University Entry
2020	2
2019	1
2018	0

c) Number of Candidates in the 2021 KCSE:

Tabulate the number of candidates sitting for KCSE over the last three years.

Year	No of Candidates
2020	29
2019	23
2018	19

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d) Capacity of the School:

Facility	No	No of Students
Laboratory	1	134
Toilets	2	134
Bathrooms	1	134
Classrooms	8	134
Kitchen	1	134

e) Development projects carried out by the school:

Project	Source of Funds
Renovation of 2 classrooms	Mif account

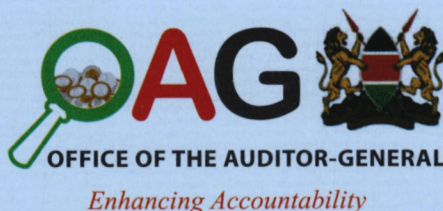
Sign

PRINCIPAL
 CA BUTUNYI GIRLS SEC
 OX 77 - 50404, BU
 26/4/23 SIGN: *[Signature]*

School Principal

REPUBLIC OF KENYA

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E-mail: 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 ST. MONICA'S BUTUNYI GIRLS SECONDARY SCHOOL FOR THE EIGHTEEN (18) MONTHS' PERIOD ENDED 30 JUNE, 2021 – BUSIA COUNTY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of St. Monica's Butunyi Girls Secondary School – Busia County set out on pages 13 to 26, which comprise the

Report of the Auditor-General on St. Monica's Butunyi Girls Secondary School for the Eighteen (18) Months' Period ended 30 June, 2021 – Busia County

statement of financial assets and financial liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows, statement of budgeted versus actual amounts for the eighteen (18) months' period then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of St. Monica's Butunyi Girls Secondary School – Busia County as at 30 June, 2021, and of its financial performance and its cash flows for the eighteen (18) months' period 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

1.0. Inadequately Supported Expenditure

The statement of receipts and payments reflects an expenditure of Kshs.1,746,025 under payments for operations which, as disclosed in Note 5 to the financial statements, includes an amount of Kshs.337,356 in respect of maintenance and improvement relating to renovation of two (2) classrooms at the School. Management provided for audit, notification of award, letter of acceptance of the award, contract agreement and statements for payments on account indicating that the tender was awarded to a company at a contract sum of Kshs.336,840. However, procurement documents leading to the award of the contract, including invitation to tender advertisement, bids submitted, tender evaluation report and professional opinion were not provided for audit.

In the circumstances, the accuracy, completeness and propriety of the maintenance and improvement expenditure of Kshs.337,356 could not be confirmed.

2.0. Long Outstanding Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.4,783,119 which, as disclosed Note 9 to the financial statements, relates to fees arrears. However, included in the balance is Kshs.3,728,597 that had been outstanding for a period of more than two (2) years. Further, evidence of effort made by Management to recover the arrears was not provided for audit.

In the circumstances, the accuracy and recoverability of the fees arrears of Kshs.4,783,119 could not be confirmed. Also, the School may face difficulties in delivering on its mandate.

3.0. Long Outstanding and Unsupported Accounts Payables

The statement of financial assets and financial liabilities reflects accounts payables balance of Kshs.999,359 which, as disclosed Note 10 to the financial statements, includes an amount of Kshs.508,969 that had been outstanding for a period of more than two (2) years. Further, Annex 1 on analysis of pending accounts payables only analyses pending bills for the current year amounting to Kshs.302,090, while pending payables amounting to Kshs.697,269 are not included in the analysis.

In the circumstances, the accuracy and completeness of the accounts payables balance of Kshs.999,359 could not be confirmed. Further, legal suits may be filed against the School, leading to additional costs to the School in form of legal fees, penalties and interests. Also, contractors or suppliers may withhold services for non-payment.

4.0. Unconfirmed Accuracy of Fixed Assets Balance

The summary of fixed assets register at Annex 2 to the financial statements reflects total assets balance of Kshs.18,116,400. However, the following unsatisfactory matters were noted:

4.1. Failure to Prepare and Maintain a Fixed Assets Register

Management did not prepare an up to date comprehensive assets register indicating the nature, dates of acquisition, costs, unique identification numbers, current locations or users, accumulated depreciation and net book values in support of the balance of Kshs.18,116,400 as at 30 June, 2021.

4.2. Lack of Ownership Documents

The balance of Kshs.18,116,400 includes Kshs.1,200,000, being the value of a parcel of land measuring approximately 9.5 acres belonging to Butunyi Roman Catholic School and on which the School was built. Also built on the parcel of land are a public primary school and a Church which have the title deeds. However, no evidence was provided to show that efforts had been made to have a standalone title deed for the School.

In the circumstances, the accuracy and completeness of the assets balance of Kshs.18,116,400 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects receipts budget and actual on comparable basis amounts of Kshs.6,409,225 and Kshs.4,142,370 respectively, resulting in an underfunding of Kshs.2,266,855 or 35% of the budget. Similarly, the statement reflects budgeted expenditure and actual on comparable basis amounts of Kshs.6,409,225 and Kshs.3,115,527 respectively, resulting in an under expenditure of Kshs.3,293,698 or 51% of the budget.

The underfunding and under expenditure affected the School's planned activities and may have adversely affected service delivery to the students, teachers and other stakeholders.

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

1.0. Stalled Project

Audit inspection of the School's buildings revealed a stalled building which started in the year 2008 and was funded by the Parents Teachers Association but was abandoned at the window level. Due to the abandonment, bricks had fallen off and were scattered around the structure. Further, payment records of documents showing the amount already spent on the project were not provided for audit.

In the circumstances, value for money may not have been realized from the expenditure on the project. Also, failure to complete the building might have adversely affected learning in the School.

2.0. Payments Made Without Budgetary Provisions

The statement of budgeted versus actual amounts indicates that the School made payments totalling to Kshs.704,589 under various budget items without a budgetary provision. This was contrary to Section 88(2) of the Basic Education Act, 2013, which states that the annual estimates should make provisions for all the estimated expenditure of the Department.

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

3.0. Lack of an Imprest Register

The Management of the School did not maintain an imprest register detailing the payees, imprest warrant numbers, date of issue, due dates, and dates of surrender. This was contrary to the provisions of Regulation 93(4)(c) of the Public Finance Management (National Government) Regulations, 2015, which states that the Accounting Officer should ensure that the applicant imprest has been recorded in the imprest register including the amount applied for.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on 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

1.0. Lack of Board Charter and Strategic Plan

During the period under review, the School did not have a Board Charter and a Strategic Plan outlining the objective and scope of the School. Although Management indicated that the School was in the process of developing the two documents, no documentary evidence was provided for audit review.

In the circumstances, the School had no means of measuring success, and demonstrating results, value and performance.

2.0. Lack of a Risk Management Policy

During the period under review, the School operated without a Risk Management Policy. Further, no evidence was provided to confirm that the School performed a formal risk assessment for the period under review. Although Management indicated that the School was in the process of developing the policy, no documentary evidence was provided for audit review.

In the circumstances, the effectiveness of risk management in the School could not be confirmed.

3.0. Lack of an Information Technology (IT) and Service Continuity and Disaster Recovery Plan

During the period under review, the School did not have a Data Recovery Strategy and Service Continuity Plan. Further, no offsite back up storage facility existed and the School did not have an existing IT Officer and IT Strategic Committee which would advise on gaps within the IT system. In addition, the School did not have a single computer.

In the circumstances, the School may suffer permanent loss of data and subsequent loss of public resources in the event a disaster occurs.

4.0. Weakness in the Filing System for Board of Management Committees

Review of documents revealed that the School had formed various School Committees as provided in the Basic Education Act, 2013. However, documents relating to the Committees were filed without folio numbers being indicated. Further, the School Infrastructure Committee's file contained all the procurement documents for all projects undertaken by the School. However, there was no specific file for each project as a result of which getting documents for the various Committee's deliberations and projects was difficult.

In the circumstances, the existence and/ or effectiveness of internal controls over filing of documents could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of noncompliance. 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 the Management.
- Conclude on the appropriateness of the 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 the 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.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

09 October, 2023

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III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

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

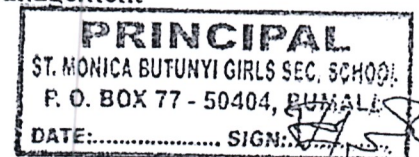
Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to keep all proper books and records of accounts of the income, expenditure and assets of the institution.

The Board of Management of St. Monicas Butunyi 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 eighteen (18) months' financial period ended 30th June, 2021, and of the School's financial position as at that date.

Name: ELIZABETH A. ONYANGO
Designation: Chairman, School Board of Management
Sign: [Signature]
Date: 20/04/2023

Name: EVALLINE NYAKOKE
Designation: School Principal & Secretary to Board of Management
Sign: [Signature]
Date: 20/4/23



Name: MILDRED NANCY OUNDO
Designation: Bursar/ Finance Officer
Sign: [Signature]
Date: 20/4/2023

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V. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE EIGHTEEN (18) MONTHS' PERIOD ENDED 30TH JUNE 2021

DESCRIPTION OF VOTE HEAD	Note		
			Kshs
RECEIPTS			
Capitation grants for tuition	1		357,476
Capitation grants for operations	2		2,473,584
School Fund Income- Parents' Contributions	3		1,311,309
TOTAL RECEIPTS			4,142,369
PAYMENTS			
Payments for Tuition	4		374,835
Payments for operations	5		1,746,025
Boarding and school fund payments	6		994,667
TOTAL PAYMENTS			3,115,527
SURPLUS/DEFICIT			1,026,842

The school financial statements were approved on 20/4 2023 and signed by:

Sign: [Signature]
 Name ELIZABETH A. ONYANICO
 Chair BOM

Sign [Signature]
 Name EVAKYNE NPAOICE
 School Principal/
 Secretary to BOM

Sign [Signature]
 Name MILDRED NANCY OUNDO
 Bursar/
 Finance Officer

Date...20/04/2023

Date 20/4/2023

Date 20/4/2023



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

	Note	18 Months Ended 30.6.21
		Kshs
FINANCIAL ASSETS		
Cash and Cash Equivalents		
Bank Balances	7	1,025,937
Cash Balances	8	905
Total Cash and cash equivalent		1,026,842
Account's receivables	9	4,783,119
TOTAL FINANCIAL ASSETS		5,809,961
FINANCIAL LIABILITIES		
Accounts Payables	10	999,359
NET FINANCIAL ASSETS		4,810,602
REPRESENTED BY		
Accumulated Fund	11	3,783,760
Surplus/Deficit for the period		1,026,842
NET FINANCIAL POSSITION		4,810,602

The School's financial statements were approved on 20/4 2023 and signed by:

Name: ELIZABETH A. ONYANGO
Chairman, BoM

Sign: [Signature]

Date: 20/04/2023

Name: EVALLYNE NTAOKE
School Principal/Secretary
to BoM

Sign: [Signature]

Date: 20/4/2023

Name: MILDRED NANCY
Bursar/Finance OCUNDO

Sign: [Signature]

Date: 20/4/2023



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VII. STATEMENT OF CASH FLOWS FOR THE EIGHTEEN (18) MONTHS' PERIOD ENDED 30TH JUNE 2021

	Note	18 Months Ended 30.6.21
		Kshs
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts for operating income		
Capitation grants for tuition	1	357,476
Capitation grants for operations	2	2,473,584
School fund income- Parents contributions/ fees	3	1,311,309
Total receipts		4,142,369
Payments		
Payments for Tuition	4	374,835
Payments for operations	5	1,746,025
Boarding and school fund payments	6	994,667
Total payments		3,115,527
Net cash flow from operating activities		1,026,842
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,026,842
Cash and cash equivalent at 1 January, 2020		-
Cash and cash equivalent at 30 June, 2021		1,026,842

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VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE EIGHTEEN (18) MONTHS' PERIOD ENDED 30TH JUNE 2021

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
RECEIPTS						
(1) Capitation Grant On Tuition						
Exercise books	204,750	-	204,750	14,000	190,750	7%
Laboratory equipment	232,000	-	232,000	33,146	198,854	14%
Internal exams	251,520	-	251,520	59,875	191,645	24%
Teaching / learning materials	392,000	-	392,000	250,456	141,544	64%
reference/Library	17,250	-	17,250	-	17,250	0%
Sub-Total	1,097,520	-	1,097,520	357,477	740,043	33%
(2) Capitation Grant On Operations						
Personnel emoluments	1,235,100	-	1,235,100	916,488	318,612	74%
Repairs and maintenance	985,000	-	985,000	958,000	27,000	97%
Local transport / travelling	120,000	-	120,000	67,907	52,093	57%
BOM Teachers salary	-		-	120,000	(120,000)	No budget
Electricity and water	59,605	-	59,605	90,648	(31,043)	152%
Medical	260,000		260,000	19,200	240,800	7%
Administration costs	215,000		215,000	260,941	(45,941)	121%
Activity	417,000	-	417,000	40,400	376,600	10%
Sub-Total	3,291,705	-	3,291,705	2,473,584	818,121	75%
(3) Fees Charged On Parents						
Fees recovered	-	-	-	341,092	(341,092)	No budget
Lunch	2,020,000	-	2,020,000	970,217	1,049,783	48%

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Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Sub-Total	2,020,000	-	2,020,000	1,311,309	708,691	65%
TOTAL INCOME	6,409,225	-	6,409,225	4,142,370	2,266,855	65%
EXPENDITURE						
(1) Expenditure for Tuition						
Textbooks and reference materials	17,250	-	17,250	-	17,250	0%
Exercise books	204,750	-	204,750	45,000	159,750	22%
Laboratory equipment	232,000	-	232,000	80,000	152,000	34%
Internal exams	251,520	-	251,520	75,835	175,685	30%
Teaching / learning materials	392,000	-	392,000	-	392,000	0%
Payables	-	-	-	174,000	(174,000)	No budget
Sub-Total	1,097,520	-	1,097,520	374,835	722,685	34%
(2) Expenditure for Operations						
Personnel emoluments	1,235,100	-	1,235,100	803,445	431,655	65%
Repairs and maintenance	985,000	-	985,000	337,356	647,644	34%
Payable	-	-	-	3,500	(3,500)	No budget
Local transport / travelling	120,000	-	120,000	63,550	56,450	53%
Electricity and water	59,605	-	59,605	16,500	43,105	28%
Medical	260,000	-	260,000	-	260,000	0%
Service Gratuity	-	-	-	42,750	(42,750)	No budget
Repairs, maintenance and improvement	-	-	-	8,985	(8,985)	No budget
Bank charges	-	-	-	7,150	(7,150)	No budget
Refund	-	-	-	8,775	(8,775)	No budget
Administration costs	215,000	-	215,000	303,624	(88,624)	141%
Activity	417,000	-	417,000	150,390	266,610	36%

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Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Sub-Total	3,291,705	-	3,291,705	1,746,025	1,545,680	53%
(3) Expenditure for School Fund						
Personnel emoluments	-	-	-	265,435	(265,435)	No budget
Lunch programme	2,020,000	-	2,020,000	535,238	1,484,762	26%
Administration costs	-	-	-	83,194	(83,194)	No budget
Payables	-	-	-	110,800	(110,800)	No budget
Sub total	2,020,000	-	2,020,000	994,667	1,025,333	49%
TOTAL EXPENDITURE	6,409,225	-	6,409,225	3,115,527	3,293,698	49%

Explanatory Notes.

1. The utilizations below 90% were due to restrictions caused by the Covid-19 Pandemic, whereby some of the school activities and operations did not take place as planned.
2. The overutilization was due to changes in prices due to high costs of living. It also resulted due to change of financial period from one year to 18 months.
3. Under income capitations there was underfunding

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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.

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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

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X. NOTES TO THE FINANCIAL STATEMENTS

1. CAPITATION GRANT FOR TUITION

	18 Months Ended 30.6.21
	Kshs
Exercise books	14,000
Laboratory equipment	33,146
Internal exams	59,875
Teaching / learning materials	250,456
Total	357,476

2. CAPITATION GRANT FOR OPERATIONS

	18 Months Ended 30.6.21
	Kshs
Personnel emoluments	916,488
Maintenance and Improvement	958,000
Local transport / travelling	67,907
Electricity and water	90,648
Medical	19,200
Administration costs	260,941
Activity	40,400
BOM teacher's salary	120,000
Total	2,473,584

3. PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	18 Months Ended 30.6.21
	Kshs
Lunch	970,217
Fees recovery	341,092
Total	1,311,309

4. PAYMENTS FOR TUITION

	18 Months Ended 30.6.21
	Kshs
Exercise books	45,000
Laboratory equipment	80,000
Internal exams	75,835
Payables	174,000
Total	374,835

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. PAYMENTS FOR OPERATIONS

	18 Months Ended 30.6.21
	Kshs
Personnel emoluments subordinate staff	803,445
Service Gratuity	42,750
Administration Cost	303,624
Maintenance and Improvement	337,356
Local transport / travelling	63,550
Electricity and water	16,500
Activity Expenses	150,390
Refund	8,775
Bank Charges	7,150
Payables	3,500
RMI	8,985
TOTAL	1,746,025

6. BOARDING AND SCHOOL FUND PAYMENTS

	18 Months Ended 30.6.21
	Kshs
Personnel emoluments	265,435
Administration costs	83,194
Lunch Programme	535,238
Payables	110,800
TOTAL	994,667

7. BANK ACCOUNTS

Name of Bank-Account Name	Bank Account Number	18 Months Ended 30.6.21
		Kshs
National Bank of Kenya-Tuition Account	01025038172300	4,796
National Bank of Kenya-Operations Account	01242038172302	350,798
National Bank of Kenya-School Fund Account/Boarding	01242038172300	129,424
National Bank of Kenya-Infrastructural Account	01022231253100	540,919
Total		1,025,937

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8. CASH IN HAND

Description	18 Months Ended 30.6.21
	Kshs
Operation Account	905
Total	905

9. ACCOUNTS RECEIVABLE

Description	18 Months Ended 30.6.21
	Kshs
Fees arrears	4,783,119
Total	4,783,119

Ageing of the Fees Arrears

Description	18 Months Ended 30.6.21
	Kshs
Fees arrears for current year	484,600
Fees arrears for the previous year	569,922
Fees arrears for prior periods (over two years)	3,728,597
Total	4,783,119

10. ACCOUNTS PAYABLE

Description	18 Months Ended 30.6.21
	Kshs
Trade creditors (See ageing below and appendix 1)	999,359
Total	999,359

Ageing of the creditor's arrears

Description	18 Months Ended 30.6.21
	Kshs
Trade creditors for current year (See Annex 1)	302,090
Trade creditors for the previous year	188,300
Trade creditors for prior periods (over two years)	508,969
Total	999,359

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. FUND BALANCE BROUGHT FORWARD

Description	18 Months Ended 30.6.21
	Kshs
Bank balances	42,602
Cash balances	139,908
Receivables	4,298,519
Payables	(697,269)
Total	3,783,760

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Comments
	a	b	c	d=a-c	
	Kshs	Kshs	Kshs	Kshs	
SUPPLY OF GOODS AND SERVICES					
1. Cathmos Enterprises-Lab Equipment/Chemicals	254,160		80,000	174,160	
2. Kesaseti Enterprises	52,930		30,000	22,930	
3. Kevin Wandera	80,600		2,000	78,600	
4. Stage Butchery	31,650		11,170	20,480	
5. Opango Godfrey	18,560		12,640	5,920	
TOTAL				302,090	

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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st Jan 2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2021
Land 1	2010	Butunyi	1,200,000	-	-	1,200,000
Buildings and structures	2010-2021	Butunyi	15,550,000	-	-	15,550,000
Motor vehicles	N/A	Butunyi		-	-	
Office equipment, furniture and fittings	2017	Butunyi	1,101,400	-	-	1,101,400
ICT Equipment, and Other ICT Assets	2015	Butunyi	45,000	-	-	45,000
Tools and apparatus	2014-2021	Butunyi	100,000	-	-	100,000
Textbooks	2011-2021	Butunyi	120,000	-	-	120,000
Other Machinery and Equipment				-	-	
Heritage and cultural assets				-	-	
Total			18,116,400	-	-	18,116,400