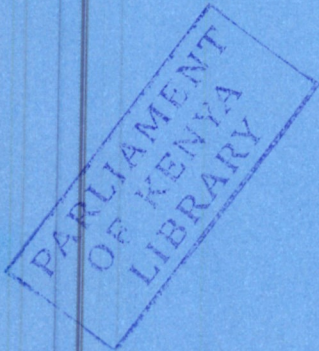


REPUBLIC OF KENYA



Enhancing Accountability



THE NATIONAL ASSEMBLY
PAPER LAID

DATE: 07 DEC 2023

REPORT

*Titus
An Owen Baya, CSMS
Deputy majority leader
Mwanam*

OF

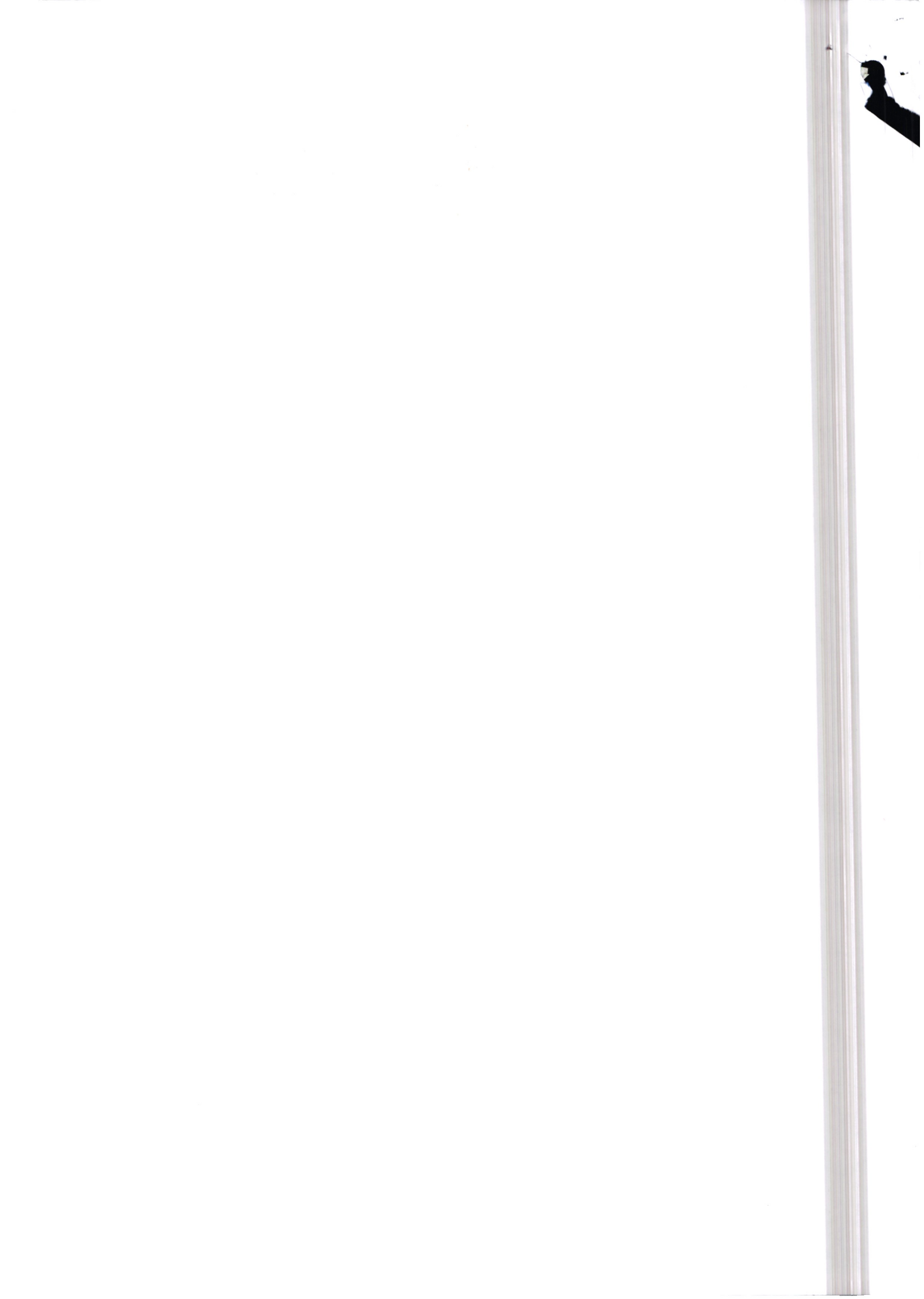
THE AUDITOR-GENERAL

ON

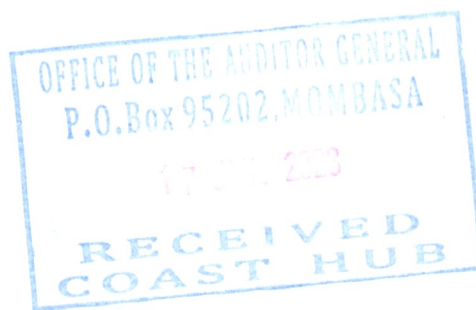
MTONGWE GIRLS SECONDARY SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2021

MOMBASA COUNTY



Revised 30th June 2021.



MTONGWE GIRLS SECONDARY SCHOOL
MOMBASA COUNTY
LIKONI SUB COUNTY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th June 2021

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

MTONGWE GIRLS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

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I. KEY SCHOOL INFORMATION AND MANAGEMENT

MTONGWE GIRLS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

(a) Background information

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

The school was registered in 3/3/2010 under registration number GP/A/8064/10 and is currently categorized as a county public school established, owned or operated by the Government.

The school is a day school and had 403 number of students as at 30th June 2021. It has 2 streams and 20 teachers of which 3 teachers are employed by the School Board Of Management.

(b) School Board of Management - Board Members

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

Ref:	Name of Board Member	Designation	Date of appointment
1	Charles Mwanyoha Ndegwa	Chairman	1/3/2022
2	Rosemary Muthanje Njagi	Secretary - Principal	1/3/2022
3	Mwero Wa Mkalla	Member	1/3/2022
4	James Omingo	Member	1/3/2022
5	Gladys Achieng	Member	1/3/2022
6	Philip Adipo	Member	1/3/2022
7	Asha Yusuf	Member	1/3/2022
8	Omar Raisi	Member – Rep CEB	1/3/2022
9	Rose Ngatia	Member Rep Teachers	1/3/2022
10	Juma Kassim, Winfred Muthina, Fr. Henry Ndune	3 Members - Sponsor	1/3/2022
11	Salim Juma Saria	Member - Community	1/3/2022
12	Athman Said Mwakunenwa	Member Special Needs	1/3/2022
	Olga Omaset	Rep Students	1/3/2022

MTONGWE GIRLS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
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KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The function of the School Board of Management include:

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

(c) Committees of the Board

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

MTONGWE GIRLS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
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For the year ended 30th June 2021

		Mwero Wa Mkalla	Member	
		Gladys Achieng	Member	
	Discipline and welfare Committee	Omar Rais	Member	
		Mwero Wa Mkalla	Member	
		Charles Mwanyoha	Member	
		Winfred Muthina	Chairman	
6		Salim Saria	Member	
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:

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

**MTONGWE GIRLS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021**

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: 96166-80110 Likoni
Telephone: 0794673453
E-mail: mtongwegirls@gmail.com Website:
NIL
Facebook: NIL
Twitter: NIL

(f) School Bankers

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

1. Name of Bank: KCB
Branch: Kilindini
Account Number: 1101534443 (TUITION ACCOUNT)
2. Name of Bank: KCB
Branch: Kilindini
Account Number: 1101535520 (OPERATIONS ACCOUNT)
3. Name of Bank: KCB
Branch: Kilindini
Account Number: 1274913411 (INFRASTRUCTURE ACCOUNT)
4. Name of Bank: KCB
Branch: Kilindini
Account Number: 1101523980 (MAIN/LUNCH ACCOUNT)

:MPESA Pay Bill No. 4061431 attached to KCB bank account

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

II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

a) **Financial performance:**

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

Year	2019	2020	2021	COMMENT
	Kshs.	Kshs.	Kshs.	
Surplus/Deficit	609,114.50	2,685,091.66	635,887.17	The school had a surplus for the last 3 years

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

YEAR	TUITION	OPERATIONS	TOTAL
	KSHS.	KSHS.	KSHS.
2019	1,289,297.90	6,096,884.20	7,386,182.10
2020	745,934.00	4,624,175.00	5,370,109.00
2021	522,742.00	3,251,735.75	3,774,477.75
TOTAL	<u>2,557,973.90</u>	<u>13,972,794.95</u>	<u>16,530,768.85</u>

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

YEAR	NO.OF STUDENTS	TOTAL CAPITATION KSHS	RATIO OF CAPITATION GRANT PER STUDENT
2019	395	7,386,182.10	1:18,699.20
2020	403	5,370,109.00	1:13,325.33
2021	406	3,774,477.75	1:9,296.74

See attachments on the growth of other incomes earned by the school, a three year growth in expenditure, movement of debtors and creditors of the school and cash and bank balances over the last three years. (Graphically represented)

MTONGWE GIRLS SECONDARY SCHOOL
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Annual Report and Financial Statements
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b) Teacher Student ratio:

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

c) Mean score in the 2021 KCSE:

<i>S/N</i>	<i>YEAR</i>	<i>MEAN SCORE</i>	<i>NUMBER OF STUDENTS TRANSFORMED TO HIGHER LEARNING INSTITUTIONS</i>	<i>COMMENTS</i>
1.	2019	2.938	7	<i>Absenteeism of the learners after registration.</i>
2.	2020	2.848	13	<i>-Affected by covid-19 -Absenteeism of learners.</i>
3.	2021	2.726	7	<i>One quality grade compared to previous year. Working towards better performance in 2022</i>

MTONGWE GIRLS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
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For the year ended 30th June 2021

e) Number of Candidates in the 2021 KCSE:

S/N	YEAR	NUMBER OF KCSE STUDENTS
1.	2019	80
2.	2020	99
3.	2021	84

f) Capacity of the school: 403 Students

S/NO	FACILITIES IN THE SCHOOL	NUMBER	REMARKS
1.	Classrooms	10	Requires renovations and painting.
2.	Laboratories	2	Requires renovations.
3.	Dining hall	1	
4.	Toilets	14	
5.	Library	1	Needs to be equipped.
6.	Computer lab	1	Needs painting.

g) Development projects carried out by the school:

S/N	DEVELOPMENT PROJECT	SOURCE OF FUNDS
1.	Construction of a classroom with storeyed foundation.	Government funds under MIF.

Sign 
 School Principal



MTONGWE GIRLS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
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For the year ended 30th June 2021

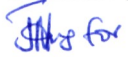
III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY


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


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

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

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

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

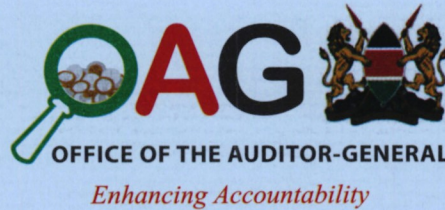
Name: Rosemary Muthanje
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 15/7/23

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



REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON MTONGWE GIRLS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2021 – MOMBASA COUNTY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Mtongwe Girls Secondary School – Mombasa County set out on pages 10 to 24, which comprise of the statement of financial assets and financial liabilities, as at 30 June, 2021, and the statement of

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Mtongwe Girls Secondary School – Mombasa County as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Unexplained Variances in Financial Statements

Review of the financial statements revealed the following unexplained variances between the amounts reflected in the financial statements and supporting ledgers:

Item	Financial Statements Balance Kshs.	Ledger Balance Kshs.	Variance Kshs.
Payment for Operations	9,088,946	8,451,625	637,321
Boarding and School Fund Payments	6,393,258	6,496,258	103,000
Account Payables-Trade Creditors	1,414,650	1,243,433	171,217

In addition, the trial balance provided for audit indicated debit and credit totals of Kshs.21,915,638 and Kshs.15,480,725 respectively, resulting in unexplained variance of Kshs.6,434,913.

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

2. Cash and Cash Equivalents

The statement of financial assets and financial liabilities and Notes 8 and 9 to the financial statements reflects bank and cash balances of Kshs.3,786,557 and Kshs.67,194 respectively. However, board of survey reports for the four (4) bank accounts were not provided for audit. In addition, although the School Fund Account bank certificate of balance reflected a balance of Kshs.79,353 as at 30 June, 2021, the respective cash book reflected a balance of Kshs.47,815, resulting to an unreconciled variance of Kshs.31,538.

In the circumstances, the accuracy and completeness of cash and cash equivalents of Kshs.3,853,751 could not be confirmed.

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements

The Public Sector Accounting Standards Board (PSASB) Guidelines on Implementation of International Public Sector Accounting Standards (IPSAS) by Secondary Schools on Kenya of August, 2021 requires the first financial statements after adoption of IPSAS to be presented for eighteen (18) months from 1 January, 2020 to 30 June, 2021 with comparatives being for twelve (12) months from 1 January, 2019 to 30 December, 2019.

Further, a disclosure note ought to have been included in the financial statements that the reason for preparing for longer period is due to the adoption of IPSAS for school and the change from calendar year to government fiscal year. In addition, a disclosure note should be made in the financial statements that the comparative information may not be comparable due to the longer period covered by the current financial period.

However, Management presented the annual report and financial statements covering only one year for financial year 2020/2021 with comparative balances for financial year 2019. Therefore, the financial statements have not been prepared for eighteen-months (18) as prescribed the Public Sector Accounting Standards Board (PSASB).

Further, no disclosure was made on the change in the preparation of financial statements from calendar year to government fiscal year or on the lack of comparability due to longer period covered by the current financial period.

In the circumstances, Management did not comply to with the requirements of the Public Sector Accounting Standards Board.

2. Lack of Inventory Management

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

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

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

3. Lack of School Improvement Plan

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

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Risk Management Framework

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

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

2. Lack of Fixed Assets Register

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

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

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

3. Under Supply of Text Books

The Ministry of Education supplied one hundred and thirty-six (136) excess textbooks under four (4) different titles in comparison to the number of students in session. Management explained this was as a result of the Ministry allocating the books using the NEMIS information which was not updated with the correct student's status.

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

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

4. Unsafe Learning Environment

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

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

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

Responsibilities of Management those Charged with Governance

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

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

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

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

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

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

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


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

in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to continue to sustain its services.

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

12 October, 2023

MTONGWE GIRLS SECONDARY SCHOOL
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IV. REPORT OF THE INDEPENDENT AUDITORS ON THE ANNUAL FINANCIAL STATEMENTS OF MTONGWE GIRLS SCHOOL OF THE YEAR ENDING 30TH JUNE 2021

To be attached

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

DESCRIPTION OF VOTE HEAD	Note	2020-2021	2019-2020
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition	1	523,126.00	745,934.00
Capitation grants for operations	2	7,157,015.00	6,804,175.00
School Fund Income- Parents' Contributions	3	3,011,819.00	3,800,160.00
School Fund Income- Other receipts	4	3,246,615.00	280,853.00
TOTAL RECEIPTS		13,938,575.00	11,631,122.00
PAYMENTS			
Payments for Tuition	5	730,811.00	575,405.00
Payments for operations	6	9,088,946.00	4,753,474.00
Boarding and school fund payments	7	6,393,258.00	3,617,152.00
TOTAL PAYMENTS		16,213,015.00	8,946,031.0
DEFICIT/SURPLUS		(2,274,440.00)	2,685,091.00

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

Sign: 

Name: Charles
Mwanyoha Ndegwa

Chair BOM

Date: 15/7/2023

Sign: 

Name: Rosemary
Muthanje

School Principal/
Secretary to BOM

Date: 15/7/2023



Sign: 

Name: Nasimiyu
Siranjofu

Bursar/
Finance Officer

Date: 15/7/2023

MTONGWE GIRLS SECONDARY SCHOOL
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VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT
 30TH JUNE 2021

	Note	2020-2021	2019-2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	3,786,557.00	2,387,109.00
Cash Balances	9	67,194.00	3,776.00
Total Cash and cash equivalent		3,853,751.00	2,390,885.00
Account's receivables	11	2,541,812.00	5,960,657.00
TOTAL FINANCIAL ASSETS		6,395,563.00	8,351,542.00
FINANCIAL LIABILITIES			
Accounts Payables	12	(1,542,150.00)	(1,223,689.00)
NET FINANCIAL ASSETS		4,853,413.00	7,127,853.00
REPRESENTED BY			
Accumulated Fund b/fwd	13	7,127,853.00	4,442,762.00
Surplus/Deficit for the year		(2,274,440.00)	2,685,091.00
NET FINANCIAL POSITION		4,853,413.00	7,127,853.00

The School's financial statements were approved on 4/11/2022 and signed by:

Name: Charles Mwanyoha
 Chairman, BoM

Sign: 

Date: 15/7/2023

Name: Rosemary Muthanje
 Principal/Secretary to
 BoM

Sign: 

Date: 15/7/23



Name: Nasimiyu
 Siranjofu
 Bursar/Finance

Sign: 

Date: 15/7/2023

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

	2020-2021	2019-2020
	Kshs	Kshs
Receipts for operating income		
Capitation grants for tuition	523,126.00	745,934.00
Capitation grants for operations	7,157,015.00	6,804,175.00
School fund income- Parents contributions/ fees	3,011,819.00	3,800,160.00
School fund income- other receipts	3,246,615.00	280,853.00
Total receipts	13,938,575.00	11,631,122.00
Payments		
Payments for Tuition	730,811.00	575,405.00
Payments for operations	9,088,946.00	4,753,474.00
Boarding and school fund payments	6,393,258.00	3,617,152.00
Total payments	16,213,015.00	8,946,031.04
Net cash flow from operating activities	(2,274,440.00)	2,685,091.00
CASHFLOW FROM INVESTING ACTIVITIES		
Net cash flows from Investing Activities	-	-
CASHFLOW FROM BORROWING ACTIVITIES		
Net cash flow from financing activities	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	(2,274,440.00)	2,685,091.00
Cash and cash equivalent at BEGINNING of the year	2,390,885.00	158,264.40
Cash and cash equivalent at END of the year	3,853,751.00	2,390,885.00

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VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2021

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on	Budget Utilization	% of Utilization
	a Kshs	b Kshs	c=a+b	Comparable Basis d	e-c-d Kshs	f-d/c % Kshs
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Textbooks and reference materials	1,974,304.00	0	1,97,4304.00	-	1,974,304.00	0.0%
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	1,236,000.00	-	1,236,000.00	1,520,171.00	(284171.00)	123.0%
Repairs and maintenance	2,060,000.00	-	2,060,000.00	4,10,5000.00	(2045000.00)	199.3%
Local transport / travelling	782,500.00	-	782,500.00	357,527.00	424,973.00	45.7%
Electricity and water	824,000.00	-	824,000.00	357,527.00	466,473.00	43.4%
Medical	824,000.00	-	824,000.00	-	824,000.00	0.0%
Administration costs	824,000.00	-	824,000.00	357,526.00	466,474.00	43.4%
Activity	618,000.00	-	618,000.00	-	618,000.00	0.0%

(3) FEES CHARGED ON PARENTS						
Lunch programme	5,950,200.00		5,950,200.00	4,263,102.00	1,687,098.00	71.6%
B.O.M Salaries	2,728,625.00		2,728,625.00	522,900.00	522,900.00	80.8%
OTHER INCOME						

**TONGWE GIRLS SECONDARY SCHOOL
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Tender fees	11,000.00				11,000.00	(11,000.00)	
TOTAL INCOME	17,832,629.00	0	1,7821,629.00	13,190,578.00	4,631,051.00		74.0%
(1) EXPENDITURE FOR TUITION							
Textbooks and reference materials	932,356.00	-	932,356.00	-	932,356.00		0%
Exercise books	222,480.00	-	222,480.00	-	222,480.00		0%
Laboratory equipment	152,105.00	-	152,105.00	-	152,105.00		0%
Internal exams	587,875.00	-	587,875.00	-	587,875.00		0%
Teaching / learning materials	49,295.00	-	49,295.00	-	49,295.00		0%
Chalks	27,400.00	-	27,400	-	27,400.00		0%
Bank Charges	-	-	-	606.00	(606.00)		
(2) EXPENDITURE FOR OPERATIONS							
Personnel emoluments	1,922,273.00	-	1,922,273.00	997,768.00	924,505.00		52%
Repairs, maintenance & improvements	2,060,000.00	-	2,060,000.00	-	206,000.00		0%
Local transport / travelling	706,000.00	-	706,000.00	70,700.00	635,300.00		10%
Electricity, water and conservancy	835,800.00	-	835,800.00	207,530.00	628,270.00		25%
Medical	535,800.00	-	535,800.00	-	535,800.00		0%
Administration costs	709,290.00	-	709,290.00	600,080.00	109,210.00		85%

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Activity Expenses	381,900.00	-	381,900.00	-	381,900.00	0 %
Bank charges				3,256.00	(3,256.00)	
(3) EXPENDITURE FOR SCHOOL FUND						
Lunch programme	6,387,000.00	-	6,387,000.00	2,871,756.00	3,515,244.00	45%
Bom salaries	1,853,280.00	-	1,853,280.00	962,880.00	890,400.00	52%
Tender	73,650.00	-	73,650.00	73,650.00	-	100%
TOTALS	17,436,504.00	0	17,436,504.00	5,790,226.00	11646278.00	33.2%

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Reports and Financial Statements
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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.

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.

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.

IX. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials	-	-
Tuition	523,126.00	745,934.00
Total	523,126.00	745,934.00

2 CAPITATION GRANT FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Other voteheads	2,535,677.00	2,578,375.00
Repairs and maintenance /Infrastructure	1,571,000.00	1,804,000.00
BOM Teachers salaries	180,000.00	180,000.00
MOE/FSF Programme	575,029.00	-
TIG	2,000,000.00	2,000,000.00-
Inter Account Transfers: Tuition account	58,600.00	
Main Account	67,409.00	
Aboge	9,400.00	
NSSF	134,824.00	
NHIF	71,588.00	
KRA/PAYE	3,488.00	
Medical	-	80,600.00
Activity	-	161,200.00
Total	7,157,015.00	6,804,175.00

3 PARENTS CONTRIBUTION/FEEES - SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
Lunch programme	2,600,695.00	2,544,331.00
B.O.M.Salaries	411,124.00	1,255,829.00
Total	3,011,819.00	3,800,160..00



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4. OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
Uniform account	46,850.00	151,220.00
Tender sale	29,000.00	34,000.00
Caution money	13,000.00	41,000.00
Academic trip	20,000.00	54,633.00
Fees Arrears	408,173.00	
Bursary Funds	1,787,700.00	
Prepaid fees	510,809.20	
Knec Registration	5,900.00	
NSSF	72,738.00	
NHIF	25,450.00	
KRA	20,825.00	
Operations Account	295,070.00	
Text Books	3,100.00	
Refunds	8,000.00	
Total	3,246,615.00	280,853.00

5. PAYMENTS FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials	-	-
Tuition	670,729.00	574,031.00
Bank charges	1,482.00	1,374.00
Transfer to operations account	58,600.00	-
Total	730,811.00	575,405.00



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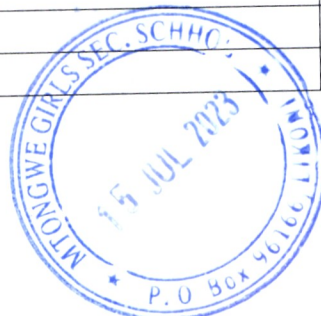
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6. PAYMENTS FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	1, 441,325.00	1,846,965.00
Administration Cost	726,385.00	694,225.00
Repairs and maintenance & improvements	47,840.00	-
Savings and Infrastructure	2,991,000.00	2,991,000.00
Local transport / travelling	415,341.00	115,900.00
Electricity and water	471,440.00	87,061.00
MOE/ADB Programme	1,848,948.00	1,848,948.00
MOE/FSF	521,304.00	
Activity Expenses	-	57,500.00
Main Account	301,070.00	-
Kra penalty	10,061.00	10,061.00
Bank Charges	5,352.00	2,814.00
BOM Salaries	90,000.00	90,000.00
NSSF	134,824.00	
NHIF	71,588.00	
KRA	3,488.00	
ABOGE	9,400.00	
TOTAL	9,088,946.00	7,744,474.00

7. BOARDING AND SCHOOL FUND PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Inter Account Transfers: To Operations Account -	520,509.00	-
Students ids -	9,750.00	-
Uniform account -	30,100.00	1,530.00
Caution money -	2,000.00	4,400.00
Knec Subscription-	95,000.00	-
Academic trip -	20,000.00	20,633.00
Lunch Programme-	2,675,085.00	2,478,760.00
BOM Salaries-	446,800.00	1,102,324.64
Bank Charges-	8,548.00	4,504.00
Tender-	73,650.00	5,000.00
Bursary Funds-	1,787,700.00	



Prepaid Fees-	6,700.00	
NSSF-	72,738.00	
NHIF-	25,450.00	
KRA-	20,825.00	
Creditors-	561,553.00	
Refunds-	8,000.00	
Tuition Account-	28,850.00	
TOTAL	6,393,258.00	3,617,151.64

8.BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2020-2021	2019-2020
		Kshs	Kshs
Tuition Account	1101534443	1,436.00	209,121.00
Operations Account	1101535520	746,432.00	1,928,155.00
School Fund Account/Boarding	1101523980	47,815.00	249,833.00
Infrastructural Account	1274913411	2,990,874.00	0.00
Total		3,786,557.00	2,387,109.00

9.CASH IN HAND

Description	2020-2021	2019-2020
	Kshs	Kshs
School Fund account	67,194.00	0.00
Operations account	-	3,776.00
TOTAL	67,194.00	3,776.00



11. ACCOUNTS RECEIVABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears	2,541,812.00	5,960,657.00
Total	2,541,812.00	5,960,657.00

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

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears for current year	1,156,222.00	910,074.00
Fees arrears for the previous year	573,851.00	1,032,402.00
Fees arrears for prior periods (over two years)	811,739.00	4,018,181.20
Total	2,541,812.00	5,960,657.00

12. ACCOUNTS PAYABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	1,414,650.00	1,155,442.50
Prepaid fees	127,500.00	68,246.00
Retention monies	-	-
Total	1,542,150.00	1,223,688.50



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

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors for current year	1,078,413.00	984,226.00
Trade creditors for the previous year	165,020.00	171,216.50
Trade creditors for prior periods (over two years)	171,217.00	-
Total	1,414,650.00	1,155,442.50

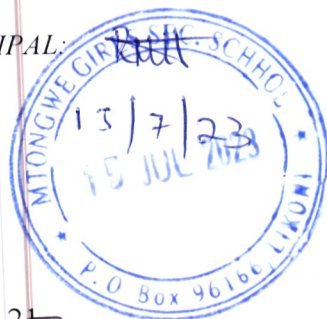
13. FUND BALANCE BROUGHT FORWARD

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank balances	3,786,557.00	2,387,109.00
Cash balances	67,194.00	3,776.00
Receivables	1,848,872.00	5,960,657.00
Payables	(1,542,150.00)	(1,223,689.00)
Total	4,160,473.00	7,127,853.00

NAME: ROSEMARY MUTHANJE

PRINCIPAL:

DATE:



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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount a Kshs	Date Contracted b Kshs	Amount Paid To-Date c Kshs	Outstanding Balance 2020 d=a-c Kshs	Outstanding Balance 2021 Kshs	Comments
Construction of buildings						
1. None	0	0	0	0	0	No creditors as at the close of the year
2. None	0	0	0	0	0	
Sub-Total						
Supply of goods						
3. Maheb Books & Stationer	0	0	0	0	404,420.00	
4. Kalmar Marketing Services				327,080.50	327,080.50	
5. Margid Enterprises					232,716.00	
6. Topinch					86,767.00	
7. Jemwag Enterprises					81,250.00	
8. Nkombo Agencies	83,580.00	23/7/2019	43,580.00	40,000.00	40,000.00	
9. Book Flyer Precise Publishers	121,440.00	29/4/2019	0	121,440.00	121,440.00	
10. Salaries					248,476.38	
Sub-Total					1,553,613.88	
Grand Total	0	0	0	0	1,542,150.00	



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