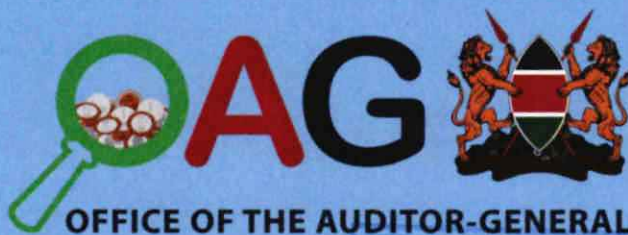


REPUBLIC OF KENYA



*Enhancing Accountability*

THE NATIONAL ASSEMBLY  
PAPERS LAID

**REPORT**

DATE: 20 FEB 2025

DAY.

THURSDAY

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OF KENYA  
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TABLED  
BY:

HON NAOMI WAQO  
DEPUTY MAJORITY WHIP

CLERK-AT  
THE-TABLE:

IRISU MWALE

**THE AUDITOR-GENERAL**

**ON**

**KISAU GIRLS SECONDARY SCHOOL**

**FOR THE YEAR ENDED  
30 JUNE, 2022**

**MAKUENI COUNTY**



---

**KISAU GIRLS SECONDARY SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>TH</sup> JUNE 2022**

---

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

**Kisau Girls Secondary School**  
**Reports and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

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**Kisau Girls Secondary School**  
**Reports and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

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**Kisau Girls Secondary School**  
**Reports and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

**I. Key School Information and Management**

**KISAU GIRLS SECONDARY SCHOOL**

**(a) Background information**

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

The school was registered in 6/8/ 2019 under registration number **17s30000073** and is currently categorized as a (Extra County,) public school established, owned, or operated by the Government.

The school is a boarding school and had 1,250 students as at 30<sup>th</sup> June 2022. It has SIX streams and 47 teachers of which 17 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	MAXWEL KIMEU	Chairman	3/June /2019
2	LINZ MONICA	Secretary - Principal	3/June /2019
3	JAMES MUOLA	Member	3/June /2019
4	EARNEST MUENDO	Member	3/June /2019
5	URBANUS KIOKO	Member	3/June /2019
6	DANIEL MUTIA	Member	3/June /2019
7	JACINTA WAMBUA	Member	3/June /2019
8	STEPHEN MBITHI	Member	3/June /2019
9	MESHACK MUTULA	Member	3/June /2019
10	THOMUS KILEE	Member – Rep CEB	3/June /2019
11	JAPHETH MUTINDA	Member Rep Teachers	3/June /2019
12	MARGRET MUSYOKA	Member - Sponsor	3/June /2019
13	JAMES MUOLA	Member - Sponsor	3/June /2019
14	MAXWEL KIMEU	Member - Sponsor	3/June /2019
15	BENSON MUTUKU	Member - Community	3/June /2019

**Kisumu Girls Secondary School**  
**Reports and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

**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, of 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 a 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	LINZ MONICA M	BOM SECRETARY	3 out of 3
		MAXWEL KIMEU	CHAIRPERSON	3 out of 3
		JAMES MUOLA	VICE PERSON	3 out of 3
		THOMUS KILEE	MEMBER	3 out of 3
		PAULINE LUMBI	MEMBER	3 out of 3
2	Audit Committee	MESHACK MUTULA	CHAIR PERSON	1 out of 3
		MICHAEL IRUNGU	MEMBER	1 out of 3
		DANIEL MUTIA	MEMBER	1 out of 3
3	Finance, procurement and general purposes Committee	ARBUNUS KOKO	CHAIRPERSON	2 out of 3
		MAXWEL KIMEU	MEMBER	2 out of 3
		PAULINE LUMBI	MEMBER	2 out of 3
4	Academic Committee	PROFESSOR JAMES MUOLA	CHAIRPERSON	3 out of 3

**Kisau Girls Secondary School**  
**Reports and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
		MARGARET MUSYOKA	MEMBER	3 out of 3
		JAPTHETH MUTINDA	MEMBER	3 out of 3
5	Development Committee	URBANUS KIOKO	CHAIRPERSON	3 out of 3
		MAXWEL KIMEU	MEMBER	3 out of 3
		PAULINE LUMBI	MEMBER	3 out of 3
		EARNEST MUENDO	MEMBER	3 out of 3
		LINZ MONICA	BOM SECRETARY	3 out of 3
6	Discipline and welfare Committee	BENSON MUTUKU	CHAIRPERSON	1 out of 3
		EARNEST MUENDO	MEMBER	1 out of 3
		NANCY MWANTHI	MEMBER	1 out of 3

**(d) School operation Management**

Ref:	Designation	Name	TSC Number
1	Principal	LINZ MONICA	335904
2	Deputy Principal	JANE MWIKALI	357034
3	School Bursar	MULE ABEDNEGO	23783207

**Kisau Girls Secondary School**  
**Reports and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

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**(e) Schools contacts**

Post Office Box: 5-90127-MBUMBUNI MBOONI- EAST  
Telephone: 0713943902  
E-mail: kisaugirls@yahoo.com  
Website: N/A  
Facebook: N/A  
Twitter: N/A

**(f) School Bankers**

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

1. Name of Bank: KCB  
Branch: MACHAKOS  
Account Number: 1106388895  
Account Number: 1106376226  
Account Number: 1107155932  
Account Number: 1283009889  
Account Number: 1217597735  
Account Number: 0670270756765
  
2. MPESA Pay Bill No. 32801K attached to **1106388895** bank account

(Ensure all bank accounts operated by the school are disclosed and that all Pay Bill Numbers are also disclosed)

**(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

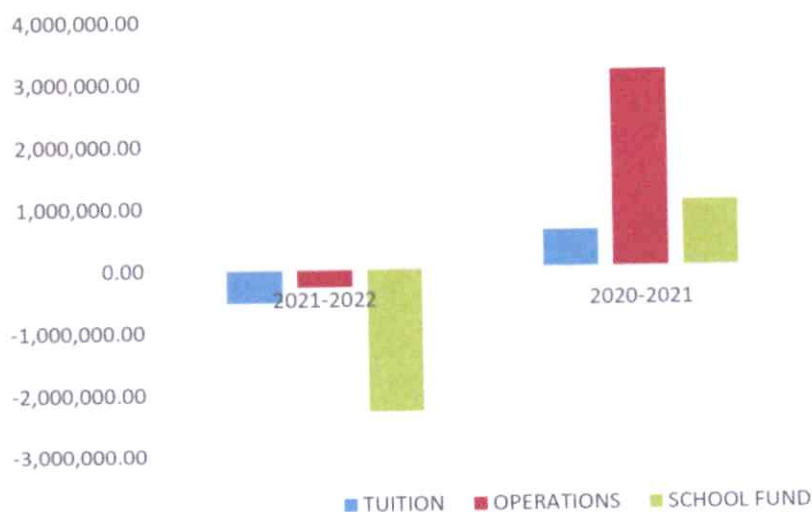
The following is a summary report of the performance of the school against the set performance evaluation criteria:

### a) Financial performance

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

S/NO	ACCOUNT	2021/2022	Jan-June 2021	2020
	TUITION	(531,017)	596,340	(1,268,123)
	OPERATION	(283,883)	3,171,300	(2,390,957)
	SCHOOL FUND	(2,299,160)	1,063,189	1,589,677
	TOTAL	(3,114,060)	4,830,829	(2,069,403)

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

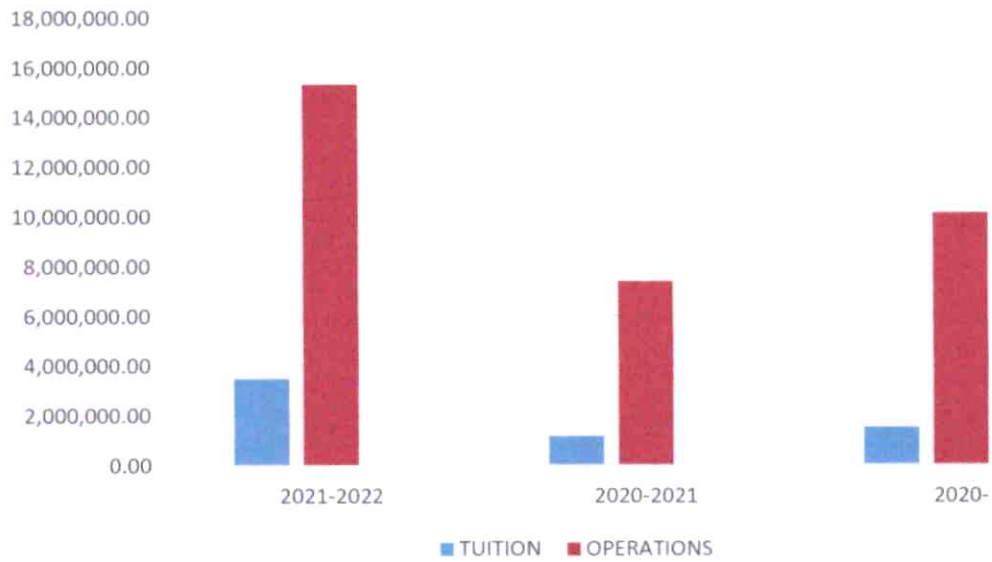


**Kisau Girls Secondary School**  
**Reports and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

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

S/NO	ACCOUNT	2021/2022	Jan-June 2021	2020-
	TUITION	3,483,337	1,167,599	1,508,633
	OPERATION	15,318,207	7,388,755	10,121,000
	TOTAL	19,038,848	8,556,353	11,629,633

**CAPITATION GRANT FROM THE MINISTRY**



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

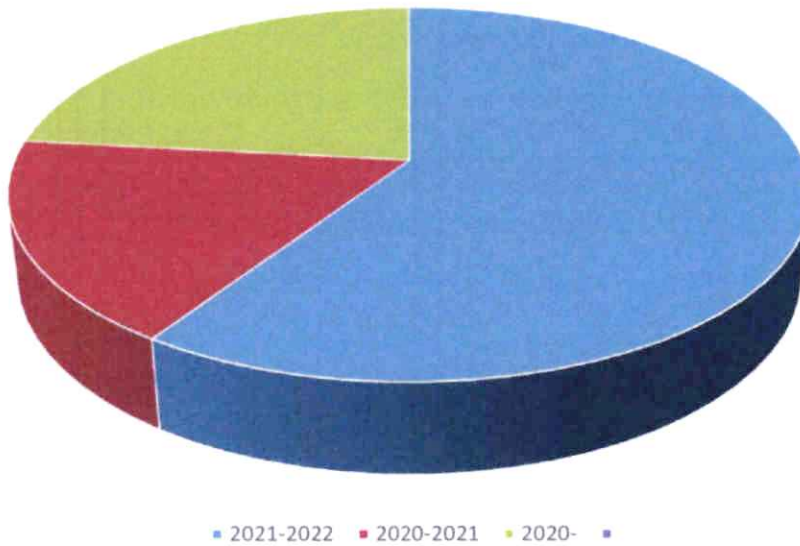
S/NO	ACCOUNT	2021-2022	Jan-June 2021	2020
	CAPITATION	18,801,544	9,112	12,878
	NO. OF STUDENTS	1,022	939	903
		1:18,397	1:9112	1:12878

**Kisau Girls Secondary School  
Reports and Financial Statements  
For the year ended 30<sup>th</sup> June 2022**

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

S/NO	ACCOUNT	2021/2022	Jan-June 2021	2020
	SCH. FUND	71,116,310	20,940,543	27,874,801
	TOTAL	71,116,310	20,940,543	27,874,801

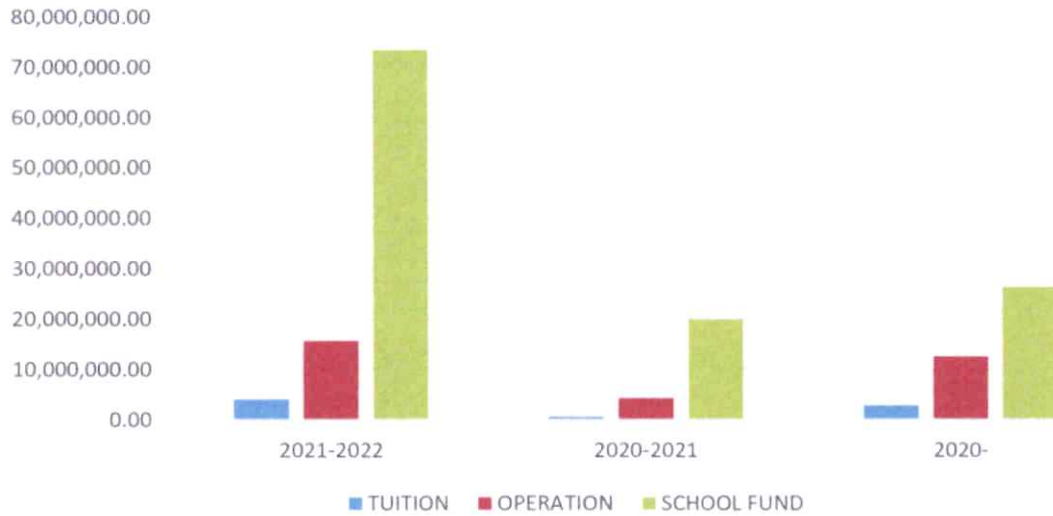
GROWTH OF OTHER INCOMES EARNED BY THE SCHOOL



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

S/NO	ACCOUNT	2021/2022	Jan-June 2021	2020
	TUITION	4,014,354	571,259	2,776,756
	OPERATION	15,602,090	4,217,455	12,511,957
	SCHOOL FUND	73,415,470	19,877,354	26,285,124
	<b>TOTAL</b>	<b>93,031,914</b>	<b>24,666,068</b>	<b>41,573,837</b>

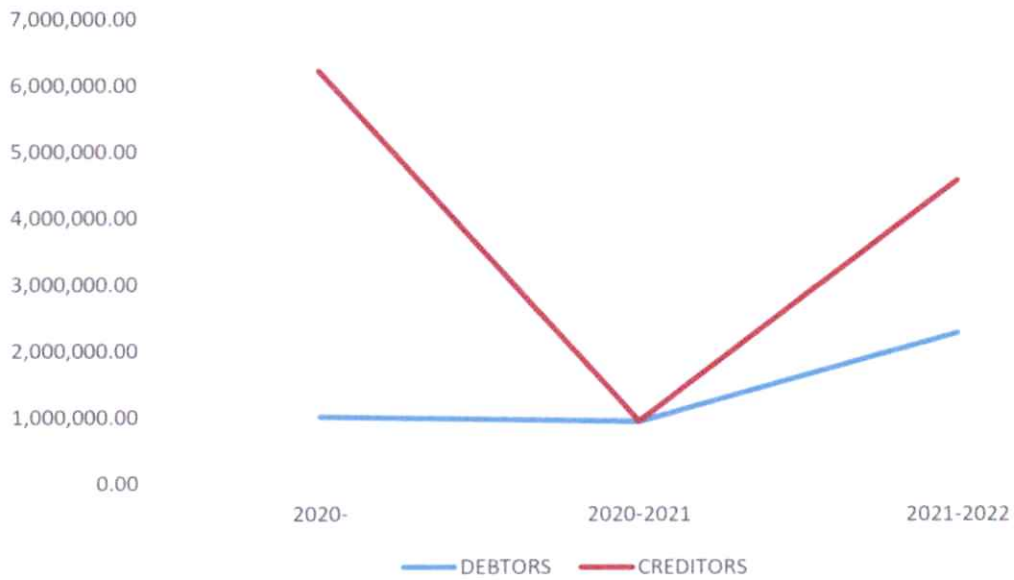
**A THREE OVER VIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL**



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

S/NO	ACCOUNT	2021/2022	Jan-June 2021	2020
	DEBTORS	2,272,409	934,926	1,003,281
	CREDITORS	4,565,456	941,889	6,215,482

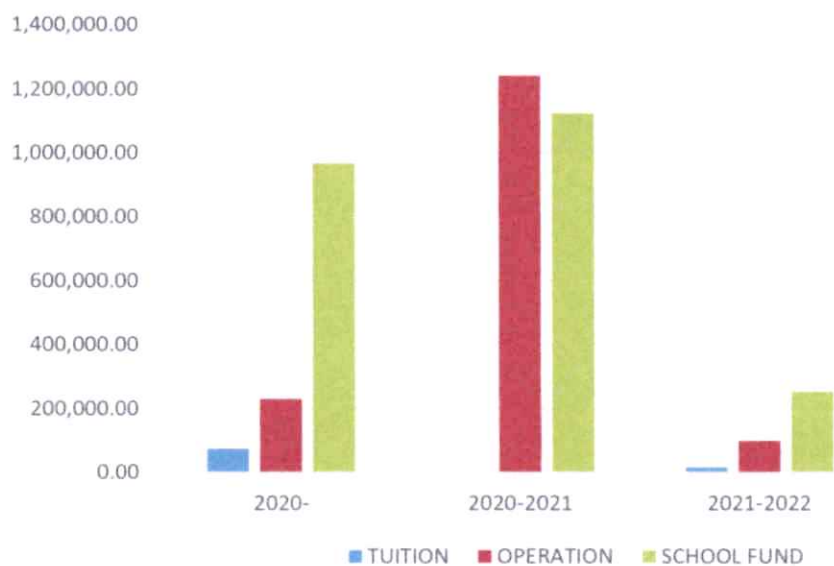
**MOVEMENT OF DEBTORS & CREDITORS OVER THE THREE YEARS**



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

ACCOUNT	2021/2022		Jan-June 2021		2020	
	CASH	BANK	CASH	BANK	CASH	BANK
TUITION	-	15,031	-	2,288	-	72,979
OPERATION	112	97,959	645	1,241,835	645	228,811
SCHOOL FUND	155,551	252,067	168,482	1,123,026	1,927	967,633
Infrastructural Account	709,446	-	-	-	-	-
<b>TOTAL</b>	<b>155,663</b>	<b>365,057</b>	<b>169,127</b>	<b>2,367,149</b>	<b>2,572</b>	<b>1,269,423</b>

Movement of cash and bank balances over the last 3 yrs



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

b) **Teacher Student ratio:**

<b>Number of students</b>	<b>1,413</b>	
<b>Number of teachers</b>	<b>47</b>	
<b>TSC Teachers</b>	<b>29</b>	
<b>TSC Transferred</b>	<b>1</b>	
<b>BOM Teachers</b>	<b>17</b>	
<b>Ratio</b>	<b>1,413/47</b>	<b>= 30.1</b>

**Kisau Girls Secondary School**  
**Reports and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

Teachers per subject

	TSC	BOM
ENGLISH	5	2
MATHEMATICS	7	5
CHEMISTRY	5	5
KISWAHILI	7	3
BIOLOGY	5	2
CRE	3	3
AGRICULTURE	1	1
B/STUDIES	3	1
PHYSICS	4	4
HISTORY	5	4
GEOGRAPHY	3	2
HOMESCIENCE	1	1
COMPUTER STUDIES	1	0
FRENCH	0	1

c) Mean score in the 2020,2021,2022 KCSE:

YEAR	MEANSORE	DEVIATION	COMMENT	NO. OF STUDENTS JOINING UNIVERSITY
2020	8.409 B-	0.628	IMPROVEMENT	151
2021	7.376 C+	- 1.03	DROP	151
2022	7.165 C+	- 0.211	DROP	183

d) Number of Candidates in the 2020,2021,2022 KCSE:

YEAR	NO. OF CANDIDATES
2020	159
2021	199
2022	260

**Kisau Girls Secondary School  
 Reports and Financial Statements  
 For the year ended 30<sup>th</sup> June 2022**

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e) Capacity of the school:

NUMBER OF STUDENTS	NO. OF DORMS	NO. OF DINNING HALLS	LABORATORIES & LIBRARY	TOILETS	BATHROOMS
1412	7	1	SCIENCE 3 HOMECSIENCE 1 COMPUTER 1 LIBRARY 1	68	120

f) Development projects carried out by the school:

**ST. ALPHONSA KISAU GIRLS SEC.  
 SCHOOL**

P. O. Box 5 - 90127,

MBUMBUNI

Date: 10/12/2022

  
 School Principal

### III. Statement Of School Management Responsibility

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

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

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

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30<sup>th</sup> June 2022, and of the school's financial position as of that date.



.....  
Name: **MONICA KILONZO**

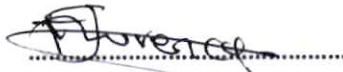
Designation: Chairman, School Board of Management

Date:

**ST. ALPHONSA KISAU GIRLS SEC.  
SCHOOL**

P. O. Box 5 - 88127,  
MDJUMBUNI

Date:.....10/12/2022.....



.....  
Name: **FLORENCE KIMEU**

Designation: School Principal & Secretary to Board of Management

Date:



.....  
Name: **ABEDNEGO MULE**

Designation: Bursar/ Finance Officer

Date: 10/12/2022

# REPUBLIC OF KENYA

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



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

*Enhancing Accountability*

## REPORT OF THE AUDITOR-GENERAL ON KISAU GIRLS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 - MAKUENI COUNTY

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### PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal 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 Kisau Girls Secondary School – Makueni County set out on pages 11 to 30, which comprise of the statement of financial

assets and liabilities as at 30 June, 2022 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 Kisau Girls as at 30 June, 2022 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Inaccuracies of the financial statements**

Review of the financial statements revealed the following errors and omissions as detailed below:

- i. The statement of receipts and payments reflects School Fund Income-other receipts of Kshs.66,798,709 and Kshs.16,356,201 for the current year and the previous year (January to June 2021) as disclosed in Note 4 to the financial statements which differs from Kshs.62,880,183 and Kshs.16,348,774 respectively in the statement of cash flows resulting unexplained variances of Kshs.3,918,526 and Kshs.7,427 respectively.
- ii. The statement of receipts and payments reflects Boarding and School Fund payments of Kshs.73,415,470 as disclosed in Note 7 to the financial statements which differs from Kshs.69,496,943 in the statement of cash flows resulting unexplained variance of Kshs.3,918,527.
- iii. The statement of financial assets and liabilities reflects accumulated fund brought forward of Kshs.(3,780,866) for the previous financial year (January to June, 2021) which differs from Kshs.(3,773,439) in Note 13 to the financial statements resulting unexplained variance of Kshs.(7,427).

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

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

The statement of receipts and payments reflects capitation grants for tuition and operations amount of Kshs.3,483,337 and Kshs.15,318,207 as disclosed in Notes 1 and

2 to the financial statements. Review of the National Education Management Information System (NEMIS) capitation disbursements made to the school against the amount received by the school revealed an amount of Kshs.17,113,313. whereas the School NEMIS capitation reflects an amount of Kshs.19,038,848, resulting to an unexplained variance of Kshs.1,925,535. Further comparison of banks statements and the financial statements reflects an amount of Kshs.18,682,248 and Kshs.18,801,544 resulting to an unexplained variance of Kshs.119,296.

In the circumstances, the accuracy and completeness of capitation grants for tuition and operation of Kshs.3,483,337 and Kshs.15,318,207 could not be confirmed.

### **3. Unsupported Accounts Receivables**

The statement of financial assets and liabilities reflects accounts receivables of Kshs.2,272,409 as disclosed in Note 11 to the financial statements. However, the supporting schedules, detailed aging analysis and issued invoices were not provided for audit review.

In the circumstances, the accuracy of the accounts receivables balance of Kshs.2,272,409 could not be confirmed.

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of budgeted and actual amounts reflects final receipts budget and actual receipts on comparable basis of Kshs.69,095,334 and Kshs.89,917,854 respectively resulting into an over-funding of Kshs.20,822,520 or 30% of the budget. However, the School spent Kshs.93,031,914 against actual receipts of Kshs.89,917,854 resulting to an over-utilization of Kshs.3,114,060 or 3% of actual receipts.

In the circumstances, overfunding and overutilization imply that the expenditure was incurred over and above the approved budget which is irregular.

My opinion is not modified in respect of this matters.

## **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 are no other key audit matters to report in the year under review.

## **Other Matter**

### **Unresolved Prior Year Matters**

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

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Late submission of the Financial Statements for Audit**

During the year under review, Management submitted the financial statements to the Auditor-General on 22 June, 2023 instead of the statutory deadline of 30 September, 2022. This was contrary to the Ministry of Education circular Ref.No:MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the School's financial statements should be ready by 30 September, 2021 in compliance which Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

#### **2. Unconfirmed Students Enrolment Data**

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations totalling Kshs.18,801,544. Comparison of data from

National Education Management and information System (NEMIS) with records from the County Director of Education revealed that during the financial year 2021/2022, NEMIS reflected one thousand and eighty six (1086) students while records from the School register had one Thousand four Hundred and thirteen (1,413) students, resulting to an underfunding of the School by an amount of Kshs.3,124,368. This was contrary to the Ministry of Education Circular No:MOE.HQS/3/13/3 dated 16 June, 2021 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

Further, a review of class register revealed that the school had 52 Student who had attained an age of 18 years who were not registered in NEMIS system.

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

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

The statement of receipts and payments reflects payments for operations and infrastructure amounts of Kshs.15,602,090 as disclosed in Note 6 to the financial statements. Included in the expenditure is transfer to co-curricular funds totaling to Kshs.747,685 to Kenya Secondary Schools Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money for Kshs.747,685 transferred to KESSHA could not be confirmed.

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

The statement of receipts and payments reflects capitation grants for operations and infrastructure amount of Kshs.15,318,207 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account Included in the amount is Kshs.5,325,000 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the school's facilities. However, an amount of Kshs.3,688,500 was transferred while a balance of Kshs.1,636,500 was not transferred by 30 June, 2022. Additionally, three transfers amounting to Kshs.2,151,000 made in January and April, 2022 were made after 15 days. This was contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

#### **5. Lack of a Procurement Plan**

The statement of receipts and payments reflects an amount of Kshs.89,917,854 and Kshs.93,031,914 in respect of total receipts and payments respectively. However, during the year Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that 'a procuring entity prepare a procurement plan for each financial year as part of the annual budget preparation process'.

In the circumstances, Management was in breach of the law

#### **6. Accounting for Other Receipts**

The statement of receipts and payments reflects school fund income-other receipts of Kshs.66,798,709 which includes fees on Boarding equipment and stores of Kshs.35,278,457, rental income of Kshs.406,550 and student uniforms of Kshs.903,725. However, it was noted that management did not maintain separate bank accounts contrary to Ministry of Education Circular Ref. No. MOE.HQS/3/13/3 dated 16 June, 2021 which requires schools with income generating activities to open separate bank accounts to avoid commingling of funds into one bank account

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

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

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

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

#### **8. Stalled Classrooms Block**

The statement of receipts and payments reflects payment for operations and infrastructure of Kshs.15,602,090 as disclosed in Note 6 to the financial statements. Physical verification of the school infrastructure carried out in the month of June, 2024 revealed that the School had constructed two class block which had stalled at second floor slab. However, supporting documents were not provided on the construction details such as the budget for the construction, approval of the construction, procurement of the

contractor, certification of the works done and payments. Further, budget allocation had not been provided for completion of the building which Management attributed to lack of adequate financial resources. Additionally, there were no records provided on the planned completion dates of the project.

In the circumstances, value for money for the construction of the two class blocks could not be confirmed.

#### **9. Unsupported Procurement under Maintenance and Improvement.**

The Statement of receipts and payments and as disclosed under Note 6 reflects Operations and infrastructure payments of Kshs.15,602,090 which includes expenditure on Maintenance & Improvement amounting to Kshs.4,441,219 which was not supported with procurement documents such as advertisement, quotations, tender opening documents, evaluation reports and inspection reports.

In the circumstances, the regularity and value for money for the expenditure of Kshs.4,441,219, could not be confirmed.

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

### **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

#### **Conclusion**

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

#### **Basis for Conclusion**

##### **1. Lack of Internal Audit Review**

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

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

## **2. Inadequate Asset Management**

Annex 2 to the financial statements on Summary of Fixed Asset Register reflects a list of ten (10) assets owned by the School but has not indicated the values of the asset's historical conditions and the closing value. Additionally, the assets register provided was not updated with pertinent details including clear description, date of acquisition, cost, location and unique identification numbers of the assets as per the approved assets register template. Further, furniture computers and other movable assets were not tagged with unique identification numbers to help keep track of its assets. Also, the value of text books held by the School were not disclosed.

In the circumstances, the completeness of the fixed assets register, the custody of the assets and the effectiveness of the internal controls in the assets management could not be confirmed.

## **3. Lack of a Procurement Professional in the School**

During the year under review, it was established that the School did not have an establishment of a procurement professional and the School had not recruitment a procurement professional and had no establishment of a procurement function. Lack of an approved establishment of a procurement professional in the School negatively affected the efficiencies and responsibilities in the procurement coordination. This is contrary to Section 47 (1) of the Public Procurement and Asset Disposal Act, 2015 which states that a procurement function shall be handled by procurement professionals whose qualifications are recognized in Kenya.

In the circumstances, the adequacy of controls put in place to ensure compliance of the school procurements to the Public Procurement and Disposal Act, and Regulations could not be confirmed.

## **4. Lack of an Effective Information Communication & Technology Infrastructure**

Review of the ICT infrastructure and data and records maintained at the School revealed that the School was operating manual records and data management, despite the growing learner's population. The human resource capacity in application of ICT, the library resources; including access to electronic databases and resources, had not been enhanced and the had not established a fully functional school website, created a system for e-results and e-admission to enhance communication with stakeholders, and had not

adopted use of e-learning resources which would improve the quality of teaching and learning through Provision of up-to-date instructional materials.

Additionally, review of the School fees collection revealed that the School had an ICT based system of collecting fees, However, there were no documented procedures on the operationalization of the system and the computer used as server was also used to process data and documents at the office. There was no server room and the system hard wares were not secured as one computer served as the server. There were no supporting documents provided to proof existence of a disaster recovery plan.

In the circumstances, the adequacy of IT infrastructure for the integration of Information, Communication Technology in education, management, and curriculum delivery could not be confirmed.

### **5. Inadequate Management of Text Books**

During the year under review, physical Inspection in the month of June, 2024 revealed the following;

- i. A total of 17,150 text books had been issued to students including 2,196 Text books held by current form fours and previous students not been returned.
- ii. The School received 3,507 set books, and had in stock a total of 15,659 textbooks whose value was not disclosed. Physical verification showed that textbook storage facilities were inadequate resulting to the School storing the remaining textbooks in unsafe conditions such as on top of the available book shelves and the excess textbooks were lying on the floor that exposes the textbooks to risks of vagaries of weather.
- iii. The School received a total of two thousand six hundred and forty-six (2,646) copies of set books against the requirement of Two thousand six hundred and nineteen (2,619) for School enrolment resulting to an excess of 27.

In the circumstances the effectiveness of custody and security of the instructional and learning materials and value for money for the excess textbooks at the School could not be confirmed.

### **6. Inadequate oversight by the Board of Management**

During the year under review, scrutiny of the governance structure at the School revealed the following;

- i. The Board had constituted seven (7) standing committees. However, the Board of Management did not have an approved work plan that clearly outlined the activities it was to undertake for the year.
- ii. Additionally, review of the committee operations and membership revealed that the audit committee and the discipline and welfare committee were not operational during the period under review.
- iii. The Audit committee had no member with financial expertise to assist the committee in facilitating the School to achieve the strategic objectives especially in matters requiring financial knowledge in finance and accounting.

In the circumstances the effectiveness of the Board oversight on the activities and decisions made by the School could not be confirmed.

#### **7. Lack of Human Resource Policies and Procedures**

During the year under review, there were no supporting documents provided to show that the School had Human resource policies and procedures to guide the conduct, training and retention, recruitment of BOM teachers and non-teaching staff. This carries the risk of hiring underqualified personnel that can lead to poor performance of the School.

In the circumstances, lack of documented human resources policies could lead to reduced productivity of the teaching and non-teaching staff at the School.

#### **8. Lack of Risk Management Policy and Disaster Recovery plan**

During the year under review, the School had not put in place a Risk Management Policy, strategies, and Risk Register to mitigate against risk. It was, therefore, not clear how the risk exposures were managed. This was in contravention of Regulation 165(1)(a) and (b) of the Public Finance Management (National Government) Regulations, 2015 which requires the Accounting Officer to ensure that the National Government entity develops risk management strategies, which include fraud prevention mechanism; and the entity develops a system of risk management and internal control that builds robust business operations.

In the circumstances, the effectiveness of the internal controls, risk management and overall governance could not be established.

#### **9. Lack of School Instructional Materials Selection Committee**

During the year under review the Board did not have in place an appointed School Instructional Materials Selection Committee (SIMSC) to be responsible for Making a list of the textbooks, teachers' guides and other instructional materials that are already in the school; Doing annual needs assessment of the text books urgently needed by the school; Calling an SIMSC meeting and documenting in the minute book what SIMSC has

decided which text books are urgently needed in the School and; keeping SIMSC Minute Book to be signed by the secretary and the chairperson of the SIMSC.

In the circumstances, the adequacy of the instructional need assessment could not be confirmed.

#### **10. Deficit in Teaching Staff**

During the year under review, the School had an enrolment of 1,413 students, with 29 teachers posted by TSC against the curriculum-based establishment (CBE) of teachers. Resulting in deficit of 34 or % of the required teachers. Although the board had employed 28 teachers, the School had notable under staffing of between 1 and seven (7) teachers in the 9 subject that are taught at the School including mathematics and languages.

In the circumstances, the effectiveness of the curriculum delivery and the effectiveness of the 100% transition policy for class eight leavers could not be confirmed.

#### **11. Lack of Adequate Facilities**

During the year under review, physical verifications and scrutiny of records revealed the following;

- i. A review of the class attendance registers and the School enrolment for the year revealed that School had an average class capacity of 53 learners against 45 provided in Regulations 64 of the Basic Education Regulations, 2015.
- ii. The School dining hall which is adjacent to the School kitchen was used to house students leaving student to have their meals at the assembly ground which was dusty and unpaved
- iii. The School kitchen did not have adequate space to accommodate cooking and had poor drainage which exposes the staff to health and accident risks.
- iv. The School library had been converted to a classroom. A books store which is a small room adjacent to the room that was formerly a library had been filled with textbooks stored on top of the shelves and on the floor. Additionally, the working space for the librarian was too small to allow proper classification of incoming books which were lumped up on a small table at the entrance. This affected the effectiveness of books managements.

In the circumstances, the effectiveness of the School infrastructure in ensuring quality education and enhancing student welfare could not be confirmed.

#### **12. Shortfall in Number of Textbooks Compared to Enrolment**

A comparative analysis of the textbooks available and the School enrollment revealed that nine (9) class subjects had text book deficits of between 5 and 81 percent with a specific deference of 7% and 9 % in respect to form one and form four mathematics text

books. Nine class subjects had text book deficits of between 5 and 81 percent with a specific deference of 7% and 9 % in respect to form one and form four mathematics text books when compared to the class enrolment. These ratios were short of the required student to textbook ratio of 1:1

Further; comparative review of the class registers and the subject text books available for each class revealed that the French subject had 421 text books. However, the subject was not taught at the School

In the circumstances the School lacked adequate resources which may adversely affects quality of learning at the School.

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 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 such internal control as Management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain 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 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 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 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 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 sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

  
 FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

**Nairobi**

**16 December, 2024**

**Kisau Girls Secondary School  
Reports and Financial Statements  
For the year ended 30<sup>th</sup> June 2022**

**V. Statement Of Receipts and Payments Period To 30<sup>th</sup> June 2022**

Description of Vote Head	Note	2021-2022	Jan-June 2021
		Kshs	Kshs
<b>Receipts</b>			
Capitation grants for tuition	1	3,483,337	1,167,599
Capitation grants for operations & infrastructure	2	15,318,207	7,388,755
School Fund Income- Parents' Contributions	3	4,317,601	4,584,342
School Fund Income- Other receipts	4	66,798,709	16,356,201
Proceeds from borrowings		-	-
<b>Total Receipts</b>		<b>89,917,854</b>	<b>29,496,897</b>
<b>Payments</b>			
Payments for Tuition	5	4,014,354	571,259
Payments for operations and infrastructure	6	15,602,090	4,217,455
Boarding and school fund payments	7	73,415,470	19,877,354
<b>Total Payments</b>		<b>93,031,914</b>	<b>24,666,068</b>
<b>Surplus/Deficit</b>		<b>(3,114,060)</b>	<b>4,830,829</b>

The school financial statements were approved on 10/12/2024 and signed by:

  
Name: Monica Kilonzo

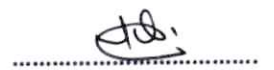
Chair BOM

Date: 10/12/24

  
Name: Florence Kimeu

School Principal/ Secretary to BOM

Date: 10/12/2024

  
Name: Abednego Mule

Bursar/ Finance Officer

Date: 10/12/2024

**ST. ALPHONSA KISAU GIRLS SEC.  
SCHOOL**  
P. O. Box 5 - 90127,  
MBUMBUNI  
Date: 10/12/2024

**Kisau Girls Secondary School**  
**Reports and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

**VI. Statement Of Financial Assets and Financial Liabilities as of 30<sup>th</sup> June 2022**

Description	Note	2021-2022	Jan-June 2021
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash and Cash Equivalents</b>			
Bank balances	8	1,241,270	2,533,916
Cash balances	9	155,663	169,127
Short term Investment	10		
<b>Total cash and cash equivalents</b>		<b>1,396,933</b>	<b>2,703,043</b>
Account's receivables	11	2,272,409	934,926
<b>Total financial assets</b>		<b>3,669,342</b>	<b>3,637,969</b>
<b>Financial liabilities</b>			
<b>Accounts Payable</b>	12	4,565,456	941,889
Prepayment		1,167,983	1,646,117
<b>Total Financial liabilities</b>		<b>5,733,439</b>	<b>2,588,006</b>
<b>Net financial assets</b>		<b>(2,064,097)</b>	<b>1,049,963</b>
<b>Represented by</b>			
Accumulated fund b/fwd.	13	1,049,963	(3,780,866)
Surplus/Deficit for the year		(3,114,060)	4,830,829
<b>Net financial position</b>		<b>(2,064,097)</b>	<b>1,049,963</b>

The school's financial statements were approved on 10/12/2024 and signed by:

  
 Name: Monica Kilonzo

  
 Name: Florence Kineu

  
 Name: Abednego Mule

Chair BOM  
 Date: 10/12/24

School Principal/ Secretary to BOM  
 Date: 10/12/2024

Bursar/ Finance Officer  
 Date: 10/12/2024

ST. ALPHONSA KISAU GIRLS SEC.  
 SCHOOL  
 P. O. Box 5 - 90127,  
 MBUMBUNI  
 Date: 10/12/2024

VII. Statement of Cash Flows for The Period Ended 30<sup>th</sup> June 2022

Description	Notes	2021-2022	Jan-June 2021
		Kshs	Kshs
<b>Operating activities</b>			
<b>Receipts</b>			
Capitation grants for tuition	1	3,483,337	1,167,599
Capitation grants for operations	2	15,318,207	7,388,755
School fund income- Parents contributions/ fees	3	4,317,601	4,584,342
School fund income- other receipts	4	62,880,183	16,348,774
Prepaid fees		1,409,831	1,653,544
Fees arrears collected		934,926	68,355
<b>Total receipts</b>		<b>88,344,085</b>	<b>31,211,369</b>
<b>Payments</b>			
Payments for Tuition	5	4,014,354	571,259
Payments for operations	6	15,602,090	4,217,455
Boarding and school fund payments	7	69,496,943	19,877,354
Creditor payments		294,960	5,273,593
Prepaid fees - refunded		241,848	7,427
<b>Total Payments</b>		<b>89,650,195</b>	<b>9,947,088</b>
<b>Net cash flow from operating activities</b>		<b>(1,306,110)</b>	<b>1,264,281</b>
<b>Cash flow from investing activities</b>			
<b>Net cash flows from Investing Activities</b>		-	-
<b>Cashflow from borrowing activities</b>			
<b>Net cash flows from financing Activities</b>		-	-
<b>Net increase in cash and cash equivalents</b>		<b>(1,306,110)</b>	<b>1,264,281</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>2,703,043</b>	<b>1,438,762</b>
<b>Cash and cash equivalents at end of the year</b>		<b>1,396,933</b>	<b>2,703,043</b>

**Kisau Girls Secondary School**  
**Reports and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

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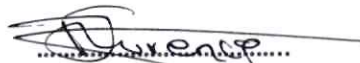
1. Out of School fund income- other receipts (Note 4) ksh 2,272,409 for the 2021/2022 is Fees arrears for current year (Note 11)
2. Out of Boarding and school fund payments (Note 7)- ksh 3,918,527 for the 2021/2022 is unpaid Creditors (Note 12) for the current year

The school's financial statements were approved on 10/12/2024 and signed by:

  
.....  
Name: **MONICA KILONZO**

Chair BOM

Date: 10/12/24

  
.....  
Name: **FLORENCE KINTU**

School Principal/ Secretary to BOM

Date: 10/12/2024

  
.....  
Name: **ABEDNEGO MULE**

Bursar/ Finance Officer

Date: 10/12/2024

**ST. ALPHONSA KISAU GIRLS SEC.**  
SCHOOL  
P. O. Box 5 - 90127,  
MBUMBUNI  
Date: 10/12/2024

VIII. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30<sup>th</sup> June 2022

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
<b>Receipts</b>						
<b>(1) Capitation Grant on Tuition</b>						
Teaching/learning materials	3,673,300	700,000	4,373,300	3,483,337	889,963	80%
<b>Total</b>	<b>3,673,300</b>	<b>700,000</b>	<b>4,373,300</b>	<b>3,483,337</b>	<b>889,963</b>	<b>80%</b>
<b>(2) Capitation Grant on Operations</b>						
Repairs maintenance and Improvements	6,450,000		6,450,000	4,387,500	2,062,500	68%
Other vote heads	10,811,412		10,811,412	10,811,412	-	100%
Activity	1,963,750		1,963,750	119,295	2,472,279	6%
<b>Total</b>	<b>19,225,162</b>	<b>-</b>	<b>19,225,162</b>	<b>15,318,207</b>	<b>4,534,779</b>	<b>80%</b>
<b>(3) Fees Charged on Parents</b>						
Personnel emoluments	4,340		4,340	4,340	-	100%
Repairs and maintenance	3,408,031		3,408,031	3,408,031	-	100%
Local transport / travelling	-		-	1,300	(1,300)	0%
Electricity and water	-		-	6,860	(6,860)	0%
Medical	-		-	550	(550)	0%
Administration cost	-		-	39,633	(39,633)	0%
Activity	812,500		812,500	856,887	(44,387)	105%
<b>Total</b>	<b>4,224,871</b>	<b>-</b>	<b>4,224,871</b>	<b>4,317,601</b>	<b>(92,730)</b>	<b>102%</b>

**Kisau Girls Secondary School  
Reports and Financial Statements  
For the year ended 30<sup>th</sup> June 2022**

<b>Receipt/Expense Item</b>	<b>Original Budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual on Comparable Basis</b>	<b>Budget Utilisation Difference</b>	<b>% of Utilisation</b>
<b>Other Income</b>						
Fee on Boarding Equipment and Stores	35,278,457		35,278,457	35,278,457	41,007	100%
Rent income	406,550		406,550	406,550	-	0%
Students uniform	-		-	903,725	(903,725)	0%
Tender	-		-	90,000	(90,000)	0%
Income from Bus fare	-		-	20,000	(20,000)	0%
Teachers Motivation	5,586,994		5,586,994	5,586,994	-	100%
Bank Charges	-		-	10,686	(10,686)	0%
KCSE	24,000		24,000	24,000	-	100%
Student ID cards				87,666	(87,666)	0%
Damage recoveries				18,456	(18,456)	0%
Lab Damages				400	(400)	0%
Lost text books				18,332	(18,332)	0%
Teachers' welfare				15,000	(15,000)	0%
Other vote heads	24,336,943		24,336,943	24,336,943	-	100%
Exercise books				1,500	(1,500)	0%
<b>Total</b>	<b>41,272,001</b>	<b>-</b>	<b>41,272,001</b>	<b>66,798,709</b>	<b>(1,124,758)</b>	<b>162%</b>
<b>Total Income</b>	<b>68,395,334</b>	<b>700,000</b>	<b>69,095,334</b>	<b>89,917,854</b>	<b>4,207,254</b>	<b>130%</b>
<b>(1) Expenditure For Tuition</b>						
Teaching/learning materials	5,451,797		5,451,797	4,012,290	1,439,507	36%
Bank Charges	-		-	2,064	-	

**Kisau Girls Secondary School  
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For the year ended 30<sup>th</sup> June 2022**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
<b>Total</b>	<b>5,451,797</b>	-	<b>5,451,797</b>	<b>4,014,354</b>	<b>1,439,507</b>	<b>36%</b>
<b>(2) Expenditure For Operations</b>						
Other Vote heads	11,750,000		11,750,000	9,683,131	2,066,869	0%
Repairs and Maintenance & Improvements	1,875,000		1,875,000	1,327,870	547,130	0%
Maintenance and Improvement-Infrastructure account	2,345,670		2,345,670	4,441,219	2,095,549	47%
Activity Expenses				148,035		
Bank Charges				1,835		
<b>Total</b>	<b>15,970,670</b>		<b>15,970,670</b>	<b>15,602,090</b>	<b>4,709,548</b>	<b>98%</b>
<b>(3) Expenditure For School Fund</b>						
Personnel emoluments	-		-	26,350	(26,350)	
Activity	646,140		646,140	646,140	-	100%
Repairs and maintenance & Improvements	3,254,000		3,254,000	3,254,000	-	100%
local transport	81,345		81,345	79,820	1,525	98%
University application	-		-	-	-	
Electricity and water	-		-	285,500	(285,500)	0%
Administration costs	812,500		812,500	988,117	(175,617)	122%
Uniform	1,036,000		1,036,000	1,036,000	-	0%
Bus /Van expenses	-		-	211,270	(211,270)	0%
Teachers Motivation	5,466,760		5,466,760	5,466,760	-	100%

**Kisau Girls Secondary School  
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<b>Receipt/Expense Item</b>	<b>Original Budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual on Comparable Basis</b>	<b>Budget Utilisation Difference</b>	<b>% of Utilisation</b>
Fee on Boarding Equipment and stores	32,094,524		32,094,524	39,214,051	(7,119,527)	-18%
Rent expenses	-		-	20,400	(20,400)	-100%
Lost text books	-		-	18,992	(18,992)	-100%
Other vote heads	21,890,240		21,890,240	21,890,240	-	0%
Student Id Cards	87,600		87,600	87,600	-	0%
Medical Expenses	-		-	4,330	(4,330)	0%
KCSE	-		-	84,400	(84,400)	0%
Tender expenses				101,500	(101,500)	0%
<b>TOTAL</b>	<b>65,369,109</b>	<b>-</b>	<b>65,369,109</b>	<b>73,415,470</b>	<b>(8,046,361)</b>	<b>112%</b>
<b>TOTAL PAYMENT</b>	<b>86,791,576</b>	<b>-</b>	<b>86,791,576</b>	<b>93,031,914</b>	<b>(1,897,306)</b>	<b>107%</b>

## IX. Significant Accounting Policies

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

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

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

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

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

### 2. Recognition of receipts and payments

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

### 3. In-kind contributions

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

### 4. Cash and cash equivalents

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

### Significant Accounting Policies (Continued)

#### 5. Accounts Receivable

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

#### 6. Accounts Payable

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

#### 7. Non-current assets

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

#### 8. Budget

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

#### 9. Comparative figures

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

#### 10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2022.

**X. Notes To the Financial Statements**

**1 Capitation Grant for Tuition**

	<b>2021-2022</b>	<b>Jan-June 2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Teaching/learning materials	3,483,337	1,167,599
<b>Total</b>	<b>3,483,337</b>	<b>1,167,599</b>

**2 Capitation Grant for Operations**

	<b>2021-2022</b>	<b>Jan-June 2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Repairs maintenance and Improvements	4,387,500	1,796,000
Other voteheads	10,811,412	5,592,755
Activity	119,295	
<b>Total</b>	<b>15,318,207</b>	<b>7,388,755</b>

**3 Parents Contribution/Fees - School Fund Account**

	<b>2021-2022</b>	<b>Jan-June 2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments	4,340	1,150,753
Repairs and maintenance	3,408,031	898,359
Local transport / travelling	1,300	20,050
Electricity and water	6,860	1,783,139
Medical	550	-
Administration cost	39,633	727,391
Activity	856,887	4,650
<b>Total</b>	<b>4,317,601</b>	<b>4,584,342</b>

**Kisumu Girls Secondary School**  
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**Notes To the Financial Statements (Continued)**

**4 Other Receipts – School Fund Account**

	<b>2021-2022</b>	<b>Jan-June 2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Fee on Boarding Equipment and Stores	35,278,457	12,438,997
Rent income	406,550	348,900
Students uniform	903,725	-
Tender	90,000	-
University application fee	-	22,000
Income from Bus fare	20,000	68,000
Teachers Motivation	5,586,994	3,455,825
Bank Charges	10,686	9,834
KCSE	24,000	6,100
Student ID cards	87,666	
Damage recoveries	18,456	
Lab Damages	400	
Lost text books	18,332	6,545
Teachers' welfare	15,000	-
Other vote heads	24,336,943	-
Exercise books	1,500	-
<b>Total</b>	<b>66,798,709</b>	<b>16,356,201</b>

**5 Payments For Tuition**

	<b>2021-2022</b>	<b>Jan-June 2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Text books and Reference Materials	-	-
Exercise books	-	-
Laboratory equipment	-	-
Teaching/learning materials	4,012,290	569,065
Chalks	-	-
Exams and assessment	-	-
Teachers guides	-	-
Bank Charges	2,064	2,194
<b>Total</b>	<b>4,014,354</b>	<b>571,259</b>

**Kisau Girls Secondary School**  
**Reports and Financial Statements**  
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**Notes To the Financial Statements (Continued)**

**6 Payments For Operations**

	<b>2021-2022</b>	<b>Jan-June 2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Other Vote heads	9,683,131	3,745,955
Repairs and Maintenance & Improvements	1,327,870	223,300
Maintenance and Improvement-Infrastructure account	4,441,219	-
Activity Expenses	148,035	248,200
Bank Charges	1,835	-
<b>TOTAL</b>	<b>15,602,090</b>	<b>4,217,455</b>

**7 Boarding And School Fund Payments**

	<b>2021-2022</b>	<b>Jan-June 2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments	26,350	1,372,810
Activity	646,140	322,450
Repairs and maintenance & Improvements	3,254,000	261,890
local transport	79,820	1,003,612
University application	-	79,710
Electricity and water	285,500	326,489
Administration costs	988,117	1,417,111
Uniform	1,036,000	625
Bus /Van expenses	211,270	460,350
Teachers Motivation	5,466,760	3,677,550
Fee on Boarding Equipment and stores	39,214,051	10,886,437
Rent expenses	20,400	1,800
Lost text books	18,992	6,520
Other vote heads	21,890,240	-
Student Id Cards	87,600	
Medical Expenses	4,330	60,000
KCSE	84,400	
Tender expenses	101,500	
<b>TOTAL</b>	<b>73,415,470</b>	<b>19,877,354</b>

**Kisau Girls Secondary School  
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**Notes To the Financial Statements (Continued)**

**8 Bank Accounts**

<b>Name Of Bank, Account No. &amp; Currency</b>	<b>Bank Account Number</b>	<b>2021-2022</b>	<b>Jan-June 2021</b>
		<b>Kshs</b>	<b>Kshs</b>
Tuition Account	1106376226	15,031	2,288
Operations Account	1107155932	97,959	1,241,835
School Fund Account/Boarding	1106388895	252,067	1,123,026
Savings Account	1217597735	68,527	68,527
Income Generating Activities Account		98,240	98,240
Parents Association Development	0670270756765	-	-
Infrastructural Account	1283009889	709,446	-
<b>Total</b>		<b>1,241,270</b>	<b>2,533,916</b>

**9 Cash In Hand**

<b>Description</b>	<b>2021-2022</b>	<b>Jan-June 2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Tuition Account	-	-
Operation Account	112	645
School Fund account	155,551	168,482
<b>Total</b>	<b>155,663</b>	<b>169,127</b>

**10 Short Term Investments**

<b>Description</b>	<b>2021-2022</b>	<b>Jan-June 2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit	-	-
Equity Stock	-	-
Other Investments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Kisumu Girls Secondary School**  
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**Notes To the Financial Statements (Continued)**

**11 Accounts Receivable**

Description	2021-2022	Jan-June 2021
	Kshs	Kshs
Fees arrears	2,272,409	934,926
Other non-fees receivables	-	-
Salary advances	-	-
Imp rest	-	-
<b>Total</b>	<b>2,272,409</b>	<b>934,926</b>

**Ageing Analysis of Account Receivable**

Description	2021-2022	Jan-June 2021
	Kshs	Kshs
Fees arrears for current year	2,272,409	-
Fees arrears for the previous year	-	934,926
Fees arrears for prior periods (over two years)	-	-
<b>Total</b>	<b>2,272,409</b>	<b>934,926</b>

**12 Accounts Payable**

Description	2021-2022	Jan-June 2021
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	4,565,456	941,889
<b>Total</b>	<b>4,565,456</b>	<b>941,889</b>

**Ageing Analysis of Account Payable**

Description	2021-2022	Jan-June 2021
	Kshs	Kshs
Trade creditors for current year	3,918,527	-
Trade creditors for the previous year	646,929	941,889
Trade creditors for prior periods (over two years)	-	-
<b>Total</b>	<b>4,565,456</b>	<b>941,889</b>

**Kisumu Girls Secondary School  
Reports and Financial Statements  
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**Notes To the Financial Statements (Continued)**

**13 Fund Balance Brought Forward**

<b>Description</b>	<b>2021-2022</b>	<b>Jan-June 2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank balances	2,533,916	1,436,190
Cash balances	169,127	2,572
Short Term Investments	-	-
Receivables	934,926	1,003,281
Payables	(941,889)	(6,215,482)
Prepaid fees	(1,646,117)	
<b>Total</b>	<b>1,049,963</b>	<b>(3,773,439)</b>

**Kisumu Girls Secondary School**  
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**Other important disclosure notes**

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

**14 Non-current Liabilities Summary**

<b>Description</b>	<b>2021-2022</b>	<b>Jan-June 2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank Loan(S)	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**15 Biological assets**

<b>Description</b>	<b>Numbers</b>	<b>2021-2022</b>	<b>Jan-June 2021</b>
		<b>Kshs</b>	<b>Kshs</b>
Cattle		-	-
Goats		-	-
Trees		-	-
Coffee Or Tea Plantation		-	-
Poultry		-	-
<b>Total</b>		<b>-</b>	<b>-</b>

**16 Borrowings**

<b>Description</b>	<b>2021-2022</b>	<b>Jan-June 2021</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>a) Borrowings</b>		
Borrowing at beginning of the year	-	-
Borrowings during the year	-	-
Repayments of during the year	-	-
<b>Balance at end of the year</b>	<b>-</b>	<b>-</b>

**Kisau Girls Secondary School  
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**Other important disclosure notes**

**17 Stock/ Inventory**

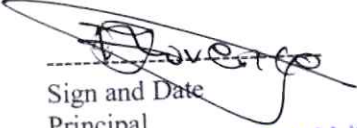
<b>Description</b>	<b>2021-2022</b>	<b>Jan-June 2021</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>b) Inventory</b>		
Stock/ inventory at beginning of the year	-	-
Stock/ inventory purchased during the year	-	-
Stock/ inventory issued during the year	-	-
<b>Balance at end of the year</b>	<b>-</b>	<b>-</b>

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**18 Progress On Follow Up of Auditor Recommendations**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

  
 Sign and Date  
 Principal

**ST. ALPHONSA KISAU GIRLS SEC.**  
**SCHOOL**  
 P. O. Box 5 - 98127,  
 MBUMBUNI  
 Date: .....

**Kisau Girls Secondary School  
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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	Outstanding Balance 2021	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Construction Of Buildings</b>						
1. MARYCAILLY LIMITED	1,162,850	11.3.22	700,000		462,850.00	
2. TARAGHEEE ENGINEERING WORKS	604,716	1.1.22	300,000		304,716.00	
3.						
<b>Sub-Total</b>					<b>767,566.00</b>	
<b>Supply Of Goods</b>						
4.Dasemo Agencies	60,000	22.6.22	-		60,000	
5.NewLight Technical Contractors	33,500	28.6.22	-		33,500	
6.Richest Farm	18,555	25.6.22	-		18,555	
7.Good Hope Mbumbuni Agencies	143,346	27.6.22	100,000		43,346	
8.Danstar Enterprises	269,100	31.5.22	150,000		119,100	
9.Kaiti Pharmacy	3,900	16.6.22	-		3,900	
10.Eskdale Investments	117,500	6.1.22	-		117,500	
11.Jegud Enterprises	126,400	20.6.22	-		126,400	
12.Central Scientific Supplies	673,327	19.2.22	300,000		373,327	
13.Frango Agencies	220,200	5.3.22	150,000		70,200	
14.Agfavour Enterprises	52,000	22.6.22	-		52,000	

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Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2021	Comments
15.Tabby and sons Enterprises	18,000	17.6.22	-	18,000		
16.Gram Media Ltd	875,565	30.11.21/25.1.22	300,000	575,565		
17.Top Grade Predictor	180,000	10.2.21	125,000	55,000		
18.Beta Bakers	415,027	27.6.22	-	415,027		
19.Pumuse Supplies	381,118	8.6.21	100,000	281,118		
20.Kyugi General Suppliers	76,000	24.6.22	-	76,000		
21.Mbooni Water & Sanitation Co. Ltd	12,900	6.5.22	-	12,900		
22.Dpl Festive	313,680	12.6.21	150,000	163,680		
23.Neema Butchery	70,840	29.6.22	-	70,840		
24.2M Petroleum Station	166,917	24.6.21	70,000	96,917		
25.Nyanyaa Pamoja Suppliers	44,410	22.6.22	-	44,410		
26.Pasha Enterprises Ltd	73,300	29.6.22	-	73,300		
27.Patrick/Mirriam/Janeffer	25,750	30.6.22	-	25,750		
28.Top Notch Grade Series	699,660	30.10.21	600,000	99,660		
<b>Supply Of Services</b>						
1.Wilfred Kaumbulu				1,500.00		
2.Jackyuu Epon	14,000	24.5.22	-	14,000		
3.Weconze General	331,100	20.6.22	200,000	131,100		
4.Fredrick Daudi	12,455	29.6.22	-	12,455		
<b>Grand Total</b>				<b>4,565,456.00</b>		

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**Annex 2 – Summary of Fixed Assets Register**

<b>Asset Class</b>	<b>Date purchased</b>	<b>Location</b>	<b>Historical Cost b/f (Kshs) 1<sup>st</sup> July 2021</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost c/f (Kshs) 30<sup>th</sup> June 2022</b>
Land 1						
Land 2						
Buildings And Structures		1 Library, 5 laboratories, 23 classes, 7 dorms, 1 kitchen, 2 stores, 1 dining hall, 1 administration block, 13 teachers house				
Motor Vehicles		1.School van 1.School bus				
Office Equipment, Furniture, and Fittings		4 Printers, 1 office phone, 1 save, 5 cabinets				
ICT Equipment, And Other ICT Assets		17 computers, 2 Lcd screens, 2 projectors, 3 TVs				

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<b>Asset Class</b>	<b>Date purchased</b>	<b>Location</b>	<b>Historical Cost b/f (Kshs) 1<sup>st</sup> July 2021</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost c/f (Kshs) 30<sup>th</sup> June 2022</b>
Tools And Apparatus		5 Pangas,15 Jembes,5 shovel, 4 wheelbarrows, 10 slashers, 1 axe.				
Textbooks						
Other Machinery and Equipment		Power generator				
Heritage And Cultural Assets		Drama stands, drops				
Intangible Assets- Software		JBS system, Safaricom modem				
<b>Total</b>						

