

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

PARLIAMENT
OF KENYA
LIBRARY

OF

THE AUDITOR-GENERAL

ON

OUR LADY OF FATIMA CHINGA GIRLS

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

| | |
|--------------------------------------|----------------------------|
| THE NATIONAL ASSEMBLY PAPERS LAID | |
| DATE: 05 MAR 2025 | Wednesday |
| BY: Hon. Naomi Waga, MP | Deputy Majority Party Whip |
| CLERK AT THE TABLE: | Archibuko |



OUR LADY OF FATIMA CHINGA GIRLS
PUBLIC SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th June 2022

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

**OUR LADY OF FATIMA CHINGA GIRLS
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2022**

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-PUBLIC SECONDARY SCHOOLS - OUR LADY OF FATIMA CHINGA GIRLS
Reports and Financial Statements
For the year ended 30th June 2022

1. KEY SCHOOL INFORMATION AND MANAGEMENT

Background information

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

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

The school is a boarding school and had 770 number of students as at 30th June 2022. It has 4 streams and 34 teachers of which 6 teachers are employed by the School Board of Management.

(a) School Board of Management - Board Members

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

| Ref | Name of Board Member | Designation | Date of appointment |
|-----|--------------------------|------------------------|---------------------|
| 1 | MR. KING'ORI KURAIHU | Chairman | 15/06/2022 |
| 2 | MRS. ESTHER NJIRU | Secretary - Principal | 15/06/2022 |
| 3 | MS. JANE WAITHAKA | Vice-Chair | 15/06/2022 |
| 4 | MR. JOHN GATHERU | Member | 15/06/2022 |
| 5 | MS. TABITHA KIRAGU | Member | 15/06/2022 |
| 6 | MS. EVA WAMBUI MAINA | Member | 15/06/2022 |
| 7 | MR. MACHARIA GITHIGA | Member | 15/06/2022 |
| 8 | MR. MWAI KIRAGU | Member – Rep CEB | 15/06/2022 |
| 9 | MRS. AGNES MWANGI | Member Rep Teachers | 15/06/2022 |
| 10 | FR. DAVID MUTAHI | 3 Members – Sponsor | 15/06/2022 |
| 11 | MR. KING'ORI KURAIHU | | |
| 12 | MS. MARY KIMAMO | | |
| 13 | DR. THOMAS THIGA | Member – Community | 15/06/2022 |
| 14 | BEATRICE WANJIRU WAITITU | Member Special Needs | 15/06/2022 |
| 15 | MRS. CECILIA | Special interest group | 15/06/2022 |
| 16 | WAMBUGU KAMONI | P.A Chair | 15/06/2022 |
| 17 | ANNANGELAS WANGARI | Rep Students | 22/ 02/2022 |

**OUR LADY OF FATIMA CHINGA GIRLS
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
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KEY SCHOOL INFORMATION AND MANAGEMENT

The function of the School Board of Management include:

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

(c) Committees of the Board :

| Ref | Name of Committee | Names of Members | Designation | Number of meetings attended during the year |
|-----|---|---|---|---|
| 1 | Executive Committee | -KINGORI KURAIHU -ESTHER NJIRU -JANE WAITHAKA -DANIEL KIRAGU -WAMBUGU KAMONI | -B.O.M CHAIR -B.O.M SECRETARY -COMMUNITY - MEMBER REP CED -P.A CHAIR | |
| 2 | Audit Committee | | | |
| 3 | Finance, procurement and general purposes Committee | -KINGORI KURAIHU -ESTHER NJIRU -JANE WAITHAKA -THOMAS THIGA -JOHN GATHERU -MARY KIMAMO | -B.O.M CHAIR -B.O.M SECRETARY -COMMUNITY -MEMBER -SPONSOR -SPONSOR | |
| 4 | Academic Committee | -JANE WAITHAKA -AGNES MWANGI -FR. MUTAHI -DANIEL MWAI -MRS. ESTHER NJIRU | -B,O,M V.C CHAIR -MEMBER -SPONSOR -MEMBER REP CED- -B.O.M SECRETARY | |
| 5 | Development Committee | | | |
| 6 | Discipline and welfare Committee | | | |
| 7 | Adhoc Committee (if any during the year) | -MRS. KANG'AU - MR. NDERITU -MR. NJONJO -MR. WANJOHI -MR. WANJAU -MS.NANCY | | |

(d) School operation Management

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

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

KEY SCHOOL INFORMATION AND MANAGEMENT

(c) Schools contacts

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

(d) School Bankers

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

KCB BANK -OTHAYA 1 1103535749 -Tuition
2 110156257 -Operations
3 1103535110 -School fund
4 1271873206 -Infrastructure
5 1261535634 -CDF

EQUITY BANK-OTHAYA 6 0080298891491 -School fund
7 0080297413113 -Development

MPESA Pay Bill No. Attached to bank account

(e) Independent Auditors Office of the Auditor General

Anniversary Towers, University Way
P.O. Box 30084 GPO 00100
Nairobi, Kenya

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

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

II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

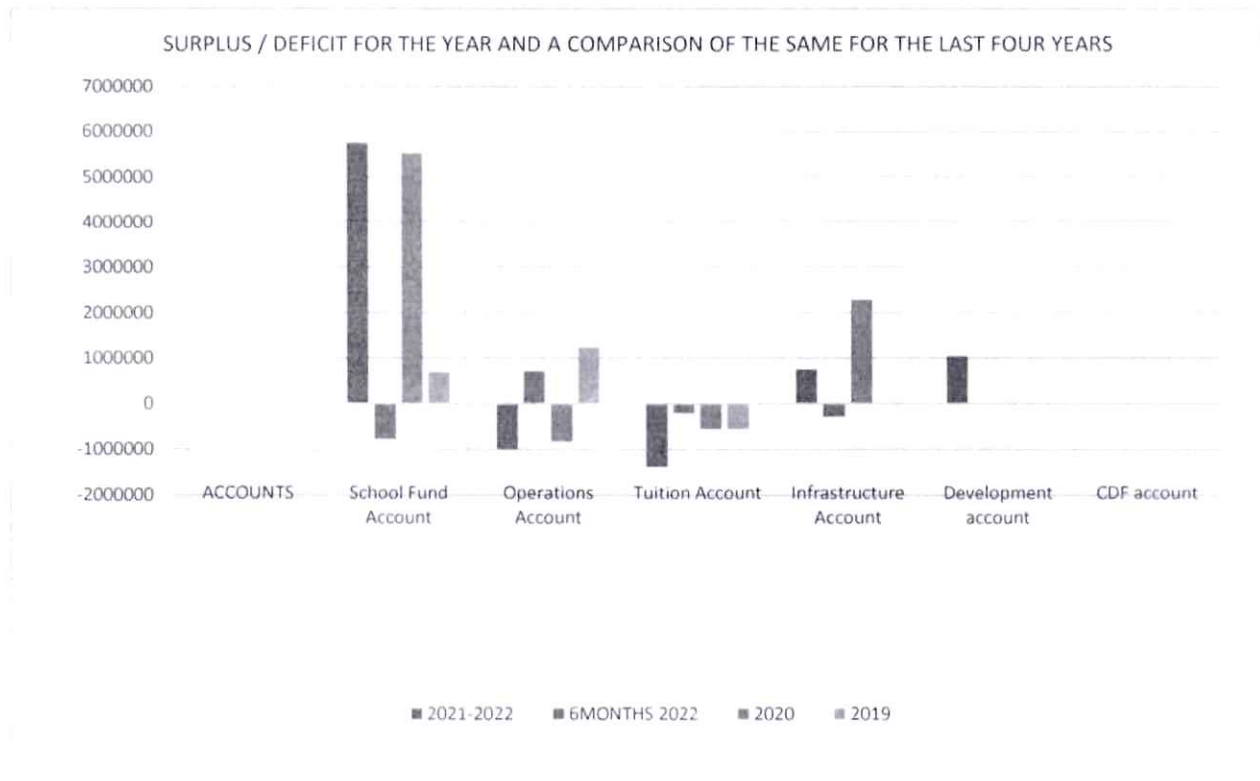
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) **Financial performance:**

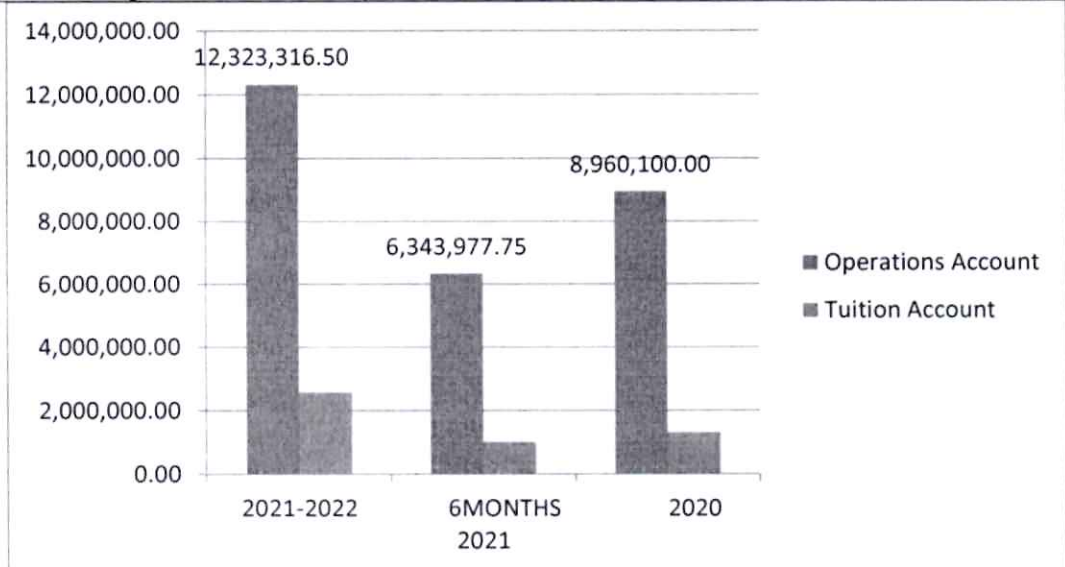
- *Surplus/ deficit for the year and a comparison of the same for the last three years*

| SURPLUS/DEFICIT FOR THE YEAR AND A COMPARISON OF THE SAME FOR THE LAST FOUR YEARS | | | | |
|--|---------------------|---------------------|---------------------|---------------------|
| ACCOUNTS | 2021-2022 | 6MONTHS 2021 | 2020 | 2019 |
| | Kshs | Kshs | Kshs | Kshs |
| School Fund Account | 5,752,220.00 | (781,785.00) | 5,527,594.00 | 694,506.00 |
| Operations Account | (1,005,978.50) | 718,357.75 | (830,326.00) | 1,234,289.00 |
| Tuition Account | (1,384,113.60) | (211,536.50) | (560,009.00) | (561,276.70) |
| Infrastructure Account | 756,324.00 | (286,409.00) | 2,289,436.00 | |
| Development account | 1,043,102.00 | - | - | |
| CDF account | | - | - | |
| TOTAL | 5,161,553.90 | (561,372.75) | 6,426,695.00 | 1,367,518.00 |
| Increase/Decrease | Increase | Decrease | Increase | Increase |

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



| CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS | | | | |
|---|--------------------------|----------------------|-----------------------|-----------------------|
| SNO | ACCOUNTS | 2021-2022 | 6MONTHS 2021 | 2020 |
| | | Kshs | KSHS | KSHS |
| 1 | Operations Account | 12,323,316.50 | 6,343,977.75 | 8,960,100.00 |
| 2 | Tuition Account | 2,590,453.40 | 1,016,003.50 | 1,314,266.00 |
| | Total | 14,913,769.90 | 7,359,981.25 | 10,274,366.00 |
| | Increase/Decrease | 7,553,788.65 | (2,914,384.74) | (4,386,099.80) |
| | No of Students | 787 | 768 | 710 |
| | Ratio per student | 1:9,598.21 | 1:9,583.30 | 1:14,470.93 |



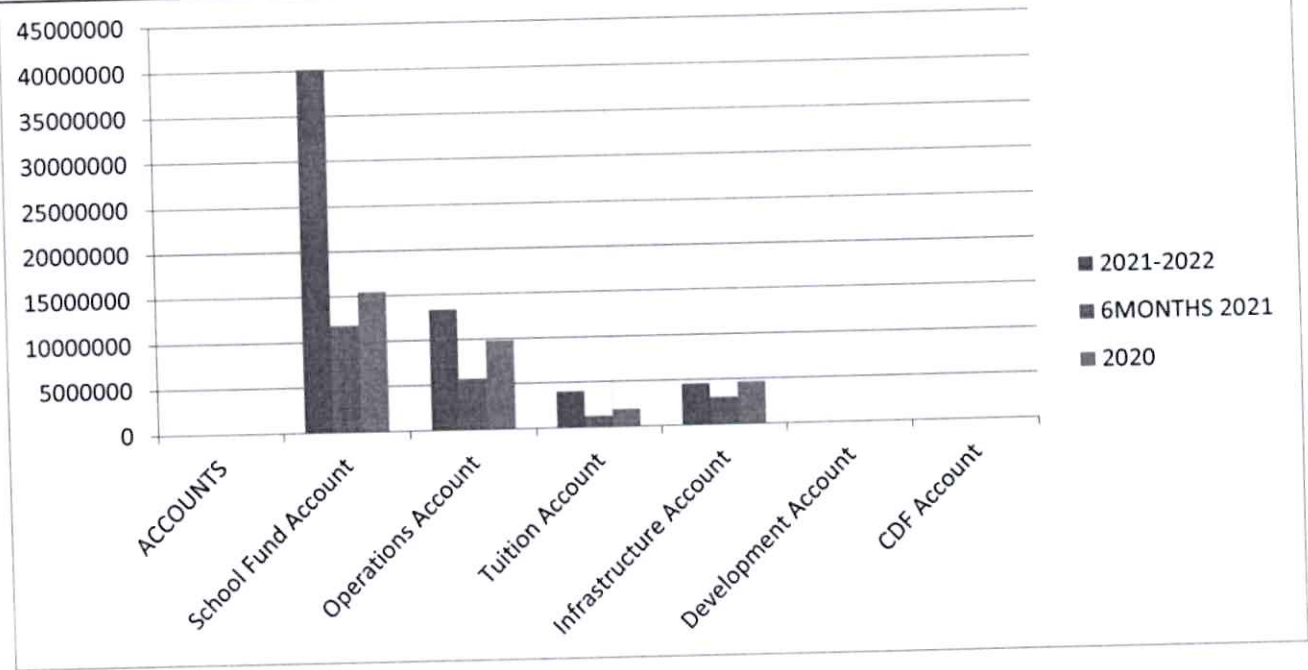
- A three-year overview of growth in expenditure of the school

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

OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL

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

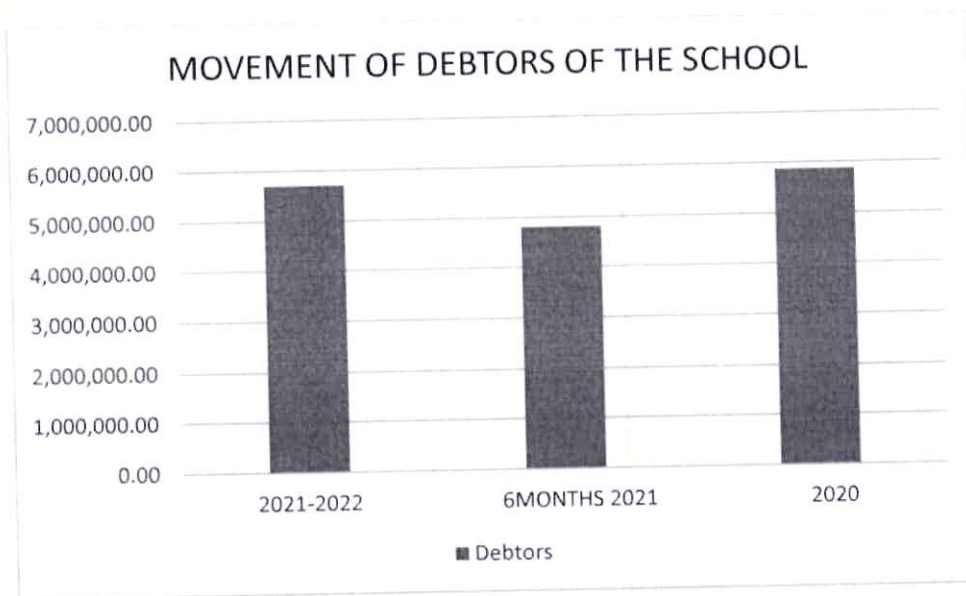
| | 2021-2022 | 6MONTHS 2021 | 2020 |
|--------------------------|----------------------|------------------------|------------------------|
| | KSH | KSH | KSH |
| School Fund Account | 40,157,790.00 | 11,798,062.00 | 15,452,535.00 |
| Operations Account | 13,329,295.00 | 5,625,620.00 | 9,790,426.00 |
| Tuition Account | 3,974,567.00 | 1,227,540.00 | 1,874,275.00 |
| Infrastructure Account | 4,543,176.00 | 2,995,389.00 | 4,649,064.00 |
| Development Account | 19,480.00 | - | - |
| CDF Account | - | - | - |
| Total | 62,024,308.00 | 21,646,611.00 | 31,766,300.00 |
| Increase/Decrease | 40,377,697.00 | (10,119,689.00) | (36,802,286.00) |



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

III. MOVEMENT OF DEBTORS OF THE SCHOOL (accumulated)

| SNO | ACCOUNTS | 2021-2022 | 6MONTHS 2021 | 2020 |
|-----|--------------------------|-------------------|-----------------------|---------------------|
| 1 | | Kshs | KSHS | KSHS |
| a | Debtors | 5,698,082.00 | 4,806,915.35 | 5,864,442.35 |
| | Total | 5,698,082.00 | 4,806,915.35 | 5,864,442.35 |
| | Increase/Decrease | 891,167.00 | (1,057,527.00) | 2,438,162.00 |



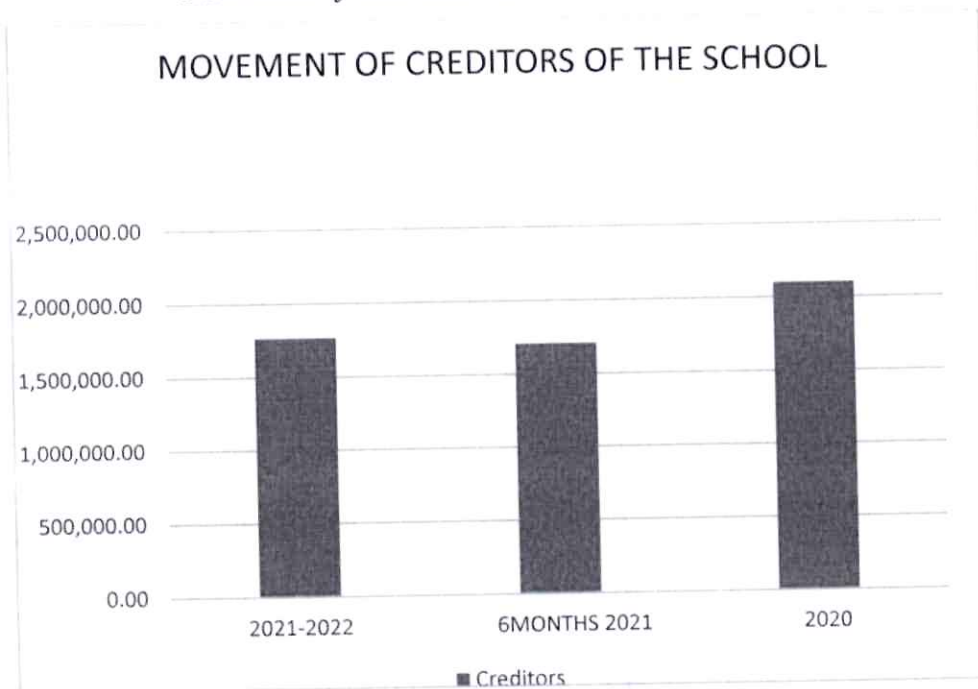
**OUR LADY OF FATIMA CHINGA GIRLS
PUBLIC SECONDARY SCHOOL**

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

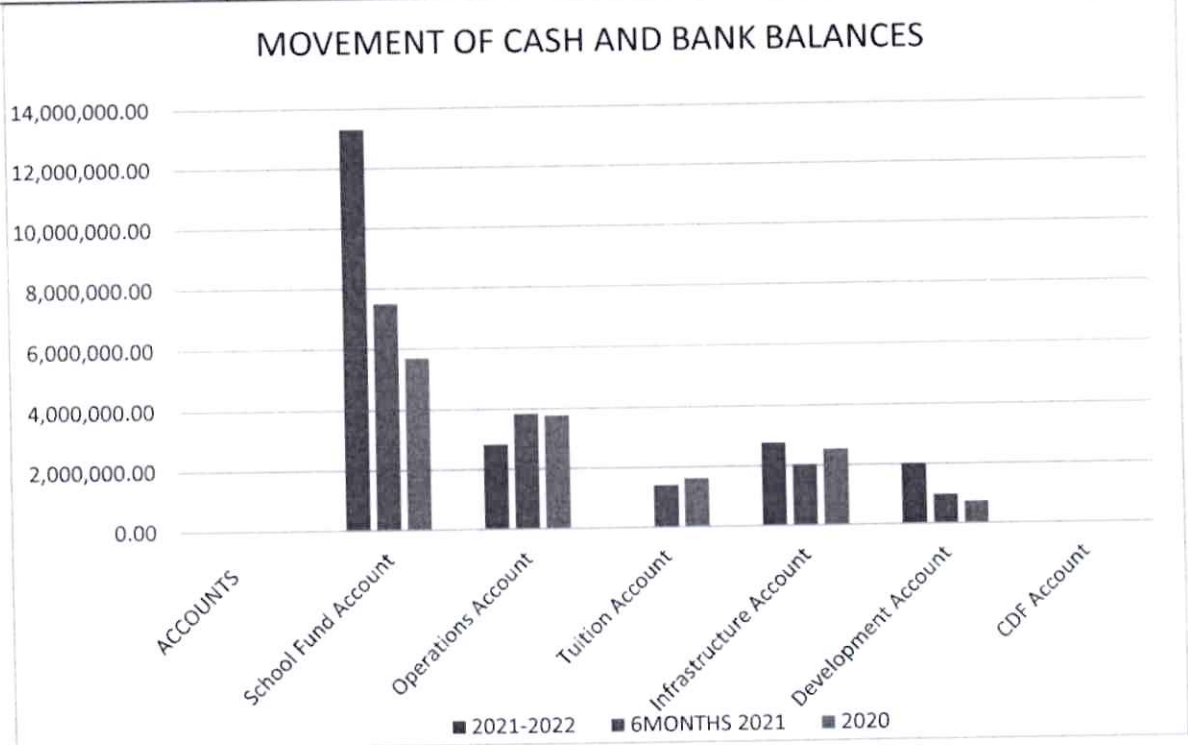
MOVEMENT OF CREDITORS OF THE SCHOOL

| SNO | ACCOUNTS | 2021-2022 | 6MONTHS 2021 | 2020 |
|-----|--------------------------|---------------------|---------------------|---------------------|
| b | | Kshs | KSHS | KSHS |
| | Creditors | 1,767,077.00 | 1,709,057.00 | 2,097,759.00 |
| | Total | 1,767,077.00 | 1,709,057.00 | 2,097,759.00 |
| | Increase/Decrease | 58,020.00 | (388,702.00) | 1,045,109.00 |

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



| | | MOVEMENT OF CASH AND BANK BALANCES | | |
|-----|--------------------------|------------------------------------|----------------------|----------------------|
| SNO | ACCOUNTS | 2021-2022 | 6MONTHS 2021 | 2020 |
| | | KSHS | KSHS | KSHS |
| | School Fund Account | 13,298,994.17 | 7,512,954.17 | 5,703,378.17 |
| 2 | Operations Account | 2,817,432.45 | 3,823,410.95 | 3,759,938.20 |
| 3 | Tuition Account | 15,776.80 | 1,399,890.40 | 1,611,426.90 |
| 4 | Infrastructure Account | 2,764,699.00 | 2,029,027.00 | 2,529,436.00 |
| 5 | Development Account | 2,015,288.00 | 972,186.00 | 736,186.00 |
| 6 | CDF Account | 23,704.50 | 23,704.50 | 23,704.50 |
| | Total | 20,922,726.92 | 15,761,173.02 | 14,364,069.77 |
| | Increase/Decrease | 5,161,553.90 | 1,397,103.25 | 2,911,229.63 |



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

b) Teacher Student ratio:

. Between the month of **July 2021 and June 2022**, the status of the teaching staff is as follows:

There are 28 teachers posted by the Teachers Service Commission and 6 recruited by the Board of Management. We are grateful that one (1) teachers have been posted to school after

One (1) transferred. There was one (1) retiree in December 2021. Although the teacher student ratio lies at 1: 23.

We have a shortage of 12 teachers from the given CBE. This is due to subject specialization in Form 3 and Form 4

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

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

IV. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

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

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

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

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

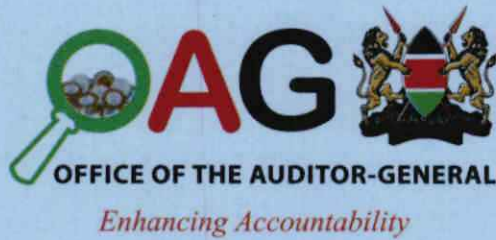
Name: MR. KING'ORI KURAIHU
Designation: Chairman, School Board of Management
Sign: ...*K.K.*...
Date: ...2/10/24...

Name: MRS. ESTHER NJIRU
Designation: School Principal & Secretary to Board of Management
Sign: ...*[Signature]*...
Date: ...2/10/24...
Principal
Our Lady of Fatima - Chinga Girls
P. O. Box 79 - 10106, DTHAYA
Tel: 0702 - 753 811
Date: ...2/10/24...

Name: MR. JOSEPH NDERITU
Designation: Bursar/ Finance Officer
Sign: ...*[Signature]*...
Date: ...2/10/24...

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON OUR LADY OF FATIMA CHINGA GIRLS FOR THE YEAR ENDED 30 JUNE, 2022 – NYERI 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 the Government achieves value for money and that such funds are applied for intended purpose; and,
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal 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 Our Lady of Fatima Chinga Girls – Nyeri County set out on pages 1 to 21, which comprise of the statement of financial

assets and financial liabilities as at 30 June, 2022, the statement of receipts and payments, statement of cash flows and statement of comparison of budgeted versus actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Our Lady of Fatima Chinga Girls – Nyeri County 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 Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The statement of receipts and payments reflect amounts of Kshs.12,323,317 and Kshs.5,299,500 in respect of capitation grants for operations and infrastructure respectively. However, as disclosed in Note 2 to the financial statements the grants for operations includes amount Kshs.5,299,500 in respect of the infrastructure grant resulting to double accounting.

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

2. Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.5,698,082 in respect of fees arrears as disclosed in Note 17 to the financial statements. Included in the balance are receivables amounting to Kshs.2,889,379 which had been outstanding for more than two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.5,698,082 could not be confirmed.

3. Over-Funding of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amount of Kshs.2,590,453 and Kshs.12,323,317 respectively as disclosed in Notes 1 and Note 2 to the financial statements. During the financial year, NEMIS reported a total number of seven hundred and seventy-nine (779) students while the enrolment records provided by the School indicated a total number of

seven hundred and sixty eight (768) students, resulting to an unexplained variance of eleven (11) students. As a result of the variances, the School was over funded by an amount of Kshs.230,544.

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

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Submission of Financial Statements

During the year under review, the School Management submitted the financial statements to the Auditor-General on 15 February, 2023 instead of the statutory date of 30 September, 2022. This is contrary to Section 47(1) of the Public Audit Act, 2015 which requires that financial statements should be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.

In the circumstances, Management was in breach of law.

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

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.40,157,790 as disclosed in Note 10 to the financial statements Included

in the expenditure is an amount of Kshs.547,740 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money of funds transferred to KESSHA amounting to Kshs.547,740 could not be confirmed.

3. Irregular Accounting for Other Receipts

During the year under review, the school collected revenue totaling Kshs.114,000 from tender documents and bus hire, which had been remitted into the school fund account, which is operated as a school fees collection account. This was contrary to Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021, which states that schools with income generating activities to open separate bank accounts for the stream of income.

In the circumstances, Management was in breach of the guidelines issued by the Ministry of Education.

4. Delayed Transfer of Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.12,323,316 as disclosed in Note 2 to the financial statements. The grants were received from the Ministry of Education and credited in the operations bank account. Included in the amount is Kshs.1,548,00 in respect of infrastructure grants which were transferred to infrastructure bank account after more than twenty-five days (25) with one transfer being done more than three months from the date of receipt. This was contrary to Ministry of Education (MOE) Circular Ref. No. MOE.HQS/3/13/3 dated 16 June, 2021 which directs that infrastructure grants as well as maintenance and improvement funds be transferred to the school infrastructure account fifteen days (15) upon receipt of the funds in the operations account

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

5. Uncollected House Rent

During the year under review, management did not budget and collect rent income from thirty-five staff houses. The houses are located in the school compound and were occupied by the teaching and non-teaching staff. Further, no satisfactory explanation was given why rent was not collected from staff who were earning a monthly house allowance. This was contrary to Section 63 (4) of the PFM (National Government Regulations), 2015 states-an accounting officer and a receiver of revenue are personally responsible for ensuring that adequate safeguards exist and are applied for the prompt collection and proper accounting for, all national government revenue and other public moneys relating to their Ministries, departments or agencies.

In the circumstances, Management was in breach of law.

6. Irregular Engagement of Temporary Workers

Review of the records provided for revealed that 20 casuals were engaged continuously for more than three (3) months earning a gross salary of Kshs.1,898,900 This was contrary to Section 37, subsection 1(a) and (b) of the Employment Act, 2007 which requires that casual employees should not be engaged for more than period of three months.

In the circumstances, Management was in breach of law

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

REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Weaknesses in the School Governance

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

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

2. Lack of Asset Ownership Documents

Review of documents on land revealed that, the School occupies land where school administration block, classrooms, dormitory, staff houses and other amenities are

constructed. In addition, the school did not maintain a land register. However, there was no evidence that the School Management had obtained the title deed for the land.

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

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with

Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to continue to sustain its services.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

18 September, 2024

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




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

STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30th JUNE 2022

| DESCRIPTION OF VOTE HEAD | Note | 2021-2022 | 2021-2021 |
|--|------|----------------------|----------------------|
| | | Kshs | Kshs |
| RECEIPTS | | | |
| Capitation grants for tuition | 1 | 2,590,453.40 | 1,016,003.50 |
| Capitation grants for operations | 2 | 12,323,316.50 | 6,343,977.75 |
| School Fund Income- Parents' Contributions | 3 | 17,799,979.00 | 3,634,661.00 |
| School Fund Income- Other receipts | 4 | 28,110,031.00 | 12,846,188.00 |
| Transfer From Operation /R.M.I (Infrastructure account | 5 | 5,299,500.00 | 2,708,980.00 |
| Development account | 6 | 1,062,582.00 | 236,000.00 |
| CDF account | 7 | - | - |
| TOTAL RECEIPTS | | 67,185,861.90 | 26,785,810.25 |
| PAYMENTS | | | |
| Payments for Tuition | 8 | 3,974,567.00 | 1,227,540.00 |
| Payments for operations | 9 | 13,329,295.00 | 6,280,505.00 |
| Boarding and school fund payments | 10 | 40,157,790.00 | 14,671,273.00 |
| Payment for Infrastructure | 11 | 4,543,176.00 | 3,209,389.00 |
| Development account | 12 | 19,480.00 | - |
| CDF account | 13 | - | - |
| TOTAL PAYMENTS | | 62,024,308.00 | 25,388,707.00 |
| SURPLUS/DEFICIT | | 5,161,553.90 | 1,397,103.25 |

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The school financial statements were approved on 2nd Oct 2022 and signed by:

| | | |
|---|---|---|
| Sign:  | Sign:  | Sign:  |
| Name: <u>KINGORI KURAITU</u> | Name: <u>E. NJIRU</u> | Name: <u>JOSEPH NJIRU</u> |
| Chair BOM | School Principal/ Secretary to BOM | Bursar/ |
| Date: <u>2/10/24</u> | Date: <u>2/10/24</u> | Finance Officer Date: <u>2/10/24</u> |

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

VI.

**STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT
30TH JUNE 2022**

| | Note | 2021-2022 Kshs | 2021-2021 Kshs |
|---------------------------------------|------|----------------------|----------------------|
| FINANCIAL ASSETS | | | |
| Cash and Cash Equivalents | | | |
| Bank Balances | 14 | 20,888,906.92 | 15,711,433.02 |
| Cash Balances | 15 | 33,820.00 | 49,740.00 |
| Short term Investment | 16 | - | - |
| Total Cash and cash equivalent | | 20,922,726.92 | 15,761,173.02 |
| Account's receivables | 17 | 5,698,082.35 | 4,806,915.35 |
| TOTAL FINANCIAL ASSETS | | 26,620,809.27 | 20,568,088.87 |
| FINANCIAL LIABILITIES | | | |
| Accounts Payables | 18 | (1,767,077.00) | (1,709,057.00) |
| NET FINANCIAL ASSETS | | 24,853,732.27 | 18,859,031.37 |
| REPRESENTED BY | | | |
| Accumulated Fund b/fwd | 19 | 19,692,178.37 | 17,461,928.12 |
| Surplus/Deficit for the year | | 5,161,553.90 | 1,397,103.25 |
| NET FINANCIAL POSSITION | | 24,853,732.27 | 18,859,031.37 |

The School's financial statements were approved on 2nd Oct 2024 and signed by:

Name: MR. KING'ORI KURAIHU **Name:** MRS. ESTHER NJIRU
Chairman, BoM School Principal/Secretary to
BoM

Sign: KK

Date: 2/10/24

Sign: [Signature]

Date: 2/10/24

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

Name: MR. JOSEPH
NDERITU
Bursar/Finance
Sign: [Signature]

Date: 02/10/2024

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

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

II. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2022

| | | 2021-2022 | 2021-2021 |
|---|----|----------------------|----------------------|
| | | Kshs | Kshs |
| Receipts for operating income | | | |
| Capitation grants for tuition | 1 | 2,590,453.40 | 1,016,003.50 |
| Capitation grants for operations | 2 | 12,323,316.50 | 6,343,977.75 |
| School fund income- Parents contributions/ fees | 3 | 17,799,979.00 | 12,846,188.00 |
| School fund income- other receipts | 4 | 28,110,031.00 | 3,634,661.00 |
| Infrastructure account | 5 | 5,299,500.00 | 2,708,980.00 |
| Development account | 6 | 1,062,582.00 | 236,000.00 |
| CDF account | 7 | - | - |
| Total receipts | | 67,185,861.90 | 26,785,810.25 |
| Payments | | | |
| Payments for Tuition | 8 | 3,974,567.00 | 1,227,540.00 |
| Payments for operations | 9 | 13,329,295.00 | 6,280,505.00 |
| Boarding and school fund payments | 10 | 40,157,790.00 | 14,671,273.00 |
| Infrastructure account | 11 | 4,543,176.00 | 3,209,389.00 |
| Development account | 12 | 19,480.00 | - |
| CDF account | 13 | - | - |
| Total payments | | 62,024,308.00 | 25,388,707.00 |
| Net cash flow from operating activities | | 5,161,553.90 | 1,397,103.25 |
| CASHFLOW FROM INVESTING ACTIVITIES | | | |
| Proceeds from Sale of Assets | | - | - |
| Acquisition of Assets | | (-) | (-) |
| Proceeds from investments | | - | - |
| Purchase of investments | | (-) | (-) |
| Net cash flows from Investing Activities | | - | - |

| | | | |
|--|--|----------------------|----------------------|
| CASHFLOW FROM BORROWING ACTIVITIES | | | |
| Proceeds from borrowings/ loans | | - | - |
| Repayment of principal borrowings | | (-) | (-) |
| Net cash flow from financing activities | | - | - |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | | 5,161,553.90 | 1,397,103.25 |
| Cash and cash equivalent at BEGINNING of the year | | 15,761,173.02 | 14,364,069.77 |
| Cash and cash equivalent at END of the year | | 20,922,726.92 | 15,761,173.02 |

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

**OUR LADY OF FATIMA CHINGA GIRLS
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2022**

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

| STATEMENT OF BUDGETED VERSUS AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2022 | | | | | | |
|---|------------------------|--------------------|----------------------|-----------------------------------|--------------------------------------|-------------------------|
| Receipt/Expenses Item | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Budget Utilization Difference | % of Utilization |
| | a | b | c = a+b | d | e = c - d | f = d/c |
| | Kshs | Kshs | Kshs | Kshs | Kshs | |
| RECEIPTS | | | | | | |
| (1) CAPITATION GRANT ON TUITION | | - | | | | |
| Exercise Books | 791,209.00 | - | 791,209.00 | | | |
| Lab. Equipment | 799,713.00 | - | 799,713.00 | | | |
| T/L Materials | 150,000.00 | - | 150,000.00 | 2,590,453.40 | | |
| Internal Exam | 303,910.00 | - | 303,910.00 | | | |
| Ref/Lib | 72,118.00 | - | 72,118.00 | | | |
| Textbooks | 1,317,139.00 | | 1,317,139.00 | | | |
| CHALK | 25,735.00 | - | 25,735.00 | | | |
| TUITION | | | | | | |
| SUB-TOTAL | 3,459,824.00 | - | 3,459,824.00 | 2,590,453.40 | 869,370.60 | 75% |
| (2) CAPITATION GRANT ON OPERATIONS | | | | | | |
| Local, Transport & Travelling | 1,323,426.00 | | 1,323,426.00 | 82,019.00 | | |
| Electricity, Water & Conservancy | 2,275,022.00 | | 2,275,022.00 | 410,097.20 | | |
| Transfer to infrastructure account (R.M.I) | 1,361,692.00 | | 1,361,692.00 | 5,103,500.00 | | |
| Activity (i) | 906,832.00 | | 906,832.00 | - | | |
| Medical/Insurance | 1,443,278.00 | | 1,443,278.00 | 155,800.00 | | |
| Personal Emoluments | 4,155,110.00 | | 4,155,110.00 | 628,815.00 | | |
| Administration Costs | 1,134,984.00 | | 1,134,984.00 | 246,058.00 | | |
| Other vote heads (P.E, E.W.C, L.T&T, ADM) | | | | 5,697,027.30 | | |
| SUB-TOTAL | 12,600,344.00 | - | 12,600,344.00 | 12,323,316.50 | 277,028.00 | 98% |

**OUR LADY OF FATIMA CHINGA GIRLS
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2022**

| STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2021 (Continued) | | | | | | |
|---|----------------------|----------|----------------------|----------------------|------------------------|-------------|
| (3) FEES CHARGED ON PARENTS | | | | | | - |
| Boarding, Equipment & Stores | 19,771,970.00 | - | 19,771,970.00 | 22,714,216.00 | | |
| Local, Transport & Travelling | 469,300.00 | - | 469,300.00 | 290,221.00 | | |
| Electricity, Water & Conservancy | 3,537,800.00 | - | 3,537,800.00 | 2,319,159.00 | | |
| Repair, Maintenance & Improvement | 1,732,800.00 | - | 1,732,800.00 | 2,326,671.00 | | |
| Activity (ii) | 108,300.00 | - | 108,300.00 | 578,087.00 | | |
| Personal Emoluments | 2,238,200.00 | - | 2,238,200.00 | 1,788,642.00 | | |
| Administration Costs | 1,335,700.00 | - | 1,335,700.00 | 882,926.00 | | |
| Other vote heads (P.E, E.W.C, L.T&T, ADM) | | | | 9,614,273.00 | | |
| Arrears | | | | 1,651,160.00 | | |
| prepayment | | | | 2,457,755.00 | | |
| bursary | | | | 1,172,900.00 | | |
| Tender documents | | | | 88,000.00 | | |
| Income from bus hire | | | | 26,000.00 | | |
| SUB-TOTAL | 29,194,070.00 | - | 29,194,070.00 | 45,910,010.00 | | |
| INFRASTRUCTURE ACCOUNT | | | | | | |
| Transfer From Operation / R.M.I | | | | 4,299,500.00 | | |
| I.T.G | | | | 1,000,000.00 | | |
| SUB-TOTAL | | | | 5,299,500.00 | | |
| DEVELOPMENT ACCOUNT | | | | | | |
| Rent | | | | 283,350.00 | | |
| Development –parents | | | | 539,597.00 | | |
| arrears | | | | 239,635 | | |
| SUB-TOTAL | | | | 1,062,582.00 | | |
| GRANDTOTAL INCOME | 45,254,238.00 | | 45,254,238.00 | 67,185,861.90 | (21,931,623.90) | 148% |

For the year ended 30th June 2022

STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2021 (Continued)

| | | | | | | |
|---|----------------------|----------|----------------------|----------------------|---------------------|-------------|
| EXPENDITURE FOR: | | | | | | |
| (1) TUITION | | | | | | |
| Exercise Books | 791,209.00 | - | 791,209.00 | 1,899,918.00 | | |
| Lab. Equipment | 799,713.00 | - | 799,713.00 | 25,250.00 | | |
| T/L Materials | 150,000.00 | - | 150,000.00 | 322,700.00 | | |
| Internal Exam | 303,910.00 | - | 303,910.00 | 748,295.00 | | |
| Ref/Lib | 72,118.00 | - | 72,118.00 | 78,000.00 | | |
| Textbooks / TUITION | 1,317,139.00 | | 1,317,139.00 | 898,550.00 | | |
| Bank charges | | | | 1,854.00 | | |
| CHALK | 25,735.00 | - | 25,735.00 | - | | |
| SUB-TOTAL | 3,459,824.00 | - | 3,459,824.00 | 3,974,567.00 | (514,743.00) | 115% |
| (2) OPERATIONS | | | | | | |
| Local, Transport & Travelling | 1,323,426.00 | - | 1,323,426.00 | 168,590.00 | | |
| Electricity, Water & Conservancy | 2,275,022.00 | - | 2,275,022.00 | 771,143.00 | | |
| Transfer to Infrastructure / R.M.I | 1,361,692.00 | - | 1,361,692.00 | 5,299,500.00 | | |
| Activity (i) | 906,832.00 | - | 906,832.00 | | | |
| Medical/Insurance | 1,443,278.00 | - | 1,443,278.00 | 1,273,013.00 | | |
| Personal Emoluments | 4,155,110.00 | - | 4,155,110.00 | 494,691.00 | | |
| Administration Costs | 1,134,984.00 | - | 1,134,984.00 | 37,430.00 | | |
| Bank charges | | | | 3,778.00 | | |
| Other vote heads (P.E, E.W.C, L.T&T, ADM) | | - | | 5,279,150.00 | | |
| SUB-TOTAL | 12,600,344.00 | - | 12,600,344.00 | 13,329,295.00 | (728,951.00) | 106% |
| | | | | | | |
| | | | | | | |

| | | | | | | | | |
|---|----------------------|----------|----------------------|--|----------------------|--|------------------------|-------------|
| (3) SCHOOL FUND | | | | | | | | |
| Boarding, Equipment & Stores | 19,771,970.00 | - | 19,771,970.00 | | 25,832,750.00 | | | |
| Local, Transport & Travelling | 469,300.00 | - | 469,300.00 | | 932,749.00 | | | |
| Electricity, Water & Conservancy | 3,537,800.00 | - | 3,537,800.00 | | 322,863.00 | | | |
| Repair, Maintenance & Improvement | 1,732,800.00 | - | 1,732,800.00 | | 1,875,562.00 | | | |
| Activity (ii) | 108,300.00 | - | 108,300.00 | | 485,340.00 | | | |
| Personal Emoluments | 2,238,200.00 | - | 2,238,200.00 | | 1,111,431.00 | | | |
| Administration Costs | 1,335,700.00 | - | 1,335,700.00 | | 599,147.00 | | | |
| Prepayment refunds | | | | | 3,361,100.00 | | | |
| Bursary | | | | | 1,172,900.00 | | | |
| Farm | | | | | 1,250.00 | | | |
| Bank charges | | | | | 36,548.00 | | | |
| Tender document | | | | | 87,980.00 | | | |
| Other vote heads (P.E, E.W.C, L.T&T, ADM) | | | | | 4,338,170.00 | | | |
| SUB-TOTAL | 29,194,070.00 | - | 29,194,070.00 | | 40,157,790.00 | | (10,963,720.00) | 138% |
| INFRASTRUCTURE ACCOUNT | | | | | | | | |
| 1 no. classroom (I.T.G) | | | | | 1,539,538.00 | | | |
| 2 no. classroom (R.M.I) | | | | | 1,379,248.00 | | | |
| Lab re-roofing | | | | | 1,296,930.00 | | | |
| Kitchen renovation (asbestos removal) | | | | | 327,460.00 | | | |
| SUB-TOTAL | | | | | 4,543,176.00 | | | |
| DEVELOPMENT ACCOUNT | | | | | | | | |
| Rent | | | | | 17,800.00 | | | |
| Bank charges | | | | | 1,680.00 | | | |
| SUB-TOTAL | | | | | 19,480.00 | | | - |
| TOTAL EXPENDITURE | 45,254,238.00 | | 45,254,238.00 | | 62,024,308.00 | | (16,770,070) | 137% |

**OUR LADY OF FATIMA CHINGA GIRLS
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2022**

**OUR LADY OF FATIMA CHINGA GIRLS
PUBLIC SECONDARY SCHOOLS
Reports and Financial Statements
For the year ended 30th June 2022**

IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

SIGNIFICANT ACCOUNTING POLICIES

5. **Accounts Receivable**

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

6. **Accounts Payable**

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

7. **Non-current assets**

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

8. **Budget**

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

9. **Comparative figures**

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

10. **Subsequent events**

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

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

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

X. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

| | 2021-2022 Kshs | 2021-2021 Kshs |
|--|---------------------|---------------------|
| Textbooks and reference materials /TUITION | | 263,925.00 |
| Exercise books | | |
| Laboratory equipment | | |
| Internal exams | | |
| Teaching / learning materials | 2,590,453.40 | 752,078.50 |
| Chalks | | |
| Exams and assessment | | |
| Teachers guides | | |
| Total | 2,590,453.40 | 1,016,003.50 |

2 CAPITATION GRANT FOR OPERATIONS

| | 2021-2022 Kshs | 2021-2021 Kshs |
|---|----------------------|---------------------|
| Personnel emoluments | 628,815.00 | |
| Repairs and maintenance | 5,103,500.00 | 2,904,980.00 |
| Local transport / travelling | 82,019.00 | |
| Electricity and water | 410,097.20 | |
| Medical / NHIF-Edu Afya | 155,800.00 | |
| Administration costs | 246,058.00 | |
| Activity | - | |
| Other vote heads (P.E, E.W.C, L.T&T, ADM) | 5,697,027.30 | 3,438,997.75 |
| Total | 12,323,316.50 | 6,343,977.75 |

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

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

| | 2021-2022 Kshs | 2021-2021 Kshs |
|---|----------------------|---------------------|
| Personnel emoluments | 1,788,642.00 | 869,318.00 |
| Repairs and maintenance | 2,326,671.00 | 661,680.00 |
| Local transport / travelling | 290,221.00 | 179,311.00 |
| Electricity and water | 2,319,159.00 | 1,369,170.00 |
| Other vote heads (P.E, E.W.C, L.T&T, ADM) | 9,614,273.00 | - |
| Administration costs | 882,926.00 | 513,827.00 |
| Activity | 578,087.00 | 41,355.00 |
| Total | 17,799,979.00 | 3,634,661.00 |

NOTES TO THE FINANCIAL STATEMENTS

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

| | 2021-2022 Kshs | 2021-2021 Kshs |
|--------------------------------------|----------------------|----------------------|
| Fee on Boarding Equipment and Stores | 22,714,261.00 | 7,352,616.00 |
| Arrears | 1,651,160.00 | 2,975,063.00 |
| Prepayments | 2,457,755.00 | 2,013,169.00 |
| Bursary | 1,172,900.00 | 471,340.00 |
| Income from farming activities | - | 5,000.00 |
| Income from Bus Hire | 26,000.00 | 29,000.00 |
| Tender Documents | 88,000.00 | - |
| Total | 28,110,031.00 | 12,846,188.00 |

5 INFRASTRUCTURE ACCOUNT

| | 2021-2022 Kshs | 2021-2021 Kshs |
|---|---------------------|---------------------|
| Transfer from Operation Account (R.M.I) | 4,299,500.00 | 2,708,980.00 |
| I.T.G | 1,000,000.00 | |
| Total | 5,299,500.00 | 2,708,980.00 |

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6 DEVELOPMENT ACCOUNT

| | 2021-2022 Kshs | 2021-2021 Kshs |
|----------------------|---------------------|-------------------|
| Rent | 283,350.00 | 236,000.00 |
| Development -Parents | 539,597.00 | |
| Arrears | 239,635.00 | |
| Total | 1,062,582.00 | 236,000.00 |

7 CDF ACCOUNT

| | 2021-2022 Kshs | 2021-2021 Kshs |
|--------------|-------------------|-------------------|
| | - | |
| Total | | |

8 PAYMENTS FOR TUITION

| | 2021-2022 Kshs | 2021-2021 Kshs |
|---|---------------------|---------------------|
| Textbooks and reference materials / TUITION | 898,550.00 | 1,1140,420.00 |
| Exercise books | 1,899,918.00 | |
| Laboratory equipment | 25,250.00 | 86,130.00 |
| Internal exams | - | |
| Teaching / learning materials | 322,700.00 | |
| Chalks | - | |
| Exams and assessment | 748,295.00 | |
| Teachers guides / reference materials | 78,000.00 | |
| Administration Costs | | |
| Bank Charges | 1,854.00 | 990.00 |
| Total | 3,974,567.00 | 1,227,540.00 |

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

9 PAYMENTS FOR OPERATIONS

| | 2021-2022 | 2021-2021 |
|--|----------------------|---------------------|
| | Kshs | Kshs |
| Personnel emoluments | 494,691.00 | 471,336.00 |
| Service Gratuity | - | |
| Administration Cost | 37,430.00 | 24,220.00 |
| Transfer to infrastructure account (R.M.I) | 5,299,500.00 | 2,708,980.00 |
| Local transport / travelling | 168,590.00 | 106,724.00 |
| Electricity and water | 773,143.00 | 468,621.00 |
| Sundry creditors | - | 654,885.00 |
| Insurance Cost | 1,273,013.00 | 743,880.00 |
| Bank Charges | 3,778.00 | 1,350.00 |
| Other vote heads (P.E, EWC, L.T&T, ADM) | 5,279,150.00 | 1,100,509.00 |
| TOTAL | 13,329,295.00 | 6,280,505.00 |

N:B, Total expenditure have been overstated by 5,299,500 transferred to infrastructure account, for R.M.I and I.T.G grant. It was a bookkeeping entry in both cashbooks for operation and infrastructure

10 BOARDING AND SCHOOL FUND PAYMENTS

| | 2021-2022 | 2021-2021 |
|---|----------------------|----------------------|
| | Kshs | Kshs |
| Personnel emoluments | 1,111,431.00 | 934,262.00 |
| Repairs and maintenance & Improvements | 1,875,562.00 | 234,836.00 |
| Local transport / travelling | 932,749.00 | 381,850.00 |
| Electricity and water | 322,863.00 | 953,674.00 |
| Tender document | 87,980.00 | - |
| Administration costs | 599,147.00 | 683,393.00 |
| Activities | 485,340.00 | 71,040.00 |
| Bank Charges | 36,548.00 | 16,696.00 |
| Fee on Boarding Equipment and Stores | 25,832,750.00 | 8,521,311.00 |
| Sundry creditors | - | 291,545.00 |
| Prepayments refund | 3,361,100.00 | 2,110,326.00 |
| Bursary | 1,172,900.00 | 471,340.00 |
| Farm | 1,250.00 | 1,000.00 |
| Other vote heads (P.E, EWC, L.T&T, ADM) | 4,338,170.00 | |
| TOTAL | 40,157,790.00 | 14,671,273.00 |

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 INFRASTRUCTURE ACCOUNT

| | 2021-2022 | 2021-2021 |
|---|---------------------|-----------|
| 1 no. classrooms (I.T.G) | 1,539,538.00 | |
| 2 no. classrooms (R.M.I) | 1,379,248.00 | |
| Lab re-roofing | 1,296,930.00 | |
| Kitchen renovation (Aesbestos removal) | 327,460.00 | |
| Total | 4,543,176.00 | |

12 DEVELOPMENT ACCOUNT

| | 2021-2022 Kshs | 2021-2021 Kshs |
|--------------|-------------------|-------------------|
| Rent | 17,800.00 | |
| Bank charges | 1,680.00 | |
| Total | 19,480.00 | |

13 CDF ACCOUNT

| | 2021-2022 Kshs | 2021-2021 Kshs |
|--------------|-------------------|-------------------|
| | - | |
| Total | | |

14 BANK ACCOUNTS

| Name of Bank, Account No. & currency | Bank Account Number | 2021-2022 Kshs | 2021-2021 Kshs |
|--|-----------------------------|-------------------------------|------------------------------|
| Tuition Account - KCB | 1103535749 | 15,776.80 | 1,399,890.40 |
| Operations Account -KCB | 110156257 | 2,817,432.45 | 3,823,410.95 |
| School Fund Account/Boarding –KCB -EQUITY | 1103535110 0080298891491 | 1,640,777.30 11,611,228.87 | 3,646,330.87 3,826,383.30 |
| Savings Account | | - | - |
| Development Account | 0080297413113 | 2,015,288.00 | 972,186.00 |
| Infrastructural Account -KCB | 1271873206 | 2,764,699.00 | 2,019,527.00 |
| CDF Account -KCB | 1261535634 | 23,704.50 | 23,704.50 |
| Total | | 20,888,906.92 | 15,711,433.02 |

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15 CASH IN HAND

| Description | 2021-2022 Kshs | 2021-2021 Kshs |
|-------------------------|-------------------|-------------------|
| Tuition Account | 00.00 | 00.00 |
| Operation Account | 00.00 | 00.00 |
| School Fund account | 13,168.00 | 40,240.00 |
| Infrastructural Account | 20,652.00 | 9,500.00 |
| Total | 33,820.00 | 49,740.00 |

16 SHORT TERM INVESTMENTS

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

17 ACCOUNTS RECEIVABLE

| Description | 2021-2022 Kshs | 2021-2021 Kshs |
|---|---------------------|---------------------|
| Fees arrears | 5,698,082.00 | 4,806,915.35 |
| Other non-fees receivables -Development | - | - |
| Salary advances | - | - |
| Rent | - | - |
| Total | 5,698,082.00 | 4,806,915.35 |

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

| Description | 2021-2022 | 2021-2021 |
|---|---------------------|---------------------|
| | Kshs | Kshs |
| Fees arrears for current year | 2,542,327.00 | 1,917,536.00 |
| Fees arrears for the previous year | 1,917,536.00 | 3,529,,260.00 |
| Fees arrears for prior periods (over two years) | 2,889,379.35 | 2,335,182.35 |
| 2022 recoveries | (1,651,160.00) | (2,975,063.00) |
| Total | 5,698,082.35 | 4,806,915.35 |

18 ACCOUNTS PAYABLE

| Description | 2021-2022 | 2021-2021 |
|---|---------------------|---------------------|
| | Kshs | Kshs |
| Trade creditors (See ageing below and appendix 1) | 961,365.00 | - |
| Prepaid fees for the year | 2,457,755.00 | 2,013,169.00 |
| Prepaid for the previous years | 2,013,169.00 | 2,479,276.00 |
| Previous years refund | (304,112) | (673,062.00) |
| Refund for the year | (3,361,100.00) | (2,110,326.00) |
| Retention monies | - | - |
| Total | 1,767,077.00 | 1,709,057.00 |

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

| Description | 2021-2022 | 2021-2021 |
|--|-------------------|--------------|
| | Kshs | Kshs |
| Trade creditors for current year | 961,365.00 | - |
| Trade creditors for the previous year | - | 291,545.00 |
| 2021 paid creditors | - | (291,545.00) |
| Trade creditors for prior periods (over two years) | - | 10,335.00 |
| Paid prior periods | - | (10,335.00) |
| Total | 961,365.00 | - |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19 FUND BALANCE BROUGHT FORWARD

| Description | 2021-2022 | 2021-2021 |
|---|----------------------|----------------------|
| | Kshs | Kshs |
| Bank balances (as at 1 st july 2021) | 15,711,433.02 | 14,079,024.77 |
| Cash balances (as at 1 st july 2021) | 49,740.00 | 285,045.00 |
| Short Term Investments | - | - |
| Receivables (as at 30 th june) | 5,698,082.35 | 4,806,915.35 |
| Payables (as at 30 th june) | (1,767,077.00) | (1,709,057.00) |
| Total | 19,692,178.37 | 17,461,928.12 |

**OUR LADY OF FATIMA CHINGA GIRLS
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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.

20 Non-current Liabilities Summary

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

21 Biological assets

| Description | Numbers | 2021-2022 | 2021-2021 |
|--------------------------|---------|-------------------|-------------------|
| | | Kshs | Kshs |
| Pigs | 7 | 68,000.00 | 60,000.00 |
| Goats / sheep | 8 | 32,000.00 | 30,000.00 |
| Trees | 50 | 450,000.00 | 500,000.00 |
| Coffee or tea plantation | | - | - |
| Poultry | | - | - |
| Total | | 550,000.00 | 560,000.00 |

NB: BASED ON ESTIMATES

**OUR LADY OF FATIMA CHINGA GIRLS
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22 Borrowings

| Description | 2021-2022 KShs | 2021-2021 KShs |
|------------------------------------|-------------------|-------------------|
| a) Borrowings | | |
| Borrowing at beginning of the year | - | |
| Borrowings during the year | - | |
| Repayments of during the year | (-) | (-) |
| Balance at end of the year | - | - |

Other important disclosure notes

23 Stock/ Inventory

| Description | 2021-2022 KShs | 2021-2021 KShs |
|--|---------------------|---------------------|
| b) Borrowings | | |
| Stock/ inventory at beginning of the year | 1,725,181.00 | 456,930.00 |
| Stock/ inventory purchased during the year | 20,518,275.00 | 9,748,851.00 |
| Stock/ inventory issued during the year | (18,940,240.00) | (8,480,600.00) |
| Balance at end of the year | 3,303,216.00 | 1,725,181.00 |


NB: BASED ON ESTIMATES

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24 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) |
|------------------|-----------------------------------|------------------------------------|-----------------------------------|--|
| 2019/2020 REPORT | SUNDRY DEBTORS | TO ENCOURAGE PARENTS TO PAY INKIND | RESOLVED | IMMEDIATELY |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

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

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

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

| Supplier of Goods or Services | Original Amount | Date Contracted | Amount Paid ToDate | Outstanding Balance 20XX | Outstanding Balance 20XX-1 |
|----------------------------------|-----------------|-----------------|--------------------|--------------------------|----------------------------|
| | a | b | c | d=a-c | |
| | Kshs | Kshs | Kshs | Kshs | Kshs |
| Construction of buildings | | | | | |
| 1. | | | | | |
| 2. | | | | | |
| 3. | | | | | |
| Sub-Total | | | | | |
| Supply of goods | | | | | |
| 4. RISTINE ENTERPRISES | | | | | 700,000.00 |
| 5. | | | | | |
| 6. | | | | | |
| Sub-Total | | | | | |
| Supply of services | | | | | |
| 7. | | | | | |
| 8. | | | | | |
| 9. | | | | | |
| Sub-Total | | | | | |
| Grand Total | | | | | |

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

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

Valuations ongoing **NB: BASED ON ESTIMATES**