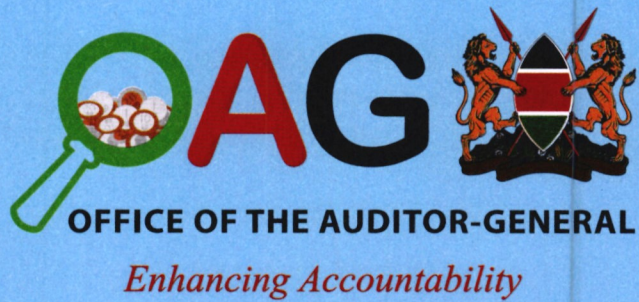


REPUBLIC OF KENYA



REPORT



OF

THE AUDITOR-GENERAL

ON

**ST. MONICA'S BUTUNYI GIRLS
SECONDARY SCHOOL**

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

BUSIA COUNTY



ST. MONICA'S BUTUNYI GIRLS 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)

ST. MONICA'S BUTUNYI GIRLS SECONDARY SCHOOL
Reports and Financial Statements for the year ended 30th June 2022

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ST. MONICA'S BUTUNYI GIRLS SECONDARY SCHOOL
Reports and Financial Statements for the year ended 30th June 2022

I. KEY SCHOOL INFORMATION AND MANAGEMENT

(a) Background information

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

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

The school is a day school and had 150 numbers of students as at 30th June 2022. It has 1 stream and 12 teachers of which 5 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

Ref:	Name of Board Member	Designation	Date of appointment
1	Md.Elizabeth A.Onyango	Chairperson-Sponsor	15/3/2022
2	Md.Evallyne Nyaoke	Secretary – Principal	15/3/2022
3	Md.Prudence Yawetsi	Vice chairperson-Sponsor	15/3/2022
4	Mr.Fredrick Omoto	Member-Sponsor	15/3/2022
5	Mr.Gabriel Obuya	Member	15/3/2022
6	Mr.Peter Wesonga	Member-PA	15/3/2022
7	Mr.Patrick Wesonga	Member	15/3/2022
8	Mr.Charles Orego	Member – Rep CEB	15/3/2022
9	Mr.Atinda Felix	Member Rep Teachers	15/3/2022
10	Md.Mildred Oduor	Member	15/3/2022
11	Md.Carolyne Oyula	Member – Community	15/3/2022
12	Md.Roselida Ojwang	Member Special Needs	15/3/2022
13	Ms.Ritah Auma	Rep Students	15/3/2022
14	Chrispin Odima	Member-Community	15/3/2022

The function of the School Board of Management includes:

- 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

ST. MONICA'S BUTUNYI GIRLS SECONDARY SCHOOL
Reports and Financial Statements for the year ended 30th June 2022

- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule para 21 and 23 of the Basic Education Act, 2013.

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1.Md.Elizabeth A. Onyango 2.Mr.Fred Omoto 3.Mr.Peter Wesonga 4.Md.Evallyne Nyaoke 5.Md.Prudence Yawetsi 6.Md.Carolyne Oyula	Chairperson Member Member Member Member Member	3
2	Audit Committee			
3	Finance, procurement and general purposes Committee	1.Mr.Gabriel Obuya 2.Md.Elizabeth A. Onyango 3.Mr.Fred Omoto 4.Mr.Peter Wesonga 5.Md.Evallyne Nyaoke 6.Md.Prudence Yawetsi	Chairperson Member Member Member Member Member	3
4	Academic Committee	1.Mr Chrispin Odima 2.Md.Mildred Oduor 3.Mr.Charles Orego 4.Md.Prudence Yawetsi 5.Mr.Atinda Felix	Chairperson Member Member Member Member	3
5	Development Committee	1.Md.Carolyne Oyula 2.Mr.Atinda Felix 3.Md.Elizabeth A Onyango 4.Mr.Peter Wesonga 5.Mr.Gaitano Musuku 6.Md.Evallyne Nyaoke	Chairperson Member Member Member Member Member	4
6	Discipline and welfare Committee	1.Md.Everline Lango 2.Md.Roselida Ojwang 3.Mr.Patrick Wesonga 4Mr.Atinda Felix	Chairperson Member Member Member	3
7	Adhoc Committee (for any during the year)			

ST. MONICA'S BUTUNYI GIRLS SECONDARY SCHOOL
Reports and Financial Statements for the year ended 30th June 2022

(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
1	Principal	Md. Evallyne Nyaoke	338020
2	Deputy Principal	Mr. Atinda Felix	567463
3	School Bursar	Md. Mildred Nancy Oundo	

(e) Schools contacts

Post Office Box: 77-50404 Bumala
Telephone: 0721973806
E-mail: stmonicabutunyi

(f) School Bankers

The following school operated 4 numbers of bank accounts in the following banks:

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

(g) Independent Auditors

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

ST. MONICA'S BUTUNYI GIRLS SECONDARY SCHOOL
Reports and Financial Statements for the year ended 30th June 2022

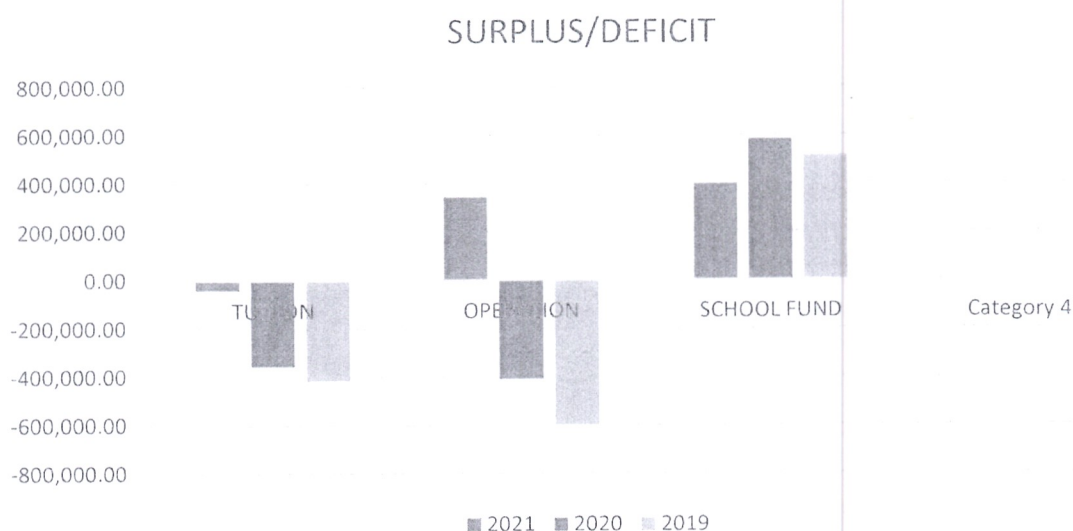
II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

Year	2021	2020	2019
Tuition	(40,373)	(356,929)	(416,082)
Operation	342,873	(408,860)	(599,893)
School Fund	396,166	582,626	531,592
Total	698,666	(237,163)	(484,384)

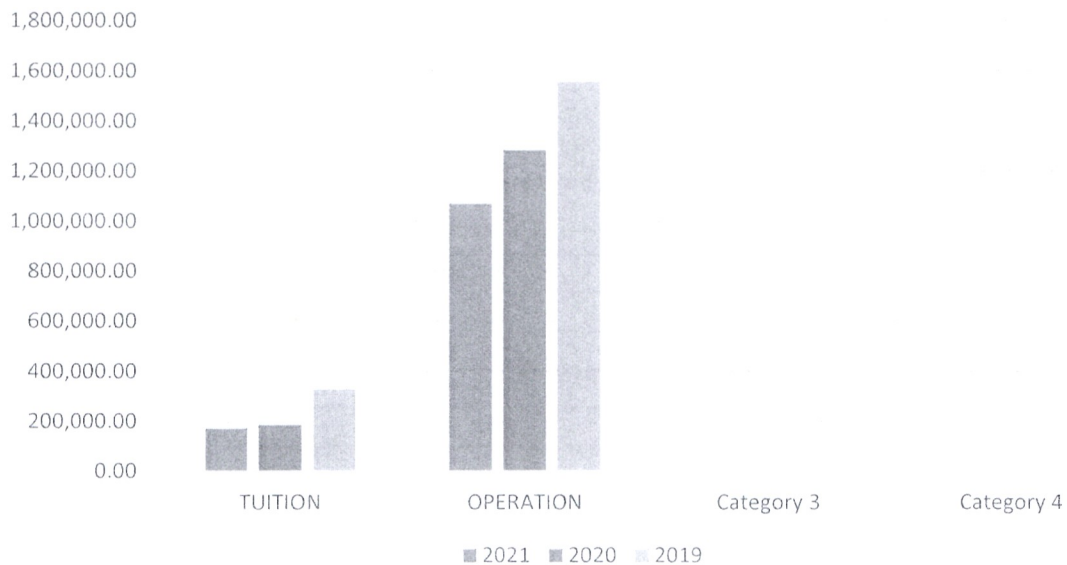


- Capitation grants from the Ministry of Education for the last three years

Year	2021	2020	2019
Tuition	171,496	185,980	329,668
Operation	1,069,909	1,283,675	1,558,950
Total	1,241,406	1,469,655	1,888,618

ST. MONICA'S BUTUNYI GIRLS SECONDARY SCHOOL
Reports and Financial Statements for the year ended 30th June 2022

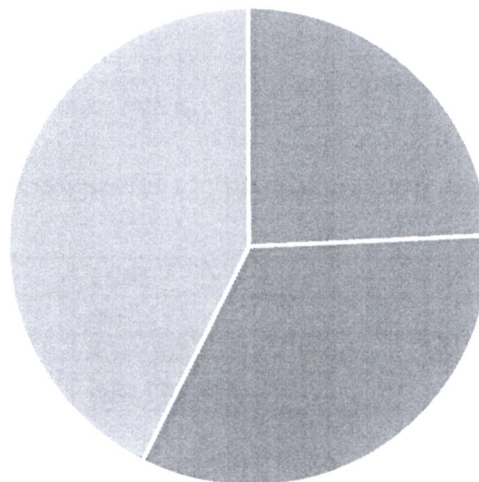
GRANT FROM MINISTRY OF EDUCATION



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

Year	2021	2020	2019
Ratio	8,276	11,305	14,527

RATIO



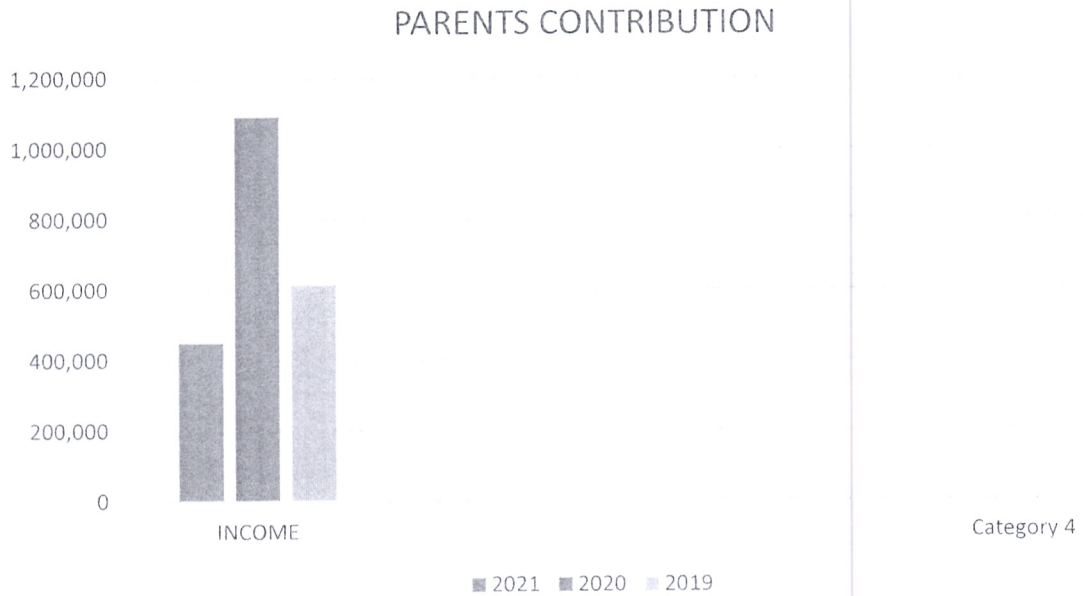
■ 2021 ■ 2020 ■ 2019 ■ 4th Qtr

ST. MONICA'S BUTUNYI GIRLS SECONDARY SCHOOL
Reports and Financial Statements for the year ended 30th June 2022

SUMMARY REPORT OF THE PERFORMANCE OF THE SCHOOL (Continued)

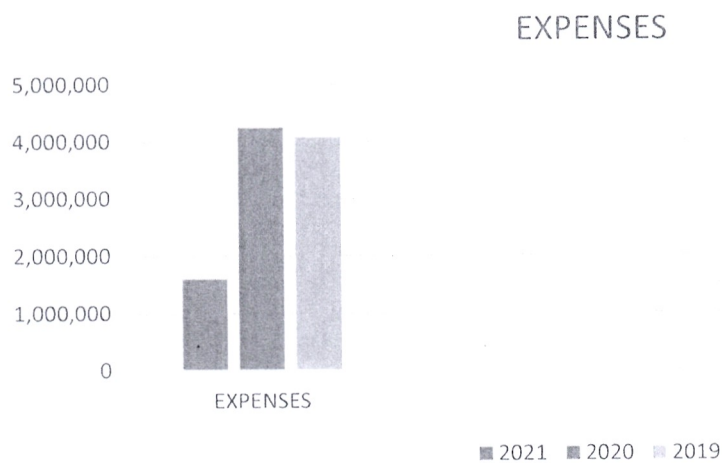
- A three-year overview of growth of other income(s) earned by the school

Year	2021	2020	2019
Income	449,268	1,090,871	614,691



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

Year	2021	2020	2019
Expenses	1,596,608	4,243,056	4,083,363

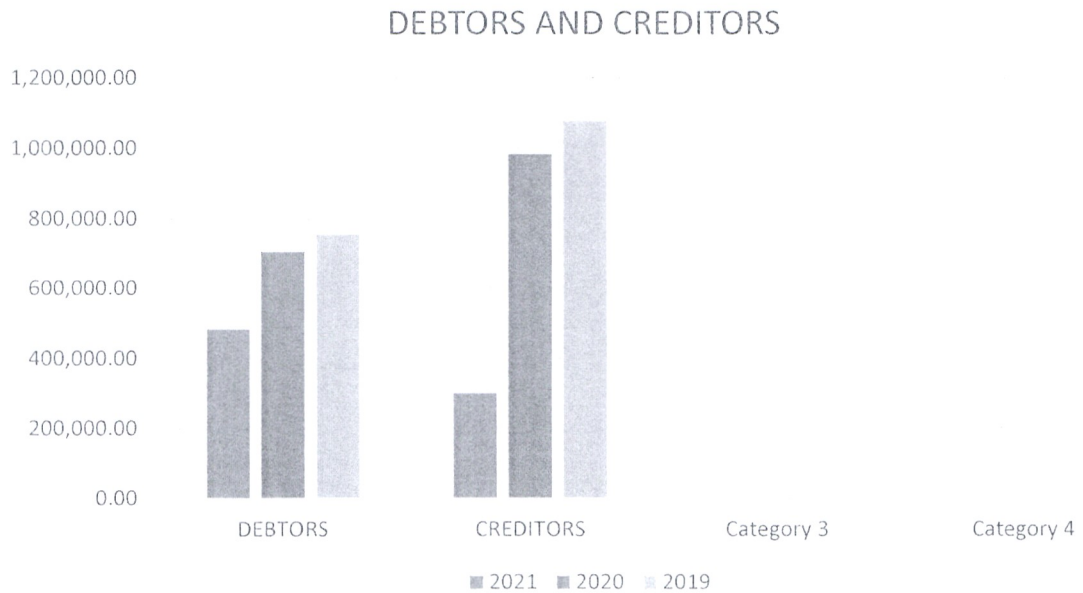


ST. MONICA'S BUTUNYI GIRLS SECONDARY SCHOOL
Reports and Financial Statements for the year ended 30th June 2022

SUMMARY REPORT OF THE PERFORMANCE OF THE SCHOOL (Continued)

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

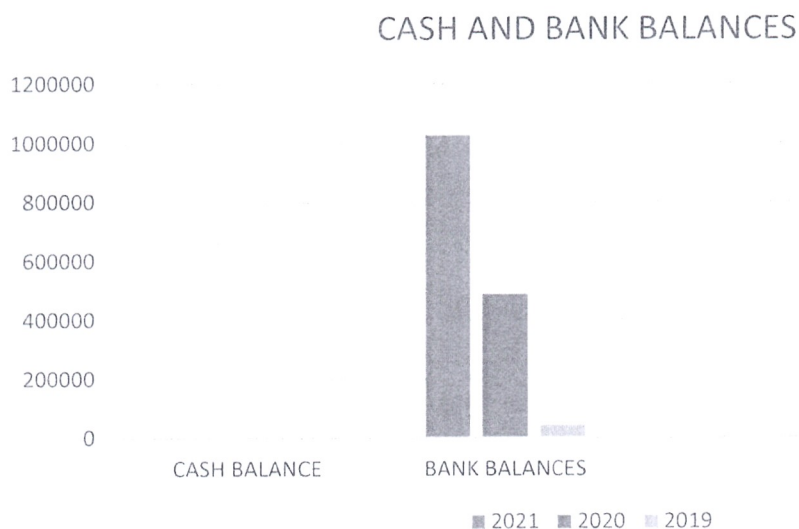
Years	2021	2020	2019
Debtors	484,600	706,576	754,809
Creditors	302,090	983,830	1,077,980



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

Year	2021	2020	2019
Cash Balances	905	-	139,908
Bank Balances	1,025,937	487,768	42,603

ST. MONICA'S BUTUNYI GIRLS SECONDARY SCHOOL
Reports and Financial Statements for the year ended 30th June 2022



b) Teacher Student ratio:

Teacher student ratio	1:25
No of teachers recruited	0
No of teachers transferred	2
No of teachers retired	0
No of teachers employed by TSC	7
No of teachers employed by BOM	5

Subjects	TSC Teachers	Bom Teachers	Total
Mathematics	1	1	2
English	1	1	2
Kiswahili	0	1	1
Biology	2	0	2
Chemistry	1	0	1
Business	0	1	1
Agriculture	1	0	1
History	0	1	1
Geography	2	0	2
CRE	0	1	1
Physics	1	0	1

c) Mean Score in the 2022 KCSE:

Year	Mean Score
2021	2.7742
2020	3.3448
2019	2.5220

ST. MONICA'S BUTUNYI GIRLS SECONDARY SCHOOL
Reports and Financial Statements for the year ended 30th June 2022

SUMMARY REPORT OF THE PERFORMANCE OF THE SCHOOL (Continued)

Year	Qualified For University Entry
2021	0
2020	2
2019	1

d) Number of Candidates in the 2022 KCSE

Year	No Of Candidates
2021	31
2020	29
2019	23

e) Capacity of the school:

Facility	No	No of Students
Laboratory	1	150
Classrooms	8	150
Toilets	3	150
Bathroom	1	150
Kitchen	1	150

f) Development projects carried out by the school:

Project	Source Of Funds
Administration block & 1 Classroom	NG-CDF
CBC Classroom	MOE
Fencing of school compound	MIF

PRINCIPAL
 ST. MONICA BUTUNYI GIRLS SEC SCHOOL
 P. O. BOX 77 - 50404, BUMALA
 DATE: 22/4/22 SIGN: *[Signature]*

.....
School Principal

ST. MONICA'S BUTUNYI GIRLS SECONDARY SCHOOL
Reports and Financial Statements for the year ended 30th June 2022

III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

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

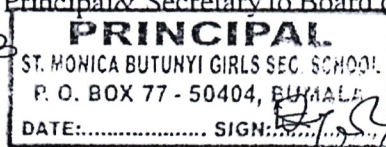
Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to be keep all proper books and records of accounts of the income, expenditure and assets of the institution.

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

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

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

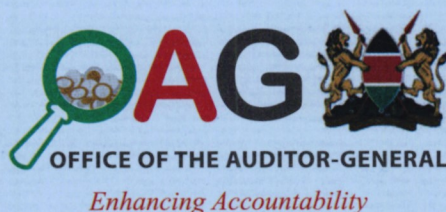
.....
Name: EVELLYNE NYAOKI
Designation: School Principal & Secretary to Board of Management
Date: 20/4/2023



.....
Name: MILDRED NANCY OUNDO
Designation: Bursar/ Finance Officer
Date: 20/4/2023

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON ST. MONICA'S BUTUNYI GIRLS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 – BUSIA COUNTY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of St. Monica's Butunyi Girls Secondary School - Busia County set out on pages 1 to 14, which comprise the statement

of financial assets and financial liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows, 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 St. Monica's Butunyi Girls Secondary School – Busia 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 Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0. Inadequately Supported Expenditure

The statement of receipts and payments reflects an expenditure of Kshs.2,744,943 under payments for operations which, as disclosed in Note 5 to the financial statements, includes an amount of Kshs.963,234 in respect of maintenance and improvement relating to a contract for fencing of the School compound. However, contract agreement indicating the contract period and the contract sum was not provided for audit for review.

In the circumstances, the accuracy, completeness and propriety of the maintenance and improvement expenditure of Kshs.963,234 could not be confirmed.

2.0. Long Outstanding Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.5,131,488 which, as disclosed Note 9 to the financial statements, relates to fees arrears. However, the balance includes fees arrears of Kshs.4,065,857 that had been outstanding for a period of more than two (2) years. Further, evidence of effort made by Management to recover the arrears was not provided for audit.

In the circumstances, the accuracy and recoverability of the fees arrears of Kshs.5,131,488 could not be confirmed. Also, the School may face difficulties in delivering its mandate.

3.0. Long Outstanding and Unsupported Accounts Payables

The statement of financial assets and financial liabilities reflects accounts payables balance of Kshs.1,347,647 which, as disclosed in Note 10 to the financial statements, includes trade creditors balance of Kshs.1,325,147. The latter balance include an amount of Kshs.697,269 which had been outstanding for a period of more than two (2) years. Further, Annex 1 on analysis of pending accounts payables only analyses trade creditors

relating for the current year amounting to Kshs.565,935, while trade creditors totalling to Kshs.759,212 are not included in the analysis.

In the circumstances, the accuracy and completeness of the accounts payables balance of Kshs.1,325,147 could not be confirmed. Further, legal suits may be filed against the School, leading to additional costs to the School in form of legal fees, penalties and interests. Also, contractors or suppliers may withhold services for non-payment.

4.0. Unconfirmed Accuracy of Fixed Assets Balance

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

4.1 Failure to Prepare and Maintain a Fixed Assets Register

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

4.2 Lack of Ownership Documents

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

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

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects receipts budget and actual on comparable basis amounts of Kshs.4,506,600 and Kshs.4,094,319 respectively, resulting in an underfunding of Kshs.421,281 or 9% of the budget. Similarly, the statement reflects budgeted expenditure and actual on comparable basis amounts of Kshs.4,506,600 and Kshs.4,756,273 respectively, resulting in an over expenditure of Kshs.264,673 or 6% of the budget whose authorization was not provided for audit.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.0 Stalled Project

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

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

2.0 Payments Made Without Budgetary Provisions

The statement of budgeted versus actual amounts indicates that the School made payments totalling to Kshs.792,401 under various budget items without a budgetary provision. This was contrary to Section 88(2) of the Basic Education Act, 2013, which states that the annual estimates should make provisions for all the estimated expenditure of the Department.

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

3.0 Lack of an Imprest Register

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

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1.0. Lack of Board Charter and Strategic Plan

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

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

2.0. Lack of a Risk Management Policy

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

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

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

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

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

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

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

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

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become

inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi



11 October, 2023

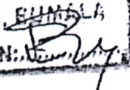
ST. MONICA'S BUTUNYI GIRLS SECONDARY SCHOOL
Reports and Financial Statements for the year ended 30th June 2022

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

Description Of Vote Head	Note	2021-2022	18 Months Ended 30.6.21
		Kshs	Kshs
Receipts			
Capitation grants for tuition	1	516,631	357,476
Capitation grants for operations	2	2,204,933	2,473,584
School fund income- parents' contributions	3	1,372,755	1,311,309
Total Receipts		4,094,319	4,142,369
Payments			
Payments for tuition	4	512,968	374,835
Payments for operations	5	2,744,943	1,746,025
Boarding and school fund payments	6	1,498,362	994,667
Total Payments		4,756,273	3,115,527
Surplus/Deficit		(661,954)	1,026,842

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

.....   MILDRED NANCY OUNDO
Name: ELIZABETH A. ONYIAH Name: EVELYNE NYAKICI Name: ~~MILDRED NANCY OUNDO~~
Chair BOM School Principal/ Secretary to BOM Bursar/ Finance Officer
Date: 20/04/23 Date: 20/4/23 Date: 20/4/2023


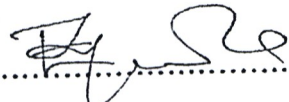

PRINCIPAL
ST. MONICA BUTUNYI GIRLS SEC SCHOOL
P. O. BOX 77 - 50404, ELMOLA
DATE: SIGN: 

ST. MONICA'S BUTUNYI GIRLS SECONDARY SCHOOL
Reports and Financial Statements for the year ended 30th June 2022

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

Description	Note	2021-2022	18 Months Ended 30.6.21
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	7	363,617	1,025,937
Cash balances	8	1,272	905
Total cash and cash equivalent		364,889	1,026,842
Account's receivables	9	5,131,488	4,783,119
Total financial assets		5,496,377	5,809,961
Financial liabilities			
Accounts payables	10	1,347,647	999,359
Net financial assets		4,148,730	4,810,602
Represented by			
Accumulated fund b/fwd	11	4,810,683	3,783,760
Surplus/deficit for the year		(661,954)	1,026,842
Net financial position		4,148,730	4,810,602

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

.....   MILDRED NANCY CONDO
Name: ELIZABETH A. ONYIAH Name: EVELYN NTARO Name: 
Chair BOM School Principal/ Secretary to BOM Bursar/ Finance Officer
Date: 20/04/23 Date: 20/4/23 Date: 20/4/2023



ST. MONICA'S BUTUNYI GIRLS SECONDARY SCHOOL
Reports and Financial Statements for the year ended 30th June 2022

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

Description	Notes	2021-2022	18 Months Ended 30.6.21
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Capitation grants for tuition	1	516,631	357,476
Capitation grants for operations	2	2,204,933	2,473,584
School fund income- parents contributions/ fees	3	1,372,755	1,311,309
Total receipts		4,094,319	4,142,369
Payments			
Payments for tuition	4	512,968	374,835
Payments for operations	5	2,744,943	1,746,025
Boarding and school fund payments	6	1,498,362	994,667
Total payments		4,756,273	3,115,527
Net cash flow from operating activities		(661,954)	1,026,842
Net increase in cash and cash equivalent		(661,954)	1,026,842
Cash and cash equivalent at beginning of the year		1,026,842	-
Cash and cash equivalent at end of the year		364,889	1,026,842

ST. MONICA'S BUTUNYI GIRLS SECONDARY SCHOOL
Reports and Financial Statements for the year ended 30th June 2022

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	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						
Textbooks and Reference Materials	30,000		30,000	4,300	25,700	14%
Exercise Books	100,000	-	100,000	124,806	(24,806)	125%
Laboratory Equipment	140,200	-	140,200	112,232	27,968	80%
Internal Exams	250,000	-	250,000	62,785	187,215	25%
Teaching / Learning Materials	101,400	-	101,400	212,508	(111,108)	210%
Sub-total	621,600		621,600	516,631	104,969	83%
(2) Capitation Grant on Operations						
Personnel emoluments	845,200		845,200	620,854	224,346	73%
Repairs and maintenance	750,000	-	750,000	732,500	17,500	98%
Local transport / travelling	189,500	-	189,500	127,013	62,487	67%
Electricity and water	74,000	-	74,000	65,935	8,065	89%
Administration costs	301,300	-	301,300	348,773	(47,473)	116%
Others	-	-	-	309,858	(309,858)	No budget
Activities	225,000	-	225,000	-	225,000	0%
Sub-total	2,385,000		2,385,000	2,204,933	180,067	92%
(3) Fees Charged on Parents						
Fees recovery	-	-	-	185,245	(185,245)	No budget
Lunch	1,500,000	-	1,500,000	1,187,510	312,490	79%
Sub-total	1,500,000	-	1,500,000	1,372,755	127,245	92%
GRAND TOTAL INCOME	4,506,600	-	4,506,600	4,094,319	412,281	91%
(1) Expenditure For Tuition						
Textbooks and reference materials	30,000	-	30,000	-	30,000	0%
Exercise books	100,000	-	100,000	101,600	(1,600)	102%

ST. MONICA'S BUTUNYI GIRLS SECONDARY SCHOOL
Reports and Financial Statements 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	
Laboratory equipment	140,200	-	140,200	-	140,200	0%
Internal exams	250,000	-	250,000	119,338	130,662	48%
Teaching / learning materials	101,400	-	101,400	122,230	(20,830)	121%
Payables	-	-	-	167,930	(167,930)	No budget
Bank Charges	-	-	-	1,870	(1,870)	No budget
Sub-total	621,600	-	621,600	512,968	108,632	83%
(2) Expenditure for Operations						
Personnel emoluments subordinate staff	845,200	-	845,200	772,470	72,730	91%
Repairs and maintenance	750,000	-	750,000	963,234	(213,234)	128%
Local transport / travelling	189,500	-	189,500	193,700	(4,200)	102%
Electricity and water	74,000	-	74,000	48,060	25,940	65%
Bank charges	-	-	-	6,190	(6,190)	No budget
Administration costs	301,300	-	301,300	645,263	(343,963)	214%
Payable	-	-	-	42,136	(42,136)	No budget
Activities	225,000	-	225,000	59,690	165,310	27%
RMI	-	-	-	14,200	(14,200)	No budget
Sub-total	2,385,000	-	2,385,000	2,744,943	(359,943)	115%
(3) Expenditure for School Fund						
Personnel Emoluments	-	-	-	426,625	(426,625)	No budget
Lunch	1,500,000	-	1,500,000	938,287	561,713	63%
Administration costs	-	-	-	97,980	(97,980)	No budget
Payables	-	-	-	30,000	(30,000)	No budget
Bank charges	-	-	-	5,470	(5,470)	No budget
Sub-total	1,500,000	-	1,500,000	1,498,362	1,638	100%
GRAND TOTAL EXPENDITURE	4,506,600	-	4,506,600	4,756,273	(249,673)	106%

ST. MONICA'S BUTUNYI GIRLS SECONDARY SCHOOL
Reports and Financial Statements for the year ended 30th June 2022

Explanatory Notes

1. The underutilizations (below 90% utilization) on various voteheads arose due to effects of COVID-19 where some of the school operations and activities were not undertaken resulting to underutilizations.
2. The overutilization (above 100%) on various voteheads resulted due to high prices as effects of high costs of living .

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

5. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorized 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 fulfillment 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.

ST. MONICA'S BUTUNYI GIRLS SECONDARY SCHOOL
Reports and Financial Statements for the year ended 30th June 2022

X. NOTES TO THE FINANCIAL STATEMENTS

1 Capitation Grant for Tuition

Description	2021-2022	18 Months Ended 30.6.21
	Kshs	Kshs
Textbooks and reference materials	4,300	-
Exercise books	124,806	14,000
Laboratory equipment	112,232	33,146
Internal exams	62,785	59,875
Teaching / learning materials	212,508	250,456
Total	516,631	357,476

2 Capitation Grant for Operations

Description	2021-2022	18 Months Ended 30.6.21
	Kshs	Kshs
Personnel emoluments	620,854	916,488
Maintenance and Improvement	732,500	958,000
Local transport / travelling	127,013	67,907
Electricity and water	65,935	90,648
Medical	-	19,200
Administration costs	348,773	260,941
Activity	-	40,400
BOM teacher's salary	-	120,000
Others	309,858	-
Total	2,204,933	2,473,584

3 Parents Contribution/Fees - School Fund Account

Description	2021-2022	18 Months Ended 30.6.21
	Kshs	Kshs
Lunch programme	1,187,510	970,217
Fees recovery	185,245	341,092
Total	1,372,755	1,311,309

ST. MONICA'S BUTUNYI GIRLS SECONDARY SCHOOL
Reports and Financial Statements for the year ended 30th June 2022

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 Payments For Tuition

Description	2021-2022	18 Months Ended 30.6.21
	Kshs	Kshs
Exercise Books	101,600	45,000
Laboratory Equipment	-	80,000
Internal Exams	119,338	75,835
Teaching / Learning Materials	122,230	-
Payables	167,930	174,000
Bank Charges	1,870	-
Total	512,968	374,835

5 Payments For Operations

Description	2021-2022	18 Months Ended 30.6.21
	Kshs	Kshs
Personnel emoluments subordinate staff	772,470	803,445
Service Gratuity	-	42,750
Administration Cost	645,263	303,624
Maintenance and Improvement	963,234	337,356
Local transport / travelling	193,700	63,550
Electricity and water	48,060	16,500
Activity Expenses	59,690	150,390
Refund	-	8,775
Bank Charges	6,190	7,150
Payables	42,136	3,500
RMI	14,200	8,985
TOTAL	2,744,943	1,746,025

6 Boarding And School Fund Payments

Description	2021-2022	18 Months Ended 30.6.21
	Kshs	Kshs
Personnel Emoluments	426,625	265,435
Administration Costs	97,980	83,194
Lunch Programme	938,287	535,238
Bank Charges	5,470	-
Payables	30,000	110,800
Total	1,498,362	994,667

ST. MONICA'S BUTUNYI GIRLS SECONDARY SCHOOL
Reports and Financial Statements for the year ended 30th June 2022

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Bank Accounts

Name of Bank, Account Name	Bank Account Number	2021-2022	18 Months Ended 30.6.21
		Kshs	Kshs
National Bank of Kenya-Tuition Account	01025038172300	6,488	4,796
National Bank of Kenya-Operations Account	01242038172302	8,935	350,798
National Bank of Kenya-School Fund Account/Boarding	01242038172300	61,009	129,424
National Bank of Kenya-Infrastructural Account	01022231253100	287,185	540,919
Total		363,617	1,025,937

8 Cash In Hand

Description	2021-2022	18 Months Ended 30.6.21
	Kshs	Kshs
Operation Account	310	905
School Fund account	962	-
Total	1,272	905

9 Accounts Receivable

Description	2021-2022	18 Months Ended 30.6.21
	Kshs	Kshs
Fees Arrears	5,131,488	4,783,119
Total	5,131,488	4,783,119

Ageing of the fees arrears

Description	2021-2022	18 Months Ended 30.6.21
	Kshs	Kshs
Fees Arrears For Current Year	766,276	484,600
Fees Arrears For The Previous Period	299,355	569,922
Fees Arrears For Prior Periods (Over Two Years)	4,065,857	3,728,597
Total	5,131,488	4,783,119

ST. MONICA'S BUTUNYI GIRLS SECONDARY SCHOOL
Reports and Financial Statements for the year ended 30th June 2022

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10 Accounts Payable

Description	2021-2022	18 Months Ended 30.6.21
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	1,325,147	999,278
Prepaid Fees	22,500	-
Total	1,347,647	999,278

Ageing of the creditor's arrears

Description	2021-2022	18 Months Ended 30.6.21
	Kshs	Kshs
Trade Creditors for Current Year	565,935	302,090
Trade Creditors for The Previous Year	61,943	188,300
Trade Creditors for Prior Periods (Over Two Years)	697,269	508,969
Total	1,325,147	999,359

11 Fund Balance Brought Forward

Description	2021-2022	18 Months Ended 30.6.21
	Kshs	
Bank Balances	1,025,937	42,602
Cash Balances	905	139,908
Receivables	4,783,119	4,298,519
Payables	(999,278)	(697,269)
Total	4,810,683	3,783,760

ST. MONICA'S BUTUNYI GIRLS SECONDARY SCHOOL
Reports and Financial Statements for the year ended 30th June 2022

Annex 1 - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding g Balance 2022	Outstanding g Balance 2021	Comments
Supply of Goods and Services	Kshs	Kshs	Kshs	Kshs	Kshs	
1. Cathmos Enterprises	169,970	-	0	169,970		
2. Spring Printers –Exercise Books & stationery	106,595	-	55,470	51,125		
3. Copy Cat Ltd	208,000	-	50,000	158,000		
4. Kevin Wandera-Cereals	295,000	-	193,600	101,400		
5. Opango Godfrey-Vegetables	61,080	-	51,440	9,640		
6. Jomic Butchery	99,590	-	60,990	38,600		
7. Evallyne Nyaoke-Claim	37200	-	-	37,200		
8. Cathmos Enterprises-Lab Equipment/Chemicals	254,160		254,160	-	174,160	
9. Kesaseti Enterprises	52,930		52,930	-	22,930	
10. Kevin Wandera	80,600		80,600	-	78600	
11. Stage Butchery	31,650		31,650	-	20,480	
12. Opango Godfrey	18,560		18,560	-	5,920	
Total				565,935	302,090	

ST. MONICA'S BUTUNYI GIRLS SECONDARY SCHOOL
Reports and Financial Statements for the year ended 30th June 2022

Annex 2 – Summary of Fixed Assets Register

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