

REPUBLIC OF KENYA



*Enhancing Accountability*

THE NATIONAL ASSEMBLY  
PAPERS LAID

REPORT

DATE: 26 FEB 2025

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OF KENYA  
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OF

TABLED  
BY:

Hon. Samuel  
Chepkong'a

CLERK-AT  
THE-TABLE:

M. Mado

**THE AUDITOR-GENERAL**

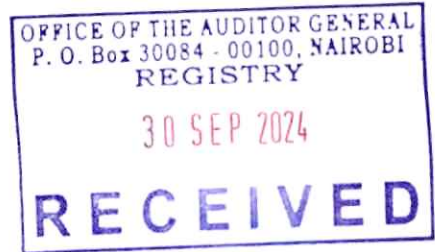
**ON**

**UTANGWA GIRLS SECONDARY SCHOOL**

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

**MAKUENI COUNTY**

*Revised 30<sup>th</sup> June 2022*



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*UTANGWA GIRLS SECONDARY SCHOOL*

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>th</sup> June 2022**

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

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**I. KEY SCHOOL INFORMATION AND MANAGEMENT**

**(a) Background information**

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

The school was registered in 2007 under registration number 17S300000184 and is currently categorized as a county public school established, owned or operated by the Government.

The school is a boarding school and had 421 students as at 30<sup>th</sup> June 2022. It has 8 streams and 18 teachers of which 4 teachers are employed by the School Board Of Management.

**(b) School Board of Management - Board Members**

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

<b>Ref:</b>	<b>Name</b>	<b>Designation</b>	<b>Date of appointment</b>
1	Mr Joshua Nicholas Kioko	BOM Chairman	30 <sup>th</sup> June, 2022
2	Mrs Marietta Ndinda Mulinge	BOM Secretary/ Principal	30 <sup>th</sup> June, 2022
3	Mrs Jasca Ndunge Keli	Member	30 <sup>th</sup> June, 2022
4	Mr Sammy Ndambuki Wambua	Member	30 <sup>th</sup> June, 2022
5	Mr Japheth Kasyoki Muthembwa	Member	30 <sup>th</sup> June, 2022
6	Mr Albinas Komu Mwanzia	Member	30 <sup>th</sup> June, 2022
7	Mrs Pitnes Ndengwa	Member	30 <sup>th</sup> June, 2022
8	Mrs Odilla Mueni Ikuti	Member – Rep CEB	30 <sup>th</sup> June, 2022
9	Mrs Milcah Mutena Wambua	Member Rep Teachers	30 <sup>th</sup> June, 2022
10	Mrs Dorcas Syombua Kioko	3 Members – Sponsor	30 <sup>th</sup> June, 2022
11	Mr Lawrence Yuta	Member – Community	30 <sup>th</sup> June, 2022
12	Mrs Eunice Wanza Muasya	Member Special Needs	30 <sup>th</sup> June, 2022
13	Itenya Victoria (Secretary General)	Rep Students	30 <sup>th</sup> June, 2022

**KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)**

**The function of the School Board of Management include:**

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 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 paragraph 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	Mrs Marietta Mulinge	Principal/BOM secretary	2 of 3
		Mr David Matheka	PA chairperson	2 of 3
		Mrs Odilla Ikuti	Member	2 of 3
		Mr Joshua Kioko	BOM chairman	2 of 3
		Mr. Sammy Wambua	Member	
2	Audit Committee	Mr Albanus Mwanzia	Chairperson	1 of 3
		Mrs Marietta Mulinge	Principal	
		Mr Benson Muiva	Bursar	1 of 3
		Mr Lawrence Yuta	Member	1 of 3
3	Finance, Procurement And General Purposes Committee	Mr Japeth Muthembwa	Chairperson D/P Secretary	1 of 3
		Mrs Rither Muia		1 of 3
		Mr Benson Muiva	Bursar	1 of 3
		Mrs Milcah Wambua	Boarding Member	1 of 3
				1 of 3
		Mrs Jasca keli		1 of 3

**PUBLIC SECONDARY SCHOOLS –UTANGWA GIRLS SECONDARY SCHOOL**  
**Reports and Financial Statements**  
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				1 of 3
				1 of 3
4	Academic Committee	Mrs Pitynes Ndengwa	Chairperson	1 of 3
		Mrs Rither Muia	D/P Secretary	1 of 3
		Mr Sam Makori	Discipline	1 of 3
		Mr Albanus Mwanzia	Member	1 of 3
5	Development Committee	Joshua Kioko	Chairman	1 of 3
		Rither Muia	Secretary	1 of 3
		Marietta Mulinge	Member	1 of 3
		Bonface Mutua	Member	1 of 3
		Mrs Odilla Ikuti	Member	1 of 3
6	Discipline And Welfare Committee	Mr Sammy Wambua	Chairperson Deputy Principal	1 of 3
		Mrs Rither Muia	Boarding	1 of 3
		Mrs Milcah Wambua	Member	1 of 3
		Mrs Pitynes Ndengwa	Member	1 of 3
		Mr Albanus Mwanzi		1 of 3
7	Adhoc Committee (if any during the year)			

**(d) School operation Management**

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

Ref:	Designation	Name	TSC Number
1	Principal	Marietta mulinge	356732
2	Deputy Principal	Rither muia	364045
3	School Bursar	Benson muiva	Id no.26977356

**KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)**

**(e) Schools contacts**

Post Office Box: 229  
 Telephone: 0712925387  
 E-mail: Utangwagirlsschool@gmail.com  
 Website: \_\_\_\_\_  
 Facebook:  
 Twitter:

**(f) School Bankers**

The following school operated 6 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: KCB  
 Branch: Machakos  
 Account Number: 1126402311 (Lunch)

2. Name of Bank: KCB  
 Branch: kcb wote  
 Account Number: 1108818846(Operation )

3. Name of bank KCB  
 Branch : machakos  
 Account number 1108819583 (Tuition)

4Name of bank; KCB  
 Branch kikima  
 Account no. 1265800391 (infrastructure )

5. Name of bank ; KCB  
 Kcb kikima branch  
 Account number 1270274449 (Bus account)

6. MPESA Pay Bill No. 522123account number 40176k, attached to KCB Bank account 1126402311

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

**(g) Independent Auditors**

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

**II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL**

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

a) **Financial performance::**

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

<i>ACCOUNTS/ YEAR</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>

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<i>SURPLUS/</i>	<i>723,271</i>	<i>424,775</i>	<i>53,527</i>	<i>(53,874)</i>
<i>DEFICIT</i>				
<i>TOTAL</i>	<i>723,271</i>	<i>424,775</i>	<i>53,527</i>	<i>(53,874)</i>

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

<i>ACCOUNTS/ YEAR</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>
<i>TUITION</i>	<i>1,384,379</i>	<i>543,246</i>	<i>708,967</i>	<i>1,253,391</i>
<i>OPERATION</i>	<i>6,051,923</i>	<i>3,405,034</i>	<i>5,828,600</i>	<i>5,927,097</i>
<i>TOTAL</i>	<i>7,436,302</i>	<i>6,537,567</i>	<i>6,537,567</i>	<i>7,180,488</i>
<i>CAPITATION</i>				

*i*

- *Ratio of capitation grant per student over the last three years 2020*

<i>ACCOUNTS/</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>
<i>YEAR</i>				
<i>TOTAL</i>	<i>15,927</i>	<i>7,425</i>	<i>16,360</i>	<i>18,748</i>
<i>CAPITATION</i>				
<i>NO. OF</i>	<i>421</i>	<i>420</i>	<i>418</i>	<i>383</i>
<i>STUDENTS</i>				
<i>RATIO</i>	<i>0:0298</i>	<i>0:056</i>	<i>0:0256</i>	<i>1:18,748</i>

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

<i>ACCOUNTS/</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>
<i>YEAR</i>				
<i>EXPENDITURE</i>	<i>31,954,318</i>	<i>10,040,647</i>	<i>5,828,600</i>	<i>15,763,340</i>
<i>TOTAL</i>	<i>31,954,318</i>	<i>10,040,647</i>	<i>5,828,600</i>	<i>15,763,340</i>

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

<i>ACCOUNTS/ YEAR</i>	<i>2021/2022</i>	<i>2020/2021</i>	<i>2019-2020</i>	<i>2018-2019</i>
<i>EXPENDITURE</i>	<i>31,231,047</i>	<i>11,082,932</i>	<i>16,143,860</i>	<i>8,617,487</i>
<i>TOTALS</i>	<i>31,231,047</i>	<i>11,082,932</i>	<i>16,143,860</i>	<i>15,144,543</i>

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

<i>ACCOUNTS/ YEAR</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>
<i>DEBTORS</i>	<i>2,673,059</i>	<i>950,442</i>	<i>2,399,502</i>	<i>750,650</i>
<i>CREDITORS</i>	<i>5,477,760</i>	<i>3,755,143</i>	<i>5,204,203</i>	<i>4,160,297</i>
<i>CURRENT RATIO</i>	<i>1:2.5</i>	<i>1:6.36</i>	<i>1:1.8</i>	<i>0:18</i>

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

*Bank balances*

<i>ACCOUNTS/ YEAR</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>
<i>CASH</i>	<i>13,400</i>	<i>35,524</i>	<i>2,117</i>	<i>Nil</i>
<i>BANK</i>	<i>1,200,956</i>	<i>455,561</i>	<i>64,193</i>	<i>12,583</i>
<i>TOTALS</i>	<i>1,214,356</i>	<i>491,085</i>	<i>66,310</i>	<i>12,583</i>

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

**b) Teacher Student ratio:**

<i>TEACHERS/ NO. OF TEACHERS</i>	<i>RECRUITED</i>	<i>TRANSFERED</i>	<i>RETIRED</i>	<i>TSC</i>	<i>BOM</i>	<i>TOTALS</i>
	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>	<i>12</i>	<i>4</i>	<i>17</i>
<i>NO. OF STUDENTS</i>						<i>421</i>
<i>RATIO</i>						<i>1:24</i>

<i>SUBJECT COMPULSORY/SELECTIVE</i>	<i>TEACHERS</i>		<i>NO.OF STUDENTS</i>
	<i>TSC</i>	<i>BOM</i>	
<i>MATHS(COMPULSORY)</i>	<i>4</i>	<i>1</i>	<i>421</i>

**PUBLIC SECONDARY SCHOOLS –UTANGWA GIRLS SECONDARY SCHOOL**  
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ENGLISH(COMPULSORY)	1	1	421
KISWAHILI(COMPULSORY)	2	0	421
BIOLOGY	1	1	362
PHYSICS	1	1	291
CHEMISTRY(COMPULSORY)	4	0	421
HISTORY	1	2	330
GEOGRAPHY	2	0	307
CRE	0	2	393
BUSINESS STUDIES	1	0	263
AGRICULTURE	2	1	263
HOME SCIENCE	1	0	259

**c) Mean score in the 2022 KCSE:**

Year	Entry	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E	Mean score
2019	66	0	0	2	4	7	6	8	10	14	12	3	0	5.303
2020	84	0	0	0	4	4	9	18	25	14	8	2	0	5.333
2021	104	0	0	0	2	7	13	16	23	23	16	4	0	5.038
2022												0	0	4.464

**d) Number of Candidates in the 2022 KCSE:**

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

year	entry	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E	Mean score
2019	66	0	0	2	4	7	6	8	10	14	12	3	0	5.303
2020	84	0	0	0	4	4	9	18	25	14	8	2	0	5.333
2021	104	0	0	0	2	7	13	16	23	23	16	4	0	5.038
2022	87	0	0	0	1	1	5	14	21	28	17	0	0	4.644

year	Transition to higher learning entry
20	27
19	
2020	35
2021	37
2022	21

e) Capacity of the school:

FACILITY	NO. OF STUDENTS
4 DORMS	400
1 DINNING HALL	500
1 LABORATORY	50
PLAY FIELD	400
ADMINISTRATION	1
BLOCK	
TUITION BLOCK/ CLASSES	400
TEACHERS	2
QUORTRS	

**f) Development projects carried out by the school:**

*1. construction of classroom, funded by ministry,parents ,approximate*

YEAR	PROJECT	SOURCE OF FUND	COST	STATUS
1019	Dh finishing	M OE/ parents	5,000 ,000	Ongoing
2020	Inning hall	MOE / parents	6,000,000	Ongoing
2021	Dinning hall	MOE / parents	4,000,000	NIL
2022	2CLASSES	Parents/MOE	5,785,000	Ongoing

Sign



School Principal



### III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government Schools hall 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 *Utangwa girls secondary school* accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

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

**Name:** JOSHUA KIOKO  
**Designation:** Chairman, School Board of Management

**Sign:**   
\_\_\_\_\_

**Date:** 23/09/2022  
\_\_\_\_\_

**Name:** MARIETTA MULINGE  
**Designation:** School Principal & Secretary to Board of Management

**Sign:**   
\_\_\_\_\_

**Date:** 23/9/2022  
\_\_\_\_\_



**Name:** BENSON MUIVA  
**Designation:** Bursar/ Finance Officer

**Sign:**   
\_\_\_\_\_

**Date:** 23/9/22  
\_\_\_\_\_

# REPUBLIC OF KENYA



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

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

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### PREAMBLE

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

- A. Report on 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 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 Utangwa Girls Secondary School – Makueni County set out on pages 1 to 19, which comprise of the statement of

financial assets and financial liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and statement of budgeted versus and 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 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 the Utangwa Girls Secondary School – Makueni 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**

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

- i. The statement of receipts and payments and as disclosed in Note 2 to the financial statements reflects capitation grants for tuition of Kshs.1,384,379, which differs from the computed amount of Kshs.1,424,611 resulting an unexplained variance of Kshs.40,232.
- ii. The statement of budgeted versus actual amounts reflects final budget versus actual on comparable basis total income of Kshs.32,040,926 and Kshs.31,954,318 which differs with the computed amounts of Kshs.32,139,105 and Kshs.31,976,550 respectively resulting unexplained variances of Kshs.98,179 and Kshs.22,232 respectively.
- iii. The statement of budgeted versus actual amounts reflects final budget total expenditure of Kshs.32,040,926 which differs with the computed amount of Kshs.32,139,105 resulting unexplained variance of Kshs.98,179.

In the circumstances, the accuracy of the financial statement could not be ascertained.

#### **2. Unsupported Payments**

The statement of receipts and payments reflects total payments of Kshs.31,231,047 which includes Boarding and school fund payments of Kshs.23,877,080. Included in the boarding and school fund amount are payments totaling to Kshs.705,668 that did not have supporting documents such as receipts, delivery notes local purchase orders.

In the circumstances, the accuracy and completeness of the payments of Kshs.705,668 could not be confirmed.

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

### **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**

### **Unresolved Prior Year Matters**

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

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN 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 for Audit**

During the year under review, Management submitted the financial statements to the Auditor-General on 11 July, 2023 instead of the statutory deadline of 30 September, 2022. This was contrary to the Ministry of Education circular Ref.No:MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the School's

financial statements should be ready by 30 September, 2021 in compliance which Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

## **2. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association (KESSHA)**

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.23,877,080 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.368,000 transferred to Kenya Secondary Schools Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.368,000 could not be confirmed.

## **3. Irregular Cash Procurement of Goods, Works and Services**

The statement of receipts and payments reflects total payments of Kshs.31,231,047 which includes Boarding and school fund payments of Kshs.23,877,080. Included in the Boarding and school fund are cash payments totaling Kshs.1,269,709 for supply of goods and services which were not supported with stores records. This is contrary to Regulation, 93(1) of the Public Procurement and Assets Disposals Regulations, 2020 which states that where the accounting officer finds it necessary to use low value procurement method, that accounting officer may only delegate that function to the head of procurement function to procure the goods, works or services from a reputable outlet or provider through direct shopping or using credit cards or direct funds transfer to that outlet. Regulation, 93 (3) requires that the goods procured shall be taken on charge by the officer responsible for the stores after the user department has confirmed the quantity and quality of the goods, works or services, before they are issued to the respective user department. The school therefore did not adhere to the Regulations on low value procurements.

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

## **4. Irregular Extension of the Tenure of the Board Chairman**

During the year under review, it was observed that the chairman of the Board of Management served for more than two terms since he has been sitting in the board as chairman since 2015. The Basic Education Act, 2013 provides for that members shall serve for a term of three years and shall be eligible for re-appointment for one further term of three years.

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

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs) 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 and based on the audit procedures performed, except for the matters described in the Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### Basis of Conclusion

#### 1. Lack of Internal Audit Function and Audit Committee

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

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

#### 2. Lack of Land Ownership Documents

Annex 2 to the financial statements reflects summary of fixed assets register with total values of Kshs.43,640,000 which includes land valued at Kshs.2,500,000. Review of the records show that the School occupies land owned by the AIC. However, the School did not provide land ownership documents or records to show transfer of ownership for audit review.

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

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

### **Responsibilities of Management and those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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 controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or to cease its 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 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 controls 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 Management.
- Conclude on the appropriateness of Management's use of applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

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

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

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

**20 November, 2024**

V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30<sup>TH</sup> JUNE 2022

DESCRIPTION OF VOTE HEAD	Note	2021-2022	2020-2021
		Kshs	
<b>RECEIPTS</b>			
Capitation grants for tuition	1	1,384,379.00	543,246.00
Capitation grants for operations	2	6,051,923.00	3,405,034.00
School Fund Income- Parents' Contributions	3	24,518,016.00	7,559,427.00
School Fund Income- Other receipts	4	0	
Proceeds from borrowings			
<b>TOTAL RECEIPTS</b>		<b>31,954,318.00</b>	<b>11,507,707.00</b>
<b>PAYMENTS</b>			
Payments for Tuition	5	1,336,235.00	542,425.00
Payments for operations	6	6,017,732.00	3,363,935.00
Boarding and school fund payments	7	23,877,080.00	7,176,497.00
<b>TOTAL PAYMENTS</b>		<b>31,231,047.00</b>	<b>11,082,932.00</b>
<b>SURPLUS/DEFICIT</b>		<b>723,271.00</b>	<b>424,775.00</b>

The school financial statements were approved on \_\_\_\_\_ 2023 signed by:

Sign: 

Sign 

Sign 

Name JOSHUA KIOKO

Name MARIETTA MULIWA

Name benson MULIWA

Chair BOM

School Principal/  
Secretary to BOM

Bursar/  
Finance Officer

Date 23/9/2024

Date 23/9/2024

Date 23/9/24



STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30 <sup>TH</sup> JUNE 2022	Note	2021-2022 Kshs	2020-2021 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	8	1,200,956.00	455,561.00
Cash Balances	9	13,400.00	35,524.00
Short term Investment	10		
<b>Total Cash and cash equivalent</b>		<b><u>1,214,356.00</u></b>	<b><u>491,085.00</u></b>
Account's receivables	11	2,673,059.00	950,442.00
<b>TOTAL FINANCIAL ASSETS</b>		<b>3,887,415.00</b>	<b>1,441,527.00</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payables	12	(5,477,760.00)	(3,755,143.00)
<b>NET FINANCIAL ASSETS</b>		<b>(1,590,345.00)</b>	<b>(2,313,616.00)</b>
<b>REPRESENTED BY</b>			
Accumulated Fund b/fwd	13	(2,313,616.00)	(1,813,137.00)
Surplus/Deficit for the year		723,271	424,775
<b>NET FINANCIAL POSSITION</b>		<b>(1,590,345.00)</b>	<b>(2,313,616.00)</b>

The School's financial statements were approved on 15/2/2023 2023 and signed by:

NAME: JOSHUA KIKO

Chairman, BoM

Sign: J.K.K.

Date: 23/9/2024

NAME: MARIETTA MULINGE

School Principal/Secretary to BoM

Sign: M. Mulinge

Date: 23/9/2024

NAME: BENSON MUIVA  
Bursar/Finance

Sign: B. Muiva

Date: 23/9/24

STATEMENT OF CASH FLOWS FOR THE PERIOD for the period ended 30<sup>th</sup> June 2022

## Reports and Financial Statements

For the year ended 30<sup>th</sup> June 2022

		2021-2022	2020-2021
		Kshs	Kshs
<b>Receipts for operating income</b>			
Capitation grants for tuition	1	1,384,379.00	543,246.00
Capitation grants for operations	2	6,051,923.00	3,405,034.00
School fund income- Parents contributions/ fees	3	24,518,016.00	7,559,427.00
School fund income- other receipts	4		
<b>Total receipts</b>		<b>31,954,318.00</b>	<b>11,507,707.00</b>
<b>Payments</b>			
Payments for Tuition	5	1,336,235.00	542,500.00
Payments for operations	6	6,017,732.00	3,363,935.00
Boarding and school fund payments	7	23,877,080.00	7,176,497.00
<b>Total payments</b>		<b>31,231,047.00</b>	<b>11,082,932.00</b>
<b>Net cashflow from operating activities</b>	9	<b>723,271.00</b>	<b>424,775.00</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets			
Acquisition of Assets			
Proceeds from investments			
Purchase of investments			
<b>Net cash flows from Investing Activities</b>			
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
<b>Net cash flow from financing activities</b>			
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>723,271.00</b>	<b>424,775.00</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>		<b>491,085.00</b>	<b>66,310.00</b>
<b>Cash and cash equivalent at END of the year</b>		<b>1,214,356.00</b>	<b>491,085.00</b>

The School's financial statements were approved on 15/2/2023 2023 and signed by:

Sign:

Date:

NAME: JOSHUA KIKO

Chairman, BoM

Sign:

Date:

NAME: BENSON MUIVA

Bursar/Finance

Sign:

Date:

NAME: MARIETTA

MULINGE

School Principal/Secretary to

BoM

		2021-2022	2020-2021
		Kshs	Kshs
<b>Receipts for operating income</b>			
Capitation grants for tuition	1	1,384,379.00	543,246.00
Capitation grants for operations	2	6,051,923.00	3,405,034.00
School fund income- Parents contributions/ fees	3	24,518,016.00	7,559,427.00
School fund income- other receipts	4		
<b>Total receipts</b>		<b>31,954,318.00</b>	<b>11,507,707.00</b>
<b>Payments</b>			
Payments for Tuition	5	1,336,235.00	542,500.00
Payments for operations	6	6,017,732.00	3,363,935.00
Boarding and school fund payments	7	23,877,080.00	7,176,497.00
<b>Total payments</b>		<b>31,231,047.00</b>	<b>11,082,932.00</b>
<b>Net cashflow from operating activities</b>	9	<b>723,271.00</b>	<b>424,775.00</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets			
Acquisition of Assets			
Proceeds from investments			
Purchase of investments			
<b>Net cash flows from Investing Activities</b>			
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
<b>Net cash flow from financing activities</b>			
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>723,271.00</b>	<b>424,775.00</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>		<b>491,085.00</b>	<b>66,310.00</b>
<b>Cash and cash equivalent at END of the year</b>		<b>1,214,356.00</b>	<b>491,085.00</b>

The School's financial statements were approved on 22/9/2022 and signed by:

Sign:

Date:

NAME: JOSHUA KIKO  
Chairman, BoM

Sign:

Date:

NAME: BENSON MUIVA  
Bursar/Finance

Sign:

Date:

NAME: MARIETTA  
MULINGE  
School Principal/Secretary to  
BoM

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.

**VI. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30<sup>TH</sup> 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
<b>RECEIPTS</b>						
<b>(1) CAPITATION GRANT ON TUITION</b>						
Textbooks and reference materials						
Exercise books	510,016	0	510,016	306,128	203,888	60%
Laboratory equipment	314,912	0	314,912	446,357	131,445	142%
Teaching / learning materials	262,496	0	262,496	425,750	163,254	162%
Chalks	77,792	0	77,792	88,376	10,584	114%
Exams and assessment	174,720	0	174,720	88,000	86,720	51%
Teachers guides	175,136	0	175,136	70,000	105,136	40%
	<b>1,515,072.00</b>	<b>0</b>	<b>1,515,072.00</b>	<b>1,384,379.00</b>	<b>130,693.00</b>	<b>91%</b>
<b>(2) CAPITATION GRANT ON OPERATIONS</b>						
Personal emolument	2,485,120	0	2,485,120	1,643,670	841,450	66%

## Reports and Financial Statements

For the year ended 30<sup>th</sup> 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
Repairs and maintenance	2,496,000	0	2,496,000	3,342,450	846,450	134%
Local transport / travelling	167,648	0	167,648	200,000	32,352	120%
Electricity and water	272,064	0	272,064	0	272,064	0%
Medical	0	0	0	0	0	0%
Administration costs	355,264	0	355,264	865,803	510,539	244%
Activity	147,267	0	147,267	0	147,267	0%
Gratuity	0	0			0	0%
SMASSE	0	0			0	0%
	<b>5,825,184.00</b>	0	<b>5,825,184.00</b>	<b>6,051,923.00</b>	<b>226,739.00</b>	104%
<b>(3) FEES CHARGED ON PARENTS</b>		0				
Personal emolument	1,651,104		1,651,104	1,101,546	459,558	67%
Repairs and maintenance	1,258,400		1,258,400	2,798,313	1,539,913	222%
Local transport / travelling	1,181,792		1,181,792	2,482,658	1,300,866	210%
Electricity and water	1,778,400		1,778,400	2,740,496	962,096	154%
Medical	0		0	0	0	0%
Administration costs	1,171,456		1,171,456	1,302,893	131,437	111%
Activity	67,400		67,400	38,545	28,855	57%
Arrears	2,705,750		2,705,750	1,283,235	1,422,515	48%
Fee on Boarding Equipment and Stores	14,886,368		14,886,368	12,752,330	2,134,038	86%
	<b>24,700,670.00</b>		<b>24,100,670.00</b>	<b>24,518,016.00</b>	<b>417,346.00</b>	102%
<b>OTHER INCOME</b>			0	0	0	0%
Rent income	0		0	0	0	0%
Income from farming activities	0		0	0	0	0%

**PUBLIC SECONDARY SCHOOLS –UTANGWA GIRLS SECONDARY SCHOOL**

**Reports and Financial Statements**

**For the year ended 30<sup>th</sup> June 2022**

Receipt/expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
Insurance compensation	0		0	0	0	0%
Income from Posho mill	0		0	0	0	0%
Income from Bus Hire	0		0	0	0	0%
Fee for hire of ground and equipment	0		0	0	0	0%
Interest income	0		0	0	0	0%
Income from any other investment	0		0	0	0	0%
<b>TOTAL INCOME</b>	<b>32,040,926.00</b>	<b>0.00</b>	<b>32,040,926.00</b>	<b>31,954,318.00</b>	<b>86,608.00</b>	<b>99%</b>
<b>(1) EXPENDITURE FOR TUITION</b>						
Textbooks and reference materials						
Exercise books	510,016	0	510,016	306,128	203,888	60%
Laboratory equipment	314,912	0	314,912	446,357	131,445	142%
Teaching / learning materials	262,496	0	262,496	425,750	163,254	162%
Chalks	77,792	0	77,792	0	77,792	0%
Exams and assessment	174,720	0	174,720	158,000	16,720	91%
Teachers guides	175,136	0	175,136	0	175,136	0%
Administration costs	0	0	0	0	0	0%
	<b>1,515,072</b>	<b>0</b>	<b>1,515,072</b>	<b>1,336,235.00</b>	<b>178,837.00</b>	<b>81%</b>
<b>(2) EXPENDITURE FOR OPERATIONS</b>						
Personal emolument	2,485,120	0	2,485,120	1,637,310	847,810	66%
Repairs, maintenance & improvements	2,496,000	0	2,496,000	3,392,450	896,450	135%
Local transport / travelling	167,648	0	167,648	200,000	32,352	121%

**PUBLIC SECONDARY SCHOOLS –UTANGWA GIRLS SECONDARY SCHOOL**

**Reports and Financial Statements**

**For the year ended 30<sup>th</sup> June 2022**

Receipt/expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
Electricity, water and conservancy	272,064	0	272,064	7,250	264,814	3%
Administration costs	355,264	0	355,264	780,722	425,458	220%
Activity Expenses	147,267	0	147,267	0	0	0%
Gratuity	0	0				0%
SMASSE	0	0				0%
<b>(3) EXPENDITURE FOR SCHOOL FUND</b>	<b>5,825,184.00</b>	<b>0</b>	<b>5,825,184.00</b>	<b>6,017,732.00</b>	<b>192,548.00</b>	<b>103%</b>
Personnel emoluments	1,651,104	0	1,651,104	1,379,260	274,844	84%
Repairs, maintenance and improvements	1,258,400	0	1,258,400	3,524,630	2,266,230	280%
Local transport / travelling	1,181,792	0	1,181,792	2,675,290	1,493,498	227%
Electricity, water and conservancy	1,778,400	0	1,778,400	2,316,356	537,956	130%
Other voteheads		0				
Administration costs	1,171,456	0	1,171,456	1,069,205	102,251	91%
Activity	67,400	0	67,400	3,200	64,200	5%
Payment for sundry creditors	2,705,750	0	2,705,750	1,067,195	1,638,555	39%
Lunch programme	0	0				
Boarding Equipment and Stores	14,886,368	0	14,886,368	11,841,944	2,059,575	86%
Expenditure for Income Generating Activity	0	0	0	0	0	0%
Insurance costs	0	0	0	0	0	0%
Other expenses on investments	0	0	0	0	0	0%
Rent Expenses	0	0	0	0	0	0%

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
Bank Charges	0	0	0	0	0	0%
Loan Interest Repayment	0	0	0	0	0	0%
Loan Principal Repayment	0	0	0	0	0	0%
	<b>24,700,670.00</b>	<b>0</b>	<b>24,700,670.00</b>	<b>23,877,080.00</b>	<b>161,259.00</b>	<b>97%</b>
<b>TOTALS</b>	<b>32,040,926.00</b>	<b>0.00</b>	<b>32,040,926.00</b>	<b>31,231,047.00</b>	<b>174,970.00</b>	<b>97%</b>

*[Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization above 100%]*

- i. \_\_\_\_\_
- ii. \_\_\_\_\_

**VII. 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 (Continued)**

**5. Accounts Receivable**

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

**6. Accounts Payable**

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

**7. Non-current assets**

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

**8. Budget**

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

**9. Comparative figures**

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

**10. Subsequent events**

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

**VIII. NOTES TO THE FINANCIAL STATEMENTS**

**1 CAPITATION GRANT FOR TUITION**

	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Textbooks and reference materials		
Exercise books	306,128.00	140,000.00
Laboratory equipment	446,357.00	59,610.00
Internal exams	88,000.00	10,721.00
Teaching / learning materials	425,750.00	332,915.00
Chalks	88,376.00	
Exams and assessment		
Teachers guides	70,000.00	
<b>Total</b>	<b>1,384,379.00</b>	<b>543,246.00</b>

**2 CAPITATION GRANT FOR OPERATIONS**

	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments	1,643,670.00	966,434.00
Repairs and maintenance	3,342,450.00	1,361,000.00
Local transport / travelling	200,000.00	131,378.00
Electricity and water		93,022.00
Medical		
Administration costs	865,803.00	853,200.00
Activity		
<b>Total</b>	<b>6,051,923.00</b>	<b>3,405,034.00</b>

**3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT**

	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments	1,101,546.00	488,230.00
Repairs and maintenance	2,798,313.00	266,054.00
Local transport / travelling	2,482,658.00	63,720.00
Electricity and water	2,740,496.00	432,920.00
Activity	38,545.00	
Administration costs	1,302,893.00	196,605.00
Arrears	1,283,235.00	6,065.00
Imprest	18,000.00	
Payment of sundry creditors		1,467,060
Fees on boarding equipment and stores	12,752,330.00	4,638,773.00
<b>Total</b>	<b>24,518,016.00</b>	<b>7,559,427.00.00</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT**

	2021-2022	2020-2021
Fee on Boarding Equipment and Stores		
Rent income		
Income from farming activities		
Insurance compensation		
Income from Posho mill		
Income from Bus Hire		
Fee for hire of ground and equipment		
Income from grants and donations*		
Interest income		
Dividends income		
<b>Total</b>		

(Include an explanation on the kind and source of grants/ donations received by the school.)

**5 PAYMENTS FOR TUITION**

	2021-2022	2020-2021
	Kshs	Kshs
Textbooks and reference materials		
Exercise books	306,128.00	140,000
Laboratory equipment	446,357.00	59,610.00
Internal exams	88,000.00	0
Teaching / learning materials	425,750.00	198,890
Chalks		
Exams and assessment	70,000.00	
Teachers guides		
Administration Costs		
Payment of sundry creditors		144,000
Bank Charges		
<b>Total</b>	<b>1,336,235.00</b>	<b>542,500.00</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**6 PAYMENTS FOR OPERATIONS**

	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	1,637,310.00	588,860.00
Service Gratuity		
Administration Cost	780,722.00	1,289,385.00
Repairs and maintenance & improvements	3,392,450.00	1,258,990.00
Local transport / travelling	200,000.00	105,400.00
Electricity and water	7,250.00	121,300.00
Medical		
Activity Expenses		
SMASSE		
Insurance Cost		
Bank Charges		
Acquisition of Assets		
<b>TOTAL</b>	<b>6,017,732.00</b>	<b>3,363,935.00</b>

**7 BOARDING AND SCHOOL FUND PAYMENTS**

	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	1,379,260.00	1,227,345.00
Service Gratuity		
Repairs and maintenance & Improvements	3,524,630.00	218,620.00
Local transport / travelling	2,675,290.00	152,700.00
Electricity and water	2,316,356.00	382,700.00
Administration costs	1,069,205.00	208,765.00
Lunch Programme		
Activity	3,200.00	
Expenses on Income Generating Activities		
Fee on Boarding Equipment and Stores	11,841,944.00	3,664,122.00
Rent Expenses		
Insurance Cost (Life Property)		
Loan Principal repayment		
Loan Interest repayment		
Payment of sundry creditors	1,067,195.00	1,322,505
Acquisition of Assets		
<b>TOTAL</b>	<b>23,877,080.00</b>	<b>7,176,497.00</b>

*Expenses on income generating activities\*\* should include all costs relating to the school earnings on other receipts as recorded in note 4. These costs should include farm maintenance, posho mill maintenance, ground maintenance and costs incurred during hire of school bus among others.*

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**8 BANK ACCOUNTS**

Name of Bank, Account No. & currency	Bank Account Number	2021-2022	2020-2021
		Kshs	Kshs
Tuition Account		48,354.00	2,225.00
Operations Account		64,264.00	41,149.00
School Fund Account/Boarding		66,450.00	322,432.00
Savings Account		1,010,636.00	1,000,000.00
Parent Association Development Account			
Income generating activities Account			
Infrastructural Account		11,252.00	
<b>Total</b>		<b>1,200,956.00</b>	<b>406,556.00</b>

**9 CASH IN HAND**

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition Account		
Operation Account	13,400.00	6,100.00
School Fund account		29,419.00
<b>Total</b>	<b>13,400.00</b>	<b>35,524.00</b>

**10 SHORT TERM INVESTMENTS**

Description	2021-2022	2020-2021
	Kshs	Kshs
Cooperative shares		
Treasury Bills		
Fixed deposit		
Equity stock		
Other investments		
<b>Total</b>		

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**11 ACCOUNTS RECEIVABLE**

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees arrears	2,673,059.00	932,442.00
Other non-fees receivables		
Salary advances		
Imprest		18,000.00
<b>Total</b>	<b>2,673,059.00</b>	<b>950,442.00</b>

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees arrears for current year	2,673,059.00	950,442
Fees arrears for the previous year		
Fees arrears for prior periods (over two years)		
<b>Total</b>	<b>2,673,059.00</b>	<b>950,442.00</b>

**12 ACCOUNTS PAYABLE**

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	5,477,760.00	3,755,143.00
Prepaid fees		
Retention monies		
<b>Total</b>	<b>5,477,760.00</b>	<b>3,755,143.00</b>

Ageing of the creditor's arrears

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade creditors for current year	5,477,760.00	3,755,143.00
Trade creditors for the previous year		
Trade creditors for prior periods (over two years)		
<b>Total</b>	<b>5,477,760.00</b>	<b>3,755,143.00</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**13 FUND BALANCE BROUGHT FORWARD**

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank balances	1,200,956.00	455,561.00
Cash balances	13,400.00	35,524.00
Short Term Investments	0	
Receivables	2,673,059.00	950,442.00
Payables	(5,477,760.00)	(3,755,143.00)
<b>Total</b>	<b>(1,590,345.00)</b>	<b>(2,313,616.00)</b>

**Other important disclosure notes**

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

**14 Non-current Liabilities Summary**

Description	2021 -2022	2020-2021
	Kshs	Kshs
Bank loan(s)		
Outstanding Leases		
Hire purchase		
Gratuity and leave provision		
<b>Total</b>		

**15 Biological assets**

Description	Numbers	2021-2022	2020-2021
		Kshs	Kshs
Cattle			
Goats			
Trees			
Coffee or tea plantation			
Poultry			
<b>Total</b>			

**16 Borrowings**

Description	2021-2022	2020-2021
	KShs	KShs
<b>a) Borrowings</b>		
Borrowing at beginning of the year		
Borrowings during the year		
Repayments of during the year		
<b>Balance at end of the year</b>		

**Other important disclosure notes**

**17 Stock/ Inventory**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>KShs</b>	<b>KShs</b>
<b>b) Borrowings</b>		
Stock/ inventory at beginning of the year	215,500.00	120,000.00
Stock/ inventory purchased during the year	1,885,000.00	2,350,000.00
Stock/ inventory issued during the year	1,936,000.00	1,900,000.00
<b>Balance at end of the year</b>	<b>164,500.00</b>	<b>570,000.00</b>

**18 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

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

**18 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

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



**PUBLIC SECONDARY SCHOOLS –UTANGWA GIRLS SECONDARY SCHOOL**

**Reports and Financial Statements**

**For the year ended 30<sup>th</sup> June 2022**

**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE,660E**

Supplier of Goods or Services	Original Amount	Date Contracted	Payments during the year 2022	Outstanding Balance 2022-june	Comments
	A	b			
	Kshs	Kshs	Kshs	Kshs	
<b>Construction of buildings</b>					
1. Kyanganga investment	500000	June 2021		500,000	
2. Elizabeth musau	14,660	June 2021		14,660	
3. Kikima water project	25,200	June 2021		25,200	
4. Mbumaelectricals	16,000	June 2021		16,000	
5. Nthukul traders ltd	3,587,500.00	June 2021	1,670,600.00	1,916,900.00	
6.					
<b>Sub-Total</b>	<b>4,143,360</b>		<b>1,670,600</b>	<b>2,472,760.00</b>	
<b>Supply of goods</b>					
7. Nthukul traders ltd	870,260	June 2021		870,260	
8. Kenblest food ltd	248,850	June 2021		248,850	
9. Mbuyu b. solution	638,000	June 2021		638,000	
10. James maithya	106,400	June 2021		106,400	
11. Theresiakiloli	50,400	June 2021		50,400	
12. Concivicacrica	142,900	June 2021		142,900	
13. Peter kimote	190,000	June 2021		190,000	
14. Benjamin munguti	20,000	June 2021		20,000	
15. Education godown	14,660	June 2021		14,660	
16. Angel printers	140,530	June 2021		140,530	
17. Anyx enterprises	155,200	June 2021		155,200	
18. Mulau enterprises	250,000	June 2021		250,000	
19.					
<b>Sub-Total</b>					
<b>Supply of services</b>					
20. Makuenikssha	100,000	June 2021		100,000	
21. Mr nzau	77,800	June 2021		77,800	

**PUBLIC SECONDARY SCHOOLS –UTANGWA GIRLS SECONDARY SCHOOL**  
**Reports and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

**ANNEX I - ANALYSIS OF PENDING ACCOUNTS PAYABL,660E**

Supplier of Goods or Services	Original Amount		Date Contracted	Payments during the year 2022	Outstanding Balance 2022-june	Comments
	A	b				
	Kshs	Kshs		Kshs	Kshs	
<b>Construction of buildings</b>						
1. Kyanganga investment	500000	June 2021			500,000	
2. Elizabeth musau	14,660	June 2021			14,660	
3. Kikima water project	25,200	June 2021			25,200	
4. Mbuaelectricals	16,000	June 2021			16,000	
5. Nthukul traders ltd	3,587,500.00	June 2021		1,670,600.00	1,916,900.00	
6.						
<b>Sub-Total</b>	<b>4,143,360</b>			<b>1,670,600</b>	<b>2,472,760.00</b>	
<b>Supply of goods</b>						
7. Nthukul traders ltd	870,260	June 2021			870,260	
8. Kenblest food ltd	248,850	June 2021			248,850	
9. Mbuyu b. solution	638,000	June 2021			638,000	
10. James maithya	106,400	June 2021			106,400	
11. Theresiakiloli	50,400	June 2021			50,400	
12. Concivicarica	142,900	June 2021			142,900	
13. Peter kimote	190,000	June 2021			190,000	
14. Benjamin munguti	20,000	June 2021			20,000	
15. Education godown	14,660	June 2021			14,660	
16. Angel printers	140,530	June 2021			140,530	
17. Anyx enterprises	155,200	June 2021			155,200	
18. Mulau enterprises	250,000	June 2021			250,000	
19.						
<b>Sub-Total</b>						
<b>Supply of services</b>						
20. Makueniksha	100,000	June 2021			100,000	
21. Mr nzau	77,800	June 2021			77,800	



**PUBLIC SECONDARY SCHOOLS –UTANGWA GIRLS SECONDARY SCHOOL**

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

Supplier of Goods or Services	Original Amount	Date Contracted	Payments during the year 2022	Outstanding Balance 2022-june	Comments
22.					
<b>Sub-Total</b>					
<b>Grand Total</b>	<b>8,336,430</b>		<b>1,670,760</b>	<b>5,477,760.00</b>	

**PUBLIC SECONDARY SCHOOLS –UTANGWA GIRLS SECONDARY SCHOOL**  
**Reports and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2022**

**ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER**

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 <sup>st</sup> July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 <sup>th</sup> June 2022
Land 1			1,600,000			1,600,000
Land 2			-			-
Buildings and structures			100,000,000	6,000,000		106,000,000
Motor vehicles						
Office equipment, furniture and fittings			2,500,000			2,500,000
ICT Equipment, and Other ICT Assets			450,000			450,000
Tools and apparatus			50,000			50,000
Textbooks			600,000			600,000
Other Machinery and Equipment						
Heritage and cultural assets						
Intangible assets- soft ware						
<b>Total</b>			<b>105,200,000</b>	<b>6,000,000</b>		<b>111,200,000</b>

(The School should ensure that a detailed fixed assets register is maintained).

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