

REPUBLIC OF KENYA



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Hon. Samuel
Chepkonga, MP

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M. Mado

THE AUDITOR-GENERAL

ON

TALA GIRLS SECONDARY SCHOOL

**FOR THE SIX (6) MONTHS' PERIOD ENDED
30 JUNE, 2021**

MACHAKOS COUNTY

12 SEP 2024

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**TALA GIRLS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**

SIX MONTHS REPORT AND FINANCIAL STATEMENTS

**FOR THE PERIOD ENDED
30th June 2021**

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

TALA GIRLS SECONDARY SCHOOL
Annual Report and Financial Statements
For the six months period ended 30th June 2021

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PUBLIC SECONDARY SCHOOLS –TALA GIRLS’HIGH SCHOOL
Reports and Financial Statements
For the six months period ended 30th June 2021

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 Machakos County, Matungulu Sub-County

The school was registered on 5th February 2010 under registration number GP/A/7816/10 and is currently categorized as an Extra County public school established, owned or operated by the Government.

The school is a boarding school and had 793 number of students as at 30th June 2021. It has 4 streams and 38 teachers of which 6 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:

1	Emmanuel K. musau	Chairman/Sponsor	1st appointment- 1/10/2015 Reappointment - 27/07/2019
2	Annabella mbugi, EBS	Secretary- Principal	Appointment by posting – January 2018 Reappointment - 27/07/2019
3	Joseph matolo	Member	27/07/2019
4	Onesmus mutunga	Member	27/07/2019
5	Dr. Benard Mua	Member	1st appointment – 1/10/2015 Reappointment - 27/07/2019
6	Doris Mukwale	Member	27/07/2019
7	Mary Mutua	Member	27/07/2019
8	Albert mulwa kioko	Member	27/07/2019
9	John Makenzi	Member – Rep CEB	27/07/2019
10	Jane Muoka	Member Rep Teachers	27/07/2019
11	Fr. Patrick Mutunga	Member - sponsor	27/07/2019
12	Margaret Muthui	Member - Community	27/07/2019
13	Jane Lucia Ndunda	Member - Sponsor	27/07/2019
14	Titus Mutua Nthuka	Member Special Needs	27/07/2019
15	Eng. Kimeu Kathitu	Co-opted	27/07/2019
16	Virginia Nzau	Co-opted	27/07/2019
17	Albert Mulwa	Co-opted	27/07/2019

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KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The function of the School Board of Management include:

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

(c) Committees of the Board

	Name of Committee	Name of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Emmanuel musau Annabella mbugi, EBS Dr. Benard Mua Onesmus mutunga Dorisa mukwale Fr. Patrick mutunga Mary mutua Jane muoka	Chairperson Secretary Member Member Member Member Member Member	3 out of 3
2	Audit Committee	Eng. Kimeu kathitu Annabella Mbugi,EBS Fr. Patrick mutunga Albert mulwa Titus nthuka Mary mutua Jane muoka	Chairperson Secretary Member Member Member Member Member	0 out of 2
3	Finance,procurement and general purposes Committee	Emmanuel musau Annabella mbugi, EBS Margaret muthui Mary mutua Benard mua Jane muoka	Chairperson Secretary Member Member Member Member	0 out of 2
4	Academic Committee	John makenzi Annabella mbugi,EBS Doris mukwale Dr. Benard mua Onesmus mutunga Jane muoka	Chairperson Secretary Member Member Member Member	0 out of 2
5	Development Committee	Eng. Kimeu kathitu Annabella mbugi, ebs	Chairperson Secretary	1 out of 2

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		Emmanuel musau Fr. Patrick mutunga Joseph matolo Margaret muthui Virginia nzau Jane muoka	Member Member Member Member Member Member	
6	Discipline and welfare Committee	Dorid mukwale Annabella mbugi, ebs John makenzi Margaret muthui Jane ndunda Jane muoka	Chairperson Secretary Member Member Member Member	0 out of 2
7	Adhoc Committee (if any during the year)	none		

(d) School operation Management

For the financial year ended 30th June 2021 the school day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	Annabella Mbugi,EBS	204684
2	Deputy Principal	Jane Katumbi Muoka	390209
3	School Bursar	Peter Kinyanjui Muhia	5697853
4	Senior Teacher	Janeffer Kyalo	496939
5	Rachael Njuguna	Dean of studies	537351
6	Justinah Mwatu	Head of Department - Boarding	394242

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KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: 135-90131.
Telephone: 011027954
E-mail: talagirl16@gmail.com
Website: N/A
Facebook: N/A
Twitter: N/A

(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: | Tala |
| Account Number: | 1107262194 |
| 2. Name of Bank: | Equity Bank |
| Branch: | Tala |
| Account Number: | 0900294214921 |
| 3. Name of Bank: | KCB |
| Branch: | Tala |
| Account Number: | 1107393566 |
| 4. Name of Bank: | KCB |
| Branch: | Tala |
| Account Number: | 1107198755 |
| 5. Name of Bank: | KCB |
| Branch: | Tala |
| Account Number: | 1272341348 |
| 6. Name of Bank: | KCB |
| Branch: | Tala |
| Account Number: | 1107393361 |

(g) Independent Auditors

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

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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:**

The Presentation was done by use of a table as shown;

SUMMARY REPORT OF THE SCHOOL PERFORMANCE 2019 TO 2021				
S/No	Performance Criteria	Period Ended January 2021 - 30th June 2021	Year Ended January 2020- December 2020	Year Ended January 2019- December 2019
	FINANCIAL			
	SURPLUS/DEFICIT	(458,879.00)	2,030,140.00	4,451,020.00
	DIRECT CAPITATION GRANTS	7,028,748.00	6,680,054.00	12,126,573.00
	INFRASTRUCTURE GRANTS	1,588,000.00	3,948,500.00	0.00
	TOTAL GRANTS	8,616,748.00	10,628,554.00	12,126,573.00
	ENROLMENT	793	793	650
	RATIO OF CAPITATION GRANTS PER STUDENT	1:9468	1:13402.97	1:22,244
	OTHER INCOMES	14,536,486.00	17,087,944.00	30,108,679.00
	GROWTH OF OTHER INCOMES	(2,551,458.00)	(13,020,735.15)	
	EXPENDITURE/PAYMENTS	23,612,113.00	25,686,358.00	26,020,629.00
	GROWTH OF EXPENDITURE	(2,074,246.00)	(334,271.00)	
	MOVEMENT OF DEBTORS/RECEIVABLES	11,515,271.00	9,737,402.00	8,165,034.00
	MOVEMENT OF CREDITORS/PAYABLES	6,063,420.00	6,571,174.00	2,720,034.00
	CASH AND CASH EQUIVALENTS	2,498,046.00	5,242,548.00	2,239,856.00

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b) **Teacher Student ratio:**

ENROLLED STUDENTS = 793
NUMBER OF STREAMS = 4
TSC TEACHERS = 32
BOM TEACHERS = 6
TOTAL NUMBER OF TEACHERS = 38
STUDENT: TEACHER RATIO = 21:1

c) **Mean score in the 2020 KCSE:**

YEAR	NO OF CANDI DATES	MEAN	TRANSI TION	TRANSITIO N (%)	SCHOOL TARGET	COMMENTS
2020	140	6.143	139	99.2%	7.5	Most of the students qualified to join institutions of higher learning. There was a positive deviation of 0.2 in the transition
2019	126	6.119	125	99%	7.5	Most of the students qualified to join institutions of higher learning. There was a positive deviation of 0.4 in the transition.
2018	123	5.756	117	95%	7.5	Most of the students qualified to join institutions of higher learning. There was a positive deviation in the transition.

d) **Number of Candidates in the 2018,2019 and 2020 KCSE:**

Year of KCSE	NO. OF CANDIDATES
2020	14
2019	126
2018	123

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e) Capacity of the school:

	Area	Ideal No.	Actuals By 30/6/2021	Comments
1.	Class rooms	18	15	- Shortfall of 3
2.	Science laboratories	4	3	- One more needed
3.	Toilets - boarding	32	39	sufficient
	- tuition	32	20	- shortage of 12
4.	Dormitories- 6 dorms	840	793	-more dormitories needed due to increasing no of students

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f) Development projects carried out by the school:

Sno.	Project	Year	Status	Amount	Fund Source
1	Dormitories	2020-2021	Completed	2,171,881.00	Maintenance & Improvement
2	Classrooms	2020-2021	Completed	1,175,054.00	Maintenance & Improvement from Parents
3	Laboratories	2020-2021	Completed	1,484,980.00	TIG, Maintenance & Improvement from G.O.K and Parents
4.	Library	2020-2021	completed	1,224,488.00	Maintenance & Improvement from Parents

Sign.....

School Principal

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III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

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

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

The Board of Management of Tala 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, 2021, and of the school's financial position as at that date.

Name: Emmanuel Musau
Designation: Chairman, School Board of Management
Sign:
Date: 11/9/24

Name: Annabella Mbugi, EBS
Designation: School Principal & Secretary to Board of Management
Sign:
Date: 11/9/24

Name: Peter Kinyanjui
Designation: Bursar/ Finance Officer
Sign:
Date: 11/9/24

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON TALA GIRLS SECONDARY SCHOOL FOR THE SIX MONTHS' PERIOD ENDED 30 JUNE, 2021 - MACHAKOS COUNTY

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, gazetted 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 control, risk management and governance systems are properly designed and were working effectively in the six months' financial period 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 Tala Girls Secondary School – Machakos County set out on pages 12 to 29, which comprise of the statement of financial

assets and financial liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the six (6) months' period 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 Tala Girls Secondary School – Machakos County as at 30 June, 2021, and of its financial performance and its cash flows for the six (6) months' period 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. Accounts Receivables

1.1. Unsupported Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.11,515,271 as disclosed in Note 9 to the financial statements. However, the supporting schedules, detailed aging analysis and issued invoices were not provided for audit review.

In the circumstances, the accuracy and completeness of the accounts receivables balance of Kshs.11,515,271 could not be confirmed.

1.2 Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.11,515,271 in respect of fees arrears as disclosed in Note 9 to the financial statements. Included in the balance are receivables amounting to Kshs.7,341,171 which had been outstanding for more than two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.11,515,271 could not be confirmed.

2. Inaccurate Accumulated Fund Brought Forward

The statement of financial assets and liabilities reflects accumulated funds brought forward for the prior year (January to December, 2020) of Kshs.6,378,636 which differs from Note 11 of Kshs.7,091,171 resulting unexplained variance of Kshs.712,535.

In the circumstances, the accuracy and completeness of the accumulated fund brought forward for the previous year of Kshs.6,378,636 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Tala 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 are no other key audit matters to report in the year under review.

My opinion is not modified in respect of this matter.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and 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 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. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.14,510,773 as disclosed in Note 6 to the financial statements. Included in the expenditure is an amount of Kshs.36,160 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.36,160 could not be confirmed.

2. Failure to Transfer Infrastructure Funds from the Operations Bank Account

The statement of receipt and payment reflects operations grants amount of Kshs.7,583,923 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.1,584,500 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, the amount of Kshs.1,584,500 was not transferred to the infrastructure account during the year 2020/2021. This was contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the School infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

In the circumstances, Management breached the law.

3. Under Funding of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amount of Kshs.1,032,825 and Kshs.7,583,923, respectively as disclosed in Note 1 and Note 2 to the financial statements. During the six months' financial period, NEMIS reported a total number of three hundred and eighty-eight (388) students while the enrolment records provided by the School indicated a total number of four hundred and forty-seven (447) students, resulting to an unexplained variance of fifty-nine (59) students. As a result of the variances, the School was under funded by an amount of Kshs.1,311,612.

In the circumstances, under-funding may have affected service delivery to the School.

4. Irregular Extension of Board Members Tenure

During the year under review, scrutiny of the records showed that the chairperson to the Board of Management was first appointed in October, 2015, reappointed in July, 2019 and further reappointment in May, 2022 for a term of three years. As at the time of audit in May, 2024 it was established that the member was still serving as a member of the Board of Management contrary to Section 7(2) of the Basic Education Act No_14 of 2013 which states that the chairperson shall serve for a term of four years and shall be eligible for appointment for one further term of four years.

Further, review of school records showed that a member of the Board was appointed as a member of the Board of Management in October, 2015, reappointed in July, 2019 and further reappointment in May, 2022 for a term of three years. As at the time of audit in May, 2024 it was established that the member was still serving in the Board of Management contrary to Section 7(3) of the Basic Education Act No_14 of 2013 which provides two term limits.

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

5. Irregular Membership of the Audit Committee

During the year under review, records revealed that the audit committee members for the year under review included the principal of the School. This is contrary to Regulation 176(1) of the Public Finance Management (National Government) which states the Accounting Officer of a national or county government entity shall not be a member of the audit committee, but shall attend a meeting of the audit committee by the invitation of the chairperson of the committee.

Further, the Committee had 7 members contrary to Regulation 174(4) of the Public Finance Management (National Government) Regulations, 2015 which requires minimum of three members, excluding a person who shall be appointed to represent the National Treasury in each audit committee and a maximum of five members.

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

6. Failure to Prepare Separate Bank Account Reconciliations

The statement of financial assets and financial liabilities and as disclosed in Note 7 and 8 to the statements reflects bank balance of Kshs.2,497,098 and cash balances of Kshs.948. However, examination of the School records indicates that the bank reconciliations items are recorded in the cash books and there were no separate bank reconciliations statements prepared and approved by Management as required by Regulation 90 (1) of the Public finance management Regulations, 2015. In addition, the Schools Management did not prepare Board of Cash survey as at 30 June, 2021 to confirm the reported cash balances.

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

7. Irregular Construction of a Laboratory

The statement of receipts and payments reflects payment for operations of Kshs.8,248,968 as disclosed in Note 8 to the financial statements. Included in the amount is repairs and maintenance of Kshs.207,510, dormitories of Kshs.2,171,881, classrooms of Kshs.1,175,054 and laboratories of Kshs.1,175,954. Review of procurement documents provided for audit showed that, the school infrastructure committee, held a meeting on 18 September, 2020 approved laboratories renovation, fixtures, gas chambers and general repairs be done. Three firms were invited to tender for the renovation of the science laboratory through request for quotation (RFQ) method. The tender evaluation committee recommended one of the firms for award of the contract at a quoted price of Kshs.2,582,415. However, the procurement unit did not provide a professional opinion to the accounting officer with the details of the recommended bidder. Further, although the contractor completed the renovations of the laboratory, no

documentary evidence was provided to show that the inspection and acceptance committee inspected the works and gave a report on the quality of works done.

In the circumstances, value for money for the works could not be confirmed.

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

The financial statements presented for audit did not include all information provided in the format prescribed and published by the Public Sector Accounting Standards Board (PSASB) as follows:

- i. The School did not submit financial statements for eighteen (18) months contrary to the Public Sector Accounting Standards (PSASB) guidelines on implementation of the International Public Sector Accounting Standards (IPSAS) by secondary schools in Kenya dated 10 August, 2021 which requires the first financial statements after adoption of the IPSAS to be presented for eighteen (18) months from 1 January, 2020 to 30 June, 2021.
- ii. Additionally, no journal entry adjustments have been produced to justify the removal of the opening balances (2019/2020) in the revised financial statements.

In the circumstances, Management was in breach of the PSASB guidelines. Further, lack relevant information may affect users' reliance on the financial statements for decision making.

9. Irregular Construction of a Library

During the year under audit, review of the documents showed that Matungulu NG-CDF funded the construction of the school library and the contract was signed and works commenced in January, 2016. However, works stalled for three years due to shortage of funds at the NG-CDF. However, it was noted that during the Board of Management meeting held on 3 November, 2018, members resolved that the School would co-fund the project at a cost of Kshs.2,000,000 which was to be used for painting and decoration. In 2019, the contractor was instructed to continue with the construction of the library. The school paid for certificates numbers 8 and 9 totaling Kshs.1,197,488. It is not clear why the School co-funded the project, yet the contract for the construction of the project to completion was already in place and had not been cancelled. Additionally, examination of the tender documents revealed that the School did not have custody of the contract for the construction of the library.

Further, physical inspection of the library in the month of June, 2024 revealed that, although the library was completed and handed over in 2021, the library is being used as a hall and not in use as a library.

In the circumstances, the School did not receive value for money in the construction of the school library.

10. Long Outstanding Payables

The statement of financial assets and financial liabilities and as disclosed in Note 10 to the financial statements reflects payables balance of Kshs.6,063,420. However, included in the balance are trade payables balance of Kshs.1,325,933 which had been outstanding for more than one (1) years. This was contrary to Section 53 (8) of the Public Procurement and Asset Disposal Act, 2015 which states that 'an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contract (s) are reflected in approved budget estimates'.

In the circumstances, the School Management was in breach of the law and there is risk loss of public funds through litigations, interests and penalties.

11. Failure to Prepare School Improvement Plan

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

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

12. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 26 September, 2022 instead of the statutory deadline of 30 September, 2021. This was contrary to the Ministry of Education circular Ref.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.

The audit was conducted in accordance with the ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply, in all material respects, with the authorities that govern them.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of IT Internal Control Systems

Review of the school's IT internal control system revealed that the school has been using manual system the general operations of the School and in preparation of financial statement.

In the circumstances, the School's books of accounts and the financial statements may be prone to errors and irregularities.

2. Lack of Asset Tagging

Annex 2 to the financial statements summary of fixed assets register reflects nil historical cost for property, plant and equipment. However, the assets register provided for audit review lacked mandatory information for both existing and acquired assets like; dates of acquisition, persons responsible, assets location, asset values net of depreciation and amortization and current market values rendering the register incomplete and un-updated.

In addition, physical examination of assets reviewed the School had not tagged most of the assets with unique identifiers contrary to the guidelines on asset and liability management part IV(i) C section 77(7) of the National Treasury Guidelines on Asset and Liability Management in the Public Sector, 2020 which provides that all assets purchased shall be identified/ tagged upon receipt from suppliers and, before they are issued out to user departments and the tag number of each asset to be included in the asset register.

In the circumstances, the existence of proper control systems of assets management to prevent theft, security threats, losses, wastage and misuse could not be confirmed.

3. Lack of Ownership Documents

Annex 2 to the financial statements reflects a summary of the fixed assets which include a parcel of land title number Matungule/Katine/4522 with approximate area 1.70 Ha

acquired in 2003. Although the School provided a title deed issued to the former owner on 9 May, 2024, the title transfer has not been effected. It is not clear why it has taken an inordinately long time to transfer the legal ownership of these land to the School.

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

4. Failure to Hold Audit Committee Meetings

During the year under review, records revealed that the audit committee did not meet contrary to Regulation 179(1) of the Public Finance Management (National Government) which provides that the audit committee shall meet at least once in every three months.

In the circumstances, lack of the audit committee meetings resulted in inadequate oversight of the school activities and decisions.

5. Inadequate Staff Recruitment Procedures

During the year under review, Tala Girls Secondary School recruited two (2) teachers to fill vacancies for various teaching posts. Scrutiny of the recruitment process revealed that the school maintains a database of the applicants who are contacted and interviewed for teaching position when a vacancy arises. However, no documentation was availed to support the interview process of the two (2) recruited by the Board of Management teachers and the authority from the board of management to employ the teachers on contract was not provided.

In the circumstances, the adequacy of internal controls on recruitment procedures and documentation of the process could not be confirmed.

6. Lack of Adequate Facilities in the Institution

During the year under review, inspection of the School facilities indicated the School's dining room is used as classes and the school did not observe a standard classroom measuring 7m x 8m for 45 learners. This is contrary to Regulation 64(d) and (e) of Basic Education Regulation, 2015 states that every institution of basic education and training shall have provisions for the kitchen and dining room. However, inspection of the School facilities indicated the School's dining room is used as classes and the school did not observe a standard classroom measuring 7m x 8m for 45 learners.

In the circumstances, the adequacy of the school infrastructure to ensure welfare of the students and high quality of education 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 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 overall governance.

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

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

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

Those charged with governance are responsible for overseeing the School's financial reporting process, reviewing the effectiveness of how the 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 control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal 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 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 as a going concern or to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to continue to sustain its services.

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

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


18 November, 2024

TALA GIRLS SECONDARY SCHOOL
Annual Report and Financial Statements
For the six months period ended 30th June 2021

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

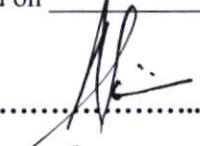
DESCRIPTION OF VOTE HEAD	Sl. No.	Jan 2021 - June 2021 KSh	2020 KSh
RECEIPTS			
Capitation grants for tuition	1	1,032,825.00	1,203,197.00
Capitation grants for operations	2	7,583,923.00	9,425,357.00
School Fund Income- Parents' Contributions	3	14,536,486.00	17,087,944.00
TOTAL RECEIPTS	14	23,153,234.00	27,716,498.00
PAYMENTS			
Payments for Tuition	4	852,372.00	978,724.00
Payments for operations	5	8,248,968.00	8,013,015.00
Boarding and school fund payments	6	14,510,773.00	16,694,619.00
TOTAL PAYMENTS	14	23,612,113.00	25,686,358.00
SURPLUS/DEFICIT		(458,879.00)	2,030,140.00

The school financial statements were approved on _____ 2024 and signed by:

Sign: 

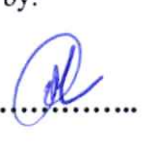
Emmanuel Musau
Chairman, BOM

Date 11/9/24

Sign: 

Annabella Mbugi, EBS
**School Principal/
 Secretary to the BOM**

Date 11/9/24

Sign: 

Peter Kinyanjui
Bursar

Date 11/5/24

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

	Note	Jan 2021 - June 2021	Jan 2020 - Dec 2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	7	2,497,098.00	5,242,157.00
Cash Balances	8	948.00	391.00
Total Cash and cash equivalent		<u>2,498,046.00</u>	<u>5,242,548.00</u>
Account's receivables	9	11,515,271.00	9,737,402.00
TOTAL FINANCIAL ASSETS		14,013,317.00	14,979,950.00
FINANCIAL LIABILITIES			
Accounts Payables	10	6,063,420.00	6,571,174.00
NET FINANCIAL ASSETS		7,949,897.00	8,408,776.00
REPRESENTED BY			
Accumulated Fund b/fwd	11	8,408,776.00	6,378,636.00
Surplus/Deficit for the year		(458,879.00)	2,030,140.00
NET FINANCIAL POSITION		7,949,897.00	8,408,776.00

The school's financial statements were approved on _____ 2024 and signed by:

Name: Emmanuel Musau
Chairman, BOM

Sign: 

Date: 10/9/24

Name: Annabella Mbugi,
EBS
School Principal /Secretary
to the BOM

Sign: 

Date: 10/9/24

Name: Peter Kinyanjui
Bursar

Sign: 

Date: 11/9/24

TALA GIRLS SECONDARY SCHOOL
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VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2021

Capitation grants for tuition	1	1,032,825.00	1,203,197.00
Capitation grants for operations	2	6,475,309.00	9,425,357.00
School fund income- Parents contributions/ fees	3	13,212,931.00	16,716,281.00
Total receipts		20,721,065.00	27,344,835.00
Payments			
Payments for Tuition	4	1,027,372.00	1,210,729.00
Payments for operations	5	10,048,362.00	6,847,105.00
Boarding and school fund payments	6	12,389,833.00	16,289,497.00
Total payments		23,465,567.00	24,347,331.00
Net cashflow from operating activities		(2,744,502.00)	2,997,504.00
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		-	-
Acquisition of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash flows from Investing Activities		-	-
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS		(2,744,502.00)	2,997,504.00
Cash and cash equivalent at BEGINNING of the year		5,242,548.00	2,245,044.00
Cash and cash equivalent at END of the year		2,498,046.00	5,242,548.00

The above presentation of cash flow statement uses the direct method of cash flow presentation which is encouraged under IPSAS.

PUBLIC SECONDARY SCHOOLS –TALA GIRLS’HIGH SCHOOL
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VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2021

RECEIPTS						
<i>(1) CAPITATION GRANT ON TUITION</i>						
Textbooks and reference materials						
Exercise books						
Laboratory equipment						
Internal exams						
Teaching / learning materials	1,968,400.00		1,968,400.00	1,032,825.00	935,575.00	52
Chalks						
Exams and assessment						
Teachers guides						
<i>(2) CAPITATION GRANT ON OPERATIONS</i>						
Personnel emoluments and other voteheads.	4,465,000.00		4,465,000.00	5,995,923.00	(1,530,923.00)	109
Repairs and maintenance	2,375,000.00		2,375,000.00	1,588,000.00	787,000.00	66
Local transport / travelling						
Electricity and water						
Medical						
Administration costs						
Activity						
Gratuity						

TALA GIRLS SECONDARY SCHOOL
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For the six months period ended 30th June 2021

Receipts/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
SMASSE						
(3) FEES CHARGED ON PARENTS						
Personnel emoluments and other voteheads.	5,543,250.00		5,543,250.00	531,912.00	5,011,338.00	10
Repairs and maintenance	950,000.00		950,000.00	44,305.00	905,695.00	5
Local transport / travelling						
Electricity and water						
Medical						
Administration costs						
Activity	237,500.00		237,500.00	3,650.00	233,850.00	2
SMASSE						
Fee on Boarding Equipment and Stores	13,429,250.00		13,429,250.00	13,956,619.00	(527,369.00)	104
OTHER INCOME						
Rent income						
Income from farming activities						
Insurance compensation						
Income from Posho mill						
Income from Bus Hire						
Fee for hire of ground and equipment						
Interest income						
Income from any other investment						
TOTAL INCOME	28,968,400.00		28,968,400.00	23,153,234.00	5,815,166.00	80

TALA GIRLS SECONDARY SCHOOL
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(1) EXPENDITURE FOR TUITION						
Textbooks and reference materials						
Exercise books						
Laboratory equipment				170,000.00	(170,000.00)	
Internal exams						
Teaching / learning materials	1,968,400.00		1,968,400.00	680,500.00	1,287,900.00	34
Chalks						
Exams and assessment						
Teachers guides						
Administration costs						
Bank Charges				1,872.00	(1,872.00)	
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments and other voteheads.	4,465,000.00		4,465,000.00	1,983,668.00	2,481,332.00	44
Repairs, maintenance & improvements	2,375,000.00		2,375,000.00	207,510.00	2,167,490.00	9
Local transport / travelling						
Electricity, water and conservancy						
Medical						
Administration costs				1,386.00	(1,386.00)	
Activity Expenses						
Gratuity						
SMASSE						

TALA GIRLS SECONDARY SCHOOL
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Receipt/expense/Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel emoluments and other voteheads	5,543,250.00		5,543,250.00	5,781,051.00	(237,801.00)	104
Repairs, maintenance and improvements	950,000.00		950,000.00	549,812.00	400,188.00	58
Local transport / travelling						
Electricity, water and conservancy						
Medical Expenses						
Administration costs						
Activity	237,500.00		237,500.00		237,500.00	0.00
Gratuity						
Lunch programme						
Boarding Equipment and Stores	13,429,250.00		13,429,250.00	8,116,910.35	5,312,339.65	60
Expenditure for Income Generating Activity						
Insurance costs						
Other expenses on investments						
Rent Expenses						
Bank Charges						
Loan Interest Repayment						
Loan Principal Repayment						
Acquisition of Assets				6,056,403.00	6,056,403.00	
TOTALS	28,968,400.00		28,968,400.00	23,612,112.00	5,356,288.00	82

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

TALA GIRLS SECONDARY SCHOOL
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- i. The underutilization of income observed under teaching and learning materials was as a result of delays in the release of capitation funds from the government.
- ii. The underutilization of income observed repair and maintenance was as a result of the difference between the financial calendar and education calendar hence less funds were received compared to the actual budgeted amounts since only a part of the school fees had been collected.
- iii. The underutilization of income observed under, LT&T was as a result of the difference between the financial calendar and education calendar hence less funds were received compared to the actual budgeted amounts since only a part of the school fees had been collected.
- iv. The underutilization of income observed under electricity and water was as a result of the difference between the financial calendar and education calendar hence less funds were received compared to the actual budgeted amounts since only a part of the school fees had been collected.
- v. The underutilization of expenditure under teaching and learning materials was as a resort of some of the cost saving measures adopted by the school to save money for some use on some of more demanding voteheads
- vi. The underutilization of expenditure under personal emoluments was as a resort of some of the cost saving measures adopted by the school to save money for some use on some of more demanding voteheads.
- vii. The underutilization of expenditure under repairs and maintenance was as a resort of some of the cost saving measures adopted by the school to save money for some use on some of more demanding voteheads.
- viii. The underutilization of expenditure under boarding and equipment was as a resort of some of the cost saving measures adopted by the school to save money for some use on some of more demanding voteheads

IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

The *school* recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the school. In addition, the school recognises all expenses when the event occurs and the related cash has actually been paid out by the school. In the six months, a total of kshs. 2,134,167.00 being fees arrears, was adjusted in the school fund in Note 3 and a delayed capitation of ksh 1,108,614 was adjusted in the operations in Note 2. The expenditure on the acquisition of assets of kshs 4,831,915.00 in 2021 and kshs 1,047,162.00 in 2020 are captured in note 6 (under payment in the operation account) and are represented in the statement of assets and liabilities as a surplus or deficit.

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. There were no in-kind contributions received during the period. 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. The cash on hand of kshs 948.00 from the school fund account and operations account. Bank account balances include amounts held at various financial institutions at the end of the financial year, this comprised of combined reconciled bank balances of kshs 2,497,098.00 in the six accounts maintained.

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. This was in form of fees arrears of kshs. 10,365,803.00, and non-fees receivables of kshs. 40,854.00 and delayed capitation of kshs 1,108,614 for operations account.

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 amounting to kshs 4,266,461.00. The other creditors were in form of prepaid fees of kshs 1,756,547.00 and Elimu sacco dues of kshs. 40,412.00

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. However, the original budget had to be adjusted by half since the accounting period is for 6 months after the introduction of the IPSAS to conform to the required changes in presentation for 12 months.

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. The comparative figures are not comparable since the current accounting period is for 6 months from January 2021 to June 2021 and the comparative period was the year from January 2020 to December 2020 since the financial statements for 2020 had been audited by the Ministry of education auditors.

10.

Subsequent events

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

TALA GIRLS SECONDARY SCHOOL
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For the six months period ended 30th June 2021

X. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	Teaching / learning materials	1,032,825.00	1,203,197.00
	Total	1,032,825.00	1,203,197.00

2 CAPITATION GRANT FOR OPERATIONS

	Personnel emoluments/LT&T/EW&C/ADM	5,995,923.00	5,086,857.00
	Repairs and maintenance	1,588,000.00	3,948,500.00
	Medical	-	130,000.00
	Activity	-	260,000.00
	Total as per statement of Receipts and Payments	7,583,923.00	9,425,357.00
	Less; Adjustment for delayed capitation - Receivables	(1,108,614.00)	
	Total as per statement of cash flows	6,475,309.00	

3 PARENTS CONTRIBUTION/FEEES - SCHOOL FUND ACCOUNT

	Fee on Boarding Equipment and Stores	13,956,619.00	11,752,159.00
	Personnel emoluments/LT&T/EW&C/ADM	531,912.00	3,661,065.00
	Repairs and maintenance	44,305.00	1,404,327.00
	University registration	-	79,913.00
	Activity	3,650.00	190,480.00
	Total as per the statement of receipts and payments	14,536,486.00	17,087,944.00
	less: Debtors for the year	(2,134,167.00)	(2,381,231.00)
	Add: Prepaid fees current year	1,756,547.00	2,522,113.00
	Arrears recovered	1,520,766.00	808,863.00

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	Elimu sacco recovered	168,577.00	
	Elimu sacco remitted	(128,165.00)	
	Advance recovered	22,000.00	
	Advance given	(7,000.00)	
	Prepaid fees previous year	(2,522,113.00)	(1,321,408.00)
	Total adjustments	(1,323,555.00)	(371,663.00)
	Total as per the statement of cashflows	13,212,931.00	16,716,281.00

4 PAYMENTS FOR TUITION

	Jan 2021 - June 2021	Jan 2020 - Dec 2020
	Kshs	Kshs
Laboratory equipment	170,000.00	-
Teaching / learning materials	680,500.00	976,342.00
Bank Charges	1,872.00	2,382.00
Total as per the Statement of Receipts and Payments	852,372.00	978,724.00
Add: Creditors paid	175,000.00	232,005.00
Less: Creditor for the year	0.00	-
Total adjustments	175,000.00	232,005.00
Total as per the Statement of Cashflows	1,027,372.00	1,210,729.00

TALA GIRLS SECONDARY SCHOOL
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5 PAYMENTS FOR OPERATIONS

	Personal Emoluments/LT&T/EW&C/ADM	1,983,668.00	4,254,878.00
	Repairs and maintenance & improvements	207,510.00	2,000,000.00
	Dormitories	2,171,881.00	244,650.00
	Classrooms	1,175,054.00	-
	Laboratories	1,484,980.00	482,744.00
	Activity Expenses	-	227,500.00
	Bank Charges	1,387.00	731.00
	Library	1,224,488.00	802,512.00
	Transfers to infrastructure account	-	
	Total as per Statement of Receipts and Payments	8,248,968.00	8,013,015.00
	Add: Creditors paid	1,799,394.00	201,780.00
	Less: Creditor for the year	0.00	(1,367,690)
	Total adjustments	1,799,394.00	(1,165,910.00)
	Total as per the Statement of Cash Flows	10,048,362.00	6,847,105.00

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6 BOARDING AND SCHOOL FUND PAYMENTS

		Jan 2021-June 2021	Jan 2020-Dec 2020
		KSh	KSh
Activity		-	388,177.00
Personnel emoluments/LT&T/ADM/EW&C		5,781,051.00	5,943,472.00
Repairs and maintenance & Improvements		549,812.00	666,465.00
University registration		63,000.00	16,838.00
Fee on Boarding Equipment and Stores		8,116,910.00	9,679,667.00
Total as per Statement of Receipts and Payments		14,510,773.00	16,694,619.00
Add: Creditors paid		748,734	343,612.00
Less: Creditor for the year		(2,940,528)	(748,734.00)
NSSF Remitted		84,250	
Nssf recovered		(43,696)	
NHIF Remitted		22,900	
NHIF recovered		(22,600)	
RD Cheque -paid		30,000	
Total adjustments		(2,120,940.00)	(405,122.00)
Total as per the Statement of Cash Flows		12,389,833.00	16,289,497.00

7 BANK ACCOUNTS

		Jan 2021-June 2021	Jan 2020-Dec 2020
		KSh	KSh
Tuition Account	1107393361	6,147.00	695.00
Operations Account	1107393566	924,153.00	27,713.00
School Fund Account/Boarding-KCB	1107262194	1,319,828.00	385,915.00
School Fund Account/Boarding-Equity	0900294214921	159,717.00	270,540.00
Savings Account	1107198755	4,935.00	5,187.00
Infrastructural Account	1272341348	82,318.00	4,552,107.00
Total		2,497,098.00	5,242,157.00

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8 CASH IN HAND

Description	Jan 2021-June 2021	Jan 2020-Dec 2020
	Kshs	Kshs
Tuition Account	-	-
Operation Account	468.00	171.00
School Fund account	480.00	220.00
Total	948.00	391.00

9 ACCOUNTS RECEIVABLE

Description	Jan 2021-June 2021	Jan 2020-Dec 2020
	Kshs	Kshs
Fees arrears	10,365,803.00	9,722,402.00
Salary Advances	-	15,000.00
Other non-fees receivables	40,854.00	-
Delayed Capitation for operations account	1,108,614.00	-
Total	11,515,271.00	9,737,402.00

[An ageing of the fees / non fees arrears is shown below]

Description	Jan 2021-June 2021	Jan 2020-Dec 2020
	Kshs	Kshs
Fees arrears for current year	2,134,167.00	2,381,231.00
Fees arrears for the previous year	860,465.00	2,026,100.00
Fees arrears for prior periods (over two years)	7,341,171.00	5,330,071.00
Total	10,335,803.00	9,737,402.00

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10 ACCOUNTS PAYABLE

Description	Jan 2021-June 2021	Jan 2020-Dec 2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	4,266,461.00	4,049,061.00
Prepaid fees	1,756,547.00	2,522,113.00
Elimu Sacco	40,412.00	
Total	6,063,420.00	6,571,174.00

[An ageing of the creditor's is shown below]

Description	Jan 2021-June 2021	Jan 2020-Dec 2020
	Kshs	Kshs
Trade creditors for current year	2,940,528.00	2,116,424.00
Trade creditors for the previous year	1,325,933.00	1,932,637.00
Trade creditors for prior periods (over two years)	-	
Total	4,266,461.00	4,049,061.00

11 FUND BALANCE BROUGHT FORWARD

Description	Jan 2021-June 2021	Jan 2020-Dec 2020
	Kshs	Kshs
Bank balances	5,242,157.00	2,239,006.00
Cash balances	391.00	755.00
Short Term Investments	0.00	0.00
Receivables	9,737,402.00	8,165,034.00
Payables	(6,571,174.00)	(3,313,624.00)
Total	8,408,776.00	7,091,171.00

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Other important disclosure notes

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

12 BIOLOGICAL ASSETS

Description	Numbers	Jan-June 2021 Kshs	Jan 2020-Dec 2020 Kshs
Cattle		-	-
Goats		-	-
Trees	1100	-	-
Coffee or tea plantation		-	-
Poultry		-	-
Total		-	-

13 STOCK/ INVENTORY

Description	2021	2020
Stock/ inventory at beginning of the year	1,798,315.00	-
Stock/ inventory purchased during the year	3,172,466.00	-
Stock/ inventory issued during the year	(4,550,101.00)	-
Balance at end of the year	420,680.00	-

14 SURPLUS / DEFICIT FOR THE PERIOD ENDED 30TH DECEMBER 2020

Description	Income	Expenditure
Total reported as comparative	27,716,498.00	25,686,358.00
Less: Actual total reported in audited Financial Statements for the year ended 30 th December 2020	(33,316,498.00)	(31,286,358.00)
Adjustment of infrastructure	5,600,000.00	5,600,000.00
Less: Actual expenditure on infrastructure 2020		1,047,893.00
Over expenditure reported		4,552,107.00

In the audited Financial Statements for the year ended 30th December 2020, the school captured kshs 3,600,000.00 under operations and kshs 2,000,000 under Boarding account totalling to kshs 5,600,000.00 while actual expenditure on infrastructure was kshs 1,047,893.00 which led to over expenditure of kshs 4,552,107.00

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15 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.

	Auditor	Management comment	Status: (Resolved, Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
3.0	Income and expenditure account-school should strictly operate within the budgeted estimates	The management will try to operate at its best in accordance with the budget to avoid the surplus and the deficits.	Resolved.	
4.0	Sundry creditors	The management has cleared most of the creditors bills and so far no litigation or court cases have been raised against the school.	Resolved.	
5.0	Sundry Debtors	The management has put measures in place to make sure students clear most of the fees before they clear out of the school through signing of commitments on how to clear the fees within the learning period.	Resolved.	
9.0	Store records	The management has ensured that regular updating of the stores records is done.	Resolved.	
10.0	Fixed asset Register	The school introduced a fixed asset register and all the assets are recorded properly.	Resolved.	

 Sign and Date
 Principal

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted from	Amount Paid To-date	Outstanding Balance as at 30/06/2021	Outstanding Balance as at 31/12/2020
	Kshs	Kshs	Kshs	Kshs	
	a	b	c	d=a-c	
Supply of goods			-	-	
Tuition Account					
Science Lab	573,202.00	25/11/2020	-		573,202.00
Peter Muoki	72,181.00	29/01/2020	-		72,181.00
Sub-Total	645,383.00		-		645,383.00
Operations account					
Jamii Book sellers	541,550.00	15/01/2020	-		541,550.00
Prince Agencies	123,500.00	12/03/2020	-		123,500.00
Sub total	665,050.00				665,050.00
School Fund/Boarding Account					
Sila Mbolu	4,400.00	05/01/2021	-	4,400.00	
Kyakwamwe Gen Merchants	140,330.00	April-June 2021		140,330.00	
Evamose	185,000.00	Jan-May 2021		185,000.00	
Kenafri bakery	928,465.00	April-June 2021		928,465.00	
Peter njomo	160,350.00	Feb-June 2021		160,350.00	
Lucia Kavita	59,080.00	April-May 2021		59,080.00	
Peter Nzioka	807,000.00	Jan -May 2021		807,000.00	
Floma Cleaning Services	44,400.00	22/06/2021		44,400.00	
Lilyput Enterprises	19,890.00	May-June 2021		19,890.00	

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Leeswood Technology	91,212.00	Jan-Feb 2021		91,212.00	
Umiisyo Gen Shop	21,460.00	23/03/2021		21,460.00	
Kyeni Beverages	3,300.00	01/06/2021		3,300.00	
Mathias Ndilu	149,351.00	Jan-May 2021		149,351.00	
Global Access	257,670.00	16/02/2021		257,670.00	
Global Access	15,500.00	27/11/2020			15,500.00
Sub total	2,887,408.00			2,871,908.00	15,500.00
Supply of Services			-	-	
Willy M. Muinde	23,320.00	05/05/2021	-	23,320.00	
Daniel Mutinda	45,300.00	01/06/2021		45,300.00	
Sub-Total	68,620.00		-	68,620.00	
Total Trade Creditors	4,266,461.00	-	-	2,940,528.00	1,325,933.00
Sacco deductions Due	40,412.00				
Prepaid Fees	1,756,547.00				
Grand Total Payables	6,063,420.00				

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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost (Kshs) 1 st Jan 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 30 th June 2021
Land 1	1978	School	1.7	0	0	1.7
Land 2	2001	School	2.7	0	0	2.7
Land 3	2002	Neighbouring School	1.12	0	0	1.12
Land 4	2003	Neighbouring School	0.8	0	0	0.8
Buildings and structures		School	133	0	0	133
Motor vehicles		Bus shade	1	0	0	1
Office equipment, furniture and fittings		School	2,558	0	0	2558
ICT Equipment, and Other ICT Assets		Computer lab & offices	105	0	0	105
Tools and apparatus		laboratory	6856	0	0	6856
Textbooks		Students & stores	15,745		0	15,745
Other Machinery and Equipment		School stores	1575	0	0	1575
Heritage and cultural assets		Principal office	76	0	0	76
Intangible assets- soft ware		Exam office	2	0	0	2

