

REPUBLIC OF KENYA



*Enhancing Accountability*

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 26 FEB 2025

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wed

REPORT

TABLED  
BY:

Hon. Samuel  
Chepkonga, MP

CLERK-AT  
THE-TABLE:

M. Mado

OF

PARLIAMENT  
OF KENYA  
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**THE AUDITOR-GENERAL**

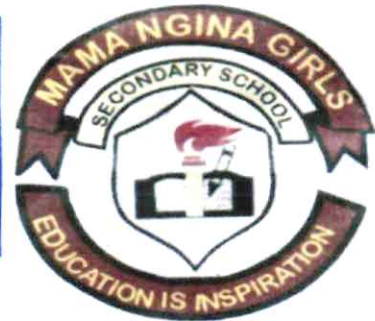
**ON**

**MAMA NGINA GIRLS SECONDARY SCHOOL**

**FOR THE YEAR ENDED  
30 JUNE, 2023**

**MOMBASA COUNTY**

Revised 30<sup>th</sup> June 2023



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**MAMA NGINA GIRLS SECONDARY SCHOOL**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>TH</sup> JUNE 2023**

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

**MAMA NGINA GIRLS SECONDARY SCHOOL**  
**PUBLIC SECONDARY SCHOOL**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2023**

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**MAMA GIRLS SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

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**1. Acronyms and Glossary of Terms**

<b>BOM</b>	<b>Board of Management</b>
<b>CEB</b>	<b>County Education Board</b>
<b>IPSAS</b>	<b>International Public Sector Accounting Standards</b>
<b>KCSE</b>	<b>Kenya Certificate of Secondary Education</b>
<b>PFM</b>	<b>Public Finance Management</b>
<b>PSASB</b>	<b>Public Sector Accounting Standards Board</b>
<b>FY</b>	<b>Financial Year</b>
<b>MOE</b>	<b>Ministry of Education</b>

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**2. 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 in Mombasa County, Mvita Sub-County.

The school was registered in 25<sup>th</sup> January 1988 under registration number PU/S/3/631/13 and is currently categorized as a National public school established, owned or operated by the Government.

The school is a boarding school and had 1,055 number of students as at 30<sup>th</sup> June 2023. It has 5 (Five) streams and 45 teachers of which 2 (Two) 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 of Board Member</b>	<b>Designation</b>	<b>Date of appointment</b>
1	Dr. Rukiya H. Swaleh	Chairman- Parent	06/06/2022
2	Mrs. Mwanamisi Omar	Secretary - Principal	06/06/2022
3	Mrs. Saadu Rashid	Member	06/06/2022
4	Ms. Husna A. Mbarak	Member	06/06/2022
5	Dr. Sophie Uyoga	Member	06/06/2022
6	Dr. Shem Patta	Member	06/06/2022
7	Mwnaharusi Khamisi	Member	06/06/2022
8	Onesmus Mulwa	Member	06/06/2022
9	Hamai Hemedi	Member	06/06/2022
10	Qs Eric Mwanyumba	Member – Rep CEB	06/06/2022
11	Ms. Sophie Dzombo	Member Rep Teachers	06/06/2022
13	Rosebella Abune	Members - Sponsor	06/06/2022
14	Fatma Saad	Member- Sponsor	06/06/2022
15	Dr. Faiz Shee	Member-Sponsor	06/06/2022
16	Khalid O. Shariff	Member - Community	06/06/2022
17	Hamisa Zaja	Member Special Needs	06/06/2022
18	Grace George	Rep Students	06/06/2022

**The functions of the School Board of Management are to:**

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

**(c) Committees of the Board**

<b>Ref:</b>	<b>Name of Committee</b>	<b>Names of Members</b>	<b>Designation</b>	<b>Number of meetings attended during the year</b>
1	Executive Committee	1. Mwanahamisi Omar 2. Rukiya H. Swaleh 3. Khalid O. Shariff 4. Dr. Shem Patta	Principal BOM Chairlady BOM Member BOM Member	6 out of 6 6 out of 6 4 out of 6 6 out of 6
2	Audit Committee	1. Dr. Rukiya Swaleh 2. Dr. Faiz Shee 3. Mdm Rosebella 4. Khalid Shariff 5. Mdm Husna Mbarak 6. Mdm Mwanaharusi 7. Mrs. Mwanahamisi Omar	BOM Chair BOM Member " " " " " " " " " "	2 out of 3 3 out of 3 0 out of 3 2 out of 3 0 out of 3 out of 3 2 out of 3
3	Finance, procurement and general purposes Committee/ Development Committee	1. Qs E. Mwanyumba 2. Khalid Shariff 3. Dr. Shem Patta 4. Mr. Cornelius Kakai 5. Dr. Rukiya Harith 6. Mrs. Mwanahamisi Omar	Chairman Member " " " "	8 out of 8 5 out of 8 5 out of 8 8 out of 8 5 out of 8 8 out of 8

**MAMA GIRLS SECONDARY SCHOOL  
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4	Academic Committee	1. Dr. Rukiya Harith 2. Dr. Faiz Shee 3. Dr. Sophie Uyoga 4. Md. Sophia Dzombo 5. Md. Saadu Rashid 6. Mr. Cornelius Kakai 7. Mrs. Mwanamisi Omar	Chair Member " " " " Principal/Secretary	4 out of 4 4 out of 4 2 out of 4 3 out of 4 4 out of 4 4 out of 4 3 out of 4
6	Discipline and welfare Committee	1. Dr. Sophie Uyoga 2. Onesmus Mulwa 3. Rosebella Ambune 4. Fatima Saad 5. Hamisa Zaja 6. Hamadi Hemed K. 7. Husna Mubarak	Chair Member " " " " "	3 out of 3 3 out of 3 out of 3 3 out of 3 0 out of 3 2 out of 3 1 out of 3

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**(d) School operation Management**

For the financial year ended 30<sup>th</sup> June 2023 the School day-to-day management was under the following persons:

Ref:	Designation	Name	Identification
1	Principal	Mrs. Mwanahamisi Omar	TSC No. 350221
2	Deputy Principal	Madam Loise Kimani	TSC No. 334156
3	School Bursar	Mr. Basil Barasa Haduba	ID NO. 8389074

**(e) Schools contacts**

Post Office Box: 81074 - 80100  
Telephone: 0721-743742  
E-mail: [mamanginagirls.highschool@gmail.com](mailto:mamanginagirls.highschool@gmail.com)  
Website: [www.mamanginagirls.co.ke](http://www.mamanginagirls.co.ke)  
Facebook:  
Twitter:

**(f) School Bankers**

The school operated 9 number of bank accounts in the following banks;

1. Name of Bank: Kenya Commercial Bank  
Branch: Mvita Branch-Mombasa  
Account Number: 1264854285 – Boarding

MPESA Pay Bill No. 522123, Account 67610K- KCB attached to - KCB bank  
account Number: 1264854285

2. Name of Bank: Kenya Commercial Bank  
Branch: Mvita Branch- Mombasa  
Account Number: 1261263170 - Tuition
3. Name of Bank: Kenya Commercial Bank  
Branch: Mvita Branch- Mombasa  
Account Number: 1261262220 – Operation

**School Bankers [continue]**

4. Name of Bank: Kenya Commercial Bank  
Branch: Mvita Branch- Mombasa  
Account Number: 1261263499 – BOM Savings
  
5. Name of Bank: Kenya Commercial Bank  
Branch: Mvita Branch- Mombasa  
Account Number: 1261262042 – Service Gratuity Savings
  
6. Name of Bank: Equity Bank  
Branch: Digo Road Branch- Mombasa  
Account Number: 046293773687 - Boarding
  
7. Name of Bank: National Bank Of Kenya  
Branch: Nkrumah Branch- Mombasa  
Account Number: 1021007512800 – Boarding
  
8. Name of Bank: Kenya Commercial Bank  
Branch: Treasury Square  
Account Number: 08020464581- NG-CDF
  
9. Name of Bank: Kenya commercial Bank  
Branch: Mvita  
Account Number: 1170742394 -Infrastructure

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**(g) Independent Auditors**

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

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**3. 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:**

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

S/N	ACCOUNT	<u>2022-2023</u>	<u>2021-2022</u>	<u>2020-2021</u>
1	Surplus/deficit (Tuition)	1,813.00	(37,235.00)	(184,309.00)
2	Surplus/deficit (Operation)	(644,880.00)	64,369,853.00	(36,842,007.00)
3	Surplus/deficit (Main)	(1,234,665.00)	3,528,447.00	(1,320,917.00)

II) Capitation grants from the Ministry of Education for the last three years

S/N	ACCOUNT	<u>2022-2023</u>	<u>2021-2022</u>	<u>2020-2021</u>
1	TUITION	2,721,504.00	2,972,911.00	1,085,460.00
2	OPERATION	12,060,434.00	134,401,906.00	7,228,581.00
	<b>TOTAL</b>	<b>14,781,938.00</b>	<b>237,374,817.00</b>	<b>8,314,841.00</b>

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

S/N	ACCOUNT	<u>2022-2023</u>	<u>2021-2022</u>	<u>2020-2021</u>
1	MAIN	81,863,006.00	65,736,607.00	18,455,048.00

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

S/N	ACCOUNT	<u>2022-2023</u>	<u>2021-2022</u>	<u>2020-2021</u>
1	TUITION	2,719,691.00	3,010,147.00	1,269,770.00
2	OPERATION	75,672,471.00	70,032,052.00	44,070,588.00
3	MAIN	83,097,671.00	62,208,159.00	19,775,965.00

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VI) Movement of debtors and creditors of the school over the last three years

S/N	PARTICULARS	<u>2022-2023</u>	<u>2021-2022</u>	<u>2020-2021</u>
1	DEBTORS	9,415,908.00	8,331,400	8,716,598.00
2	CREDITORS	18,067,622.00	21,048,64.00	18,704,377.00

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**b) Teacher Student ratio:**

Teachers student ratio	
1. Number of teachers recruited/posted to the school within the year	1
2. Number of teachers transferred within the year	1
3. Number of teachers retired during the year	1
4. Number of teachers recruited/posted to the school within the year	1
5. Number of teachers employed by TSC	42
6. Number of teachers employed by BOM	3
7. Subject allocation: (i) Maths	8 teachers
(ii) English	6 teachers
(iii) Kiswahili	9 teachers
(iv) Chemistry	9 teachers
(v) Biology	5 teachers
(vi) Physics	4 teachers
(vii) Business studies	2 teachers
(viii) Agriculture	2 teacher
(ix) Geography	6 teachers
(x) History and government	5 teachers
(xi) CRE	5 teacher
(xii) IRE	5 teacher
(xiii) Home science	2 teacher
(xiv) Computer	1 teacher
(xv) French	1 teacher
(xvi) Arabic	1
<b><u>Shortage</u></b>	
1. English/Literature	

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**c) Mean score in the 2023 KCSE:**

S/N	Description	2022	2021	2020
1.	Performance of the school	C+	B-	C+
2.	School mean score	7.457	8.078	7.417
3.	Number of students transited to higher learning	135	160	114

**d) Number of Candidates in the 2023 KCSE:**

S/N	Description	2022	2021	2020
1.	KCSE candidates	195	197	177

**e) Capacity of the school:**

S/N	Description	2023
1.	Number of students	1,055
2.	Dormitories	9
3.	Dining hall	1
4.	Laboratories :- ICT lab	1
	Home science lab	1
	Physics lab	1
	Chemistry/biology lab	2
5.	Toilets	63
6.	Kitchen	1

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

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Tuition Block	Ministry of Education	completed	172,221,401	166,628,846	December 2023
Dormitory	Ministry of Education	completed	99,531,699	94,667,688	December 2023

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**4. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY**

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

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

The Board of Management of Mama Ngina 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, 2023, and of the school's financial position as at that date.



.....  
**Name:** Eric Mwanjumbi  
**Designation:** Chairman, School Board of Management  
**Date:** 15-9-23



.....  
**Name:** MBO Omta  
**Designation:** School Principal & Secretary to Board of Management  
**Date:**



.....  
**Name:** Basil Barasa  
**Designation:** Bursar/ Finance Officer  
**Date:** 15-9-2023

# REPUBLIC OF KENYA

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

## **REPORT OF THE AUDITOR-GENERAL ON MAMA NGINA GIRLS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 - MOMBASA 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 the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Mama Ngina Girls Secondary School - Mombasa County set out on pages 1 to 23, which comprise of the statement of

assets and liabilities as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and the statement of budgeted versus actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Mama Ngina Girls Secondary School – Mombasa County as at 30 June, 2023 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 statement of receipts and payments revealed amounts at variance with the balances reflected in the statement of cash flows as analyzed below;

<b>Account Description</b>	<b>Statement of Receipts and Payments Amount (Kshs.)</b>	<b>Statement of Cash Flows Amount (Kshs.)</b>	<b>Variance (Kshs.)</b>
School Fund Income – Parents Contribution	65,596,983	80,822,519	15,225,536
Miscellaneous Income	16,266,023	0	16,266,023
Boarding and School Fund	83,097,671	86,122,718	3,025,047

The variances were not explained or reconciled.

Further, the statement of receipts and payments reflects total payments of Kshs.161,489,833 against an amount of Kshs.101,547,724 reflected in the statement of cash flows, resulting to an unreconciled variance of Kshs.59,942,109. In addition, the statement of receipts and payments and statement of cash flows reflects acquisition of assets amount totalling Kshs.62,967,156, however, Annex 2 under summary of fixed assets register reflects additions during the year of Kshs.2,628,050.

The statement of budgeted versus actual amounts also reflects total original and final budget amounts of Kshs.110,883,080 and Kshs.115,811,900 against recasted totals of Kshs.76,452,080 and Kshs.81,380,900 resulting to a variance of Kshs.34,431,000 in both cases. The statement further reflects actual total receipts amount of Kshs.532,026,609 against recasted amount of Kshs.52,349,840 resulting to a variance of Kshs.479,676,769.

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

## 2. Non-Disclosure of Investment Asset and Investment Receipts

The statement of assets and liabilities reflects short term investments balance of Kshs.Nil. However, review of bank statements for the year under audit revealed that the School Management authorized funds to be invested in fixed deposit account and on call deposits. A total of Kshs.76,000,000 was invested on various dates as shown below;

S/n	Date Funds Invested	Amount Invested (Kshs.)
1	01.08.2022	11,000,000
2	09.11.2022	15,000,000
3	09.11.2022	30,000,000
4	14.02.2022	20,000,000
		<b>76,000,000</b>

Further, Management indicated that Kshs.753,961 was realized as interest from fixed and on call deposits as shown in the table below;

S/n	Month	Interest Earned (Kshs.)
1	July, 2022	31,043
2	August, 2022	327,888
3	September, 2022	9,956
4	October, 2022	10,287
5	November, 2022	28,295
6	December, 2022	21,640
7	January, 2023	159,445
8	February, 2023	9,292
9	March, 2023	4,978
10	April, 2023	151,137
<b>Total</b>		<b>753,961</b>

However, the interest amount was not disclosed in the statement of receipts and payments and statement of cash flows. In addition, evidence that the investment was approved by the Principal Secretary of the Parent Ministry was not provided.

In the circumstances, the School was exposed to loss of funds and the financial statements may be misstated.

## 3. Inaccuracies in Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and operations amounts of Kshs.2,721,504 and Kshs.12,060,434 as disclosed in Note 1 and

Note 2 to the financial statements. Review of the NEMIS capitation disbursements made to the School against the amount received by the School revealed an amount of Kshs.14,880,038 in both records. Further, comparison of banks statements and the financial statements revealed amounts of Kshs.14,880,038 and Kshs.14,781,938 resulting to an unexplained variance of Kshs.98,100.

In the circumstances, the accuracy and completeness of capitation grants for tuition and operation of Kshs.2,721,504 and Kshs.12,060,434 could not be confirmed.

#### **4. Inconsistencies of School Fund Income - Parents Contribution**

The statement of receipts and payments reflects total receipts of Kshs.96,935,341. Included in the amount is school fund income - parents contribution of Kshs.65,596,983 as shown in Note 4 to the financial statements. However, examination of revenue reports generated by the Quick Pay Software, which was used to record income from parents revealed an amount of Kshs.63,809,891 resulting to a variance of Kshs.1,787,092 which was not reconciled.

In the circumstances, the accuracy of school fund income - parents contribution of Kshs.65,596,983 could not be confirmed.

#### **5. Unsupported and Long Outstanding Receivable**

The statement of assets and liabilities reflects accounts receivables balance of Kshs.9,415,908 as disclosed in Note 13 to the financial statements. However, a detailed aging analysis and issued invoices were not provided for audit review. Further, the receivables balance includes an amount of Kshs.8,832,726 in respect of fees arrears which as disclosed in Note 13 to the financial statements includes arrears amounting to Kshs.3,858,785 that had been outstanding for more than two (2) year. In addition, significant accounting policies on accounts receivables as disclosed in Note 5 is silent on the treatment of the students' fees balances which is the major source of income for the School.

In the circumstances, the accuracy, completeness and full recoverability of the outstanding receivables balance of Kshs.9,415,908 could not be confirmed.

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

## **Emphasis of Matter**

### **Budgetary Control and Performance**

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis recasted amounts of Kshs.81,380,900 and Kshs.52,349,840 respectively, resulting to an under-funding of Kshs.29,031,060 or 36% of the budget. However, the School spent a balance of Kshs.135,250,358 against actual receipts of Kshs.52,349,840 resulting to an over-utilization of Kshs.82,900,518 or 158% of actual receipts which was not explained.

The under-funding affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the 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. Employees Earning Less Than a Third of Basic Pay**

The statement of receipts and payments reflects payments for operations amounting to Kshs.12,705,315, out of which an amount of Kshs.9,498,197 relates to other vote heads which includes payments made to employees. Examination of a sample of the payroll revealed that some employees received net pay which is less than a third of their basic pay as indicated in the table below:

<b>Payment Month</b>	<b>Employee Designation</b>	<b>Basic Pay (Kshs.)</b>	<b>Net Pay (Kshs.)</b>	<b>A Third of Basic (Kshs.)</b>
January, 2023	Account Clerk	21,470	4,320	7,157
January, 2023	Matron	25,400	3,633	8,467
January, 2023	Cateress	19,770	3,455	6,590
January, 2023	Librarian	19,770	3,136	6,590
January, 2023	Cook	13,510	3,660	4,503
October, 2022	Account Clerk	21,470	3,809	7,157
October, 2022	Matron	25,400	4,333	8,467
October, 2022	Cateress	19,770	3,455	6,590
October, 2022	Librarian	19,770	3,740	6,590

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

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

The statement of receipts and payments reflects boarding and school fund payments of Kshs.83,097,671 as disclosed in Note 9 to the financial statements. Included in the expenditure is an amount of Kshs.1,657,500 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.1,657,500 could not be confirmed.

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

Review of records for three financial years ending 2021, 2022 and 2023 revealed that there was no evidence of instructional needs assessment that provided basis for determining the number and subject of instructional material needed by the School. Further, there was no evidence of School Instructional Materials Selection Committee (SIMSC) committee that was set up and SIMSC Minute Book Minutes highlighting the needs. As a result, the opening balances of stock inventory of text books in schools from the inception of the orange book, when schools were given text book capitation, in terms of numbers and their monetary value could not be ascertained.

In addition, there was risk of overstocking of text books which may lead to loss of the books through obsolete stock. The School administration explained that they only received books disbursed from the Parent Ministry without any prior consultation. Physical inspection of the textbooks store revealed that some books were on the floor and others in cartons, an indication that they had not been used from the time they were received from the Ministry. Further, there was no evidence of stores ledger and any stock taking carried out at the closure of the year. In absence of stores ledger, it was not possible to

ascertain whether all the books received from the Parent Ministry as per the NEMIS were taken on charge.

In the circumstances, the School risks loss of textbooks issued as capitation through obsolete stock.

#### **4. Lack of Effective Management of Textbooks**

During the year under review, it was observed that the School had not implemented mechanisms to eliminate loss of textbooks in the custody of students, and the students are only accountable to the books when picking their certificates upon clearing from the School. Further, the audit revealed that stock taking of books had not been carried out, and books that were not in the custody of students and teachers were not properly arranged in the book store and some remained on the floor. It was therefore not possible to ascertain books available as well as lost textbooks.

In the circumstances, the School may not have derived value from the textbooks exposed to loss and the School's re-order level may not be effective in the absence of proper records.

#### **5. Excess Supply of Books**

During the year under review, the Ministry of Education distributed textbooks to public secondary schools through Kenya Institute of Curriculum Development (KICD). Examination of records revealed that the Institute distributed two thousand one hundred and eight (2108) books to the School while only one thousand eight hundred and seventy-two (1,872) books were issued to the students, resulting to an unexplained two hundred and thirty-six (236) excess text books in the School store.

In the circumstances, value for money on the excess two hundred and thirty-six (236) text books could not be confirmed.

#### **6. Failure to Transfer Infrastructure Funds from Operations Bank Account**

The statement of receipts and payments reflects operations grants amount of Kshs.12,060,434 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.4,030,000 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, no amount was transferred to infrastructure account, contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the School infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

## **7. Unconfirmed Students Enrolment Data**

The statement of receipts and payments reflects capitation grants for tuition, operations and infrastructure grants totalling Kshs.15,072,334. Comparison of data from National Education Management and Information System (NEMIS) with records from the County Director of Education revealed that during the financial year 2022/2023, NEMIS reflected nine hundred and eighty-two (982) students while records from the County Director of Education had one thousand and fifty-five (1055) students, resulting to an under funding of the School by an amount of Kshs.1,623,812. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 dated 16 June, 2021 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the Principals to ensure their records are accurate.

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

## **8. Unbalanced Budget**

The statement of budgeted versus actual amounts reflects recasted total final budgeted income of Kshs.81,380,900 and final budgeted expenditure of Kshs.71,219,336 resulting to a budget surplus of Kshs.10,161,564 contrary to Regulation 33(c) of the Public Finance

Management (National Government) Regulations, 2015 which provides that 'unless provided otherwise in the Act, these Regulations or any other guidelines developed in furtherance of the Act or these Regulations, that at all times during budget formulation and approval it must be ensured that the budget shall be balanced

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

## **9. Long Outstanding Accounts Payables**

The statement of assets and liabilities and as disclosed in Note 14 to the financial statements reflects payables balance of Kshs.18,067,622. However, included in the balance are trade payables balance of Kshs.3,000,000 which had been outstanding for more than three (3) 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 contracts 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.

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

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

## REPORT ON 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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion.**

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

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

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

In preparing the financial statements, Management is responsible for assessing the School's ability to continue 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 operations.

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

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

Those charged with governance are responsible for overseeing the School's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes

and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit

the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of 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 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**

**27 September, 2024**

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*Report of the Auditor-General on Mama Ngina Girls Secondary School for the year ended 30 June, 2023 - Mombasa County*

**LAMA GIRLS SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

**6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023**


Description Of Vote Head	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Receipts</b>			
Government grants for tuition	1	2,721,504.00	2,972,911.00
Government grants for operations	2	12,060,434.00	134,401,906.00
Government Grants for infrastructure	3	290,396.00	
School fund income- parents' contributions	4	65,596,983.00	3,740,545.00
Miscellaneous incomes	5	16,266,023.00	61,996,062.00
<b>Total Receipts</b>		<b>96,935,341.00</b>	<b>203,111,425.00</b>
<b>Payments</b>			
Tuition	6	2,719,691.00	3,010,147.00
Operations	7	12,705,315.00	70,032,052.00
Infrastructure	8	62,967,156.00	0.00
Boarding and school fund	9	83,097,671.00	62,208,159.00
<b>Total Payments</b>		<b>161,489,833.00</b>	<b>135,250,359.00</b>
<b>Surplus/Deficit</b>		<b>(64,554,491.00)</b>	<b>67,861,065.00</b>

The school financial statements were approved on 15-9- 2023 and signed by:



Name: Eric Mwangi  
Chair BOM

Date: 15-9-23



Name: Madama  
School Principal/ Secretary to BOM

Date: 15/9/23



Name: Basil Barasa  
Bursar/ Finance Officer

Date: 15-9-23

**IAMA GIRLS SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

**7. STATEMENT OF ASSETS AND LIABILITIES AS AT 30<sup>TH</sup> JUNE 2023**

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash and cash equivalents</b>			
Bank balances	10	28,679,832.39.00	97,290,758.49.00
Cash balances	11	18,131.00	27,230.55.00
Short term investments	12	0.00	0.00
<b>Total cash and cash equivalent</b>		<b>28,697,963.00</b>	<b>97,317,989.00</b>
Account's receivables	13	9,415,908.00	8,331,406.00
<b>Total financial assets</b>		<b>38,113,871.00</b>	<b>105,649,395.00</b>
<b>Financial liabilities</b>			
Accounts payables	14	18,067,622.00	(21,048,654.00)
<b>Net financial assets</b>		<b>20,046,248.00</b>	<b>84,600,740.00</b>
<b>Represented by</b>			
Accumulated fund b/f	15	84,600,740.00	16,739,674.00
Surplus/deficit for the year		(64,554,491.00)	67,861,065.00
<b>Net financial position</b>		<b>20,046,248.00</b>	<b>84,600,740.00</b>

The school's financial statements were approved on 15/9 2023 and signed by:



Name: Eric Mwangi  
Chair BOM  
Date: 15-9-23



Name: Nasir  
School Principal/ Secretary to  
BOM  
Date: 15/9/23



Name: Basil Barasa  
Bursar/ Finance Officer  
Date: 15-9-23

**8. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023**

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Cash from Operating Activities</b>			
<b>Receipts</b>			
Government grants for tuition		2,721,504.00	2,972,911.00
Government grants for operations		12,060,434.00	134,401,906.00
Government grants for infrastructure		290,396.00	0.00
School fund income- parents contributions/ fees		80,822,519.00	68,461,364.00
Other income		0.00	0.00
<b>Total receipts</b>		<b>95,894,854.00</b>	<b>205,836,182.00</b>
<b>Payments</b>			
Cash outflows for tuition		2,719,691.10	3,010,147.00
Cash outflows for operations		12,705,315.00	14,683,944.00
Cash outflows Boarding/lunch and school fund payments		86,122,718.00	62,203,447.00
<b>Total payments</b>		<b>101,547,724.00</b>	<b>79,897,538.00</b>
<b>Net cash inflow/outflow from operating activities</b>		<b>(5,652,869.00)</b>	<b>125,938,643.00</b>
<b>Cash flow from investing activities</b>			
Acquisition of assets		(62,967,156.00)	(55,348,108.00)
Proceeds from sale of Assets		0.00	0.00
Proceeds from investments		0.00	0.00
Purchase of investments		0.00	0.00
<b>Net cash inflow/outflows from investing activities</b>		<b>(62,967,156.00)</b>	<b>(55,348,108.00)</b>
<b>Cash flow from Financing activities</b>			
Proceeds from borrowings/ loans		0.00	0.00
Repayment of principal borrowings		0.00	0.00
<b>Net cash inflow/outflow from financing activities</b>		<b>0.00</b>	<b>0.00</b>
<b>Net increase/decrease in cash and cash equivalents</b>		<b>(68,620,025.00)</b>	<b>70,590,534.00</b>
Cash and cash equivalent at beginning of the year		97,317,989.00	26,727,454.00
<b>Cash and cash equivalent at end of the year</b>		<b>28,697,963.00</b>	<b>97,317,989.00</b>

IAMA GIRLS SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023

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The school's financial statements were approved on 15/9/23 2023 and signed by:

  
.....

Name: Eric Mwanjumba  
Chair BOM

Date: 15-9-23

  
.....

Name: M. S. Mwanjumba  
School Principal/ Secretary to  
BOM

Date: 15/9/23

  
.....

Name: Basil Barasa  
Bursar/ Finance Officer

Date: 15-9-23

**MAMA GIRLS SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

**9. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023**

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference
	a	b	c=a+b	d	e=c-d
	Kshs	Kshs			Kshs
<b>RECEIPTS</b>					
<b>(1) CAPITATION GRANT ON TUITION</b>					
Textbooks and reference materials	-	-	-	-	-
Exercise books	-	-	-	-	-
Laboratory equipment	-	-	-	-	-
Internal exams	-	-	-	-	-
Teaching / learning materials	3,825,680.00	-	3,825,680.00	2,972,911.00	852,768.40
Chalks	-	-	-	-	-
Exams and assessment	-	-	-	-	-
Teachers guides	-	-	-	-	-
Reference/Library	-	-	-	-	-
<b>(2) CAPITATION GRANT ON OPERATIONS</b>					
Personnel emoluments	-	-	-	-	-

**MAMA GIRLS SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

Maintenance & Improvement	5,550,000.00	-	5,550,000.00	4,361,810.00	(1,188,190.00)
Local transport / travelling	-	-	-	-	-
Other Incomes	8,620,000.00	-	8,620,000.00	8,634,095.00	(14,095.00)
Electricity and water	-	-	-	-	-
Medical	-	-	-	-	-
Infrastructure	-	-	-	-	-
Administration costs	-	-	-	-	-
Insurance	-	-	-	-	-
Activity	-	-	-	-	-
Personnel emoluments	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-
Local transport / travelling	-	-	-	-	-
Electricity and water	-	-	-	-	-
Medical	-	-	-	-	-
Administration costs	-	-	-	-	-
Activity	-	-	-	-	-
SMASSE	-	-	-	-	-
Fee on Boarding Equipment and Stores	-	-	-	-	-
<b>OTHER INCOME</b>					
Fee on Boarding Equipment and Stores	24,308,000.00	4,928,820.00	29,236,820.00	3,501,607.00	(5,778,787)
Electricity, water & Conservancy					
Local Travelling & Transport				274,900.00	
Home science					
Personal Emoluments				1,659,200.00	
Hire of facilities			26,000,000.00	23,524,955.00	2,475,045.00
Activity	26,000,000.00		8,148,400.00	5,898,962.00	2,526,184.00
Other vote heads	8,148,400.00				

**MAMA GIRLS SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL**

MAMA GIRLS SECONDARY SCHOOL

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

Tender fees				117,500.00	
Canteen				94,000.00	
Students ID Cards/Admission materials				1,290,400	
Caution Money				19,500	
Swimming				-	
Income from farming activities				-	
Insurance compensation				-	
Income from Posho mill				-	
Income from Bus Hire				-	
Fee for hire of ground and equipment/hall				-	
Income from grants and donations*				-	
Interest income				-	
Dividends income				-	
<b>TOTAL INCOME</b>	<b>110,883,080.00</b>	<b>4,928,820.00</b>	<b>115,811,900.00</b>	<b>532,026,609.00</b>	
<b>(1) EXPENDITURE FOR TUITION</b>					
Textbooks and reference materials					
Tuition	3,825,680.00	-	3,825,680.00	3,010,147.00	815,533.00
Laboratory equipment					
Internal exams					
Teaching / learning materials					
Chalks					
Exams and assessment					
Teachers guides					
Administration costs					
Bank Charges					
<b>(2) PAYMENTS FOR OPERATIONS</b>					
Personnel emoluments					

**MAMA GIRLS SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL**

STATE OF KENYA  
MINISTRY OF EDUCATION  
NATIONAL EXAMINATIONS SCHEME

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

Other income	8,620,000.00	-	8,620,000.00	7,810,382.00	809,618.00
Administration costs					
Maintenance & improvements	5,550,000.00	-	5,550,000.00	5,252,045.00	297,955.00
Local transport / travelling					
Electricity, water and conservancy				1,621,517.00	
Servant quarters		-			
Activity Expenses					
SMASSE					
Insurance Cost					
Bank Charges					
Acquisition of Assets				55,348,108.00	
<b>(3) BOARDING AND FOR SCHOOL FUND PAYMENTS</b>					
Activity	975,656.00	-	975,656.00	530,685.00	444,971.00
Other vote heads	26,000,000.00	-	26,000,000.00	20,973,206.00	5,026,793.00
Fee on Boarding Equipment and Stores	24,308,000.00	-	24,308,000.00	34,634,683.00	(10,326,683)
Gratuity				309,139.00	
Home science					
Tender				91,980.00	
BOM Teachers				1,591,823.00	
Hire of facilities					
Pocket Money				47,300.00	
Personnel emoluments (security)				438,750.00	
Service Gratuity					
Repairs, maintenance and improvements	1,940,000.00	-	1,940,000.00	2,471,543.00	(531,543)
Local transport / travelling				1,119,050.00	
Administration materials					
<b>TOTAL EXPENDITURE</b>	<b>71,219,336.00</b>		<b>71,219,336.00</b>	<b>135,250,358.00</b>	

## **10 . 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 school fees from parents, 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. Income arising from school fees is recognised when the event occurs whether cash is received or not. Expenditure arising from operations is recognised when the event occurs irrespective of receipt of cash.

### **3. In-kind contributions**

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

**4. Cash and cash equivalents**

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

**5. Accounts Receivable**

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. Accounts receivables also include school fees billed to parents for services rendered but not paid. 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. Payables also include expenditure incurred for the purchase of goods, works and services that has been rendered and not settled. This is an enhancement to the cash accounting policy adopted for public secondary schools. Other liabilities are disclosed in the financial statements.

**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 2023

**11. NOTES TO THE FINANCIAL STATEMENTS**

**1 Government Grants for Tuition**

<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Reference Materials	0.00	0.00
Exercise Books		
Laboratory Equipment	0.00	0.00
Internal Exams		
Teaching / Learning Materials	2,721,504.00	2,972,911.00
Others	0.00	0.00
<b>Total</b>	<b>2,721,504.00</b>	<b>2,972,911.00</b>

**2 Government Grants for Operations**

<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel Emoluments	0.00	0.00
Repairs And Maintenance	4,011,000.00	0.00
Local Transport / Travelling	0.00	0.00
Electricity And Water	0.00	0.00
Medical	196,300.00	0.00
Administration Costs	0.00	0.00
Activity	568,587.00	0.00
Other Vote Heads	7,284,547.00	8,634,095.00
<b>Total</b>	<b>12,060,434.00</b>	<b>8,634,095.00</b>

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**3 Government Grants for infrastructure**

Description	2022-2023	2022-2023
	Kshs	Kshs
Maintenance & Improvement	0	4,361,810.00
Transition infrastructure grants	0.00	0.00
Administration Block	0.00	0.00
Economic stimulus grants	0.00	0.00
Other (NGCDF and County govt.	290,396.00	121,406,000.00
<b>Total</b>	<b>290,396.00</b>	<b>125,767,810.00</b>

**4 School Fund Income - Parents Contribution/Fees**

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments		
Repairs and maintenance	2,205,041.00	2,555,846.00
Local transport / travelling		
Electricity and water		
Medical		
Administration costs		
Activity	864,904.00	1,184,699.00
Fee on Boarding Equipment and stores	41,523,069.00	35,015,607.00
PA Levies*	21,003,969.00	23,524,955.00
Others		
<b>Total</b>	<b>65,596,983.00</b>	<b>62,281,107.00</b>

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**5 Miscellaneous Incomes**

<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Canteen Income	0.00	94,000.00
Income From Farming Activities	0.00	0.00
Home Science	325,872.00	274,900.00
Income From Posho Mill	0.00	0.00
Income From Swimming	135,644.00	19,500.00
Fee For Hire of Ground and Equipment	14,494,698.00	1,659,200.00
Income From Grants and Donations*	0.00	0.00
Interest Income	0.00	0.00
Tender fees	95,000.00	117,500.00
Admission materials	1,214,809.00	1,290,400.00
Other Incomes	0.00	0.00
<b>Total</b>	<b>16,266,023.00</b>	<b>3,455,500.00</b>

**6 Tuition**

<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Exercise Books	0.00	0.00
Textbooks	0.00	0.00
Reference materials	0.00	0.00
Laboratory Equipment	0.00	0.00
Teaching / Learning Materials	2,719,691.00	3,010,147.00
Exams And Assessment	0.00	0.00
Teachers Guides	0.00	0.00
Bank Charges	0.00	0.00
Others ( <i>specify</i> )	0.00	0.00
<b>Total</b>	<b>2,719,691.00</b>	<b>3,010,147.00</b>

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**7 Operations**

<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel Emoluments	0.00	0.00
Servant quarters	0.00	1,621,517.00
Administration Cost	0.00	0.00
Repairs And Maintenance & Improvements	2,995,113.00	5,252,045.00
Local Transport / Travelling	0.00	0.00
Electricity And Water	0.00	0.00
Medical	79,685.00	0.00
Activity Expenses	0.00	0.00
Insurance Cost	132,320.00	0.00
Others voted Heads	9,498,197.00	7,810,382.00
<b>Total</b>	<b>12,705,315.00</b>	<b>14,683,944.00</b>

**8 Infrastructure**

<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Construction of classrooms	62,954,436.00	55,348,108.00
Construction of laboratory	0.00	0.00
Construction of dormitory	0.00	0.00
Purchase of furniture	0.00	0.00
Purchase of equipment	0.00	0.00
Purchase of apparatus	0.00	0.00
Drilling of boreholes	0.00	0.00
Others (specify)	12,720.00	0.00
<b>Total</b>	<b>62,967,156.00</b>	<b>55,348,108.00</b>

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**9 Boarding And School Fund**

<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>	<b>K</b>
	<b>Kshs</b>	<b>Kshs</b>	
Personnel Emoluments	0.00	0.00	
B.O.M Salaries	3,053,352.00	0.00	
Repairs And Maintenance & Improvements	1,963,566.00	2,471,543.00	
Activity	0.00	530,685.00	
Jomaki	35,000.00	0.00	
Home science	390,608.00	309,139.00	
Administration materials	1,357,755.00	1,119,050.00	
Other vote head	20,102,471.00	20,973,206.00	
Caution	185,000.00	47,300.00	
Service gratuity	1,972,940.00	438,750.00	
Fee On Boarding Equipment and Stores	38,991,360.00	34,634,683.00	
Hire of Facilities	14,917,619.00	1,591,823.48.00	
Insurance Cost (Life Property	0.00	0.00	
Loan Principal Repayment	0.00	0.00	
Tender expenses	16,000.00	91,980.00	
Acquisition Of Assets	0.00	0.00	
Swimming expenses	112,000.00	0.00	
Others (specify)	0.00	0.00	
<b>Total</b>	<b>83,097,671.00</b>	<b>62,208,159.00</b>	

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

**10 Bank Accounts**

Account Name & Currency	Status	Bank Account Number	2022-2023	2021-2022
	Active/Dormant		Kshs	Kshs
Tuition Account	active	1261263170	2,528.00	715.00
Operations Account	active	1261262220	3,187,684.00	3,843,092.00
EQUITY A/c	active	0460293773687	1,137,434.00	536,624.00
School Fund Account/Boarding	active	1264854285	(49,279.00)	333,932.00
KCB A/c-CDF	dormant	08020464581	114.00	114.00
Gratuity A/c	active	1261262942	1,241,203.00	3,221,203.00
BOM Savings account	active	1261263499	1,043,646.00	4,470,040.00
Infrastructure account	active	1170742394	22,108,979.00	84,785,738.00
NBK A/c	active	01021007512800	7,522.00	99,298.00
<b>Total</b>			<b>28,679,832.00</b>	<b>97,290,758.00</b>

**11 Cash In Hand**

Description	2022-2023	2021-2022
	Kshs	Kshs
Notes and Coins-Main Account	11,941.00	(4,338.00)
Operation Account	6,190.00	31,568.00
<b>Total</b>	<b>18,131.00</b>	<b>27,230.00</b>

**12 Short Term Investments**

Description	2022-2023	2021-2022
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit accounts	-	-
Other Investments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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

**13 Accounts Receivable**

Description	2022-2023	2021-2022
	Kshs	Kshs
Fees Arrears	8,832,726.00	7,692,726.00
<b>Other Non-Fees Receivables</b>	499,680.00	499,680.00
RD Cheque:	83,500.00	83,500.00
Rent arrears (list/schedule attached)	0.00	55,500.00
<b>Total</b>	<b>9,415,908.00</b>	<b>8,331,406.00</b>

**13 b Ageing Analysis of Accounts Receivable**

Description	2022-2023		2021-2022	
	Kshs	% of the total	Kshs	% of the total
Less than 1 year	4,553,593.00	%	3,833,941.00	%
Between 1- 2 years	420,348.00	%	3,305,822.00	%
Between 2-3 years	3,305,822.00	%	552,963.00	%
Over 3 years	552,963.00	%	0.00	%
<b>Total (should tie to note 13 a)</b>	<b>8,832,726.00</b>	<b>100%</b>	<b>7,692,726.00</b>	<b>%</b>

**14 Accounts Payable**

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	3,424,455.00	4,216,545.00
Prepaid Fees	0.00	2,232,867.00
Retention Monies	14,573,378.00	14,573,378.00
Unallocated bursaries	69,789.00	25,776.00
Caution money	0.00	0.00
Other payables	0.00	0.00
<b>Total</b>	<b>18,067,622.00</b>	<b>21,048,566.00</b>

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

**14 a. Ageing Analysis of Accounts Payable**

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	2022-2023	% of the total	2022-2023	% of the total
Less than 1 year	424,455.00	%	1,216,545.00	%
Between 1- 2 years	0.00	%	0.00	%
Between 2-3 years	0.00	%	0.00	%
Over 3 years	3,000,000	%	3,000,000.00	%
<b>Total (should tie to note 14)</b>	<b>3,424,455.00</b>	<b>%</b>	<b>4,216,545.00</b>	<b>%</b>

**15 Fund Balance Brought Forward**

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank Balances	97,290,758.00	26,697,880.00
Cash Balances	27,230.00	29,574.00
Short Term Investments	0.00	0.00
Receivables	8,331,406.00	8,716,598.00
Payables	(21,048,654.00)	(18,704,377.00)
<b>Total</b>	<b>84,600,740.00</b>	<b>16,739,674.00</b>

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**Other important disclosure notes**

IPSAS Cash Standard 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.

**16 Non-current Liabilities Summary**

<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank Loans	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Others (specify)	-	-
<b>Total</b>	-	-

**17 Biological assets**

<b>Description</b>	<b>Numbers</b>	<b>2022-2023</b>	<b>2021-2022</b>
		<b>Kshs</b>	<b>Kshs</b>
Cattle		-	-
Goats		-	-
Trees		-	-
Coffee Or Tea Plantation		-	-
Poultry		-	-
Others (specify)		-	-
<b>Total</b>		-	-

**18 Borrowings**

<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Borrowings at beginning of the year	-	-
Borrowings during the year	-	-
Repayments during the year	-	-
<b>Balance at the end of the year</b>	-	-

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**Other important disclosure notes**

**19 Stock/ Inventory**

<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Food stuffs	967,991.00	124,016.00
Lab consumables	241,520.00	296,113.00
Farm produce	-	-
Medication	54,500.00	78,132.00
Construction Materials	-	-
Others	-	-
<b>Totals</b>	<b>1,264,011.00</b>	<b>498,261.00</b>

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**20 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:</b>	<b>Timeframe:</b>

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**12. Annexes**

**Annex I - Analysis of Pending Accounts Payable**

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2023	Comments
	A	b	C	d=a-c	
	Kshs	Kshs	Kshs	Kshs	
<b>Construction Of Buildings</b>					
1. Tuition and administration block	172,221,401	25/09/2019	163,797,670	8,423,737	awaitng handover
2. 2 Staff houses	8,301,568	12/09/2021	8,301,568	-	completed
3. Dormitories	99,531,699	02/02/2022	84,688,000	14,843,011	almost completed
<b>Sub-Total</b>					
<b>Supply Of Goods</b>					
3.					
4.					
<b>Sub-Total</b>					
<b>Supply Of Services</b>					
5.					
6.					
7.					
<b>Sub-Total</b>	<b>280,054,668</b>		<b>248,485,670</b>	<b>23,266,748</b>	

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

<b>Asset Class</b>	<b>Historical Cost b/f (Kshs) 1<sup>st</sup> July 2022</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost c/f (Kshs) 30<sup>th</sup> June 2023</b>
Land	20,000,000	2,000,000		22,000,000
Buildings And Structures	155,223,180	-	-	155,223,180
Motor Vehicles	1,660,000	-	-	1,660,000
Office Equipment, Furniture and Fittings	33,774,270	558,450		34,332,720
Textbooks	-	-	-	-
ICT Equipment	1,721,330	69,600	-	1,790,930
Tools And Apparatus	3,362,250	-	-	3,362,250
Other Machinery and Equipment	1,761,415		-	1,761,415
Heritage And Cultural Assets	-	-	-	-
Intangible Assets- Soft Ware	-	-	-	-
<b>Total</b>	<b>217,502,445</b>	<b>2,628,050</b>		<b>220,130,495</b>