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REPORT

OF

THE AUDITOR-GENERAL

ON

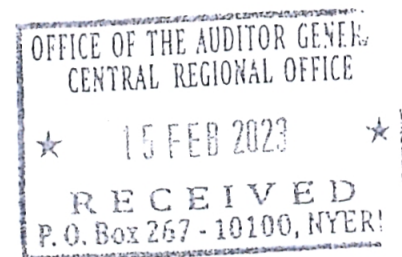
**ST. TERESA MOI EQUATOR
GIRLS SECONDARY SCHOOL**

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

NYERI COUNTY

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE	03 APR 2025
DAY	THURSDAY
TABLED BY:	DEPUTY MAJORITY LEADER Hon. Owend Bwira
CLERK AT THE TABLE:	J. Lemercle

Revised 30th June 2022



**ST. TERESA MOI EQUATOR GIRLS' SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th June 2022**

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

ST. TERESA MOI EQUATOR GIRLS' SEC. SCHOOL
PUBLIC SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2022

ST. TERESA MOI EQUATOR GIRLS' SEC. SCHOOL
PUBLIC SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2022

Table of Contents

Page

I. KEY SCHOOL INFORMATION AND MANAGEMENT	3
II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL	6
III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY	12
IV. REPORT OF THE INDEPENDENT AUDITORS ON THE ANNUAL FINANCIAL STATEMENTS OF ST. TERESA MOI EQUATOR GIRLS' SECONDARY SCHOOL OF THE YEAR ENDING 30 TH JUNE 2021	13
V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30 TH JUNE 2021	14
VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30 TH JUNE 2022	15
VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 TH JUNE 2022	15
VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30 TH JUNE 2022	16
IX. SIGNIFICANT ACCOUNTING POLICIES	18
X. NOTES TO THE FINANCIAL STATEMENTS	20

ST. TERESA MOI EQUATOR GIRLS' SEC. SCHOOL
PUBLIC SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2022

I. KEY SCHOOL INFORMATION AND MANAGEMENT

(a) Background information

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

The school is currently registered under registration number *19 S 0030 0102* and is currently categorized as an Extra-County public school established, owned and operated by the Government. The school is sponsored by the Catholic Church.

It is a boarding school and had approximately 800 students as at 30th June 2022. It has four streams and 39 teachers of which 2 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:

Ref:	Name of Board Member	Designation	Date of appointment
1	Mr. Paul Mwaniki Mwariri	Chairman	7 th June 2022
2	Mr. Tirus Gitahi Wachiuri	Vice - chairman	7 th June 2022
3	Ms. Jacinta Wambui Thamaime	Secretary - Principal	7 th June 2022
4	Rev. Edward Muriungi	Member - P.A Chair	7 th June 2022
5	Ms. Hellen Mahinda	Member	7 th June 2022
6	Ms. Lucy Karimi	Member	7 th June 2022
7	Mr. Dancan Wanjohi Muriuki	Member	7 th June 2022
8	Ms. Leah Wanjiru Ngatia	Member	7 th June 2022
9	Ms. Mirriam Mwangi	Member	7 th June 2022
10	Ms. Angelica Ikabu	Member - Rep Teachers	7 th June 2022
11	Dr. Mary Macharia	Member	7 th June 2022
12	Ms. Dorothy Kanyua Mbaka	Member - Special Needs	7 th June 2022
13	Ms. Cecilia Muthoni Gichohi	Member	7 th June 2022
14	Mr. Joseph Gitonga Ndegwa	Member	7 th June 2022
15	Mr. Peter Atsiaya Masanda	Member	7 th June 2022
16	Eng. Charles Muchugia Gitonga	Member	7 th June 2022
17	Mr. Simon Guama	Member	7 th June 2022
18	Mr. David Ntuara	SCDE	7 th June 2022
19	Rev. Fr. Evaristus Maranga	Education Sec. (A.D.N)	7 th June 2022

**ST. TERESA MOI EQUATOR GIRLS' SEC. SCHOOL
PUBLIC SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2022**

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

The functions of the School Board of Management include:

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

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1.	Executive Committee	Mr. Paul Mwaniki Mr. Tirus Gitahi Ms. Jacinta Thamaine Dr. Mary Macharia Rev. Edward Muriungi	Chairperson Vice chairperson Secretary Member Member	1 out of 6
2	Audit Committee, Finance, procurement and general purposes Committee	Not yet Constituted	Chairperson Vice Chairperson Secretary Member Member	0 out of 3
3	Academic Committee	Mr. Dancan Wanjohi Ms. Angelica Ikabu Ms. Jecinta Thamaine Rev. Edward Muriungi Ms. Mirriam Mwangi Mr. Paul Mwaniki	Chairperson Member Member Member Member Member	0 out of 3
4	School Infrastructure Committee	Eng. Charles Gitonga Ms. Jane Kiruhi Ms. Jacinta Thamaine Mr. Paul Mwaniki Rev. Edward Muriungi Ms. Cecilia Gichohi	Chairperson Secretary Member Member Member Member	1 out of 3
5	Discipline, ethics & integrity committee	Mr. Joseph Gitonga Mrs Jane Kiruhi Ms. Jacinta Thamaine Ms. Leah Wanjiku Mr. Atsiaya Masanda Mr. Paul Mwaniki	Chairperson Secretary Member Member Member Member	0 out of 3

**ST. TERESA MOI EQUATOR GIRLS' SEC. SCHOOL
PUBLIC SECONDARY SCHOOL**
Reports and Financial Statements For the year ended 30th June 2022

(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	Jacinta Wambui Thamaine	273479
2	Deputy Principal	Jane Muthoni Kiruhi	314686
3	School Bursar	Eliud Muchoki Muriuki	27506140 (ID)

(e) Schools contacts

Post Office Box: 283-10400 Nanyuki
Telephone: 0712-690572
E-mails: moiequatorgirls@yahoo.com
moiequatorgirls@gmail.com
Website: -

(f) School Bankers

The following school operated four bank accounts as follows;

1. Name of Bank: Kenya Commercial Bank
Branch: Nanyuki
Account Number: 1103113976
2. Name of Bank: Kenya Commercial Bank
Branch: Nanyuki
Account Number: 1103126059
3. Name of Bank: Kenya Commercial Bank
Branch: Nanyuki
Account Number: 1103125281
4. Name of Bank: Kenya Commercial Bank
Branch: Nanyuki
Account Number: 1264791259

(g) Independent Auditors

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

**ST. TERESA MOI EQUATOR GIRLS' SEC. SCHOOL
PUBLIC SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2022**

II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

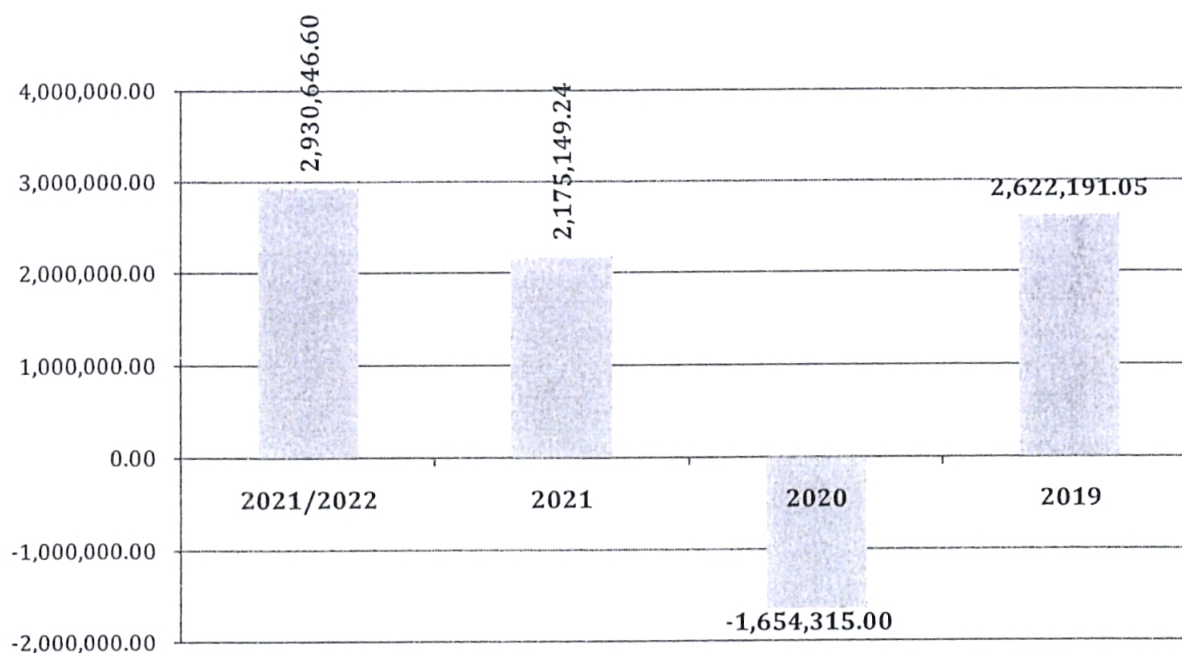
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) Financial performance:

Surplus/ deficit for the year ended 30th June 2022 and a comparison of the same for the last three years

S. No.	Fund	2021/2022	2021	2020	2019
1	School fund account	3,097,700.00	629,749.49	1,355,991.00	-220,571.15
2	Operations account	-419,963.60	395,669.25	79,996.00	159,662.30
3	Tuition account	168,650.20	135,346.50	-643,732.00	207,189.90
4	Infrastructure acc	84,260.00	1,014,384.00	-2,446,570.00	2,475,910.00
	Total	2,930,646.60	2,175,149.24	-1,654,315.00	2,622,191.05
	Increase/Decrease	755,497.36	3,829,464.24	-4,276,506.05	9,100,123.05

Graphical representation of the trend over the last three years



The graphical representation has been combined for the four accounts so as to give a clear overview of the surplus of the school. Representation of individual funds would give confusing and impractical information since there would be cases where inter-borrowing would affect the interpretation of the data.

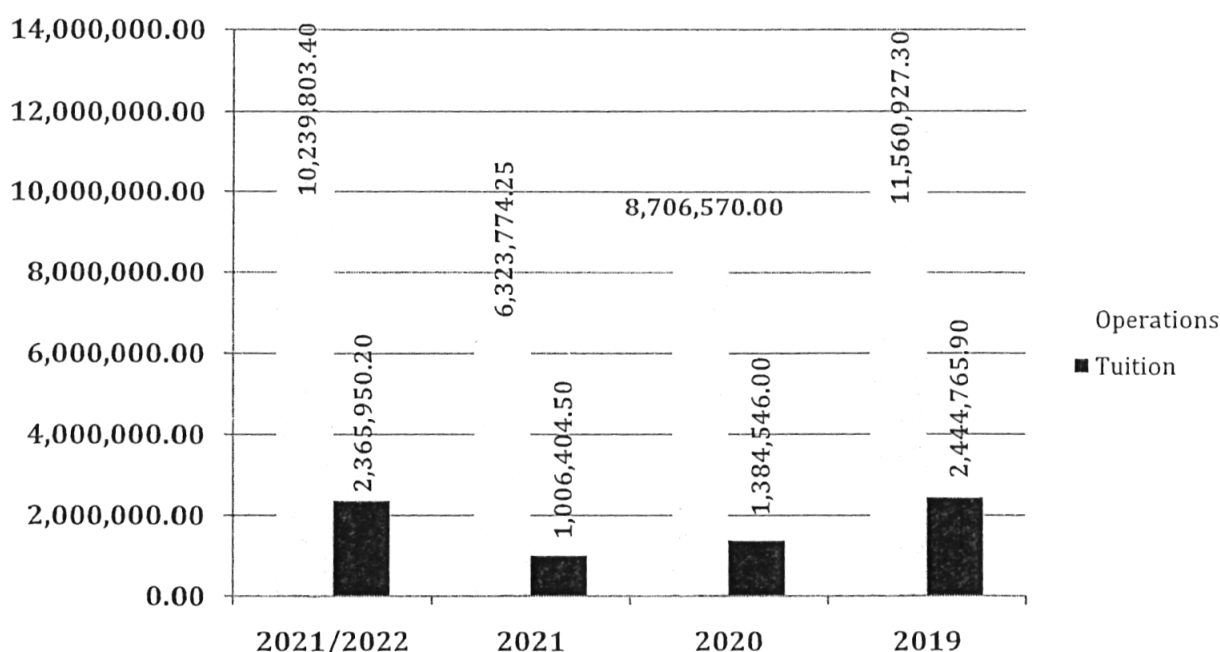
Note: The deficit in 2020 is attributed to Covid-19 which led to the closure of all schools. There was no income from parents and very little capitation was given by government.

**ST. TERESA MOI EQUATOR GIRLS' SEC. SCHOOL
PUBLIC SECONDARY SCHOOL**
Reports and Financial Statements For the year ended 30th June 2022

Tabular representation of Capitation grants from the Ministry of Education for the last three years

S. No.	Fund	2021/2022	2021	2020	2019
1	Operations	10,239,803.40	6,323,774.25	8,706,570.00	11,560,927.30
2	Tuition	2,365,950.20	1,006,404.50	1,384,546.00	2,444,765.90
	Total	12,605,753.60	7,330,178.75	10,091,116.00	14,005,693.20
	Increase/Decrease	5,275,574.85	-2,760,937.25	-3,914,577.20	703,881.70

Graphical representation of Capitation grants from the Ministry of Education for the last three years



Ratio of capitation grant per student over the last three years

S. No.	Fund	2021/2022	2020	2019	2018
1	Operations	10,239,803.40	8,706,570.00	11,560,927.30	9,358,979.50
2	Tuition	2,365,950.20	1,384,546.00	2,444,765.90	3,942,832.00
	Total	12,605,753.60	10,091,116.00	14,005,693.20	13,301,811.50
	No. of Students	800	780	750	750
	Ratio of Capitation per student	1:15,757	1:12937	1:18674	1:17736

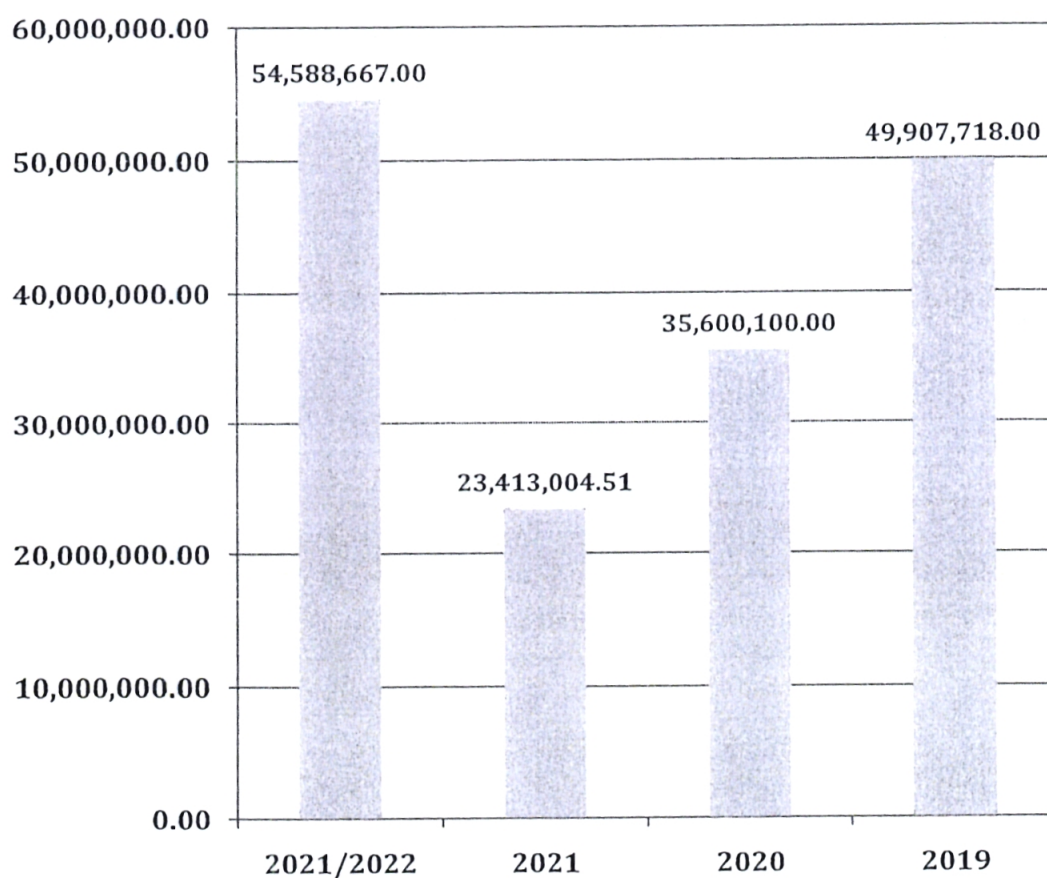
The capitation from the government has gradually increased over the years due to increase in the number of students and changes in government policies. The financial year 2021 is from January to June and as such the decrease should not raise alarm. It is however noted from the ratios, that the capitation is always less than the number of students we actually have. The reduced ratio in 2021/2022 is attributed to the increase in the amount retained by the government.

ST. TERESA MOI EQUATOR GIRLS' SEC. SCHOOL
PUBLIC SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2022

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

S. No.	Fund	2021/2022	2021	2020	2019
1	School Fund Acc	37,587,696.00	14,898,825.51	19,167,878.00	35,554,135.00
2	Operations Account	11,006,431.00	5,949,505.00	8,957,374.00	11,477,217.00
3	Tuition Account	2,197,300.00	871,058.00	2,028,278.00	2,351,276.00
4	Infrastructure Acc	3,797,240.00	1,693,616.00	5,446,570.00	525,090.00
	Total	54,588,667.00	23,413,004.51	35,600,100.00	49,907,718.00
	Increase/decrease	31,175,662.49	(12,187,095.49)	(14,307,618.00)	(4,325,986.50)

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

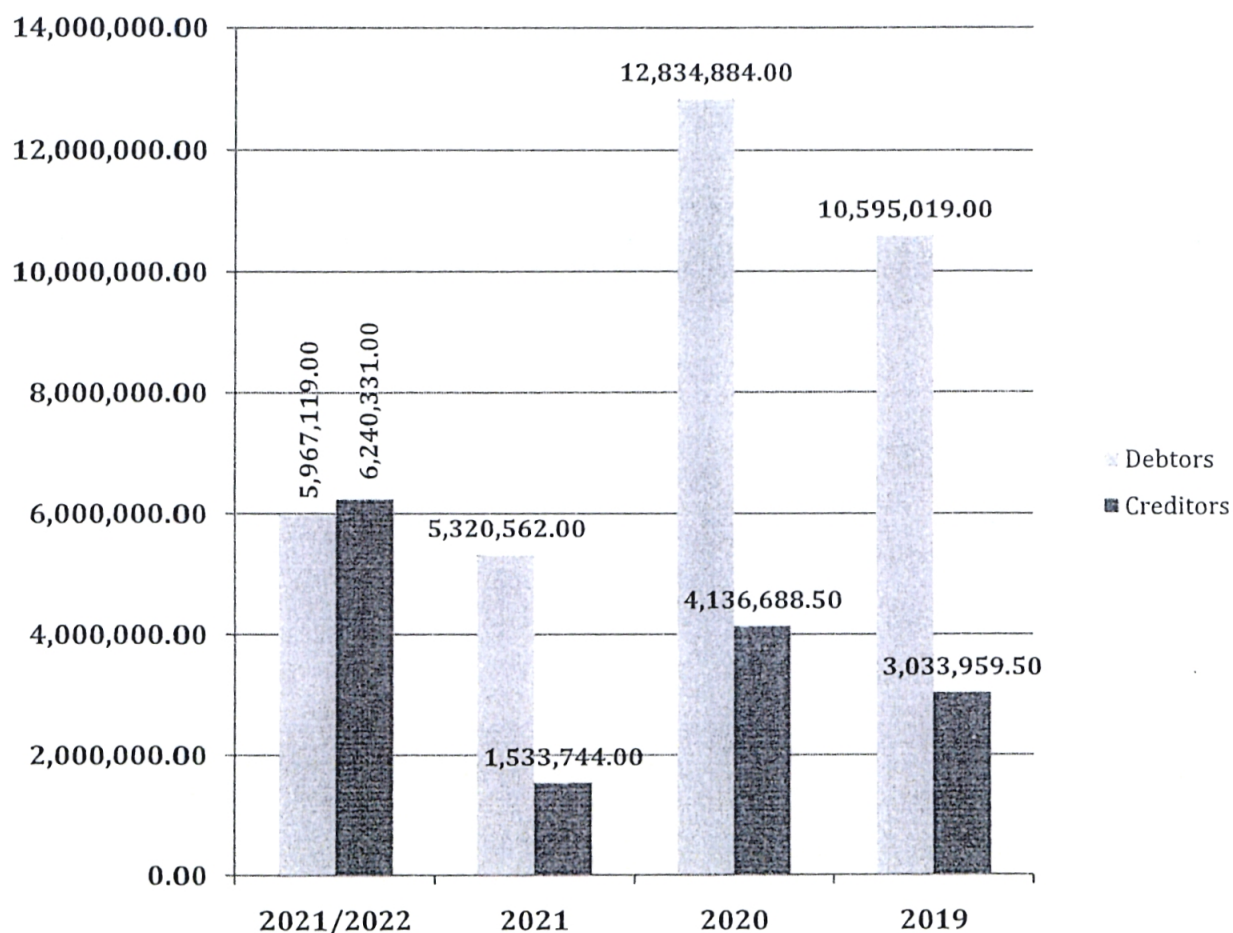


The smaller expenditure in 2020 is attributed to Covid-19 which led to the closure of all schools. There was less expenditure as compared to when the school was running normally. The year 2021 is from January to June and as such the decrease in expenditure is expected because of the short period.

**ST. TERESA MOI EQUATOR GIRLS' SEC. SCHOOL
PUBLIC SECONDARY SCHOOL**
Reports and Financial Statements For the year ended 30th June 2022

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

S. No.	Details	2021/2022	2021	2020	2019
1	Debtors	5,967,119.00	5,320,562.00	12,834,884.00	10,595,019.00
2	Creditors	6,240,331.00	1,533,744.00	4,136,688.50	3,033,959.50



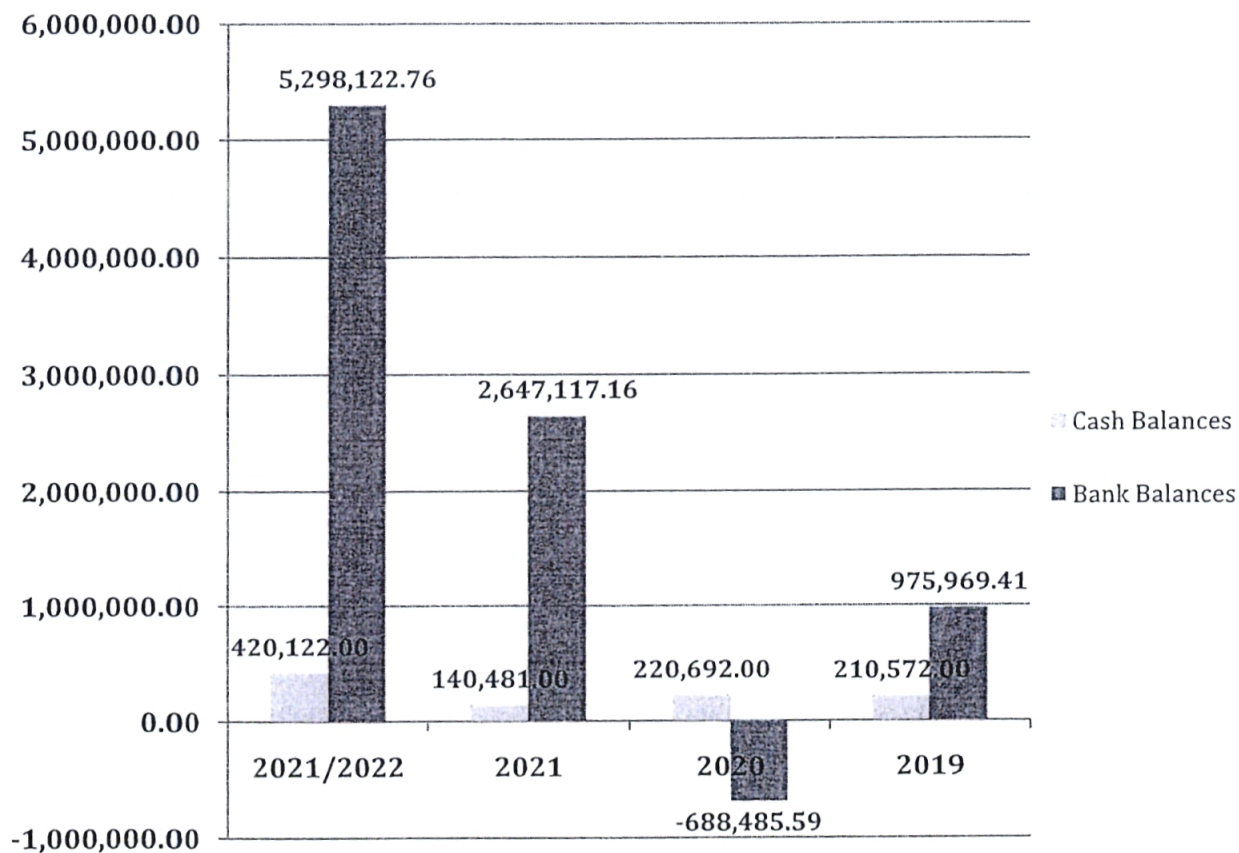
The school maintains a very strict policy on the prompt payment of suppliers and because of that the school did not have any trade creditors at the end of the financial year.

The school administration also does its best to achieve 100% collection school fees. The challenge that arose was due to the fact that the fee structure is structured to match with the academic year and the financial year does not match with the academic year, because of that reason it was difficult to determine the fees balances and prepayments as at 30th June 2022. Due to the above reason the system generated a high figure of fee prepayments.

**ST. TERESA MOI EQUATOR GIRLS' SEC. SCHOOL
PUBLIC SECONDARY SCHOOL**
Reports and Financial Statements For the year ended 30th June 2022

Movement of cash and bank balances over the last three years

S. No.	Details	2021/2022	2021	2020	2019
1	Cash Balances	420,122.00	140,481.00	220,692.00	210,572.00
2	Bank Balances	5,298,122.76	2,647,117.16	(688,485.59)	975,969.41
	Total	5,718,244.76	2,787,598.16	(467,793.59)	1,186,541.41
	Increase/Decrease	2,930,646.60	3,255,391.75	(1,654,335.00)	2,622,241.05



The negative bank balance in 2020 was attributed to payments made while money received in the bank was not receipted at the end of the respective periods. The students were at home on holidays and as such the bank slips were brought in the ensuing year for receipting.

b) Teacher Student ratio:

The teacher to student ratio is 1:21. There were no transfers or new appointments of TSC teachers during the period. There were a total of thirty seven teachers in the school at the end of the period. Thirty five employed by the TSC and two employed by the BOM.

c) Mean score in the 2021 KCSE:

The school has been doing well over the past years. The school's target has been a mean of 7.0 which will be achieved soon with the continued hard work of all the stakeholders. On the next page is a summary of the schools performance in the last 4 years. One student did not sit for the examination but had registered in 2021.

**ST. TERESA MOI EQUATOR GIRLS' SEC. SCHOOL
PUBLIC SECONDARY SCHOOL**
Reports and Financial Statements For the year ended 30th June 2022

	2021	2020	2019	2018
Mean score	6.000	6.3661	6.684	5.886
No. of candidates	190	185	158	194
Degree courses	66	80	85	63
Diploma courses	95	94	62	94
Certificate courses	28	11	11	37

d) Number of Candidates in the 2020 KCSE:

2021	2020	2019	2018
190	185	158	194

e) Capacity of the school:

Currently the school has approximately 800 students and 39 teachers. It is registered as a five stream but currently runs as a four stream. Funds are needed to expand/ increase the existing facilities to accommodate the existing students. Below is a table showing the adequate and inadequate facilities.

S. No.	Facility	Situation
1.	Dormitories	Inadequate
2.	Dining hall	Inadequate
3.	Laboratories	One more required
4.	Toilets	Adequate
5.	Bathrooms	Adequate
6.	Classes	Others required for CBC

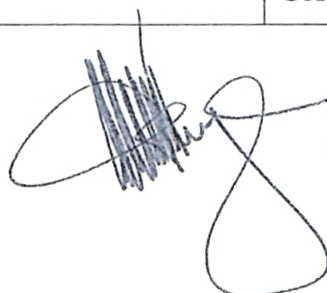
f) Development projects carried out by the school:

In the period of 1st July 2021 to 31st June 2022 the school undertook the following projects;

S. No.	Project	Sources of funds
1.	Final touches on the construction of 27 Bathrooms and 3 toilets	GoK (MIF)
2.	Solar water heating system	GoK (MIF)
3.	Installation of an energy saving Jiko in kitchen	GoK (MIF)
4.	Installation of terrazzo floor in the school's multipurpose hall	GoK (MIF)

ST. TERESA MOI EQUATOR
GIRLS SECONDARY SCHOOL
P.O. Box 283 - 10400.
NANYUKI

J. Thamine
School Principal


Paul Mutere
Board chair

**ST. TERESA MOI EQUATOR GIRLS' SEC. SCHOOL
PUBLIC SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2022**

III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

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

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

The Board of Management of St. Teresa Moi Equator 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: Mr. Paul Mwaniki Mwariri
Designation: Chairman, School Board of Management
Sign:
Date: 30th January 2023

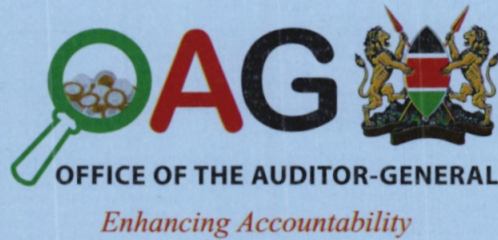
Name: Jacinta Wambui Thamaine
Designation: School Principal / Secretary to Board of Management
Sign:
Date: 30th January 2023

ST. TERESA MOI EQUATOR
GIRLS' SECONDARY SCHOOL
P. O. Box 283 - 10400,
NANYUKI

Name: Eliud Muchoki Muriuki
Designation: Bursar
Sign:
Date: 30th January 2023

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 ST. TERESA MOI EQUATOR GIRLS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 - NYERI COUNTY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of St. Teresa Moi Equator Girls Secondary School - Nyeri County set out on pages 14 to 27, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2022 and the statement

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of St. Teresa Moi Equator Girls Secondary School - Nyeri County as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Accounts Receivables

1.1 Unsupported Account Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.5,967,119 as disclosed in Note 13 to the financial statements. However, the supporting schedules, detailed aging analysis and issued invoices were not provided for audit.

In the circumstances, the accuracy of the accounts receivable balance of Kshs.5,967,119 could not be confirmed.

1.2 Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.5,967,119 in respect of fees arrears as disclosed in Note 13 to the financial statements. Included in the balance are receivables amounting to Kshs.3,889,209 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 account receivables balance.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.5,967,119 could not be confirmed.

2. Unsupported Cash and Cash Equivalent

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.5,718,245 as disclosed in Note 10 and 11 to the financial statements. Included in the bank balance is school fund account held at Kenya Commercial Bank (KCB) with a balance of Kshs.3,792,300.51. However, the cash book and the bank reconciliation statements indicated a balance of Kshs.3,429,410 resulting an unreconciled and unexplained variance of Kshs.362,890.

Further, the statement of financial assets and liabilities reflect cash balance of Kshs.420,122. Included in the balance as disclosed in Note 11 to the financial statement is school fund account cash in hand of Kshs.385,672. However, the cashbook reflects a balance of Kshs.249,708. The resulting an unexplained variance of Kshs.135,964.00 has not been explained.

In the circumstances, the accuracy of the cash and cash equivalents balance of Kshs.5,718,245 could not be confirmed.

3. Unsupported Payments

The statement of receipts and payments reflects operations and infrastructure expenditures of Kshs.11,006,431 and Kshs.3,797,240 respectively as disclosed in Notes 7 and 9 to the financial statements. However, examination of payment vouchers amounting to Kshs.1,944,880.00 for construction of 8 No. panel (solar) water heating system, Kshs.343,780.00 for Installation of energy saving jiko in the kitchen and Kshs.984,350.00 for installation of terrazzo floor in the school multi-purpose hall revealed that Management made payments without proper support documents such as requisitions, local purchase orders, delivery notes, inspection reports, goods received notes, certificate of payments.

In the circumstances, the regularity, accuracy and completeness of the operations and infrastructure amounting to Kshs.11,006,431 and Kshs.3,797,240 respectively could not be confirmed.

4. Inaccuracies in the Financial Statements

The financial statements did not agree with the trial balance provided for audit. Further, the Note numbers in the financial statements is not consistent with respective Notes to the financial statements.

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

5. Unsupported Values for Biological Assets

Note 17 to the financial statements reflects biological assets balance of Kshs.830,000 and Kshs.125,000 relating cattle and trees respectively. However, the valuation report indicating how the balance was arrived at was not provided for audit.

In the circumstances, the accuracy of the biological assets balance of Kshs.955,000 could not be confirmed.

6. Unsupported Payment of Travel Allowances to Board of Management

Review of board records maintained by the school indicate that, during board and committees' meetings, the members are paid travel allowances at various rates. During the financial year 2021/2022, travel allowances amounting to Kshs.423,000 were paid. However, no approval on the payment of the rates was provided for audit review. It was

therefore, not possible to establish the basis of the travel allowances were arrived at. Failure to have approval of the payment of the travel allowances for the board members is a violation of Section 63 of the basic Education Act, 2023 which stipulates that, the members of the Board of Management shall be paid such allowances as the Cabinet Secretary may provide by regulations upon the advice of the Salaries and Remuneration Commission.

In the circumstances, the accuracy and regularity of the travel allowance amounting to Kshs.423,000 could not be confirmed.

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. 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.37,587,696 as disclosed in Note 8 to the financial statements. Included in the expenditure is an amount of Kshs.904,120 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.904,120 could not be confirmed.

2. 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 one hundred eighty-six (186) books to the School while only one hundred seventy-eight (178) books were issued to the students, resulting to an unexplained excess text books of eight (8) books in the School store.

In the circumstances, value for money on the excess eight (8) text books could not be confirmed.

3. Lack of a Procurement Plan

The statement of receipts and payments reflects an amount of Kshs.25,588,154 and Kshs.22,332,732 in respect of total receipts and payments respectively. The School had in place an approved procurement plan for the year under review as required by Section 44(2)(c) of the Public Procurement and Asset Disposal Act, 2015. However, the procurement plan did not include the procurement method applicable for each of the items in the plan as required under Regulation 41(g) of the Public Procurement and Asset Disposal Regulations, 2020. The completeness of the procurement plan could therefore not be confirmed.

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

4. Late Submission of Financial Statements

During the year under review, Management submitted the financial statements to the Auditor-General on 14 February, 2023 instead of the statutory deadline of 30 September, 2022. 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.

5. Irregular Accounting for Other Receipts

The statement of receipts and payments shows school funds - other receipts of Kshs.25,846,561. As disclosed in Note 4 to the financial statements, the balances include Kshs.164,800, Kshs.38,000 and Kshs.214,500 being income from rent, sale of tenders and miscellaneous income respectively totalling to Kshs.417,300.00 which was receipted in school fund account. However, Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 on guidelines on implementation of Free Day Secondary Education (FDSE) requires that schools with income generating activities to open separate bank accounts for the stream of income and account for it in accordance with financial regulations.

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

6. Lack of School Improvement Plan

Review of records school has not provided evidence indicating that the school prepared and had approved strategic plan covering the period under audit, 2020/2021, 2021/2022 and 2022/2023. However, during the year 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.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on 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 Internal Audit Function and Audit Committee

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

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

2. Lack of Ownership Documents

Annex 2 to the financial statements reflects summary of fixed assets register indicating no balances as the assets are under valuation. However, the School occupies land measuring seventeen (17) acres which was donated by Nyeri Catholic Archdiocese and is still registered in the name of the Church and not in the name of the school. In addition, motor vehicles log books were not provided for audit.

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

3. School Board of Management

3.1 Lack of Attendance Register for Board Meetings

During the financial year 2021-2022, a number of Board meetings were held. However, the members attending the meetings did not sign the attendance list. It is therefore not possible to confirm the actual persons who attended the meetings which is a violation of Section 6(1) of the Basic Education Act, 2013 states that requires Board of Management to meet at least once every four (4) months.

3.2 Failure to Appoint Committees of the Board

Review of the minutes of the Board of Management inaugural meeting minutes revealed that, the Management appointed Board of Management Committees for four (4) committees namely: Finance, Procurement & General Purposes; Academic Standards; Students & Teachers' Welfare; Discipline, Ethics & Integrity and Infrastructure Committee. However, the Human Rights and Student Welfare Committee and the Audit Committee was not constituted as provided in Section 61(2) of the Basic Education Act, 2013.

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

4. Lack of Segregation of Duties and Professional Departmental Heads

Review of the processes of the school indicate that, it lacks specialized personnel in the administrative services. As a result, there is no clear segregation of duties for the accounts, procurement and human resource. There is therefore no clear definition of responsibilities of the personnel in place. This has resulted in poor internal controls.

In the circumstances, effectiveness of the School's Internal controls system could not be confirmed.

5. Lack of Automated Systems

Review of records provided for audit has not provided any evidence indicating that, the school it has an automated system to manage its operations. This was despite the growth in students' and financial data, the school uses a manual system to manage its financial, procurement, human resource and students records.

Without a proper automated system, the school faces challenges in data security and the data is prone to errors and omissions.

In the circumstances, effectiveness of the School's Internal controls and risk management systems could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

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

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

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

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

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


FCPA Nancy Gathungu, SBS
AUDITOR-GENERAL

Nairobi

25 September, 2024

**ST. TERESA MOI EQUATOR GIRLS' SEC. SCHOOL
PUBLIC SECONDARY SCHOOL**
Reports and Financial Statements For the year ended 30th June 2022

V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2022

DESCRIPTION OF VOTE HEAD	Note	2021/2022	2021
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition	1	2,365,950.20	1,006,404.50
Capitation grants for operations	2	10,586,467.40	6,345,174.25
School Fund Income- Parents' Contributions	3	14,838,835.00	4,312,351.00
School Fund Income- Other receipts	4	25,846,561.00	11,216,224.00
Capitation grants for infrastructure	5	3,881,500.00	2,708,000.00
Proceeds from borrowings		0.00	0.00
TOTAL RECEIPTS		57,519,313.60	25,588,153.75
PAYMENTS			
Payments for Tuition	6	2,197,300.00	871,058.00
Payments for operations	7	11,006,431.00	5,949,505.00
Boarding and school fund payments	8	37,587,696.00	13,818,553.00
Payments for infrastructure	9	3,797,240.00	1,693,616.00
TOTAL PAYMENTS		54,588,667.00	22,332,732.00
SURPLUS/DEFICIT		2,930,646.60	3,255,421.75

The school's financial statements were approved on 30th January 2023 and signed by:

Sign: _____

Name: Mr. Paul M. Mwariri
Chairman, BOM

Date: 30th January 2023

ST. TERESA MOI EQUATOR
GIRLS SECONDARY SCHOOL
P.O. Box 283 - 10400.
NANYUKI

Sign: _____

Name: Jacinta W. Thamaine
Principal/ Secretary, BOM

Date: 30th January 2023

Sign: _____

Name: Eliud M. Muriuki
Bursar


Date: 30th January 2023

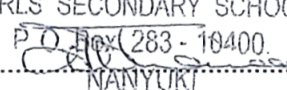
ST. TERESA MOI EQUATOR GIRLS' SEC. SCHOOL
 PUBLIC SECONDARY SCHOOL
 Reports and Financial Statements For the year ended 30th June 2022

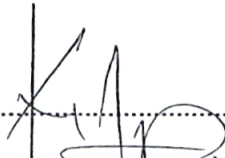
VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT
 30TH JUNE 2022

	Note	2021/2022	2021
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	9	5,298,122.76	2,647,117.16
Cash Balances	10	420,122.00	140,481.00
Short term Investment	11	0.00	0.00
Total Cash and cash equivalent		5,718,244.76	2,787,598.16
Accounts receivables	12	5,967,119.00	5,320,562.00
TOTAL FINANCIAL ASSETS		11,685,363.76	8,108,160.16
FINANCIAL LIABILITIES			
Accounts Payables	13	(6,240,331.00)	(1,533,744.00)
NET FINANCIAL ASSETS		5,445,032.76	6,574,416.16
REPRESENTED BY			
Accumulated Fund b/fwd	15	6,574,416.16	3,318,994.41
Surplus/Deficit for the year		2,930,646.60	3,255,421.75
Increase in receivables		646,557.00	
Increase in payables		(4,706,587.00)	
NET FINANCIAL POSITION		5,445,032.76	6,574,416.16

The school's financial statements were approved on 30th January 2023 and signed by:

Sign: 
 Name: Mr. Paul M. Mwariri
 Chairman, BOM

ST. TERESA MOI EQUATOR
 GIRLS SECONDARY SCHOOL
 Sign: 
 Name: Jacinta W. Thamaine
 Principal/ Secretary, BOM

Sign: 
 Name: Eliud M. Muriuki
 Bursar

Date: 30th January 2023

Date: 30th January 2023

Date: 30th January 2023

ST. TERESA MOI EQUATOR GIRLS' SEC. SCHOOL
PUBLIC SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2022

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

		2021/2022	2021
		Kshs	Kshs
Receipts for operating income			
Capitation grants for tuition	1	2,365,950.20	1,006,404.50
Capitation grants for operations	2	10,586,467.40	6,345,174.25
School fund income- Parents contributions/ fees	3	14,838,835.00	4,312,351.00
School fund income- other receipts	4	25,846,561.00	11,216,224.00
Capitation grants for infrastructure	5	3,881,500.00	2,708,000.00
Total receipts		57,519,313.60	25,588,153.75
Payments			
Payments for Tuition	6	2,197,300.00	871,058.00
Payments for operations	7	11,006,431.00	5,949,505.00
Boarding and school fund payments	8	37,587,696.00	13,818,553.00
Payments for infrastructure	9	3,797,240.00	1,693,616.00
Total payments		54,588,667.00	22,332,732.00
Net cash flow from operating activities		2,930,646.60	3,255,421.75
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		0.00	0.00
Acquisition of Assets		0.00	0.00
Proceeds from investments		0.00	0.00
Purchase of investments		0.00	0.00
Net cash flows from Investing Activities		0.00	0.00
CASHFLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings/ loans		0.00	0.00
Repayment of principal borrowings		0.00	0.00
Net cash flow from financing activities		0.00	0.00
NET INCREASE IN CASH AND CASH EQUIVALENTS		2,930,646.60	3,255,421.75
Cash and cash equivalent at BEGINNING of the year		2,787,598.16	(467,823.59)
Cash and cash equivalent at END of the year		5,718,244.76	2,787,598.16

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

ST. TERESA MOI EQUATOR GIRLS' SEC. SCHOOL
PUBLIC SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2022

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

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c = a + b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
(1) CAPITATION GRANT ON TUITION						
Tuition	3,622,320.00	0.00	3,622,320.00	2,365,950.20	1,256,369.80	65%
(2) CAPITATION GRANT ON OPERATIONS						
Others	6,162,000.00	0.00	6,162,000.00	6,212,930.40	-50,930.40	101%
Maintenance & Improvement	4,680,000.00	0.00	4,680,000.00	3,881,500.00	798,500.00	83%
Medical	117,000.00	0.00	117,000.00	148,400.00	-31,400.00	127%
Activity	0.00	0.00	0.00	0.00	0.00	0%
(3) FEES CHARGED ON PARENTS						
Repairs and maintenance	1,872,000.00	0.00	1,872,000.00	1,971,303.00	-99,303.00	105%
Activity	1,170,000.00	0.00	1,170,000.00	432,459.00	737,541.00	37%
Others	8,268,000.00	0.00	8,268,000.00	10,798,599.00	-2,530,599.00	131%
BES	21,360,300.00	0.00	21,360,300.00	24,438,714.00	-3,078,414.00	114%
OTHER INCOME						
Rent income	296,000.00	0.00	296,000.00	164,800.00	131,200.00	56%
Farming activities income	0.00	0.00	0.00	0.00	0.00	0%
TOTALS	47,547,620.00	0.00	47,547,620.00	50,414,655.60	-2,867,035.60	
(1) EXPENDITURE FOR TUITION						
Tuition	3,622,320.00	0.00	3,622,320.00	2,197,300.00	1,425,020.00	61%
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	2,720,430.00	0.00	2,720,430.00	5,252,285.00	-2,531,855.00	193%
Maintenance & improvements	4,680,000.00	0.00	4,680,000.00	3,881,500.00	798,500.00	83%
Local transport / travelling	973,622.00	0.00	973,622.00	274,784.00	698,838.00	28%
Electricity, water and conservancy	1,206,778.00	0.00	1,206,778.00	369,288.00	837,490.00	31%
Medical	300,000.00	0.00	300,000.00	308,774.00	-8,774.00	103%
Administration costs	1,692,202.00	0.00	1,692,202.00	166,300.00	1,525,902.00	10%
Activity Expenses	1,170,000.00	0.00	1,170,000.00	0.00	1,170,000.00	0%
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel emoluments	3,650,198.00	0.00	3,650,198.00	2,067,136.00	1,583,062.00	57%
Repairs, maintenance and improvements	1,872,000.00	0.00	1,872,000.00	0.00	1,872,000.00	0%
Local transport / travelling	1,306,378.00	0.00	1,306,378.00	2,510,278.00	-1,203,900.00	192%

**ST. TERESA MOI EQUATOR GIRLS' SEC. SCHOOL
PUBLIC SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2022**

Receipt/expenses Item	Original Budget	Adjustments	Original Budget	Actual on Comparable Basis	Budget Utilization Difference	
Electricity, water and conservancy	1,619,222.00	0.00	1,619,222.00	1,284,773.00	334,449.00	79%
Administration costs	1,261,170.00	0.00	1,261,170.00	4,703,684.00	-3,442,514.00	373%
Activity	117,000.00	0.00	117,000.00	612,060.00	-495,060.00	523%
BES	21,360,300.00	0.00	21,360,300.00	23,727,109.00	-2,366,809.00	111%
KUCCPS registration	91,500.00	0.00	91,500.00	94,000.00	-2,500.00	103%
TOTALS	47,643,120.00		47,643,120.00	47,449,271.00	193,849.00	

Same vote-heads in different funds should be consolidated when analyzing the statement above.

IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

X. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2021/2022	2021
	Kshs	Kshs
Tuition	2,365,950.20	1,006,404.50
Total	2,365,950.20	1,006,404.50

NB: The ministry did not breakdown the amount send to the schools for the Tuition fund.

2 CAPITATION GRANT FOR OPERATIONS

	2021/2022	2021
	Kshs	Kshs
Maintenance & Improvements	3,881,500.00	2,708,000.00
Others	6,212,930.40	3,615,774.25
Medical	148,400.00	0.00
Activity	0.00	0.00
Rent	48,000.00	16,000.00
PAYE	8,987.00	0.00
KUDHEIHA	650.00	400.00
Salary advance	18,500.00	5,000.00
School fund	250,000.00	0.00
Debt due	17,500.00	0.00
Total	10,586,467.40	6,345,174.25

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2021/2022	2021
	Kshs	Kshs
Personnel emoluments	0.00	969,554.00
Repairs and maintenance	1,971,303.00	759,060.00
Local transport / travelling	0.00	203,683.00
Electricity and water	0.00	1,533,143.00
Others	10,778,599.00	5,835.00
Administration costs	20,000.00	688,604.00
Activity	432,459.00	48,665.00
Arrears	1,636,474.00	103,807.00
Total	14,838,835.00	4,312,351.00

**ST. TERESA MOI EQUATOR GIRLS' SEC. SCHOOL
PUBLIC SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2022**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2021/2022	2021
	Kshs	Kshs
Fee on Boarding Equipment and Stores	24,438,714.00	11,143,824.00
Rent income	164,800.00	71,200.00
Income from farming activities	0.00	600.00
KUDHEIHA	0.00	100.00
Sale of Tender Forms	38,000.00	0.00
Miscellaneous income	214,500.00	500.00
KCSE for repeaters	27,455.00	0.00
Inter account	750,000.00	0.00
Transport for student	13,300.00	0.00
Bank charges	1,542.00	0.00
Damages	12,750.00	0.00
RD Cheques	185,500.00	0.00
Total	25,846,561.00	11,216,224.00

5 CAPITATION GRANT FOR INFRASTRUCTURE

	2021/2022	2021
	Kshs	Kshs
Maintenance & Improvements	3,881,500.00	2,708,000.00
Total	3,881,500.00	2,708,000.00

6 PAYMENTS FOR TUITION

	2021/2022	2021
	Kshs	Kshs
Textbooks and reference materials	0.00	118,245.00
Exercise books	609,110.00	36,850.00
Laboratory equipment	973,990.00	425,611.00
Internal exams	0.00	7,500.00
Teaching / learning materials	7,400.00	63,750.00
Chalks	31,290.00	9,720.00
Exams and assessment	465,180.00	208,650.00
Bank Charges	840.00	732.00
Operations	109,490.00	0.00
Total	2,197,300.00	871,058.00

**ST. TERESA MOI EQUATOR GIRLS' SEC. SCHOOL
PUBLIC SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2022**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 PAYMENTS FOR OPERATIONS

	2021/2022	2021
	Kshs	Kshs
Personnel emoluments	5,252,285.00	1,909,067.00
Administration Cost	166,300.00	318,420.00
Maintenance & improvements	3,881,500.00	2,708,000.00
Local transport / travelling	274,784.00	236,414.00
Electricity and water	369,288.00	186,152.00
Medical	308,774.00	175,896.00
Activity Expenses	0.00	94,350.00
Bank Charges	3,500.00	2,176.00
KUDHEIHA	0.00	2,450.00
School Fund	750,000.00	0.00
Tuition	0.00	316,580.00
TOTAL	11,006,431.00	5,949,505.00

8 BOARDING AND SCHOOL FUND PAYMENTS

	2021/2022	2021
	Kshs	Kshs
Personnel emoluments	2,067,136.00	1,249,705.00
Tender	24,000.00	0.00
Repairs and maintenance & Improvements	0.00	258,455.00
Local transport / travelling	2,510,278.00	810,648.00
Electricity and water	1,284,773.00	422,468.00
Damages	13,800.00	0.00
Administration costs	4,703,684.00	1,014,032.00
Bank Charges	11,634.00	8,566.00
Expenses on Income Generating Activities	256,240.00	185,621.00
Expenses on Boarding Equipment and Stores	23,727,109.00	8,875,374.00
Rent Expenses	5,000.00	11,700.00
Salary Advance	24,500.00	5,000.00
KCSE for repeaters	29,700.00	0.00
Activity	612,060.00	44,600.00
Miscellaneous	94,000.00	91,500.00
PAYE	8,392.00	0.00
Tuition	1,926,490.00	595,234.00
Operations	20,600.00	6,650.00
School infrastructure	0.00	239,000.00
Transport for student	2,800.00	0.00
RD Cheques	250,500.00	0.00
Debt Due	15,000.00	0.00
TOTAL	37,587,696.00	13,818,553.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9 PAYMENTS FOR INFRASTRUCTURE

	2021/2022	2021
	Kshs	Kshs
Maintenance & Improvements	3,797,240.00	1,692,280.00
Bank charges	0.00	1,336.00
Total	3,797,240.00	1,693,616.00

10 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2021/2022	2021
		Kshs	Kshs
Tuition Account	1103125281	308,799.30	140,149.10
Operations Account	1103126059	103,488.95	523,452.55
School Fund Account/Boarding	1101113976	3,792,300.51	1,072,561.51
Infrastructural Account	1264791259	1,093,534.00	910,954.00
Total		5,298,122.76	2,647,117.16

11 CASH IN HAND

Description	2021/2022	2021
	Kshs	Kshs
Tuition Account	0.00	0.00
Operation Account	0.00	0.00
School Fund account	385,672.00	7,711.00
Infrastructural Account	34,450.00	132,770.00
Total	420,122.00	140,481.00

12 SHORT TERM INVESTMENTS

Description	2021/2022	2021
	Kshs	Kshs
Cooperative shares	0.00	0.00
Treasury Bills	0.00	0.00
Fixed deposit	0.00	0.00
Equity stock	0.00	0.00
Other investments	0.00	0.00
Total	0.00	0.00

**ST. TERESA MOI EQUATOR GIRLS' SEC. SCHOOL
PUBLIC SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2022**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 ACCOUNTS RECEIVABLE

Description	2021/2022	2021
	Kshs	Kshs
Fees arrears	5,967,119.00	5,320,562.00
Other non-fees receivables	0.00	0.00
Salary advances	0.00	0.00
Imprest	0.00	0.00
Total	5,967,119.00	5,320,562.00

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

Description	2021/2022	2021
	Kshs	Kshs
Fees arrears for current year	646,557.00	1,431,353.00
Fees arrears for the previous year	1,431,353.00	2,323,060.00
Fees arrears for prior periods (over two years)	3,889,209.00	10,595,019.00
Written off (auditors & BOM recommendation from 2016)	0.00	(9,028,870.00)
Total	5,967,119.00	5,320,562.00

NB: Recoveries made for both years have not been included here since they are already part of the surplus in the receipts and payments document.

14 ACCOUNTS PAYABLE

Description	2021/2022	2021
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	0.00	0.00
Prepaid fees	6,240,331.00	1,533,744.00
Retention monies	0.00	0.00
Total	6,240,331.00	1,533,744.00

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

Description	2021/2022	2021
	Kshs	Kshs
Trade creditors for current year	0.00	0.00
Trade creditors for the previous year	0.00	0.00
Trade creditors for prior periods (over two years)	0.00	0.00
Total	0.00	0.00

ST. TERESA MOI EQUATOR GIRLS' SEC. SCHOOL
PUBLIC SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2022

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15 FUND BALANCE BROUGHT FORWARD

Description	2021/2022	2021
	Kshs	Kshs
Bank balances	2,647,117.16	(688,515.59)
Cash balances	140,481.00	220,692.00
Short Term Investments	0.00	0.00
Receivables	5,320,562.00	5,320,562.00
Payables	(1,533,744.00)	(1,533,744.00)
Total	6,574,416.16	3,318,994.41

**ST. TERESA MOI EQUATOR GIRLS' SEC. SCHOOL
PUBLIC SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2022**

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.

16 Non-current Liabilities Summary

Description	2021/2022	2021
	Kshs	Kshs
Bank loan(s)	0.00	0.00
Outstanding Leases	0.00	0.00
Hire purchase	0.00	0.00
Gratuity and leave provision	0.00	0.00
Total	0.00	0.00

17 Biological assets

Description	Numbers	2021/2022	2021
		Kshs	Kshs
Cattle (3 cows 3 calves)	6	830,000.00	Valuation had not been done
Trees	50	125,000.00	Valuation had not been done
Total			

One cow (Lucy), tag no 14647 died on 23rd June 2022. The school is waiting for the insurance company to compensate it.

18 Borrowings

Description	2021/2022	2021
	Kshs	Kshs
a) Borrowings		
Borrowing at beginning of the year	0.00	0.00
Borrowings during the year	0.00	0.00
Repayments of during the year	0.00	0.00
Balance at end of the year	0.00	0.00

19 Stock/ Inventory

Description	2021/2022	2021
	Kshs	Kshs
b) Stock/Inventory		
Stock/ inventory at beginning of the year	Valuation ongoing	Valuation had not been done
Stock/ inventory purchased during the year	Valuation ongoing	Valuation had not been done
Stock/ inventory issued during the year	Valuation ongoing	Valuation had not been done
Balance at end of the year	Valuation ongoing	Valuation had not been done

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.

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

This section is not applicable because the school has not yet received the 2020/2021 auditor's report for action.

ST. TERESA MOI EQUATOR GIRLS' SEC. SCHOOL
PUBLIC SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2022

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 30 th June 2022	Comments
	a	b	c	d=a-c	
	Kshs	Kshs	Kshs	Kshs	
Construction of buildings					
1.	0.00	n/a	0.00	0.00	n/a
2.	0.00	n/a	0.00	0.00	n/a
3.	0.00	n/a	0.00	0.00	n/a
Sub-Total					
Supply of goods					
4.	0.00	n/a	0.00	0.00	n/a
5.	0.00	n/a	0.00	0.00	n/a
6.	0.00	n/a	0.00	0.00	n/a
Sub-Total					
Supply of services					
7.	0.00	n/a	0.00	0.00	n/a
8.	0.00	n/a	0.00	0.00	n/a
9.	0.00	n/a	0.00	0.00	n/a
Sub-Total					
Grand Total					

The school does not have any pending accounts payable as at the end of financial year 2021/2022.

ST. TERESA MOI EQUATOR GIRLS' SEC. SCHOOL
PUBLIC SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2022

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 31st Dec 2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2021
Land 1						
Land 2						
Buildings and structures						
Motor vehicles						
Office equipment, furniture and fittings						
ICT Equipment, and Other ICT Assets						
Tools and apparatus						
Textbooks						
Other Machinery and Equipment						
Heritage and cultural assets						
Intangible assets-soft ware						
Total						

Valuation still ongoing

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