

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

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**THE AUDITOR-GENERAL**

**ON**

**TALA GIRLS SECONDARY SCHOOL**

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

**MACHAKOS COUNTY**



OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
REGISTRY

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**TALA 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)

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**Tala Girls 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**

BOM	Board of Management
CEB	County Education Board
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
FY	Financial Year
FDSE	Free Day Secondary Education

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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 located in **Machakos County, Matungulu Sub-County**.

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

The school is a boarding school and had **1118 number** of students as at **30<sup>th</sup> June 2023**.

It has **4 streams** in forms 3 and 4 and **5 streams** in forms 1 and 2; it has **44** teachers of which **7** 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:

Sl. No.	Name of Board Member	Designation	Appointment/Reappointment
1	Emmanuel K. Musau	Chairman/Sponsor	1st appointment – 1/10/2015 Reappointment - 27/07/2019 Reappointed - 18/05/2022
2	Annabella Mbugi, EBS	Secretary - Principal	Appointment by posting- January 2018 Reappointment - 27/07/2019 Reappointment - 18/05/2022
3	Joel Nyamweya	Member	18/05/2022
4	Jane Njeri Karomo	Member	18/05/2022
5	Dr. Margaret Muthui	Member	1st appointment-27/07/2019 Reappointment - 18/5/2022
6	Janet Mutua	Member	18/05/2022
7	Dr. Benard Mua	Member	1st appointment – 1/10/2015 Reappointment - 27/07/2019 Reappointment - 18/05/2022
8	Doris Mukwale	Member	1st appointment-27/07/2019 Reappointment - 18/5/2022
9	John Makenzi	Member – Rep CEB	1st appointment-27/07/2019 Reappointment - 18/5/2022
10	Vincent Mwanzia	Member Rep Teachers	18/05/2022
11	Fr. Patrick Mutunga	Member –sponsor	1st appointment-27/07/2019 Reappointment - 18/5/2022
12	Eng. Kimeu Kathitu	Member – Special interest group	1st appointment-27/07/2019 Reappointment - 18/5/2022
13	Virginia Nzau	Members - Sponsor	18/5/2022
14	David K. Mbuvi	Member Special Needs	18/05/2022

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15	Mary Mutua	Co-opted	18/05/2022
16	Edwin Kimtai	Co-opted	18/05/2022
17	David Kande	Co-opted	18/05/2022

**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**

Ref	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Emmanuel Musau Annabella Mbugi,E Doris Agnes Mukwale Fr. Patrick Mutunga Joel Nyamweya	Chairman Secretary Member Member Member	2 out of 2
2	Finance, procurement and general-purpose Committee	Emmanuel musau Annabella Mbugi,E Fr. Patrick Mutunga Dr. Benard Mua Dr. Margaret Muthui	Chairman Secretary Member Member Member	0 out of 2
3	Development Committee	Eng. Peter Kimeu Annabella Mbugi,E David Kilonzo Jane N. Karimo Eng. Edwin Kimtai	Chairman Secretary Member Member Member	8 out of 8

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4	Academic Committee	John Makenzi Annabella Mbugi,E Vincent Mwanzia Virginia Nzau	Chairman Secretary Member Member	1 out of 2
5	Discipline and welfare Committee	Doris Mukwale Annabella Mbugi,E Dr. Margaret Muthui Janet M.K Mutua Dr. Joel Nyamweya	Chairperson Secretary Member Member Member	2 out of 2

**(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	TSC Number
1	Principal	Annabella Mbugi, EBS	204684
2	Deputy Principal-administration	Jane Katumbi Muoka	390209
3	Deputy Principal -Academics	Ruth Ouko	390740
4	School Bursar	Peter Kinyanjui Muhia	ID NO. 5697853
5	Senior Teacher	Janeffer Kyalo	496939
6	Veronica Nduguya	Dean of studies	476512
7	Justinah Mwatu	Head of Department - Boarding	394242

**(e) Schools contacts**

Post Office Box: 135-90131; Tala  
Mobile Number: 0110027954  
E-mail: talagirls16@gmail.com  
Website: N/A

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**(f) School Bankers**

The school operated 6 bank accounts as follows:

- |                  |               |
|------------------|---------------|
| 1. Name of Bank: | KCB           |
| Branch:          | Tala          |
| Account Number:  | 1107262194    |
| 2. Name of Bank: | Equity Bank   |
| Branch:          | Tala          |
| Account Number:  | 0900294214921 |
| 3. Name of Bank: | KCB           |
| Branch:          | Tala          |
| Account Number:  | 1107393566    |
| 4. Name of Bank: | KCB           |
| Branch:          | Tala          |
| Account Number:  | 1107198755    |
| 5. Name of Bank: | KCB           |
| Branch:          | Tala          |
| Account Number:  | 1272341348    |
| 6. Name of Bank: | KCB           |
| Branch:          | Tala          |
| Account Number:  | 1107393361    |

**(g) Independent Auditors**

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

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**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:**

The presentation has been done in form of a table as shown below;

S/No	Performance Criteria	Year Ended 30 <sup>th</sup> June 2023	Year Ended 30 <sup>th</sup> June 2022	Six months Period Ended January - June 2021
1	<b>FINANCIAL</b>			
	SURPLUS/DEFICIT	217,955.00	5,807,922.00	(458,878.00)
	DIRECT CAPITATION GRANTS	11,829,132.00	10,448,636.00	7,028,748.00
	INFRASTRUCTURE GRANTS	4,387,000.00	4,619,000.00	1,588,000.00
	<b>TOTAL GRANTS</b>	<b>16,216,132.30</b>	<b>15,067,636.00</b>	<b>8,616,748.00</b>
	ENROLMENT	1,118	923	793
	RATIO OF CAPITATION GRANTS PER STUDENT	1:14,504.59	1:17,525.73	1:9468
	OTHER INCOMES	60,191,383.00	58,067,732.00	14,536,486.00
	GROWTH OF OTHER INCOMES	2,123,651.00	43,531,246.00	(2,551,458.00)
	EXPENDITURE/PAYMENTS	82,489,561.00	67,327,446.00	23,612,112.00
	GROWTH OF EXPENDITURE	15,162,115.00	43,715,334.00	(2,074,246.00)
	MOVEMENT OF DEBTORS/RECEIVABLES	15,044,813.00	13,684,684.00	11,515,271.00
	MOVEMENT OF CREDITORS/PAYABLES	10,009,481.00	12,107,534.00	6,063,420.00
	CASH AND CASH EQUIVALENTS	8,940,442.00	12,180,669.00	2,498,046.00

**Tala Girls Secondary school**  
**Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2023**

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**b) Teacher Student ratio:**

Between the month of July 2022 and June 2023, the status of the teaching staff is as follows:

**ENROLLED STUDENTS = 1118**  
**NUMBER OF STREAMS = 5**  
**TSC TEACHERS = 37**  
**BOM TEACHERS = 7**  
**TOTAL NUMBER OF TEACHERS = 44**  
**TEACHER STUDENT RATIO = 1: 25**

**c) Mean score in the 2020-2022 KCSE:**

YEAR	ENROLMENT	MEAN	TRANSITION	TRANSITION (%)	SCHOOL TARGET	COMMENTS
2022	217	6.116	200	92.2%	7.5	Most of the candidates transitioned to institutions of higher learning.
2021	147	5.889	140	95.2%	7.5	Most of the students qualified to join institutions of higher learning. There was a negative deviation of 0.254 in the transition
2020	140	6.143	139	99.2%	7.5	Most of the students qualified to join institutions of higher learning. There was a positive deviation of 0.2 in the transition

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**d) Number of Candidates in the 2020-2022 KCSE:**

2020 – 140 Candidates

2021 – 147 Candidates

2022 – 217 Candidates

**e) Capacity of the school:**

Enrollment	Class Rooms	Labs	Dorms	Dining Hall	Chairs	Lockers	Lab Stools	Adm Block	Water System	Perimeter Wall	Library	Bath Doors	Toilet Doors	Urinals
1118	18	3	7	0	1118	1118	261	2	1	0	0	60	67	3

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

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Dormitories (Ground floor)	Parents/MoE	Ongoing	13,387,770.00	9,416,416.05	2025- 1 <sup>st</sup> and 2 <sup>nd</sup> floors
Classrooms	Parents/MoE	Ongoing	2,000,000.00	645,057.00	2024
Water reticulation	Parents/MoE	Ongoing	1,787,275.80	608,902.00	2024
Septic tank	Parents/MoE	Completed	1,123,181.60	834,882.00	Completed
CCTV installation	Parents/MoE	Completed	1,555,600.00	1,370,206.35	Completed



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**School Principal**

**Tala Girls Secondary school**  
**Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2023**

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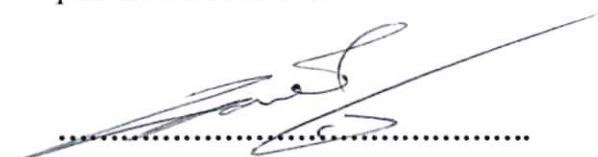
**4. Statement of School Management Responsibility**

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 Tala Girls' High 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: Emmanuel Musau**


**Designation:** Chairman, School Board of Management

**Date:**..... 4/10/24 .....

  
.....  
**Name: Annabella Mbugi, EBS**

**Designation:** School Principal & Secretary to Board of Management

**Date:**..... 4/10/24 .....

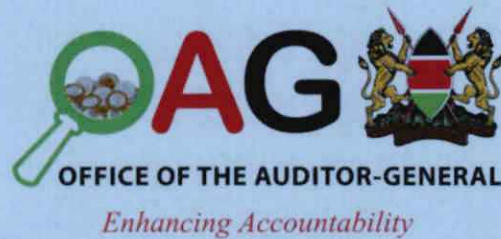
  
.....  
**Name: Peter Kinyanjui**

**Designation:** Bursar/ Finance Officer

**Date:**..... 4/10/24 .....

# REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



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

## **REPORT OF THE AUDITOR-GENERAL ON TALA GIRLS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 - MACHAKOS COUNTY**

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal 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 Tala Girls Secondary School - Machakos County set out on pages 1 to 21, 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 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 Tala Girls Secondary School - Machakos 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. Accounts Receivables**

#### **1.1. Unsupported Accounts Receivables**

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.15,044,813 as disclosed in Note 12 to the financial statements. However, the detailed aging analysis and issued invoices were not provided for audit review.

In the circumstances, the accuracy and completeness of the accounts receivables balance of Kshs.15,044,813 could not be confirmed.

#### **1.2. Long Outstanding Receivables**

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.15,044,813 in respect of fees arrears as disclosed in Note 12 to the financial statements. Included in the balance are receivables amounting to Kshs.9,807,939 which had been outstanding for more than two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy, completeness and full recoverability of the outstanding receivables balance of Kshs.15,044,813 could not be confirmed.

### **2. Variance in Operations Payments**

The statement of receipts and payments reflects operations payments of Kshs.10,896,860 for the previous year (2021/2022) which differs from Kshs.7,673,885 in Note 6 to the financial statements resulting an unexplained variance of Kshs.3,222,975. Additionally, the statement of cash flows reflects operations payments of

Kshs.10,851,153 for the previous year (2021/2022) which differs with Kshs.10,896,860 in the statement of receipts and payments resulting unexplained variance of Kshs.45,707. In the circumstances, the accuracy of the comparable operations payments amount of Kshs.10,896,860 could not be confirmed.

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

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. There were no other 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 and based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

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

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.58,777,646 as disclosed in Note 8 to the financial statements. Included in the expenditure is an amount of Kshs.110,317 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.110,317 could not be confirmed.

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

The statement of receipt and payment reflects capitation grants for operations of Kshs.8,711,319. Included in the amount is Kshs.4,409,000 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, only Kshs.3,300,000 was transferred to infrastructure account, leaving a balance of Kshs1,109,000 as at 30 June, 2023. Further, examination of the bank statements revealed that the transfer of Kshs.1,089,000 made on 16 February, 2023 was not done within 15 days. This was contrary to The Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

## **3. Under Funding of Capitation Grants**

The statement of receipts and payments reflects government grants for tuition, government grants for operations and government grant for infrastructure amounts of Kshs.3,016,814, Kshs.8,711,319 and Kshs.10,788,000 respectively as disclosed in Notes 1, 2 and 3 to the financial statements. However, during the financial year period, NEMIS reported a total number of one thousand one hundred and eleven (1111) students while the enrolment records provided by the School indicated a total number of one thousand one hundred and twenty-two (1122) students, resulting to an unexplained variance of eleven (11) students. As a result of the variances, the School was under funded by an amount of Kshs.244,684.

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

## **4. Irregular Appointment of Board Members**

During the year under review, scrutiny of the records revealed, the School appointed three (3) co-opted members of the Board of management on permanent basis and the members were included in the School's committees of the Board of Management. In addition, the appointment letters for the three co-opted members were not provided for review. This is contrary to Section 56 sub-section 2 and 3 of the Basic Education Act, 2013 which provides that the Board of Management may from time to time co-opt into its membership such persons as it is satisfied possess skills and experience to assist in the discharge of the Board's functions and the number of members of the Board of Management co-opted under subsection (2) shall not exceed three at any particular time and such members do not have a right to vote at the meetings of the Board.

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

## **5. Irregular Extension of Board Members Tenure**

During the year under review, records provided by the Schools showed the chairperson and one member of the Board of Management were appointed to the Board on 1 October, 2015, reappointed on 27 July, 2019 and further reappointment was done on 18 May, 2022 for a term of three years. As at the time of audit in May, 2024 it was established that the chairperson of the Board of Management and the member of the Board of Management were on their third appointments. This is contrary to Regulation 39(2) of the Basic Education Regulation, 2015 which states that a Board of Management appointed under this Regulation shall remain in office for a term of three years, which shall be renewable for one further term.

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

## **6. Non-Remittance of Pension and Gratuity**

During the year under review, the School records revealed that the school had engaged fourteen (14) employees employed by Board of Management (BOM) and two (2) BOM teachers. Although management explained that the BOM teachers were employed on a two-year contracts and other employees on permanent and pensionable basis, no supporting documents were provided by the management to confirm there was money set aside for gratuities for contracted employees and for contribution to pension scheme for employees on permanent and pensionable basis. This is in contrary to Section 53(a) Retirement Benefits Act, 1997 which requires monthly remittance of the pension deductions within 15 days after deduction.

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

## **7. Failure to Prepare Separate Bank Account Reconciliations**

The statement of assets and liabilities and as disclosed in Note 10 and 11 to the financial statements reflects bank balance of Kshs.8,814,952 and cash balances of Kshs.125,490 respectively. However, examination of the School records indicates that the bank reconciliations items are recorded in the cash books and there were no separate bank reconciliations statements prepared and approved by the management as required by Regulation 90 (1) of the Public finance management Regulations, 2015. In addition, the Schools Management did not prepare Board of Cash survey as at 30 June, 2023 to confirm the reported cash balances.

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

## **8. Irregular Construction of a Library**

During the year under audit, review of the documents showed that Matungulu NG-CDF funded the construction of the School library and the contract was signed and works commenced in January, 2016. However, works stalled for three years due to shortage of funds at the NG-CDF. However, it was noted that during the Board of Management meeting held on 3 November, 2018, members resolved that the School would co-fund the

project at a cost of Kshs.2,000,000 which was to be used for painting and decoration. In 2019, the contractor was instructed to continue with the construction of the library. The school paid for certificates numbers 8 and 9 totaling Kshs.1,197,488. It is not clear why the school co-funded the project, yet the contract for the construction of the project to completion was already in place and had not been cancelled. Additionally, examination of the tender documents revealed that the School did not have custody of the contract for the construction of the library.

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

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

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

The statement of assets and liabilities and as disclosed in Note 13 to the financial statements reflects payables balance of Kshs.10,009,481. However, included in the balance are trade payables balance of Kshs.1,795,512 which had been outstanding for more than one (1) year and Kshs.123,500 which had been outstanding for more than two(2) years. This was contrary to Section 53 (8) of the Public Procurement and Asset Disposal Act, 2015 which states that 'an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contract (s) are reflected in approved budget estimates'.

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

### **10. Failure to Prepare School Improvement Plan**

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

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

### **11. Irregular Use of Cash to Procure Goods, Works and Services**

The statement of receipts and payments reflects total payments of kshs.82,489,561 which included payments for operations and payments for Boarding and School Fund payments of Kshs.8,019,351 and Kshs.12,881,564 respectively. Included in the amounts were cash payments amounting to Kshs.2,026,790 to purchase goods and services. This is contrary to Regulation 92 of the Procurement Regulations, 2020 which provides that a procuring

entity may use low value procurement method where the estimated cost of the goods, works or services being procured per item per financial year is as per the threshold matrix in the Second Schedule. The threshold matrix in the Second Schedule of the Procurement Regulations, 2020 provides that the maximum level of expenditure under the low value procurement method is Kshs.50,000, Kshs.100,000 and Kshs.50,000 per item per financial year for goods, works and services respectively.

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

## **12. Payments Made Without ETR Receipts**

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects payments of tuition of Kshs.2,811,000 paid to different suppliers but which were not supported with Electronic Tax register (ETRs) receipts. This is contrary to VAT regulations under the VAT Act, 2013 (repealed) states a valid tax invoice should have to the minimum electronic signature generated by an Electronic Signature Device (ESD) or an Electronic Tax Register (ETR) receipt attached to the commercial invoice.

In the circumstances, Management contravened the Law.

## **13. Late Submission of Financial Statements for Audit**

During the year under review, Management submitted the financial statements to the Auditor-General on 31 May, 2024 instead of the statutory deadline of 30 September, 2023. This was contrary to the Ministry of Education circular Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the School's financial statements should be ready by 30 September, 2021 in compliance which Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

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

## **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

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

Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **1. Lack of IT Internal Control Systems in Preparation of Financial Statements**

During the year under audit, review of the School's IT internal control system revealed that the School has been using manual system the general operations of the School and in preparation of financial statement.

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

### **2. Lack of Adequate Facilities**

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

In the circumstances, the adequacy of the school infrastructure to ensure welfare of the students and high quality of education could not be confirmed.

### **3. Lack of Meetings by the Board and Board Committees**

During the year under review, scrutiny of the records and the Committees of the Board information disclosed in the financial statement under key School information and management revealed that the finance, procurement and general purposes committee and the academic committee did not hold meetings during the year and no explanation was provided for not conducting the meetings.

In the circumstances, the adequacy of oversight provided by the Board of Management of the school could not be ascertained.

### **4. 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. Additionally, there were no minutes of the audit committee for the year provided for audit review.

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

## **5. Inadequate Assets Management**

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

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

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

## **6. Lack of Ownership Documents**

Annex 2 to the financial statements reflects a summary of the fixed assets which include a parcel of land title number Matungule/Katine/4522 with approximate area 1.70 Ha acquired in 2003. Although the School provided a title deed issued to the former owner on 9 May, 2024, the title transfer has not been effected. It is not, clear why it has taken an inordinately long time to transfer the legal ownership of these land to the School.

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

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is

necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

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

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

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

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

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

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

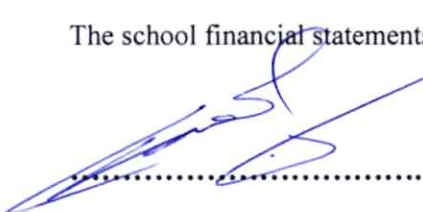
22 November, 2024

**Tala Girls 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**

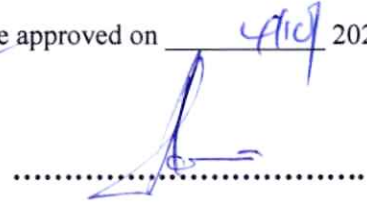
Description Of Vote Head	Note	2022-2023	2021-2022
		KShs	KShs
<b>Receipts</b>			
Government grants for tuition	1	3,016,814.00	2,983,766.00
Government grants for operations	2	8,711,319.00	12,083,870.00
Government Grants for infrastructure	3	10,788,000.00	-
School fund income- parents' contributions	4	60,191,383.00	58,067,732.00
<b>Total Receipts</b>		<b>82,707,516.00</b>	<b>73,135,368.00</b>
<b>Payments</b>			
Tuition	5	2,811,000.00	2,987,235.00
Operations	6	8,019,351.00	10,896,860.00
Infrastructure	7	12,881,564.00	-
Boarding and school fund	8	58,777,646.00	53,443,351.00
<b>Total Payments</b>		<b>82,489,561.00</b>	<b>67,327,446.00</b>
<b>Surplus/Deficit</b>		<b>217,955.00</b>	<b>5,807,922.00</b>

The school financial statements were approved on 4/10/24 2024 and signed by:



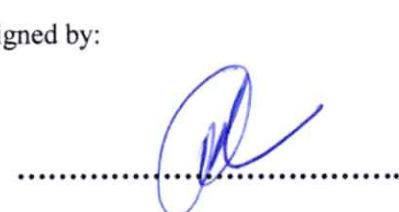
**Name: Emmanuel Musau**  
**Chairman BOM**

**Date:** 4/10/24



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

**Date:** 4/10/24



**Name: Peter Kinyanjui**  
**Bursar/ Finance Officer**

**Date:** 4/10/24

**Tala Girls 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	8,814,952.00	12,179,279.00.00
Cash balances	11	125,490.00	1,390.00
<b>Total cash and cash equivalent</b>		<b>8,940,442.00</b>	<b>12,180,669.00</b>
Account's receivables	12	15,044,813.00	13,684,684.00
<b>Total financial assets</b>		<b>23,985,255.00</b>	<b>25,865,353.00</b>
<b>Financial liabilities</b>			
Accounts payables	13	10,009,481.00	12,107,534.00
<b>Net financial assets</b>		<b>13,975,774.00</b>	<b>13,757,819.00</b>
<b>Represented by</b>			
Accumulated fund b/fwd	14	13,757,819.00	7,949,897.00
Surplus/deficit for the year		217,955.00	5,807,922.00
<b>Net financial position</b>		<b>13,975,774.00</b>	<b>13,757,819.00</b>

The school's financial statements were approved on 4/10/24 2024 and signed by:

.....  
Name: Emmanuel Musau

Chairman BOM

Date: 4/10/24

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

Date: 4/10/24

.....  
Name: Peter Kinyanjui

Bursar/ Finance Officer

Date: 4/10/24

**Tala Girls Secondary school**  
**Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2023**

**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	1	3,016,814.00	2,983,766.00
Government grants for operations	2	8,711,319.00	13,192,484.00
Government grants for infrastructure	3	10,788,000.00	
School fund income- parents contributions/ fees	4	60,813,562.00	54,870,365.00
<b>Total receipts</b>		<b>83,329,695.00</b>	<b>71,046,615.00</b>
<b>Payments</b>			
Cash outflows for tuition	5	3,316,040.00	2,486,788.00
Cash outflows for operations	6	7,871,511.00	10,851,153.00
Cash outflows Boarding/lunch and school fund payments	8	62,500,807.00	48,026,051.00
<b>Total payments</b>		<b>73,688,358.00</b>	<b>61,363,992.00</b>
<b>Net cash inflow/outflow from operating activities</b>		<b>9,641,337.00</b>	<b>9,682,623.00</b>
<b>Cash flow from investing activities</b>			
Acquisition of assets(Cash outflows under infrastructure)	7	12,881,564.00	
Proceeds from sale of Assets			
Proceeds from investments			
Purchase of investments			
<b>Net cash inflow/outflows from investing activities</b>		<b>12,881,564.00</b>	
<b>Cash flow from Financing activities</b>			
Proceeds from borrowings/ loans		0	0
Repayment of principal borrowings			
<b>Net cash inflow/outflow from financing activities</b>		<b>0</b>	<b>0</b>
<b>Net increase/decrease in cash and cash equivalents</b>		<b>-3,240,227.00</b>	<b>9,682,623.00</b>
Cash and cash equivalent at beginning of the FY		12,180,669.00	2,498,046.00
<b>Cash and cash equivalent at end of the FY</b>		<b>8,940,442.00</b>	<b>12,180,669.00</b>

**Tala Girls 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 4/10/24 2024 and signed by:

.....  
**Name: Emmanuel Musau**  
**Chairman BOM**  
**Date:..... 4/10/24**

.....  
**Name: Annabella Mbugi,EBS**  
**School Principal**  
**Date:..... 4/10/24**

.....  
**Name: Peter Kinyanjui**  
**Bursar**  
**Date:..... 4/10/24**

**Tala Girls 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	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Receipts</b>					
<b>(1) Capitation Grant on Tuition</b>					
Reference Materials					
Exercise Books					
Laboratory Equipment					
Internal Exams					
Teaching / Learning Materials	4,558,400.00	0	4,558,400.00	3,016,814.00	66
Exams And Assessment					
<b>(2) Capitation Grant on Operations</b>					
Personnel Emoluments and other vote heads	10,340,000.00	0	10,340,000.00	7,872,206.00	76
Repairs And Maintenance	5,500,000.00	0	5,500,000.00		
Local Transport / Travelling					
Electricity And Water					
Medical	2,200,000.00	0	2,200,000.00	221,800.00	10
Administration Costs					
Activity	1,650,000.00	0	1,650,000.00	617,313.00	37
Gratuity					

**Tala Girls Secondary school**  
**Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2023**

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>3) FDSE for infrastructure</b>					
Maintenance & Improvement MoE (from Operations account)				4,488,000.00	82
M&I parents' contribution (from Boarding account)				6,300,000.00	52
Economic Stimulus Programs					
Transition Infrastructure Grants					
Administration Block					
<b>(4) Fees Charged on Parents</b>					
Personnel Emoluments and other voteheads	14,190,000.00	0	14,190,000.00	14,805,449.00	104
Repairs And Maintenance	12,100,000.00	0	12,100,000.00	6,658,133.00	55
Local Transport / Travelling					
Electricity And Water					
University Application fees				70,000.00	
Administration Costs					
Activity	475,000.00	0	475,000.00	231,850.00	49
SMASSE					
Fee On Boarding Equipment and Stores	29,001,500.00	0	29,001,500.00	38,425,951.00	132
<b>5) Miscellenous Income</b>					
Loans / Borrowing					
Rent income					
Income From Farming Activities					

**Tala Girls Secondary school**  
**Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2023**

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Insurance Compensation					
Income From Posho Mill					
Income From Bus Hire					
Fee For Hire of Ground and Equipment					
Interest Income					
Income From Any Other Investment					
<b>Total Income</b>	<b>80,014,900.00</b>	<b>0</b>	<b>80,014,900.00</b>	<b>82,707,516.00</b>	<b>103</b>
<b>(6) Expenditure For Tuition</b>					
Textbooks					
Reference Materials					
Exercise Books					
Laboratory Equipment					
Internal Exams					
Teaching / Learning Materials	4,558,400.00		4,558,400.00	2,804,610.00	62
Chalks					
Exams And Assessment					
Teachers Guides					
Administration Costs					
Bank Charges				6,390.00	

**Tala Girls Secondary school**  
**Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2023**

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>(7) Expenditure For Operations</b>					
Personnel Emoluments and other voteheads	10,340,000.00		10,340,000.00	6,327,207.00	61
Repairs, Maintenance & Improvements	5,500,000.00		5,500,000.00	1,302,244.00	24
Local Transport / Travelling					
Electricity, Water and Conservancy					
Medical	2,200,000.00		2,200,000.00	0	0
Administration Costs					
Activity Expenses	1,650,000.00		1,650,000.00	389,900.00	24
Gratuity					
SMASSE					
<b>(8) Expenditure For infrastructure</b>					
Construction of classrooms				645,057.00	
Construction of SEPTIC TANK				834,882.00	
Construction of DORMS				9,416,416.00	
Water drainage				608,902.00	
Purchase of equipment - cctv installation				1,370,206.00	
Purchase of machinery					
Bank charges				6,101.00	
<b>(9) Expenditure For school fund/lunch/boarding</b>					
Personnel Emoluments and other	14,190,000.00	0	14,190,000.00	15,783,070.00	111

**Tala Girls Secondary school**  
**Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2023**

Receipt/Expenses Item	Original Budget	Adjustments	Total Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
voteheads					
Repairs, Maintenance and Improvements	12,100,000.00	0	12,100,000.00	3,707,066.00	31
Local Transport / Travelling					
Electricity, Water and Conservancy					
Medical Expenses					
Administration Costs					
Activity	475,000.00	0	475,000.00	263,605.00	55
Gratuity					
Lunch Programme					
Boarding Equipment and Stores	29,001,500.00	0	29,001,500.00	38,946,056.00	134
Expenditure For Income Generating Activity					
Insurance Costs				77,849.00	
Other Expenses On Investments					
Rent Expenses					
Bank Charges					
Loan Interest Repayment					
Loan Principal Repayment					
Acquisition Of Assets					
<b>Totals</b>	<b>80,014,900.00</b>		<b>80,014,900.00</b>	<b>82,489,561.00</b>	<b>103</b>

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

- i. The overutilization under income on the fees boarding comes from the prepaid fees by parents by the end of the financial year.

**Tala Girls Secondary school**  
**Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2023**

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- ii. The under utilization under income on teaching and learning materials was due to reduced capitation from the government.
- iii. The under utilization under income on medical was due to reduced capitation from the government.
- iv. The under utilization under income on activity was due to reduced capitation from the government and delayed payment of fees from the parents.
- v. The under utilization under income on repair and maintenance from parents was due to failure of payment from some of the parents.
- vi. The underutilization under expenditure on personnel emoluments and other voteheads comes from some cost saving measures put in place by the management.
- vii. The underutilization under expenditure activity comes from some cost saving measures put in place by the management.
- viii. The underutilization under expenditure on teaching and learning materials comes from some cost saving measures put in place by the management.
- ix. The overutilization under expenditure on fees on boarding was due to the increased cost of commodities over the period.

## **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 recognizes all receipts from the various sources when the event occurs, and the related cash has actually been received by the school. In addition, the school recognizes all expenses when the event occurs, and the related cash has actually been paid out by the school. Income arising from school fees is recognized when the event occurs whether cash is received or not. Expenditure arising from operations is recognized 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. The school had no contributions in kind for the year ended 30<sup>th</sup> June 2023.

### **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. The cash and cash equivalents for the year comprised of the bank balances in all the six bank accounts and cash on hand.

**5. Accounts Receivable**

For the purposes of these financial statements, imprests and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. 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. Accounts receivables for the last financial year comprised of fees arrears only.

**6. Accounts Payable**

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfillment of obligations by the contractor and to hold deposits on behalf of third parties. 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.

**Tala Girls Secondary school**  
**Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2023**

**11. Notes To The Financial Statements**

**1 Government Grants for Tuition**

Description	2022-2023	2021-2022
	Kshs	Kshs
Reference Materials		
Teaching / Learning Materials	3,016,814.00	2,983,766.00
Others ( <i>specify</i> )*		
<b>Total</b>	<b>3,016,814.00</b>	<b>2,983,766.00</b>

**2 Government Grants for Operations**

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments		
Repairs And Maintenance		4,619,000.00
Medical	221,800.00	184,600.00
Administration Costs		
Activity	617,313.00	
Other Vote Heads (p.emol, It&t,ew&c,adm)*	7,872,206.00	7,280,270.00
<b>Total as per statement of receipts and payments</b>	<b>8,711,319.00</b>	<b>12,083,870.00</b>
Add: Receivables recovered from delayed capitation	-	1,108,614.00
<b>Total as per statement of cashflow</b>	<b>8,711,319.00</b>	<b>13,192,484.00</b>

**3 Government Grants for infrastructure**

Description	2022-2023	2021-2022
	Kshs	Kshs
Maintenance & Improvement	4,488,000.00	-
Transition infrastructure grants		-
Administration Block		-
Other – parents contributions	6,300,000.00	-
<b>Total</b>	<b>10,788,000.00</b>	<b>-</b>

**Tala Girls Secondary school**  
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**4 School Fund Income - Parents Contribution/Fees**

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments		
Repairs and maintenance	6,658,133.00	4,224,579.00
Activity	231,850.00	879,865.00
Fee on Boarding Equipment and stores	38,425,951.00	31,150,678.00
PA Levies*		
University application fees	70,000.00	115,000.00
Others (P.emol, It&t, adm and ew&c)	14,805,449.00	21,697,610.00
<b>Total as per statement of receipts and payments</b>	<b>60,191,383.00</b>	<b>58,067,732.00</b>
	(4,162,104.00)	
Less: Debtors for the year		(3,952,099.00)
Add: Prepaid fees current year	3,961,049.00	2,054,095.00
Add: Arrears recovered	2,877,329.00	457,184.00
Less: Prepaid fees previous yr	(2,054,095.00)	(1,756,547.00)
<b>Total adjustments</b>	<b>622,179.00</b>	<b>3,197,367.00</b>
<b>Total as per statement of cash flow</b>	<b>60,813,562.00</b>	<b>54,870,365.00</b>

**5 Tuition**

Description	2022-2023	2021-2022
	Kshs	Kshs
Laboratory Equipment		
Teaching / Learning Materials	2,804,610.00	2,983,251.00
Bank Charges	6,390.00	3,984.00
Others (specify)		
<b>Total as per statement of receipts and payments</b>	<b>2,811,000.00</b>	<b>2,987,235.00</b>
Add : Creditors paid	1,200,000.00	645,383.00
Less: Creditors for the year	(694,960.00)	(1,145,830.00)
<b>Total adjustments</b>	<b>505,040.00</b>	<b>(500,447.00)</b>
<b>Total as per statement of cash flow</b>	<b>3,316,040.00</b>	<b>2,486,788.00</b>

**Tala Girls Secondary school**  
**Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2023**

**6 Operations**

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments		
Service Gratuity		
Administration Cost		
Repairs And Maintenance & Improvements	1,302,244.00	
Local Transport / Travelling		
Electricity And Water		
Medical		96,934.00
Activity Expenses	389,900.00	328,657.00
Bank charges		2,603.00
Insurance Cost		
Others (P.emol,ew&c,lt&t,adm)	6,327,207.00	7,245,691.00
<b>Total as per statement of receipts and payments</b>	<b>8,019,351.00</b>	<b>7,673,885.00</b>
Add Creditors paid	515,572.00	1,189,367.00
Less: Creditors for the year	(663,412.00)	(1,354,090.00)
NSSF Paid		144,174.00
NSSF Recovered		(25,158.00)
<b>Total adjustments</b>	<b>(147,840.00)</b>	<b>(45,707.00)</b>
<b>Total as per statement of cashflow</b>	<b>7,871,511.00</b>	<b>7,628,178.00</b>

**Tala Girls Secondary school**  
**Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2023**

**Notes to the Financial Statements (continued)**

**7 Infrastructure**

Description	2022-2023	2021-2022
	Kshs	Kshs
Construction of classrooms	645,057.00	
Water drainage	608,902.00	
Septic Tank	834,882.00	
Construction of laboratory	0.00	-
Construction of dormitory	9,416,416.05	-
CCTV	1,370,206.35	
Drilling of boreholes	0.00	-
Others (Bank charges)	6,101.00	
<b>Total</b>	<b>12,881,564.00</b>	<b>-</b>

**8 Boarding and School Fund**

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments		
Service Gratuity		
Repairs And Maintenance & Improvements	3,707,066.00	902,142.00
Local Transport / Travelling		
Administration Costs		
Activity	263,605.00	291,951.00
Bank Charges		
Fee On Boarding Equipment and Stores	38,946,056.00	32,218,484.00
Insurance Cost ( <i>Life Property</i> )	77,849.00	
Others (P.emol, It&t,adm and ew&c)	15,783,070.00	20,030,774.00
<b>Total as per statement of receipts and payments</b>	<b>58,777,646.00</b>	<b>53,443,351.00</b>
Add: Creditors paid	8,271,671.00	2,207,089.00
Less: Creditors for the year	(4,548,510.00)	(7,695,069.00)
Advance given		91,000.00
Advance recovered		(20,320.00)
<b>Total adjustments</b>	<b>3,723,161.00</b>	<b>(5,417,300.00)</b>
<b>Total as per statement of cashflow</b>	<b>62,500,807.00</b>	<b>48,026,051.00</b>

**Tala Girls Secondary school**  
**Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2023**

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**Notes to the Financial Statements (continued)**

**10 Bank Accounts**

Account Name & Currency	Status Active/Dormant	Bank Account Number	2022-2023	2021-2022
			Kshs	Kshs
Tuition Account	Active	1107393361	62,097.00	361,332.00
Operations Account	Active	1107393556	2,268,485.00	1,428,442.00
School Fund Account/Boarding-KCB	Active	1107262194	1,390,441.00	2,833,497.00
School Fund Account/Boarding-EQUITY	Active	0900294214921	628,881.00	997,270.00
Savings Account	Active	1107198755	563,109.00	563,235.00
Parent Association Development Account				-
Income Generating Activities Account				-
Infrastructural Account	Active	1272341348	3,901,939.00	5,995,503.00
<b>Total</b>			<b>8,814,952.00</b>	<b>12,179,279.00</b>

**11 Cash In Hand**

Description	2022-2023	2021-2022
	Kshs	Kshs
Notes and Coins	125,490.00	1,390.00
<b>Total</b>	<b>125,490.00</b>	<b>1,390.00</b>

**Tala Girls Secondary school**  
**Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2023**

**Notes to the Financial Statements (continued)**

**12 Accounts Receivable**

Description	2022-2023	2021-2022
	Kshs	Kshs
Fees Arrears	15,044,813.00	13,494,988.00
<b>Other Non-Fees Receivables</b>		
Salary Advances		70,680.00
Imprest (list/schedule attached)		
NSSF		119,016.00
<b>Total</b>	<b>15,044,813.00</b>	<b>13,684,684.00</b>

**12 b Ageing Analysis of Accounts Receivable**

Description	2022-2023		2021-2022	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	4,162,104.00	27.66	3,952,099.00	28.72
Between 1- 2 years	1,074,770.00	7.14	1,341,253.00	11.67
Between 2-3 years	1,606,303.00	10.68		
Over 3 years	8,201,636.00	54.51	8,201,636.00	59.60
<b>Total (should tie to note 13 a)</b>	<b>15,044,813.00</b>		<b>13,494,988.00</b>	

**13 Accounts Payable**

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	6,048,432.00	10,053,439.00
Prepaid Fees	3,961,049.00	2,054,095.00
Retention Monies		
Unpaid salaries and statutory deductions		
Caution money		
Other payables ( <i>specify</i> )		
<b>Total</b>	<b>10,009,481.00</b>	<b>12,107,534.00</b>

**Tala Girls Secondary school**  
**Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2023**

**Notes to the Financial Statements (continued)**

**13b. Ageing Analysis of Accounts Payable**

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	4,129,420.00	68.27	9,788,389.00	97.43130995
Between 1- 2 years	1,795,512.00	29.69	265,050.00	2.568690048
Between 2-3 years	123,500.00	2.04		
Over 3 years	0			
<b>Total (should tie to note 14)</b>	<b>6,048,432.00</b>		<b>10,053,439.00</b>	

**14 Fund Balance Brought Forward**

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Bank Balances	12,179,279.00		2,497,098.00	
Cash Balances	1,390.00		948.00	
Short Term Investments				
Receivables	13,684,684.00		11,515,271.00	
Payables	(12,107,534.00)		(6,063,420.00)	
<b>Total</b>	<b>13,757,819.00</b>		<b>7,949,897.00</b>	

**Tala Girls Secondary school**  
**Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2023**

**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.

**15 Biological assets**

Description	Numbers	2022-2023	2021-2022
		Kshs	Kshs
Cattle			
Goats			
Trees	1100		
Coffee Or Tea Plantation			
Poultry			
Others (specify)			
<b>Total</b>	<b>1100</b>		

**16 Stock/ Inventory**

Description	2022-2023	2021-2022
	Kshs	Kshs
Food stuffs	845,422.00	155,303.00
Lab consumables	475,182.00	181,401.00
Farm produce	-	-
Medication	-	-
Construction Materials	8,441,415.00	165,015.00
Others – stationery	269,610.00	268,016.00
	<b>10,031,629.00</b>	<b>769,735.00</b>

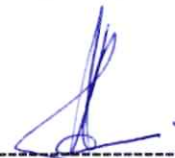
**Tala Girls Secondary school**  
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**17 Progress on Follow Up of Auditor Recommendations**

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 (For a date when you expect the issue to be resolved)
		No report issued yet.		

  
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 Sign and Date  
 Principal



**Tala Girls Secondary school**  
**Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2023**

**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 (Ksh)	Outstanding Balance 2022 (Ksh)	Comments
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Construction Of Buildings</b>						
<b>Sub-Total</b>						
<b>Supply Of Goods</b>						
PETER NZIOKA	300,000.00	2/5/2023	0.00	300,000.00		
LUCIA KAVITA	167,000.00	2/5/2023	0.00	167,000.00		
STAREHE BUTCHERY	396,750.00	2/5/2023	0.00	396,750.00		
KENAFRIC BAKERY	734,250.00	2/5/2023	0.00	734,250.00		
WEAVERBIRD GARMENTS	2,796,510.00	2/5/2023	0.00	2,796,510.00		
OTHER VOTEHEADS	85,340.00	2/5/2023	0.00	85,340.00		
RMI	68,660.00	2/5/2023	0.00	68,660.00		
BENSON MAWEU	41,500.00	2/5/2023	0.00	41,500.00		
LECS WOOD TECHNOLOGY	24,575.00	2/5/2023	0.00	24,575.00		
JAMII BOOKSELLERS	75,280.00	2/5/2023	0.00	75,280.00		
PRINCE AGENCIES					123,500.00	

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Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To Date	Outstanding Balance 2023 FY	Outstanding Balance 2022 FY	Comments
THADDEKKI TRADERS	246,177.00	2/5/2023	0.00	246,177.00		
KIBROS SIX SUPPLIES	46,200.00	2/5/2023	0.00	46,200.00		
BOOKSPOT UKAMBANI	6,780.00	2/5/2023	0.00	6,780.00		
WINBER GENERAL MERCHANTS	65,000.00	2/5/2023	0.00	65,000.00		
SCIENCE LAB LTD	764,590.00	2/5/2023	0.00	764,590.00		
ZENITH LEADERSHIP SOLUTIONS	3,480.00	2/5/2023	0.00	3,480.00		
READERS QUEST PUBLISHERS	68,440.00	2/5/2023	0.00	68,440.00		
<b>Sub-Total</b>	<b>5,890,532.00</b>	2/5/2023	0.00	<b>5,890,532.00</b>	<b>123500</b>	
<b>Supply Of Services</b>						
CATISO IT SOLUTIONS	14,400.00	2/5/2023	0.00	14,400.00		
SMART SCHOOL TECHNOLOGY	20,000.00	2/5/2023	0.00	20,000.00		
<b>Sub-Total</b>	<b>34,400.00</b>			<b>34,400.00</b>		
<b>SUMMARY</b>						
SUPPLY OF GOODS	6,014,032.00					
SUPPLY OF SERVICES	34,400.00					
PREPAID FEES	3,961,049.00					
<b>GRAND TOTAL PAYABLES</b>	<b>10,009,481.00</b>					

**Tala Girls Secondary school**  
**Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2023**

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

Asset Class	Historical Cost b/f (No.) 1 <sup>st</sup> July 2022	Additions during the year (No.)	Disposals during the year (No.)	Historical Cost c/f (No.) 30 <sup>th</sup> June 2023
Land(acres)	6.32	0	0	6.32
Buildings And Structures	161	11	0	173
Motor Vehicles	1	0	0	1
Office Equipment, Furniture And Fittings	2549	2	0	2551
Textbooks	12,489	2058	0	14,547
ICT Equipment	81	0	0	81
Tools And Apparatus	7,208	1,902	507	8,603
Other Machinery And Equipment	302	0	0	302
Heritage And Cultural Assets	77	0	0	77
Intangible Assets- Soft Ware	2	0	0	2
Work in progress (building)				1