

REPUBLIC OF KENYA



*Enhancing Accountability*

THE NATIONAL ASSEMBLY  
PAPERS LAID

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HON. NAOMI WAPO, MP

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THE-TABLE:

KISTHER NGINYO

**THE AUDITOR-GENERAL**

**ON**

**SANTA MARIA GIRLS' SECONDARY  
SCHOOL CHEPTULON**

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

**ELGEYO MARAKWET COUNTY**

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



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**SANTA MARIA GIRLS SECONDARY SCHOOL - CHEPTULON.**

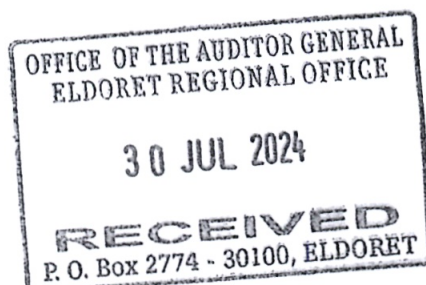
**PUBLIC SECONDARY SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE 2022**

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



**Santa Maria Girls Secondary School - Cheptulon**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

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**Santa Maria Girls Secondary School - Cheptulon**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

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**Santa Maria Girls Secondary School - Cheptulon**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

**I. Key School Information And Management**

**(a) Background information**

Santa Maria Girls Secondary School - Cheptulon is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. The school is located in Elgeyo Marakwet County, Marakwet West Sub-County.

The school was registered in 1984 under registration number 28S30000751 and is currently categorized as an extra county school established, owned or operated by the Government.

The school is a boarding school and had 1062 students as at 30<sup>th</sup> June 2022. It has five streams and 43 teachers out of which 24 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	Martha Yator	Chairman	25 <sup>th</sup> July 2019
2	Rosemary Opinde	Secretary - Principal	
3	Peris Rutto	Member	25 <sup>th</sup> July 2019
4	Boniface Maiyo	Member	25 <sup>th</sup> July 2019
5	Rose Kimutai	Member	25 <sup>th</sup> July 2019
6	Benard Kiprotich	Member	25 <sup>th</sup> July 2019
7	John Kosgei Kochurio	Member	25 <sup>th</sup> July 2019
8	John Kirias	Member – PA	25 <sup>th</sup> July 2019
9	Jonah Kimosop	Member Rep Teachers	25 <sup>th</sup> July 2019
10	Martin Kimaiyo	Members - Sponsor	25 <sup>th</sup> July 2019
11	John Kiptum	Member - Community	25 <sup>th</sup> July 2019
12	Moses Kibor	Member Special Needs	25 <sup>th</sup> July 2019
13	Getrude Alele	Rep Students	25 <sup>th</sup> July 2019
14	David Kwambai	Member	25 <sup>th</sup> July 2019
15	Joel Kendagor	Member	25 <sup>th</sup> July 2019
16	Simion Kipkorir	Member -Chaplain	25 <sup>th</sup> July 2019

**Santa Maria Girls Secondary School - Cheptulon**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> 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 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	Martha Yator Rosemary Opinde John Kirias Joel Kendagor David Kwambai Martin Kimaiyo	Chair B.O.M Principal P.A Chair BOM Member BOM Vice Chair BOM Member	3 out of 3 3 out of 3 3 out of 3 3 out of 3 3 out of 3 3 out of 3
2	Audit Committee	No Audit Committee established		
3	Finance, Procurement and General Purposes Committee	John Kiptum John Kirias Rosemary Opinde Boniface Maiyo Joel Kendagor Rose Kipyatich	BOM Member P.A Principal BOM Member BOM Member BOM Member	2 out of 2 2 out of 2 2 out of 2 2 out of 2 2 out of 2 2 out of 2
4	Academic Committee	David Kwambai Rosemary Opinde Peris Rutto Moses Kibor Benard Kiprotich John Kirias	BOM Vice Chair BOM Secretary BOM Member BOM Member BOM Member BOM Member	2 out of 2 2 out of 2 2 out of 2 2 out of 2 2 out of 2 2 out of 2
5	Development Committee	John Kochurio Rosemary Opinde Martha Yator John Kirias Martin Kimaiyo	SIC Chair Principal P.A Chair BOM Member BOM Member	2 out of 2 2 out of 2 2 out of 2 2 out of 2 2 out of 2

**Santa Maria Girls Secondary School - Cheptulon**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

6	Discipline and Welfare Committee	John Kiptum	BOM Member	2 out of 2
		Rosemary Opinde	BOM Secretary	2 out of 2
		Rose Kipyatich	BOM Member	2 out of 2
		John Kirias	BOM Member	2 out of 2
		Boniface Maiyo	BOM Member	2 out of 2
		Peris Rutto	BOM Member	2 out of 2

**(d) School operation Management**

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

Ref:	Designation	Name	TSC Number
1	Principal	Rosemary Opinde	270851
2	Deputy Principal	Everlyne Kokita	347373
4	School Finance Officer	Nathan Kipchumba	

**(e) Schools contacts**

Post Office Box: 237-Kapsowar

Mobile Number: 0723491117

E-mail: santamaria@gmail.com

**(f) School Bankers**

The school operated 6 number of bank accounts and 1 Pay bill number as follows:

Name of Bank: Kenya Commercial Bank  
 Branch: Kapsowar  
 Account Number: 1103175009  
 Purpose: School Fund Account

Name of Bank: Kenya Commercial Bank  
 Branch: Kapsowar  
 Account Number: 1103175157  
 Purpose: Operations

Name of Bank: Kenya Commercial Bank  
 Branch: Kapsowar  
 Account Number: 1103244841  
 Purpose: Tuition Account

Name of Bank: Kenya Commercial Bank  
 Branch: Kapsowar  
 Account Number: 1276521359  
 Purpose: Infrastructure Account

Name of Bank: Kenya Commercial Bank

**Santa Maria Girls Secondary School - Cheptulon**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

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Branch: Kapsowar  
Account Number: 1210373149  
Purpose: CDF Account

Name of Bank: Kenya Commercial Bank  
Branch: Kapsowar  
Account Number: 1102954985  
Purpose: Savings Account

MPESA Pay Bill No.: Business Number: 522123  
Account Number: 20506KADMNO  
Attached to bank account - 1103175009

**(g) Independent Auditors**  
Office of the Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084  
GPO 00100  
Nairobi, Kenya

**Santa Maria Girls Secondary School - Cheptulon**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> 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:

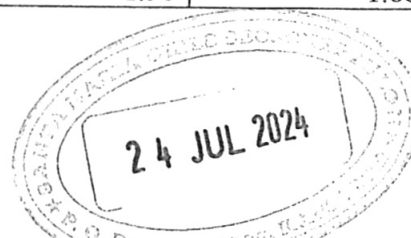
**a) Financial performance:**

This section presents the financial performance for the last four reporting periods, and the trend thereof as tabulated below:

<b>YEAR</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>PERFORMANCE PERIOD</b>	<b>Jan - Dec 2019</b>	<b>Jan - Dec 2020</b>	<b>Jan - June 2021</b>	<b>July 21 - June 22</b>
	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>
<b>Surplus</b>	<b>1,706,690</b>	<b>(275,033)</b>	<b>2,224,730</b>	<b>392,511</b>
Capitation Grants - Operations & Infrastructure	8,697,382	8,740,140	5,642,395	14,321,293
Capitation Grants - Tuition	3,896,512	1,110,691	900,200	3,304,624
<b>Total Capitation</b>	<b>12,593,894</b>	<b>9,850,831</b>	<b>6,542,595</b>	<b>17,625,917</b>
Increase / (Decrease)		(2,743,063)	(3,308,236)	11,083,322
No. of Students (Number)	585	728	855	1,062
<b>Ratio of Capitation per Student</b>	<b>21,528</b>	<b>13,531</b>	<b>7,652</b>	<b>16,597</b>
<b>Total Expenditure</b>	<b>38,068,214</b>	<b>26,967,854</b>	<b>16,848,680</b>	<b>67,775,922</b>
Growth in Expenditure		(11,100,361)	(10,119,174)	50,927,243
<b>Total Accounts Receivables</b>	<b>25,633,307</b>	<b>29,118,185</b>	<b>29,139,708</b>	<b>29,368,650</b>
Growth in Accounts Receivables		3,484,879	21,523	228,942
<b>Accounts Creditors</b>	<b>6,382,670</b>	<b>9,867,548</b>	<b>9,889,071</b>	<b>10,118,013</b>
Growth in Accounts Payables		3,484,878	21,523	228,942
<b>Cash and Bank Balances</b>	<b>342</b>	<b>76,572</b>	<b>2,301,302</b>	<b>2,693,813</b>
Growth in Cash and Cash Equivalents		76,230	2,224,730	392,511

**b) Teacher Student ratio:**

<b>YEAR</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Teacher Student Ratio	1:95	1:90	1:88



**Santa Maria Girls Secondary School - Cheptulon**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

Teachers Recruited during the Year	2	2	1
Number of Teachers Transferred	0	0	0
Number of teachers retired	0	0	0
Teachers Employed by TSC	20	23	24
Teachers Employed by B.O.M	17	23	19

c) Mean score in the 2020-2022 KCSE:

YEAR	2020	2021	2022
GRADE A	0	0	0
GRADE A-	0	0	0
GRADE B+	5	8	2
GRADE B	20	15	41
GRADE B-	42	37	119
GRADE C+	60	61	87
GRADE C	26	70	47
GRADE C-	13	51	4
GRADE D+	4	27	2
GRADE D	0	12	0
GRADE D-	0	2	0
GRADE E	0	0	0
<b>Number of Candidates</b>	<b>170</b>	<b>283</b>	<b>302</b>
<b>Increase in KCSE Enrolment</b>		<b>113</b>	<b>19</b>
<b>Transition to Higher Education (C+ and above)</b>	<b>127</b>	<b>121</b>	<b>249</b>

The number of KCSE candidates increased by 113 and 19 during the 2021 and 2022 periods respectively.

d) Capacity of the school:

YEAR	2020		2021		2022	
	Number	Student Population	Number	Student Population	Number	Student Population
Dormitories	6	728	6	855	7	1,062
Dining Hall	1	728	1	855	1	1,062
Laboratories	2	728	2	855	2	1,062
Toilets	40 Flash 15 Pit	728	40 Flash 15 Pit	855	60 Flash 15 Pit	1,062
Classrooms	11	728	11	855	21	1,062
Computer Lab	1	728	1	855	1	1,062



**Santa Maria Girls Secondary School - Cheptulon**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

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**Summary Report of the Performance of the School (Continued)**

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

S/no	Project	Amount (KShs)	Source of Funds	Status
1	Construction of Six-door pit latrines	300,000	NG-CDF	Complete
2	Construction of 32-door ablution block	4,690,810	M&I - GOK and Parents	Complete
3	Purchase of 300 desks and chairs	1,200,000	M&I - GOK and Parents	Complete
4	Purchase of 100 double decker beds	1,200,000	M&I - GOK and Parents	Complete
5	Renovation of Classrooms	368,710	M&I - GOK and Parents	Complete

ROSEMARY OPINDE *AR. Opinde*

School Principal



**Santa Maria Girls Secondary School - Cheptulon**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

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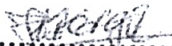
**III. Statement Of School Management Responsibility**

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board (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 Santa Maria Girls Secondary School - Cheptulon accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

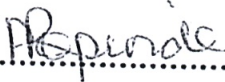
The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30<sup>th</sup> June, 2022, and of the school's financial position as at that date.



.....  
**Name:** Martha Yator

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

**Date:**



.....  
**Name:** Rosemary Opinde

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

**Date:**





.....  
**Name:** Nathan Kipchumba

**Designation:** Bursar/ Finance Officer

**Date:**

# REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

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

## REPORT OF THE AUDITOR-GENERAL ON SANTA MARIA GIRLS' SECONDARY SCHOOL - CHEPTULON FOR THE YEAR ENDED 30 JUNE, 2022 – ELGEYO MARAKWET COUNTY

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Santa Maria Girls' Secondary School – Cheptulon – Elgeyo Marakwet County - set out on pages 1 to 15, which comprise of the statement of assets and liabilities for the financial year ended 30 June, 2022, and

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*Report of the Auditor-General on Santa Maria Girls' Secondary School - Cheptulon for the year ended 30 June, 2022  
– Elgeyo Marakwet County*

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 Santa Maria Girls' Secondary School - Cheptulon 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 Accounts Receivables**

The statement of financial assets and financial liabilities reflect accounts receivable balance of Kshs.29,368,650 as disclosed in Note 10 to the financial statements. However, the supporting schedules, detailed aging analysis and invoices were not provided for audit review.

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

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.29,368,650 in respect of fees arrears as disclosed in Note 10 to the financial statements. Included in the balance are receivables amounting to Kshs.22,031,296 or 75% which had been outstanding for more than two years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.29,368,650 could not be confirmed.

### **2. Variances in Payables**

The statement of financial assets and financial liabilities reflects payables balance of Kshs.10,118,013 as disclosed in Note 11 to the financial statements. However, the balance varies with Kshs.3,128,836 reflected in the ledger or trial balance resulting to an unexplained or an unreconciled variance of Kshs.6,989,177.

In the circumstances, the accuracy and completeness of trade payables balance of Kshs.10,118,013 could not be confirmed.

### **3. Unsupported Cash and Cash Equivalents**

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.2,693,813 which includes bank balances of Kshs.2,119,743 and cash in hand balances of Kshs.574,070 as disclosed in Note 8 and 9 to the financial statements. However, the bank balances were not supported by bank reconciliation statements. Further, no cash survey certificate was provided to support the cash balance of Kshs.574,070 as disclosed in Note 9 to the financial statements.

In the circumstances, the accuracy, completeness and existence of cash and cash equivalents balance of Kshs.2,693,813 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Santa Maria Girls' Secondary School - Cheptulon 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.

### **Other Matter**

#### **Unresolved Prior Year Matters**

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

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

The statement of receipts and payments reflects operations grants amount of Kshs.14,321,293 as disclosed in Note 2 to the financial statements which were from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.5,239,750 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.4,998,000 was transferred to infrastructure account, leaving a balance of Kshs.241,750 as at 30 June, 2022. This is contrary to The Ministry of Education Circular Ref. 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.

### **2. Lack of a Procurement Plan**

The statement of receipts and payments reflect Kshs.68,168,433 and Kshs.67,775,922 in respect of total receipts and payments respectively. However, during the year Management did not prepare an annual procurement plan as part of the annual budget preparation process. This is contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that 'a procuring entity shall prepare a procurement plan for each financial year as part of the annual budget preparation process.

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

### **3. Long Outstanding Payables**

The statement of financial assets and financial liabilities and as disclosed in Note 11 to the financial statements reflects payables balance of Kshs.10,118,013. However, included in the balance are trade payables balance of Kshs.5,495,875 which had been outstanding for more than one year. This is 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, Management was in breach of the law.

### **4. Unconfirmed Enrolment Data**

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations totalling Kshs.17,625,917. Comparison of data from National Education Management and information System (NEMIS) with records from the

County Director of Education revealed that during the 2021/2022 Financial Year, National Education Management Information Systems reflected one thousand and sixty-nine (1,069) students while records from the County Director of Education had one thousand two hundred and fifty-one (1,251) students. This resulted to an underfunding of the School by an amount of Kshs.3,271,143. This is contrary to the Ministry of Education Circular MOE.HQS/3/13/3 dated 16 June, 2021 on implementation of Free Day Secondary Education (FDSE) which requires all learners to be registered in National Education Management Information Systems and the principals to ensure their records are accurate.

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

#### **5. Late Submission of Financial Statements**

During the year under review, Management submitted the financial statements to the Auditor-General on 03 January, 2024 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, 2022 in compliance which Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

In the circumstances, Management was breach of the law.

#### **6. Non-Adherence to One Third Pay Rule**

Review of the June, 2022 payrolls revealed that two Board of Management (BOM) employees received net pays that were less than one third of their basic pay during the month of June 2021 pay period. This is contrary to section 19 (3) of the Employment Act, 2007 which states that deductions from an employee's salary shall not exceed two thirds of such wages.

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

#### **7. Failure to Deduct and Remit Statutory Deductions**

During the period under review, the School Board of Management engaged an average of twenty (20) Teachers Service Commission compliant teachers in a bid to address teacher shortages, at a monthly consolidated pay of Kshs.15,000 per teacher. Audit of the payroll revealed that Management did not deduct and remit National Social Security Fund (NSSF) and National Hospital Insurance Fund (NHIF) statutory deductions from the Board of Management teacher's salaries, contrary to Section 20 of the National Social Security Fund Act, Revised 2013 and Section 16 of the National Health Insurance Fund Act, 2022.

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

## **8. Employment Above Mandatory Retirement Age**

Review of the staff bio data and June, 2022 payroll revealed that the Board of Management retained an officer as a watchman despite him having attained the age of 61 years. This is contrary to Section D.21 of the Human Resource Policies and Procedures Manual for the Public Service, 2016, which states that all officers shall retire from the Service on attaining the mandatory retirement age of 60 years, 65 years for persons with disabilities.

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

## **9. Failure to Open a Bank Account for Receipts from Income Generating Activities**

The statement of receipts and payments indicates that the School - Cheptulon generated revenue amounting to Kshs.425,000 and Kshs.50,000 from farming activities and bus hire respectively. Review of the cash books presented for audit revealed that Management posted the receipts generated from income generating activities to the boarding cash book, contrary to Circular MOE/CONF/G5 date 26<sup>th</sup> November 2019 which requires the school Management to open a separate bank account for income generating activities.

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) Regulation, 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 disclose a summary of fixed assets register balance of Kshs.15,400,000 which includes land with a nil balance and motor vehicle with a balance of Kshs.15,400,000. However, land ownership documents were not provided for audit.

In addition, the log book for the motor vehicle indicated that it was jointly owned by the School and a financial institution.

In the circumstances, ownership and safe custody of the fixed assets 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 Board of Management**

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 continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the 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.

The Board of Management is 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 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 School's 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 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 sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

**Nairobi**

**13 September, 2024**

Santa Maria Girls Secondary School - Cheptulon  
 Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022

V. Statement Of Receipts And Payments Period To 30<sup>th</sup> June 2022

Description	Note	2021-2022	Jan - June 2021
		Kshs	Kshs
<b>Receipts</b>			
Capitation grants for tuition	1	3,304,624	900,200
Capitation grants for operations	2	14,321,293	5,642,395
School Fund Income- Parents' Contributions	3	50,067,516	12,344,814
School Fund Income- Other receipts	4	475,000	186,000
Proceeds from borrowings			
<b>Total Receipts</b>		<b>68,168,433</b>	<b>19,073,409</b>
<b>Payments</b>			
Tuition	5	3,336,137	859,616
Operations	6	15,610,772	4,412,866
Boarding and school fund payments	7	48,829,013	11,576,198
<b>Total Payments</b>		<b>67,775,922</b>	<b>16,848,680</b>
<b>Surplus</b>		<b>392,511</b>	<b>2,224,730</b>


The school financial statements were approved on \_\_\_\_\_ 2022 and signed by:

.....  


Name: Martha Yator

Chair BOM

Date: 24/7/24

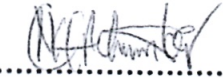
.....  


Name: Rosemary Opinde

School Principal/ Secretary to BOM

Date:



.....  


Name: Nathan Kipchumba

Bursar/ Finance Officer

Date: 24/7/24

Santa Maria Girls Secondary School - Cheptulon  
 Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022

VI. Statement Of Financial Assets And Financial Liabilities As At 30<sup>th</sup> June 2022

Description	Note	2021-2022	Jan - June 2021
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash and cash equivalents</b>			
Bank balances	8	2,119,743	2,156,984
Cash balances	9	574,070	144,318
<b>Total cash and cash equivalent</b>		<b>2,693,813</b>	<b>2,301,302</b>
Account's receivables	10	29,368,650	29,139,708
<b>Total financial assets</b>		<b>32,062,463</b>	<b>31,441,010</b>
<b>Financial liabilities</b>			
Accounts payables	11	10,118,013	9,889,071
<b>Net financial assets</b>		<b>21,944,450</b>	<b>21,551,939</b>
<b>Represented by</b>			
Accumulated fund b/fwd	12	21,551,939	19,327,209
Surplus/deficit for the year		392,511	2,224,730
<b>Net financial position</b>		<b>21,944,450</b>	<b>21,551,939</b>

The school's financial statements were approved on \_\_\_\_\_ 2022 and signed by:

.....  
*Martha Yator*

Name: Martha Yator

Chair BOM

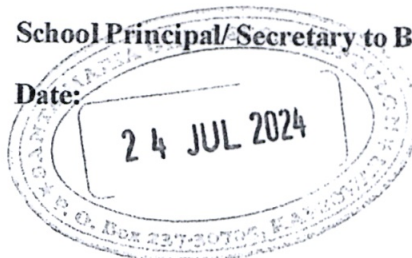
Date: 24/7/24

.....  
*Rosemary Opinde*

Name: Rosemary Opinde

School Principal/ Secretary to BOM

Date:



.....  
*Nathan Kipchumba*

Name: Nathan Kipchumba

Bursar/ Finance Officer

Date: 24/7/24

Santa Maria Girls Secondary School - Cheptulon  
 Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022

VII. Statement of Cash Flows for The Period Ended 30<sup>th</sup> June 2022

Description	Note	2021-2022	Jan - June 2021
		Kshs	Kshs
<b>Operating activities</b>			
<b>Receipts</b>			
Capitation grants for tuition	1	3,304,624	900,200
Capitation grants for operations	2	14,321,293	5,642,395
School fund income- parents contributions/ fees	3	50,067,516	12,344,814
School fund income- other receipts	4	475,000	186,000
<b>Total receipts</b>		<b>68,168,433</b>	<b>19,073,409</b>
<b>Payments</b>			
Payments for tuition	5	3,336,137	859,616
Payments for operations	6	10,112,772	3,906,316
Boarding and school fund payments	7	48,379,090	11,576,198
<b>Total payments</b>		<b>61,827,999</b>	<b>16,342,130</b>
<b>Net cash flow from operating activities</b>		<b>6,340,434</b>	<b>2,731,280</b>
<b>Cashflow from investing activities</b>			
Proceeds from sale of assets		-	-
Acquisition of assets		(5,947,923)	(506,550)
Proceeds from investments		-	-
Purchase of investments		-	-
<b>Net cash flows from investing activities</b>		<b>(5,947,923)</b>	<b>(506,550)</b>
<b>Cashflow from borrowing activities</b>			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
<b>Net cash flow from financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>		<b>392,511</b>	<b>2,224,730</b>
<b>Cash and cash equivalent at beginning of the year</b>		<b>2,301,302</b>	<b>76,572</b>
<b>Cash and cash equivalent at end of the year</b>		<b>2,693,813</b>	<b>2,301,302</b>

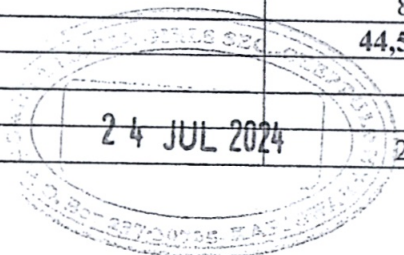
(The above presentation of cash flow statement uses the direct method of cash flow presentation which is encouraged under IPSAS. Schools should therefore adopt the direct method of cashflow as recommended by PSASB).

Kshs.5,947,923 utilised in the acquisition of assets comprises Kshs.5,498,000 and Kshs.449,923 from the operations and school fund accounts respectively and which were expended through the school's infrastructure account during the period under review. Funds amounting to Kshs.5,498,000 and Kshs.2,000,000 had been transferred from the operations and school fund respectively to the infrastructure bank account as per the Ministry of Education guidelines on the utilization of Repairs, Maintenance and Improvement and Infrastructure capitation funds.



VIII. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30<sup>th</sup> June 2022

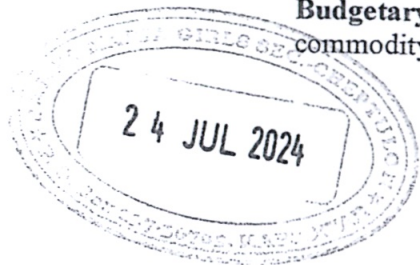
Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	%
<b>RECEIPTS</b>						
<b>(1) CAPITATION GRANT ON TUITION</b>						
Teaching / learning materials	5,720,994	-	5,720,994	3,304,624	2,416,370	58%
<b>Total</b>	<b>5,720,994</b>	<b>-</b>	<b>5,720,994</b>	<b>3,304,624</b>	<b>2,416,370</b>	<b>58%</b>
<b>(2) CAPITATION GRANT ON OPERATIONS</b>						
Other Vote Heads	8,460,000	-	8,460,000	9,081,543	(621,543)	107%
RMI	5,310,000	-	5,310,000	5,239,750	70,250	99%
SMASSE	260,000	-	260,000	-	260,000	0%
Activity	1,593,000	-	1,593,000	-	1,593,000	0%
<b>Total</b>	<b>15,623,000</b>	<b>-</b>	<b>15,623,000</b>	<b>14,321,293</b>	<b>1,301,707</b>	<b>92%</b>
<b>(3) FEES CHARGED ON PARENTS</b>						
Repairs and maintenance	2,000,000	-	2,000,000	1,304,469	695,531	65%
Other Voteheads	19,393,540	-	19,393,540	17,404,684	1,988,856	90%
KNEC Exams	158,500	-	158,500	158,500	-	100%
Bursary	-	-	-	802,100	(802,100)	-
BES	22,110,840	-	22,110,840	29,608,395	(7,497,555)	134%
Activity	881,460	-	881,460	789,368	92,092	90%
<b>Total</b>	<b>44,544,340</b>	<b>-</b>	<b>44,544,340</b>	<b>50,067,516</b>	<b>(5,523,176)</b>	<b>112%</b>
<b>OTHER RECEIPTS</b>						
Income from Farm	250,000	-	250,000	425,000	(175,000)	170%



Santa Maria Girls Secondary School - Cheptulon  
 Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022

Bus Hire	70,000	-	70,000	50,000	20,000	71%
<b>Total</b>	<b>320,000</b>	-	<b>320,000</b>	<b>475,000</b>	<b>(155,000)</b>	<b>148%</b>
<b>TOTAL INCOME</b>	<b>66,208,334</b>	-	<b>66,208,334</b>	<b>68,168,433</b>	<b>(1,960,099)</b>	<b>103%</b>
<b>(1) EXPENDITURE FOR TUITION</b>						
Laboratory Chemicals	2,741,325	-	2,741,325	800,000	1,941,325	29%
Teaching / learning materials	2,978,553	-	2,978,553	2,536,137	442,416	85%
Bank Charges	1,116	-	1,116	1,116	-	100%
<b>Total</b>	<b>5,720,994</b>	-	<b>5,720,994</b>	<b>3,337,253</b>	<b>2,383,741</b>	<b>58%</b>
<b>(2) EXPENDITURE FOR OPERATIONS</b>						
Activity Expenses	850,000	-	850,000	328,270	521,730	39%
Repairs and maintenance & improvements	3,000,000	-	3,000,000	5,498,000	(2,498,000)	183%
Other Vote Heads	4,000,000	-	4,000,000	9,779,741	(5,779,741)	244%
Bank Charges	1,962	-	1,962	4,761	(2,799)	243%
<b>Total</b>	<b>7,851,962</b>	-	<b>7,851,962</b>	<b>15,610,772</b>	<b>(7,758,810)</b>	<b>199%</b>
<b>(3) EXPENDITURE FOR SCHOOL FUND</b>						
Repairs and maintenance & Improvements	2,124,000	-	2,124,000	518,553	1,605,447	24%
Other Vote Heads	10,242,425	-	10,242,425	10,732,780	(490,355)	105%
Expenses on Income Generating Activities	500,000	-	500,000	301,020	198,980	60%
Fee on Boarding Equipment and Stores	39,768,953	-	39,768,953	36,401,060	3,367,893	92%
Bursary	-	-	-	802,100	(802,100)	-
Fees Refund	-	-	-	73,500	(73,500)	-
<b>TOTAL</b>	<b>52,635,378</b>	-	<b>52,635,378</b>	<b>48,829,013</b>	<b>3,806,365</b>	<b>93%</b>
<b>GRAND TOTAL</b>	<b>66,208,334</b>	-	<b>66,208,334</b>	<b>67,777,038</b>	<b>(1,568,704)</b>	<b>102%</b>

**Budgetary Notes:** Over-absorption of expenditure was caused by the inflationary tendencies which resulted into increased commodity prices while revenue under-performance was caused by the failure of the government to remit capitation funds.



**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**  
The comparability of the current period's figures against prior periods' is significantly reduced due to difference in the reporting cycles. Whereas the prior period's figures relate to the six-month period from January – June 2021, the current reporting period covers twelve months from July 2021 – June 2022.
- 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 2022.

**Santa Maria Girls Secondary School - Cheptulon**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

**X. Notes To The Financial Statements**

**1 Capitation Grant for Tuition**

Description	2021-2022	Jan - June 2021
	Kshs	Kshs
Tuition	-	-
Exercise books	-	-
Laboratory equipment	-	238,395
Internal exams	-	-
Teaching / learning materials	3,304,624	661,805
Chalks	-	-
Exams and assessment	-	-
Teachers guides	-	-
<b>Total</b>	<b>3,304,624</b>	<b>900,200</b>

**2 Capitation Grant for Operations**

Description	2021-2022	Jan - June 2021
	Kshs	Kshs
Personnel emoluments	-	-
Repairs and maintenance	5,239,750	2,591,250
Medical Insurance	-	-
BOM Teachers	-	-
Medical Insurance	-	-
Other Vote heads	9,081,543	3,051,145
Activity	-	-
<b>Total</b>	<b>14,321,293</b>	<b>5,642,395</b>

**3 Parents Contribution/Fees - School Fund Account**

Description	2021-2022	Jan - June 2021
	Kshs	Kshs
Personnel emoluments	-	31,270
Repairs and maintenance	1,304,469	563,849
Other Vote Heads	17,404,684	4,504,418
Local Travel and Transport	-	-
Electricity and water	-	-
KNEC Exams	158,500	-
Administration costs	-	-
Bursary	802,100	-
BES	29,608,395	7,175,003
Activity	789,368	70,273
<b>Total</b>	<b>50,067,516</b>	<b>12,344,812</b>



**Santa Maria Girls Secondary School - Cheptulon**  
**Reports and Financial Statements For the year ended 30<sup>th</sup> June 2022**

**4 Other Receipts – School Fund Account**

Description	2021-2022	Jan - June 2021
	Kshs	Kshs
Income from Farm	425,000	120,000
Bus Hire	50,000	66,000
<b>Total</b>	<b>475,000</b>	<b>186,000</b>

The school plants food including cabbages in the farm which when mature are harvested and transferred for use in the school kitchen. Further, the school hires out its buses to the local community and church when not in use for school's activities.

**5 Payments For Tuition**

Description	2021-2022	Jan - June 2021
	Kshs	Kshs
Textbooks and reference materials	-	-
Exercise books	-	-
Laboratory Chemicals	800,000	500,000
Internal exams	-	-
Teaching / learning materials	2,536,137	358,500
Stationary	-	-
Tuition	-	-
Teachers guides	-	-
Administration Costs	-	-
Bank Charges	-	1,116
<b>Total</b>	<b>3,336,137</b>	<b>859,616</b>

**6 Payments For Operations**

Description	2021-2022	Jan - June 2021
	Kshs	Kshs
Personnel emoluments		-
Administration Costs		-
Local Travel & Transport		-
Medical		-
Activity Expenses	328,270	-
Repairs and maintenance & improvements	5,498,000	506,550
Other Vote Heads	9,779,741	3,904,876
Bank Charges	4,761	1,440
<b>Total</b>	<b>15,610,772</b>	<b>4,412,866</b>
<b>Amount Reported in the Statement of Receipts and Payments</b>	<b>15,610,772</b>	<b>4,412,866</b>
Less Acquisition of Assets Amount	(5,498,000)	(506,550)
<b>Operations Payments reported in Statement of Cash Flows</b>	<b>10,112,772</b>	<b>3,906,316</b>



Santa Maria Girls Secondary School - Cheptulon  
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Notes To The Financial Statements (Continued)

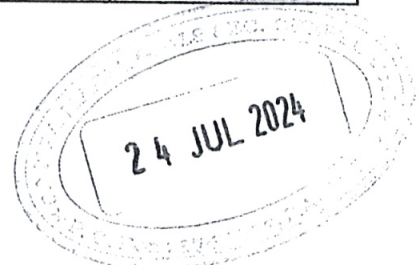
7 Boarding And School Fund Payments

Description	2021-2022	Jan - June 2021
	Kshs	Kshs
Personnel emoluments		31,270
Repairs and maintenance & Improvements	518,553	142,650
Local transport / travelling		-
Electricity and water		-
Administration costs		-
Other Vote Heads	10,732,780	3,198,525
Bank Charges		-
Expenses on Income Generating Activities	301,020	107,980
Fee on Boarding Equipment and Stores	36,401,060	8,075,645
Activity		20,000
Bursary	802,100	-
Fees Refund	73,500	-
Infrastructure Account Bank Charges		126
Infrastructure Account Payments		-
Acquisition of Assets		-
<b>TOTAL</b>	<b>48,829,013</b>	<b>11,576,196</b>
<b>Amount Reported in the Statement of Receipts and Payments</b>	<b>48,829,013</b>	<b>11,576,196</b>
Less Acquisition of Assets Amount	(449,923)	-
<b>Boarding Payments reported in Statement of Cash Flows</b>	<b>48,379,090</b>	<b>11,576,196</b>

The Kshs.301,020 reported as expenses on income generating activities relate to the payments on the inputs used at the farm and related payments incurred to generate the income reported under other receipts at Note 4 to the Financial Statements.

8 Bank Accounts

Name of Bank, Account No. & currency	Bank Account Number	2021-2022	Jan - June 2021
		Kshs	Kshs
Tuition Account	1103244841	13,620	46,987
Operations Account	1103175157	3,418	1,158,378
School Fund Account/Boarding	1103175009	509,611	908,602
Savings Account	1102954985	2,670	2,670
Infrastructural Account	1276521359	1,590,424	40,347
<b>Total</b>		<b>2,119,743</b>	<b>2,156,983</b>



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9 Cash In Hand

Description	2021-2022	Jan - June 2021
	Kshs	Kshs
Tuition Account	-	-
Operation Account	3,607	83,022
School Fund account	570,463	61,296
<b>Total</b>	<b>574,070</b>	<b>144,318</b>

10 Accounts Receivable

Description	2021-2022	Jan - June 2021
	Kshs	Kshs
Fees arrears	29,341,650	29,106,708
Other non-fees receivables		
Salary advances	27,000	33,000
Imprest		
<b>Total</b>	<b>29,368,650</b>	<b>29,139,708</b>

10(a) Fees Arrears ageing analysis

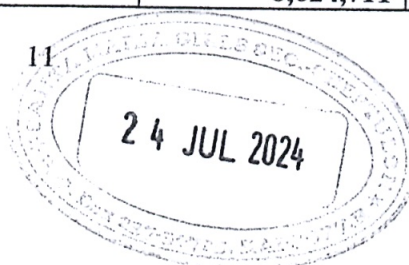
Description	2021-2022	Jan - June 2021
	Kshs	Kshs
Fees arrears for current year	5,393,300	2,238,802
Fees arrears for the previous year	1,917,054	2,218,508
Fees arrears for prior periods (over two years)	22,031,296	24,649,398
<b>Total</b>	<b>29,341,650</b>	<b>29,106,708</b>

11 Accounts Payable

Description	2021-2022	Jan - June 2021
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	8,624,711	9,889,071
Unremitted Payroll Deductions	73,814	
Prepaid fees	1,261,288	
KNEC Exams Fees	158,200	
<b>Total</b>	<b>10,118,013</b>	<b>9,889,071</b>

11(a) Trade Creditor's Ageing Analysis

Description	2021-2022	Jan - June 2021
	Kshs	Kshs
Trade creditors for current year	3,128,836	5,107,057
Trade creditors for the previous year	3,845,767	3,128,075
Trade creditors for prior periods (over two years)	1,650,108	1,653,939
<b>Total</b>	<b>8,624,711</b>	<b>9,889,071</b>



**Santa Maria Girls Secondary School - Cheptulon**  
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**Notes To The Financial Statements (Continued)**

**12 Fund Balance Brought Forward**

Description	2021-2022	Jan - June 2021
	Kshs	Kshs
Bank balances	2,156,984	92,655
Cash balances	144,318	(16,083)
Short Term Investments		-
Receivables	29,139,708	29,118,185
Payables	(9,889,071)	(9,867,548)
<b>Total</b>	<b>21,551,939</b>	<b>19,327,209</b>



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**Other important disclosure notes**

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

**13 Non-current Liabilities Summary**

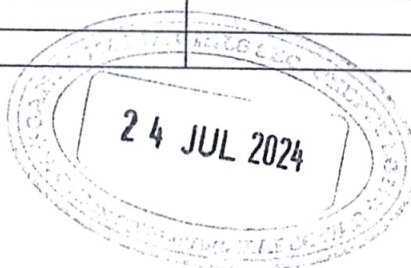
Description	2021-2022	Jan - June 2021
	Kshs	Kshs
Bank Loan(S)	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
<b>Total</b>	-	-

**14 Biological assets**

Description	Numbers	2021-2022	Jan - June 2021
		Kshs	Kshs
Cattle – Dairy Cattle	(2022:5) & (2021:3)	450,000	270,000
Cattle – Heifer Calf	(2022:3) & (2021:1)	90,000	30,000
Cattle – Bull	(2022:0) & (2021:1)	-	60,000
Sheep	(2022:17) & (2021:13)	54,923	42,000
Trees – Mature Cypress	(2022:690) & (2021:687)	6,900,000	6,870,000
Trees – Premature Cypress	(2022:9) & (2021:15)	1,800	3,000
<b>Total</b>		<b>7,496,723</b>	<b>7,275,000</b>

**15 Borrowings**

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



**Santa Maria Girls Secondary School - Cheptulon**  
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**Other important disclosure notes**

**16 Stock/ Inventory**

Description	2021-2022	Jan - June 2021
	KShs	KShs
<b>b) Borrowings</b>		
Stock/ inventory at beginning of the year	300,000	20,000
Stock/ inventory purchased during the year	7,877,500	3,465,000
Stock/ inventory issued during the year	(6,800,000)	3,185,000
<b>Balance at end of the year</b>	<b>1,377,500</b>	<b>300,000</b>



**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: (Put a date when you expect the issue to be resolved)

*AK Perera*

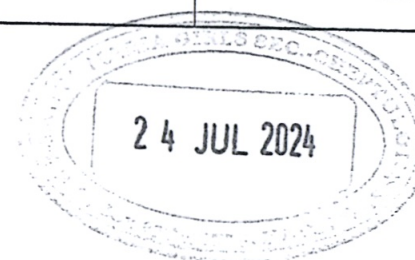
Sign and Date  
Principal



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Annex 1 - Analysis Of Pending Accounts Payable

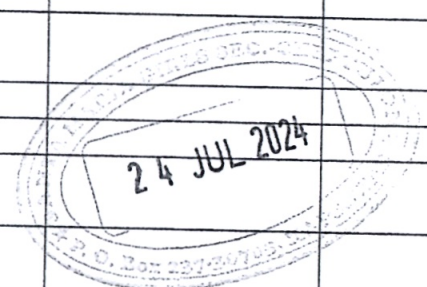
Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
				2022	2021	
	a	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Construction Of Buildings</b>						
Gaston Power	2,500,000		774,914	1,725,086	-	BES Account
<b>Sub-Total</b>	<b>2,500,000</b>	<b>-</b>	<b>774,914</b>	<b>1,725,086</b>	<b>-</b>	
<b>Supply Of Goods</b>						
Moi's Bridge Dairy	119,600		-	119,600	-	BES
Tartu Enterprise	98,980		-	98,980	-	Other Vote Heads
Bernard K Mutwol	66,950		-	66,950	-	BES
Herman K Limo	73,920		-	73,920	-	BES
Albert K Koilege	111,500		-	111,500	-	BES
Joseph K Kipkore	159,100		-	159,100	-	BES
Pishon General Supplier	116,000		-	116,000	-	BES
Smart School Technology	380,000		-	380,000	-	BES
<b>Sub-Total</b>	<b>1,126,050</b>	<b>-</b>	<b>-</b>	<b>1,126,050</b>	<b>-</b>	
<b>Supply Of Services</b>						
Seraton Business Systems	17,500		-	17,500	-	Other Vote Heads
Diamond Joy Graphics	111,000		-	111,000	-	Other Vote Heads
Thomas Cheruiyot	8,000		-	8,000	-	Other Vote Heads
Odinosh Sanitary	74,800		-	74,800	-	Other Vote Heads
Ceramic Enterprises	66,400		-	66,400	-	BES
<b>Sub-Total</b>	<b>277,700</b>	<b>-</b>	<b>-</b>	<b>277,700</b>	<b>-</b>	BES
<b>Grand Total</b>	<b>3,903,750</b>	<b>-</b>	<b>774,914</b>	<b>3,128,836</b>	<b>-</b>	BES



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Annex 2 – Summary Of Fixed Assets Register

Asset Class	Date purchased	Location	Historical Cost b/f - 1st July 2021	Additions during the year	Disposals during the year	Historical Cost c/f - 30th June 2022
			(Kshs)	(Kshs)	(Kshs)	(Kshs)
Land 1	1984	Moiben / Kuserwo				
Buildings And Structures						
Motor Vehicles	2005	School	15,400,000	-	-	15,400,000
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						
<b>Total</b>			<b>15,400,000</b>	<b>-</b>	<b>-</b>	<b>15,400,000</b>



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