

REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

UMUSALAMA GIRLS SECONDARY SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2021

GARISSA COUNTY

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 01 JUL 2026	DAY. WEDNESDAY
TABLED BY:	HON. DWEN BAYA, M.P.
CLERK-AT THE-TABLE:	CHRISTINE NDIRITU

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Revised 30th June 2021



UMUSALAMA GIRLS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2021

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

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I. Key School Information And Management

(a) Background information

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

The school was registered in 23rd may 2003 under registration number GP/A/2653/2003 and is currently categorized as a sub-county s public school established, owned or operated by the Government.

The school is a day school and had 790 number of students as at 30th June 2021. It has 4 streams and 37 teachers of which 14 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

The School Board of Management established under Section 55 of the Basic Education Act, 2013; is composed of the following members:

Ref:	Name of Board Member	Designation	Date of appointment
1	FATHA ADAN ABDIRAHMAN	Chairperson	16/8/2019
2	ADOW ADAN	Secretary - Principal	16/8/2019
3	ABDINASIR SHARIFF	Member	16/8/2019
4	HALIMA ABDULLAHI	Member	16/8/2019
5	FUNNY ABDI	Member	16/8/2019
6	SOFIA MOHAMED	Member	16/8/2019
7	ALI M MATHOBE	Member	16/8/2019
8	KORIO HUSSEIN	Member – Rep CEB	16/8/2019
9	SAMMY MUTHUI	Member Rep Teachers	16/8/2019

Key School Information and Management (Continued)

The function of the School Board of Management include:

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013
- Ensure and assure the provision of proper and adequate facilities for the School
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School.
- Determine cases of 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	1.FATHA ADAN 2.ADOW ADAN 3. MOHSMED SHEKH 4 .ABDINASIR SHARIF 5.SOFIA DUMAL	BOM chairperson BOM secretary Memeber Member member	33
3	Finance,procurement and general purposes Committee	1FATHA ADAN 2.SOFIA DUMal 3.ABDINASIR SHARIF		
4	Academic Committee	1.HASSAN M GARANE 2.YUSSUF SHALE 3.IBRAHIM	Memeber Member Memeber Member	2

UMUSALAMA GIRLS SECONDARY SCHOOL
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		ABUBAKAR 4 ALI SADAM		
		1.HAKIMA MAALI 2.HASAAN GARANE 3.HAFSA MOHAMED	Memeber Member Memeber Member	
5	Development Committee	ADOW ADAN		4

(d) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	ADOW ADAN GUDOW	272170
2	Deputy Principal	HAKIMA MAALIM ALI	497167
3	School Bursar	HAFSA MOHAMED GURE	BOM

(e) Schools contacts

Post Office Box: 459
 Telephone: 0725606960
 E-mail: umusalamagirls@gmailcom
 Website: N/A
 Facebook:
 Twitter: N/A

(f) School Bankers

The following school operated 3 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: First community bank
 Branch: Garissa branch
 Account Number: 297769999902 **(TUITION ACCCOUNT)**

2. Name of Bank: First community bank
 Branch: Garissa branch
 Account Number: 29769999803 **(OPERATION)**

3. Name of Bank: First community bank
 Branch: Garissa branch
 Account Number: 2977983701 **(INFRSTRUCTURE)**

MPESA Pay Bill No N/A

(Ensure all bank accounts operated by the school are disclosed and that all Pay Bill Numbers are also disclosed)

(g) Independent Auditors

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

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:

(Under this section, the following information should be given:

- *Surplus/ deficit for the year and a comparison of the same for the last three years*

<i>fy</i>	<i>2020</i>	<i>2021</i>
<i>Surpus/deficit</i>	<i>(1,407.90)</i>	<i>527,589.22</i>

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

<i>fy</i>	<i>2020</i>	<i>2021</i>
<i>Tuition gramts</i>	<i>1,288,015.00</i>	<i>1,010,657.64</i>
<i>Operation grants</i>	<i>8,878,800.00</i>	<i>6,279,334.25</i>

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

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

<i>FY</i>	<i>2020</i>	<i>2021</i>
<i>Tuition expenditure</i>	<i>1,288,754.58</i>	<i>1,007,256.25</i>
<i>Operation expenditure</i>		

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

<i>fy</i>	<i>2020</i>	<i>2021</i>
<i>creditors</i>	<i>602,000</i>	<i>1,732,000</i>

- *Movement of cash and bank balances over the last three years*

<i>fy</i>	<i>2020</i>	<i>2021</i>
<i>Bank balances</i>	<i>1,291.63</i>	<i>1,658,881.57</i>

Teacher Student ratio:

Teacher student ratio	TSC teachers	BOM teachers	Total number of students	Teachers recruited in 2021
1:23	23	14	490	01

(c) Mean score in the 2019 and 2020 KCSE:

YEAR	MEAN SCORE /GRADE	NO TRASITIONED
2019	3.86D+	115
2020	4.15 D+	138

b) Number of Candidates in the 2021 KCSE:

YEAR	NO OF CANDIDATES
2019	115
2020	138

c) Capacity of the school:

YEAR	NUMBERS
2020-2021	858

(ii) SCHOOL FACILITITES

SCHOOL FACILITIES	NUMBER
Classrooms	20
Laboratories	03
Toilets	30
Dining hall	0
Book store	1
Admin block	1
Water tanks	4
Underground tanks	0
TOTAL	59

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Summary Report of the Performance of the School (Continued)

d) Development projects carried out by the school:

<i>SOURCES OF FUND</i>	<i>PROJECT</i>	<i>YEAR</i>	<i>AMOUNT</i>	<i>STATUS</i>
<i>MOE</i>	<i>RENOVATION OF CHEMISTRY LAB</i>	<i>2021</i>	<i>2,274,000</i>	<i>COMPLETED</i>
<i>MOE</i>	<i>RENOVATION OF PHYSICS LAB</i>	<i>2021</i>		<i>COMPLETED</i>

.....
School Principal

PRINCIPAL
UMUSALAMA GIRLS SECONDARY
SCHOOL
P.O. BOX 270100 GARISSA

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 Umusalama Girls Secondary School accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2021, and of the school's financial position as at that date.

CHAIRPERSON, BOM
UMUSALAMA GIRLS SCHOOL
P.O. Box 459-70100, GARISSA
Name: FATHA ADAN

Designation: Chairman, School Board of Management

Date: 30th June 2021

PRINCIPAL
UMUSALAMA GIRLS SECONDARY
P.O. Box 459-70100, GARISSA
Name: ADOW ADAN

Designation: School Principal & Secretary to Board of Management

Date: 30th June 2021

HAFSA MOHAMED
Name: HAFSA MOHAMED

Designation: Bursar/ Finance Officer

Date: 30th June 2021

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON UMUSALAMA GIRLS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2021 - GARISSA COUNTY

PREAMBLE

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

- A. Report on 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 the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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 Umusalama Girls Secondary School set out on pages 1 to 17 which comprise of the statement of assets and liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts, for the 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 Umusalama Girls Secondary School at 30 June, 2021 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 Basic Education Act, 2013 and the Public Finance Management Act, 2012

Basis for Qualified Opinion

1. Inaccuracies in Cash and Cash Equivalents

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.1,658,881 as disclosed in Note 8 to the financial statements. However, the statement of cash flows reflects cash and cash equivalent balance of Kshs.528,881 at the end of the financial year resulting in unreconciled variance of Kshs.1,130,000.

In the circumstances, the accuracy of cash and cash equivalents balance of Kshs.1,658,881 could not be confirmed.

2. Unsupported Accounts Payables Balance

The statement of assets and liabilities reflects accounts payable balance of Kshs.1,732,000 as disclosed in Note 12 to the financial statements. However, movement schedule reconciling the opening balance to the closing balance was not provided for audit review.

In the circumstances, the accuracy and completeness of the payables balance of Kshs.1,732,000 could not be confirmed.

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

Emphasis of Matter

1. Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects total receipts budget and actual on a comparable basis of Kshs.10,332,000 and Kshs.8,841,991 respectively, resulting in under-funding of Kshs.1,409,009 or 14% of the budget. However, the

School spent an amount of Kshs.8,314,402 against actual receipts of Kshs.8,841,991 resulting in an under-utilization of Kshs.527,589 or 6% of actual receipts.

The under-funding affected implementation of the planned activities and may have negatively impacted on the operations of the School.

2. Unaudited Opening Balances

I draw your attention to the opening balances for the 2020/2021 financial year. The opening balances for the financial year 2020/2021 were based on unaudited balances. Consequently, I was unable to obtain sufficient and appropriate audit evidence regarding the accuracy and completeness of the opening balances. My audit procedures were, therefore, limited to the current period transactions and balances.

My opinion is not modified in respect of these matters.

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. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Information

The Management is responsible for the Other Information set out on page iv to xi which comprise of Key School Information and Management, Summary Report of Performance of the School and Statement of School Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the School's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters. described in the Basis for Conclusion on Lawfulness and Effectiveness in the 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. Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements

Management presented the annual report and financial statements covering six (6) months from January, 2021 to June, 2021, contrary to PSASB guidelines on implementation of IPSAS by secondary schools in Kenya, dated 20 August, 2021, which required the first financial statements after adoption of IPSAS to be presented for eighteen months from 1 January, 2020 to 30 June, 2021. Further, no disclosure was made on change of financial statements from calendar year to government fiscal year or lack of comparability due to longer period covered by the current period.

In the circumstances, the financial statements did not comply with the Public Sector Accounting Standards Board guideline.

2. Late Submission of Financial Statements for Audit

The financial statements for the year ended 30 June, 2021 were submitted to the Auditor-General on 6 February, 2026 instead of the statutory deadline of 30 September, 2021. This was contrary to Section 81 of the Public Finance Management Act, 2012 which requires financial statements to be submitted to the Auditor-General within three (3) months after the end of each financial year.

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

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

The statement of receipts and payments reflects operations payments amount of Kshs.5,758,031 as disclosed in Note 6 to the financial statements. Included in the expenditure is an amount of Kshs.11,000 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from school Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.11,000 could not be confirmed.

3. Capitation Under-Disbursement from Ministry of Education

The statement of receipts and payments reflects capitation grants for tuition and operations amount of Kshs.1,010,657 and Kshs.6,279,334 respectively as disclosed in Notes 1 and 2 to the financial statements. During the financial year under review, the approved capitation rate per student was Kshs.22,244 which, based on recorded student enrollment, should have translated to total capitation funding of Kshs.16,749,732. However, the School received a total of Kshs.7,289,991 while

Kshs.1,040,797 was retained by the Ministry for Strengthening of Mathematics and Sciences in Secondary Schools (SMASSE) and other co-curricular activities resulting in an under-funding of Kshs.8,418,944.

In the circumstances, the under-disbursements may have affected service delivery to the students.

4. Lack of a Procurement Plan

The statement of receipts and payments reflects amounts of Kshs.8,841,991 and Kshs.8,314,402 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 was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that a procuring entity prepares 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.

5. Lack of a Functional Procurement Unit

The School did not have an established procurement function managed by qualified procurement professional as required under Section 47(2) of the Public Procurement and Asset Disposal Act, 2015 and Regulation 33 of the Public Procurement and Asset Disposal Regulations, 2020. Procurement activities were undertaken by individuals lacking the requisite qualifications.

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

6. Late Transfer of Infrastructure Funds from Operations Bank Account

During the year under review, the School received operations and infrastructure grants of Kshs.6,279,334 as disclosed in Note 2 to the financial statements. Included in the amount is Kshs.1,552,000 in respect of infrastructure grants which was supposed to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, the amount was transferred more than fifteen (15) days after receipt, contrary to the Ministry of Education Circular Ref. No: MOE/CONF/GS dated 26 November, 2019 which requires infrastructure funds to be transferred within fifteen (15) days after receipt in the operations account.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 effect of 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 governance were not effective.

Basis for Conclusion

1. Lack of Internal Audit and Audit Committee

During the year under review, the School did not have an Audit Committee and an Internal Audit Unit. This was contrary to Section 73(1)(a) of the Public Finance Management Act, 2012, which provides that every National Government entity shall ensure that it has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board. Further, Regulation 174(1) of the Public Finance Management (National Government) Regulations, 2015, requires each National Government entity to establish an audit committee.

In the circumstances, the existence of an effective oversight mechanism could not be confirmed.

2. Weaknesses in Management of Assets

Annex 2 of the financial statements on summary of fixed assets register reflects property, plant and equipment balance of Kshs.23,500,000 which includes land with a balance of Kshs.10,000,000. However, land ownership documents were not provided for audit. In addition, the fixed assets register maintained was not updated and did not include details of the assets and their values. Further, assets were not tagged for easy of identification.

In the circumstances, the existence of effective measures in the management of 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 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 the Management and those Charged with Governance

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

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

In preparing the financial statements, Management is responsible for assessing the School's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

08 April, 2026

UMUSALAMA GIRLS SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2021

V. Statement Of Receipts And Payments Period To 30th June 2021

Description Of Vote Head	Note	2020-2021	2019-2020
		Kshs	Kshs
Receipts			
Capitation grants for tuition	1	1,010,657	1,288,015
Capitation grants for operations	2	6,279,334	8,878,800
Capitation grants for Infrastructure	3	1,552,000	2,776,000
School fund income- other	4	-	-
Proceeds from borrowings			
Total Receipts		8,841,991	12,942,815
Payments			
Payments for tuition	5	1,007,256	1,288,754
Payments for operations	6	5,758,031	8,879,731
Capitation grants for Infrastructure	7	1,549,115	2,775,737
Total Payments		8,314,402	12,944,222
Surplus/Deficit		527,589	(1,407)

The school financial statements were approved on 25/7 2021 and signed by:

CHAIRPERSON, BOM
UMUSALAMA GIRLS' SCHOOL
P.O. Box 459-70100, GARISSA
Name: Fatha Aden

Chair BOM

Date: 16/7/21

PRINCIPAL
UMUSALAMA GIRLS SECONDARY
P.O. Box 459-70100, GARISSA
Name: Fatha Aden
School Principal/ Secretary to
BOM

Date: 16/7/21

TP
Name: Hafsa Mohamed
Bursar/ Finance Officer

Date: 16/7/21

UMUSALAMA GIRLS SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2021

VI. Statement Of Financial Assets And Financial Liabilities As At 30th June 2021

Description	Note	2020-2021	2019-2020
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	8	1,658,881	1,291
Cash balances	9	-	-
Short term investment	10	-	-
Total cash and cash equivalent		1,658,882	1291
Account's receivables	11	-	-
Total financial assets		1,658,882	1,291
Financial liabilities			
Accounts payables	12	1,732,000	-
Net financial assets		(73,118)	1,291
Represented by			
Accumulated fund b/fwd	13	(600,708)	2,699
Surplus/deficit for the year		527,590	(1,408)
Net financial position		(73,118)	1,291

The school's financial statements were approved on 25/7 2021 and signed by:

CHAIRPERSON, BOM
UMUSALAMA GIRLS' SCHOOL
P.O. Box 459-70100 GARISSA
Name: FADMA ADAN

Chair BOM

Date: 16/7/21

PRINCIPAL
UMUSALAMA GIRLS' SECONDARY
P.O. Box 459-70100 GARISSA
Name: ADOW ADAN
School Principal/ Secretary to

BOM

Date: 16/7/21

Name: HAFSA MOAHMED

Bursar/ Finance Officer

Date: 16/7/21

VII. Statement of Cash Flows for The Period Ended 30th June 2021

Description	Notes	2020-2021	2019-2020
		Kshs	Kshs
Operating activities			
Receipts			
Capitation grants for tuition	1	1,010,657	1,288,015
Capitation grants for operations	2	6,279,334	8,878,800
Capitation grants for infrastructure	3	1,552,000	2,776,000
School fund income- other receipts	4	-	-
Total receipts		8,841,991	12,942,815
Payments			
Payments for tuition	5	1,007,256	1,288,754
Payments for operations	6	5,758,031	8,879,731
Total payments		6,765,287	10,168,485
Net cash flow from operating activities		2,076,704	2,774,330
Cashflow from investing activities			
Proceeds from sale of assets		-	-
Acquisition of assets	7	1,549,115	2,775,737
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash flows from investing activities		(1,549,115)	(2,775,737)
Cashflow from borrowing activities			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
Net cash flow from financing activities			
Net increase in cash and cash equivalents		527,589	(1,407)
Cash and cash equivalent at beginning of the year		1,291	2,699
Cash and cash equivalent at end of the year		528,881	1,291

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VIII. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2021

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
Receipts						
(1) Capitation Grant on Tuition						
Teaching / Learning Materials	1,542,750.00	-	1,542,750.00	1,010,657	995,230.14	65%
(2) Capitation Grant on Operations						
Other vote heads	7,237,360	-	7,237,360	6,279,334	958,025.75	87%
Smasse						
(3) Fees Charged on Parents	-	-	-	-	-	-
Activity	-	-	-	-	-	-
Capitation for Infrastructure						
RMI	1,552,000	-	1,552,000	1,552,000	-	100%
Total Income	10,332,000.00		10,332,000.00	8,841,991	1,490,009	86%
(1) Expenditure For Tuition						
Internal Exams						
			1,542,750.00			
Teaching / Learning Materials	1,542,750.00	-		1,007,256.25	535,494.00	65%
(2) Expenditure For Operations						
Other vote heads	7,237,360.00		7,237,360.00	5,758,031.06	1497,329.00	80%
(3) Infrastructure						
RMI	1,552,000	-	1,552,000	1,549,115.36	-	-

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
		-	-	-	-	-
Totals	10,332,110	-	10,332,110	8,314,402	2,037,708	77%

IX. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

Significant Accounting Policies (Continued)

- 5. Accounts Receivable**
For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as expenditure when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.
- 6. Accounts Payable**
For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements. Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years.
- 7. Non-current assets**
Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the school fixed asset register a summary of which is provided as a memorandum to these financial statements.
- 8. Budget**
The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *school's* budget was approved by the School Board of Management. A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.
- 9. Comparative figures**
Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.
- 10. Subsequent events**
There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2021.

X. Notes To The Financial Statements

1 Capitation Grant for Tuition

Description	2020-2021	2019-2020
	Kshs	Kshs
Teaching / Learning Materials	1,010,657	1,288,015
Chalks		
Total	1,010,657	1,288,015

2 Capitation Grant for Operations

Description	2020-2021	2019-2020
	Kshs	Kshs
Other voteheads-	6,279,334	8,878,800
Repairs And Maintenance		
Total	6,279,334	8,878,800

3 Parents Contribution/Fees - School Fund Account

Description	2020-2021	2019-2020
	Kshs	Kshs
Personnel emolument	-	-
Repairs and maintenance	-	-
Local transport / travelling	-	-
Electricity and water	-	-
Medical	-	-
Administration costs	-	-
Activity	-	-
Total	-	-

Notes To The Financial Statements (Continued)

4 Other Receipts – School Fund Account

Description	2020-2021	2019-2020
	Kshs	Kshs
Fee On Boarding Equipment and Stores	-	-
Rent Income	-	-
Income From Farming Activities	-	-
Insurance Compensation	-	-
Income From Posho Mill	-	-
Income From Bus Hire	-	-
Fee For Hire of Ground and Equipment	-	-
Income From Grants and Donations*	-	-
Interest Income	-	-
Dividends Income	-	-
Total		

5 Payments For Tuition

Description	2020-2021	2019-2020
	Kshs	Kshs
Teaching / Learning Materials	1,006,000.00	1,286,000
Bank Charges	1,256	2,754
Total	1,007,256	1,288,754

UMUSALAMA GIRLS SECONDARY SCHOOL
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Notes To The Financial Statements (Continued)

6 Payments For Operations

Description	2020-2021	2019-2020
	Kshs	Kshs
Other vote heads	4,163,400	5,817,431
Repairs And Maintenance & Improvements	1,590,000	2,776,000
Bank Charges	4,631	6,300
Total	5,758,031	8,878,731

Notes To The Financial Statements (Continued)

7 Boarding And School Fund Payments

Description	2020-2021	2019-2020
	Kshs	Kshs
Personnel Emoluments	-	-
Service Gratuity	-	-
Repairs And Maintenance & Improvements	-	-
Local Transport / Travelling	-	-
Electricity And Water	-	-
Medical Expenses	-	-
Administration Costs	-	-
Lunch Programme	-	-
Bank Charges	-	-
Expenses On Income Generating Activities	-	-
Fee On Boarding Equipment and Stores	-	-
Rent Expenses	-	-
Insurance Cost (<i>Life Property</i>)	-	-
Loan Principal Repayment	-	-
Loan Interest Repayment	-	-
Acquisition Of Assets	-	-
Total		

UMUSALAMA GIRLS SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2021

Notes To The Financial Statements (Continued)

8 Bank Accounts

Name Of Bank, Account No. & Currency	Bank Account Number	2020-2021	2019-2020
		Kshs	Kshs
Tuition Account	2976999902	4076	675
Operations Account	2976999803	1,651,532	228
Infrastructural Account	2977983701	3,273	388
Total		1658,881	1,291

9 Cash In Hand

Description	2020-2021	2019-2020
	Kshs	Kshs
Tuition Account	-	-
Operation Account	-	-
School Fund account	-	-
Total	-	-

10 Short Term Investments

Description	2020-2021	2019-2020
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit	-	-
Equity Stock	-	-
Other Investments	-	-
Total	-	-

Notes To The Financial Statements (Continued)

11 Accounts Receivable

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees Arrears	-	-
Other Non-Fees Receivables	-	-
Salary Advances	-	-
Imprest	-	-
Total	-	-

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

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees Arrears For Current Year	-	-
Fees Arrears For The Previous Year	-	-
Fees Arrears For Prior Periods (Over Two Years)	-	-
Total	-	-

12 Accounts Payable

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	-	-
Prepaid Fees	-	-
Retention Monies	-	-
Total	-	-

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

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade Creditors for Current Year	1,130,0000	-
Trade Creditors for The Previous Year	602,000	-
Trade Creditors for Prior Periods (Over Two Years)	-	602,000
Total	1,732,000	602,000

Notes To The Financial Statements (Continued)

13 Fund Balance Brought Forward

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank Balances	1,291.00	2,699.88
Receivables	-	-
Payables	602,000.00	-
Total	(600,708.37)	2,699.88

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.

14 Non-current Liabilities Summary

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank Loan(S)	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Total	-	-

15 Biological assets

Description	Numbers	2020-2021	2019-2020
		Kshs	Kshs
Cattle		-	-
Goats		-	-
Trees		-	-
Coffee Or Tea Plantation		-	-
Poultry		-	-
Total		-	-

16 Borrowings

Description	2020-2021	2019-2020
	Kshs	Kshs
a) Borrowings	-	-
Borrowing at beginning of the year	-	-
Borrowings during the year	-	-
Repayments of during the year	-	-
Balance at end of the year	-	-

Other important disclosure notes

17 Stock/ Inventory

Description	2020-2021	2019-2020
	Kshs	Kshs
b) Inventory	-	-
Stock/ inventory at beginning of the year	-	-
Stock/ inventory purchased during the year	-	-
Stock/ inventory issued during the year	-	-
Balance at end of the year	-	-

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18 Progress On Follow Up Of Auditor's 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)

PRINCIPAL
 UMUSALAMA GIRLS SECONDARY
 80 km 459 - TOTOC - GARISA
 Sign and Date.....
 Date Principal

UMUSALAMA GIRLS SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2021

Annex 1 - Analysis Of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Outstanding Balance 2021	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1.	-	-	-	-		
2.	-	-	-	-	-	-
3.	-	-	-	-	-	-
Sub-Total						
Supply Of Goods						
4. Science lab	602,000.00		602,000.00	602,000.00	602,000.00	
5.						
6.						
Sub-Total						
Supply Of Services						
7. Retirement benefits	1,130,000.00		1,130,000.00	1,130,000.00	1,130,000.00	
8.						
9.						
Sub-Total	1,732,000.00		1,732,000.00	1,732,000.00	1,732,000.00	
Grand Total	1,732,000.00		1,732,000.00	1,732,000.00	1,732,000.00	

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Annex 2 – Summary Of Fixed Assets Register

Asset Class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2022
Land 1						
Land 2	10,000,000.00			10,0000.00		
Buildings And Structures						
Motor Vehicles	7,000,000.00			7,000,000.00		
Office Equipment, Furniture And Fittings	4,000,000.00			4,000,000.00		
ICT Equipment, And Other ICT Assets						
Tools And Apparatus	1,500,000.00			1,500,0000.00		
Textbooks						
Other Machinery And Equipment						
Heritage And Cultural Assets						
Intangible Assets- Soft Ware	1,000,000.00			1,000,000.00		
Total	23,500,000.000			23,500,000.00		