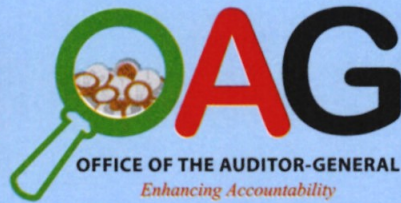


REPUBLIC OF KENYA



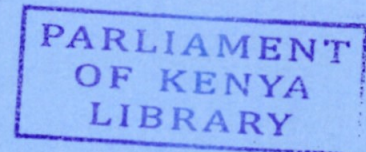
REPORT

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

OF

THE AUDITOR-GENERAL

ON



UMUSALAMA GIRLS SECONDARY SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2023

GARISSA COUNTY

Revised 30th June 2023.



(Add your School Logo)



UMUSALAMA GIRLS SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2023

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

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1. Acronyms and Definition of Key Terms

A. Acronyms.

BOM	Board of Management
CEB	County Education Board
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
FY	Financial Year
FDSE	Free Day Secondary Education
TSC	Teachers Service Commission
SMASSE	Strengthening of Mathematics and Science in Secondary Education

B. Definition of Key Terms

Comparative Year- Means the prior period.

2. Key School Information and Management

(a) Background information

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is in Garissa County, Garissa 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* public school established, owned or operated by the Government.

The school is a day school and had 927 Number of students as at 30th June 2023. It has 4 streams and 40 teachers of which 12 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	Chairman	16/10/2022
2	ADOW ADAN	Secretary - Principal	16/10/2022
3	MOHAMED SHEKH	Member	16/10/2022
4	ABDINASIR SHARIFF	Member	16/10/2022
5	HALIMA ABDULAH	Member	16/10/2022
6	FUNNY ABDI	Member	16/10/2022
7	SOFIA ABDI	Member	16/10/2022
8	ALI MATHOBE	Member – Rep CEB	16/10/2022
9	HAFAA AHMED	Member Rep Teachers	16/10/2022
10.	KORIO HUSSEIN	Member-(CDE)	16/10/2022

The functions of the School Board of Management are to:

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, of 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	5
3	Finance,procurement and general purposes Committee	1.FATHA ADAN 2.SOFIA DUMal 3.ABDINASIR SHARIF	BOM chairperson BOM Memeber Member member	4
4	Academic Committee	1. HAKIMA MAALIM 2. HASAAN GARANE 3. HAFSA	Memeber Member Memeber Member	5

		MOHAMED ADOW ADAN		
5	Development Committee	4. HAKIMA MAALIM 5. HASAAN GARANE 6. HAFSA MOHAMED ADOW ADAN	Memeber Member Memeber Member	4

(d) School operation Management

For the financial year ended 30th June, 2023 the School's day-to-day management was under the following persons:

Ref:	Designation	Name	Identification
1	Principal	ADOW ADAN	272170
2	Deputy Principal	HAKIMA MAALIM	497167
3	School Bursar	HAFSA MOHAMED	BOM

(e) Schools contacts

Post Office Box: 459-70100
Telephone: 0725606960
E-mail: umusalamagirls @gmailcom
Website: N/A
Facebook:
Twitter:

(f) School Bankers

Provide details of the school bankers.

Name of Bank: National bank
Branch Garissa
Account number: 010412542771100(tuition account)

Name of Bank: national bank
Branch Garissa
Account number: 01041254260300 (operation)

Name of Bank: national bank
Branch: Garissa
Account number: 01041254259900(infrastructure)

(g) Independent Auditors

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

3. Summary Report of Performance of The School

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

a) Financial performance:

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

<i>FY</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>
<i>Surplus/deficit</i>	527,589.18	844,773.16	(2,566,795.91)

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

<i>FY</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>
<i>Capitation grants</i>	8,841,991.85	14,850,774.16	18,232,516.4

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

<i>FY</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>
<i>income</i>	8,841,991.85	14,850,774.16	18,232,516.69

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

<i>FY</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>
<i>Expenditure Growth</i>	8,314,402,67	14,006,001.00	20,799,312.80

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

<i>FY</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>
<i>creditors</i>	1732000	2646620	2497170

b) Teacher Student ratio:

Teacher student ratio	TSC teachers	BOM teachers	Total number of students	Teachers recruited 2022
1:23	28	12	927	3

The mean score in the 2021,2022 and 2023 KCSE:

YEAR	MEAN
2020	4.15 D+
2021	4.10 D+
2022	5.65 C-
2023	6.08 C

Number of Candidates in the 2021,2022 and 2023 KCSE:

YEAR	N0.CANDIDATES
2021	144
2022	133
2023	158

c) The capacity of the school:

YEAR	NUMBERS
2022-2023	927

d) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
RENOVATION OF 3 CBC CLASSES AND TOILETS	MOE	COMPLETED	1,965,200.00	1,965,200.00	COMPLETED

PRINCIPAL
UMU SALAMA GIRLS SECONDARY
P.O. Box 459
Date: 11/7/2023

School Principal

4. Statement of School Management Responsibility

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

Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to 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, 2023, and of the school's financial position as at that date.

.....
Name: **FATHA ADAN**

Designation: Chairman, School Board of Management

Date: 3rd august 2023

.....
Name: **ADOW ADAN**

Designation: School Principal & Secretary to Board of Management

Date: 3rd August 2023

.....
Name: **HAFSA MOHAMED**

Designation: Bursar/ Finance Officer

Date: 3rd August 2023

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON UMUSALAMA GIRLS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 - 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, 2023, and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts, for the year then ended and a summary of significant accounting policies and other explanatory

information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Umusalama Girls Secondary School as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the 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.851,480 as disclosed in Note 10 to the financial statements. However, the statement of cash flows reflects cash and cash equivalents balance of Kshs.858,999 as at the end of the financial year resulting in unreconciled variance of Kshs.7,519.

In the circumstances, the accuracy of cash and cash equivalents balance of Kshs.851,480 could not be confirmed.

2. Unsupported Accounts Payables Balance

The statement of assets and liabilities reflects accounts payable balance of Kshs.2,497,170 as disclosed in Note 14 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.2,497,170 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

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects total receipts budget and actual on a comparable basis of Kshs.17,360,788 and Kshs.14,850,774 respectively, resulting in underfunding of Kshs.2,510,014 or 14% of the budget. However, the School spent an amount of Kshs.14,006,001 against actual receipts of Kshs.14,850,774 resulting in an under-utilization of Kshs.844,773 or 6% of actual receipts.

The underfunding affected implementation of the planned activities and may have adversely impacted on the operations of the School.

My opinion is not modified in respect of this matter.

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 iii to x 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. Late Submission of Financial Statements for Audit

The financial statements for the year ended 30 June, 2023 were submitted to the Auditor-General on 6 February, 2026 instead of the statutory deadline of 30 September, 2023. 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 of Kshs.9,660,511 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.213,800 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.213,800 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.2,401,170 and Kshs.10,483,857 respectively as disclosed in Note 1 and Note 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.18,595,984. However, the School received a total of Kshs.12,885,027 while Kshs.955,966 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.4,754,991.

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.14,850,774 and Kshs.14,006,001 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.10,483,857 as disclosed in Note 2 to the financial statements. Included in the amount is Kshs.1,965,000 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, an amount of Kshs.1,162,000 was transferred more than fifteen (15) days after receipt, contrary to The Ministry of Education Circular Ref No: MOE.HQS/3/13/3 dated 16 June, 2021 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 guideline.

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 Unit 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.42,700,000 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 Gathunga, CBS
AUDITOR-GENERAL

Nairobi

14 April, 2026

Umusalama Girls Secondary School
Annual Report and Financial Statements For the year ended 30th June 2023

6. Statement Of Receipts and Payments for the Year Ended 30th June 2023

Description Of Vote Head	Note	2022-2023	2021-2022
		Kshs	Kshs
Receipts			
Government grants for tuition	1	2,401,717	2,806,803
Government grants for operations	2	10,483,857	12,425,713
Government Grants for infrastructure	3	1,965,200	3,000,000
School fund income- parents' contributions	4	-	-
Miscellaneous incomes	5	-	-
Total Receipts		14,850,774	18,232,516
Payments			
Tuition	6	2,401,170	3,772,860
Operations	7	9,660,511	14,026,332
Infrastructure	8	1,944,320	3,000,120
Boarding and school fund	9	-	-
Total Payments		14,006,001	20,799,312
Surplus/Deficit		844,773	(1,652,176)

The school financial statements were approved on _____ 2023 and signed by:

CHAIRPERSON, BOM
 UMU SALAMA GIRLS' SCHOOL
 P. O. Box 459-70100, GARISSA.....

Name: FATHA ADAN

Chair BOM

Date: 3rd august 2023

PRINCIPAL
 UMU SALAMA GIRLS' SECONDARY
 P. O. Box 459-70100, GARISSA.....
 Date:

Name: ADOW ADAN

School Principal/ Secretary to BOM

Date: 3rd august 2023



Name: HAFSA MOHAMED

Bursar/ Finance Officer

Date: 3rd august 2023

7. Statement of Assets and Liabilities As At 30th June 2023

Description	Note	2022-2023 Kshs	2021-2022 Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	851,480	6,706
Cash balances	11	-	-
Short term investments	12	-	-
Total cash and cash equivalent		851,480	6,706
Account's receivables	13	-	-
Total financial assets (a)		851,480	6,706
Financial liabilities			
Accounts payables	14	2,497,170	2,646,620
Total Financial Liabilities (b)			
Net financial assets (a-b)		(1,645,690)	(2,639,914)
Represented by			
Accumulated fund b/fwd	15	(2,490,463)	(73,118)
Surplus/deficit for the year		844,773	(2,566,795)
Net Assets		(1,645,690)	(2,639,913)

The school's financial statements were approved on _____ 2023 and signed by:

CHAIRPERSON, BOM

 UMSALAMA GIRLS' SCHOOL
 P.O. Box 459-70100, GARISSA
 Name: **FATHA ADAN**

Chair BOM
 Date: 3rd august 2023

PRINCIPAL

 UMSALAMA GIRLS' SECONDARY
 P.O. Box 459-70100, GARISSA
 Name: **ADOW ADAN**
 School Principal/ Secretary to
 BOM
 Date: 3rd august 2023


 Name: **HAUSA MOHAMED**
 Bursar/ Finance Officer
 Date: 3rd august 2023

8. Statement of Cash Flows for the Year Ended 30th June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition	1	2,401,717	2,806,803
Government grants for operations	2	10,483,857	12,425,713
Government grants for infrastructure	3	1,965,200	3,000,000
School fund income- parents contributions/ fees	4	-	-
Other income	5	-	-
Total receipts		14,850,774	18,232,516
Payments			
Cash outflows for tuition	6	2,401,170	3,772,860
Cash outflows for operations	7	9,660,511	14,076,332
Cash outflows Boarding/lunch and school fund payments		-	-
Total payments		12,061,681	17,799,192
Net cash inflow/outflow from operating activities		2,789,093	433,323
Cash flow from investing activities			
Acquisition of assets	8	(1,936,800)	(3,000,120)
Proceeds from sale of Assets			
Proceeds from investments			
Purchase of investments			
Net cash inflow/outflows from investing activities		(1,936,800)	(3,000,120)
Cash flow from Financing activities			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
Net cash inflow/outflow from financing activities			
Net increase/decrease in cash and cash equivalents		852,293	(2,566,796)
Cash and cash equivalent at beginning of the FY		6,706	1,660,172
Cash and cash equivalent at end of the FY		858,999	(906,624)

The school's financial statements were approved on _____ 2023 and signed by:

Name: _____

Chair BOM

Date: 3rd august 2023

Name: _____

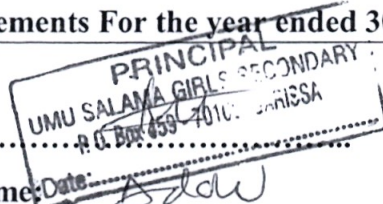
School Principal/ Secretary to
BOM

Date: 3rd august 2023

Name: _____

Bursar/ Finance Officer

Date: 3rd august 2023



9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2023

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
(1) Capitation Grant on Tuition					
Teaching / Learning Materials	2,267,188.00	-	2,267,188.00	2,401,716.79	106%
(2) Capitation Grant on Operations					
Personnel Emoluments	11,093,600.00	-	11,093,600.00	10,483,857.37	95%
Repairs And Maintenance					
TOTAL INCOME					
3) FDSE for infrastructure					
Maintenance & Improvement MoE	4,330,000.00	-	4,330,000.00	1,965,200.00	45%
M&I parents' contribution	-	-	-	-	-
Income From Any Other Investment	-	-	-	-	-
Total Income	17,360,788.00	-	17,360,788.00	14,850,774.16	85%
(6) Expenditure For Tuition					
Textbooks	-	-	-	-	-
Teaching / Learning Materials	2,267,188.00	-	2,267,188.00	2,401,170.00	106%
Chalks					
(7) Expenditure For Operations					
Personnel Emoluments	11,093,600.00	-	11,093,600.0	9,660,511.00	87%
Repairs, Maintenance & Improvements	-	-	-	-	

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
(8) Expenditure For infrastructure					
Construction of classrooms	4,330,000.00		4,330,000.00	1,944,320.00	45%
Construction of LAB	-		-	-	
Construction of DORMS	-		-	-	
Totals	17,690,788.00		17,690,788.00	14,006,001.00	79%

10. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

The *school* recognises all receipts from various sources when the event occurs, and the related cash has been received by the *school*. In addition, the *school* recognises all expenses when the event occurs, and the related cash has been paid out by the *school*. Income arising from school fees is recognised when the event occurs whether cash is received or not. Expenditure arising from operations is recognised when the event occurs irrespective of receipt of cash.

3. In-kind contributions

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

4. Cash and cash equivalents

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

5. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. Accounts receivables also include school fees billed to parents for services rendered but not paid. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. Accounts Payable

For the purposes of these financial statements, deposits, and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending the fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Payables also include expenditures incurred for the purchase of goods, works and services that have been rendered and not settled. This is an enhancement to the cash accounting policy adopted for public secondary schools. Other liabilities are disclosed in the financial statements.

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2023.

Umusalama Girls Secondary School
Annual Report and Financial Statements For the year ended 30th June 2023

11. Notes To the Financial Statements

1 Government Grants for Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Teaching / Learning Materials	2,401,717	2,806,803
Others (specify) *	-	-
Total	2,401,717	2,806,803

2 Government Grants for Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Repairs And Maintenance		
Other Vote Heads - EWC, LTT, PE & ADMIN	10,483,857	12,425,713
Total	10,483,857	12,425,713

*

3 Government Grants for infrastructure

Description	2022-2023	2021-2022
	Kshs	Kshs
Maintenance & Improvement	1,965,200	3,000,000
Other (specify)(NGCDF and County govt.	-	-
Total	1,965,200	3,000,000

4 School Fund Income - Parents Contribution/Fees

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	-	-
Repairs and maintenance	-	-
Total	-	-

5 Miscellaneous Incomes

Description	2022-2023	2021-2022
	Kshs	Kshs
Rent Income	-	-

Dividends Income	-	-
Loans/Borrowings*	-	-
Other Income (<i>specify</i>)*	-	-
Total	-	-

6 Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Teaching / Learning Materials	2,258,000	3,719,620
Bank Charges	3,320	3,240
Sundry creditors	139,850	-
Total	2,401,170	3,722,860

7 Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Repairs And Maintenance & Improvements	2,456,000	2,320,000
Bank Charges	15,854	12,947
Sundry Creditors	390,000	-
Others vote heads-EWC, LTT, PE & ADMIN COSTS	6,798,717	11,743,386
Total	9,660,571.00	14,076,333

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8 Infrastructure

Description	2022-2023	2021-2022
	Kshs	Kshs
Maintenance and Improvements	1,936,800	3,000,000
Bank charges	7,520	120
Others (specify)	-	-
Total	1,936,800	3,000,120

Account Name & Currency	Status	Bank Account Number	2022-2023	2021-2022
	Active/Dormant		Kshs	Kshs
Tuition Account NBK	ACTIVE	01041254271100	2610.0	2,639.92
TUITION FCB	INACTIVE	29776999902	1126.71	
Operations Account NBK	Active	770049870	809,292.7	912.92
OPERATION FCB	INACTIVE	2977983701	14,417.34	
Infrastructure account NBK	Active	0104125425900	80.00	3153.19
Infrastructure account FCB	INACTIVE	2977983701	23,953.19	
Total			851,479.94	6,706.03

9 Cash In Hand

Description	2022-2023	2021-2022
	Kshs	Kshs
Notes and Coins	-	-
Total	-	-

13 b) Ageing Analysis of Accounts Receivable

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	-	-	-	-
Between 1- 2 years				
Between 2-3 years	-	-	-	-
Over 3 years				
Total (should tie to note 13 a)	-	-	-	-

10 Accounts Payable

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	240,550	914,620
Other payables (<i>specify</i>)		
Total	240,550	914,620

14a. Ageing Analysis of Accounts Payable

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	240,550.00	10%	914,620.00	35%
Between 1- 2 years	-	0%	1,732,000.00	65%
Between 2-3 years	2,256,620.00	90%	-	
Over 3 years			-	
Total (should tie to note 14)	2,497,170.00	100%	2,646,620.00	100%

11 Fund Balance Brought Forward

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank Balances	6,706.03	1,658,881.94
Cash Balances	-	-
Payables	2,497,170.00	1,732,000.00
Total	(2,490,463.97)	(73,118.06)

Other important disclosure notes

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

12 Non-current Liabilities Summary

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

13 Biological assets

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

14 Borrowings

Description	Kshs	Kshs
Borrowings at beginning of the year	-	-
Borrowings during the year	-	-
Repayments during the year	-	-
Balance at the end of the year	-	-

Other important disclosure notes

15 Stock/ Inventory

Description	2022-2023	2021-2022
	Kshs	Kshs
Food stuffs	-	-
Lab consumables	-	-
Farm produce	-	-
Medication	-	-
Construction Materials	-	-
Others (specify)	-	-
	-	-

(Stock to be measured at lower of cost and net realisable value. Net realisable value is the difference between selling costs less costs to sell)

16 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)

PRINCIPAL
UMUSALAMA GIRLS SECONDARY
Sign and Date
Principal

Umusalama Girls Secondary School
Annual Report and Financial Statements For the year ended 30th June 2023

12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
	A	b	C	d-a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1. Maalims hardware	60,000.00		0.00	60,000.00		
2.						
3.						
Sub-Total						
Supply Of Goods						
4. Hirola booksellers	466,820.00		0.00	466,820.00		
5. Science lab	602,000.00		0.00	602,000.00		
6. Tamar lab supplies	447,800.00		0.00	447,800.00		
7. Usitawi book centre	139,850.00			139,850.00		
8. Alkitab bookshop	40,700.00			40,700.00		
Sub-Total	1,757,170.0					
Supply Of Services						
9.Maryam ibrahim (deceased)	1,000,000.0		300,000.00	700,000.00		
9. Diego mitambo	130,0000		90,000.00	40,000.00		

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Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
10.						
Sub-Total	1,130,000.00		390,000.00	2,497,170.00		
Grand Total	2,887,170.00		390,000.00	2,497,170.00		

Umusalama Girls Secondary School
Annual Report and Financial Statements For the year ended 30th June 2023

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1st July 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2023
Land	10,000,000.00			10,000,000.00
Buildings And Structures				
Motor Vehicles				
Office Equipment, Furniture and Fittings	25,000,000.00	1,000,000.00		26,000,000.00
Textbooks	-			
ICT Equipment	2,000,000.00	500,000.00		2,500,000.00
Tools And Apparatus	2000,000.00	1000,000.00		3,000,000.00
Other Machinery and Equipment				
Heritage And Cultural Assets				
Intangible Assets- Soft Ware	1,000,000.00	200,000.00		1,200,000.00
Total	38,500,000.00	4,500,000.00		42,700,000.00

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