

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

DATE: 08 NOV 2023 DAY: Wednesday

TABLED BY: Hon. Naomi Waga (Deputy Majority Whip)

OF CLERK AT THE TABLE: Mado

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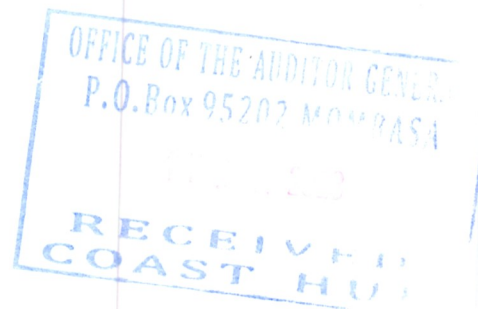
THE AUDITOR-GENERAL

ON

FRANZ JOSEF GIRLS SECONDARY SCHOOL

**FOR THE YEAR ENDED
30 JUNE, 2021**

KWALE COUNTY



**FRANZ JOSEF 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)

FRANZ JOSEF GIRLS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021

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**FRANZ JOSEF GIRLS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
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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 Kwale county, Lunga lunga sub – county.

The school was registered in 15th March, 2021 under registration number 02S30000013 and is currently categorized as an extra county public school established, owned or operated by the government.

The school is a boarding school and 795 number of students as at 30th June, 2021. It has 4 streams and 34 teachers of which 8 teachers are employed by the school Board of Management.

(b) School Board of Management - Board Members

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

Ref.	Name of Board Member	Designation	Date of appointment
1	Mr. Mzigo Mangale	Chairman	11.09.2019
2	Md. Eunice Kiaye	Secretary –principal	11.09.2019
3	Mr. Mwero Kalimbo	Member-community	11.09.2019
4	Mr. Mgalla Chirima	Member -community	11.09.2019
5	Mr. Anthony Mwamunga	Member –special interest group	11.09.2019
6	Mr. Samuel Tsuma	Member -community	11.09.2019
7	Md.Rael Odenge	Member-community	11.09.2019
8	Md. Mercy Murugi	Member – rep. CEB	11.09.2019
9	Mr. Bakari Khama	Member – rep. Teachers	11.09.2019
10	Md. Serah Mukami	Members rep. sponsor	11.09.2019
11	Md. Jackline Kituku	Member rep. sponsor	11.09.2019
12	Mr. mulinge	Member rep. sponsor	11.09.2019
13	Mr. Stephen Mwenda	Member – special needs	11.09.2019
14	Md. Esther B. Hamisi	Rep. students	11.09.2019
15	Mr. Mwarabu Suleiman	Member -community	11.09.2019

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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	Name of member	Designation	No. of meetings attended during the year.
1	Executive committee	Mr. Mzigo Mangale Md . Eunice Kiaye Mr. Kalimbo Mwero Mr. Mgalla Chirima Mr . Stephen Mwenda	Chairperson Secretary Member Member Member	2
2	Audit committee	Mr.Samuel Mkuta Mr.Athony Mwamunga Ms. Mercy Ndirangu Mr. Mgalla Chirima	Chairperson Member Member member	1
3	Finance, procurement and general-purpose committee	Md. Binti Hamisi Dr. Mangale Md, Jackline Kituku Mr. Kalimbo Mwero	Chairperson Member Member member	1
4	Academic committee	Mr. Klimbo Mwero Md. Rael Odenge Mr. Mgalla Chirima Mr. Suleiman Mwarabu Md. Jackline Kituku	Chairperson Member Member Member member	2
5	Development committee	Mr. Stephen Mwenda Md. Runice Kiaye Mr. Mzigo Mangale Mr. Suleiman Mwarabu Md. Ann Gitonga	Chairperson Member Member Member Member	2

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		Mr. Adan Roba Mr. Kalimbo Mwero Mr. Mgalla Chirima	Member member	
6	Discipline, ethics and integrity	Mr. Mgalla Chirima Mr. Khama Bakari Md. Sarah Mukami	Chairperson Member member	2
7	Human rights and student's welfare	Athony Mwamunga Md. Jackline Kituku Dr. Mulinge Mr. Stephen Mwenda	Chairperson Member Member member	1

(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/ID Number
1	Principal	Md. Eunice Mbori	325511
2	Deputy principal	Md. Ann waithera (acting)	558630
3	School Bursar	Mr. Hamisi Nyondo	11601265

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KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post office box: 788 – 80400
Telephone: 0714230619 / 0711756161
E-mail: franzjosefmamba@gmail.com
Website:
Face book:
Twitter:

(f) School Bankers

The following school operated 5 number of bank accounts in the following banks:

Ref	Name of bank	Branch	Account Name	Account Number
1	Kenya Commercial Bank	Ukunda	School tuition account	1107986958
2	Kenya Commercial Bank	Ukunda	School operation account	1107957164
3	Kenya Commercial Bank	Ukunda	School main account	1107985633
4	Kenya commercial bank	Ukunda	Infrastructure account	1213120217
5	Kenya commercial bank	Ukunda	School bus account	1171307349

MPESA Pay Bill No. **522123** attached to KCB bank account No. 1107985633

(g) Independent Auditors

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

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II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

a) Financial performance:

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

Ref.	End of financial period	Main account	Operation account	Tuition account
1	2021 (June ,30 th)	792,206.00	832,382.00	254,024.50
2	2020 (December, 31 st)	3,242,861.00	-283,856.00	1,329,733.94
3	2019 (December ,31 st)	5,392,735.26	915,328.05	522,401.50
4	2018 (December ,31 st)	2,661,498.50	-1,974,060.40	703,164.20

Capitation grants from the ministry of Education for the last three years.

Ref.	year	Tuition account	Operation account
1	30 th June ,2021	1,022,258.25	7,654,011.00
2	31 st December, 2020	1,423,278.00	10,038,625.00
3	31 st December, 2019	2,496,990.40	11,807,889.60
4	31 st December, 2018	3,292,448.20	7,882,862.00

Ratio of capitation grant per student over the last three years.

Ref.	Capitation grant	Ratio/student
1	30 th June ,2021	1:10,913
2	31 st December ,2020	1:16,166
3	31 st December ,2019	1:20,034
4	31 st December, 2018	1:16,932

A three-year overview of growth of other income (s) and expenditure earned /incurred by the school.

Ref	Financial period	Income	Expenditure
1	30 th June, 2021	21,835,735.25	22,681,077.00
2	31 st December ,2020	42,002,729.00	41,568,009.00
3	31 st December ,2019	47,451,418.00	40,591,053.19
4	31 st December ,2018	42,546,254.20	37,207,491.10

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

Debtors:

Ref.	Account	2021	2020	2019	2018
1	Tuition	-	-	-	-
2	Operation	-	-	-	-
3	Main account	4,618,395.00	6,522,573.00	6,556,799.00	4,432,484.00

Creditors:

Ref	Account	2021	2020	2019	2018
1	Tuition	-	626,599.00	608,134.00	195,738.00
2	Operation	-	-	244,170.00	-
3	Main account	5,059,923.00	4,457,506.00	5,161,794.00	5,514,834.00

Movement of cash and bank balances over the last three years.

	Year	Tuition account		Operation account		Main account	
		cash	bank	cash	bank	cash	bank
1	30.06.2021	-	287,542.95	291,448.00	51,912.90	1,588.00	57,408.0
2	31.12.2020	-	34,754.70	1,137.00	9,841.00	59,50.00	-
3	31.12.2019	-	18,5154.8	17,613.00	521,191.00	2,228.00	-
4	31.12.2018	-	3,919.30	19,369.00	2,553.95	6,284.80	55,678.5

b) Teacher Student ratio: 1 to 23

Ref	category	Transferred /retired during the year	Employed during the year	total
1	BOM Teachers	-	-	8
2	TSC Teachers	-	-	26

c) Mean score in the 2020 KCSE:

Ref.	year	School mean score	No. of students transitioned to higher learning institution
1	2020	4.4694	31
2	2019	4.5081	28
3	2018	4.24	24

d) Number of Candidates in the 2020 KCSE:

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Ref.	KSCE- year	Number of candidates
1	2020	147
2	2019	124
3	2018	135

e) Capacity of the school:

Ref.	Facility	Quantity
1	Dining hall	1
2	Science rooms	4
3	Computer laboratories	2
4	Toilets	22
5	Bathrooms	10
	Open bathrooms	2
6	Classrooms	16

f) Development projects carried out by the school:

Ref.	Year	Project	Funding
1	2021	Completion of students dormitory	M&I

Sign:



School Principal

PRINCIPAL
 FRANZ JOSEF SEC. SCHOOL
 P. O. Box 788-50400, UKUNDA
 Cell:

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

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

Name: Anderson Kalimbo Mwareo
Designation: Chairman, School Board of Management
Sign: 
Date: 17.7.2023

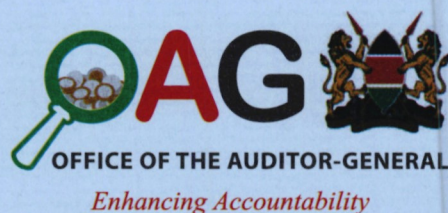
Name: Irene Yaa
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 14/7/2023

PRINCIPAL
FRANZ JOSEF SEC. SCHOOL
P. O. Box 788-80400, UKUNDA
Co. 3:

Name: Hamisi Nyondo
Designation: Bursar/ Finance Officer
Sign: 
Date: 14/07/2023.

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: 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 FRANZ JOSEF GIRLS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2021 – KWALE COUNTY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Franz Josef Girls Secondary School – Kwale County set out on pages 12 to 30, which comprise of the statement of

Report of the Auditor-General on Franz Josef Girls Secondary School for the year ended 30 June, 2021 – Kwale County

financial assets and financial 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Franz Josef Girls Secondary School – Kwale County as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with the 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

Inaccuracies in Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.44,268,144. However, Note 11 to the financial statements reflects a balance of Kshs.39,646,749 resulting in an unreconciled variance of Kshs.4,621,395. Further, included in the balance are fee arrears amounting to Kshs.39,646,749 that have remained outstanding for over five (5) years and the respective students have completed their secondary education. In addition, no provision for doubtful debts was made in the financial statements for the long outstanding fees arrears.

In the circumstances, the accuracy of accounts receivables could not be confirmed.

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

Key Audit Matters

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

Other Matter

1. Shortage of Teachers

The School has a School Improvement Plan that identifies the overall requirements and expectations aimed at making the learning environment comfortable and safe for learners.

Review of teachers records revealed that the School had a student population of six hundred seventy-one (671) who require an optimal number of thirty-three (33) teachers. However, the School had only nine (9) teachers and therefore a shortage of twenty-four (24) teachers for the year under review.

In the circumstances, inadequate teaching staff may have affected the planned activities of the School and may have impacted negatively on service delivery to the students.

2. Undisbursed Capitation Grants

Review of students' information revealed that the School had updated learners' records on the National Education Management Information System (NEMIS) platform. However, an outstanding capitation amount of Kshs.7,160,864 was yet to be received by the School as at 30 June, 2021.

In the circumstances, the undisbursed capitation may have affected the planned activities of the School and impacted negatively on service delivery to the students.

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 matter 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 of Conclusion

Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements

The Public Sector Accounting Standards Board (PSASB) Guidelines on Implementation of International Public Sector Accounting Standards (IPSAS) by Secondary Schools in Kenya of 20 August, 2021, requires the first financial statements after adoption of IPSAS to be presented for eighteen (18) months from 1 January, 2020 to 30 June, 2021 with comparatives being for twelve (12) months from 1 January, 2019 to 30 December, 2019. Further, a disclosure note ought to have been included in the financial statements that the reason for preparing the financial statements for longer period is due to the adoption of IPSAS for schools and the change from calendar year to government fiscal year. In addition, a disclosure note should be made in the financial statements that the comparative information may not be comparable due to the longer period covered by the current financial period.

However, Management presented the annual report and financial statements covering only one year for financial year 2020/2021 with comparative balances for financial year 2019/2020. Therefore, the financial statements have not been prepared for eighteen (18) months as prescribed by the Public Sector Accounting Standards Board.

Further, no disclosure was made on the change in the preparation of financial statements from calendar year to the Government fiscal year or on the lack of comparability due to longer period covered by the current financial period.

In the circumstances, Management did not comply with guidelines issued by the Board.

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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

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 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 overall governance.

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are

in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

I communicate with the 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 communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

12 October, 2023

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PUBLIC SECONDARY SCHOOL
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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	1,022,258	1,423,278
Capitation grants for operations	2	6,764,484	10,038,625
School Fund Income- Parents' Contributions	3	2,347,277	-
School Fund Income- Other receipts	4	11,486,181	30,540,826
Proceeds from borrowings		-	-
TOTAL RECEIPTS		21,620,200	42,002,729
PAYMENTS			
Payments for Tuition	5	768,234	93,544
Payments for operations	6	5,932,102	10,322,481
Boarding and school fund payments	7	14,215,214	30,964,896
TOTAL PAYMENTS		20,915,550	41,380,921
SURPLUS/DEFICIT		704,650	621,808

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

Sign: 

Name: Anderson Mweru

Chair BOM

Date: 17.7.2023

Sign: 

Name: Irene Tse

School Principal/
Secretary to BOM

Date: 14/7/23

Sign:

Name:

Bursar/
Finance Officer

Date:

PRINCIPAL
FRANZ JOSEF SEC. SCHOOL
P.O. Box 788-80400, UKUNDA
Date:

**FRANZ JOSEF GIRLS SECONDARY SCHOOL
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**VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30TH
JUNE 2021**

	Note	2020-2021	2019-2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	1,309,741	605,542
Cash Balances	9	1,588	1,137
Short term Investment	10	-	-
Total Cash and cash equivalent		1,311,329	606,679
Account's receivables	11	44,268,144	43,116,807
TOTAL FINANCIAL ASSETS		45,579,473	43,723,486
FINANCIAL LIABILITIES			
Accounts Payables	12	6,235,442	5,084,105
NET FINANCIAL ASSETS		39,344,031	38,639,381
REPRESENTED BY			
Accumulated Fund b/fwd	13	38,639,381	38,017,573
Surplus/Deficit for the year		704,650	621,808
NET FINANCIAL POSITION		39,344,031	38,639,381

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

Name: Anderson Mwen
Chairman, BoM

Sign: [Signature]

Date: 17.7.2023

Sign: [Signature]

Name: Hannah Njoroge
Bursar/Finance

Date: 14/7/23

Name: _____
School Principal/Secretary
to BoM

Sign: [Signature]

Date: 14/07/2023.

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VII.

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STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2021

		2020-2021	2019-2020
		Kshs	Kshs
Receipts for operating income			
Capitation grants for tuition	1	1,022,258	1,423,278
Capitation grants for operations	2	6,764,484	10,038,625
School fund income- Parents contributions/ fees	3	2,347,277	-
School fund income- other receipts	4	11,486,181	30,540,826
Total receipts		21,620,200	42,002,729
Payments			
Payments for Tuition		768,234	280,632
Payments for operations		5,932,102	10,322,481
Boarding and school fund payments		14,215,214	30,964,896
Total payments		20,915,550	41,568,009
Net cash flow from operating activities		704,650	434,720
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		-	-
Acquisition of Assets		(-)	(-)
Proceeds from investments		-	-
Purchase of investments		(-)	(-)
Net cash flows from Investing Activities		-	-
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		704,650	434,720
Cash and cash equivalent at BEGINNING of the year		606,679	171,959
Cash and cash equivalent at END of the year		1,311,329	606,679

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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						
<i>(1) CAPITATION GRANT ON TUITION</i>						
Textbooks and reference materials	992,688	-	992,688		-	0%
Exercise books	971,376	-	971,376	-	971,376	0%
Laboratory equipment	824,130	-	824,130	-	824,130	0%
Internal exams	976,690	-	976,690	-	976,690	0%
Teaching / learning materials	369,600	-	369,600	1,022,258	(652,658)	276.6%
Chalks	167,500	-	167,500	-	167,500	0%
Exams and assessment	200,000	-	200,000	-	200,000	0%
Teachers guides	-	-	-	-	-	0%
					-	
<i>(2) CAPITATION GRANT ON OPERATIONS</i>						
Personnel emoluments	3,142,625	-	3,142,625	1,828,340	314,285	58.2%
Repairs and maintenance	4,650,000	-	4,650,000	3,179,500	1,470,500	68.4%
Local transport / travelling	2,234,391	-	2,234,391	588,564	1,645,827	26.3%
Electricity and water	1,397,088	-	1,397,088	625,475	771,613	44.8%
Medical	-	-	-	-	-	-
Administration costs	675,800	-	675,800	542,605	133,195	80.3%
Activity	1,734,000	-	1,734,000	-	1,734,000	0%
Gratuity	-	-	-	-	-	-
SMASSE	-	-	-	-	-	-
<i>(3) FEES CHARGED ON PARENTS</i>						
Personnel emoluments	5,490,500	-	5,490,500	1,441,591	4,048,909	26.3%
Repairs and maintenance	1,999,000	-	1,999,000	431,791	1,567,209	21.6%
Local transport /	683,500	-	683,500	-	683,500	0%

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travelling						
Electricity and water	5,294,300	-	5,294,300	-	5,294,300	0%
Medical	-	-	-	-	-	0%
Administration costs	2,030,500	-	2,030,500	473,895	1,556,605	
Activity	203,750	-	203,750	-	203,750	0%
Bom	4,510,500	-	4,510,500	-	4,510,500	0%
Fee on Boarding Equipment and Stores	25,502,825	-	25,502,825	11,448,151	14,054,674	23.3%
<i>OTHER INCOME</i>						
Rent income	-	-	-	-	-	0%
Income from farming activities	-	-	-	-	-	0%
Insurance compensation	-	-	-	-	-	0%
Income from Posho mill	-	-	-	-	-	0%
Income from Bus Hire	-	-	-	38,030	-	0%
Fee for hire of ground and equipment	-	-	-	-	-	0%
Interest income	-	-	-	-	-	0%
Income from any other investment	-	-	-	-	-	0%
TOTAL INCOME	64,050,763		64,050,763	21,620,200	40,140,905	33.8%
<i>(1) EXPENDITURE FOR TUITION</i>						
Textbooks and reference materials	992,688	-	992,688	-	992,688	0%
Exercise books	971,376	-	971,376	-	971,376	0%
Laboratory equipment	844,130	-	844,130	511,234	332,896	60.6%
Internal exams	976,690	-	976,690	-	976,690	0%
Teaching / learning materials	369,600	-	369,600	177,000	192,600	47.9%
Chalks	167,500	-	167,500	-	167,500	0%
Exams and assessment	200,000	-	200,000	-	200,000	0%
Teachers guides	-	-	-	80,000	(80,000)	0%
Administration costs	-	-	-	-	-	-
Bank Charges	-	-	-	-	-	-
<i>(2) EXPENDITURE FOR OPERATIONS</i>						

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Personnel emoluments	3,142,625	-	3,142,625	2,179,527	963,098	69.4%
Repairs, maintenance & improvements	4,650,000	-	4,650,000	2,065,700	2,584,300	44.4%
Local transport / travelling	2,234,391	-	2,234,391	732,350	1,502,041	32.8%
Electricity, water and conservancy	1,397,088	-	1,397,088	406,488	990,600	29.1%
Medical	-	-	-	4,500	-	0%
Administration costs	675,800	-	675,800	543,537	132,263	80.4%
Activity Expenses	1,734,000	-	1,734,000	-	-	0%
Gratuity	-	-	-	-	-	-
SMASSE	-	-	-	-	-	-
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel emoluments	5,490,500	-	5,490,500	1,412,723	4,077,777	25.7%
Repairs, maintenance and improvements	1,999,000	-	1,999,000	214,400	1,784,600	10.7%
Local transport / travelling	683,500	-	683,500	778,480	94,980	113.9%
Electricity, water and conservancy	5,294,300	-	5,294,300	1,827,263	3,467,037	34.5%
Medical Expenses	-	-	-	-	-	-
Administration costs	2,030,500	-	2,030,500	1,141,706	888,794	56.2%
Activity	203,750	-	203,750	-	203,750	0%
Gratuity	-	-	-	116,867	-	0%
Bom	4,510,500	-	4,510,500	538,200	3,972,300	11.9%
Boarding Equipment and Stores	25,502,825	-	25,502,825	7,912,735	17,590,090	31.1%
Expenditure for Income Generating Activity	-	-	-	-	-	-
Uniform	-	-	-	300	-	0%
Other expenses on investments	-	-	-	272,540	-	0%
Rent Expenses	-	-	-	-	-	-
Bank Charges	-	-	-	-	-	-
Loan Interest Repayment	-	-	-	-	-	-
Loan Principal Repayment	-	-	-	-	-	-
Acquisition of Assets	-	-	-	-	-	-

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TOTALS	64,050,763	-	64,050,763	20,915,550	-	32.7%
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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.

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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.

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X. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials	-	-
Exercise books	-	-
Laboratory equipment	-	-
Internal exams	-	-
Teaching / learning materials	1,022,258	1,423,278
Chalks	-	-
Exams and assessment	-	-
Teachers guides	-	-
Total	1,022,258	1,423,278

2 CAPITATION GRANT FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	-1,828,340	10,038,625
Repairs and maintenance	-	-
Local transport / travelling	588,564	-
Electricity and water	625,475	-
M&I	3,179,500	-
Administration costs	542,605	-
Activity	-	-
Total	6,764,484	10,038,625

3 PARENTS CONTRIBUTION/FEEES - SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	1,441,591	-
Repairs and maintenance	431,791	-
Local transport / travelling	-	-
Electricity and water	-	-
Medical	-	-
Administration costs	473,895	-
Activity	-	-
Total	2,347,277	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
Fee on Boarding Equipment and Stores	11,448,151	30,540,826
Rent income	-	-
Income from farming activities	-	-
Insurance compensation	-	-
Income from Posho mill	-	-
Income from Bus Hire	38,030	-
Fee for hire of ground and equipment	-	-
Income from grants and donations*	-	-
Interest income	-	-
Dividends income	-	-
Total	11,486,181	30,540,826

5 PAYMENTS FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials	-	-
Exercise books	-	-
Laboratory equipment	511,234	-
Internal exams	-	93,544
Teaching / learning materials	177,000	93,544
Chalks	-	-
Exams and assessment	-	-
Teachers guides	80,000	92,800
Administration Costs	-	744
Bank Charges	-	-
Total	768,234	280,632

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 PAYMENTS FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	2,179,527	10,322,481
Service Gratuity	-	-
Administration Cost	543,537	-
Repairs and maintenance & improvements	509,700	-
Local transport / travelling	732,350	-
Electricity and water	406,488	-
Medical	4,500	-
Activity Expenses	-	-
SMASSE	-	-
M&I	1,556,000	-
Insurance Cost	-	-
Bank Charges	-	-
Acquisition of Assets	-	-
TOTAL	5,932,102	10,322,481

7 BOARDING AND SCHOOL FUND PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	1,412,723	-
Service Gratuity	116,867	-
Repairs and maintenance & Improvements	214,400	-
Local transport / travelling	778,480	-
Electricity and water	1,827,263	-
BOM Teachers	538,200	-
Administration costs	1,141,706	-
Uniform	300	-
Bank Charges	-	-
Expenses on Income Generating Activities	272,540	-
Fee on Boarding Equipment and Stores	7,912,735	30,964,896
Rent Expenses	-	-
Insurance Cost (Life Property)	-	-
Loan Principal repayment	-	-
Loan Interest repayment	-	-
Acquisition of Assets	-	-
TOTAL	14,215,214	30,964,896

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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		287,543	34,755
Operations Account		51,913	9,841
School Fund Account/Boarding		57,408	59,520
Savings Account		-	162,117
Parent Association Development Account		-	-
Income generating activities Account		-	9,841
Infrastructural Account		912,877	329,468
Total		1,309,741	605,542

9 CASH IN HAND

Description	2020-2021	2019-2020
	Kshs	Kshs
Tuition Account	-	-
Operation Account	-	1,137
School Fund account	1,588	-
Total	1,588	1,137

10 SHORT TERM INVESTMENTS

Description	2020-2021	2019-2020
	Kshs	Kshs
Cooperative shares	-	-
Treasury Bills	-	-
Fixed deposit	-	-
Equity stock	-	-
Other investments	-	-
Total	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 ACCOUNTS RECEIVABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears	39,646,749	43,116,807
Other non-fees receivables	-	-
Salary advances	-	-
Imprest	-	-
Total	39,646,749	43,116,807

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees arrears for current year	4,618,395	8,865,258
Fees arrears for the previous year	35,028,354	34,251,549
Fees arrears for prior periods (over two years)	-	-
Total	39,646,749	43,116,807

12 ACCOUNTS PAYABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	5,059,923	5,084,105
Prepaid fees	1,175,519	-
Retention monies	-	-
Total	6,235,442	5,084,105

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade creditors for current year	1,193,217	3,866,706
Trade creditors for the previous year	3,866,706	1,217,399
Trade creditors for prior periods (over two years)	-	-
Total	5,059,923	5,084,105

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 FUND BALANCE BROUGHT FORWARD

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank balances	1,309,741	605,542
Cash balances	1,588	1,137
Short Term Investments	-	-
Receivables	44,268,144	43,116,807
Payables	(6,235,442)	(5,084,105)
Total	39,344,031	38,639,381

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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	-	-

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Other important disclosure notes

17 Stock/ Inventory

Description	2020-2021	2019-2020
	KShs	KShs
b) Borrowings		
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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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)

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount a Kshs	Date Contracted b Kshs	Amount Paid To-Date c Kshs	Outstanding Balance 30.06.2021 d=a-c Kshs	Outstanding Balance 2020 Kshs	Comments
Supply of goods						
1. Takaungu Stationers	992,462	01.07.2020	741,499	592,462	341,499	
2.Lzam Enterprises	454,652	01.07.2020	480,496	600,755	626,599	
3.Emmanuel Kiroro	248,640	01.07.2020	381,280	53,760	186,400	
4.Myksons Investments	825,000	01.07.2020	1,600,000	595,880	1,370,880	
5.Dambale Enterprises	875,600	01.07.2020	936,930	375,600	436,930	
6.Mariwa Investments	355,800	01.07.2020	412,270	80,000	136,470	
7.Leovid Enterprises	327,124	01.07.2020	-	327,124	-	
8.Jane Wanjia Chege	436,440	01.07.2020	366,070	168,120	97,750	
9.Sobrosos Enterprises	268,328	01.07.2020	436,527	72,000	240,199	
10.Copycat Ltd	809,772	01.07.2020	747,944	92,800	30,972	
11.Mems Enterprises	2,025,440	01.07.2020	505,460	1,519,980	-	
12.Winny W. Komu	349,598	01.07.2020	224,018	125,580	-	
13.Hassan Mwadodo	292,400	01.07.2020	143,600	148,800	-	
14.Mems	101,962	01.07.2020	-	101,962	-	
Sub-Total	8,363,218		6,976,094	4,854,823	3,467,699	
Supply of services						
1. Complink services	50,520	01.07.2020	102,500	1,700	53,680	
2. Silver Beck	-	01.07.2020	-	173,400	173,400	
3. Andevan Power solution	341,985	01.07.2020	326,985	30,000	15,000	
Sub-Total	392,505		429,485	205,100	242,080	
Grand Total	8,755,723		7,405,579	5,059,923	3,709,779	

**FRANZ JOSEF GIRLS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL
Annual Report and Financial Statements
For the year ended 30th June 2021**

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st Jan 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2021
Land 1	Bal. b/d		4,200,000			4,200,000
Land 2	Bal. b/d					
Buildings and structures	Bal. b/d		102,204,172	996,328		103,200,500
Motor vehicles	Bal. b/d	School	4,600,000			4,600,000
Office equipment, furniture and fittings	01.01.2021		5,871,990	111,000		5,982,990
ICT Equipment, and Other ICT Assets	Bal. b/d		2,305,610			2,305,610
Tools and apparatus	Bal. b/d		25,995	33,937		59,932
Textbooks	Bal. b/d		-	207,489		207,489
Other Machinery and Equipment	Bal. b/d		1,534,000	95,000		1,629,000
Heritage and cultural assets						
Intangible assets- soft ware	Bal. b/d		140,000	70,000		210,000
Boarding Equipments	Bal. b/d		12,114,319	150,199		12,264,518
Total			132,996,086	1,663,953		134,660,039