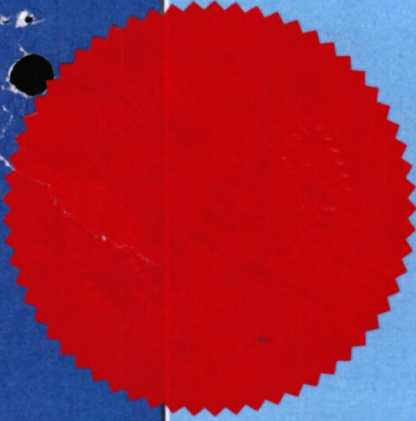

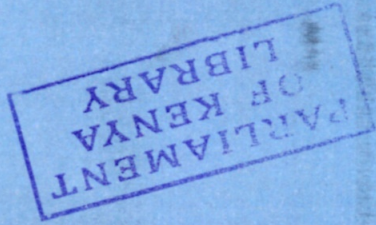




Office of the Auditor-General  
*Enhancing Accountability*



 <b>REPORT</b>	
THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 25 NOV 2024	DAY: Monday
TABLED BY: Hon. NAOMI WAQO Dep. MAJOREY WILIP	OF
CLERK AT THE TABLE: HAILE HUSSEIN	<b>THE AUDITOR-GENERAL</b>



ON

**ST. MARY'S LWAK GIRLS HIGH SCHOOL**

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

**SIAYA COUNTY**

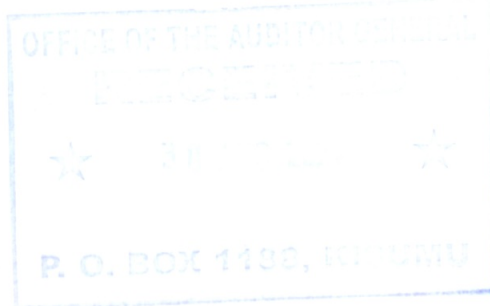


PUBLIC SECONDARY SCHOOLS (ST MARYS LWAK GIRLS HIGH SCHOOL)

Reports and Financial Statements

For the year ended 30<sup>th</sup> June 2023

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*ST. MARYS LWAK GIRLS HIGH SCHOOL*

**PUBLIC SECONDARY SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30<sup>th</sup> June 2023**

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



**PUBLIC SECONDARY SCHOOLS (ST MARYS LWAK GIRLS HIGH SCHOOL)**  
**Reports and Financial Statements**  
the year ended 30<sup>th</sup> June 2023

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**PUBLIC SECONDARY SCHOOLS (ST MARYS LWAK GIRLS HIGH SCHOOL)**  
**Reports and Financial Statements**  
**the year ended 30<sup>th</sup> June 2023**

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1. Acronyms and Glossary of Terms

Provide a list of all applicable acronyms and glossary of terms e.g :

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



## I. KEY SCHOOL INFORMATION AND MANAGEMENT

*[Customise the details in this section to suit your School]*

### (a) Background information

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

The school was registered in **1965** under registration number **PU/S/2/877/12** and is currently categorized as an **EXTRA COUNTY** public school established, owned or operated by the Government.

The school is a day/boarding school and had **2346** number of students as at *30<sup>th</sup> June 2023*. It has **12** streams and **49** teachers of which **31** 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	PROF. ROSEMARY ATIENO	Chairman	18/02/2022
2	MRS. ROSELAND SHIRAMBA	SECRETARY- PRINCIPAL	18/2/2022
3	MR. MOSES KAGUMBA	Member -Community	18/2/2022
4	MR. PETARSON S. ISAAKA	Member -Community	18/2/2022
5	MS. JOAN NETO OTIENO	Parents	18/2/2022
6	MR. NOEL MAKAGUTU ONYANGO	Member - Community	18/2/2022
7	MR. STEPHENE OCHIENG M.	Member-Community	18/2/2022
8	FR. KEVIN OCHONG	Member-Sponsor	18/2/2022
9	SR. PAULINE JUMA	Member-Sponsor	18/2/2022
10	MRS. MARY AKOTH WERE	Member-Special	18/2/2022
11	MRS. MILLICENT OUKO	Member –Rep CEB	18/2/2022
12	MR.ALLAN OKATCH	Member – Special Needs	18/2/2022
13	MRS. BENTA A. ORIARO	Member - Parents	18/2/2022
14	MR. DAVID OLWAL	Member- Teaching staff	18/2/2022
15	MR.DANCAN DOMDO	PA CHAIR	18/2/2022
16	MRS. PAMELA OLALI	PA REP	18/2/2022
17	MRS. NOELLA MAKUNDA	PA REP	18/2/2022
18	MRS. SYPHROSE AKELLO	DP ADMIN	18/2/2022

**KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)****The function of the School Board of Management include:**

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013
- Ensure and assure the provision of proper and adequate facilities for the School
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School.
- Determine cases of pupils discipline and make reports to the CEB
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB
- Administer and manage the resources of the School
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule para 21 and 23 of the Basic Education Act, 2013.

**(c) Committees of the Board**

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	-PROF. ROSEMARY ATIENO -MRS. ROSELAND SHIRAMBA MR.STEPHENECHIENG FR. KEVIN OCHONG SR. PAULINE JUMA MR. DANCUN DOMDO	Chairman - Secretary -principal -Member-community -Member-CHURCH -Member -Member –PA CHAIR	2 out of 3
2	Finance, procurement and general purposes committee	- MRS. ROSELAND SHIRAMBA -MR. PATERSON S. ISAAKA -FR. KEVIN OCHONG -SR. PAULINE JUMA -MRS. MARY WERE -MR. DANCAN DOMDO	-Secretary-principal -Member-community -Member-sponsor -Member-sponsor -Member- special interest -PA Chair	2 out of 3



PUBLIC SECONDARY SCHOOLS (ST MARYS LWAK GIRLS HIGH SCHOOL)

Reports and Financial Statements

the year ended 30<sup>th</sup> June 2023

3	Accademic Committee	-PROF. ROSEMARYATIENO -MRS.ROSELAND SHIRMBA -MR.MOSES KAGUMBA -MR. STEPHENE OCHIENG M. -MRS. BENTA A ORIARO -MR. DAVID OLWAL	Chairman - Secretary -principal -Member-community -Member-community -Member –Parents -Member Teaching Staff	2 out of 3
4	INFRASTRUCTURE COMMITTEE	-PROF. ROSEMARY ATIENO -MRS ROSELAND SHIRAMBA -MR. ELIJAH ADIE -MRS. SYPHROSE AKELLO	- Chairperson -Secretary -principal -Member- Rep CEB -D/P Admin	4 out of 3
5	Discipline and Welfare Committee	-MRS. ROSELAND SHIRAMBA -MS. JOAN NETO OTIENO -MRS. MILLICENT OUKO -MR. DAVID OLWAL	-Secretary -principal -Parents -Member- Rep CEB -Member- Teaching staff	3 out of 3
6	Human rights & student welfare	-MRS.ROSELAND SHIRAMBA -MR. ALLAN OKATCH -MRS. BENTA A. ORIARO - MRS. NOELLA MAKUNDA	-SECRETARY/PRINCIPAL -MEMBER-SPECIAL NEEDS -MEMBER-PARENTS - PA Rep	3 out of 3
7	Adhoc Committee	-Teresia njiru Beatrice Obande	-chair -Member	1

**PUBLIC SECONDARY SCHOOLS (ST MARYS LWAK GIRLS HIGH SCHOOL)**

**Reports and Financial Statements**

**the year ended 30<sup>th</sup> June 2023**

	Tender Opening committee	Wilfrida Okatch Milka Sambasi	Member Member Member	
--	--------------------------	----------------------------------	----------------------------	--

8.	Adhoc Tender evaluation committee.	-DAVID OLWAL -PETER ONYANGO -BENARD OMOGO -LEAH WAUDI  -GORRETY OTIENG  -BEATRICE OBANDE  -TERESIA NJIRU	- Chair - Member - Member - Member  - Member	1
----	------------------------------------	---	---	---

**School operation Management**

For the financial year ended *30<sup>th</sup> June 2023* the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	MRS. ROSELAND SHIRAMBA	323140
2	Deputy Principal	MS. CHRISTINE OWINO	388760
3	School Bursar	MS. BEATRICE OBANDE	BOM

**KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)**

**(e) Schools contacts**

Post Office Box: 4-40611, NYILIMA.  
Telephone: 0790493415  
E-mail: lwakgirlshighschool@gmail.com  
Website: lwakgirlshighschool.co.ke  
Facebook:  
Twitter:

**(f) School Bankers**

School operated 11 number of bank accounts in the following banks:

1. Name of Bank: KENYA COMMERCIAL BANK  
Branch: BONDO  
Account Number: 1106993241- TUITION ACCOUNT
2. Name of Bank: KENYA COMMERCIAL BANK  
Branch: BONDO  
Account Number: 1103829610- OPERATION ACCOUNT
3. Name of Bank: KENYA COMMERCIAL BANK  
Branch: BONDO  
Account Number: 1268412562 – MIF ACCOUNT
4. Name of Bank: KENYA COMMERCIAL BANK  
Branch: BONDO  
Account Number: 1103894129– BOARDING ACCOUNT/SCHOOL FUND
5. Name of Bank: KENYA COMMERCIAL BANK  
Branch: BONDO  
Account Number: 1103951971 - INCOME GENERATING ACTIVITIES
6. Name of Bank: EQUITY BANK  
Branch: BONDO  
Account Number: 0750279040476 – CDF ACCOUNT



**PUBLIC SECONDARY SCHOOLS (ST MARYS LWAK GIRLS HIGH SCHOOL)**  
**Reports and Financial Statements**  
**the year ended 30<sup>th</sup> June 2023**

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7. Name of Bank: EQUITY BANK  
Branch: BONDO  
Account Number: 0750267017147 – POCKET MONEY ACCOUNT

MPESA pay Bill NO. 932500 attached to KCB, 1103894129 bank account.

**(g) Independent Auditors**

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

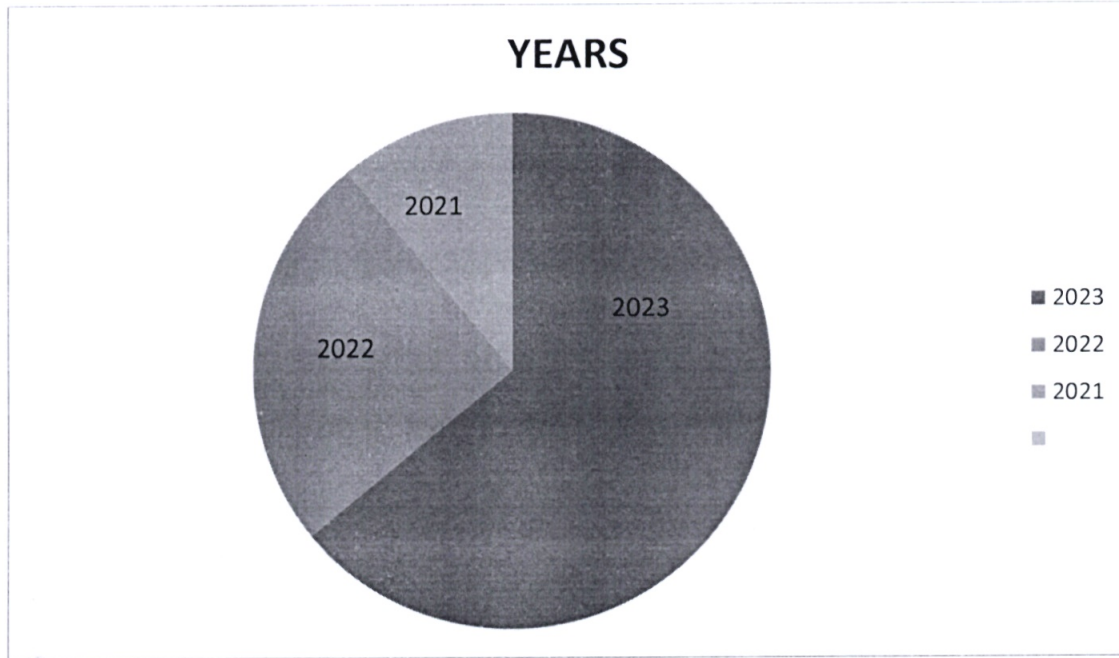
## II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

a) **Financial performance:**

- Analysis on comparisons of surplus/deficit for the last 3 years*
- Capitation grants from the ministry of Education for the last 3 years
- Ratio of capitation grant per student over the last 3 years
- A three –year overview of growth of other income earned by the school
- A three –year overview of growth in expenditure of the school
- Movement of debtors and creditors of the school over the last 3 years
- Movement of cash and bank balances over the last 3 years

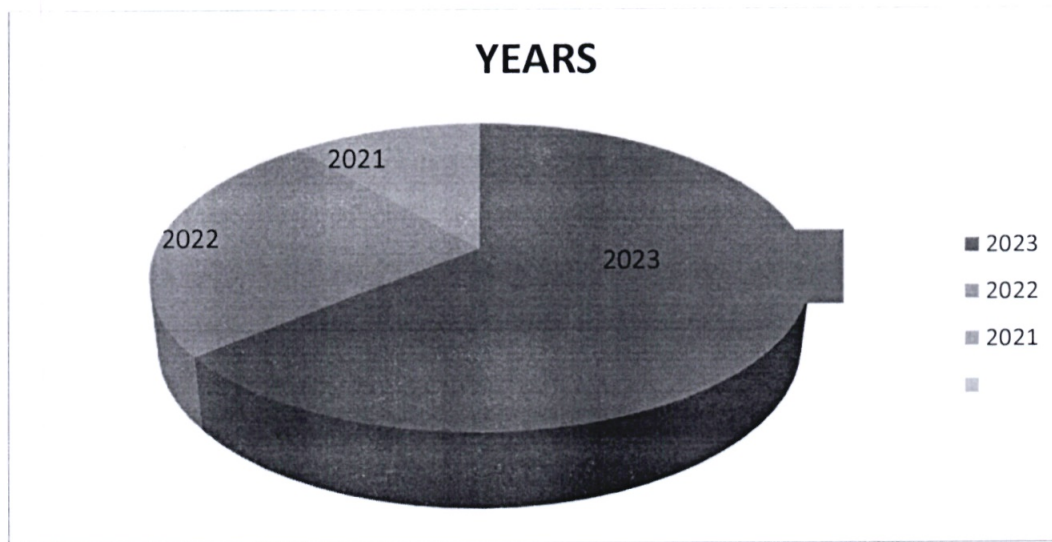
**A THREE YEAR OVERVIEW OF GROWTH IN INCOME/EXPENDITURE OF THE SCHOOL**



	<b>2022/2023</b>	<b>2021/2022</b>	<b>2020/2021</b>
INCOME	194,347,839.82	215,761,238.97	74,762,636.75
EXPENDITURE	209,780,095.65	146,119,602.56	64,978,199.50

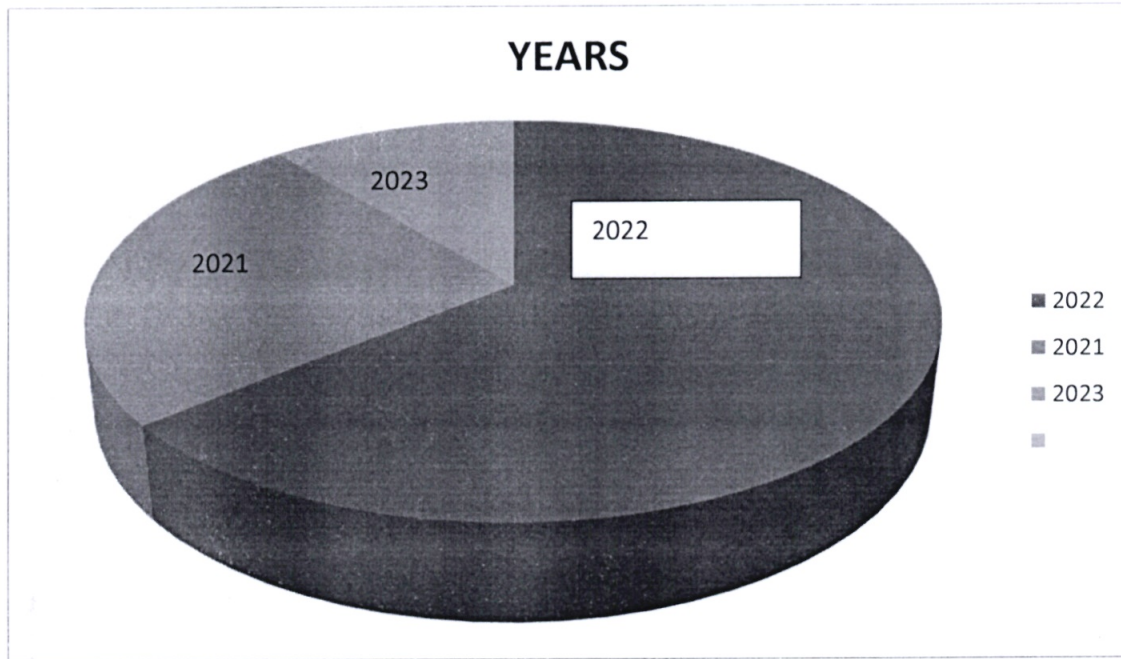


**MOVEMENT OF DEBTORS AND CREDITORS OF THE SCHOOL OVER 3 YEARS.**



YEARS	2022/2023	2021/2022	2020	
DEBTORS	112,888,904.98	115,997,451.76	54,085,166.50	
CREDITORS	46,343,545.18	42,635,444.83	41,992,929.83	

**MOVEMENT OF CASH AND BANK BALANCES OVER 3 YEARS.**



YEAR	2022/2023	2021/2022	2021/2020	
CASH	830,290.00	110,221.85	153,322.00	
BANK	1,193,265.89	10,528,969.84	2,104,003.54	

**Teacher Student ratio:**

*Teacher student ratio: 1:27*

*Number of teachers recruited and posted within the year*      7

*Number of teachers transferred during the period*              3

*Number of teachers employed by TSC*                                49

*Number of teachers employed by BOM*                                48

***Teachers per subject***

*English*                      17

*Kiswahili*                    14

*Maths*                        22

*Biology*                    14

*Physics*                    12

*Chemistry*                19

*History*                    10

*Geography*                10

*CRE*                         13

*Home science*            4

*Agriculture*                3

*Business studies*        11

*French*                     2

*Agriculture*                5

*German*                    1



## b) Mean score in the 2021 KCSE:

YEAR	K.C.S.E MEAN	C+ & ABOVE	REMARKS
2022	7.75	331	Improved performance
2021	6.79	223	Dropped as compared to 2020
2020	7.36	275	Improved performance
2019	7.0	192	Improved

## c) Number of Candidates in the 2021 KCSE:

S/NO	YEAR	CANDIDATURE
1	2022	388
2	2021	399
3	2020	408
4	2019	345

d) **Capacity of the school:** (Continuation)

*The total number of:*

*Number of students*

<i>Classrooms</i>	37
<i>Dormitories</i>	23
<i>Laboratories</i>	5
<i>Toilets (Flash)</i>	91
<i>Pit latrines</i>	20
<i>Kitchen</i>	2
<i>Bathrooms</i>	96

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

<u>S/NO</u>	<u>PROJECTS</u>	<u>SOURCE OF FUND</u>	<u>STATUS</u>
1	DORMITORY	MOE	ON GOING
2	CLASSROOMS	MOE & CDF	COMPLETED

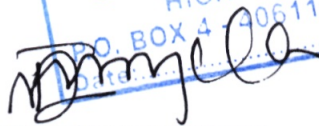
***f) Analysis on comparisons of surplus/deficit for the last 3 years***

	<u>YEAR</u>	<u>SURPLUS</u>	<u>DEFICIT</u>
1	2023	0	15,432,255.83
2	2022	69,641,636.41	0
3	2021	9,784,437.25	0

h) Capitation grants from the ministry of Education for the last 3 years

	<u>YEAR</u>	<u>AMOUNT KSHS</u>
1	2022/2023	30,256,495.61
2	2021/2022	31,453,457.90
3	2021	17,192,530.80

CHIEF PRINCIPAL  
ST. MARY'S LWAK GIRLS  
HIGH SCHOOL  
P.O. BOX 4 40611. NYILIMA



Sign: .....

School Principal



**PUBLIC SECONDARY SCHOOLS (ST MARYS LWAK GIRLS HIGH SCHOOL)**

**Reports and Financial Statements**

**the year ended 30<sup>th</sup> June 2023**

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

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30<sup>th</sup> June, 2023 and of the school's financial position as at that date.

Name: PROF. ROSEMARY ATIENO

Designation: Chairman, School Board of Mangement

Sign:



Date:

24/08/24

Name: ROSELAND SHIRAMBA

Designation: School Principal & Secretary to Board of Management

Sign:



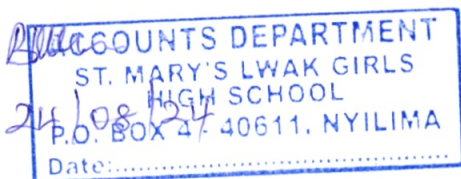
Date:

24.08.24

Name: BEATRICE ACHIENG OBANDE

Designation: Bursar/Finance Officer

Sign:



Date:



# REPUBLIC OF KENYA

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



*Enhancing Accountability*

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

## **REPORT OF THE AUDITOR-GENERAL ON ST. MARY'S LWAK GIRLS HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 – SIAYA 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 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 St. Mary's Lwak Girls High School – Siaya County set out on pages 1 to 25, 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 the statement of budgeted versus actual amounts for the



year the ended, and a summary of significant accounting policies and other explanatory information in accordance with 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 St. Mary's Lwak Girls High 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 the Financial Statements**

Review of the financial statements revealed that the statements of receipts and payments disclosed variances in comparative balances between the financial statements and the respective comparative balances in the notes to the financial statements as shown in the table below:

<b>Component</b>	<b>Comparative Balance in Financial Statement (Kshs)</b>	<b>Comparative Balance in Notes (Kshs)</b>	<b>Variance (Kshs)</b>
Capitation Grant for Operation	34,564,482	19,949,014	14,615,468
School Fund Income	144,270,430	139,430,273	4,840,157

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

#### **2. Inaccuracies in the Cash and Cash Equivalents**

The statement of financial assets and financial liabilities reflects amount of Kshs.2,023,555 in respect of cash and cash equivalent. However, the cash book for development savings account was not provided for audit and the bank details relating to this account was not disclosed in Notes 10 to the financial statements. Further, Board of Cash Survey Report supporting an amount of Kshs.830,290 in respect of cash in hand was not provided for audit.

In the circumstances, the accuracy and completeness of cash and cash equivalent balance could not be confirmed.



## **Unsupported Accounts Receivables**

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.112,888,904 which was in respect of fees arrears and other non-fees receivables and was not supported by ledger and debtors' schedule showing the opening balances, receivables for the year, amount received during the year and the outstanding balances as at the year end.

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

## **3. Unsupported Accounts Payable**

The statement of assets and liabilities reflects accounts payables balance of Kshs.46,343,545 in respect of trade creditors and non-trade creditors. Included in the accounts payable were trade creditors balances of Kshs.38,798,080 as disclosed in Note 14 to the financial statements that was not supported by creditors ledgers, invoices, delivery notes, local purchase orders (LPO) issues and receipts vouchers.

In the circumstances, the accuracy and completeness of the accounts payables balance could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the St. Mary's Lwak Girls High 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.

## **Emphasis of Matter**

### **Budgetary Control and Performance**

The statement of budgeted versus actual amounts reflects final receipts budget and actual on comparable basis of Kshs.27,966,800 and Kshs.45,446,830, respectively resulting to over-funding of Kshs.17,480,030 or 63% of the budget. However, the School spent amount of Kshs.177,713,702 against actual receipts of Kshs.45,446,830 resulting to an over-utilization of Kshs.132,266,872 or 291% of the actual receipts. The source of over-funding and over-utilization was not confirmed.

My opinion is not modified in respect of this matter.

## **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**

### **Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues as at 30 June, 2023.

### **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

#### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

#### **Basis for Conclusion**

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

During the year under review, the School Management did not submit the financial statements to the Auditor-General by the statutory date of 30 September, 2023. The financial statements were submitted after 28 May, 2024 which was eight (8) months after the statutory deadline. This was contrary to Section 47(1) of the Public Audit Act, 2015 which requires that financial statements should be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate. Late submission of financial statements adversely affects the Office of the Auditor-General in meeting the statutory timelines.

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

##### **2. Non-compliance with the Public Sector Accounting Standards Board**

Review of the financial statements revealed that Annex 2 to the financial statements on summary of fixed assets register did not indicate dates when assets were purchased, historical cost brought forward, additions and disposals during the year and historical cost carried forward as prescribed by the template as required by the Public Sector Accounting Standards Board (PSASB).

Further, review of the financial statements revealed that the values in the financial statements are not rounded off to the nearest Kenya Shillings as required by the PSASB. In the circumstances, Management did not comply with the PSASB reporting template requirements.

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

During the year under review, the School transferred an amount of Kshs.213,000 to Kenya Secondary Schools Heads Association (KESSHA) to support the Association

activities. 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 the Schools.

In the circumstances, the value for money of the funds transferred to KESSHA could not be confirmed.

#### 4. Failure to Prepare School Improvement Plan

During the year under review, Management did not develop School Improvement Plan to be used to measure the School's improvement activities, keep the School in focus in achieving the school target, prioritization of School needs, ensuring prudent utilization of resources and to improve accountability. This was contrary to Section 2.2.1 of the Operational Manual for Utilization of Learner Capitation, Grant and Other School Funds which requires a school to develop improvement plan which is a road map for changes that a school needs to improve the school environment and learning outcomes.

In the circumstances, Management was in breach of the Operational Manual.

#### 5. Failure to Reconcile Student Enrollment Data

Review of student's records provided for audit revealed unexplained variances in student numbers between National Education Management Information System (NEMIS) and School registers resulting in fees under disbursements on both capitation grants for tuition and operation fees of Kshs.4,202,160 as analyzed below:

Month	No. of Students Per NEMIS	No. of Students as Per Register	Capitation Grant per Student (Kshs)	Total Expected Capitation per School Register (Kshs)	Actual Capitation Received (Kshs)	Capitation not Received (Kshs)
July 2022	1,936	2,346	3,602	8,450,292	6,973,472	1,476,820
Oct. 2022	1,939	2,346	4,010	9,407,460	7,775,390	1,632,070
Feb. 2023	2,051	2,346	3,706	8,694,276	7,601,006	1,093,270
<b>Total</b>						<b>4,202,160</b>

Management explained that the difference was due to failure by the School to fully register all students on National Education Management Information System Management (NEMIS) due to lack of birth certificates and therefore could not be recognized by the system. This was contrary to the Ministry of Education Circular No. MOE.HQ/3/13/3 dated 16 June, 2021 on implementation of Free Day Secondary Education (FDSE) which



requires all learners to be registered in National Education Management Information System and the Principals to ensure their records are accurate.

In the circumstances, Management was in breach of the Circular and the underfunding of the School may have affected service delivery to students.

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

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

#### **1. Lack of an Audit Committee**

During the year under review, the School operated without an Audit Committee. This was contrary to Section 61(2) of the Basic Education Act 2013 which requires the Board of Management to establish Finance, Procurement and General Purposes Committee, Academic Standards, Quality and Environment Committee, Ethics and Integrity Committee, Audit Committee and Human Rights and Student Welfare Committee.

In the circumstances, the existence of effective internal controls and governance mechanisms could not be confirmed.

#### **2. Lack of a Fixed Assets Register**

Management did not maintain a fixed asset register indicating the asset names, cost, depreciation, net book value, location, serial/tag number and current condition/status.

In the circumstances, the ownership and custody of the 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 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 controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal controls 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 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 Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

**Nairobi**

**30 September, 2024**



PUBLIC SECONDARY SCHOOLS (ST MARYS LWAK GIRLS HIGH SCHOOL)

Reports and Financial Statements

For the year ended 30<sup>th</sup> June 2023

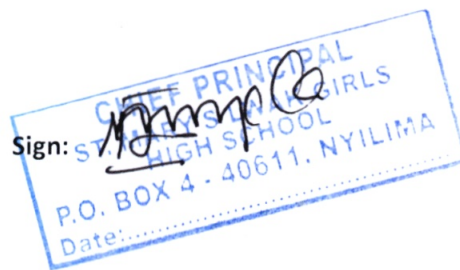
6. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30<sup>TH</sup> JUNE 2023

DESCRIPTION OF VOTE HEAD	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>RECEIPTS</b>			
Capitation grants for tuition	1	5,522,486.25	5,876,201.60
Capitation grants for operations	2	16,799,559.02	34,564,482.30
Infrastructure account	3	13,279,728.23	0
School Fund Income- Parents' Contributions	4	113,168,095.62	144,270,430.33
School Fund Income- Other receipts	5	45,577,997.70	31,050,124.74
<b>TOTAL RECEIPTS</b>		<b>194,347,866.82</b>	<b>215,761,238.97</b>
<b>PAYMENTS</b>			
Payments for Tuition	6	7,576,847.00	6,855,414.00
Payments for operations	7	14,191,332.10	27,514,673.61
Infrastructure account	8	15,169,995.80	
Boarding and school fund payments	9	172,841,920.85	111,749,602.56
<b>TOTAL PAYMENTS</b>		<b>209,780,095.65</b>	<b>146,119,602.56</b>
<b>SURPLUS/DEFICIT REALIZED</b>		<b>(15,432,255.83)</b>	<b>69,641,636.41</b>

The School financial statements were approved on and signed by:

Sign:

Sign:



Sign:

Name: PROF. ROSEMARY ATIENO

NAME: ROSELAND SHIRAMBA

NAME: BEATRICE OBANDE

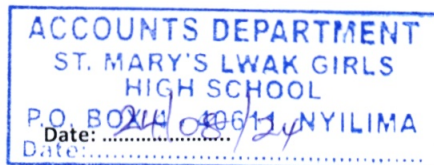
Chair BOM

School Chief Principal/Secretary to BOM

Bursar/Finance Officer

Date: 24/8/24

Date: 24.08.24



**7. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS****AT 30<sup>TH</sup> JUNE 2023**

	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>FINANCIAL ASSETS;</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	10	1,193,265.89	10,528,969.84
Cash Balances	11	830,290.00	110,221.85
Short term Investment	12	0	0
<b>Total Cash and cash equivalent</b>		<b><u>2,023,555.89</u></b>	<b><u>10,639,191.69</u></b>
Accounts receivables	13	112,888,904.98	115,997,451.76
<b>TOTAL FINANCIAL ASSETS</b>		<b>114,912,460.87</b>	<b>126,636,643.45</b>
<b>FINANCIAL LIABILITIES;</b>			
Accounts Payables	14	46,343,545.18	42,635,444.83
<b>NET FINANCIAL ASSETS</b>		<b>68,568,942.69</b>	<b><u>84,001,198.62</u></b>
<b>REPRESENTED BY ;</b>			
Accumulated Fund b/fwd 1 <sup>st</sup> july	15	84,001,198.62	14,359,562.21
Surplus/Deficit for the year		(15,432,255.93)	69,641,636.41
<b>NET FINANCIAL POSITION</b>		<b><u>68,568,942.69</u></b>	<b><u>84,001,198.62</u></b>



The School's financial statements were approved on

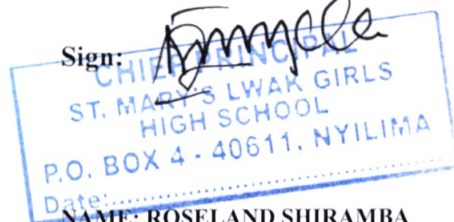
and signed by:

Sign:

Name: PROF. ROSEMARY ATIENO  
Chair BOM

Date: 24/08/24

Sign:



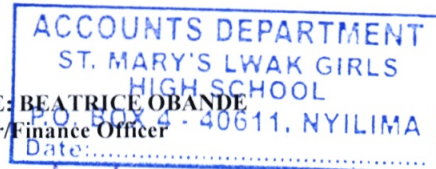
NAME: ROSELAND SHIRAMBA  
School Principal/Secretary to BOM

Date: 24-08-24

Sign:

NAME: BEATRICE OBANDE  
Bursar/Finance Officer

Date: 24/08/24



PUBLIC SECONDARY SCHOOLS (ST MARYS LWAK GIRLS HIGH SCHOOL)

Reports and Financial Statements

for the year ended 30<sup>th</sup> June 2023

8. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2023

		2022-2023	2021-2022
		Kshs	Kshs
<b>Receipts for operating income</b>			
Capitation grants for tuition	1	5,522,486.25	5,876,201.60
Capitation grants for operations	2	16,799,559.02	34,564,482.30
Infrastructure account	3	13,279,728.23	19,455,624.16
School fund income- Parents contributions/ fees	4	113,168,095.62	80,314,638.75
School fund income- other receipts	5	45,577,997.70	31,050,124.74
<b>Total receipts</b>		<b>194,347,866.82</b>	<b>171,261,071.55</b>
<b>Payments</b>			
Payments for Tuition	6	7,576,847.00	6,586,264.00
Payments for operations	7	14,191,332.10	27,514,673.61
Infrastructure account	8	15,169,995.80	
Boarding and school fund payments- other monies	9	172,841,920.85	102,192,972.95
<b>Total payments</b>		<b>209,780,095.75</b>	<b>136,293,910.56</b>
<b>Net cash flow from operating activities</b>		<b>(15,432,228.93)</b>	<b>15,511,536.83</b>
<b>Adjustments;</b>			
Decrease in Accounts receivable		3,108,546.78	2,053,506.32
prepayments			1,543,719.00
Bursaries		0	0
Increase in Accounts payable		3,708,100.35	[10,726,896.00]
<b>Net cash flow from operating Activities</b>		<b>(8,615,581.80)</b>	<b>8,381,866.15</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			

PUBLIC SECONDARY SCHOOLS (ST MARYS LWAK GIRLS HIGH SCHOOL)

Reports and Financial Statements  
the year ended 30<sup>th</sup> June 2023

Proceeds from Sale of Assets		0	0
Acquisition of Assets		0	0
Proceeds from investments		0	0
Purchase of investments		0	0
<b>Net cash flows from Investing Activities</b>		<b>0</b>	<b>0</b>
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>		<b>0</b>	
Proceeds from borrowings/ loans		0	0
Repayment of principal borrowings		0	0
<b>Net cash flow from financing activities</b>		<b>0</b>	<b>0</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(8,615,581.80)</b>	<b>8,381,866.15</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>		<b>10,639,191.69</b>	<b>2,257,325.54</b>
<b>Cash and cash equivalent at END of the year</b>		<b>2,023,555.89</b>	<b>10,639,191.69</b>

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



**PUBLIC SECONDARY SCHOOLS (ST MARYS LWAK GIRLS HIGH SCHOOL)**

**Reports and Financial Statements**

For the year ended 30<sup>th</sup> June 2023

**9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30<sup>th</sup> June 2023**

RECEIPT/EXPENSES ITEM	ORIGINAL BUDGET	ADJUSTMENT S	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
<b>RECEIPTS</b>						
<b>(1) CAPITATION GRANT ON TUITION</b>						
Exercise books	2,650,502.40	0	2,650,502.40	983,810.63	1,666,691.77	37.12%
Laboratory equipment	2,650,502.40	0	2,650,502.40	983,810.63	1,666,691.77	37.12%
Internal exams	883,500.80	0	883,500.80	327,936.88	555,563.92	37.12%
Teaching / learning materials	883,500.80	0	883,500.80	2,571,054.38	-1,687,553.58	291%
Chalks	176,700.16	0	176,700.16	113,796.45	62,903.71	64.40%
Exams and assessment	883,500.80	0	883,500.80	327,936.90	555,563.90	37.12%
Reference /Library materials	441,750.40	0	441,750.40	214,140.38	227,610.02	48.48%
Teachers guides	265,050.24	0	265,050.24	0	265,050.24	0%
<b>TOTAL KSHS</b>	<b>8,835,008.00</b>	<b>0</b>	<b>8,835,008.00</b>	<b>5,522,486.25</b>	<b>3,312,521.75</b>	
<b>(2) CAPITATION GRANT ON OPERATIONS</b>						
Personnel emoluments	12,269,660.00	0	12,269,660.00	8,694,198.19	3,575,461.81	70.86%
Repairs and maintenance	10,660,000.00	0	10,660,000.00	7,934,504.33	2,725,495.67	74.43%
Local transport / travelling	3,240,640.00	0	3,240,640.00	2,785,428.27	455,211.73	85.95%
Electricity and water	2,884,596.00	0	2,884,596.00	1,450,685.12	1,433,910.88	50.29%
Medical(Insurance and property)	1,705,600.00	0	1,705,600.00	656,200.69	1,049,399.31	38.47%
Administration costs	2,072,304.00	0	2,072,304.00	1,553,005.94	519,298.06	74.94%
Activity	3,198,000.00	0	3,198,000.00	1,660,013.81	1,537,986.19	51.91%
<b>TOTAL KSHS</b>	<b>36,030,800.00</b>	<b>0</b>	<b>36,030,800.00</b>	<b>24,734,036.35</b>	<b>11,296,763.65</b>	

**PUBLIC SECONDARY SCHOOLS (ST MARYS LWAK GIRLS HIGH SCHOOL)**  
**Reports and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2023**

<b>(3) FEES CHARGED ON PARENTS</b>						
Personnel emoluments	8,847,800.00	0	8,847,800.00	11,787,424.32	-2,939,624.32	133.22%
Repairs and maintenance	4,264,000.00	0	4,264,000.00	5,345,223.00	-1,081,223.00	125.35%
Local transport / travelling	2,686,320.00	0	2,686,320.00	4,707,622.00	-2,021,302.00	175.24
Electricity and water	9,700,800.00	0	9,700,800.00	12,793,535.00	-3,092,735.00	131.88
Medical	0	0		7,230.00		
Administration costs	3,890,900.00	0	3,890,900.00	6,791,748.00	-2,900,848.00	174.55%
Activity	1,865,500.00	0	1,865,500.00	1,864,315.00	1,185.00	99.94%
		0				
Fee on Boarding Equipment and Stores	51,398,256.00	0	51,398,256.00	74,389,499.30	-22,991,243.30	144.73%
<b>TOTAL</b>	<b>110,369,376.00</b>		<b>110,369,376.00</b>	<b>117686596.62</b>	<b>-35,025,790.62</b>	
<b>OTHER INCOME</b>						
Rent income	250,800.00	0	250,800.00	0	250,800.00	0%
Income from farming activities	0	0	0	1,884,950.00	-1,884,950.00	0%
Income from Bakery unit	0	0	0	3,778,040.00	-3,778,040.00	0%
Income from canteen unit	0	0	0	9,884,502.00	-9,884,502.00	0%
Donation	27,716,000.00	0	27,716,000.00	29,899,338.70	(2,183,338.70)	107.8%
<b>TOTAL INCOME</b>	<b>27,966,800.00</b>		<b>27,966,800.00</b>	<b>45,446,830.70</b>	<b>-17,480,030.70</b>	
<b>(1) EXPENDITURE FOR TUITION</b>						
Reference/library materials	441,750.40	0	441,750.40	128,784.00	312,966.40	29.05%
Internal exams	883,500.80	0	883,500.80	1,001,000.00	-117,499.20	113.29%
Teaching / learning materials	883,500.80	0	883,500.80	1,291,154.00	-407,653.20	146.14%
Chalks	176,700.16	0	176,700.16	0	176,700.16	0%
Exams and assessment	883,500.80	0	883,500.80	473965	409,535.80	53.64%
Exercise books	2,650,502.40	0	2,650,502.40	2,177,717.00	472,785.40	82.16%
Bank Charges	0	0	0	0	0	0%
Laboratory	2,650,502.40	0	2,650,502.40	1,239,042.00	1,411,460.40	46.74%
<b>Total</b>	<b>8,569,957.76</b>	<b>0</b>	<b>8,569,957.76</b>	<b>6,311,662.00</b>	<b>2,258,295.76</b>	
<b>(2) EXPENDITURE FOR OPERATIONS</b>						
Personnel emoluments	12,269,660.00	0	12,269,660.00	6,044,751.10	6,224,908.90	49.26%
Repairs, maintenance & improvements	10,660,000.00	0	10,660,000.00	17,440,199.80	-6,780,199.80	163.60%
Local transport / travelling	3,240,640.00	0	3,240,640.00	350,000.00	2,890,640.00	10.80%



**PUBLIC SECONDARY SCHOOLS (ST MARYS LWAK GIRLS HIGH SCHOOL)**  
**Reports and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2023**

Electricity, water and conservancy	2,884,596.00	0	2,884,596.00	1,711,912.00	1,172,684.00	59.35%
Medical	1,705,600.00	0	1,705,600.00	0	1,705,600.00	0%
Administration costs	2,072,304.00	0	2,072,304.00	6,034,482.00	-3,962,178.00	291.19%
Activity Expenses	3,198,000.00	0	3,198,000.00	436,435.00	2,761,565.00	13.65%
<b>Total</b>	<b>36,030,800.00</b>		<b>36,030,800.00</b>	<b>32,017,779.90</b>	<b>4,013,020.10</b>	
<b>(3) EXPENDITURE FOR SCHOOL FUND</b>		<b>7</b>				
Personnel emoluments	8,847,800.00	0	8,847,800.00	14,970,564.00	-6,122,764.00	169.20%
Repairs, maintenance and improvements	4,264,000.00	0	4,264,000.00	9,177,100.00	4,913,100.00	215.22%
Local transport / travelling	2,686,320.00	0	2,686,320.00	7,797,019.00	-5,110,699.00	290.25%
Electricity, water and conservancy	9,700,600.00	0	9,700,600.00	12,425,400.60	-2,724,800.60	128.08%
Medical Expenses	0	0	0	521,406.00	0	0
Administration costs	3,890,900.00	0	3,890,900.00	8,387,836.00	-4,496,936.00	215.57%
Activity	1,865,500.00	0	1,865,500.00	3,177,257.00	-1,311,757.00	170.32%
Boarding Equipment and Stores	51,398,266.00	0	51,398,266.00	81,047,171.00	-29,648,905.00	157.68%
Expenditure on Bakery unit	0	0	0	2,905,727.00	0	0
Expenditure for farming activities	0	0	0	1,704,522.00	0	0
Expenditure on Donations	27,716,000.00	0	27,716,000.00	27,432,085.00	283,915.00	98.97%
Rent Expenses	0	0	0	0	0	0
Bank Charges	0	0	0	0	0	0
Expenditure on canteen unit	0	0	0	8,167,615.00	0	0
<b>TOTALS</b>	<b>110,369,386.00</b>		<b>110,369,386.00</b>	<b>177,713,702.60</b>	<b>-49,131,946.60</b>	

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

i. Xxx

ii. Xxx

## 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 imprest, salary advances and other receivables and b) payables that include deposits and retentions and payables from operations.

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

### 2. Recognition of receipts and payments

The *school* recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the *school*. In addition, the *school* recognizes 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 30<sup>th</sup> June 2023.

## 11. NOTES TO THE FINANCIAL STATEMENTS

### 1 CAPITATION GRANT FOR TUITION

	2022-2023	2021-2022
	Kshs	Kshs
Library/ Reference materials	214,140.38	296,755.00
Exercise books	983,810.63	2,093,959.00
Laboratory equipment	983,810.63	1,180,757.00
Internal exams	327,936.88	834,758.00
Teaching / learning materials	2,571,054.38	884,128.00
Chalks	113,796.45	120,003.00
Exams and assessment	327,936.90	465,841.00
Teachers guides	-	-
<b>Total</b>	<b>5,522,486.25</b>	<b>5,876,201.00</b>

### 2. CAPITATION GRANT FOR OPERATIONS

	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	8,694,198.19	8,510,367.21
Local transport / travelling	2,785,428.27	2,191,788.55
Electricity and water	1,450,658.12	2,477,174.15



**PUBLIC SECONDARY SCHOOLS (ST MARYS LWAK GIRLS HIGH SCHOOL)**  
**Reports and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2023**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Administration costs	1,553,005.94	2,085,335.18
Activity	1,660,013.81	2,162,949.23
MEDICAL/ insurance	656,200.69	2,521,400.26
<b>Total</b>	<b>16,799,559.02</b>	<b>19,949,014.58</b>

**3. INFRASTRUCTURE ACCOUNT**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
MAINTENANCE AND IMPROVEMENTS - PARENTS	5,345,223.90	4,840,156.44
MAINTENANCE AND IMPROVEMENTS - MOE	7,934,504.33	14,615,467.72
<b>Total</b>	<b>13,279,728.23</b>	<b>19,455,624.16</b>

**4. SCHOOL FUND ACCOUNT - PARENTS CONTRIBUTION/FEEs**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments	11,787,424.32	11,472,204.31
Local transport / travelling	4,707,622.00	2,268,545.31
Electricity and water	12,793,535.00	9,729,073.99
Fee on Boarding Equipment and Stores	75,216,041.30	46,716,811.98
Administration costs	6,791,748.00	3,881,304.00
Bank charges	180.00	0

**PUBLIC SECONDARY SCHOOLS (ST MARYS LWAK GIRLS HIGH SCHOOL)**  
**Reports and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2023**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Activity	1,864,315.00	1,406,542.72
FEES AREARS	0	63,955,791.58
Medical/Insurance	7,230.00	0
<b>Total</b>	<b>113,168,095.62</b>	<b>139,430,273.89</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**5 SCHOOL FUND ACCOUNT- OTHER RECEIPTS**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Income from Bakery unit	3,778,040.00	1,699,385.00
Income from farming activities	1,884,950.00	34,410.00
Canteen unit	9,884,502.00	1,902,941.00
Miscellaneous income	0	331,500.00
Income from Bus Hire	0	89,000.00
Fee for hire of ground and equipment	0	0
Income from donations	29,899,338.70	26,694,813.94
Interest income	0	0
Printing reams	0	74,339.00
Rental income	0	109,750.00
<b>Uniform</b>	<b>131,167.00</b>	<b>0</b>
<b>Total</b>	<b>45,577,997.70</b>	<b>31,050,124.74</b>

**6 PAYMENTS FOR TUITION**

	2022-2023	2021-2022
	Kshs	Kshs
Exercise books	1,882,657.00	2,340,310.00
Laboratory chemicals and equip	1,239,042.00	1,017,625.00
Exams and assessments	473,965.00	244,700.00
Internal exams	1,001,000.00	690,200.00
Chalk/duster	0	86,072.00
Bank charges	3,612.00	4,185.00
Library /reference materials	128,784.00	1,442,272.00
Teaching / learning materials	580,332.00	760,900.00
TUITION 15	2,267,455.00	269,150.00
<b>Total</b>	<b>7,576,847.00</b>	<b>6,855,414.00</b>

**7 PAYMENT FOR OPERATION**

	2022-2023	2021-2022
	Kshs	Kshs
Personal emoluments	6,044,751.10	9,699,946.00
Electricity ,Water and Conservancy	1,361,517.00	3,323,250.00
Activity	341,720.00	330,000.00
Administration costs	6,034,482.00	1,287,190.00
Local Transport and Travel	350,000.00	1,110,338.00
Medical /insurance	0	54,946.00
<b>Bank charges</b>	<b>8,862.00</b>	<b>19,410.61</b>
<b>Sundry creditors paid</b>	<b>0</b>	<b>0</b>



PUBLIC SECONDARY SCHOOLS (ST MARYS LWAK GIRLS HIGH SCHOOL)  
 Reports and Financial Statements  
 For the year ended 30<sup>th</sup> June 2023

<b>Total</b>	<b>14,191,332.10</b>	<b>27,514,673.61</b>
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### 1. INFRASTRUCTURE ACCOUNT

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
MAINTENANCE AND IMPROVEMENTS FUND	15,166,539.80	19,169,995.80
BANK CHARGES	3,456.00	
<b>Total</b>	<b>15,169,995.80</b>	<b>19,455,624.16</b>

### 9. PAYMENTS FOR SCHOOL FUND AND OTHER MONIES ACCOUNT

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Personnel emoluments	14,970,564.00	12,726,025.00
MIF/RMI projects	1,604,450.00	8,447,441.00
Local transport / travelling	7,261,579.00	7,088,396.00
Electricity, water and conservancy	11,156,400.60	7,176,958.00
Administration costs	8,387,836.00	6,134,057.00
Activity Expenses	3,177,257.00	1,181,285.00
Medical/insurance	521,406.00	902,988.00
Fee on Boarding Equipment and Stores	77,691,551.25	40,934,000.00
Bakery unit	2,905,727.00	1,481,490.00
Canteen unit	8,167,615.00	1,078,180.00
Fees refunds	0	330,028.00
Donations	26,360,085.00	14,400,802.95
Farm unit	1,704,522.00	244,160.00
Expenses on Income Generating Activities(BUS)	0	0
Bank charges school fund	42,335.00	67,162.00

**PUBLIC SECONDARY SCHOOLS (ST MARYS LWAK GIRLS HIGH SCHOOL)**  
**Reports and Financial Statements**  
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Bank charges IGA	2,256.00	0
Fees in kind	7,020,067.00	0
IGA Boarding	1,868,270.00	0
Acquisition of assets	0	0
Sundry creditors paid	0	9,556,542.00
<b>TOTAL</b>	<b>172,841,920.85</b>	<b>111,749,514.95</b>

### 10. BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2022-2023	2021-2022
		Kshs	Kshs
Tuition Account	1106993241	397,388.60	35,783.35
Operations Account			
Operations opening bank undercast	1103829610	1,017,827.70	1,552,209.45
		1,067,682.00	0
School Fund Account/Boarding			
School fund opening bank undercast	1103894129	-1,666,928.00	2,682,376.24
		45,208.60	0
Savings Account		12,000.00	0
Income generating activities Account	1103951971	292,035.80	684,203.80
CDF Account		0	0
Infrastructural Account	1268412562	28,051.20	5,574,397.00
<b>Total</b>		<b>1,193,265.30</b>	<b>10,528,969.84</b>

### 11. CASH IN HAND

Description	2022-2023	2021-2022
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**UBLIC SECONDARY SCHOOLS (ST MARYS LWAK GIRLS HIGH SCHOOL)**  
**Reports and Financial Statements**  
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	Kshs	Kshs
Tuition Account	0	0
Operation Account	0	4,650.00
School Fund account	136,035.00	93,036.85
Income generating activity account	677,070.00	12,535.00
Infrastructure account	0	0
IGA opening cash undercast	12,535.00	
Operation account opening cash undercast	4650.00	
<b>Total</b>	<b>830,290.00</b>	<b>110,221.85</b>


**12. SHORT TERM INVESTMENTS**

Description	2022-2023	2021-2022
	Kshs	Kshs
Cooperative shares	0	0
Treasury Bills	0	0
Fixed deposit	0	0
Equity stock	0	0
Other investments	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**13. ACCOUNTS RECEIVABLE**

Description	2022-2023	2021-2022
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**PUBLIC SECONDARY SCHOOLS (ST MARYS LWAK GIRLS HIGH SCHOOL)**  
**Reports and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2023**

	Kshs	Kshs
Fees arrears	112,671,251.98	115,987,451.76
Other non-fees receivables	217,653.00	10,000.00
<b>Total</b>	<b>112,888,904.98</b>	<b>115,997,451.76</b>

13. b) [Include an ageing of the fees / non fees arrears below]

Description	2022-2023	2021-2022
	Kshs	Kshs
Fees arrears for current year	18,359,442.78	63,955,791.58
Fees arrears for the previous year	63,955,791.58	14,017,619.50
Fees arrears for prior periods (over two years)	52,031,660.18	40,067,547.00
<b>Fees arrears recovered</b>	<b>(21,675,642.56)</b>	<b>(2,053,506.32)</b>
<b>TOTAL</b>	<b>112,671,251.98</b>	<b>115,987,451.76</b>
Unpaid cheque	207,653.00	0
Bursaries	10,000.00	10,000.00
<b>TOTAL</b>	<b>217,653.00</b>	<b>10,000.00</b>

## 14 .ACCOUNTS PAYABLE

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	38,798,080.50	34,920,267.50
Non –trade creditors	7,545,464.33	7,715,177.33
<b>Total</b>	<b>46,343,544.83</b>	<b>42,635,444.83</b>

14. b) ageing analysis of accounts payable.

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade creditors for current year	18,000,515.00	9,825,692.00
Trade creditors for the previous year	9,825,692.00	7,548,220.00
Trade creditors for prior periods (over two years)	25,094,575.50	28,273,251.50
Trade creditors paid	(14,122,702.00)	[10,726,896.00]
<b>TOTAL</b>	<b>38,798,080.50</b>	<b>34,920,267.50</b>
<b>Non- trade creditors;</b>		
Unpaid cheque	151,000.00	0
Uncleared prepayments	3,133,284.33	
Prepaid fees	4,261,180.35	7,715,177.33
<b>TOTAL</b>	<b>7,545,464.68</b>	<b>7,715,177.33</b>

**15 FUND BALANCE BROUGHT FORWARD**

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank balances	10,528,969.84	2,104,003.54
Cash balances	110,221.85	153,322.00
Short Term Investments	0	0
Accounts receivables	115,997,451.76	54,095,166.50
Accounts payables	(42,635,444.83)	[41,992,929.83]
<b>Total</b>	<b>84,001,198.62</b>	<b>14,359,562.21</b>



### Other important disclosure notes

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

### 16 *Non-current Liabilities Summary*

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank loan(s)	0	0
Outstanding Leases	0	0
Hire purchase	0	0
Gratuity and leave provision	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

### 17 *Biological assets*

Description	Numbers	2022-2023	2021-2022
		Kshs	Kshs
Cattle		250,000.00	215,000.00
Pigs		900,000.00	893,000.00
Trees		1,510,000.00	1,310,000.00
Banana plantation		200,000.00	145,000.00
Poultry		460,000.00	403,000.00
<b>Bee hives</b>		<b>0</b>	<b>73,000.00</b>
<b>Total</b>		<b>3,320,000.00</b>	<b>3,039,000.00</b>

**18 Borrowings**

Description	2022-2023	2021-2022
	KShs	KShs
<b>a) Borrowings</b>		
Borrowing at beginning of the year	0	0
Borrowings during the year	0	0
Repayments (during the year	0	0
<b>Balance at end of the year</b>	<b>0</b>	<b>0</b>

**Other important disclosure notes**

**19 Stock/ Inventory**

Description	2022-2023	2021-2022
	KShs	KShs
<b>b) Borrowings</b>		
Stock/ inventory at beginning of the year	6,821,225.00	5,968,124.00
Stock/ inventory purchased during the year	73,246,523.05	52,080,877.55
Stock/ inventory issued during the year	(78,486,982.00)	(51,227,776.55)
<b>Balance at the end of the year</b>	<b>1,580,766.05</b>	<b>6,821,225.00</b>

**20. 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).	Time Frame(Put a date when you expect the issue to be resolved).

CHIEF PRINCIPAL  
 ST. MARY'S LWAK GIRLS  
 HIGH SCHOOL  
 P.O. BOX 4 - 40610 NYILIMA

Sign: .....

School Principal



**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE.**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2022	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Supply of goods</b>						
1. LABOTECH	407,103.00	0	NIL		407,103.00	
2. WESTON COMODITIES ENTERPRISES LTD	1,011,208.00	0			1,011,208.00	
3. MOZAMAD INVESMENTS	749,760.00	0			749,760.00	
4.LINEAGE VENTURES	1,001,000.00				1,001,000.00	
6.SAND CODE TECHNOLOGIES	258,032.00				258,032.00	
7.JOHA TECHNOLOGIES	629,000.00				629,000.00	
8. SIBO WATER & SANITATION	128,623.00				128,623.00	
9.AMEDO CENTERS	152,425.00				152,425.00	
10.DALU ENERGY WORKS	3,135,000.00				3,135,000.00	
11.DECARBON ASSOCIATES	220,000.00				220,000.00	
12.GASTON K LIMITED	241,172.00				241,172.00	
13.JUAKALI STRUCTURAL ENGINEERING	2,306,100.00				2,306,100.00	
14.MANTIME	692,720.00				692,720.00	
15.LTC SELF HELP GROUP	500,000.00				500,000.00	
16.KALWA DEVELOPMENT GROUP	818,200.00				818,200.00	
17.MUMIAS POWER CONTROL	518,380.00				518,380.00	
18.NDORI LAST BORN ELECTRICAL	29,560.00				29,560.00	
19. SILVESTER AKUMU OTIENO	1,190,000.00				1,190,000.00	
20. SANDE ODHIAMBO OMOLLO	265,000.00				265,000.00	

**UBLIC SECONDARY SCHOOLS (ST MARYS LWAK GIRLS HIGH SCHOOL)**  
**Reports and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2023**

21. WITOKS INVESTMENTS	598,000.00			598,000.00	
22. OLLABOSH ENTERPRISES	450,000.00			450,000.00	
23. MAIL ENTERPRISES	60,500.00			60,500.00	
24. NEWMAN INVESTMENTS	24,000.00			24,000.00	
25. HAVILLAH LAURETE ENTERPRISES	1,400,000.00			1,400,000.00	
<b>Sub-Total</b>	<b>17,180,583.00</b>			<b>17,180,583.00</b>	
<b>Supply of services</b>					
1. CYBER SCHOOL TECHNOLOGIES	232,300.00			232,300.00	
2. RISAL MACHINERIES SERVICES	152,000.00			152,000.00	
3. ST ELIZABETH LWAK HOSPITAL	82,710.00			82,710.00	
4. SUNSHINE AUTOMOBILES	352,922.00			352,922.00	
<b>Sub-Total</b>	<b>819,932.00</b>			<b>819,932.00</b>	
<b>Grand Total</b>	<b>18,000,515.00</b>			<b>18,000,515.00</b>	

PUBLIC SECONDARY SCHOOLS (ST MARYS LWAK GIRLS HIGH SCHOOL)

Reports and Financial Statements

For the year ended 30<sup>th</sup> June 2023

ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Value (Kshs) 1 <sup>st</sup> July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 <sup>th</sup> June 20xx
Land 1		SCHOOL				
Land 2		SCHOOL				
Buildings and structures		SCHOOL				
Motor vehicles		SCHOOL				
Office equipment, furniture and fittings		SCHOOL				
ICT Equipment, and Other ICT Assets		SCHOOL				
Tools and apparatus		SCHOOL				
Textbooks		SCHOOL				
Other Machinery and Equipment		SCHOOL				
Heritage and cultural assets		SCHOOL				
Intangible assets- soft ware						
<b>Total</b>						

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





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15

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