

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	02 DEC 2024
	DAY. MONDAY
TABLED BY:	HON. NAOMI WAAG, MP
CLERK AT THE TABLE:	DEPUTY MAJORITY WHIP KSTHGE NBWTD

PARLIAMENT
OF KENYA
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REPORT

OF

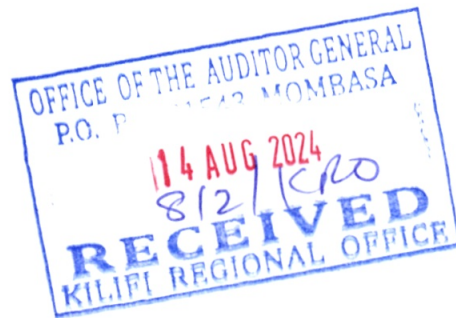
THE AUDITOR-GENERAL

ON

BAHARI GIRLS SECONDARY SCHOOL

**FOR THE SIX (6) MONTHS PERIOD
ENDED 30 JUNE, 2021**

KILIFI COUNTY



BAHARI GIRLS SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR 6 MONTHS (01/01/2021 TO
30/06/2021)**

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

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1. Acronyms and Glossary of Terms

BAHARI GIRLS' SECONDARY SCHOOL
Reports and Financial Statements
For 6 months (01/01/2021 to 30/06/2021)

2. Key School Information and Management

(a) Background information

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

The school was registered in **JANUARY 1992** under registration number **03S/3000/0180** and is currently categorized as a **National** public school established, owned or operated by the Government.

The school is a **boarding** school and had 971 numbers of students as at **30th June 2021**. It has **22** streams and 50 teachers of which **19** 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:

Sr.	Name of Board Member	Designation	Date of appointment
1	Proffesor Halimu Shauri	Chairman	5.7.2019
2	Mrs. Prisca Salama Mgute	Secretary - Principal	5.7.2019
3	Mr. Mark Katumila	P.T.A. Chair	5.7.2019
4	Mr. Francis Kagema	Member	5.7.2019
5	Md. Amina Mwaka	Member	5.7.2019
6	Md. Margaret Kadenge	Member	5.7.2019
7	Rev. Reuben Katite	Member	5.7.2019
8	Md. Jackline Mghoi Jumbe	Member – Rep CEB	5.7.2019
9	Mr. Elvis Jillani Mwakatengo	Member Rep Teachers	5.7.2019
10	Dr. Nancy/Mr. Ombima & Mr. Assad	3 Members - Sponsor	5.7.2019
11	Mr. Shumaa Mwangome	Member - Community	5.7.2019
12	Md. Riziki Mwadena	MemberSpecial Needs	5.7.2019
13	Rehema Khamisi	Rep Students	5.7.2019

BAHARI GIRLS SECONDARY SCHOOL
Annual Report and Financial Statements
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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

Sl. No.	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Prof. Halimu Shauri Mrs. Jackline Jumbe Mrs. Rita Baya Mrs. Prisca S. Mgute	Chairman Vice chair Member Secretay	3 out of 3
2	Audit Committee	Prof. Halimu Shauri Mrs Hamaro M. Sylvano Mr. Willis Ombima Mr. Wango washe	Chairman Member Member Member	2 out of 2
3	Finance, procurement and general purposes Committee	Prof. Halimu Shauri Mrs. Rita Baya Mrs. Prisca S. Mgute Md. Jackline Jumbe Mr. Francis Kageme Ms. Judith Mkambe	Chairman Member Secretary Member Member Member	2 out of 2
4	Academic Committee	Mr. Willis Ombima Mr. Mwango Washe Ms. Colleta Muendo Mr. Mohammed Mwakuona	Chairman Member Member Member	3 out of 3
5	Development Committee	Mr. Shumaa Mwangome Ms Jackline Jumbe Ms Loice Nzuki Mr. Mwango Washe	Chairman Member Member Member	3 out of 3

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Annual Report and Financial Statements
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6	Discipline and welfare Committee	Bishop Reuben Katite Ms. Riziki Mwadena Mr. Assad Shembwwana Mrs.Rita Baya	Chairman Member Member Member	1 out of 1
7	Adhoc Committee	Mr. Shumaa Mwangome Mrs.Jackline Jumbe Mrs.Loice Nzuki Mr. Mwango Washe	Chairman Member Member Member	1 out of 1

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(d) School operation Management

For the 6 months, the school day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	ChiefPrincipal	Hamaro M. Sylvano	334851
2	Deputy Principal	Margret Kabibi Karisa	290052
3	School Bursar	Ms. Judith Mkambe	

BAHARI GIRLS SECONDARY SCHOOL
Annual Report and Financial Statements
For 6 months (01/01/2021 to 30/06/2021)

Key School Information and Management (Continued)

(e) Schools contacts

Post Office Box: 641 - KILIFI
Telephone: 0797882111
E-mail: baharigirls@gmail.com
Website: www.baharigirls.sc.ke
Facebook:
Twitter:

(f) School Bankers

The following school operated 8 numbers of bank accounts in the following banks:

1. Name of Bank: KCB
Branch: KILIFI
Account Number: 1102186112
Account Number: 1102191914
Account Number: 1102192023
Account Number: 1101524413
Account Number: 1101540044
Account Number: 1166282295
Account Number: 1166282155

2. Name of Bank: EQUITY
Branch: KILIFI
Account Number: 1060272879003

3. MPESA Pay Bill No. 522123 attached to 1102186112 bank accounts

(g) Independent Auditors

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

BAHARI GIRLS SECONDARY SCHOOL
Annual Report and Financial Statements
For 6 months (01/01/2021 to 30/06/2021)

3. Summary Report of Performance of The School

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

a) Financial performance:

Under this section, the following information should be given:

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

2019 SURPLUS/DEFICIT

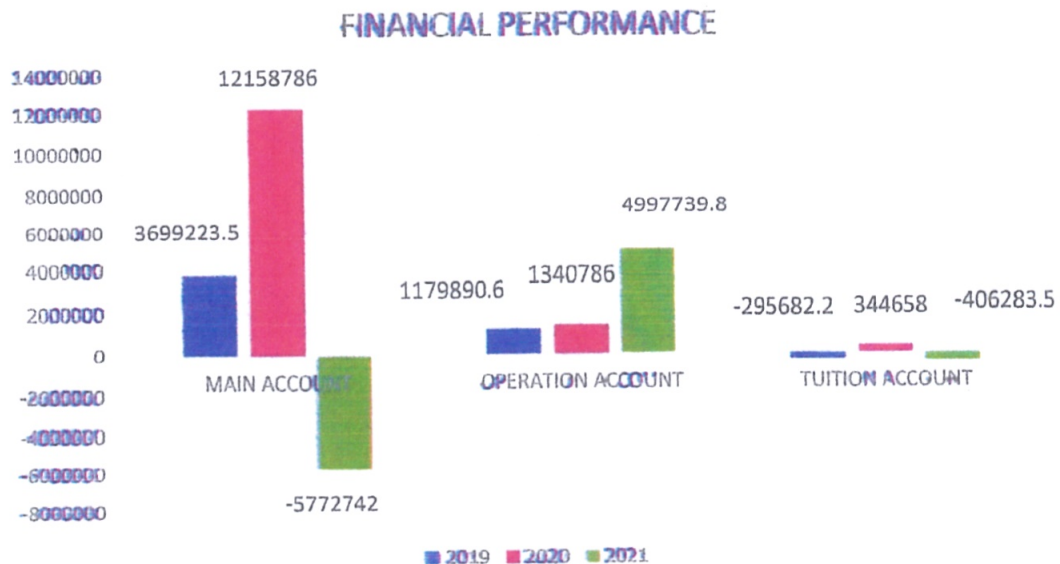
- MAIN ACCOUNT	5,816,463
- OPERATION ACCOUNT	1,179,891
- TUITION ACCOUNT	-295,682

2020

- MAIN ACCOUNT	12,158,300
- OPERATION ACCOUNT	1,340,786
- TUITION ACCOUNT	344,658

2021

- MAIN ACCOUNT	-5,772,742
- OPERATION ACCOUNT	4,997,740
- TUITION ACCOUNT	-406,284

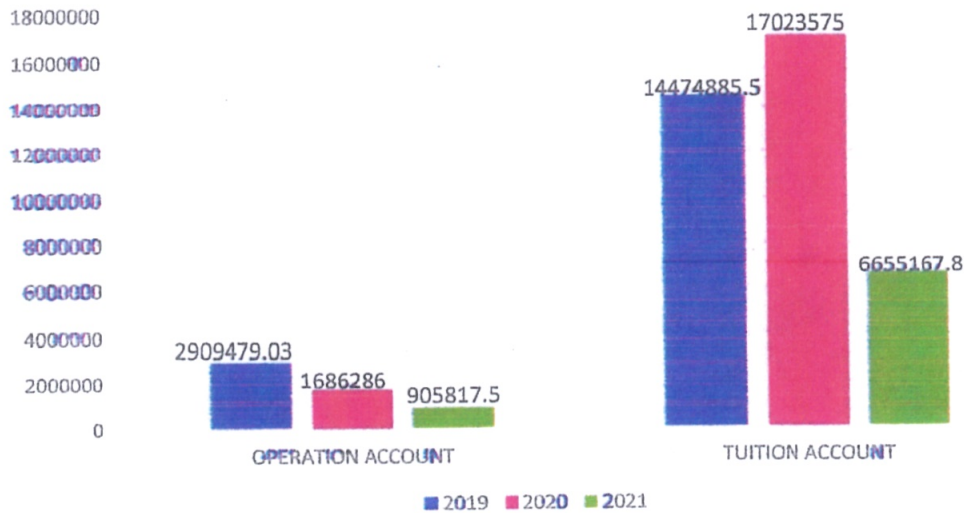


BAHARI GIRLS SECONDARY SCHOOL
Annual Report and Financial Statements
For 6 months (01/01/2021 to 30/06/2021)

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

	2019	2020	2021
- CAPITATION GRANTS			
- TUITION ACCOUNT	2,909,479	1,686,286	905,818
- OPERATION ACCOUNT	14,474,886	17,023,575	6,655,168

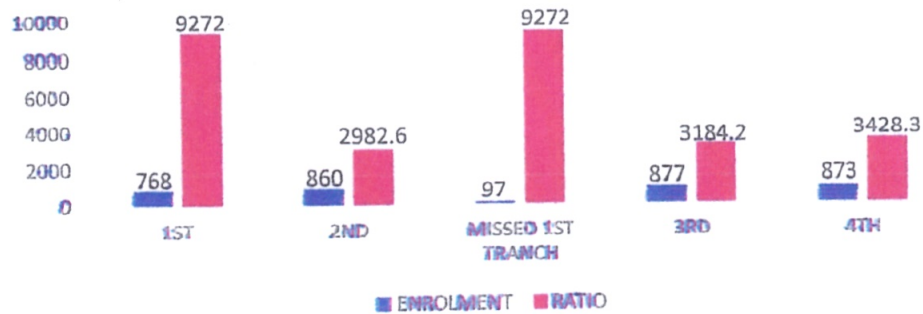
MOE CAPITAL GRANTS



Ratio of capitation grant per student over the last three years

YEAR	TRANCHE	ENROLMENT	RATIO
2019	1 ST	768	9,272
	2 ND	860	2,983
	MISSED 1 ST TRANCHE	97	9,272
	3 RD	877	3,184
	4 TH	873	3,428

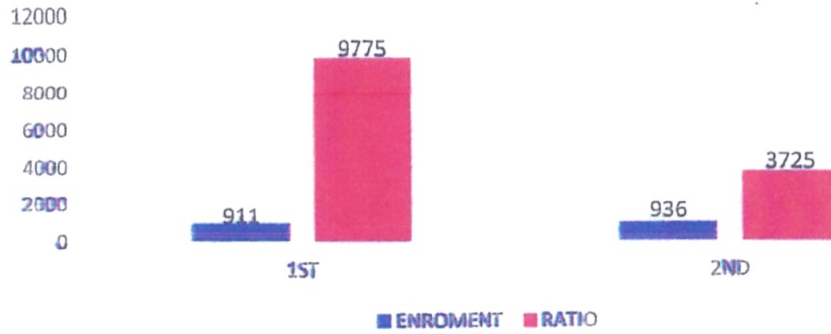
RATIO OF CAPITATION GRANT 2019



BAHARI GIRLS SECONDARY SCHOOL
Annual Report and Financial Statements
For 6 months (01/01/2021 to 30/06/2021)

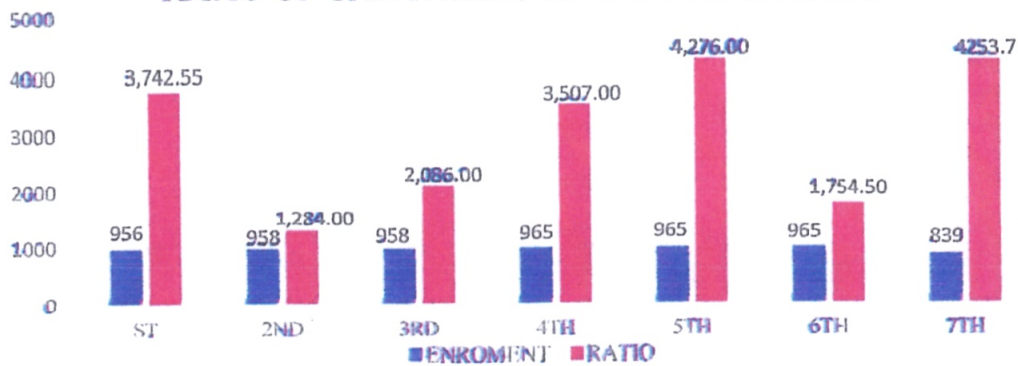
YEAR	TRANCHE	ENROLMENT	RATIO
2020	1 ST	911	9,775
	2 ND	936	3,725

RATIO OF CAPITATION GRANT 2020



YEAR	TRANCH	ENROLMENT	RATIO
2021	1 st	956	3,743
	2 nd	958	1,284
	3 rd	958	2,086
	4 th	965	3,508
	5 th	965	4,276
	6 th	965	1,755
	7 th	839	4,254

RATIO OF CAPITATION GRANT PER STUDENT

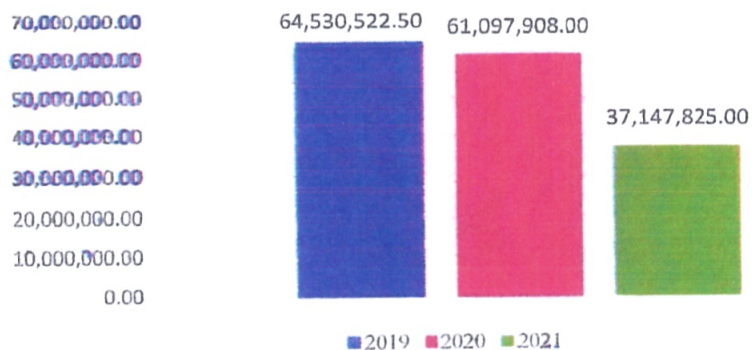


BAHARI GIRLS SECONDARY SCHOOL
Annual Report and Financial Statements
For 6 months (01/01/2021 to 30/06/2021)

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

MAIN ACCOUNT	2019	2020	2021
	64,530,523	61,097,908	37,147,825

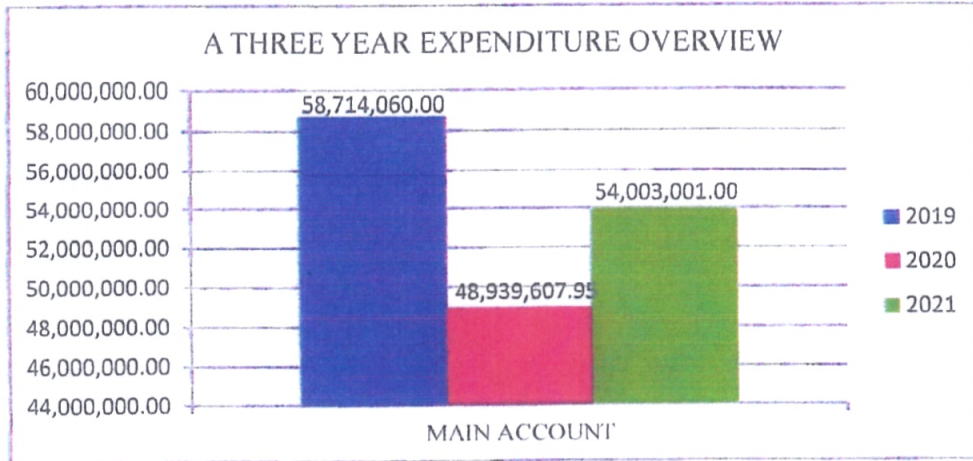
A THREE YEAR INCOME OVERVIEW



BAHARI GIRLS SECONDARY SCHOOL
Annual Report and Financial Statements
For 6 months (01/01/2021 to 30/06/2021)

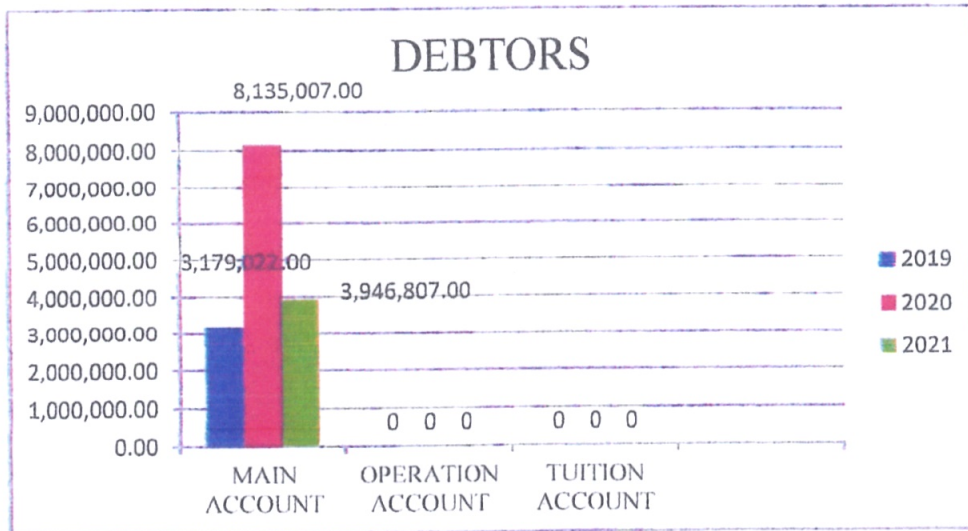
A three-year overview of growth in expenditure of the school

MAIN ACCOUNT	2019	2020	2021
	58,714,060	48,939,608	54,003,001



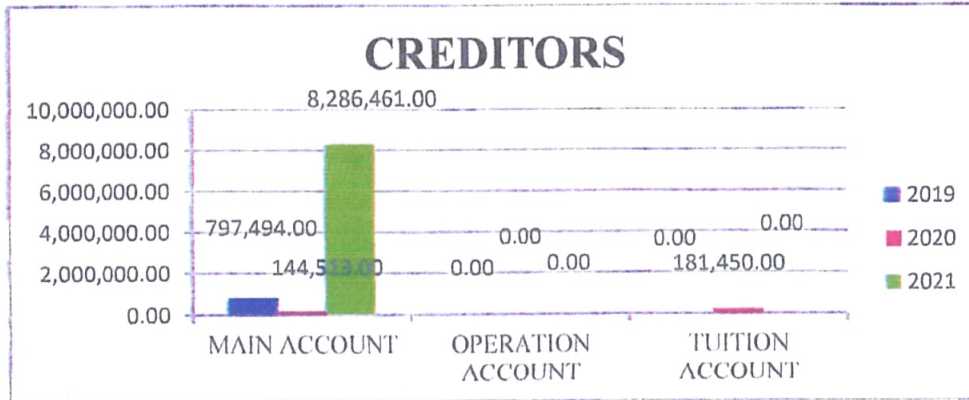
Movement of debtors and creditors of the school over the last three years

DEBTORS	2019	2020	2021
MAIN ACCOUNT	3,179,022	8,135,007	3,946,807
OPERATION ACCOUNT	-	-	-
TUITION ACCOUNT	-	-	-



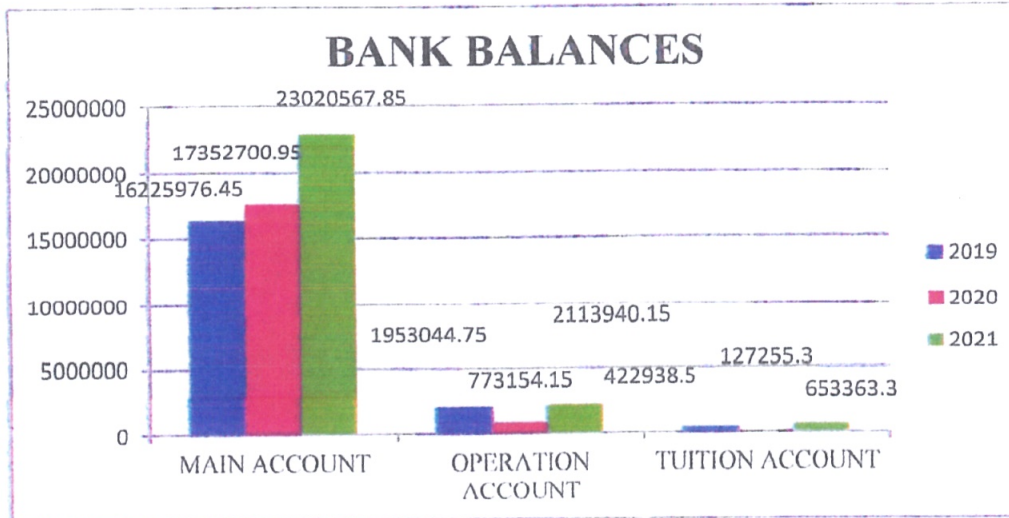
BAHARI GIRLS SECONDARY SCHOOL
Annual Report and Financial Statements
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CREDITORS	2019	2020	2021
MAIN ACCOUNT	797,494	144,513	8,286,461
OPERATION ACCOUNT	-	-	-
TUITION ACCOUNT	-	181,450	-



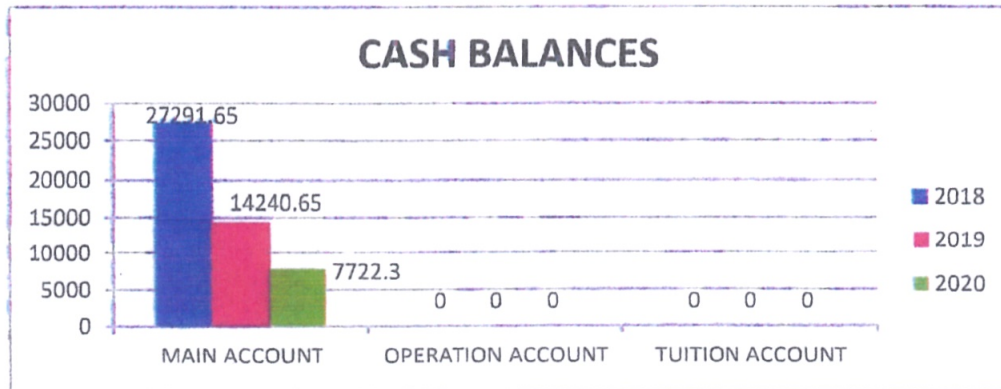
Movement of cash and bank balances over the last three years

BANK BALANCES	2019	2020	2021
MAIN ACCOUNT	17,352,701	23,020,568	23,020,565
OPERATION ACCOUNT	773,154	2,113,940	2,113,940
TUITION ACCOUNT	127,255	653,363	653,363



BAHARI GIRLS SECONDARY SCHOOL
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CASH BALANCES	2019	2020	2021
MAIN ACCOUNT	27,292	14,241	7,722



Graphical presentation, ratios, tables, and pie charts should be used to show/ indicate trends.

b) Teacher Student ratio:

Include the teacher to student ratio, number of teachers recruited and posted to the school within the year, number of teachers that were transferred/ retired during the period as well as number of teachers employed by TSC, and number employed by BOM. One may also include how many teachers the school has for each subject in order to indicate shortage/ allocation of resources.

CURRICULUM BASED ESTABLISHMENT (CBE) PART 1

Subject Periods Allocation per Week

SUBJECT	FORM 1	FORM 2	FORM 3	FORM 4	TOTAL LESSONS	TEACHERS REQUIRED
English	42	42	56	56	196	7.2592
Kiswahili	35	35	42	42	154	5.7037
Mathematics	42	42	49	49	182	6.7407
Chemistry	28	28	35	35	126	4.6666
Physics	28	28	15	15	86	3.1851
Biology	28	28	35	35	126	4.6666
Geography	21	21	4	4	50	1.8518
History & Government	21	21	12	12	66	2.4444
CRE	21	21	8	8	68	2.1481
IRE	21	21	8	8	68	2.1481
Agriculture	21	21	4	4	50	1.8518
Home Science	21	21	8	8	58	2.1481
Art Design						
Building Construction						
Wood Work						
Drawing & Design						
Electricity						
Computer Studies	21	21	8	8	58	2.1481
Aviation Technology						

BAHARI GIRLS SECONDARY SCHOOL
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Business Education/Studies	21	21	12	16	70	2.593
Commerce						
Accounting						
Economics						
Typing & Office Practice						
Music						
French						
German	21	21	4	4	50	1.8518
Arabic	21	21	4	4	50	1.8518
PE/Life Skills	7	7	14	14	42	1.5555
GRAND TOTAL						54.814

CURRICULUM BASED ESTABLISHMENT (CBE) PART 2

1. Shortfalls from establishment

Head teacher	$(27 - 6) \times 1$	21 Periods
Deputy Head teacher	$(27 - 12) \times 2$	30 Periods
H.O.D – Job Group “N”	$(27 - 20) \times 8$	56 Periods
H.O.D – Job Group “M”	$(27 - 20) \times 13$	91 Periods
House Teacher Job-G ‘M’	$(27 -) \times 0$	0 Periods
Total Shortfall		<u>198</u>

2. Number of Teachers required (T.R)

Teachers required from shortfall		
T. R	$= 198/27$	$= 7.333$
Total T. R	$= 54.07 + 7.333$	$= 62.1474$ (63 Teachers)
Teachers Present		35
Teachers Shortage		<u>27</u>

BAHARI GIRLS SECONDARY SCHOOL
Annual Report and Financial Statements
For 6 months (01/01/2021 to 30/06/2021)

c) Mean score in the 2018, 2019, 2020 KCSE:

BAHARI GIRLS' SECONDARY SCHOOL
 K.C.S.E RESULT ANALYSIS

YEAR	ENTRY	A	A- B+	B	B-	C+C	C- D+ D	D-	E	MS	MG
2019	213	0	12 7	15 27	34	39 42 22	7 0	0	0	7.436	C
2020	174	0	3 10	19 30	52	43 12 5	0 0	0	0	7.1609	C+
2021	277	0	5 12	33 48	78	60 29 6	6 0	0	0	7.0361	C+

d) Number of Candidates in the 2019, 2020,2021 KCSE:

Tabulate the number of candidates sitting for KCSE over the last three years.

YEAR	ENROLMENT
2019	213
2020	174
2021	277

e) Capacity of the school:

Indicate the number of students in the school vis a vie the facilities like the dormitories, the dining hall, the laboratories, toilets and other amenities. This information will provide useful details for the Ministry of Education.

YEAR	ENROLMENT	DORMITORIES	TOILETS	DINING HALL
2019	911	7	71	1
2020	960	8	71	1
2021	1293	9	98	1
	REMARK	ADEQUATE	ADEQUATE	INADEQUATE
	ADEQUATE			

BAHARI GIRLS SECONDARY SCHOOL
Annual Report and Financial Statements
For 6 months (01/01/2021 to 30/06/2021)

f) Development projects carried out by the school:

<i>Project Title</i>	<i>Source of Funding</i>	<i>Amount funded (Kshs)</i>
<i>Dairy Farm Project</i>	<i>Sale of milk and cows</i>	<i>186,600 173,500</i>
<i>Poultry Farm Project</i>	<i>Sale eggs and broilers</i>	<i>179,850</i>
<i>Crops Farming Project</i>	<i>Sale of banana, pawpaw and vegetables</i>	<i>118,655</i>
<i>Totals</i>		<i>658,605</i>

Sign: *M. Sylvano*
 Date: *06/08/2021*

Hamaro M. Sylvano
 Chief Principal



BAHARI GIRLS SECONDARY SCHOOL
Annual Report and Financial Statements
For 6 months (01/01/2021 to 30/06/2021)

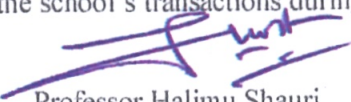
4. Statement of School Management Responsibility

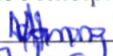
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant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

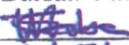
The Board of Management of *Bahari Girls Secondary School* accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (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 6 months, and of the school's financial position as at that date.

Name:  Professor Halimu Shauri
Designation: Chairman, School Board of Management
Sign: _____
Date: 06/08/21

Name: Mrs. Hamaro M. Sylvano
Designation: Chief Principal & Secretary Board of Management
Sign:  _____
Date: 06/08/2021



Name: Ms. Judith Mkambe
Designation: Bursar/ Finance Officer
Sign:  _____
Date: 6/8/2021

BAHARI GIRLS SECONDARY SCHOOL

Annual Report and Financial Statements

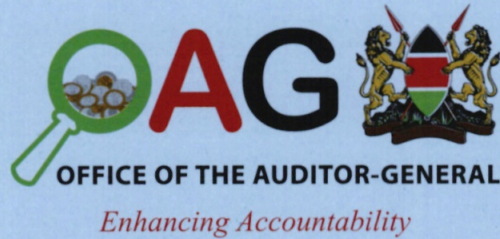
For 6 months (01/01/2021 to 30/06/2021)

5. Report of the Independent Auditors on the Annual Financial Statements of Bahari Girls Secondary School for 6 months (01/01/2021 to 30/06/2021)

<i>ACCOUNTS</i>	<i>COMMENTS</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>RESOLUTION</i>
<i>MAIN ACCOUNT</i>	<i>SUNDRY CREDITORS, DEBTORS, OVERDRAWN ACCOUNTS,</i>				<i>THE BOARD MEET AND EFFECTIVE POLICIES WERE FORMULATED</i>
<i>OPERATION ACCOUNT</i>					
<i>TUITION ACCOUNT</i>	<i>SUNDRY CREDITORS</i>				<i>THEY WERE ALL PAID</i>

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON BAHARI GIRLS SECONDARY SCHOOL FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021- KILIFI 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 Bahari Girls Secondary School – Kilifi County set out on pages 1 to 22, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2021, statement of receipts and payments, statement of cash flows, and statement of budgeted versus actual amounts for the six months period then ended and a summary of significant accounting policies and other

Report of the Auditor-General on Bahari Girls Secondary School for the six (6) months' period ended 30 June, 2021 - Kilifi County

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Bahari Girls Secondary School – Kilifi County as at 30 June, 2021, and of its financial performance and its cash flows for the six (6) months' period then ended in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Unsupported Cash and Cash Equivalents

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.33,789,401 as disclosed in Note 8 and 9 to the financial statements. Included in this balance are Reserves Savings Account, Parent Association Development Account, Personal Emolument Savings Account and Infrastructural Account balances of Kshs.7,490,442, Kshs.2,101,266, Kshs.6,428,860 and Kshs.7,713,247 respectively. However, the bank balances were not supported by cash books, bank certificates and bank reconciliation statements.

In the circumstances, the accuracy, completeness, and existence of the cash and cash equivalents balance of Kshs.33,789,401 could not be confirmed.

2. Accounts Receivables

2.1 Unsupported Accounts Receivables

The Statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.21,907,372 as disclosed in Note 11 to the financial statements. However, the supporting schedules, detailed aging analysis, and issued invoices were not provided for audit review.

In the circumstances, the accuracy of the accounts receivables balance of Kshs.21,907,372 could not be confirmed.

2.2 Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects the accounts receivable balance of Kshs.21,902,372 in respect of fees arrears as disclosed in Note 11 to the financial statements. However, included in the balance are receivables amounting to Kshs.12,586,159 which had been outstanding for more than two (2) years.

In the circumstances, the accuracy, completeness, and recoverability of the receivables balance of Kshs.21,902,372 could not be confirmed.

3. Unsupported Receipts

The statement of receipts and payments for the six (6) months' period ended 30 June, 2021, reflects school fund income-other receipts of Kshs.20,009,332 as disclosed in Note 4 to the financial statement. However, the schedule supporting the amount was not provided for audit review.

Further, the financial statements reflect school fund income-parents' contributions of Kshs.17,138,493 as disclosed in Note 3. However, the School fees collection system (school and accounts system) managed by the School could not generate reports such as invoice per student, fees paid, and outstanding balances for the period under review.

In the circumstances, the accuracy and completeness of an amount of Kshs.17,138,493 in respect of parents' contributions and Kshs.20,009,332 in respect of other receipts could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.73,420,603 and Kshs.44,708,811 respectively, resulting in an under-funding of Kshs.28,711,792 or 39% of the budget. However, the School spent Kshs.26,875,753 against actual receipts of Kshs.44,708,811 resulting in an under-utilization of Kshs.17,833,058 or 40% of actual receipts.

The under-funding and under-utilization affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not qualified 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.

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 for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 14 March, 2024 instead of the statutory deadline of 30 September, 2021. This was contrary to the Ministry of Education circular Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the School's financial statements should be ready by 30 September, 2021 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

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

The statement of receipts and payments reflects boarding and School fund payments amount of Kshs.23,906,222 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.43,100 transferred to the Kenya Secondary Schools Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School principals only. The organization is not defined in the Government Funding System and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by Schools.

In the circumstances, the value for money transferred to KESSHA amounting to Kshs.43,100 could not be confirmed.

3. Late Transfer of Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.6,655,168 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.4,309,500 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, only Kshs.3,349,000 was transferred to the infrastructure account, leaving a balance of Kshs.960,500 as at 30 June, 2021. Further, an amount of Kshs.3,349,000 was transferred on 08 July, 2021 two hundred and seventy-two (272) days after receipt.

This was contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021, which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the School infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

4. Under Funding of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amount of Kshs.905,818 and Kshs.6,655,168, respectively as disclosed in Notes 1 and Note 2 to the financial statements. During the financial year, NEMIS reported a total number of 7,670 students while the enrolment records provided by the School indicated a total number of 7,832 students, resulting to an unexplained variance of 162 students. As a result of the variances, the School was under funded by an amount of Kshs.302,782.

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

5. Irregular Use of Cash to Procure Goods, Works and Services

The statement of receipts and payments reflects boarding and School fund payment of Kshs.23,906,222. Review of supporting documents revealed that the amount includes cash purchase of goods and services totalling Kshs.2,085,781. The procurement of goods and services amounting to Kshs.2,085,781 in cash exceeded the threshold for low-value items provided under the second schedule of the Public Procurement and Assets Disposal Regulations, 2020.

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

6. Irregular Procurement Process in Infrastructure Projects

The statement of receipts and payments reflects payment for the infrastructure amounting to Kshs.8,112,903 as disclosed in Note 7 to the financial statement. The payment includes cabro paving and construction of a water pond amounts of Kshs.768,860 and Kshs.995,000 respectively. Request for quotations was used to procure the works.

Review of the procurement process revealed the following anomalies:

- a) Neither of the suppliers were included in the list of prequalified suppliers for the period.
- b) Bills of Quantities were not provided for our audit review.
- c) The Tender Committees for the two items were not appointed formally by the principal and tender opening minutes were not provided.

- d) Tender evaluation minutes for both the committee and individual score sheets were not provided.
- e) A professional opinion was not provided by the head of the procurement department.
- f) No formal contract was signed between the School Management and the suppliers.
- g) The Inspection and Acceptance Committee were not appointed by the chief principal.
- h) Inspection Committee and Acceptance Committee minutes were not provided.
- i) Part Completion certificates were not issued at every stage of certification.

In the circumstances, the validity and propriety of the infrastructure payments could not be confirmed.

7. Failure to Match Textbooks Delivered with the School Enrolment

During the period under review, the Ministry of Education distributed textbooks to public secondary schools through the Kenya Institute of Curriculum Development (KICD). Examination of records revealed that the Institute distributed five hundred and fifty-three (553) books for each of six (6) different types of textbooks, supplied to the School. The School had an enrollment of five forty-one (541) students, hence the supply resulted in an unexplained excess textbook of twelve (12) books in the School store, for each of the categories oversupplied.

Further, an instance was noted where the Kenya Institute of Curriculum Development supplied four hundred and ninety-nine (499) textbooks against the five hundred and fifty-three (553) textbooks expected to be supplied as per contract and delivery note resulting in a deficit of fifty-four (54) textbooks.

In the circumstances, value for money for the fifty-four (54) books which were not supplied and the seventy-two (72) books supplied in excess could not be confirmed. Failure to supply adequate books also affects effective learning.

8. Inadequate Need Assessment Guiding Distribution of Textbooks to Bahari Girls' Secondary School

During the year under review, it was noted that there was no evidence of instructional need assessment that provided the basis for determining the number and subject of instructional material needed by the school. In addition, there was no evidence of Bahari Girls having set up a School Instructional Materials Selection Committee (SIMSC) that does annual needs assessment of the textbooks needed by the School that will guide the Ministry of Education through the Kenya Institute of Curriculum Development (KICD) on the distribution of textbooks to the School.

In the circumstances, the School may not have received value for money for the books supplied.

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 comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

Conclusion

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

Basis for Conclusion

1. Lack of Internal Audit Function and Audit Committee

During the year under review, the School had not constituted an audit committee and an internal audit unit as required by Regulation 166(1) and (2) of the Public Finance Management (National Government), 2015. The regulation require the internal audit unit of a National Government entity to assess effectiveness of the entity through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury.

In the circumstances, the School did not benefit from the oversight role and advice from the audit committee and the internal audit function.

2. Lack of Adequate Facilities in the Institution

During the year under review, it was observed that the school did not have dining hall, library and adequate dormitories and there were no provisions for persons with disabilities, the bathrooms were not enough to accommodate the school population, contrary to Section 64 of Basic Education Regulation, 2015.

In the circumstances, inadequate facilities in the Institution affected the planned activities and may have impacted negatively on service delivery to the students.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards requires that I plan and perform the audit to obtain assurance about whether processes and systems of internal control, risk management and overall governance were operating

effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and 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 control 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 control, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the School's ability 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 following 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 overall 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 of Kenya, 2010. 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 of Kenya, 2010, 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 control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution of Kenya, 2010. My consideration of the internal control 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 control 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 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 control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the 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 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 control 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

18 September, 2024

BAHARI GIRLS' SECONDARY SCHOOL
Reports and Financial Statements
For 6 months (01/01/2021 to 30/06/2021)

6. Statement of Receipts and Payments for 6 Months (01/01/2021 to 30/06/ 2021)

DESCRIPTION OF VOTE HEAD	Name	01/01/2021 to	30/06/2021
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition	1	905,818	1,686,286
Capitation grants for operations	2	6,655,168	17,023,575
School Fund Income- Parents' Contributions	3	17,138,493	61,097,908
School Fund Income- Other receipts	4	20,009,332	-
Infrastructure income		-	-
Proceeds from borrowings		-	-
TOTAL RECEIPTS		44,708,810	79,807,769
PAYMENTS			
Payments for Tuition	5	1,312,103	1,341,628
Payments for operations	6	1,657,428	15,682,789
Boarding and school fund payments	7	23,906,222	53,793,262
Payment for Infrastructure		8,112,903	-
TOTAL PAYMENTS		34,988,656	70,817,679
SURPLUS/DEFICIT		9,720,155	8,990,090

The school financial statements were approved on **06/08/ 2024** and signed by:

Sign: 

Name Prof Halimu shauri

Chair BOM

Date 06/08/24

Sign: 

Name Hamaro M. Sylvano

Chief Principal/
Secretary to BOM

Date 07/08/2024

Sign: 

Name Judith M. Daniel

Bursar/
Finance Officer

Date 6/8/2024



BAHARI GIRLS SECONDARY SCHOOL
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BAHARI GIRLS SECONDARY SCHOOL
Annual Report and Financial Statements
For 6 months (01/01/2021 to 30/06/2021)

7. Statement of Assets and Liabilities for 6 months (01/01/2021 to 30/06/2021)

	Note	01/01/2021 to 30/06/2021	2019-2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	33,673,612	27,249,719
Cash Balances	9	115,789	7,722
Short term Investment	10		
Total Cash and cash equivalent		<u>33,789,401</u>	<u>27,257,441</u>
Account's receivables	11	21,907,372	17,086,384
TOTAL FINANCIAL ASSETS		55,696,773	44,343,825
FINANCIAL LIABILITIES			
Accounts Payables	12	9,280,603	7,647,810
NET FINANCIAL ASSETS		46,416,170	36,696,015
REPRESENTED BY			
[Accumulated Fund b/fwd	13	36,696,015	27,705,925
Surplus/Deficit for the year		9,720,155	8,990,090
NET FINANCIAL POSSITION		46,416,170	36,696,015

The school's financial statements were approved on **06/08/ 2024** and signed by:

Name: Prof. Halimu S Shauri
Chairman, BoM

Sign: 

Date: 06/08/2024

Name: Hamaro M. Sylvano
*Chief Principal/Secretary to
 BoM*

Sign: 

Date: 6/08/2024

Name: Judith M. Daniel
Bursar/Finance

Sign: 

Date: 6/8/2024



BAHARI GIRLS SECONDARY SCHOOL
Annual Report and Financial Statements
For 6 months (01/01/2021 to 30/06/2021)

8. Statement of Cash Flows for 6 months (01/01/2021 to 30/06/2021)

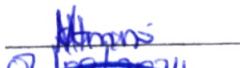
		01/01/2021 to 30/06/2021	01/01/2020 to 30/06/2020
		Shs	Kshs
Receipts for operating income			
Capitation grants for tuition	1	905,818	1,686,286
Capitation grants for operations	2	6,655,168	17,023,575
School fund income- Parents contributions/ fees	3	17,138,493	61,097,908
School fund income- other receipts	4	20,009,332	-
Infrastructure income		-	-
Total receipts		44,708,811	79,807,769
Payments			
Payments for Tuition		1,312,103	1,341,628
Payments for operations		1,657,428	15,682,789
Boarding and school fund payments		23,906,222	53,793,262
Payment for infrastructure account		8,112,903	-
Total payments		34,988,656	70,817,679
Net cash flow from operating activities		9,720,155	8,990,090
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		9,720,155	8,990,090
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS		6,531,960	8,990,090
Cash and cash equivalent at BEGINNING of the year		27,257,441	18,267,351
Cash and cash equivalent at END of the year		33,789,401	27,257,441

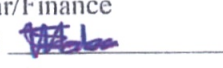
The above presentation of cash flow statement uses the direct method of cash flow presentation which is encouraged under IPSAS. Schools should therefore adopt the direct method of cash flow as recommended by PSASB.

The school's financial statements were approved on 06/08/ 2024 and signed by:

Name: Prof. Halimu S
 Shauri
 Chairman, BoM

Sign: 

Date: 06/08/2024
 Name: Hamaro M. Sylvano
 Chief Principal/Secretary to
 BoM
 Sign: 
 Date: 06/08/2024

Name: Judith M. Daniel
 Bursar/Finance
 Sign: 

Date: 6/8/2024





BAHARI GIRLS' SECONDARY SCHOOL

Reports and Financial Statements

For 6 months (01/01/2021 to 30/06/2021)

9. Statement of Budgeted Versus Actual Amounts for 6 months (01/01/2021 to 30/06/2021)

Receipt/expenditure Item	Original Budget Kshs	Adjustments Kshs	Final Budget Kshs	Actual on Comparable Basis Kshs	Budget Utilization Difference Kshs	% of Utilization Kshs
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Textbooks and reference materials	778,405	-	778,405		778,405	100%
Exercise books	884,598	-	884,598		884,598	100%
Laboratory equipment	738,196	-	738,196	329,820	408,376	81%
Internal exams	148,464	-	148,464	-	148,464	100%
Teaching / learning materials	296,928	-	296,928	575,998	-279,070	206%
Chalks	30,930	-	30,930		30,930	100%
Exams and assessment	-	-	0	-	-	-
Teachers guides	-	-	0	-	-	-
SUB - TOTAL	2,877,521		2,877,521	905,818	1,971,704	
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	5,505,540	-	5,505,540	1,605,477	3,900,062	41%
Repairs and maintenance	5,155,000	-	5,155,000	3,349,000	1,806,000	185%
Local transport / travelling	1,649,600	-	1,649,600	574,400	1,075,200	53%
Electricity and water	896,970	-	896,970	373,340	523,630	71%
Medical	-	-	-	-	-	-
Administration costs	1,031,000	-	1,031,000	574,300	456,700	125%

BAHARI GIRLS SECONDARY SCHOOL

Annual Report and Financial Statements

For 6 months (01/01/2021 to 30/06/2021)

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=a-d	f=a/e
	Kshs	Kshs			Kshs	%
Activity	1,967,148	-	1,967,148	-	1,967,148	100%
VIMP	-	-	-	178,650	(178,650)	100%
SUB - TOTAL	16,205,258	-	16,205,258	6,655,168	9,907,390	-
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	8,444,921	-	8,444,921	6,750,598	1,694,323	398%
Repairs and maintenance	2,034,163	-	2,034,163	1,452,122	582,041	250%
Local transport / travelling	2,058,907	-	2,058,907	1,961,178	97,729	206%
Electricity and water	4,653,934	-	4,653,934	2,625,684	2,028,250	101%
Medical	-	-	-	-	-	-
Administration costs	5,400,378	-	5,400,378	3,863,400	1,563,978	247%
Activity	822,738	-	822,738	485,511	337,227	144%
SMASSE	-	-	-	-	-	-
SUB - TOTAL	23,415,041	-	23,415,041	17,138,493	6,303,548	
OTHER INCOME						
fee on Boarding Equipment and STORE	30,922,783	-	30,922,783	18,848,420	12,074,363	
Rent income	-	-	-	51,400	(51,400)	100%
Income from farming activities	-	-	-	658,605	(658,605)	100%
Infrast improvement fund	-	-	-	345,857	(345,857)	100%
Sales from mattresses	-	-	-	72,500	(72,500)	100%
Students school ID card	-	-	-	7,600	(7,600)	100%
Refundable fees	-	-	-	24,950	(24,950)	100%
Interest income	-	-	-	-	-	-
SUB - TOTAL	30,922,783		30,922,783	20,009,332	17,224,599	

BAHARI GIRLS SECONDARY SCHOOL

Annual Report and Financial Statements

For 6 months (01/01/2021 to 30/06/2021)

Receipt/expenses Item	Original Budget Ksh	Adjustments Ksh	Final Budget Ksh	Actual on Comparable Basis	Budget Utilization Difference Ksh	% of Utilization Per %
TOTAL INCOME	73,420,603		73,420,603	44,708,811	35407241	0.792%
(1) EXPENDITURE FOR TUITION						
Textbooks and reference materials	778,405	-	778,405	-	778,405	100%
Exercise books	884,598	-	884,598	206,550	678,048	30%
Laboratory equipment	738,196	-	738,196	560,707	177,489	315%
Internal exams	148,464	-	148,464	112,439	36,025	312%
Teaching / learning materials	296,928	-	296,928	257,660	39,268	656%
Chalks	30,930	-	30,930	-	30,930	100%
Exams and assessment	-	-	-	-	-	-
Creditors	-	-	-	172,950	(172,950)	100%
Administration costs	-	-	-	-	-	-
Bank Charges	-	-	-	1,797	(1,797)	100%
SUB -TOTAL	2,877,521		2,877,521	1,312,103	1,914,902	
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	5,505,540	-	5,505,540	-	5,505,540	100%
Repairs, maintenance & improvements	5,155,000	-	5,155,000	-	5,155,000	100%
Local transport / travelling	1,649,600	-	1,649,600	-	1,649,600	100%
Electricity, water and conservancy	896,970	-	896,970	463,469	433,501	107%
Medical	-	-	-	-	-	-

BAHARI GIRLS SECONDARY SCHOOL
Annual Report and Financial Statements
For 6 months (01/01/2021 to 30/06/2021)

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization Index %
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Administration costs	1,031,000	-	1,031,000	1,192,048	-161,048	74%
Activity Expenses	1,967,148	-	1,967,148	-	1,967,148	100%
Bank charges	-	-	-	1,911	(1,911)	100%
SUB -TOTAL	16,205,258	-	16,205,258	1,657,428	14,551,652	-
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel emoluments	8,444,921	-	8,444,921	6,048,160	2,396,761	252%
Repairs, maintenance and improvements	2,034,163	-	2,034,163	281,335	1,752,828	16%
Local transport / travelling	2,058,907	-	2,058,907	1,353,099	705,808	192%
Electricity, water and conservancy	4,653,934	-	4,653,934	2,875,259	1,778,675	102%
Medical Expenses	-	-	-	-	-	-
Administration costs	5,400,378	-	5,400,378	4,216,950	1,183,428	356%
Activity	822,738	-	822,738	126,486	696,252	18%
Facilitation fees	-	-	-	460,267	(460,267)	100%
Lunch programme	-	-	-	-	-	-
Boarding Equip and Stores	30,922,783	-	30,922,783	3,903,175	8,005,263	286%
Expenditure for Income Generating Activity	-	-	-	1,577,820	(1,577,820)	100%
Bus insurance	-	-	-	217,380	(217,380)	100%
Infras improvement fund	-	-	-	52,000	(52,000)	100%
Rent Expenses	-	-	-	500	(500)	100%
Bank Charges	-	-	-	12,955	(12,955)	100%
B.O.G Teachers' salaries	-	-	-	2,392,200	(2,392,200)	100%
Students school ID	-	-	-	55,000	(55,000)	100%

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Receipt/expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	Ksh	Ksh	Ksh	Ksh	Ksh	Per %
Refundable fees	-	-	-	333,636	(333,636)	100%
SUB -TOTALS	54,337,824	-	54,337,824	23,906,222	21,620,773	-
TOTAL EXPENDITURE	73,420,603	-	73,420,603	26,875,753	38,087,327	

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* 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.

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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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11. Notes to the Financial Statements

1 CAPITATION GRANT FOR TUITION

	01/01/2021 to 30/06/2021	2019/2020
	KSh	KSh
Textbooks and reference materials		-
Exercise books		936
Laboratory equipment	329,820	-
Internal exams		-
Teaching / learning materials	575,998	1,685,350
Chalks		-
Exams and assessment		-
Teachers guides		-
Total	905,818	1,686,286

2 CAPITATION GRANT FOR OPERATIONS

	01/01/2021 to 30/06/2021	2019/2020
	KSh	KSh
Personnel emoluments	1,605,478	3,377,025
Repairs and maintenance	3,349,000	4,112,000
Local transport / travelling	574,400	637,700
Electricity and water	373,340	738,800
v.imp	178,650	357,300
Administration costs	574,300	1,294,150
Activity	-	364,400
B.O.M Teachers' salaries	-	960,000
Infrastructure	-	5,000,000
Total	6,655,168	17,023,575

3 PARENTS CONTRIBUTION/FEEES - SCHOOL FUND ACCOUNT

	01/01/2021 to 30/06/2021	2019/2020
	KSh	KSh
Personnel emoluments	6,750,598	12,335,433
Repairs and maintenance	1,452,122	2,100,215
Local transport / travelling	1,961,178	2,357,598
Electricity and water	2,625,684	5,243,201
Medical	-	-
Administration costs	3,863,400	6,233,593
Activity	485,511	859,180

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	01/01/2021 to 30/06/2021	2019-2020
	KShs	KShs
Total	17,138,493	29,129,220

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Notes to the Financial Statements (Continued)

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	01/01/2021 to 30/06/2021 KShs	2019-2020 KShs
Fee on Boarding Equipment and Stores	18,848,420	28,677,608
Rent income	51,400	148,600
Income from farming activities	658,605	867,660
Student school ID Card	7,600	-
Infrastructure improvement fund	345,857	2,274,820
Refundable fees	24,950	-
Sales from mattresses	72,500	-
Income from grants and donations*	-	-
Interest income	-	-
Dividends income	-	-
Total	20,009,332	31,968,688

INCOME FOR INFRASTRUCTURE ACCOUNT

	01/01/2021 to 30/06/2021	2019-2020
Ministry Grant	-	-
Total	-	-

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5 PAYMENTS FOR TUITION

	01/01/2021 to 30/06/2021	2019-2020
	KShs	KShs
Textbooks and reference materials	-	-
Exercise books	206,550	47,500
Laboratory equipment	560,707	237,140
Internal exams	112,439	-
Teaching / learning materials	257,660	1,055,305
Sundry Creditors	172,950	-
Exams and assessment	-	-
Teachers guides	-	-
Administration Costs	-	-
Bank Charges	1,797	1,683
Total	1,312,103	1,341,628

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 PAYMENTS FOR OPERATIONS

	01/01/2021 to 30/06/2021	2019-2020
	KShs	KShs
Personnel emoluments		3,377,025
Service Gratuity(B.O.M TEACHERS)		960,000
Administration Cost	1,192,048	973,681
Repairs and maintenance & improvements		4,043,010
Local transport / travelling		404,000
Electricity and water	463,469	630,230
Infrastructure funds	-	5,000,000
Activity Expenses	-	292,200
SMASSE	-	-
Insurance Cost	-	-
Bank Charges	1,911	2,643
Acquisition of Assets	-	-
TOTAL	1,657,428	15,682,789

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7 BOARDING AND SCHOOL FUND PAYMENTS

	01/01/2021 to 30/06/2021	2019-2020
	Kshs	Kshs
Personnel emoluments	6,048,160	9,470,274
B.O.M Teachers' Salaries	2,392,200	4,033,830
Repairs and maintenance & Improvements	281,335	1,531,183
Local transport / travelling	1,353,099	1,623,341
Electricity and water	2,875,259	2,144,602
Infrastructure improvement fund	52,000	-
Administration costs	4,216,950	5,342,836
Activity fund	126,486	1,107,674
Bank Charges	12,955	-
Expenses on Income Generating Activities	1,577,820	1,962,040
Fees on Boarding Equipment and Stores	3,903,175	26,437,352
Rent Expenses	500	-
Insurance Cost (Life Property) bus	217,380	140,130
School ID Card	55,000	-
Facilitation	460,267	-
Refundable fees	333,636	-
TOTAL	23,906,222	53,793,262

PAYMENT FOR INFRASTRUCTURE ACCOUNT

	01/01/2021 to 30/06/2021	2019-2020
	Kshs	Kshs
Construction of Classrooms	8,110,376	-
Bank Charges	2,527	-
Total	8,112,903	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	01/01/2021	2019-2020
		to 30/06/2021	
		Kshs	Kshs
Tuition Account	1102191914	247,078	653,363
Operations Account	1102192023	7,111,680	2,113,940
School Fund Account/Boarding	1102186112	2,581,039	1,461,848
Reserve Savings Account	1101524413	7,490,442	14,490,442
Parent Association Development Account	1101540044	2,101,266	2,101,266
Personal Emolument Savings Account	1166282155	6,428,860	6,428,860
Infrastructural Account	1166282295	7,713,247	-
Total		33,673,612	27,249,719

9 CASH IN HAND

Description	01/01/2021	2019-2020
	30/06/2021	
		Kshs
Tuition Account	-	-
Operation Account	-	-
School Fund account	115,789	7,722
Total	115,789	7,722

10 SHORT TERM INVESTMENTS

Description	01/01/2021	2019-2020
	30/06/2021	
		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	01/01/2021 to 30/06/2021 KShs	2019-2020 KShs
Fees arrears	21,902,372	17,081,384
Other non-fees receivables (R/D CHEQUE)	5,000	5,000
Salary advances		-
Imprest	-	-
Total	21,907,372	17,086,384

Ageing analysis of receivables

Description	2021-2021 KShs	2019-2020 KShs
Fees arrears for current year	3,946,807	8,135,007
Fees arrears for the previous year	5,369,406	3,179,022
Fees arrears for prior periods (over two years)	12,586,159	5,767,355
Total	21,902,372	17,081,384

12 ACCOUNTS PAYABLE

Description	01/01/2021 to 30/06/2021 KShs	2019-2020 KShs
Trade creditors (See ageing below and appendix 1)	3,194,137	325,963
Prepaid fees	5,451,652	7,321,847
Retention monies	634,814	-
Total	9,280,603	7,647,810

Ageing analysis of payables

Description	01/01/2021 to 30/06/2021 KShs	2019-2020 KShs
Trade creditors for current year	3,187,137	325,963
Trade creditors for the previous year	7,000	-
Trade creditors for prior periods (over two years)		-
Total	3,194,137	325,963

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 FUND BALANCE BROUGHT FORWARD

Description	01/01/2021 30/06/2021 K=bs	2019-2020 K=bs
Bank balances	33,673,612	18,253,110
Cash balances	115,789	14,241
Short Term Investments	-	-
Receivables	21,907,372	16,762,970
Payables	9,280,603	7,324,396
Total	46,416,170	27,705,925

The increase funds balance brought forward was brought about by students not being in school for a bigger part of the year 2020 due to covid -19 pandemic which resulted to reduced expenditure over that period.

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Other important disclosure notes

IPSAS I 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	01/01/2021 to 30/06/2021 KShs	2019-2020 KShs
Bank loan(s)	-	
Outstanding Leases	-	
Hire purchase	-	
Gratuity and leave provision	6,482,460	6,188,500
Total	6,482,460	6,188,500

15 Biological assets

Description	Numbers	01/01/2021 to 30/06/2021 KShs	2019-2020 KShs
Cattle	12	540,000	-
Goats	32	160,000	-
Trees	140	140000	-
Banana plant	377	3,770	-
Poultry (birds)	800	320,000	-
Total		1,163,770	-

16 Borrowings

Description	01/01/2021 to 30/06/2021 KShs	2019-2020 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	01/01/2021 to	30/06/2021
	30/06/2021	30/06/2020
	KSh	KSh
b) Borrowings		
Stock/ inventory at beginning of the year	34,272	215
Stock/ inventory purchased during the year	3,710,964	9,580
Stock/ inventory issued during the year	(3,381,062)	9,740
Balance at end of the year	364,174	34,272

Stock of the purchased items which include stationery, lab apparatus and foodstuffs

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

The accounts are now being audited for the first time and progress on follow up of Auditor recommendations may not apply.

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12. Annexes

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Comments
	a	b	c	d	e
	Kshs	Kshs	Kshs	Kshs	
Construction of buildings					
1. 12 Classrooms Storey Building	11,388,288	29 TH JUL 2015	9,399,773	1,988,515	
2. 9 Classrooms Storey Building	15,826,150	7 TH JAN 2021	12,270,285	3,555,865	
3. 1 Twin Teachers House	6,342,990	19 TH DEC 2021	2,606,767	3,736,223	
Sub-Total	33,557,428			9,280,603	
Supply of goods					
1.					
2.					
3.					
Sub-Total					
Supply of services					
4.					
5.					
6.					
Sub-Total					
Grand Total	33,557,428			9,280,603	

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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER FOR 6 MONTHS (01/01/2021 TO 30/06/2021)

Asset class	Date purchased	Location	Historical Cost in (Kshs) 1 st Jan 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost at (Kshs) 30 th June 2021
Land 1	1990	KILIFI COUNTY MAVUENI	DONATED BY KILIFI PLANTATION	25PIESES OF LAND	-	-
Land 2	-	-	-	-	-	-
Buildings and structures	Different dates	Different places	13,200,334	-	-	13,200,334
Motor vehicles	20.11.2009	Bahari (bus shade)	4,398,500	-	-	4,398,500
Office equipment, furniture and fittings	Different dates	Administration block	150,000	-	-	150,000
ICT Equipment, and Other ICT Assets	Different dates 2019 May 2021	2Accounts office, 38computer lab,2 Administration office	2,435,000	-	-	2,435,000
Tools and apparatus	Different dates	laboratory	3,976,570	-	-	3,976,570
Textbooks	Government	-	-	-	-	-
Other Machinery and Equipment (Generator)	Different dates	Generator room	1,261,240	2,765,730	-	4,026,970
Heritage and cultural assets			-	-	-	-

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Asset class	Date purchased	Location	Historical Cost (Kshs) 1 st Jan 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical cost (Kshs) 30 th June 2021
Intangible assets- soft ware	Different dates	Accounts office	45,000	-	-	45,000
Total			25,466,644	2,765,730		28,232,374

The land was donated by Kilifi plantation and it has not been valued.