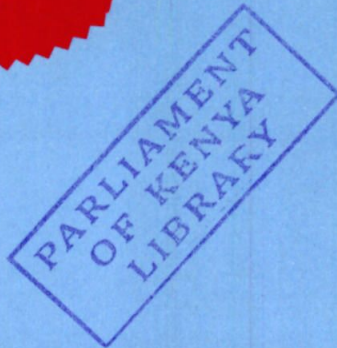


REPUBLIC OF KENYA



Enhancing Accountability



THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 10 APR 2022	DAY: THURSDAY
TABLED BY: HON. SILVANIUS OGIRO, MP	MAJORITY PARTY WHIP
CLERK-AT-THE-TABLE: INZOFU MWALE	

REPORT

OF

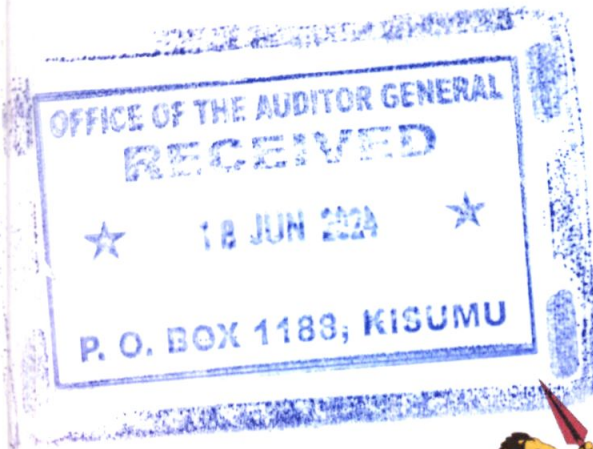
THE AUDITOR-GENERAL

ON

AHERO GIRLS SECONDARY SCHOOL

**FOR THE YEAR ENDED
30 JUNE, 2022**

KISUMU COUNTY



Revised 30th June 2021.



**AHERO GIRLS SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th June 2022**

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

Ahero Girls Secondary School
Annual Report and Financial Statements
For the year ended 30th June 2022

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I. KEY SCHOOL INFORMATION AND MANAGEMENT

(a) Background information

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

The school was registered in **23/2/2011** under registration number PU/S/3/494/11 and is currently categorized as a Extra County public school established, owned or operated by the Government.

The school is a boarding school and had 1373 number of students as at **30th June 2022** It has 6 streams and 60 teachers of which 14 teachers are employed by the School Board Of Management.

(b) School Board of Management - Board Members

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

Ref:	Name of Board Member	Designation	Date of appointment
1	Mr Nerry Achar	Chairman	01/01/2020
2	Mrs Joyce Omondi	Secretary – Principal	01/01/2020
3	CPA Glence Arwa	Member	01/01/2020
4	Mr .Samuel Achero	Member	01/01/2020
5	Prof.Susan Abongo	Member	01/01/2020
6	Mr George Ouko	Member	01/01/2020
7	Mr Jared Sala	Member	01/01/2020
8	Mr Medecai Obimo	Member	01/01/2020
9	Mrs Mary Onditi	Member Rep Teachers	01/01/2020
10	Mr George Apat	Member PA Rep	01/01/2020
11	Mrs Paskalia Ouma	Member	01/01/2020
12	Mrs. Kavene Okal	Member	01/01/2020
13	Eng. Eric Ngage	Member	01/01/2020

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	Nerry Achar George Apat George Ouko Jared Sala Joyce Omondi	Chairman Member Member Member Secretary	0 out of 0
2	Finance, procurement and general purposes Committee	Glence Arwa Samwel Ahero Agnes Okal Joyce Omondi	Chairman Member Member Secretary	2 out of 2
3	Academic Committee	Prof Susan Abongo George Apat Paschalia Ouma Joyce Omondi	Chairperson Member Member Secretary	1 out of 1
5	SIC Committee	Erick Ngage Jared Sala George Ouko Paschalia Ouma Nerry Achar Joyce Omondi	Chairman Member Member Member Member Secretary	
6	Discipline and welfare Committee			
7	Adhoc Committee (if any during the year)			

(d) School Operations Management

Ahero Girls Secondary School
Annual Report and Financial Statements
For the year ended 30th June 2022

For the financial year ended *30th June 2022* the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	Mrs Joyce Omondi	390737
2	Deputy Principal 1	Mrs Rose Odhiambo	264978
3	Deputy Principal 2	Ms Glory Msenya	425116
4	Accounts Clerk	Sylvance Osir	ID 26930096

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(e) Schools contacts

Post Office Box: 6 Ahero 40101
Telephone: 0715740622
E-mail: aherogirlsec2016@gmail.com

(f) School Bankers

The following school operated 7 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: KCB Tuiton Accoun
Branch: Kisumu
Account Number: 1103753878
2. Name of Bank: KCB Personal Emoluments
Branch: Kisumu
Account Number: 1102838586
3. Name of Bank: Standard Chartered School fund /Boarding Account
Branch: Kisumu.
Account Number: 0102001993100
4. Name of Bank: Standard Chartered IGP
Branch: Kisumu.
Account Number: 0102801993100
5. Name of Bank: Standard Chartered Infrastructure
Branch: Kisumu.
Account Number: 0102801993101
6. Name of Bank: Cooperative Bank
Branch: Kisumu.
Account Number: 01139013430800
7. Name of Bank: Equity Bank CDF Account
Branch: Kisumu.
Account Number: 02902932166813
8. MPESA Pay Bill No. 600613 attached to 0102001993100 bank account

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:

I Surplus for the last three years

1. Surplus for the year 2020 kshs (7,335,844.96)
2. Surplus for the year 2021 Ksh 4,190,456.65
3. Surplus for the year 2021/2022 kshs 7,649,395.20

ii. Capitation Grants for the last three Years

1. Capitation Grants for the year 2020 Ksh 21,112,757.00
2. Capitation Grants for the year 2021 Ksh 12,766,777.45
3. Capitation Grants for the year 2021/2022 Ksh 24,538,799.30

iii Growth of Income for the last Three Years

1. Income for the year ended 2020 Ksh 61,448,104.50
2. Income for the year ended 2021 Ksh .35,174,323.20
3. Income for the year ended 2021/2022 Ksh.97,494,786.40

Iv Growth of Expenditure for the last three Years

1. Expenditure for the year ended 2020 Ksh 68,783,949.46
2. Expenditure for the year ended 2021 Ksh . 30,983,866.55
3. Expenditure for the year ended 2021/2022. Ksh 89,845,391.20

V. Movement of Debtors and Creditors of the school for the last three years

<i>Financial Year</i>	<i>Debtors</i>	<i>Creditors</i>
2020	31,272,428.04	21,745,131.10
2021	31,965,584.29	19,566,649.50
2021/2022	36,987,412.29	18,301,876.20

b) Teacher Student ratio:

1. Teacher Student ratio. 1:24

2. BOM Teachers 16.

3. Tsc Teachers 39.

4. Shortage of teachers 16.

c) KCSE Mean score for the last *three* years

1. 2019- 5.4

2. 2020- 6.0

3. 2021-5.4

d) Number of Candidates in the last *three* years

1. 2021-278

2. 2020-206

3. 253

e) Capacity of the school: Total Population 1373

f) Development projects carried out by the school:

- 1.Compilition of four number storey classroom block*
- 2.Ongoing project of eight number classroom block storey*

Sign



School Principal


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

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2022, and of the school's financial position as at that date.

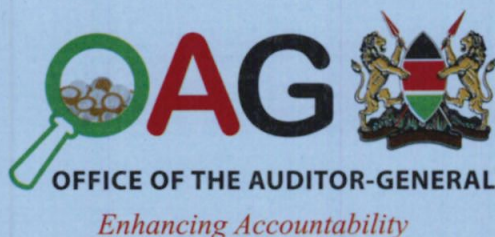
Name: Mr. Nerry Achar
Designation: Chairman, School Board of Management
Sign: 
Date: 14/06/2024

Name: Mrs Joyce Omondi
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 14/06/2024

Name: Mr Sylvance Osir
Designation: Accounts Clerk
Sign: 
Date: 14/06/2024

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 AHERO GIRLS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 – KISUMU 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 Ahero Girls Secondary School – Kisumu County set out on pages 11 to 26, which comprise the statement of financial assets and financial liabilities as at 30 June, 2022, and the statement of receipts and

payments, statement of cash flows and summary statement budgeted versus actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Ahero Girls Secondary School – Kisumu County as at 30 June, 2022, 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 Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Accounts Receivables

1.1. Unsupported Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.36,987,412 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.36,987,412 could not be confirmed.

1.2. Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.36,987,412 in respect of fees arrears as disclosed in Note 11 to the financial statements. Included in the balance are receivables amounting to Kshs.27,132,290 which had been outstanding for more than two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance.

In the circumstances, the accuracy and full recoverability of the outstanding receivables balance of Kshs.27,132,290 could not be confirmed.

2. Variances in Payables

The statement of financial assets and financial liabilities reflects payables balance of Kshs.18,301,876 as disclosed in Note 12 to the financial statements. However, the balance varies with Kshs.17,781,944 reflected in the ledger or trial balance resulting to an unexplained or an unreconciled variance of Kshs.519,932.

In the circumstances, the accuracy and completeness of trade payables balance of Kshs.18,301,876 could not be confirmed.

3. Unsupported Cash and Cash Equivalents

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.3,786,181 as disclosed in Notes 8 and 9 to the financial statements. Included in this balance are bank account and cash in hand balances of Kshs.3,347,123 and Kshs.439,058 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 bank balance of Kshs.3,786,181 could not be confirmed.

4. Unsupported Receipts and Payments Amounts

The statement of receipts and payments reflects school fund income - other receipts amount of Kshs.5,787,291. However, the supporting schedules reflects Kshs.5,500,000 resulting to unexplained variances of Kshs.287,291. Further, the statement of receipts and payments reflects payments in respect of tuition and operations totalling Kshs.3,947,263 and Kshs.17,185,116 respectively. However, the corresponding payment schedules were not provided for audit review.

In the circumstances, the accuracy and completeness of the statement of receipts and payments could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Ahero Girls Secondary School – Kisumu County 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 a comparable basis of Kshs.86,195,236 and Kshs.90,503,033 respectively, resulting to an over-funding of Kshs.4,309,797 or 5% of the budget. However, the School spent a balance of Kshs.62,761,925 against actual receipts of Kshs.90,505,033, resulting to an under-utilization of Kshs.27,743,108 or 31% 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 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.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the 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. Under-Funding of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amount of Kshs.5,005,587 and Kshs.18,337,274, respectively as disclosed in Notes 1 and 2 to the financial statements. During the financial year, NEMIS reported a total number of one thousand two hundred and thirty-five (1,235) students while the enrolment records provided by the School indicated a total number of one thousand three hundred and thirty six (1,336) students, resulting to an unexplained variance of one hundred and one (101) students. As a result of the variances, the School was under funded by an amount of Kshs.1,909,011.

In the circumstances, the under-funding of the School may have affected service delivery to the other Schools which did not receive capitation for students and value for money could not be confirmed.

2. Unconfirmed Students Enrolment Data

The statement of receipts and payments reflects capitation grants for tuition, capitation grants for operations and infrastructure grants totalling Kshs.23,342,861. Comparison of data from National Education Management and Information System (NEMIS) with records from the County Director of Education revealed that during the financial year 2021/2022, NEMIS reflected one thousand two hundred and thirty-five (1,235) students while records from the County Director of Education had one thousand three hundred and thirty-six (1,336) students, resulting to an underfunding of the School by an amount of Kshs.1,909,011. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 dated on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

In the circumstances, under-funding of the School may have affected service delivery to the students.

3. Long Outstanding Payables

The statement of financial assets and financial liabilities and as disclosed in Note 12 to the financial statements reflects payables balance of Kshs.18,301,876. However, included in the balance are trade payables balance of Kshs.7,564,185 which had been outstanding for more than one (1) year. This was contrary to Section 53 (8) of the Public Procurement and Asset Disposal Act, 2015 which states that 'an Accounting Officer shall

not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contract(s) are reflected in approved budget estimates.

In the circumstances, the School Management was in breach of the law and there is risk of loss of public funds through litigations, interests and penalties.

4. Failure to Prepare School Improvement Plan

During the year under review, the School did not have an approved School Improvement Plan, contrary to Section 2.2 of the Ministry of Education Operation Manual for Utilization of Learner Capitation Grant and Other School Funds, which requires schools to identify in every three-year school improvement planning cycle, one priority area in each of the four key areas which include curriculum implementation, foundational literacy and numeracy outcomes, an enabling environment for learning and parental involvement and community engagement for implementation.

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

5. Failure to Transfer of Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.18,337,274 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.6,184,500 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.5,000,000 was transferred to infrastructure account, leaving a balance of Kshs.1,184,500 as at 30 June, 2022. This was contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 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.

6. Lack of a Procurement Plan

The statement of receipts and payments reflects an amount of Kshs.90,503,033 and Kshs.83,894,304 in respect of total receipts and payments respectively. However, during the year Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that 'a procuring entity prepare a procurement plan for each financial year as part of the annual budget preparation process'.

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

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

The financial statements presented for audit did not include all information provided in the format prescribed and published by the Public Sector Accounting Standards Board

(PSASB) as follows; The statement of receipts and payments reflects total payments of Kshs.83,894,304 whereas the statement of comparison of budget and actual payments reflects Kshs.62,761,925 resulting to unreconciled variance of Kshs.21,132,379. Annex 1 on analysis of pending accounts payables is blank. Annex 2 on summary of fixed assets register has no details on the assets owned, historical cost at the beginning and end of the period and additions and disposals during the period. In Note 17 to the financial statements under other important disclosures on stock/inventory is blank even though there were physical balances for various items in the stores.

In the circumstances, Management was in breach of the PSASB guidelines. Further, lack of relevant information may affect users' reliance on the financial statements for decision making.

8. Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General on 18 June, 2024 instead of the statutory deadline of 30 September, 2023. 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, 2022 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

9. Unsupported Payments for Tuition Amount

The statement of receipts and payments reflects payment for tuition totalling Kshs.3,947,263 as disclosed in Note 5 to the financial statements. Included in the balance is Kshs.1,110,610 that is not supported by user requisition, Local Purchase/Service Orders (LPOs/LSOs), invoices, receipts and Electronic Tax Register (ETR) receipts contrary to Regulations 104(1) of the Public Finance Management (National Governments) Regulations, 2015 which state all receipts and payments vouchers of public moneys shall be properly supported by pre-numbered receipts and payment vouchers and shall be supported by the appropriate authority and documentation.

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

10. Non-Compliance with the Guidelines on the Establishment and Functions of the Audit Committees

The Management did not constitute an audit committee during the year under review contrary to Section (61)(2)(d) of the Basic Education Act No 14 of 2013 which requires the Board of Management to establish the Audit Committee. Further, 174(1) of the Public Finance Management (National Government) Regulations, 2015, also requires each National Government entity to establish an audit committee.

In the circumstances, Management was in breach of the law and the governance structure of the School was not properly constituted.

11. Unaccounted for Text Books

Review of records revealed that Management received a shortage of eighteen (18) text books for the books supplied by the Ministry of Education in the financial year 2021/2022. Further, the School does not have a system in place to ensure that text books that are lost are replaced immediately. Lost text books are only recovered when the students are exiting the School after completing their Kenya Certificate of Secondary Examination contrary to Section 160(1) of Public Procurement and Asset Disposal Act, 2015 which states that an accounting officer of a procuring entity shall manage its inventory, assets and stores for the purpose of preventing wastage and loss, and continuing utilization of supplies.

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

12. Lack of Fixed Asset Register

The Management did not prepare an asset register contrary to Section 143 (1) of the Public Finance Management (National Government) Regulations, 2015 prescribes that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

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

13. Irregular Procurement of Labour for Construction of Eight (8) Class Room Block

The statement of receipts and payments reflects payment for operation of Kshs.17,185,116 as disclosed in Note 6 to the financial statement. Included in this balance is Kshs.5,500,000 paid to a local contractor for a labour-based contract at a contract sum of Kshs.11,261,324. However, engineer's estimate, the appointment letters of tender opening, evaluation and inspection and acceptance committees, tender opening register, tender document submitted by the successful bidder, inspection and acceptance certificate, progress reports were not provided for audit review. Further, no documentary evidence was provided for audit review to confirm that the accounting officer prepared quarterly reports on the implementation of the annual procurement plan and the same was submitted to the Ministry of Education.

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

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (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 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 overall governance were not effective.

Basis for Conclusion

1. Lack of Internal Audit Function and Audit Committee

During the year under review, the School's Management 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) Regulations, 2015 which states that, the internal audit unit of a National Government entity to assess effectiveness of the School through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury.

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

2. Lack of Failure to Hold Meetings

During the year under review, the Board of Management that is supposed to direct the School in achieving its strategic objectives was constituted. However, the Board of Management did not hold at least one (1) meeting in every four (4) months during the period under review as required under Section 6(1) of the fourth schedule to the Basic Education Act, 2013. Board of Management minutes were not provided for audit.

In the circumstances, the School may not achieve its strategic objectives.

3. Lack of Approved ICT Policy

Review of the School's ICT environment revealed lack of ICT Policy during the year ended 30 June, 2022 which provides guidance on Information Technology governance, security management, program change management, physical access controls, environmental controls, IT service continuity and logical access control. Further, there was no data security policy and Disaster Recovery Plans contrary to Section 19 (1) of the Public Finance Management Act Regulations (2015) identifies roles and responsibilities of the standing committee, which includes review on a regular basis the adequacy and integrity of the entity's internal control, acquisition and divestitures and management information systems including compliance with applicable laws, regulations, rules and guidelines.

In the circumstances, the effectiveness of the ICT systems and governance could not be confirmed.

4. Weak Internal Controls

Review of the School's internal control and risk management environment revealed that during the year ended 30 June, 2022 the School did not have in place adequate controls over financial processes such as authorization procedures and monitoring mechanisms. Further, the School does not have a risk management policy and a disaster recovery plan contrary to Regulation 165(1) of the Public Finance Management (National Government) Regulations, 2015 provides that the Accounting Officer shall ensure that the national government entity develops risk management strategies, which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations.

In the circumstances, the reliability and effectiveness of the internal controls 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 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 overall governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain 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 control 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 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 Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal 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 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, SBS
AUDITOR-GENERAL

Nairobi

22 January, 2025

**Ahero Girls Secondary School
Annual Report and Financial Statements
For the year ended 30th June 2022**

V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD FOR THE YEAR ENDED 30TH JUNE 2022

DESCRIPTION OF VOTE HEAD	Note	2021-2022 Kshs	2020-2021 Kshs
RECEIPTS			
Capitation grants for tuition	1	5,005,587	2,373,208
Capitation grants for operations	2	18,337,274	10,393,569
School Fund Income- Parents' Contributions	3	61,372,881	18,851,641
School Fund Income- Other receipts	4	5,787,291	3,507,580
TOTAL RECEIPTS		90,503,033	35,125,998
PAYMENTS			
Payments for Tuition	5	3,947,263	2,664,029
Payments for operations	6	17,185,116	9,181,804
Boarding and school fund payments	7	62,761,925	18,049,043
TOTAL PAYMENTS		83,894,304	29,894,876
SURPLUS (Deficit)		6,608,729	5,231,122

The school financial statements were approved on 14/06 2024 and signed by:

Sign: 
Name: Mr Nerry Acha

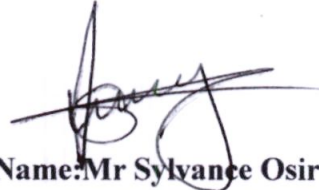
Chair BOM

Date: 14/06/2024

Sign: 
Name: Mrs Joyce Omondi

School Principal/
Secretary to BOM

Date: 14/06/2024

Sign: 
Name: Mr Sylvance Osir

Bursar/
Finance Officer

Date: 14/06/2024


Ahero Girls Secondary School
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VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30TH JUNE 2022


Description	Note	2021-2022	2020-2021
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	3,347,123	3,064,151
Cash Balances	9	439,058	399,901
Short term Investment	10	-	-
Total Cash and cash equivalent		<u>3,786,181</u>	<u>3,464,052</u>
Account's receivables	11	36,987,412	31,965,584
TOTAL FINANCIAL ASSETS		40,773,593	35,429,636
FINANCIAL LIABILITIES			
Accounts Payables	12	18,301,876	19,566,650
NET FINANCIAL ASSETS		22,471,717	15,862,987
REPRESENTED BY			
Accumulated Fund b/fwd	13	15,862,988	10,631,865
Surplus		6,608,729	5,231,122
NET FINANCIAL POSITION		22,471,717	15,862,988

The School's financial statements were approved on 14/06 2024 and signed by:

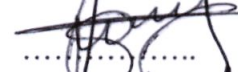
Name: Mr. Nerry Achar
Chairman, BoM

Sign: 
Date: 14/06/2024

Name: Mrs. Joyce Omondi
School Principal/Secretary to BoM

Sign: 
Date: 14/06/2024

Name: Mr. Sylvance Osir
Bursar/Finance

Sign: 
Date: 14/06/2024

Ahero Girls Secondary School
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VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2022

		2021/2022	2020/2021
		Kshs	Kshs
Receipts for operating income			
Capitation grants for tuition	1	5,005,587	2,373,208
Capitation grants for operations	2	18,337,274	10,393,569
School fund income- Parents contributions/ fees	3	61,372,881	18,851,641
School fund income- other receipts	4	5,787,291	3,507,580
Total receipts		90,503,033	35,125,998
Payments			
Payments for Tuition	5	3,947,263	2,664,029
Payments for operations	6	17,185,116	9,181,804
Boarding and school fund payments	7	62,761,925	18,049,043
Total payments		83,894,304	29,894,876
Cash flow from operating activities before working capital adjustments		6,608,729	5,231,122
Add/less decrease /increase in receivables		(5,021,828)	(693,156)
Add/less decrease /increase in payables		(1,264,774)	(2,178,482)
Net cashflow from Operating Activities		322,127	2,359,484
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets			
Acquisition of Assets Infrastructure projects			
Proceeds from investments			
Purchase of investments			
Net cash flows from Investing Activities	10		
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
Net cash flow from financing activities			
NET INCREASE IN CASH AND CASH EQUIVALENTS		322,127	2,359,484
Cash and cash equivalent at BEGINNING of the year		3,464,052	1,104,568
Cash and cash equivalent at END of the year		3,786,180	3,464,052

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 cashflow as recommended by PSASB.

AHERO GIRLS SECONDARY SCHOOLS
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For the period ended 30th June 2021

VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2022

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Textbooks	1,295,480	-	1,295,480	608,710	686,770	46%
Exercise books		-	0	1,062,820	-1,062,820	
Laboratory equipment		-	0	733,780	-733,780	
Teaching / learning materials	4,165,863	-	4,165,863	1,306,270	2,859,593	31%
Library Reference		-	0	379,655	-379,655	
SMASSE		-	0	309,400	-309,400	
Direct Credit		-	0	18,000	-18,000	
Exams and assessment	-	-	0	586,952	-586,952	
Total	5,461,343	0	5,461,343	5,005,587	455,756	
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	6,441,476		6,441,476	7,925,919	(965,127)	123%
Repairs and maintenance	5,880,000		5,880,000	5,284,082	(600,000)	89%
Local transport / travelling	949,641		949,641	1,131,916	(182,275)	119%
Electricity and water						125%

Ahero Girls Secondary School
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	949,641		949,641	1,195,918	(246,277)	
Medical and Insurance	2,352,000		2,352,000	1,540,717	(811,283)	66%
Administration costs	949,641		949,641	1,131,876	(182,235)	119%
Activity	1,764,000		1,764,000	-	1,764,000	0%
Special Needs Education	143,600		143,600	126,846	16,754	88%
TOTAL	19,429,999		19,429,999	18,337,274	(1,206,442)	
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	4,739,280		4,739,280	5,198,412	-459,132	109%
Repairs and maintenance	3,669,120		3,669,120	8,378,686	-4,709,566	228%
Local transport / travelling	993,720		993,720	1,897,843	-904,123	190%
Electricity and water	5,762,400		5,762,400	8,745,627	-2,983,227	152%
Administration costs	2,828,280		2,828,280	9,860,272	-7,031,992	348%
Activity	176,400		176,400	844,118	-667,718	479%
Fees Arrears	4,725,096		4,725,096	-	4,725,096	0%
Tender Fees	80,000		80,000	-	80,000	0%
Fee on Boarding Equipment and Stores	38,329,598		38,329,598	26,447,923	11,881,675	69%
Sub Total	61,303,894	0	61,303,894	61,372,881	-68,987	
OTHER INCOME						
Damages				216,291	(216,291)	
Income from grants-Infrastructure				5,500,000	(5,500,000)	
Tender committee						

Ahero Girls Secondary School
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				71,000	(71,000)	
Income from Bakery Project	400,000			-	400,000	0%
Sub Total	400,000	0	0	5,787,291	-5,387,291	
TOTAL INCOME	<u>86,595,236.00</u>	<u>0.00</u>	<u>86,195,236.00</u>	<u>90,503,033</u>	<u>-6,206,964.36</u>	
(1) EXPENDITURE FOR TUITION						
Textbooks and reference materials	2,035,725		2,035,725	608,710	1,427,015	30
Exercise books	1,485,000		1,485,000	405,600	1,079,400	27
Laboratory equipment	652,987		652,987	868,483	-215,496	133
Internal exams	848,684		848,684	150,000	698,684	18
Teaching / learning materials	438,947		438,947	1,913,750	-1,474,803	435
Sundry Creditors					0	
Bank Charges	0			720	-720	
Total	5,461,343	0	5,461,343	3,947,263	1,514,080	
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	6,441,476		6,441,476	8,096,227	2,356,430	
Service gratuity				650,000		
Repairs, maintenance & improvements	880,000		880,000	5,500,000	830,000	
Local transport / travelling	949,461		949,641	100,000	803,195	
Electricity, water and conservancy	949,461		949,641	626,100	788,641	
Medical and Insurance	2,352,000		2,352,000	1,540,717	1,812,859	
Administration costs	949,461		949,461	666,172	846,281	
Bank Charges				5,900	-	
Special Needs Education	143,600		143,600	0	-	
Activity	1,764,000		1,764,000	0	1,744,000	
Infrastructure	5,000,000		5,000,000	0	1,500,000	

Ahero Girls Secondary School
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Total	19,429,459	0	19,429,819	17,185,116	8,324,976	
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel emoluments	4,739,280		4,739,280	4,014,903	724,377	85
Service gratuity				100,000	-100,000	
Repairs, maintenance and improvements	3,669,120		3,669,120	8,267,372	-4,598,252	225
Local transport / travelling	993,720		993,720	1,858,652	-864,932	187
Electricity, water and conservancy	5,762,400		5,762,400	5,612,249	150,151	97
Administration costs	2,828,280		2,828,280	9,995,611	-7,167,331	353
Activity	176,400		176,400	780,000	-603,600	442
Boarding Equipment and Stores	38,329,598		38,329,598	22,942,318	15,387,280	60
Bank Charges				85,198	-85,198	
Expenses on income generating activities				227,800	-227,800	
Medical expenses				139,280	-139,280	
Refund				1,023,909	-1,023,909	
Tender fees				24,600	-24,600	
Special Needs Education				2,850	-2,850	
Acquisition of Asset (Infrastructure)	11,145,469	0	11,145,469	7,687,183	3,458,286	
TOTALS	67,644,267	0	67,644,267	62,761,925	4,882,342	

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

- i.
- ii.

IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as expenditure when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements. Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years.

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2022.

X. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

Description	2021-2022	2020-2021
	Kshs	Kshs
Textbooks	608,710	960,079
Exercise books	1,062,820	481,308
Laboratory equipment	733,780	209,951
Teaching / learning materials	1,306,270	145,352
Library Reference	379,655	233,200
SMASSE	309,400	58,800
Direct Credit	18,000	10,093
Exams and assessment	586,952	274,425
Total	5,005,587	2,373,208

2 CAPITATION GRANT FOR OPERATIONS

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	7,925,919	4,146,801
Repairs and maintenance	6,480,000	4,141,500
Local transport / travelling	1,131,916	453,991
Electricity and water	1,195,917	453,991
Medical and Insurance	1,540,717	689,696
Administration costs	1,131,876	453,994
Transition Improvement Grant	-	-
BOM Teachers	-	-
Activity	-	-
Special Needs Grant	126,846	53,595
Total	18,337,274	10,393,569

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Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	5,198,412	1,167,754
Repairs and maintenance	8,378,686	1,470,555
Local transport / travelling	1,897,843	594,329
Electricity and water	8,745,627	2,108,038
Fee on Boarding Equipment and Stores	26,447,923	11,761,484
Administration costs	9,860,272	1,748,126
Activity	844,118	1,355
Total	61,372,881	18,851,641

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

Description	2021-2022	2020-2021
	Kshs	Kshs
Fee on Boarding Equipment and Stores	-	-
Rent income	-	-
Fees Arrears	-	-
Damages	216,291	7,580
SNE Fund	-	-
Income from Grants -Infrastructure	5,500,000	3,500,000
Income from Bakery Project	-	-
Tender Committee	71,000	-
Dividends income	-	-
Total	5,787,291	3,507,580

(Include an explanation on the kind and source of grants/ donations received by the school.)

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5 PAYMENTS FOR TUITION

Description	2021-2022	2020-2021
	Kshs	Kshs
Textbooks and reference materials	608,710	792,547
Exercise books	405,600	300,000
Laboratory equipment	868,483	581,333
Teaching / learning materials	1,913,750	880,869
Smasse	-	58,800
Reference Materials	-	-
Exams and assessment	150,000	50,000
Bank Charges	720	480
Total	3,947,263	2,664,029

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 PAYMENTS FOR OPERATIONS

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	8,096,227	4,085,046
Service Gratuity	650,000	50,000
Administration Cost	666,172	678,000
Repairs and maintenance & improvements	5,500,000	3,500,000
Local transport / travelling	100,000	146,446
Electricity and water	626,100	161,000
Activity Expenses	-	20,000
Medical and Insurance Costs	1,540,717	539,142
Bank Charges	5,900	2,170
Infrastructure	-	-
BOM Teachers	-	-
TOTAL	17,185,116	9,181,804

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7 BOARDING AND SCHOOL FUND PAYMENTS

Description	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	4,014,903	2,786,681
Service Gratuity	100,000	-
Repairs and maintenance & Improvements	8,267,372	1,219,287
Local transport / travelling	1,858,652	488,497
Electricity and water	5,612,249	1,925,596
Administration costs	9,995,611	1,647,007
Activity Expenses	780,000	-
Bank Charges	85,198	40,062
Expenses on Income Generating Activities	227,800	-
Fee on Boarding Equipment and Stores	22,942,318	7,971,623
Medical Expenses	139,280	
Refund	1,023,909	7,000
Tender Fees	24,600	-
Special Needs Education	2,850	-
Acquisition of Asset (Infrastructure Expenditure)	7,687,183	1,963,290
TOTAL	62,761,925	18,049,043

*Expenses on income generating activities** should include all costs relating to the school earnings on other receipts as recorded in note 4. These costs should include farm maintenance, posho mill maintenance, ground maintenance and costs incurred during hire of school bus among others.*

Ahero Girls Secondary School
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2021/2022	2020/2021
		Kshs	Kshs
Tuition Account	110373878	239,928	349,342
Operations Account	01139013430800	32,975	1,945,540
School Fund Account/Boarding	0102001993100	1,600,839	278,650
Infrastructural Account	0102801993101	1,423,961	388,092
IGP Bakery	0102801993100	49,420	20,404
CDF	02902932166813	-	82,123
Total		3,347,123	3,064,151

9 CASH IN HAND

Description	2021/2022	2020/2021
	Kshs	Kshs
Tuition Account	-	-
Infrastructure Account	61,700	8,350
Operation Account	-	-
School Fund account	377,358	391,551
Total	439,058	399,901

10 SHORT TERM INVESTMENT

Description	2021/2022	2020/2021
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit	-	-
Equity Stock	-	-
Other Investments	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 ACCOUNTS RECEIVABLE

Description	2021/2022	2020/2021
	Kshs	Kshs
Fees arrears	36,987,412	31,965,584
Other non-fees receivables	-	-
Salary advances	-	-
Total	36,987,412	31,965,584

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

Description	2021/2022	2020/2021
	Kshs	Kshs
Fees arrears for current year	9,519,813	4,335,309
Fees arrears for the previous year	335,309	2,082,943
Fees arrears for prior periods (over two years)	27,132,290	25,547,332
Total	36,987,412	31,965,584

12 ACCOUNTS PAYABLE

Description	2021/2022	2020/2021
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	17,781,944	15,649,556
Prepaid fees		2,960,187
Direct Deposits	519,932	956,906
Total	18,301,876	19,566,650

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

Description	2021/2022	2020/2021
	Kshs	Kshs
Trade creditors for current year	10,217,759	8,237,333
Trade creditors for the previous year	7,564,185	7,412,223
Trade creditors for prior periods (over two years)		
Total	17,781,944	15,649,556

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 FUND BALANCE BROUGHT FORWARD

Description	2021/2022	2020/2021
	Kshs	Kshs
Bank balances	3,347,122	3,064,151
Cash balances	439,058	399,901
Receivables	36,987,412	31,965,584
Payables	-18,301,876	-19,566,650
Total	22,471,716	15,862,987

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Other important disclosure notes

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

14 NON CURRENT LIABILITIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank Loan(s)	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity and Leave provision	-	-
Total	-	-

15 Biological assets

Description	Numbers	2020-2021	2019-2020
		Kshs	Kshs
Cattle		-	-
Goats		-	-
Trees		-	-
Coffee or tea plantation		-	-
Poultry		-	-
Total		-	-

16 Borrowings

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

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Other important disclosure notes

17 Stock/ Inventory

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

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18 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 20XX	Outstanding Balance 20XX-1	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Supply of goods						
4.						
5.						
6.						
Sub-Total						
Supply of services						
7.						
8.						
9.						
Sub-Total						
Grand Total						

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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

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

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

AHERO GIRLS SECONDARY SCHOOL SUNDRY CREDITORS AS AT 23/06/2022

BOARDING ACCOUNT			
SUPPLIES 2021 /2022			
BOARDING ACCOUNT			
NAME			
1	Argwings Muga	Firewood	100,000.00
2	Extreme Engineers	Energy saving Jiko	300,000.00
3	Purve Sale	Hardware	139,310.00
4	SNE Fund		1,900,000.00
5	Grivet com investment	Chicken	32,000.00
6	Wamhusy Enterprises	Plumbing works	176,400.00
7	Eudwin Co Ltd	Vegetables	196,500.00
			2,844,210.00

CREDITORS 2021		
TUITION ACCOUNT		
Name	Items	Balance
Doda	Stationeries	43,529.00
8 Tachma	Comp Consumables	24,000.00
Total		43,529.00

CREDITORS 2021		
OPERATIONS ACCOUNT		
Name	Items	Balance
9 James Mariwa	Service Gratuity	100,000.00
10 Jecton Muga	Service Gratuity	172,250.00
11 Nelson Otombo	Service Gratuity	142,000.00
Total		414,250.00
Grand Total		

BOARDING ACCOUNT 2022			
12	Shadoro Limited	Groceries	121,900.00
13	Shadoro Limited	Beans	180,000.00
14	Mannpas Investment	Maize	450,000.00
15	Salkex	Groceries	605,964.00
16	Pamati	Groceries	239,800.00
17	Beke Investment	Electricals	45,480.00
18	Wilgosam	Chicken	87,900.00
19	Wilgosam	Vegetables	44,125.00
20	Frego	Beans	90,000.00
21	Collins Odhiambo	Beef	190,100.00
22	Douvero Enterprises	Chairs	100,400.00
23	Purve Sales	Hardware	1,098,251.00
24	Terephine Supplies	Vegetables	220,750.00
25	Eco Green	Brickets	210,000.00
26	Argwings Muga	Firewood	0.00
27	Glonem	Rice	160,000.00
28	Ghostasan	Beef	252,720.00

29	Grivetcom	Eggs	25,650.00
30	Tebony Trading	Charcoal	23,300.00
31	Mascarlet Harware	Hardware	767,000.00
32	Cyber School	Leaning Software	82,000.00
33	Son and Mom	Lockers an Chairs	132,500.00
	Total		5,127,840.00
	<u>Tution Account</u>		
34	Ebergratia	Office Machines	155,000.00
35	Ebergratia	Tonner	8,000.00
36	Anvi Emporium	Lab Items	199,650.00
37	Natela Limited	Stationery	111,120.00
38	MFI	Ink&Masters	70,000.00
39	Jopami	Stationery	229,267.00
40	Omuono &Co Inv		111,300.00
41	Witox		10,000.00
	Total		894,337.00
	OPERATIONS ACCOUNT		
42	Pride Kings	Security	130,000.00
43	Sunshine Automobiles	Bus Service	605,093.00
44	Ebergratia	Solar Lights	124,500.00
45	Nyando Power	Electrical	34,000.00
	Total		893,593.00

