

REPUBLIC OF KENYA



*Enhancing Accountability*

THE NATIONAL ASSEMBLY  
PAPERS LAID **REPORT**

DATE: **10 APR 2025** DAY: **THURSDAY**

TABLED  
BY:

HON. SIVANUS OSORO, MP  
MAJORITY PARTY **KIPK** OF

CLERK-AT  
THE-TABLE:

INZOFU MWALE



**THE AUDITOR-GENERAL**

**ON**

**AHERO GIRLS SECONDARY SCHOOL**

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

**KISUMU COUNTY**



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**AHERO GIRLS SECONDARY SCHOOL  
PUBLIC SECONDARY SCHOOL**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30<sup>th</sup> June 2021**

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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 30<sup>th</sup> June 2021**

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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 1228 number of students as at 30<sup>th</sup> June 2021 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
14	Fr Shadrack Malo	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**

*Provide the names of the various committees of the Board established by the Board and the names of the committee members:*

Ref.	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	<b>Executive Committee</b>	<b>Nerry Achar</b> <b>George Apat</b> <b>George Ouko</b> <b>Jared Sala</b> <b>Joyce Omondi</b>	<b>Chairman</b> <b>Member</b> <b>Member</b> <b>Member</b> <b>Secretary/Principal</b>	<b>0 out of 0</b> <b>0 out of 0</b> <b>0 out of 0</b> <b>0 out of 0</b> <b>0 out of 0</b>
3	Finance, procurement and general purposes Committee	Glence Arwa Samwel Ahero Agnes Okal Joyce Omondi	Chairman Member Member Secretary	3 out of 3 3 out of 3 3 out of 3 3 out of 3
4	Academic Committee	Susan Abongo George Apat Paschalia Wanduga Joyce Omondi	Chairperson Member Member Secretary	0 out of 0 0 out of 0 0 out of 0 0 out of 0
5	Infrastructure Committee	Erick Ngage Jared Sala George Ouko Paschalia Ouma Nerry Achar Joyce Omondi	Chairman Member Member Member Member Secretary	7 out of 7 4 out of 7 4 out of 7 4 out of 7 1 out of 7 7 out of 7

**(d)**

**(e)**

**(f) School operation Management**

**Ahero Girls Secondary School  
Annual Report and Financial Statements  
For the year ended 30<sup>th</sup> June 2021**

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For the financial year ended *30<sup>th</sup> June 2021* the School day-to-day management was under the following persons:

<b>Ref:</b>	<b>Designation</b>	<b>Name</b>	<b>TSC Number</b>
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)**

**(g) Schools contacts**

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

**(h) 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 to0102001993100 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:

1. Surplus for the year 2021 ksh 4,190,456.65
2. Surplus for the year 2020 ksh (7,335,844.96)
3. Surplus for the year 2019 Ksh 980,457.00

#### i. Capitation Grants

1. 2021 Capitation Grants Ksh 12,766,777.45
2. 2020 Capitation Grants Ksh 21,112,757.00
3. 2019 Capitation Grants Ksh 23,639,665.04

#### ii. Ratio of capitation Grants per student.

1. 2021 – 1:Ksh 10,312
2. 2020-1: ksh 19,621
3. 2019-1:Ksh 22,310

#### iii. Growth of Income

1. 2021-Ksh 35,174,323.20
2. 2020-Ksh 61,448,104.50
3. 2019- Ksh74,281,947.54

#### Iv. Growth of Expenditure

1. 2021- Ksh 30,983,866.55
2. 2020- Ksh 68,783,949.46
3. 2019 Ksh 72,565,741.39

#### v. Movement of Debtors and Creditors

##### Debtors

1. 2021-Ksh31,965,584.29
2. 2020- Ksh 31,272,428.04
3. 2019-Ksh 24,984,444.04

##### Creditors

1. 2020-Ksh 21,745,131.10
2. 2021-Ksh. 19,566,649.50
3. 2019-Ksh12,837,530.4

**Ahero Girls Secondary School**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2021**

*vi. Movement of Cash and Bank Balances*

<i>YEAR</i>	<i>CASH(Kshs)</i>	<i>BANK(Kshs)</i>
<i>2021</i>	<i>128,518.76</i>	<i>2,294,868.21</i>
<i>2020</i>	<i>215,342.00</i>	<i>889,225.41</i>
<i>2019</i>	<i>516.90</i>	<i>1,148,303.10</i>

**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 three years:**

- 1. 2019- 5.45*
- 2. 2020- 6.06*
- 3. 2021-5.43*

**d) Number of Candidates for three years**

- 1. 2021-278*
- 2. 2020-206*
- 3. 2019-253*

**e) Capacity of the school: Total Population 1,228**

- 1. Toilets 48 Doors*
- 2. Pit Latrine 4 Doors*
- 3. Dorms 17 Door*
- 4. Laboratory 3 Doors*
- 5. Classrooms 28 Classes*

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

- 1. Completion 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.

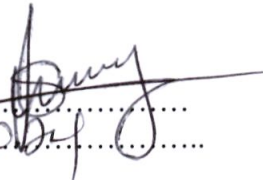
Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to be keep all proper books and records of accounts of the income, expenditure and assets of the institution.

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).

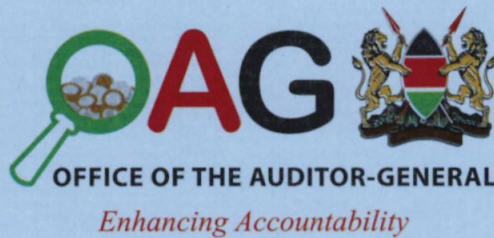
The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30<sup>th</sup> June, 2021, and of the school's financial position as at that date.

**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



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

## **REPORT OF THE AUDITOR-GENERAL ON AHERO GIRLS SECONDARY SCHOOL FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021 – 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 10 to 25, which comprise the statement of financial assets and financial liabilities for the six (6) months period ended 30 June, 2021, and the statement of receipts and payments, statement of cash flows and summary statement

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

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 for the six (6) months' period ended 30 June, 2021 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. Variance Between Financial Statements and Supporting Schedules**

The statement of receipts and payments reflects total payments of Kshs.29,894,876 comprising of tuition, operations and boarding amounts of Kshs.2,664,029, Kshs.9,181,804 and Kshs.18,049,043 respectively. However, the supporting schedules reflects Kshs.1,490,702, Kshs.8,742,700 and Kshs.20,783,595 resulting to unexplained variances of Kshs.1,173,327, Kshs.439,104 and Kshs.2,734,552 respectively.

In the circumstances, the accuracy and completeness of the total payments of Kshs.29,894,876 could not be confirmed.

### **2. Unsupported Cash and Cash Equivalentents**

The statement of financial assets and financial liabilities reflects cash and cash equivalentents balance of Kshs.3,464,052 as disclosed in Notes 8 and 9 to the financial statements. Included in this balance are bank account and cash account balances of Kshs.3,064,151 and Kshs.399,901, 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.3,464,052 could not be confirmed.

### **3. Accounts Receivables**

#### **3.1 Unsupported Accounts Receivables**

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.31,965,584 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.31,965,584 could not be confirmed.

### **3.2 Long Outstanding Receivables**

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.31,965,584 in respect of fees arrears as disclosed in Note 11 to the financial statements. Included in the balance are receivables amounting to Kshs.25,547,332 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.25,547,332 could not be confirmed.

### **4. Variances in Payables**

The statement of financial assets and financial liabilities reflects accounts payable balance of Kshs.19,566,650 as disclosed in Note 12 to the financial statements. However, the balance varies with Kshs.15,649,556 reflected in the ledger or trial balance resulting to an unexplained or an unreconciled variance of Kshs.3,917,094.

#### **4.1 Unsupported and Long Outstanding Accounts Payables**

The statement of financial assets and financial liabilities reflects accounts payables balance of Kshs.19,566,650 as disclosed in Note 12 to the financial statements. Included in this balance is Kshs.15,649,556 in respect of trade creditors whose detailed schedule omits critical information on invoice number and date contracted. In addition, the balance includes prepaid fees and direct deposits of Kshs.2,960,187 and Kshs.956,906 respectively whose details have not been provided.

In the circumstances, the accuracy and completeness of the accounts payables balance of Kshs.19,566,649 could not be confirmed.

### **5. Inaccuracies in the Financial Statements**

The statement of receipts and payments reflects total payments of Kshs.29,894,876 whereas the statement of budgeted versus actual amounts reflects total payments of Kshs.18,049,043 resulting to unreconciled variance of Kshs.11,845,833.

In the circumstances the accuracy and completeness of the financial statements 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.35,125,998 respectively, resulting to an under-funding of Kshs.51,069,238 or 60 % of the budget. However, the School spent a balance of Kshs.18,049,043 against actual receipts of Kshs.35,125,998, resulting to an under-utilization of Kshs.17,076,955 or 49 % 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.2,373,208 and Kshs.10,393,569, respectively as disclosed in Notes 1 and 2 to the financial statements. During the financial year, NEMIS reported a total number of one thousand one hundred and fifty-eight (1,158) students while the enrolment records provided by the School indicated a total number of one thousand two hundred and forty five (1,245) students, resulting to an unexplained variance of eight seven (87) students. As a result of the variances, the School was under funded by an amount of Kshs.959,162.

In the circumstances, the underfunding 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.12,766,777. 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/period 2020-2021, NEMIS reflected one thousand one hundred and fifty eight (1,158) students while records from the County Director of Education had one thousand two hundred and forty five (1,245) students, resulting to an underfunding of the School by an amount of Kshs.959,162. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 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. Excess Supply of Books**

During the year/period under review, the Ministry of Education distributed textbooks to public secondary schools through Kenya Institute of Curriculum Development (KICD). Examination of records revealed that the Institute distributed six hundred and thirty-four (634) books to the School while only five hundred and eighty five (585) books were issued to the students, resulting to an unexplained excess text books of forty nine (49) books in the School store. Further, some books issued in the financial year 2017/2018 were still lying in the store as they were no longer in use.

In the circumstances, value for money on the excess forty-nine (49) text books could not be confirmed.

## **4. 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.19,566,650. However, included in the balance are trade payables balance of Kshs.7,412,223 which had been outstanding for more than one (1) years. 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 contracts 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.

## **5. 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.

#### **6. Failure to Transfer of Infrastructure Funds from Operations Bank Account**

The statement of receipts and payments reflects operations grants amount of Kshs.10,393,569 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.5,525,500 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.4,500,000 was transferred to infrastructure account, leaving a balance of Kshs.725,500 as at 30 June, 2021. This was contrary to the Ministry of Education Circular Ref. No: MOEHQS/3/13/3 dated 9 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.

#### **7. Lack of a Procurement Plan**

The statement of receipts and payments reflects an amount of Kshs.35,125,998 and Kshs.29,894,876 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.

#### **8. 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 financial statements cover a period of six (6) months from 01 January, 2021 to 30 June, 2021. However, the fact has not been disclosed in financial statements. 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. 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 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.

#### **9. 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, 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, Management was in breach of the law.

#### **10. Failure to Effect Full Transfer Infrastructure Funds from the Operations Bank Account**

The statement of receipts and payments reflects capitation grants for tuition and operations totalling Kshs.2,373,208 and Kshs.10,393,569 respectively out of which Kshs.5,525,500 was transferrable to the infrastructure bank account for implementation of projects. However, Kshs.4,500,000 was transferred from the operations account resulting to a shortage of Kshs.725,500 contrary to the provisions of Ministry of Education Circular Reference number MOE.HQS/3/10/18/(112) which states that to ensure accountability and smooth implementation of the FDSE programme, all schools are required to operate school infrastructure account for banking infrastructure grants from GOK a and Maintenance and Improvement Funds.

In the circumstances, the Management was in breach of the Ministry guidelines.

#### **11. Under Disbursement of Government Subsidy (Capitation) for Tuition**

The statement of receipts and payments reflects income from capitation grant for tuition totalling Kshs.2,373,208 against the budgeted amount of Kshs.5,461,343 resulting to under-funding of Kshs.3,088,134 contrary to paragraph 1.2 of the Ministry of Education Guidelines on Implementation of Free Day Secondary Education (FDSE), for the year 2021-2022 dated 16 June, 2021 Ref No. MOE HQS3/13/3 which provides that the Government will disburse GOK subsidy (capitation) to schools to actualize free day secondary education at the rate of Kshs.22,244 which includes Kshs.4,144 annually per learner.

In the circumstances, the underfunding affected the planned tuition activities and may have impacted negatively on service delivery to the students.

#### **12. Unapproved Virement (Reallocation) of Funds**

Review of records revealed that Management transferred Kshs.100,000 from the tuition account to a supplier's account for installation of biometrics contrary to Ministry of Education Circular Ref. No: MOE/G1/9/1/44 dated 09 January, 2008 and MOE.HQS/3/13/3 dated 16 June, 2021 which directs that under the operations account, schools may seek authority from the County Education Boards (CEBs) to vire savings or surplus funds from one (1) item to another, when it is absolutely necessary but no virement from the tuition account will be allowed. In addition, virement of funds from infrastructure account is not allowed as guided by paragraph 3.13 of circular MOE.HQS/3/10/18/ (112).

In the circumstances, Management was in breach of Ministry guidelines.

### **13. Non-Compliance with Prescription on Principals, Board of Management and Committees' Terms of Services and Entitlement**

Review of records on the composition of the Board of Management indicated that a representative of the student's council and three co-opted members had not been appointed. This is contrary to Section 56 (1)(g) and (2) of the Basic Education Act, 2013. Further, the allowances paid to the members of the Board of Management were ranging from Kshs.3,000 to Kshs.5,000 per sitting. However, the approvals/authority upon which these allowances were made were not provided.

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 meeting in every four 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 also not provided for audit.

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

### **3. Weak Internal Controls**

Review of the School's internal control and risk management environment revealed that during the six (6) months period ended 30 June, 2021 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 sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the School's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes

and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal 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 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, CBS  
AUDITOR-GENERAL

Nairobi

21 January, 2025

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**V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30<sup>TH</sup> JUNE 2021**

DESCRIPTION OF VOTE HEAD	Note	As at 30 <sup>th</sup> JUNE	As at 31 <sup>st</sup>
		2021	DEC2020
		Kshs	Kshs
<b>RECEIPTS</b>			
Capitation grants for tuition	1	2,373,208	2,569,364
Capitation grants for operations	2	10,393,569	18,558,215
School Fund Income- Parents' Contributions	3	18,851,641	28,157,262
School Fund Income- Other receipts	4	3,507,580	12,163,264
<b>TOTAL RECEIPTS</b>		<b>35,125,998</b>	<b>61,448,105</b>
<b>PAYMENTS</b>			
Payments for Tuition	5	2,664,029	3,924,330
Payments for operations	6	9,181,804	22,368,743
Boarding and school fund payments	7	18,049,043	42,490,877
<b>TOTAL PAYMENTS</b>		<b>29,894,876</b>	<b>68,783,949</b>
<b>SURPLUS (Deficit)</b>		<b>5,231,122</b>	<b>-7,335,845</b>

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

Sign:   
Name: Mr Nerry Achar

Sign   
Name: Mrs Joyce Omondi

Sign   
Name: Mr Sylvance Osir

Chair BOM  
Date ..... 14/06/2024

School Principal/  
Secretary to BOM  
Date..... 14/06/2024

Bursar/  
Finance Officer  
Date... 14/06/2024

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**VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30<sup>TH</sup> JUNE 2021**

Description	Note	AS at 30 <sup>th</sup> June 2021	As at 31 <sup>st</sup> DEC 2020
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	8	3,064,151	889,225
Cash Balances	9	399,901	215,343
Short term Investment	10	-	-
<b>Total Cash and cash equivalent</b>		<b><u>3,464,052</u></b>	<b><u>1,104,568</u></b>
Account's receivables	11	31,965,584	31,272,428
<b>TOTAL FINANCIAL ASSETS</b>		<b>35,429,636</b>	<b>32,376,996</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payables	12	19,566,650	21,745,131
<b>NET FINANCIAL ASSETS</b>		<b>15,862,987</b>	<b>10,631,865</b>
<b>REPRESENTED BY</b>			
Accumulated Fund b/fwd	13	10,631,865	17,967,710
Surplus		5,231,122	(7,335,845)
<b>NET FINANCIAL POSSITION</b>		<b>15,862,988</b>	<b>10,631,865</b>
			-

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

VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/e %
	Kshs	Kshs			Kshs	Kshs
<b>RECEIPTS</b>						
<b>(1) CAPITATION GRANT ON TUITION</b>						
Textbooks	1,295,480	-	1,295,480	960,079	335,401	74%
Teaching / learning materials	438,947	-	4,165,863	145,352	2,821,627	32%
Exercise Books	1,485,000	-	1,485,000	481,308	1,003,691	32%
Laboratory equipment	652,987	-	652,987	209,951	443,036	32%
SMASE	-	-	-	58,800	58,800	0%
Library Reference	740,245	-	740,245	233,200	507,045	32%
Exams and Assessment	848,684	-	848,684	274,425	5742,59.00	32%
Direct Credit	-	-	-	10,093	10,093	0%
<b>Total</b>	<b>5,461,343</b>		<b>5,461,343</b>	<b>2,373,208</b>		
<b>(2) CAPITATION GRANT ON OPERATIONS</b>						
Personnel emoluments	6,441,476		6,441,476	4,146,800	2,294,676	64%
Repairs and maintenance	5,880,000		5,880,000	4,141,500	1,738,500	70%

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Local transport / travelling	949,641		949,641	453,991	495,650	48%
Electricity and water	949,641		949,641	453,991	495,650	48%
Medical and Insurance	2,352,000		2,352,000.0.	689,696	1,662,304	29%
Administration costs	949,641		949,641	453,994	495,647	48%
Activity	1,764,000		1,764,000	-	1,764,000	0%
Special Needs Education	143,600		143,600	53,595	90,005	37%
<b>TOTAL</b>	<b>19,429,999</b>		<b>19,429,999</b>	<b>10,393,569</b>		
<b>(3) FEES CHARGED ON PARENTS</b>						
Personnel emoluments	4,739,280		4,739,280	1,167,754	3,571,526	24%
Repairs and maintenance	3,669,120		3,669,120	1,470,555	2,198,565	40%
Local transport / travelling	993,720		993,720	594,329	399,391	59%
Electricity and water	5,762,400		5,762,400	2,108,038	3,654,362	36%
Administration costs	2,828,280		2,828,280	1,748,126	1,080,154	61%
Activity	176,400		176,400	1,355	175,045	0,7%
Fees Arrears	4,725,096		4,725,096		1,082,943	29%
Tender Fees	80,000		80,000	-	80,000	0%
Fee on Boarding Equipment and Stores	38,329,598		38,329,598	11,761,484	26,568,114	31%
Subtotal	61,303,894	0	61,303,894	18,851,641	38,810,100	
<b>OTHER INCOME</b>						
<i>Damages</i>				7,580		
<i>Income from Grants - Infrastructure</i>				3,500,000		
<i>Subtotal</i>				<b>3,507,580</b>		
<b>TOTAL INCOME</b>	<b>86,195,236</b>	<b>0</b>	<b>86,195,236</b>	<b>35,125,998</b>		
<b>(1) EXPENDITURE FOR TUITION</b>						

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Textbooks and reference materials	2,035,725		2,035,725	792,547	1,243,178	39%
Exercise books	1,485,000		1,485,000	300,000	1,185,000	20%
Laboratory equipment	652,987		652,987	581,333	71,654	15%
Internal exams	848,684		848,684	50,000	798,684	6%
Teaching / learning materials	438,947		438,947	880,869	-441,922	200%
SMASE	-		-	58,800	-58,800	0%
Bank Charges				480		
<b>Total</b>	<b>5,461,343</b>		<b>5,461,343</b>	<b>2,664,029</b>	<b>3,129,629</b>	
<b>(2) EXPENDITURE FOR OPERATIONS</b>						
Personnel emoluments	6,441,476		6,441,476	4,085,046	2,356,430	63%
Repairs, maintenance & improvements	5,880,000		5,880,000	3,500,000	2,380,000	60%
Local transport / travelling	949,461		949,641	146,446	803,195	15%
Service Gratuity	-		-	50,000	(50,000)	0%
Electricity, water and conservancy	949,461		949,641	161,000	788,641	16%
Medical and Insurance	2,352,000		2,352,000	539,142	1,812,858	22%
Administration costs	949,461		949,461	678,000	271,461	71%
Special Needs Education	143,600		143,600	-	143,600	0%
Activity	1,764,000		1,764,000	20,000	1,744,000	1.10%
Infrastructure	-		-	-	-	
Bank Charges				2,170		
<b>Total</b>	<b>19,429,999</b>		<b>19,429,999</b>	<b>9,181,804</b>		
<b>(3) EXPENDITURE FOR SCHOOL FUND</b>						

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Personnel emoluments	4,739,280		4,739,280	2,786,681	1,955,261	58%
Repairs, maintenance and improvements	3,669,120		3,669,120	1,219,287	2,449,833	33%
Local transport / travelling	993,720		993,720	488,497	556,973	43%
Electricity, water and conservancy	5,762,400		5,762,400	1,925,596	3,836,804	33%
Administration costs	2,828,280		2,828,280	1,647,007	1,254,123	55%
Activity	176,400		176,400	-	176,400	0%
Boarding Equipment and Stores	38,329,598		38,329,598	7,971,623	30,357,975	20%
Bank Charges				40,062	(40,062)	
Refund				7,000	(7,000)	
Infrastructure Expenditure				1,963,290	(1,963,290)	
<b>TOTALS</b>	<b>86,195,236</b>	<b>-</b>	<b>81,390,140</b>	<b>18,049,043</b>	<b>38,577,017</b>	

*[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 30<sup>th</sup> June 2022.

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**X. NOTES TO THE FINANCIAL STATEMENTS**

**1 CAPITATION GRANT FOR TUITION**

Description	As at 30 <sup>th</sup> June 2021	As at 31 <sup>st</sup> Dec2020
	Kshs	Kshs
Textbooks	960,079	131,272
Exercise books	481,308	864,802
Laboratory equipment	209,951	419,473
Teaching / learning materials	145,352	162,930
Library Reference	233,200	370,122
SMASSE	58,800	215,200
Direct Credit	10,093	31,223
Exams and assessment	274,425	374,342
<b>Total</b>	<b>2,373,208</b>	<b>2,569,364</b>

**2 CAPITATION GRANT FOR OPERATIONS**

Description	As at 30 <sup>th</sup> June 2021	As at 31 <sup>st</sup> Dec 2020
	Kshs	Kshs
Personnel emoluments	4,146,801	5,527,625
Repairs and maintenance	4,141,500	4,804,000
Local transport / travelling	453,991	347,750
Electricity and water	453,991	841,800
Medical and Insurance	689,696	726,300
Administration costs	453,994	340,950
Transition Improvement Grant	-	4,000,000
BOM Teachers	-	840,000
Activity	-	807,000
Special Needs Grant	53,595	107,190
<b>Total</b>	<b>10,393,569</b>	<b>18,558,215</b>

**3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT**

Description	As at 30 <sup>th</sup> June2021	As at 30 <sup>th</sup> Dec2020
	Kshs	Kshs
Personnel emoluments	1,167,754	2,674,845
Repairs and maintenance	1,470,555	5,424,618
Local transport / travelling	594,329	676,751
Electricity and water	2,108,038	4,921,235

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Fee on Boarding Equipment and Stores	11,761,484	12,186,260
Administration costs	1,748,126	1,919,151
Activity	1,355	354,401
<b>Total</b>	<b>18,851,641</b>	<b>28,157,262</b>

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

**4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT**

Description	As at 30 <sup>th</sup> June 2021	As at 31 <sup>st</sup> Dec 2020
	Kshs	Kshs
Fee on Boarding Equipment and Stores	-	-
Rent income	-	-
Fees Arrears	-	-
Damages	7,580	15,508
SNE Fund	-	3,087,756
Income from Grants -Infrastructure	3,500,000	9,000,000
Income from Bakery Project	-	-
Tender Committee	-	60,000
Dividends income	-	-
<b>Total</b>	<b>3,507,580</b>	<b>12,163,264</b>

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

**5 PAYMENTS FOR TUITION**

	As at 30 <sup>th</sup> June 2021	As at 31 <sup>st</sup> Dec 2020
	Kshs	Kshs
Textbooks and reference materials	792,547	131,272
Exercise books	300,000	1,124,800
Laboratory equipment	581,333	1,224,715
Teaching / learning materials	880,869	1,188,083
Smasse	58,800	215,200
Reference Materials		39,000
Exams and assessment	50,000	-
Bank Charges	480	1,260
<b>Total</b>	<b>2,664,029</b>	<b>3,924,330</b>

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

**6 PAYMENTS FOR OPERATIONS**

Description	As at 30 <sup>th</sup> June 2021	As at 31 <sup>st</sup> Dec 2020
	Kshs	Kshs
Personnel emoluments	4,085,046	7,668,394
Service Gratuity	50,000	-
Administration Cost	678,000	936,810
Repairs and maintenance & improvements	3,500,000	387,650
Local transport / travelling	146,446	980,921
Electricity and water	161,000	1,095,369
Activity Expenses	20,000	376,600
Medical and Insurance Costs	539,142	1,079,279
Bank Charges	2,170	3,720
Infrastructure	-	9,000,000
BOM Teachers	-	840,000
<b>TOTAL</b>	<b>9,181,804</b>	<b>22,368,743</b>

**7 BOARDING AND SCHOOL FUND PAYMENTS**

Description	As at 30 <sup>th</sup> June 2021	As at 31 <sup>st</sup> Dec 2020
	Kshs	Kshs
Personnel emoluments	2,786,681	3,492,478
AGM funds Drive	-	72,703
Repairs and maintenance & Improvements	1,219,287	7,251,865
Local transport / travelling	488,497	877,575
Electricity and water	1,925,596	1,843,237
Administration costs	1,647,007	2,570,914
Activity Expenses	-	662,440
Bank Charges	40,062	40,007
SNE fund	-	181,972
Fee on Boarding Equipment and Stores	7,971,623	12,086,260
Medical Expenses	-	10,000
Refund	7,000	70,775
Tender Fees	-	5,500
Special Needs Education	-	23,000
Acquisition of Asset (Infrastructure Expenditure)	1,963,290	13,302,150
<b>TOTAL</b>	<b>18,049,043</b>	<b>42,490,877</b>

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*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.*

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

**8 BANK ACCOUNTS**

Name of Bank, Account No. & currency	Bank Account Number	As at 30 <sup>th</sup> June2021	As at 31 <sup>st</sup> Dec2020
		Kshs	Kshs
Tuition Account	1103753878	349,342	88,570
Operations Account	01139013430800	1,945,540	80,017
School Fund Account/Boarding	0102001993100	278,650	557,814
Infrastructural Account	0102801993101	388,092	113,404
IGP	0102801993100	20,404	-
CDF	02902932166813	82,123	-
<b>Total</b>		<b>3,064,151</b>	<b>889,225</b>

**9 CASH IN HAND**

Description	As at 30 <sup>th</sup> June2021	As at 31 <sup>st</sup> Dec 2020
	Kshs	Kshs
Tuition Account		
Infrastructure Account	8,350	27,250
Operation Account		
School Fund account	391,551	188,093
<b>Total</b>	<b>399,901</b>	<b>215,343</b>

**10 SHORT TERM INVESTMENT**

Description	As at 30 <sup>th</sup> June 2021	As at 31 <sup>st</sup> Dec 2020
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit	-	-
Equity Stock	-	-
Other Investments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 ACCOUNTS RECEIVABLE

Description	As at 30 <sup>th</sup> June 2021 Kshs	As at 31 <sup>st</sup> Dec 2020 Kshs
Fees arrears	31,965,584	31,272,428
Other non-fees receivables	-	-
Salary advances	-	-
<b>Total</b>	<b>31,965,584</b>	<b>31,272,428</b>

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

Description	As at 30 <sup>th</sup> June 2021 Kshs	As at 31 <sup>st</sup> Dec 2020 Kshs
Fees arrears for current year	4,335,309	5,725,096
Fees arrears for the previous year	2,082,943	2,523,794
Fees arrears for prior periods (over two years)	25,547,332	22,460,650
<b>Total</b>	<b>31,965,584</b>	<b>31,272,428</b>

12 ACCOUNTS PAYABLE

Description	As at 30 <sup>th</sup> June 2021 Kshs	As at 31 <sup>st</sup> Dec 2020 Kshs
Trade creditors (See ageing below and appendix 1)	15,649,556	18,119,690
Prepaid fees	2,960,187	1,101,647
Direct Deposits	956,906	2,523,794
<b>Total</b>	<b>19,566,650</b>	<b>21,745,131</b>

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

Description	As at 30 <sup>th</sup> June 2021 Kshs	As at 31 <sup>st</sup> Dec 2020 Kshs
Trade creditors for current year	8,237,333	14,950,227
Trade creditors for the previous year	7,412,223	3,169,463
Trade creditors for prior periods (over two years)	-	-
<b>Total</b>	<b>15,649,556</b>	<b>18,119,690</b>

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

**13 FUND BALANCE BROUGHT FORWARD**

Description	As at 30 <sup>th</sup> June 2021	As at 31 <sup>st</sup> Dec 2020
	Kshs	Kshs
Bank balances	3,064,151	889,225
Cash balances	399,901	2152,343
Receivables	31,965,584	31,272,428
Payables	-19,566,650	-21,745,131
<b>Total</b>	<b>15,862,987</b>	<b>10,631,865</b>

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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	-	-
<b>Total</b>	-	-

**15 Biological assets**

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

**16 Borrowings**

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

Other important disclosure notes

17 Stock/ Inventory

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

**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.

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

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**VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2021**

		As at 30 <sup>th</sup> June 2021	As at 31 <sup>th</sup> Dec 2020
		Kshs	Kshs
<b>Receipts for operating income</b>			
Capitation grants for tuition	1	2,373,208	2,569,364
Capitation grants for operations	2	10,393,569	18,558,215
School fund income- Parents contributions/ fees	3	18,851,641	28,157,262
School fund income- other receipts	4	3,507,580	12,163,264
<b>Total receipts</b>		<b>35,125,998</b>	<b>61,448,105</b>
<b>Payments</b>			
Payments for Tuition	5	2,664,029	3,924,330
Payments for operations	6	9,181,804	22,368,743
Boarding and school fund payments	7	18,049,043	42,490,877
<b>Total payments</b>		<b>29,894,876</b>	<b>68,783,950</b>
<b>Cash flow from operating activities before working capital adjustments</b>		<b>5,231,122</b>	<b>(7,335,845)</b>
Add/less decrease /increase in receivables		(693,156)	(4,004,781)
Add/less decrease /increase in payables		(2,178,481)	8,337,044
<b>Net cash flow from Operating Activities</b>		<b>2,359,485</b>	<b>(3,003,582)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets			
Acquisition of Assets Infrastructure projects			
Proceeds from investments			
Purchase of investments			
<b>Net cash flows from Investing Activities</b>			
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
<b>Net cash flow from financing activities</b>			
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>2,359,485</b>	<b>(3,003,582)</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>		<b>1,104,568</b>	<b>4,108,150</b>
<b>Cash and cash equivalent at END of the year</b>		<b>3,464,053</b>	<b>1,104,568</b>

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

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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	
<b>Construction of buildings</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Supply of goods</b>						
4.						
5.						
6.						
<b>Sub-Total</b>						
<b>Supply of services</b>						
7.						
8.						
9.						
<b>Sub-Total</b>						
<b>Grand Total</b>						

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**ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER**

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 <sup>st</sup> July 20xx	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 <sup>th</sup> 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						
<b>Total</b>						

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

**AHERO GIRLS SECONDARY SCHOOL SUNDRY CREDITORS AS AT 30/06/2021**

<b>BOARDING ACCOUNT</b>			
<b>SUNDRY CREDITORS 2020</b>			
<b>No.</b>	<b>Name</b>		<b>BALANCE</b>
1	Manpas Investment	Maize	0.00
2	Glonem Enterprises	Rice	0.00
3	Salkex	Sugar	0.00
4	Ghostasan Enterprises	Beef	100,000.00
5	Henjene Enterprises	Beef	0.00
6	Keidan LTD	Firewood	0.00
7	Kadero General Merchants	Hardware	0.00
8	Purve Sales	Hardware	2,449,905.00
9	Beke Investment	Electrical	59,610.00
10	Rachuonyo Electricals	Electrical	0.00
11	Gilfeeds Investment	Vegetable Cutter	126,500.00
12	Extreme Engineering	Bakery Oven	300,000.00
13	Kachar General Works	Energy Saving Jikos	280,000.00
14	Jopami	Tiling Works	0.00
15	Triple line electricals	Generator Service	0.00
	<b>TOTAL</b>		<b>3,316,015.00</b>
<b>SUNDRY CREDITORS 2020</b>			
<b>TUITION ACCOUNT</b>			
	<b>Name</b>		
1	Shadoro Ltd	exercise Books	262,400.00
2	Apic Enterprises	Stationery	0.00
3	Omuono And Co	Stationery	26,131.00
4	Jopami	Lab Equipments	639,930.00
5	Felvine Ventures	Stationery	173,440.00
6	Witox	KCSE Board	15,000.00
7	Anvi Emporium	Lab Equipments	184,785.00
	Total		<b>1,301,686.00</b>
<b>SUNDRY CREDITORS 2020</b>			
<b>OPERATIONS ACCOUNT</b>			
	<b>Name</b>		
1	Ebergratia Ventures	Tonnors	3,700.00
2	Magtechphotocomp Solutions	Tonnors	9,000.00
3	Wanhusy Enterprises	Sprinker system	50,273.00
4	Wanhusy Enterprises	Plumbing	154,175.00
5	Wanhusy Enterprises	Civil Works	10,496.00
6	Turnbridge Enterprises	Book Binding	0.00
7	De silver	Book Binding	47,850.00
8	Alimax Computer Systems	Comp servicing	10,800.00
9	Sunshine Automobiles	Bus service	770,051.00
10	Grivet and Sons	Civil Works	287,650.00
11	Starson Safety Supplies	Fire Services	38,000.00
12	Jmax Electronic Systems	CCTV	71,820.00
13	Pride Kings Security	Ssecurity	64,000.00
14	MFI	Copier/Stationaries	0.00
15	Nyando Power	electricity maintenat	700.00
16	Salary Arrears non teaching staff		1,162,480.00

17	Pride Kings Security	fire Services	78,300.00
	Total		<b>2,759,295.00</b>
<b>SUPPLIES 2021 TERM TWO</b>			
<b>BOARDING ACCOUNT</b>			
<b>NAME</b>			
1	Mannpas Investment	Beans	340,000.00
2	Mannpas Investment	Maize	441,000.00
3	Shadoro Limited	Maize	190,000.00
4	Glonem Enterprises	Rice	396,800.00
5	Salkex	Groceries	448,328.00
6	Shadoro Limited	Groceries	316,950.00
7	Argwings Muga	Firewood	200,000.00
8	Wamhusy Enterprises	Firewood	40,000.00
9	Beke Investments	Electricals	383,910.00
10	Ebergratia Ventures	Thermo Guns	5,000.00
11	Tebony Trading and investment Agency	Hardware	87,700.00
12	Fawinex Ltd	Beef	95,420.00
13	Wamhusy Enterprises	Sprinkler system	111,526.00
14	Grivet com	Chichen	49,450.00
15	Wamhusy Enterprises	Alarm	560,898.00
16	World Touch International	Diaries	67,850.00
17	Grivet and Sons contractors co	Civil Works	50,000.00
18	Gyavira Enterprises Ltd	Maize	13,000.00
19	Wilgosam Co. Ltd	Chicken	142,000.00
20	Magven Vegetables	Vegetables	154,890.00
21	Joshua Juma Ongawa	Vegetables	119,945.00
22	Tebony Tradings	Firewood	110,500.00
23	Tripline Electricals	Generator Service	43,000.00
24	Akastianda Investment	Beef	290,900.00
25	The Oats general	Staff uniforms	0.00
26	Jopami Technologies	Tiling	285,147.00
27	Purve Sale	Hardware	143,140.00
28	Gyavira Enterprises Ltd	Firewood	100,000.00
29	Cimondejem	Vegetables	69,410.00
30	Joseph Juma Ongawa	Vegetables	119,945.00
			<b>5,376,709.00</b>

<b>CREDITORS 2021</b>			
<b>TUITION ACCOUNT</b>			
<b>No</b>	<b>Name</b>	<b>Items</b>	<b>Balance</b>
1	Magtech Photo Comp Solutions	Tonnors	48,400.00
2	Lazjo Agencies	Tonnors	200,500.00
3	Asal Printers and Stationers	Exercise books	405,600.00
4	Doda	Stationeries	361,314.00
5	Awendo Ebenezer	Lab items	331,563.00
6	Felvin Venture	Stationeries	128,405.00
7	Kiscen Enterprises	loggin machine	142,250.00
8	Joeto Service	Homescince items	10,000.00

9	Jopami Technologies	Lab items	149,770.00
	<b>Total</b>		<b>1,777,802.00</b>

<b>CREDITORS 2021</b>			
<b>OPERATIONS ACCOUNT</b>			
	<b>Name</b>	<b>Items</b>	<b>Balance</b>
1	Witox	Service Charter	15,000.00
2	MFI	Ink \$Masters	452,140.00
3	Magtech Photomp	Printer Repairs	7,500.00
4	Nyando Power	Electrical Repairs	46,000.00
5	Pride Kings	Security	430,000.00
6	Sunshine Automobiles	Bus Service	132,182.00
	<b>Total</b>		<b>1,082,822.00</b>
	<b>Grand Total</b>		