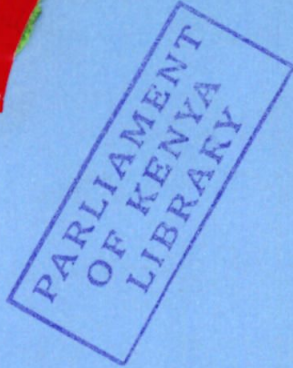


REPUBLIC OF KENYA



Enhancing Accountability



THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 10 APR 2023	DAY: THURSDAY
TABLED BY: HON. SILVANUS OSIRO, MP MAJORITY PART WHIP	
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REPORT

THE AUDITOR-GENERAL

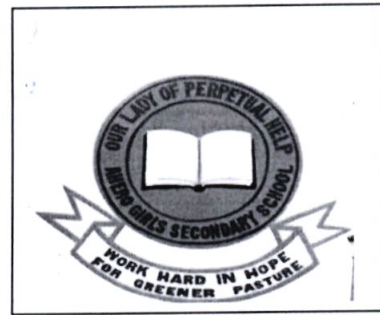
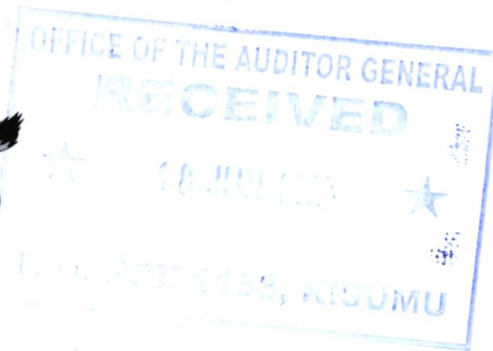
ON

AHERO GIRLS SECONDARY SCHOOL

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

KISUMU COUNTY

/Revised 30th June 2023.



AHERO GIRLS SECONDARY SCHOOL

Public Secondary School

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2023**

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

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**Ahero Girls Secondary School
Annual Report and Financial Statements
For the year ended 30th June 2023**



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1. Acronyms and Glossary of Terms

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

BOM	Board of Management
CEB	County Education Board
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
FY	Financial Year
FDSE	Free Day Secondary Education

**Ahero Girls Secondary School
Annual Report and Financial Statements
For the year ended 30th June 2023**

2. Key School Information and Management

(a) Background information

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

The school was registered in 23/02/2011 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 1498 number of students as at 30th June 2023. It has 6 streams and 60 teachers of which 18 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. George Ouko	Chairman-Sponsor	03/04/2023
2	Mrs. Joyce Omondi	Secretary - Principal	03/04/2023
3	Prof Basil Titus Iro	Member -Community	03/04/2023
4	Mrs.Dorothy Odhiambo	Member -Community	03/04/2023
5	Mr.Felix Otieno	Member -Community	03/04/2023
6	Dr.Agnes Phoebe Awuor	Member-Sponsor	03/04/2023
7	Mr.Jared Sala	Member-Community	03/04/2023
8	Mr.Vitalis Odipo	Member-Community	03/04/2023
9	Fr Peter Omuony	Member-Sponsor	03/04/2023
10	Mrs Paschalia Ouma	Member – Rep CEB	03/04/2023
11	Mr.Charles Obiero	Member Rep Teachers	03/04/2023
12	Mr.Tom Odero	Member - Communtiy	03/04/2023
13	Dr.Lilian Odero	Member - Community	03/04/2023
14	Mr.Jared Ambila	Member Special Needs	03/04/2023
15	Ms.Bhakita Atieno Ngeso	Rep Students	03/04/2023

Ahero Girls Secondary School
Annual Report and Financial Statements
For the year ended 30th June 2023

The functions of the School Board of Management are to:

- 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

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	Executive Committee	Mr.George Ouko Mr VitalisOdipo Mrs Dorothy Odhiambo Dr.Lilian Odero Mrs. Joyce Omondi	Chairman Member Member Member Secretary	0 out of 3
2	Audit Committee	Mrs.Dorothy Odhiambo Mr.George Ouko Mr.Vitalis Odipo Mr.Jared Sala Mrs.Joyce Omondi	Member Member Member Member Secretary	0 out of 3
3	Finance,procurement and general purposes Committee	Mrs.Dorothy Odhiambo Mr.George Ouko Mr.Vitalis Odipo Mr.Jared Sala Mrs.Joyce Omondi	Member Member Member Member Secretary	1 Out of 3

Ahero Girls Secondary School
Annual Report and Financial Statements
For the year ended 30th June 2023

4	Academic Standards, Quality and Environment Committee	Dr. Agnes Phoebe Mr. George Ouko Mr. Vitalis Odipo Mr. Jared Sala Prof. Basil Iro Mrs. Joyce Omondi	Member Member Member Member Member Secretary	0 Out of 3
5	Ethics and Integrity Committee	Mr. George Ouko Dr. Vitalis Odipo Mr. Jared Ambila Mr. Felix Otieno Mrs. Joyce Omondi	Member Member Member Member Secretary	0 Out of 3
6	Human Rights and welfare Committee	Fr. Peter Omuony Mr. George Ouko Dr. Lilian Oder Mr. Charles Obiero Mrs. Joyce Omondi	Member Member Member Member Secretary	0 Out of 3
7	School Infrastructure Committee	Eng. Tom Otieno Mr. George Ouko Mr. Vitalis Odipo Mr. Jared Sala Mrs. Paschalia Ouma Mrs. Joyce Omondi	Member Member Member Member Member Secretary	0 Out of 3

Ahero Girls Secondary School
Annual Report and Financial Statements
For the year ended 30th June 2023

(d) School operation Management

For the financial year ended 30th June 2023 the School day-to-day management was under the following persons:

Ref:	Designation	Name	Identification
1	Principal	Joyce Omondi	TSC No.390737
2	Deputy Principal 1	Rose Odhiambo	TSC No.264978
3	Deputy Principal 2	Glory Msenya	TSC No.425116
3	School Bursar	Sylvance Osir	ID No:26930096

(e) Schools contacts

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

(f) School Bankers

Provide details of the school bankers.

1.Name of Bank: KCB(Tuition Account)
Branch Kisumu
Account Number.1103753878

2.Name of Bank: KCB(Personal Emoluments Account)
Branch Kisumu
Account Number.1102838586

3.Name of Bank: COOP(Operations Account Account)
Branch Kisumu
Account Number.01139013430800

4..Name of Bank: Standard Chartered (School Fund Account)
Branch Kisumu
Account Number.0102001993100

5..Name of Bank: Standard Chartered (IGP Account)
Branch Kisumu
Account Number.0102801993100

6..Name of Bank: Standard Chartered (Infrastructure Account)
Branch Kisumu
Account Number.0102801993101

7. Name of Bank: Equity Bank (CDF Account)
Branch Kisumu
Account Number.02902932166813

(g) Independent Auditors

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

3. Summary Report of Performance of The School

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

a) Financial performance:

Surplus for the last three years.

1. Surplus For the year ended 2020/2021 Kshs.4190,456.65
2. Surplus For the year ended 2021/2022 Kshs. 7,649,395.20
3. Surplus For the year ended 2022/2023 Kshs 1,672,744.15

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

1. Capitation Grants for the year ended 2020/2021 –Kshs 12,766,777.45
2. Capitation Grants for the year ended 2021/2022-Kshs 24,538,779.30
3. Capitation Grants for the year ended 2022/2023 Kshs 16,547,431.45

A three-year overview of growth of other incomes earned by the school.

1. Incomes for the year ended 2020 /2021 - Kshs 35,174,323.20
2. Incomes for the year ended 2021/2022- Kshs 97,494,786.40
3. Incomes for the year ended 2022/2023 –Kshs 97,586,917.50

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

1. Expenditure for the year ended 2020/2021- Kshs 30,983,866.55
2. Expenditure for the year ended 2021/2022 Kshs 89,845,391.20
3. Expenditure for the year ended 2022/2023 Kshs 94,914,173.35

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

<u>Financial Year</u>	<u>Debtors (Arrears)(Kshs)</u>	<u>Creditors(Kshs)</u>
2020/2021	31,965,584.29	19,566,649.50
2021/2022	36,987,412.29	18,301.876.20
2022/2023	42,397,983.39	21,442,098.20

b) Teacher Student ratio:

1. Number of TSC Teachers 37
2. Number of Bom Teachers 17
3. Teachers Students Ratio 1:64
4. Shortage 19 Teachers.

**Ahero Girls Secondary School
Annual Report and Financial Statements
For the year ended 30th June 2023**

c) Mean score in the 2023 KCSE:

Year	Mean Score
2020 –	6.06
2021 –	5.43
2022-	7.22

d) Number of Candidates in the 2023 KCSE:

Year	Candidates
2020 –	206 Students
2021 –	278 Students
2022-	291 Students
2023-	328 Students

e) Capacity of the school:

Student Population 1498 Students

NO	Facilities	Existing	Required
1	Classrooms	33	12
2	Dormitories	18	4
3	Laboratories	2	4
4	Library	0	1
5	Toilets	54	10
6	Dining Hall	0	1

**Ahero Girls Secondary School
Annual Report and Financial Statements
For the year ended 30th June 2023**

f) Development projects carried out by the school:

(Development projects carried out in the year and ongoing projects including a disclosure of project fund sources in a tabular format).

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Prefab Fence	MIF	Ongoing			
Dormitory	MIF	Ongoing	28,904,942.00		



.....

School Principal

4. Statement of School Management Responsibility

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board (PSASB) 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, 2023, and of the school's financial position as at that date.

..... 

Name: Mr George Ouko

Designation: Chairman, School Board of Management

Date: 14/06/2024

..... 

Name: Mrs Joyce Omondi

Designation: School Principal & Secretary to Board of Management

Date: 14/06/2024

..... 

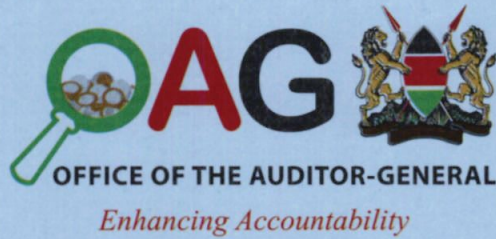
Name: Mr. Sylvance Osir

Designation: Bursar/ Finance Officer

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, 2023 – 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 1 to 22, which comprise the statement of financial assets and financial liabilities as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and summary statement budgeted versus actual

Report of the Auditor-General on Ahero Girls Secondary School for the year ended 30 June, 2023 - Kisumu County

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, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.42,397,983 in respect of fees arrears as disclosed in Note 13 to the financial statements. Included in the balance are receivables amounting to Kshs.27,132,291 which had been outstanding for more than three (3) 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.42,397,983 could not be confirmed.

2. Unsupported Payables

The statement of financial assets and financial liabilities reflects payables balance of Kshs.21,664,468 as disclosed in Note 14 to the financial statements. However, the balance varies with Kshs.21,442,098 reflected in the ledger or trial balance resulting to an unexplained or an unreconciled variance of Kshs.222,370. In addition, the balance includes direct deposits of Kshs.95,863 and R/D cheque of Kshs.126,507 whose details have not been provided.

In the circumstances, the accuracy and completeness of trade payables balance of Kshs.21,664,468 could not be confirmed.

3. Unsupported Receipts and Payments

The statement of receipts and payments reflects government grants for infrastructure amount of Kshs.5,071,000. However, the supporting schedule reflects Kshs.4,000,000 resulting to unexplained variances of Kshs.1,071,000. Further, the statement of receipts and payments reflects total payments of Kshs.92,923,525. However, the supporting payment schedules were not provided for audit.

In the circumstances, the regularity, accuracy and completeness of the receipts of Kshs.5,071,000 and payments of Kshs.92,923,525 could not be confirmed.

4. Inaccuracies in the Financial Statements

The statement of receipts and payments reflects total payments of Kshs.92,923,525 whereas the statement of budgeted versus actual amounts reflects total payments of Kshs.73,900,918 resulting to unreconciled variance of Kshs.19,022,607.

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.97,808,778 and Kshs.94,596,049 respectively, resulting to an under-funding of Kshs.3,212,729 or 4 % of the budget. However, the School spent a balance of Kshs.92,923,525 against actual receipts of Kshs.94,596,049 resulting to an under-utilization of Kshs.1,672,524 or 1.8 % 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.3,598,653 and Kshs.13,344,169, respectively as disclosed in Notes 1 and 2 to the financial statements. During the financial year, NEMIS reported a total number of one thousand three hundred and ninety-one (1,391) students while the enrolment records provided by the School indicated a total number of one thousand four hundred and ninety-eight (1,498) students, resulting to an unexplained variance of one hundred and seven (107) students. As a result of the variances, the School was under funded by an amount of Kshs.1,303,294.

In the circumstances, the over-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.16,942,822. 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 2022/2023, NEMIS reflected one thousand three hundred and ninety one (1,391) students while records from the County Director of Education had one thousand four hundred and ninety eight (1,498) students, resulting to an underfunding of the School by an amount of Kshs.1,303,294. 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. Long Outstanding Payables

The statement of financial assets and financial liabilities and as disclosed in Note 14 to the financial statements reflects payables balance of Kshs.21,664,468. However, included in the balance are trade payables balance of Kshs.5,366,980 which had been outstanding for more than two (2) 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 loss of public funds through litigations, interests and penalties.

4. Failure to Prepare School Improvement Plan

During the year/period 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. Errors in the Presentation and Disclosure of the Annual Report and the Financial Statements

Review of the annual report and financial statements revealed that the disclosure at 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 addition, Note 19 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 while required disclosures under Note 20 to the financial statements on other important disclosures in respect of progress on follow up of auditor recommendations and annex 1 on analysis of pending accounts payables have not been made.

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

6. Transfer of Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.13,344,169 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.5,286,000 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.4,000,000 was transferred to infrastructure account, leaving a balance of Kshs.1,286,000 as at 30 June, 2023. 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.

7. Lack of a Procurement Plan

The statement of receipts and payments reflects an amount of Kshs.94,596,050 and Kshs.92,923,525 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: -

Note 19 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 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 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, 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, 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. Unsupported Payments for Tuition

The statement of receipts and payments reflects payments for tuition amount of Kshs.2,959,247 and as disclosed in Note 6 to the financial statements. Included in the balance is Kshs.1,196,420 that is not supported by user requisition, Local Purchase/Service Orders (LPOs/LSOs), invoices, receipts and Electronic Tax Register receipts (ETRs) 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 is in breach of the law.

11. Irregular Procurement of Labour on Construction of Iron Sheet Fence

The statement of receipts and payments reflects infrastructure amount of Kshs.5,579,219 which includes payments on construction of dormitory totalling Kshs.4,824,839 as disclosed in Note 8 to the financial statements out of which Kshs.4,824,839 Kshs.2,378,265 was paid to a local company in respect of a labor-based construction of iron sheet fence at a contract sum of Kshs.2,378,265. 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 and progress reports were not provided for audit review. Further, no documentary evidence was provided for audit review to show 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 law.

12. 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 (3) 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 (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. Poor Management of Text Books

Review of records revealed that 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, the effectiveness of the internal controls on management of textbooks could not be confirmed.

4. 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 organization may fail to undertake adequate measures to safeguard data in the event of unforeseen disasters and may lack of a consistent approach towards the addressing of and handling ICT issues.

5. Lack of Risk Management Policy and Disaster Recovery Plan

Review of records revealed that the School did not develop and documented a risk management policy and also disaster recovery plan during the year under review.

In the circumstances, the effectiveness of the risk management and disaster recovery plans 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, CBS
AUDITOR-GENERAL

Nairobi

23 January, 2025

**Ahero Girls Secondary School
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For the year ended 30th June 2023**

6. Statement Of Receipts and Payments For the Year Ended 30th June 2023

DESCRIPTION OF VOTE HEAD	Note	2022-2023	2020-2022
		Kshs	Kshs
RECEIPTS			
Capitation grants for tuition	1	3,598,653	5,005,587
Capitation grants for operations	2	13,344,169	18,337,274
Government Grants for infrastructure	3	5,071,000	-
School Fund Income- Parents' Contributions	4	65,023,248	61,372,881
School Fund Income- Other receipts	5	7,558,980	5,787,291
TOTAL RECEIPTS		94,596,050	90,503,033
PAYMENTS			
Payments for Tuition	6	2,959,247	3,947,263
Payments for operations	7	10,484,141	17,185,116
Infrastructure	8	5,579,219	-
Boarding and school fund payments	9	73,900,918	62,761,925
TOTAL PAYMENTS		92,923,525	83,894,304
SURPLUS (Deficit)		1,672,525	6,608,729

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

.....


Name: Mr. George Ouko


Chair BOM

Date:

.....


**Name: Mrs Joyce Omondi
School Principal/ Secretary to
BOM**

Date:

.....


**Name: Mr. Sylvance Osir
Bursar/ Finance Officer**

Date: 14/06/2024

(Comparative FY refers to the financial year preceding the current financial year.)

**Ahero Girls Secondary School
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7. Statement of Assets and Liabilities As At 30th June 2023

Description	Note		2021-2022
			Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	10	3,010,825	3,347,122
Cash Balances	11	399,901	439,058
Short term Investment	12	-	-
Total Cash and cash equivalent		3,410,726	3,786,180
Account's receivables	13	42,397,983	36,987,412
TOTAL FINANCIAL ASSETS		45,808,709	40,773,592
FINANCIAL LIABILITIES			
Accounts Payables	14	21,664,468	18,301,876
NET FINANCIAL ASSETS		24,144,241	22,471,716
REPRESENTED BY			
Accumulated Fund b/fwd	15	22,471,717	15,862,988
Surplus		1,672,525	6,608,729
NET FINANCIAL POSSITION		24,144,242	22,471,717

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

.....
Name: George Ouko
Chair BOM
Date: 14/06/2024

.....
Name: [Signature]
School Principal/ Secretary to BOM
Date: 14/06/2024

.....
Name: [Signature]
Bursar/ Finance Officer
Date: 14/06/2024

(Comparative FY refers to the financial year preceding the current Financial year.)

Ahero Girls,Secondary School
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For the year ended 30th June 2023

8. Statement of Cash Flows for the Year Ended 30th June 2023

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Operating activities			
Receipts			
Capitation grants for tuition	1	3,598,653	5,005,587
Capitation grants for operations	2	13,344,169	18,337,274
School fund income- parents contributions/ fees	4	65,023,248	61,372,881
School fund income- other receipts	5	7,558,980	5,787,291
Total receipts		89,525,050	90,503,033
Payments			
Payments for tuition	6	2,959,247	3,947,263
Payments for operations	7	10,484,141	17,185,116
Boarding and school fund payments	9	73,900,918	62,761,925
Total payments		87,344,306	83,894,304
Cash flow from operating activities before working capital adjustments		2,180,744	6,608,729
Add/less decrease /increase in receivables		(5,410,571)	(5,021,828)
Add/less decrease /increase in payables		3,362,592	(1,264,774)
Net cash flow from Operating Activities		132,765	322,127
Cash flow from investing activities			
Government Grants for infrastructure	3	5,071,000	-
Acquisition of assets/Infrastructure	8	(5,579,219)	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash flows from investing activities		(508,219)	-
Cash flow from borrowing activities			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
Net cash flow from financing activities		-	-
Net increase in cash and cash equivalents		(375,454)	322,127
Cash and cash equivalent at beginning of the year		3,786,180	3,464,052
Cash and cash equivalent at end of the year		3,410,726	3,786,180

Note: Cash and Cash Equivalent is the summation of Note 10, 11 and 12.

(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).

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

**Ahero Girls Secondary School
Annual Report and Financial Statements
For the year ended 30th June 2023**

..... *George Ouko*

Name: George Ouko

Chair BOM

Date:

14/06/2024

..... *Joyce Omondi*

**Name: Joyce Omondi
School Principal/ Secretary to
BOM**

Date:

14/06/2024

..... *Sylvance Osir*

Name: Sylvance Osir

Bursar/ Finance Officer

Date:

14/06/2024

(Comparative FY refers to the financial year preceding the current Financial year.)

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9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2023

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	D	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
(1) Capitation Grant on Tuition					
Reference Materials/Text Books					
Exercise Books				1,868,000	35%
Laboratory Equipment				1,213,843	23%
Internal Exams					
Teaching / Learning Materials	5,223,098	-	5,223,098	516,810	10%
Exams And Assessment	-				
Total	5,223,098	-	5,223,098	3,598,653	
(2) Capitation Grant on Operations					
Personnel Emoluments	9,014,600	-	9,014,600	8,538,838	95%
Repairs And Maintenance					
Local Transport / Travelling	1,287,800	-	1,287,800	642,430	50%
Electricity And Water	1,287,800	-	1,287,800	642,528	50%
Medical And Insurance	2,352,000	-	2,352,000	1,820,582	77%
Administration Costs	4,719,650	-	4,719,650	642,530	14%
Activity	2,055,000	-	2,055,000	968,763	47%
Special needs Grant	-			88,498	
Total	20,716,850	-	20,716,850	13,344,168	
3) FDSE for infrastructure					

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Maintenance &Improvement MoE	6,850,000	-	6,850,000	5,071,000	74%
M&I parents' contribution					
Economic Stimulus Programs					
Transition Infrastructure Grants					
Total	6,850,000	-	6,850,000	5,071,000	
(4) Fees Charged on Parents					
Personnel Emoluments	5,521,100	-	5,521,100	4,975,065	90%
Repairs And Maintenance	4,096,300	-	4,096,300	7,004,563	170%
Local Transport / Travelling	1,157,650	-	1,157,650	1,964,829	170%
Electricity And Water	5,959,500	-	5,959,500	4,608,395	77%
Medical and Insurance					
Administration Costs	6,171,850	-	6,171,850	8,536,922	138%
Activity	342,500	-	342,500	1,410,661	412%
SMASSE					
Fee On Boarding Equipment and Stores	41,769,930	-	41,769,930	36,522,813	87%
TOTAL	65,018,830	-	65,018,830	65,023,248	
5) Miscellenous Income					
Loans / Borrowing					
Damages				105,700	
Rent income					
Income From Farming Activities					
Insurance Compensation					
Income From Posho Mill					
Income From Bus Hire					

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Fee For Hire of Ground and Equipment					
SMASE				5,979,600	
Village				1,473,680	
Interest Income					
Income From Any Other Investment	-				
Total	-	-	-	7,558,980	
Total Income	97,808,778	-	97,808,778	94,596,049	
(6) Expenditure For Tuition					
Textbooks					
Reference Materials					
Exercise Books				950,000	35%
Laboratory Equipment				1,213,843	23%
Internal Exams					
Teaching / Learning Materials	5,223,098	-	5,223,098	789,309	15%
Chalks					
Exams And Assessment					
Teachers Guides					
Administration Costs					
Bank Charges	-			6,095	0.12%
Total	5,223,098	-	5,223,098	2,959,247	
(7) Expenditure For Operations					
Personnel Emoluments	9,014,600	-	9,014,600	7,499,685	83%
Repairs, Maintenance & Improvements					
Local Transport / Travelling	1,287,800	-	1,287,800	411,592	31%
Electricity, Water and Conservancy	1,287,800	-	1,287,800	427,151	33%

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Medical and Insurance	2,352,000	-	2,352,000	1,709,282	73%
Administration Costs	4,719,650	-	4,719,650	23,300	12%
Activity Expenses	2,055,000	-	2,055,000	100,000	41%
Insurance of Property				309,652	
Bank Charges				3,480	
SMASSE	-				
TOTAL	20,716,850	-	20,716,850	10,484,141	
(8) Expenditure For infrastructure					
Construction of CBC classroom				300,000	4.30%
Construction of Prefab Fence				450,000	6.60%
Construction of DORM				4,824,839	70%
Purchase of furniture					
Bank charges				4,380	
Purchase of equipment	-		-	-	
Total	-		-	5,579,219	
(9) Expenditure For school fund/lunch/boarding					
Personnel Emoluments	5,521,100	-	5,521,100	5,340,842	97%
Repairs, Maintenance and Improvements	4,096,300	-	4,096,300	9,969,607	243%
Local Transport / Travelling	1,157,650	-	1,157,650	2,778,060	237%
Electricity, Water and Conservancy	5,959,500	-	5,959,500	3,419,735	57%
Medical Expenses				136,300	
Administration Costs	6,171,850	-	6,171,850	9,605,604	156%
Activity	342,500	-	342,500	1,679,295	543%

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Gratuity					
Lunch Programme					
Boarding Equipment and Stores	41,769,930	-	41,769,930	33,891,720	81%
Expenditure For Income Generating Activity					
Insurance Costs					
Refund				937,346	
Village				750,040	
Tender fees				5,000	
Other Expenses On Investments				-	
Rent Expenses				-	
Bank Charges				-	
Loan Interest Repayment				-	
Loan Principal Repayment				-	
Acquisition Of Assets	-			-	
Totals	65,018,830	-	65,018,830	73,900,918	

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

- i.*
- ii.*

10. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

This cash basis of accounting has been supplemented with accounting for; a) receivables that include school fees from parents, 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*. Income arising from school fees is recognised when the event occurs whether cash is received or not. Expenditure arising from operations is recognised when the event occurs irrespective of receipt of cash.

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.

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. Accounts receivables also include school fees billed to parents for services rendered but not paid. 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. Payables also include expenditure incurred for the purchase of goods, works and services that has been rendered and not settled. This is an enhancement to the cash accounting policy adopted for public secondary schools. Other liabilities are disclosed in the financial statements.

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 2023.

Ahero Girls Secondary School
Annual Report and Financial Statements
For the year ended 30th June 2023

11. Notes To The Financial Statements

1 Government Grants for Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Textbooks	-	608,710
Exercise books	1,868,000	1,062,820
Laboratory equipment	1,213,843	733,780
Teaching / learning materials	516,810	1,306,270
Library Reference	-	379,655
SMASSE	-	309,400
Direct Credit	-	18,000
Exams and assessment	-	586,952
Total	3,598,653	5,005,587

**Include others as per MOE circulars*

2 Government Grants for Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	8,538,838	7,925,919
Repairs and maintenance	-	6,480,000
Local transport / travelling	642,430	1,131,916
Electricity and water	642,528	1,195,917,96
Medical and Insurance	1,820,582	1,540,717
Administration costs	642,530	1,131,876
Transition Improvement Grant	-	-
BOM Teachers	-	-
Activity	968,763	-
Special Needs Grant	88,498	126,846
Total	13,344,169	18,337,274

**Include others as per MOE circulars*

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3 Government Grants for infrastructure

Description	2022-2023	2021-2022
	Kshs	Kshs
Maintenance & Improvement	5,071,000	-
Transition infrastructure grants	-	-
Administration Block	-	-
Economic stimulus grants	-	-
Other (specify)(NGCDF and County govt.	-	-
Total	5,071,000	-

4 School Fund Income - Parents Contribution/Fees

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	4,975,065	5,198,412
Repairs and maintenance	7,004,563	8,378,686
Local transport / travelling	1,964,829	1,897,843
Electricity and water	4,608,395	8,745,627
Fee on Boarding Equipment and Stores	36,522,813	26,447,923
Administration costs	8,536,922	9,860,272
Activity	1,410,661	844,118
Total	65,023,248	61,372,881

**Includes all levies charged by the school outside the fees structure but by mutual agreement with the parents.*

5 Miscellaneous Incomes

Description	2022-2023	2021-2022
	Kshs	Kshs
Fee on Boarding Equipment and Stores	-	-
Rent income	-	-
Fees Arrears	-	-
Damages	105,700	216,291
SMASE	5,979,600	-

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Income from Grants - Infrastructure	-	5,500,000
Village	1,473,680	-
Tender Committee	-	71,000
Dividends income	-	-
Total	7,558,980	5,787,291

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

**Ensure proper authorization from MOE before obtaining loans/borrowings.*

Indicate what other income relates to including income arising from writebacks if any.* **Notes to the Financial Statements (continued)

6 Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Textbooks and reference materials	-	608,710
Exercise books	950,000	405,600
Laboratory equipment	1,213,843	868,483
Teaching / learning materials	789,309	1,913,750
Smasse	-	-
Reference Materials	-	-
Exams and assessment	-	150,000
Bank Charges	6,095	720
Total	2,959,247	3,947,263

7 Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	7,499,685	8,096,227
Service Gratuity	-	650,000
Administration Cost	23,300	666,172
Repairs and maintenance & improvements	-	5,500,000
Local transport / travelling	411,592	100,000
Electricity and water	427,151	626,100

Ahero Girls Secondary School
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Activity Expenses	100,000	-
Medical and Insurance Costs	1,709,282	1,540,717
Bank Charges	3,480	5,900
Insurance Of Property	309,652	-
BOM Teachers	-	-
TOTAL	10,484,141	17,185,116

Ahero Girls Secondary School
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For the year ended 30th June 2023

Notes to the Financial Statements (continued)

8 Infrastructure

Description	2022-2023	2021-2022
	Kshs	Kshs
Construction of Prefab Fence	450,000	-
Construction of dormitory	4,824,839	-
Construction of CBC Classroom	300,000	-
Purchase of equipment	-	-
Purchase of apparatus	-	-
Drilling of boreholes	-	-
Bank Charges	4,380	-
Total	5,579,219	-

9 Boarding and School Fund

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	5,340,842	4,014,903
Service Gratuity	-	100,000
Repairs and maintenance & Improvements	9,969,607	8,267,372
Local transport / travelling	2,778,060	1,858,652
Electricity and water	3,419,735	5,612,249
Administration costs	9,605,604	9,995,611
Activity Expenses	1,679,295	780,000
Bank Charges	76,369	85,198
Expenses on Income Generating Activities	-	227,800
Fee on Boarding Equipment and Stores	33,891,720	22,942,318
Medical Expenses	136,300	139,280
Refund	937,346	1,023,909

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Tender Fees	5,000	24,600
Village	750,040	-
Special Needs Education		2,850
SMASE	5,311,000	-
Acquisition of Asset (Infrastructure Expenditure)	-	7,687,183
TOTAL	73,900,918	62,761,925

*(Expenses on income generating activities** should include all costs relating to the school earnings on miscellaneous receipts as recorded in note 5. 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)

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	Financial Year 2022/2023	Financial Year 2021/2022
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	1103753878	349,342	239,928
Operations Account	Active	01139013430800	1,945,540	32,975
School Fund Account/Boarding	Active	0102001993100	278,650	1,600,839
Income Generating Activities Account	Dormant	0102801993100	49,200	49,420
Infrastructural Account	Active	0102001993101	388,092	1,423,961
Total			3,010,825	3,347,123

11 Cash In Hand

Description	Financial Year 2022/2023	Financial Year 2021/2022
	Kshs	Kshs
Infrastructure Account	8,350	61,700
Notes and Coins	391,551	377,358
Total	399,901	439,058

12 Short Term Investments

Description	2022-2023	2021-2022
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit accounts	-	-

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Other Investments	-	-
Total	-	-

Notes to the Financial Statements (continued)

13 Accounts Receivable

Description	Financial Year 2022/2023	Financial Year 2021/23
	Kshs	Kshs
Fees Arrears	42,397,983	36,987,413
Other Non-Fees Receivables	-	-
Salary Advances (list/schedule attached)	-	-
Imprest (list/schedule attached)	-	-
Rent arrears (list/schedule attached)	-	-
Total	42,397,983	36,987,413

13 b Ageing Analysis of Accounts Receivable

Description	Financial Year 2022/ 2023		Financial Year 2021/2022	
	Kshs		Kshs	
	2022/2023	% of the total	2021/2022	% of the total
Less than 1 year	8,381,684	20%	9,519,813	26%
Between 1- 2 years	6,548,700	15%	335,309	1%
Between 2-3 years	335,309	1%	27,132,291	73%
Over 3 years	27,132,291	64%		%
Total (should tie to note 13 a)	42,397,983	100%	36,987,413	100%

14 Accounts Payable

Description	Financial Year 2022/2023	Financial Year 2021/22
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	21,442,098	17,781,944
Prepaid Fees	-	-
Retention Monies	-	-
Unpaid salaries and statutory deductions	-	-
R/D Cheque	126,507	-
Direct Deposits	95,863	519,932
Total	21,664,468	18,301,876

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Notes to the Financial Statements (continued)

14a. Ageing Analysis of Accounts Payable

Description	<i>Financial 2022/2023</i>		<i>Financial 2021/2022</i>	
	Kshs		Kshs	
	2022-2023	% of the total	2021-2023	% of the total
Less than 1 year	16,075,118	75%	10,217,759	57%
Between 1- 2 years	5,366,980	25%	7,564,185	43%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (should tie to note 14)	21,442,098	%	17,781,944	100%

15. Fund Balance Brought Forward

Description	<i>Financial Year 2022-2023</i>	<i>Financial Year 2021/2022</i>
	Kshs	Kshs
Bank Balances	3,347,123	2,294,868
Cash Balances	439,058	128519
Short Term Investments		
Receivables	36,987,413	31,965,584
Payables	(18,301,876)	(19,566,650)
Total	22,471,717	14,822,322

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Other important disclosure notes

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

16 Non-current Liabilities Summary

Description	2022/2023	2021/2022
	Kshs	Kshs
Bank Loans	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Others (specify)	-	-
Total	-	-

17 Biological assets

Description	Numbers	2022/2023	2021/2022
		Kshs	Kshs
Cattle	-	-	-
Goats	-	-	-
Trees	-	-	-
Coffee Or Tea Plantation	-	-	-
Poultry	-	-	-
Others (specify)	-	-	-
Total	-	-	-

18 Borrowings

Description	Kshs	Kshs
Borrowings at beginning of the year	-	-
Borrowings during the year	-	-
Repayments during the year	(-)	(-)
Balance at the end of the year	-	-

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Other important disclosure notes

19 Stock/ Inventory

Description	2022/2023	2021/2022
	Kshs	Kshs
Food stuffs	-	-
Lab consumables	-	-
Farm produce	-	-
Medication	-	-
Construction Materials	-	-
Others (specify)	-	-
Total	-	-

(Stock to be measured at lower of cost and net realisable value. Net realisable value is the difference between selling costs less costs to sell)

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20 Progress On Follow Up Of Auditor Recommendations

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

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

Sign and Date
Principal

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12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	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.						
Sub-Total						
Supply Of Services						
6.						
7.						
8.						
Sub-Total						

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Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
Grand Total						

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 st July 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost e/f (Kshs) 30 th June 2023
Land				
Buildings And Structures				
Motor Vehicles				
Office Equipment, Furniture And Fittings				
Textbooks				
ICT Equipment				
Tools And Apparatus				
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 30/06/2023			
	<u>BOARDING ACCOUNT</u>		
	SUPPLIES 2021		
	<u>BOARDING ACCOUNT</u>		
	NAME		
1	Extreme Engineers	Energy saving Jiko	0.00
2	SNE Fund		1,900,000.00
			1,900,000.00
	<u>TUTION ACCOUNT</u>		
3	Asal Printers and Stationers	Exercise books	422,000.00
	SUPPLIES 2021/2022 THIRD TERM		
	<u>BOARDING ACCOUNT</u>		
4	Akastianda	Beef	295,550.00
5	David Abwao	Vegetables	170,500.00
6	Terephnine	Chicken	77,200.00
7	Kachar General Works	Energy Saving Jiko	271,000.00
8	Purve Sales	Hardware Materials	820,170.00
9	Koju General Trading	Electrical Items	25,600.00
10	Tebony Trading	Charcoal	5,900.00
			1,665,920.00
	Tuition Account		
11	MFI Document Solutions	Ink and Masters	174,900.00
			174,900.00
	<u>Operations Account</u>		
12	Sunshine Automobiles	Bus Service	215,960.00
			215,960.00
	SUPPLIES 2022/2023 FIRST TERM		
	<u>BOARDING ACCOUNT</u>		
13	Salkex	Groceries	256,751.00
14	Glonem	Rice	358,000.00
15	Dotaz General Stores	Maize	370,000.00
16	Ecogreen Trading Limited	Brickets	426,900.00
17	Purve Sales	Hardware	0.00
18	Beke Investments	Electricals materials	333,860.00
19	Turnbridge Enterprises	Book Binding	50,000.00
20	Tripple line Electrical	Generator Service	31,191.00
21	Cimmondejem Investments	Vegetables	344,805.00
22	Eudwin Co Ltd	Chicken	306,800.00
23	Collince Odhiambo	Beef	435,350.00
24	Son and Mom	Lockers	320,000.00
25	Kiscen	Sports Item	89,400.00
26	Mascarlet Hardware	Hardware	593,350.00
27	Mannpas	Beans	300,000.00
28	Mannpas	Green Grams	120,000.00
29	Sam Hellen	Hardware	24,600.00
30	Copy Cat	Copy Printer	250,000.00
			4,611,007.00
	Tuition Account		
31	MFI Document Solutions	Master and Ink	247,200.00

32	Ebergratia	Office Maintenance	217,000.00
33	Felvine Ventures	Stationeries	24,720.00
34	Ebergratia	Tonnors	130,470.00
35	Portvic	Excercise books	496,000.00
36	Jopami	Lab Items	291,550.00
37	Anvi Emporium	Stationeries	35,840.00
38	Copy Cat	Ink and Masters	38,686.00
39	Ebergratia	Lab Items	107,550.00
			1,589,016.00
	Operations Account		
	Sunshine Automobiles	Bus Maintenance	195,632.00
			195,632.00
	SUPPLIES 2022/2023 SECOND TERM		
	BOARDING ACCOUNT		
40	Salkex	Groceries	838,900.00
41	Shadoro	Groceries	350,175.00
42	Lazjo Agencies	Rice	325,000.00
43	Mannpas Obiero	Maize	337,500.00
44	Mannpas	Maize	375,000.00
45	Mannpas	Beans	495,200.00
46	Ebergratia	Liquid Soap	10,000.00
47	Elizabeth	Vegetables	398,325.00
48	Fredrick Omondi	Chicken	129,600.00
49	Ecogreen Trading Ltd	Bricketss	266,200.00
50	Patsons Chemist	Human Medicine	68,400.00
51	Ebergratia	Staff Uniforms	108,500.00
52	Mascarlet Hardware	Hardware	32,000.00
53	Purve Sales	Hardware	2,133,962.00
54	Tebony Trading and Invest	Charcoal	29,400.00
55	Collins Odhiambo	Beef	502,500.00
56	Pamati Ventures	Groceries	184,300.00
			6,584,962.00
	Tuition Account		
57	Natella Ltd	Stationery	205,115.00
58	Felvin	Stationery	30,380.00
59	Ebergratia	Tonnors	55,200.00
60	Anvi Emporium	Stationery	140,716.00
61	Jopami Technologies	Lab Items	184,300.00
			615,711.00

