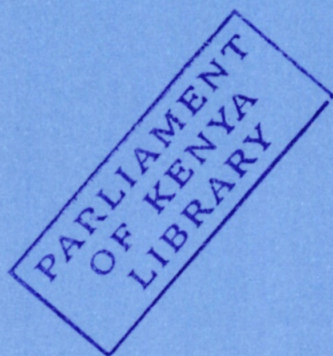


REPUBLIC OF KENYA



Enhancing Accountability



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

REPORT

OF

THE AUDITOR-GENERAL

ON

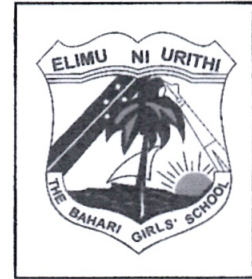
BAHARI GIRLS SECONDARY SCHOOL

FOR THE YEAR ENDED 30 JUNE, 2023

KILIFI COUNTY



OFFICE OF THE AUDITOR GENERAL
P.O. BOX 1543, MOMBASA
22 NOV 2024
10661KRO
RECEIVED
KILIFI REGIONAL OFFICE



**BAHARI GIRLS 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)**

Annual Report and Financial Statements for Bahari Girls Secondary School for the year ended 30th June 2023

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

1. Acronyms and Glossary of Terms

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	

Annual Report and Financial Statements for Bahari Girls Secondary School 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 KILIFI County, KILIFI Sub-County.

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

The school is a boarding school and had 1428 number of students as at 30th June 2023 It has 7 streams and 60 teachers of which 27 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	Proffesor Halimu Shauri	Chairman	8.7.2022
2	Mrs. Hamaro M. Sylvano	Secretary - Principal	25.1.2023
3	Md. Rita Baya	P.A. Chair	8.7.2022
4	Mr. Francis Kagema	Member	8.7.2022
5	Mr. Mohammed Mwakuona	Member	8.7.2022
6	Md. Loice Nzuki	Member	8.7.2022
7	Rev.Reuben Katite	Member	8.7.2022
8	Md. Jackline Mghoi Jume	Member – Rep CEB	8.7.2022
9	Md. Colleta Mutindi Muendo	Member Rep Teachers	8.7.2022
10	Mr. Mwango Samuel/Mr.Ombima/Mr. Assad	3 Members - Sponsor	8.7.2022
11	Mr. Shumaa Mwangome	Member - Community	8.7.2022
12	Md. Riziki Mwadena	Member Special Needs	8.7.2022
13	Asha Masika	Rep Students	8.7.2022

Annual Report and Financial Statements for Bahari Girls Secondary School 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

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Prof. Halimu Shauri Mrs. Jackline Jumbe Mrs. Rita Baya Mrs. Prisca S. Mgute	Chairman Vice chair Member Secretay	3 out of 3
2	Audit Committee	Prof. Halimu Shauri Mrs Hamaro M. Sylvano Mr. Willis Ombima Mr. Wango washe	Chairman Member Member Member	2 out of 2
3	Finance, procurement and general purposes Committee	Prof. Halimu Shauri Mrs. Rita Baya Mrs. Prisca S. Mgute Md. Jackline Jumbe Mr. Francis Kageme Ms. Judith Mkambe	Chairman Member Secretary Member Member Member	2 out of 2
4	Academic Committee	Mr. Willis Ombima Mr. Mwango Washe Ms. Colleta Muendo Mr. Mohammed Mwakuona	Chairman Member Member Member	3 out of 3
5	Development Committee	Mr. Shumaa Mwangome	Chairman	3 out of 3

Annual Report and Financial Statements for Bahari Girls Secondary School for the year ended 30th June 2023

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

(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	Chief principal	Hamaro M. Sylvano	TSC No. 334851
2	Deputy Principal	Margret Kabibi Karisa	TSC No. 290052
3	School Bursar	Judith M. Daniel	No.

(e) Schools contacts

Post Office Box: 641-80108, KILIFI
 Telephone: 0797882111
 E-mail: baharigirls@gmail.com
 Website: www.baharigirls.sc.ke
 Facebook:
 Twitter:

(f) School Bankers

The following school operated 09 numbers of bank accounts in the following banks

- 1 Name of Bank: KCB
 Branch: KILIFI
 Postal Address. 528-80108, KILIFI

 Account Number 1102186112
 Account Number 1102191914
 Account Number 1102192023
 Account Number 1101524413
 Account Number 1101540044
 Account Number 1166282295

Annual Report and Financial Statements for Bahari Girls Secondary School for the year ended 30th June 2023

- Account Number 1166282155
- 2 EQUITY BANK
Account Number 1060272879003
- 3 M-PESA: Pay Bill No. 522123 attached to 1102186112 bank accounts.

(g) Independent Auditors

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

Annual Report and Financial Statements for Bahari Girls Secondary School for the year ended 30th June 2023

3. Summary Report of Performance of the School

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

a) Financial performance:

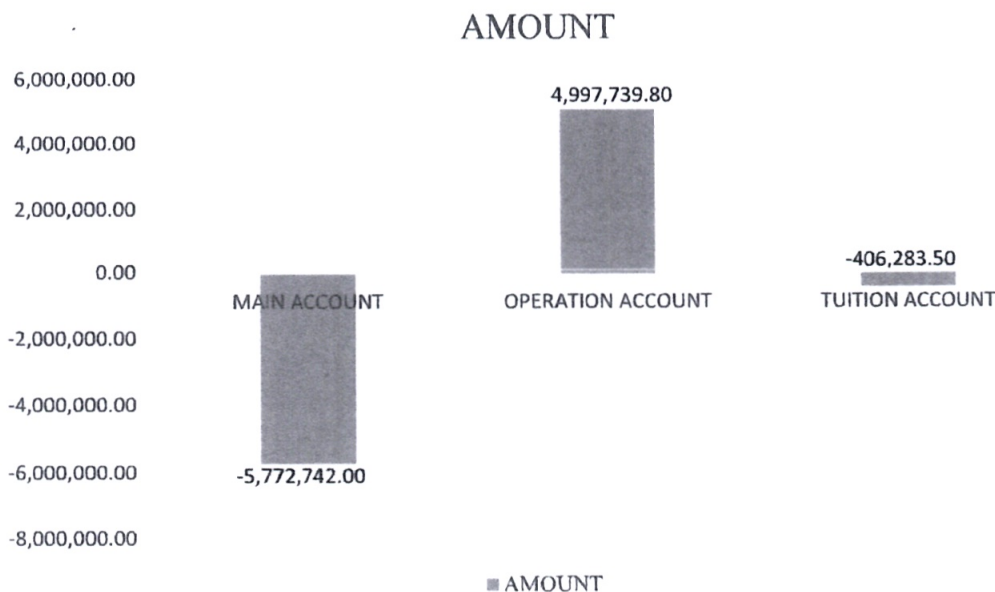
(Under this section, the following information is given:

- *Surplus/ deficit for the year and a comparison of the same for the last three years*
- *Capitation grants from the Ministry of Education for the last three years*
- *A three-year overview of growth of other income(s) earned by the school.*
- *A three-year overview of growth in expenditure of the school*
- *Movement of debtors and creditors of the school over the last three years*

Graphical presentation, ratios, tables, and pie charts should be used to show/ indicate trends unless the school is new).

2021

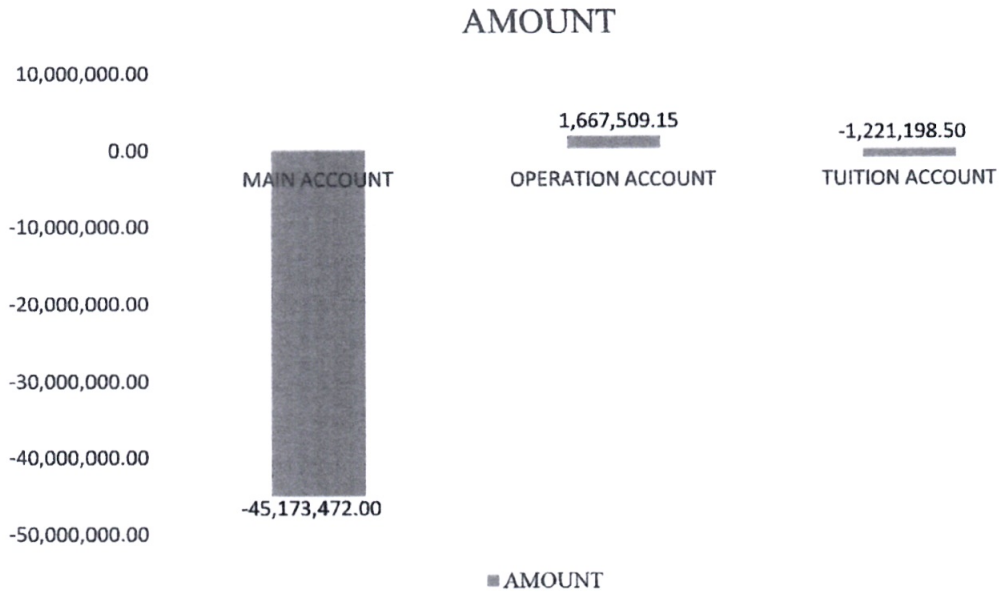
MAIN ACCOUNT	-5,772,742
OPERATION ACCOUNT	4,997,740.
TUITION ACCOUNT	-406,284



Annual Report and Financial Statements for Bahari Girls Secondary School for the year ended 30th June 2023

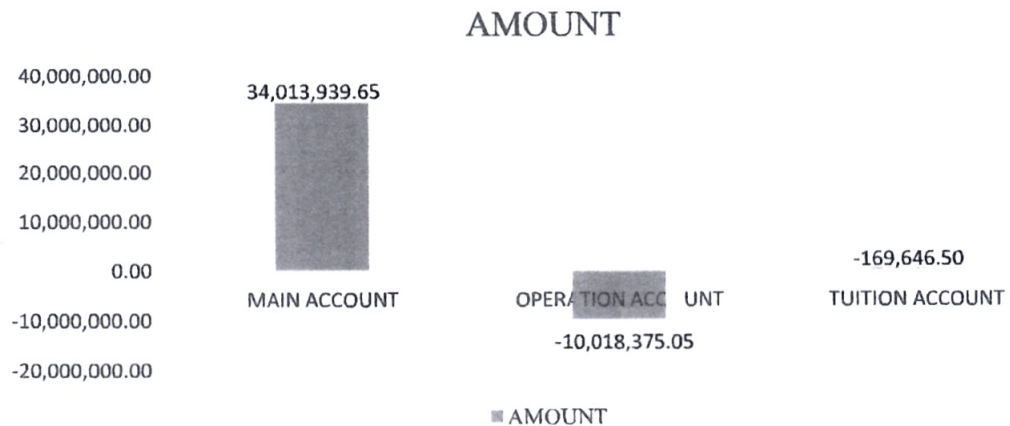
2022

MAIN ACCOUNT	45,173,472
OPERATION ACCOUNT	1,667,509
TUITION ACCOUNT	-1,221,199



2023

MAIN ACCOUNT	34,013,940
OPERATION ACCOUNT	10,018,375
TUITION ACCOUNT	-169,647

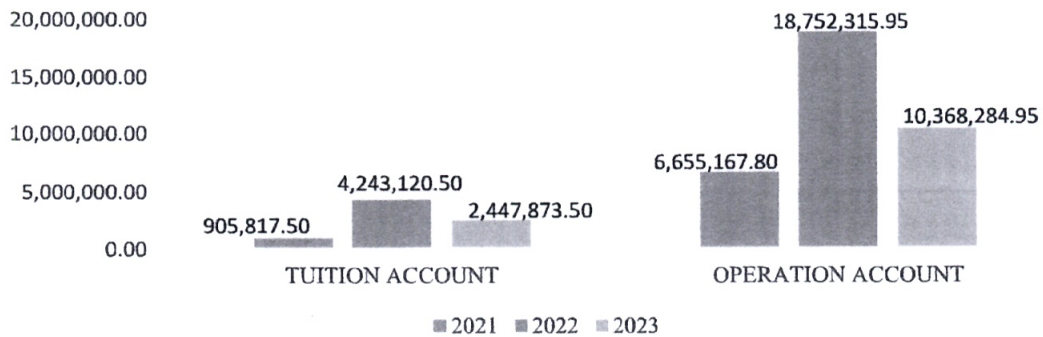


Annual Report and Financial Statements for Bahari Girls Secondary School for the year ended 30th June 2023

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

CAPITATION GRANTS	2021	2022	2023
- TUITION ACCOUNT	905,818	4,243,121	2,447,874
- OPERATION ACCOUNT	6,655,168	18,752,316	10,368,285

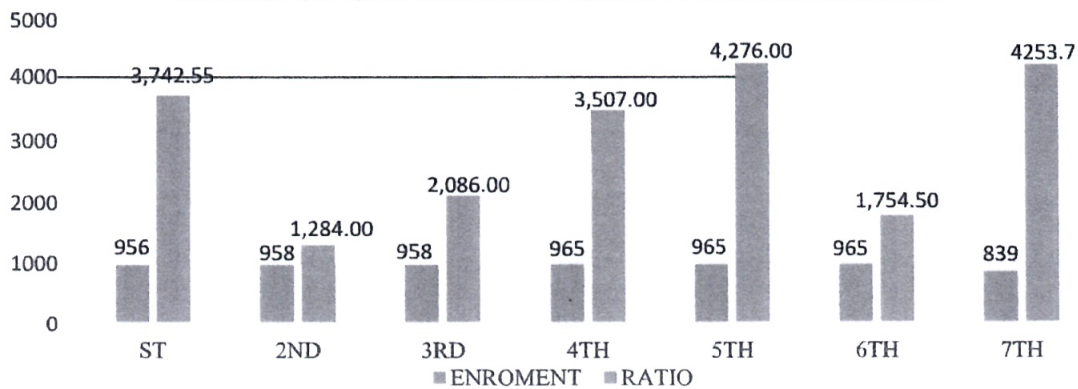
CAPITATION GRANT FROM MoE



Ratio of capitation grant per student over the last three years

YEAR	TRANCH	ENROLMENT	RATIO
2021	1 ST	956	3,743
	2 ND	958	1,284
	3 RD	958	2,086
	4 TH	965	3,508
	5 TH	965	4,276
	6 TH	965	1,755
	7 TH	839	4,254

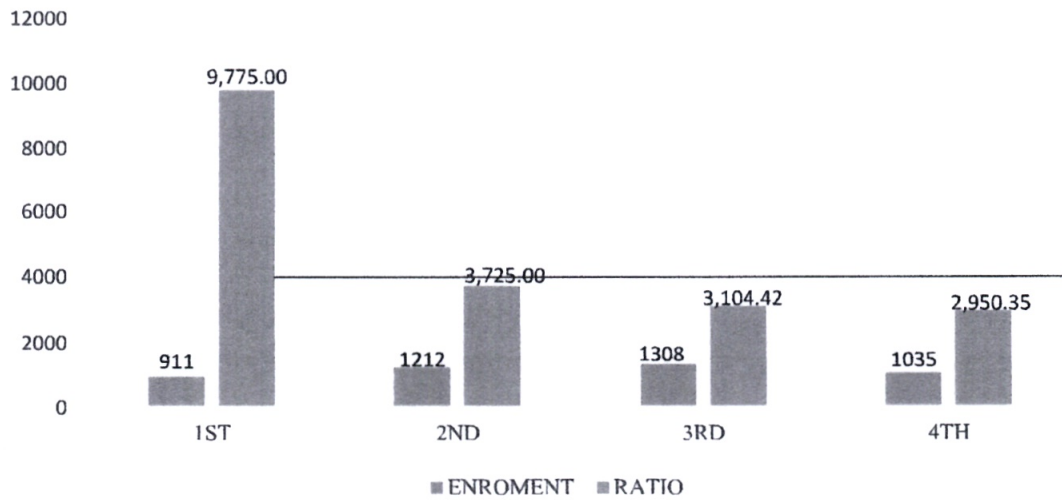
RATIO OF CAPITATION GRANT PER STUDENT



Annual Report and Financial Statements for Bahari Girls Secondary School for the year ended 30th June 2023

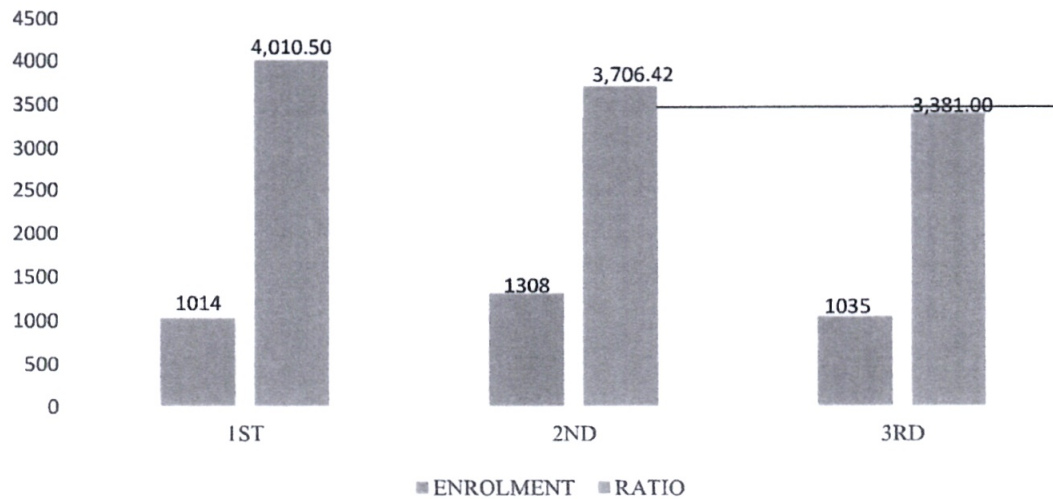
YEAR	TRANCH	ENROLMENT	RATIO
2022	1 ST	911	9,775
	2 ND	1212	3,725
	3 RD	1308	3,104
	4 TH	1035	2,950

RATIO OF CAPITATION GRANT PER STUDENT



YEAR	TRANCH	ENROLMENT	RATIO
2023	1 ST	1014	4,011
	2 ND	1308	3,706
	3 RD	1035	3,381

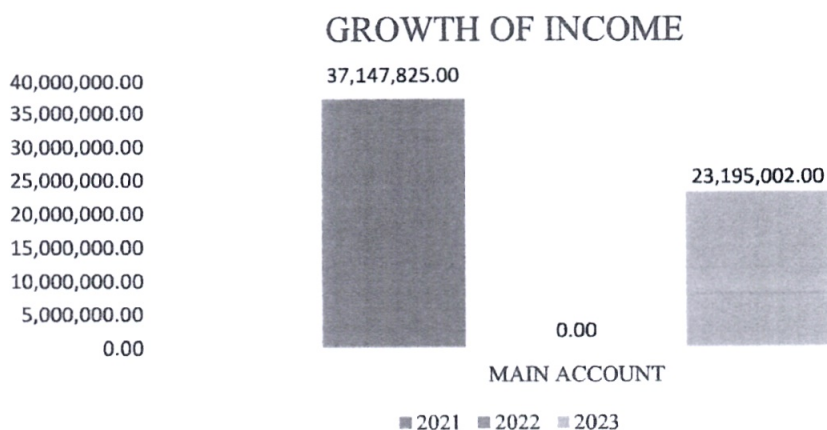
RATIO OF CAPITATION GRANT PER STUDENT



Annual Report and Financial Statements for Bahari Girls Secondary School for the year ended 30th June 2023

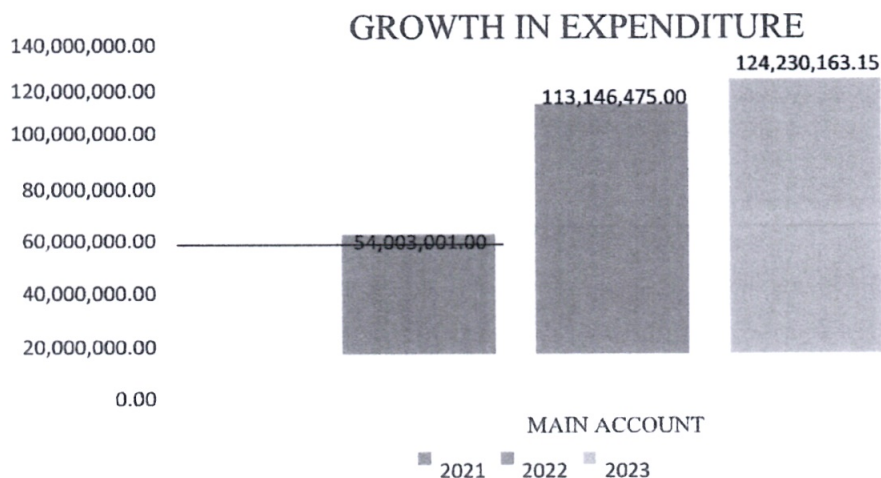
A three-year overview of growth of other income(s) earned by the school.

MAIN ACCOUNT	2021	2022	2023
	37,147,825	-	23,195,002



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

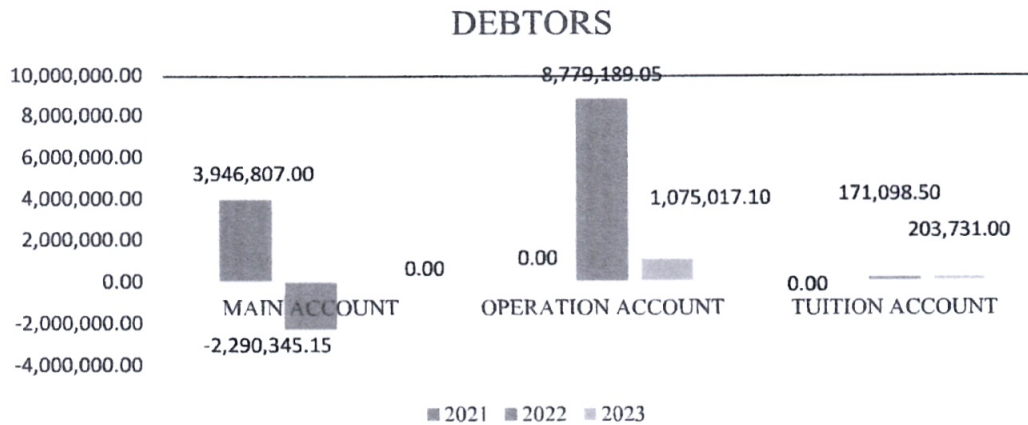
- MAIN ACCOUNT	2021	2022	2023
	54,003,001	113,146,475	124,230,163



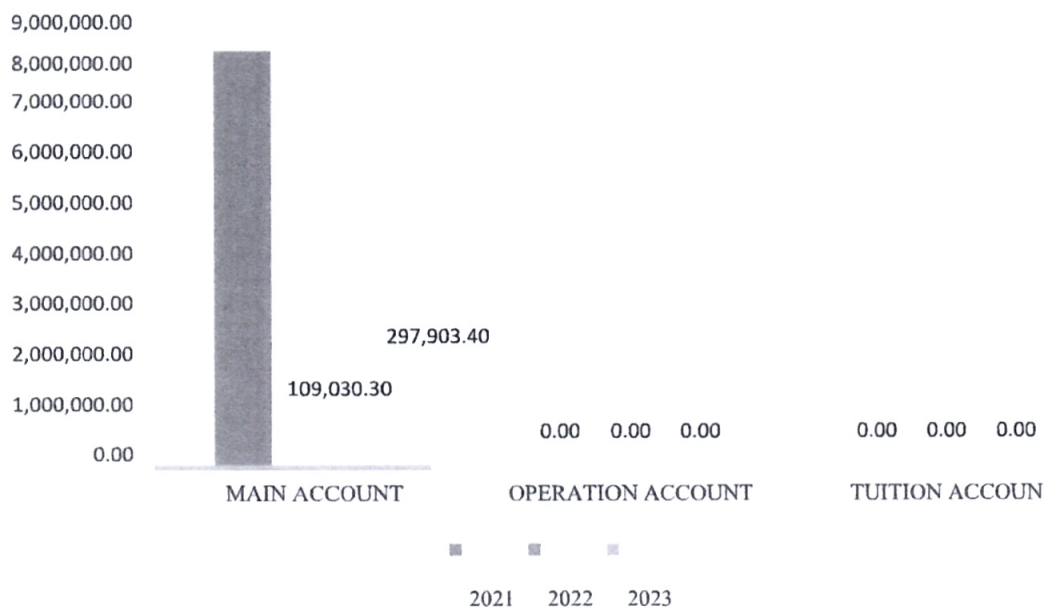
Annual Report and Financial Statements for Bahari Girls Secondary School for the year ended 30th June 2023

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

DEBTORS	2021	2022	2023
MAIN ACCOUNT	3,946,807	-2,290,345	-
OPERATION ACCOUNT	-	8,779,189	1,075,017
TUITION ACCOUNT	-	171,099	203,731



CREDITORS	2021	2022	2023
MAIN ACCOUNT	8,286,46	109,030	297,903
OPERATION ACCOUNT	-	-	-
TUITION ACCOUNT	-	-	-



Annual Report and Financial Statements for Bahari Girls Secondary School for the year ended 30th June 2023

b) Teacher Student ratio:

Included is the teacher to student ratio, number of teachers recruited and posted to the school within the year, number of teachers that were transferred/ retired during the period as well as number of teachers employed by TSC, and number employed by BOM.

CURRICULUM BASED ESTABLISHMENT (CBE) PART 1

Subject Periods Allocation per Week

SUBJECT	FORM 1	FORM 2	FORM 3	FORM 4	TOTAL LESSONS	TEACHERS REQUIRED
English	42	42	56	56	196	7.2592
Kiswahili	35	35	42	42	154	5.7037
Mathematics	42	42	49	49	182	6.7407
Chemistry	28	28	35	35	126	4.6666
Physics	28	28	15	15	86	3.1851
Biology	28	28	35	35	126	4.6666
Geography	21	21	4	4	50	1.8518
History & Government	21	21	12	12	66	2.4444
CRE	21	21	8	8	68	2.1481
IRE	21	21	8	8	68	2.1481
Agriculture	21	21	4	4	50	1.8518
Home Science	21	21	8	8	58	2.1481
Art Design						
Building Construction						
Wood Work						
Drawing & Design						
Electricity						
Computer Studies	21	21	8	8	58	2.1481
Aviation Technology						
Business Education/Studies	21	21	12	16	70	2.593
Commerce						
Accounting						
Economics						
Typing & Office Practice						
Music						
French						
German	21	21	4	4	50	1.8518
Arabic	21	21	4	4	50	1.8518
PE/Life Skills	7	7	14	14	42	1.5555
GRAND TOTAL						54.814

Annual Report and Financial Statements for Bahari Girls Secondary School for the year ended 30th June 2023

CURRICULUM BASED ESTABLISHMENT (CBE) PART 2

1. Shortfalls from establishment

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

2. Number of Teachers required (T.R)

Teachers required from shortfall

T. R	$= 198/27$	$= 7.333$
Total T. R	$= 54.07 + 7.333$	$= 62.1474$ (63 Teachers)

Teachers Present	35
-------------------------	-----------

Teachers Shortage	<u>27</u>
--------------------------	------------------

Annual Report and Financial Statements for Bahari Girls Secondary School for the year ended 30th June 2023

c) Mean score in the 2023 KCSE:

The performance of the school for each year over the last three years. Includes the number of students that have since transitioned to institutions of higher learning. Includes the mean score and comment on improvement or otherwise as compared to the school's set score.

BAHARI GIRLS SECONDARY SCHOOL

K.C.S.E RESULT ANALYSIS

YEAR	ENTRY	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E	MS	MG
2021	277	0	5	12	33	48	78	60	29	6	6	0	0	7.0361	C+
2022	264	0	3	16	36	43	63	63	34	5	1	0	0	7.0947	C+
2023	260	0	9	26	45	63	54	40	18	4	0	0	0	7.6911	B-

d) Number of Candidates in the 2023 KCSE:

YEAR	ENROLMENT
2021	277
2022	264
2023	260

e) Capacity of the school:

Indicates the number of students in the school vis a vie the facilities like the dormitories, the dining hall, the laboratories, toilets and other amenities.

YEAR ENROLMENT DORMITORY TOILETS DININGHALL LABORATORIES

2021	1293	8	98	1	5
2022	1260	9	98	1	5
2023	1428	9	98	1	5

REMARK INADEQUATE ADEQUATE INADEQUATE INADEQUATE

Annual Report and Financial Statements for Bahari Girls Secondary School 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
Dormitory	MOE	Ongoing	18,139,930	13,633,008	

Name: Hamaro M. Sylvano
Chief Principal

Sign*Hamaro M. Sylvano*.....
06/08/2024

Annual Report and Financial Statements for Bahari Girls Secondary School for the year ended 30th June 2023


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


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



.....
Name: Prof. Dr. Halimu Shauri

Designation: Chairman, School Board of Management

Date: 06/08/2024



.....
Name: Mrs. Hamaro M. Sylvano

Designation: Chief Principal & Secretary to Board of Management

Date: 06/08/2024



.....
Name: Mrs. Judith Mkambe Daniel

Designation: Bursar/ Finance Officer

Date: 06/08/2024

REPUBLIC OF KENYA

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



Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON BAHARI GIRLS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 – KILIFI COUNTY

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Bahari Girls Secondary School – Kilifi County set out on pages 1 to 47, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2023, statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory

Report of the Auditor-General on Bahari Girls' Secondary School for the year ended 30 June, 2023 – Kilifi County

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Bahari Girls Secondary School - Kilifi County as at 30 June, 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. Unsupported Cash and Cash Equivalents

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.46,738,443 as disclosed in Note 10 and 11 to the financial statements. Included in this balance are Savings Account, Parent Association Development Account, Personal Emolument Savings Account and Infrastructural Account balances of Kshs.11,044,693, Kshs.5,164,267, Kshs.11,136,844 and Kshs.17,815,988 respectively. However, the bank balances were not supported by cash books, bank certificates and bank reconciliation statements.

In addition, a balance of Kshs.1,694,084 in one of the School's accounts maintained in a local bank was not included in the cash and cash equivalent balance.

In the circumstances, the accuracy, completeness and existence of cash and cash equivalents balance of Kshs.46,738,443 could not be confirmed.

2. Accounts Receivable

2.1. Unsupported Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.83,392,666 as disclosed in Note 13 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.83,392,666 could not be confirmed

2.2. Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects accounts receivable

balance of Kshs.83,392,666 in respect of fees arrears as disclosed in Note 13 to the financial statements. However, included in the balance are receivables amounting to Kshs.16,811,444 which had been outstanding between two (2) and three (3) years.

In the circumstances, the accuracy, completeness and recoverability of the receivables balance of Kshs.83,392,666 could not be confirmed.

3. Unsupported Receipts

The statement of receipts and payments, reflects School fund income-parents' contribution of Kshs.135,049,010 as disclosed in Note 4 to the financial statements. However, the School fees collection system (School and Accounts System) managed by School could not generate reports such as invoices per student, fee paid and outstanding balances to support the parents contributions.

Further, the statement of receipts and payments for the year ended 30 June, 2023 reflects School fund income-other receipts of Kshs.23,195,002 as disclosed in Note 5 to the financial statements. However, the schedule supporting the amount was not provided for audit review.

In the circumstances, the accuracy and completeness of an amount of Kshs.135,049,101 in respect of parents' contributions and Kshs.23,195,002 in respect of other receipts could not be confirmed.

4. Unsupported Payables

The statement of financial assets and financial liabilities reflects payables balance of Kshs.16,458,750 as disclosed in Note 14 to the financial statements. Included in this balance is prepaid fees totalling Kshs.4,729,950 whose supporting schedules were not provided for audit review.

In the circumstances, the accuracy and completeness of trade payables balance of Kshs.16,458,750 could not be confirmed.

5. Unsupported Payments

The statement of receipts and payments for the year ended 30 June, 2023 reflects payments amounting to Kshs.124,230,163 in respect of boarding and School fund payments, as disclosed in note 9 to the financial statements. However, examination of payment vouchers amounting to Kshs.2,256,215 revealed that Management made payments without proper support documents such as requisitions, local purchase orders, delivery notes, inspection reports, goods received notes and certificate of payments.

In the circumstances, the regularity, accuracy and completeness of the payments amounting to Kshs.124,230,163 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Bahari Secondary School Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical

requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.63,901,346 and Kshs.174,059,939 respectively, resulting to an over-funding of Kshs.110,158,593 or 172% of the budget. However, the School spent Kshs.147,234,343 against actual receipts of Kshs.174,059,939 resulting to an under-utilization of Kshs.26,825,596 or 15% of actual receipts.

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

My opinion is not qualified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Submission of Financial Statements

During the year under review, Management submitted the financial statements to the Auditor-General on 14 March, 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 which Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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

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

The statement of receipts and payments reflects Operations payments amount of Ksh.20,386,660 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.865,400 transferred to Kenya Secondary Schools Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by Schools.

In the circumstances, value for money transferred to KESSHA amounting to Ksh.865,400 could not be confirmed.

3. Late Transfer of Infrastructure Funds from the Operations Account

The statement of receipts and payments reflects operations grants amount of Kshs.12,921,360 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.4,301,000 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.3,266,000 was transferred to infrastructure account, leaving a balance of Kshs.1,035,000 as at 30 June, 2023. Further, an amount of Kshs.1,958,000 and Kshs.1,308,000 were transferred thirty-four (34) and twenty-nine (29) days after receipt respectively. This was contrary to The Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the School infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

4. Under Funding of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amount of Kshs.2,894,476 and Kshs.12,921,360, respectively as disclosed in Notes 1 and Note 2 to the financial statements. During the

financial year, NEMIS reported a total number of four thousand three hundred and three (4,303) students while the enrolment records provided by the School indicated a total number of five thousand three hundred and eighty-four (5,384) students, resulting to an unexplained variance of 1081 students. As a result of the variance, the School was under funded by an amount of Kshs.3,944,734.

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

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

The statement of receipts and payments reflects boarding and School fund payment amount of Kshs.124,230,163 as disclosed in Note 9 to the financial statements. The amount included cash purchase of goods and services totalling Kshs.2,739,320 which exceeded the threshold for cash purchase. The cash purchase was therefore contrary to section 107(b) of the Public Procurement and Asset Disposal Act, 2015 on the procedure for low value procurement.

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

6. Failure to Match Textbooks Delivered with the School Enrolment

During the year 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 a total of three thousand and thirty-two (3,032) books against 4 categories of books while the required was two thousand, seven hundred and twelve (2,712) books resulting to an unexplained excess textbooks of three hundred and twenty (320) books in the School store.

Further, it was noted that there was a deficit of one thousand and ninety-six (1,096) textbooks supplied against other categories of books supplied to the School.

In the circumstances, value for money for the one thousand and ninety-six (1,096) books which were not supplied and the three hundred and twenty (320) books supplied in excess could not be confirmed. Failure to supply adequate books also affect effective learning.

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

During the year under review, it was noted that there was no evidence of instructional need assessment that provided basis for determining the number and subject of

instructional material needed by the School. In addition, there was no evidence of Bahari girls having set up a School Instructional Materials Selection Committee (SIMSC) that does annual needs assessment of the textbooks needed by the School that will guide Ministry of Education through Kenya Institute of Curriculum Development (KICD) on the distribution of textbooks to the School.

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

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

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

Conclusion

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

Basis for Conclusion

1. Lack of Ownership Documents

Annex 2 to the financial statements reflect summary of fixed assets register balance of Kshs.39,628,339 in respect of fixed assets which includes land with nil balance and motor vehicles with a balance of Kshs.4,398,500. However, land ownership documents were not provided for audit. It was also established that the logbook for the School's motor vehicle was jointly held with a local bank even though the loan to purchase the vehicle had fully been paid.

In the circumstances, the accuracy, completeness and ownership of the fixed assets balance of Kshs.39,628,339 could not be confirmed.

2. Lack of Internal Audit Function and Audit Committee

Review of the records revealed that the School had not established an audit committee contrary to Regulation 174(1) of Public Finance Management (National Government) Regulations, 2015 which states subject to Paragraph (2) of this Regulation, each National Government entity shall establish an audit committee.

In the circumstances, the effectiveness of the internal controls and governance could not be confirmed.

3. Lack of Adequate Facilities in the Institution

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

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

4. Failure to Present Board of Survey Reports

During the period under review cash in hand balance of Kshs.297,903 was not supported with board of survey report to confirm balance as at 30 June, 2023 contrary to Section 17 of the Public Finance (National Government) Regulation, 2015 which requires the head of accounts division to ensure that frequent spot checks are made of the standing imprest itself by a responsible officer as follows; (a) count the cash on hand; (b) confirm that the actual cash on hand corresponds with the balance on hand as recorded in the cash book, and Generally Accepted Accounting Principles (GAAPs) which require that reporting entities should conduct a board of survey at the closure of the financial period to confirm cash-on-hand amongst others and avail bank confirmation certificates for the various bank accounts it operates.

In circumstances, the accuracy, completeness of the cash in hand balance as at 30 June, 2023 could not be confirmed.

5. Inadequate Safekeeping of Textbooks

During the year under review, the School received seven hundred and fifty eight (758) books of unknown value. Physical verification showed that textbook storage facilities were inadequate resulting to the School storing the remaining textbooks in unsafe conditions exposing the textbooks to damages in the event of heavy down pour or water spillage during the cleaning session. It was explained by the School Management that inadequate storage facilities were attributed to lack of space due to inadequate infrastructure.

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

6. Non-Integration of the Invoicing and Receipting System

Bahari Girls' Secondary School was utilizing three (3) automated applications namely: Zeraki Analytics for exam management, Schools Accounts System (SCHACCS) for School Finance Management, and a Biometric System for attendance tracking. The systems were not integrated. Further, the Schools Accounts System (SCHACCS) was unable to generate invoices and receipts for student fees, despite being intended to handle student admissions, fee collection and generation of financial statements, trial

balances and ledgers. As a result, generation of the envisaged reports was being performed manually.

The manual intervention exposed the School to risk of errors due to manual intervention which may lead to misstatements in the financial statements.

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 processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or to cease operations.

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

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

Those charged with governance are responsible for overseeing the School's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with

Article 229(7) of the Constitution. 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 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 sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the school to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


20 September, 2024


Annual Report and Financial Statements for Bahari Girls Secondary School 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	In 2022-2023	2021-2022
		Kshs	Kshs
Receipts			
Government grants for tuition		2,894,476	4,243,121
Government grants for operations		12,921,360	18,752,316
Government Grants for infrastructure		0	-
School fund income- parents' contributions		135,049,101	67,973,003
School fund income-other receipt		23,195,002	70,710,785
Total Receipts		174,059,939	161,679,225
Payments			
Tuition	6	3,064,122	5,464,319
Operations	7	22,939,735	17,084,807
Infrastructure	8	0	6,074,670
Boarding and school fund	9	124,230,163	107,071,805
Total Payments		150,234,020	135,695,601
Surplus/Deficit		23,825,918	25,983,624

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

Sign: 
 Name: Prof. Dr. Halimu Shauri
 Chairman BOM
 Date: 06/08/2024

Sign: 
 Name: Mrs. Hamaro M. Sylvano
 Chief Principal/Secretary BOM
 Date: 06/08/2024

Sign: 
 Name: Mrs. Judith Mkambe Daniel
 Bursar/Finance Officer
 Date: 06/08/2024

7. Statement of Assets and Liabilities As At 30th June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	46,440,540	41,121,820
Cash balances	11	297,903	109,030
Short term investments	12	-	0
Total cash and cash equivalent		<u>46,738,443</u>	<u>41,230,850</u>
Account's receivables	13	83,392,666	54,670,653
Total financial assets		130,131,109	95,901,503
Financial liabilities			
Accounts payables	14	16,458,750	6,055,062
Net financial assets		113,672,359	89,846,441
Represented by			
Accumulated fund b/fwd.	15	89,846,441	63,862,817
Surplus/deficit for the year		23,825,918	25,983,624

Annual Report and Financial Statements for Bahari Girls Secondary School for the year ended 30th June 2023

Net financial position		113,672,359	89,846,441
			-


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


.....

Name: Prof. Dr. Halimu Shauri

Chairman BOM

Date: 06/08/2024


.....

Name: Mrs. Hamaro M. Sylvano

Chief Principal/ Secretary to BOM

Date: 06/08/2024


.....

Name: Mrs. Judith Mkambe Daniel

Bursar/ Finance Officer

Date: 06/08/2024

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

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition		2,894,476	4,243,121
Government grants for operations		12,921,360	18,752,316
Government grants for infrastructure		0	-
School fund income- parents contributions/ fees		135,049,101	67,973,003
Other income		23,195,002	70,710,785
Total receipts		174,059,939	161,679,225
Payments			
Cash outflows for tuition		3,064,122	5,464,319
Cash outflows for operations		22,939,735	17,084,807
Cash outflows Boarding/lunch and school fund payments		124,230,163	107,071,805
Infrastructure			6,074,670
Total payments		147,234,343	135,695,601
Net cash inflow/outflow from operating activities		26,825,596	25,983,624
Cash flow from investing activities			-
Acquisition of assets		-	-
Proceeds from sale of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash inflow/outflows from investing activities		-	-

Annual Report and Financial Statements for Bahari Girls Secondary School for the year ended 30th June 2023

Cash flow from Financing activities			
Proceeds from borrowings/ loans		-	
Repayment of principal borrowings		-	
Net cash inflow/outflow from financing activities		-	-
Net increase/decrease in cash and cash equivalents		5,507,592	7,441,450
Cash and cash equivalent at beginning of the 2022/2023		41,230,851	33,789,401
Cash and cash equivalent at end of the 2022/2023		46,738,443	41,230,851

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 **06/08/ 2024** and signed by:



Name: Prof. Dr. Halimu Shauri

Chairman BOM

Date: 06/08/ 2024



Name: Mrs. Hamaro M. Sylvano

Chief Principal/ Secretary to BOM

Date: 06/08/ 2024



Name: Mrs. Judith Mkambe Daniel

Bursar/ Finance Officer

Date: 06/08/ 2024

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	Budget Utilisation difference	% Of Utilization
	a	b	c=a+b	d	E=c-d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts						
<i>(1) Capitation Grant on Tuition</i>						
Reference Materials	934,690	-	934,690	446,602	488,088	0.0%
Exercise Books	1,062,408	-	1,062,408	262,908	799,296	24.75%
Laboratory Equipment	886,408	-	886,408	130,800	755,608	14.756%
Internal Exams	178,272	-	178,272	-	178,272	0.0%
Teaching / Learning Materials	356,544	-	356,544	2,054,166	(1,697,622)	17.357%
chalk	37,140	-	37,140	-	37,140	0.0%
Sub-Total	3,455,462		3,455,462	2,894,476	(194,830)	-0.067%
<i>(2) Capitation Grant on Operations</i>						
Personnel Emoluments	6,610,920	-	6,610,920	2,639,147	3,971,773	39.9%
Repairs And Maintenance	6,190,000	-	6,190,000	3,266,000	2,924,000	52.8%
Local Transport / Travelling	1,980,800	-	1,980,800	360,032	1,620,768	0.0%
Electricity And Water	1,077,060	-	1,077,060	1,272,969	(696,446)	164.7%
Medical	-	-	-	232,200	(232,200)	-
Administration Costs	1,238,000	-	1,238,000	1,633,000	(395,000)	131.9%
Activity	2,362,104	-	2,362,104	464,400	1,897,704	19.7%
Ministry	-	-	-	3,053,612	(3,053,612)	-
Sub-Total	19,458,884	-	19,458,884	12,921,360	5,971,879	0.462%

Annual Report and Financial Statements for Bahari Girls Secondary School for the year ended 30th June 2023

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Budget Utilisation difference	% Of Utilization
	a	b	c=a+b	d	E=c-d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
3) FDSE for infrastructure						
Maintenance & Improvement MoE	-	-	-	-		-
M&I parents' contribution	-	-	-	-		-
Economic Stimulus Programs	-	-	-	-		-
Transition Infrastructure Grants	-	-	-	-		-
Administration Block	-	-	-	-		-
(4) Fees Charged on Parents						
Personnel Emoluments	9,517,300	-	9,517,300	7,784,590	2,158,175	77.3%
Repairs And Maintenance	2,600,000	-	2,600,000	3,717,908	(391,793)	115.1%
Local Transport / Travelling	2,632,500	-	2,632,500	3,938,132	(829,465)	131.5%
Electricity And Water	4,689,100	-	4,689,100	7,814,947	(2,222,270)	147.4%
INF.I FUND	-	-	-	1,162,147	(1,162,147)	-
Administration Costs	5,523,700	-	5,523,700	39,602,594	(2,777,063)	150.3%
Activity	1,037,400	-	1,037,400	2,674,235	(263,005)	125.4%
BOM TEACHERS	-	-	-	7,866,566	(7,866,566)	-
Fee On Boarding Equipment and Stores	32,500,000	-	32,500,000	60,487,982	(6,889,513)	121.2%
Sub-Total	58,500,000	-	58,500,000	135,049,101	(193,549,101)	100.6%
5) miscellaneous Income						
REFUNDABLE FEES	-	-	-	518,876	(518,876)	-

Annual Report and Financial Statements for Bahari Girls Secondary School for the year ended 30th June 2023

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Budget Utilisation difference	% Of Utilization
	a	b	c=a+b	d	E=c-d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Rent income	-	-		195,700	(195,700)	-
Income From Farming Activities	-	-	-	1,091,925	(1,091,925)	-
TENDER	-	-	-	118,408	(118,408)	-
BURSARY	-	-	-	18936080	(18,936,080)	-
SCH ID/UNIFORM	-	-	-	123,700	(123,700)	-
SACCO	-	-	-	563,300	(563,300)	-
PAYE	-	-	-	350,353	(350,353)	-
NSSF/NHIF	-	-	-	1,296,660	(1,296,660)	-
Sub-Total	-	-	-	23,195,002	(22,844,649)	-
TOTAL INCOME	63,901,346	-	63,901,346	174,059,939	(210,616,701)	
<i>(6) Expenditure For Tuition</i>						
Textbooks	-	-	-			-
Reference Materials	934,690	-	934,690	62,175	872,515	-
Exercise Books	1,062,408	-	1,062,408	1,880,450	(818,042)	-
Laboratory Equipment	886,408	-	886,408	245,361	641,047	-
Internal Exams	178,272	-	178,272	77,500	100,772	-
Teaching / Learning Materials	356,544	-	356,544	348,580	7,964	-
Chalks	37,140	-	37,140	0	(37,140)	-
Exams And Assessment	-	-	-	0	-	-
Teachers Guides(MINISTRY)	-	-	-	446,602	-	-
Administration Costs	-	-	-	0	-	-
Bank Charges	-	-	-	3,454	(3,454)	-
Sub-Total	3,455,462	-	3,455,462	3,064,122	763,662	

Annual Report and Financial Statements for Bahari Girls Secondary School for the year ended 30th June 2023

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Budget Utilisation difference	% Of Utilization
	a	b	c=a+b	d	E=c-d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<i>(7) Expenditure For Operations</i>						
Personnel Emoluments	6,610,920	-	6,610,920	1,119,506	5,499,378	-
Repairs, Maintenance & Improvements	6,190,000	-	6,190,000	0	6,190,000	0.0%
Local Transport / Travelling	1,980,800	-	1,980,800	426,101	1,554,699	21.51%
Electricity, Water and Conservancy	1,077,060	-	1,077,060	4,461,568	(3,384,508)	414.2%
Medical (MINISTRY)	-	-	-	2,553,075		-
Administration Costs	1,238,000	-	1,238,000	7,144,659	(5,906,659)	577.1%
Activity Expenses	2,362,104	-	2,362,104	2,109,360	252,744	89.3%
Bank charges	-	-	-	4,848	(4,848)	0.0%
SMASSE	-	-	-	0	-	-
Sub-Total	19,458,884		19,458,884	22,939,735	4,200,806	
<i>(8) Expenditure For infrastructure</i>						
Construction of classrooms	-	-	-	-	-	-
Construction of LAB	-	-	-	-	-	-
Construction of DORMS	-	-	-	-	-	-
Purchase of furniture	-	-	-	-	-	-
Purchase of equipment	-	-	-	-	-	-
Purchase of machinery	-	-	-	-	-	-

Annual Report and Financial Statements for Bahari Girls Secondary School for the year ended 30th June 2023

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Budget Utilisation difference	% Of Utilization
	a	b	c=a+b	d	E=c-d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<i>(9) Expenditure For school fund/lunch/boarding</i>					-	
Personnel Emoluments	9,517,300	-	9,517,300	11,409,439	(9,892,139)	119.88%
Repairs, Maintenance and Improvements	2,600,000	-	2,600,000	-	2,600,000	0.00%
Local Transport / Travelling	2,632,500	-	2,632,500	3,604,461	(971,961)	36.9%
Electricity, Water and Conservancy	4,689,100	-	4,689,100	3,773,543	948,557	20.2%
sacco	-	-	-	563,300	(563,300)	0.00%
Administration Costs	5,523,700	-	5,523,700	14,885,703	(2,362,003)	14.27%
Activity	1,037,400	-	1,037,400	2,397,186	(1,359,786)	23.1%
B.o.m teachers	-	-	-	6,629,225	6,629,225)	0.00%
Bursary	-	-	-	23,936,080	(23,936,080)	0.00%
Boarding Equipment and Stores	32,500,000	-	32,500,000	50,009,610	(14,514,537)	144.66%
Expenditure For Income Generating Activity	-	-	-	2,275,476	(2,275,476)	0.00%
Excess fees	-	-	-	390,817	(390,817)	0.00%
Infrastructure I fund	-	-	-	2,299,445	(2,299,445)	0.00%
p.a.y.e	-	-	-	350,353	(350,353)	0.00%
Bank Charges	-	-	-	116,915	(116,915)	0.00%
School id	-	-	-	109,800	(109,800)	0.00%
tender	-	-	-	180,000	(180,000)	0.00%
N.h.i.f	-	-	-	547,700	(547,700)	0.00%

Annual Report and Financial Statements for Bahari Girls Secondary School for the year ended 30th June 2023

Receipt/Expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b Kshs	Actual On Comparable Basis d Kshs	Budget Utilisation difference E=c-d Kshs	% Of Utilization e=d/c % Kshs
uniform				2,150	-	0.00%
N.s.f	-	-	-	748,960	-	0.00%
Sub-Totals	58,500,000	-	58,500,000	124,230,163	(28,152,199)	-
TOTAL EXPENDITURE	63,901,346	-	63,901,346	147,234,343	(23,187,731)	-

Annual Report and Financial Statements for Bahari Girls Secondary School for the year ended 30th June 2023

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

Annual Report and Financial Statements for Bahari Girls Secondary School for the year ended 30th June 2023

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.

Annual Report and Financial Statements for Bahari Girls Secondary School for the year ended 30th June 2023

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 fulfillment 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

Annual Report and Financial Statements for Bahari Girls Secondary School 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
Reference Materials	-	-
Exercise Books	262,908	900,000
Laboratory Equipment	130,800	1,506,000
Internal Exams	-	86,000
Teaching / Learning Materials	2,054,166	1,150,523
Teachers Guides	446,602	600,598
Total	2,894,476	4,243,121

2 Government Grants for Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	2,639,147	4,592,000
Repairs And Maintenance	3,266,000	3,559,000
Local Transport / Travelling	360,032	212,854
Electricity And Water	1,272,969	1,787,700
Medical	232,200	242,400
Administration Costs	1,633,000	1,454,782
Activity	464,400	-
Other MOEST	3,053,612	6,903,580
Total	12,921,360	18,752,316

3 Government Grants for infrastructure

Description	2022-2023	2021-2022
	Kshs	Kshs
Maintenance & Improvement	-	-
Transition infrastructure grants	-	-

Annual Report and Financial Statements for Bahari Girls Secondary School for the year ended 30th June 2023

Description	2022-2023	2021-2022
	Kshs	Kshs
Administration Block	-	-
Economic stimulus grants	-	-
Other	-	-
Total	-	-

4 School Fund Income - Parents Contribution/Fees

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	7,784,590	26,108,966
Repairs and maintenance	3,717,908	4,828,208
Local transport / travelling	3,938,132	4,733,292
Electricity and water	7,814,947	9,036,484
Medical/Insurance	-	254,800
Administration costs	39,602,594	18,725,709
Activity	2,674,235	1,922,951
Parent Infrastructure Fund	1,162,147	2,362,593
B.O.M Teachers	7,866,566	-
Fee on Boarding Equipment and stores	60,487,982	-
Total	135,049,101	67,973,003

5 Other Receipts – school fund Account

Description	2022-2023	2021-2022
	Kshs	Kshs
Rent Income	195,700	105,900
Income From Farming Activities	1,091,925	1,541,148
Income from mattress		2,000
Interest Income		3,300
Income bursary	18,936,080	
Fee On Boarding Equipment and Stores		68,811,987
Income From Bus Hire	-	

Annual Report and Financial Statements for Bahari Girls Secondary School for the year ended 30th June 2023

Fee receivable	518,876	
students school ID cards	118,200	239,400
Tenders	111,000	
Sacco	563,300	
Bank charges	7,408	
Income from uniforms	5,500	7,050
P.A.Y.E	350,353	
N.H.I.F	547,700	
N.S.S.F	748,960	
Total	23,195,002	70,710,785

Notes to the Financial Statements (continued)

6 Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Exercise Books	1,880,450	2,329,568
Textbooks	0	-
Reference materials	62,175	-
Laboratory Equipment	245,361	2,563,383
Teaching / Learning Materials	348,580	516,012
Exams And Assessment	77,500	52,500
Teachers Guides (ministry)	446,602	-
Bank Charges	3,454	2,856
Others (<i>specify</i>)	0	-
Total	3,064,122	5,464,319

7 Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	1,119,506	2,934,478
Service Gratuity	-	-

Annual Report and Financial Statements for Bahari Girls Secondary School for the year ended 30th June 2023

Administration Cost	12,265,277	3,046,766
Repairs And Maintenance & Improvements	0	-
Local Transport / Travelling	426,101	152,040
Electricity And Water	4,461,568	1,990,579
Medical	2,553,075	-
Activity Expenses	2,109,360	123,800
Bank charges	4,848	5,644
Acquisition of Assets	0	8,831,500
Total	22,939,735	17,084,807

Annual Report and Financial Statements for Bahari Girls Secondary School for the year ended 30th June 2023

Notes to the Financial Statements (continued)

8 Infrastructure

Description	2022-2023	2021-2022
	Kshs	-
Construction of classrooms	-	1,430,120
Construction of laboratory	-	-
Construction of dormitory	-	-
Purchase of furniture	-	4,644,550
Purchase of equipment	-	-
Purchase of apparatus	-	-
Drilling of boreholes	-	-
Others (specify)	-	-
Total	-	6,074,670

9 Boarding and School Fund payments

Description	2022.2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	11,409,439	10,484,842
Activity expenses	2,397,186	340,074
Repairs And Maintenance & Improvements	-	3,159,115
Local Transport / Travelling	3,604,461	3,022,619
Electricity And Water	3,740,543	3,109,841
PAYE	350,353	
Administration Costs	14,885,703	19,459,480
Sacco	563,300	
Bank Charges	116,915	11,314
Expenses On Income Generating Activities	344,516	2,801,095
Fee On Boarding Equipment and Stores	50,009,610	46,484,654
Excess Fees	390,817	485,227
Insurance Cost	-	118,000
(B.O.M Teachers' salaries)	6,629,225	6,182,200
School farm	1,930,960	
Acquisition Of Assets(infrastructure)	2,299,445	11,231,224
ID CARDS	109,800	121,800

Annual Report and Financial Statements for Bahari Girls Secondary School for the year ended 30th June 2023

Bursary	23,969,080	
Tender	180,000	60,320
N.H.I.F	547,700	
N.S.SF	748,960	
UNIFORM	2,150.00	-
Total	124,230,163	107,071,805

Annual Report and Financial Statements for Bahari Girls Secondary School for the year ended 30th June 2023

Notes to the Financial Statements (continued)

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2022-2023	2021-2022
	Active/Dormant		Kshs	Kshs
Tuition Account	ACTIVE	1102191914	203,731	171,099
Operations Account	ACTIVE	1102192023	1,075,017	8,779,189
School Fund Account/Boarding	ACTIVE	1102186112	-	(2,290,345)
Savings Account	ACTIVE	1101524413	11,044,693	9,452,494
Parent Association Development Account	ACTIVE	1101540044	5,164,267	3,139,428
Personal Enol Account	ACTIVE	2266282155	11,136,844	9,363,338
Infrastructural Account	ACTIVE	11066282295	17,815,988	12,506,618
Total			46,440,540	41,121,821

11 Cash in Hand

Description	2022-2023	2021-2022
	Kshs	Kshs
Notes and Coins	297,903	109,030
Total	297,903	109,030

12 Short Term Investments

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

Annual Report and Financial Statements for Bahari Girls Secondary School for the year ended 30th June 2023

Notes to the Financial Statements (continued)

13 Accounts Receivable

Description	2022-2023	2021-2022
	Kshs	Kshs
Fees Arrears	83,392,666	54,670,653
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)	-	-
Imprest (list/schedule attached)	-	-
Rent arrears (list/schedule attached)	-	-
Total	83,392,666	54,670,653

13 b Ageing Analysis of Accounts Receivable

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	36,931,718	%	37,859,209	%
Between 1- 2 years	29,649,505	%	3,946,807	%
Between 2-3 years	16,811,444	%	12,864,637	%
Over 3 years	-	%	-	%
Total (should tie to note 13 a)	83,392,667	%	54,670,653	%

14 Accounts Payable

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	11,728,800	1,875,182
Prepaid Fees	4,729,950	4,179,880
Retention Monies	-	-
Unpaid salaries and statutory deductions	-	-
Caution money	-	-
Other payables	-	-

Annual Report and Financial Statements for Bahari Girls Secondary School for the year ended 30th June 2023

Total	16,458,750	6,055,062
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Annual Report and Financial Statements for Bahari Girls Secondary School for the year ended 30th June 2023

Notes to the Financial Statements (continued)

14a. Ageing Analysis of Accounts Payable

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	10,945,442	%	1,875,182	%
Between 1- 2 years	783,358	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (should tie to note 14)	11,728,800	%	1,875,182	%

15 Fund Balance Brought Forward

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank Balances	46,440,540	41,121,820
Cash Balances	297,903	109,030
Short Term Investments	-	-
Receivables	83,392,666	54,670,653
Payables	(16,458,750)	(6,055,062)
Total	113,672,359	89,846,441

Annual Report and Financial Statements for Bahari Girls Secondary School for the year ended 30th June 2023

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	7,653,880	7,295,420
Others (specify)	-	-
Total	7,653,880	7,295,420

17 Biological assets

Description	Numbers	2022-2023	2021-2022
		Kshs	Kshs
Cattle	8	560,000	700,000
Goats	25	175,000	105,000
Trees	989	986,000	568,000
Coffee Or Tea Plantation	-	-	-
Poultry	-	-	106,000
Others	-	-	-
Total	1019	1,721,000	1,479,000

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	-	-

Annual Report and Financial Statements for Bahari Girls Secondary School for the year ended 30th June 2023

Other important disclosure notes

19 Stock/ Inventory

Description	2022-2023	2021-2022
	-	Kshs
Food stuffs	1,037,230	953,456
Lab consumables	425,439	392,034
Farm produce	-	-
Medication	-	-
Construction Materials	-	-
Stationery	577,211	43,735
Total	2,039,880	1,389,225

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)
1				
2				

Sign
 Mrs. Hamaro M. Sylvano
Chief Principal

Date 06/08/2024

NB: The financial statements are being audited for the first time and recommendations mentioned above may not apply.

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. DORMITORY	20,046,960	9.8.2023	14,597,988	5,448,972	-	Project ongoing
2.	-	-	-	-	-	-
3.	-	-	-	-	-	-
Sub-Total	20,046,960	-	14,597,988	5,448,972	-	-
Supply Of Goods	-	-	-	-	-	-
4.	-	-	-	-	-	-
5.	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-
Supply Of Services	-	-	-	-	-	-
6.	-	-	-	-	-	-
7.	-	-	-	-	-	-
8.	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-
Grand Total	20,046,960	-	14,597,988	5,448,972	-	-

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1st July 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2023
Land	Land donated by kilifi plantation	-	-	Has not been valued
Buildings And Structures	15,686,897	-	-	15,686,897
Motor Vehicles	4,398,500	-	-	4,398,500
Office Equipment, Furniture And Fittings	275,000	75,000	-	350,000
Textbooks(Government	-	-	-	-
ICT Equipment	5,794,902	4,398,500	-	10,193,402
Tools And Apparatus	3,976,570	180,000	-	4,156,570
Other Machinery And Equipment(generator)	4,026,970	-	-	4,026,970
Heritage And Cultural Assets	-	-	-	-
Intangible Assets- Soft Ware	220,000	596,000	-	816,000
Total	34,378,839	5,249,500	-	39,628,339

The land was donated by Kilifi Plantation and valuation has not been done.