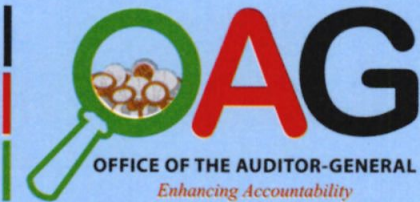


REPUBLIC OF KENYA



REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

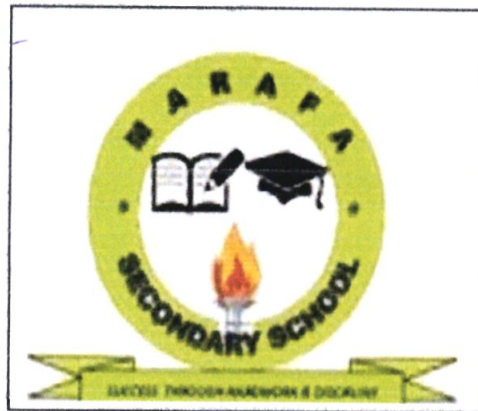
HON. AUDITOR-GENERAL PAPERS LAID	
DATE: 29 JUL 2026	DAY: WEDNESDAY
TABLED BY:	HON. MARGARET KIRANYI ON BEHALF OF LOM
CLERK-AT THE-TABLE:	KATHAR NGINTO

MARAFI BOYS SECONDARY SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2024

KILIFI COUNTY

Revised 30th June 2024.



MARAFA SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2024

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



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1. Acronyms and Definition of Key Terms

A. Acronyms.

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
TSC	Teachers Service Commission
SMASSE	Strengthening of Mathematics and Science in Secondary Education

B. Definition of Key Terms

Comparative Year- Means the prior period.

(This list is an indication of the common acronyms and abbreviations; the Entity should include all from the annual report and financial statements prepared)

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, **Magarini** Sub-County.

The school was registered in **04/2022** under registration number **03S/3000/0206** and is currently categorized as a **County** (*National, Extra County, County and Sub County*) public school established, owned or operated by the Government.

The school is a day/boarding school and had **576** number of students as at **30th June 2024**. It has **12** streams and **24** teachers of which **6** 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	Paul Mwambire	Chairman	8th July 2022
2	Seif Juma Dzillah	Secretary - Principal	8th July 2022
3	Hellen Mzungu	Member	8th July 2022
4	Doyo Wario Hiribae	Member	8th July 2022
5	Fadhili Ngua Daniel	Member	8th July 2022
6	Franklin Karema	Member	8th July 2022
7	Anderson Kalama Gona	Member	8th July 2022
8	Naphtal Tsofa Mwarogo	Member – Rep CEB	8th July 2022
9	John Muturi Nyaga	Member Rep Teachers	8th July 2022
10	Wilberforce Mwakiru Ngetso	3 Members – Sponsor	8th July 2022
11	George Kalume Musha		8th July 2022
12	Lilian Jumwa		8th July 2022
13	Dr. Nelson Chengo Menza	Member - Community	8th July 2022
14	Maryselina Kibamba	Member Special Needs	8th July 2022
15	Collins Kazungu	Rep Students	8th July 2022

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, of 2013.
- Ensure and assure the provision of proper and adequate facilities for the School.
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School.
- Determine cases of pupils' discipline and make reports to the CEB.
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB.
- Administer and manage the resources of the School.
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule para 21 and 23 of the Basic Education Act, 2013.

(c) Committees of the Board

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

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1.Paul Mwambire 2.Seif Juma Dzilla 3.Daniel Wanje 4.Lilian Jumwa 5.Hellen Mzungu 6.Maryselina Kibamba	BOM Chairman Secretary Member Member Member Member	3
2	Audit Committee	1.Naphtal Tsofa Mwarogo 2.Fadhili Ngua Daniel 3.Hellen Mzungu 4.Dr. Nelson Menza	Chairman Secretary	0
3	Finance,procurement and general purposes Committee	1.Daniel Wanje 2.Wilberforce Mwakiru 3.Anderson Kalama Gona	Chairman Secretary	0
4	Academic Committee	1.Hellen Mzungu 2.John Muturi Nyaga	Chairman Secretary	1
5	Development Committee	1.Seif Juma Dzillah 2. Wilberforce Mwakiru 3.George Kalume Musha 4.Maryselina Kibamba	Chairman Secretary	2
6	Discipline and welfare Committee	1.Franklin Karema 2.Lilian Jumwa	Chairman Secretary	0

(d) School operation Management

For the financial year ended 30th June, 2024 the School's day-to-day management was under the following persons:

Ref:	Designation	Name	Identification
1	Principal	Seif Juma Dzillah	TSC No. 375205
2	Deputy Principal	Lewa Stanslus	TSC No. 302695
3	School Bursar	Thomas Ombere	Id/no 11344419
4	Other (specify)		

(e) Schools contacts

Post Office Box: 4 – 80207, Madina –Malindi
Telephone: 0717 614 123
E-mail: marafasecondary@ymail.com
Website: N/A
Facebook: N/A
Twitter: N/A

(f) School Bankers**1. Marafa secondary school Main account.**

Name of Bank: Kenya Commercial Bank
Branch : Malindi
Account no 1107991234

2. Tuition Account

Name of Bank: Kenya Commercial Bank
Branch : Malindi
Account no 1104229056

3. Operation Account.

Name of Bank: Kenya Commercial Bank
Branch : Malindi
Account no 1104238497

4. Marafa secondary bus account.

Name of Bank: Kenya Commercial Bank
Branch : Malindi
Account 1124139826

5. Marafa secondary service gratuity.

Name of Bank: Kenya Commercial Bank
Branch : Malindi
Account 1109797052

6. Marafa secondary Infrastructure Account

Name of Bank: Kenya Commercial Bank
Branch : Malindi
Account no 1109797052

7. Mpesa paybill no 522123 attached to 60011k (1107991234) bank account

(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:

1. SURPLUS/DEFICIT

Year	Operation	Tuition	Main Acc	Infrastructure	Totals
2022	(2,381,060.00)	(389,762.80)	3,298,847.00		528,024.20
2023	278,688.10	(660,445.00)	(131,575.00)		(513,331.90)
2024	106,581.15	(178,719.80)	1,550,549.65	596,680.00	2,075,091.00

2. CAPITATION GRANTS

Year	Operation	Tuition	Infrastructure	Totals
2022	6,539,415.00	1,505,581.20		8,044,996.20
2023	4,720,009.10	1,089,624.00		5,809,633.10
2024	4,005,942.15	1,001,888.20	1,819,900.00	6,827,730.35

3. GROWTH OF OTHER INCOMES

Year	Tender	T/shirt	Bus hire and repair	Damages	Disposal of assets	Bus fund project	Total
2022	11,000	874,750	296,000	103,338			1,285,088
2023	10,000	413,813	359,900	16,550			800,263
2024	13,000	18,200	155,500	nil	76,720	205,950	469,370

Financial performance continued:

4. GROWTH IN EXPENDITURE OF THE SCHOOL FOR THE LAST 3 YEARS

Year	Operation Account	Tuition Account	School Fund Account	Infrastructure Account
2022	8,920,475.00	1,895,344.00	16,906,531.00	
2023	4,441,321.00	1,750,069.00	16,996,152.00	1,185,650.00
2024	3,899,361.00	1,180,608.00	18,467,658.85	1,223,220.00

5. MOVEMENT OF DEBTORS AND CREDITORS

Year	Debtors	Creditors
2022	22,333,315.30	154,985.00
2023	23,545,887.30	944,740.00
2024	20,010,051.54	404,360.00

6. MOVEMENT OF CASH AND BANK BALANCES

Year	BANK	CASH
2022	927489.47	12,573.00
2023	199,824.57	33,342.00
2024	1,406,023.57	1,771.00

b) Teacher Student ratio:

School Enrolment in 2024	Number of Teachers	Number of Streams	TSC Teachers posted in 2024	TSC Teachers Transferred in 2024	BOM Teachers Recruited in 2024	TSC Interns Posted in 2024
576	18	12	0	0	3	0

C.B.E FOR THE YEAR 2024

Number of streams: FORM 1-6, FORM 2-2, FORM 3-2, FORM 4-2

SUBJECT	FORM 1	FORM 2	FORM 3	FORM 4	TOTAL PERIODS	T.R
ENGLISH	36	12	14	14	76	2.814814815
KISWAHILI	30	10	12	12	64	2.37037037
MATHEMATICS	36	12	14	14	76	2.814814815
BIOLOGY	24	8	10	10	52	1.925925926
PHYSICS	24	8	5	5	42	1.555555556
CHEMISTRY	24	8	10	10	52	1.925925926
HISTORY	18	6	8	8	40	1.481481481
GEOGRAPHY	18	6	5	5	34	1.259259259
C R E	18	6	10	10	44	1.62962963
AGRICULTURE	9	6	4	4	23	0.851851852
COMPUTER	12	6	4	4	26	0.962962963
BUSINESS	18	6	4	4	32	1.185185185
IRE	3	3	4	4	14	0.518518519
	270	97	104	104	575	21.2962963

SHORT FALL

PRINCIPAL (27-6) = **21**PERIODS

DEPUTY PRINCIPAL (27-12) = **15** PERIODS

H.O.D JOB GROUP L (27-18)9 = **81** PERIODS

TOTAL SHORTFALL **117** PERIODS.

T.R FROM SHORTFALL = $117/27 = 4.333$

TOTAL T. R= 21.296 + 4.333 = 25.629

NUMBER OF TEACHERS IN THE SCHOOL = **18**

SHORT FALL = 8

c) Teacher Student ratio continued:

Areas of Need

AGRICULTURE / BIOLOGY	–	2
KISWAHILI/HISTORY	–	1
IRE/HISTORY	–	1
CRE/GEOGRAPHY	–	1
MATHS/CHEMISTRY	–	1
PHYSICS/MATHS	–	1
BIOLOGY/CHEMISTRY	–	1

d) The mean score in the 2023 KCSE:

YEAR	ENROL MENT	MEAN	TRANSI TION	TRANSITION (%)	SCHOOL TARGET	COMMENTS
2023	46	4.4783		65%	5.1	Positive deviation of 0.6668. Most subjects registered positive deviation. However at the transition of D+ and above, 30 students qualified to join tertiary institutions.
2022	122	3.8115	61	50%	4.5	Positive deviation of 0.3115. Most subjects registered positive deviation. However at the transition of D+ and above, 61 students qualified to join tertiary institutions.
2021	108	3.5	46	42.59%	4.5	Negative deviation of 0.8086. All subjects registered negative deviations in the mean. However at the transition of D+ and above, 46 students qualified to join tertiary institutions.

e) Number of Candidates in the 2021, 2022, 2023 & 2024 KCSE:

S/N	YEAR	ENTRY
1	2024	83
2	2023	46
3	2022	122
4	2021	108

f) Capacity of the School:

Basic School Infrastructure

Enrolment			No. of Classrooms		Toilets/Pit Latrines		No. of Other Facilities					ICT Learning	
Boarders	Day scholars	Total	Permanent	Temporary	Staff	Boys	Labs	Workshops	Libraries	Kitchen	Dormitory	No. of Computer/ Tablets	Internet (Yes/No)
415	161	576	14	0	2	30	1	0	1	1	3	6	Yes

g) Development projects carried out by the school:

S/NO	PROJECTS	COST	SOURCE OF FUNDS
1	Procurement of 57 Double Decker	1,223,220	Ministry of Education

Sign

School Principal

MARAFA SECONDARY SCHOOL
PRINCIPAL
23 MAR 2023
P. O. Box 4-80207- MADINA
SIGNATURE:

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 keep all proper books and records of accounts of the income, expenditure, and assets of the institution.

The Board of Management of *Marafa Boys secondary* 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, 2024, and of the school's financial position as at that date.

Name: Charles Lewa Chai

Designation: Chairman, School Board of Management

Sign:

Date: 23.03.2026

Name: Seif Juma Dzillah

Designation: School Principal & Secretary to Board of Management

Sign:

Date: 23.03.2026



Name: Thomas Ombere

Designation: Bursar/ Finance Officer

Sign:

Date: 23.03.2026

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 MARAFA BOYS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2024 - KILIFI COUNTY

PREAMBLE

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

- A. Report on 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 the 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 the Government achieves value for money and that such funds are applied for the intended purpose; and,
- 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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 Marafa Boys Secondary School set out on pages 1 to 21, which comprise of the statement of assets and liabilities as at 30 June, 2024 and the statement of 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 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 Marafa Boys Secondary School at 30 June, 2024 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 the Basic Education Act, 2013 and the Public Finance Management Act .

Basis for Qualified Opinion

1. Variances in the Financial Statements

The following variances in the statement of receipts and payments were noted:

- i) The statement of receipts and payments reflects school fund income-parents' contributions and miscellaneous income of Kshs.19,548,831 and Kshs. 469,370 respectively which differs with Kshs 16,653,781 and Kshs.3,005,545 respectively reflected in statement of cashflows and statement of budgeted versus actuals amounts of resulting to a variance of Kshs. 2,895,058 and Kshs. 2,536,175.
- ii) The statement of receipts and payments reflects boarding and school fund payments of Kshs.18,467,659 which differs with the statement of cashflows and statement of budgeted versus actuals of Kshs.19,009,239 resulting to a variance of Kshs.541,580.
- iii) The statement of receipts and payments and as disclosed in Note 9 to the financial statements reflects boarding and school fund payments of Ksh.18,467,658 which includes administration costs and expenses on bus fund of Kshs.1,879,768 and Kshs.605,000 which differ with ledger balances of Kshs.1,857,768 and Kshs. Nil respectively resulting to a variance of Kshs.22,000 and Kshs.605,000.
- iv) The statement of receipts and payments and as disclosed in Note 2 and Note 3 to the financial statements reflects Government grants for operations and infrastructure of Kshs.4,005,942 and Kshs.1,819,000 respectively which differ with the bank statements amounts of Kshs.5,825,811 and Kshs.1,238,000 respectively resulting to a variance of Kshs.1,819,869 and Kshs.581,000 respectively.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

2. Unsupported School Fund Payments

The statement of receipts and payments and as disclosed in Note 9 to the financial statements reflects boarding and school fund payments of Kshs 18,467,659. However, examination of payment vouchers revealed that expenditure amounting to Kshs.1,036,700 was not supported with appropriate supporting documents such as

requisitions, local purchase orders, delivery notes, inspection reports, goods received notes, activity reports / minutes, attendance lists

In the circumstances, the accuracy and completeness of boarding and school fund payments of Kshs 18,467,659 respectively could not be confirmed.

3. Variances Accounts Receivables

The statement of assets and liabilities and as disclosed in Note 13 to the financial statements reflects accounts receivable balance of Kshs.20,010,051 which relates to student fees arrears. However, analysis of opening balances, invoiced amounts and receipts from students revealed a closing balance of Kshs.26,440,847 resulting to variance of Kshs.6,430,796. Further, accounts receivable balance of Kshs.20,010,052 differs with the ledgers balance of Kshs 19,234,542 resulting to a variance of Kshs.775,510.

In the circumstances, the accuracy, completeness and recoverability of accounts receivables balance of Kshs.20,010,051 could not be confirmed.

4. Unsupported Accounts Payables and Under Statement

The statement of assets and liabilities and as disclosed in Note 14 to the financial statements reflects accounts payables balance of Kshs.1,392,455 which includes trade creditors balance of Kshs.404,360 not supported with ledgers.

Further, analysis of receipts revealed that the school received bursary cheques amounting to Kshs.4,331,035 from various entities to sponsor students, out of which Kshs.3,206,035 was allocated to various students resulting into unallocated amount of Kshs.1,125,000 which was not recognized as part of the accounts payables balance.

In the circumstances, the accuracy and completeness of the account's payables balance of Kshs.1,392,455 could not be confirmed.

5. Unsupported Cash and Cash Equivalents

The statement of assets and liabilities and as disclosed in Note 10 and Note 11 to the financial statements reflects cash and cash equivalent balance of Kshs.1,407,794 which includes bank balance of Kshs.1,406,023. However, the bank balance includes bus account and service gratuity account balances of Kshs.24,393 and Kshs.5,093 respectively whose cashbooks, bank reconciliations statements and certificate of bank balances were not provided for audit verification.

In the circumstances, the accuracy and completeness of cash and cash equivalent balance of Kshs.1,407,794 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Marafa Boys 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.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Audit Issues

The Auditor-General's report for the year ended 30 June, 2023 raised several audit issues which remained unresolved as at 30 June, 2024. Management has not taken adequate action to address these matters. The issues relate to prior periods and have been reported for emphasis of matter purposes.

1. Inaccuracies in capitation grants
2. Accounting for other receipts
3. Unsupported payments
4. Unsupported cash and cash equivalents
5. Unsupported account receivables
6. Long outstanding receivables
7. Unsupported account payables
8. Unresolved prior year audit matters
9. Late submission of financial statements
10. Failure to transfer infrastructure funds from the operation bank account
11. Irregular transfer of funds to Kenya Secondary School Heads Association
12. Use of cash to procure goods, works and services
13. Lack of approved budget and procurement plan
14. Non adherence to Procurement laws
15. Lack of a functional audit committee
16. Lack of fixed asset register and asset ownership documents

Other Information

The Management is responsible for the Other Information set out on page iii to xiv which comprise of which comprise of Key School Information and Management, Summary Report of Performance of the School and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the School's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit

or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the 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. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

The statement of receipts and payments and as disclosed in Note 9 to the financial statements reflects boarding and school fund payments of Kshs.18,467,658 which includes activities of Kshs.1,001,820. The amount includes Kshs.80,200 transferred to Kenya Secondary School Heads Association (KESSHA) which is a welfare organization and is not defined in Government Funding system. This was contrary to Regulation 23(2)c of the Public Finance Management (National Government) Regulations, 2015 which requires that an Accounting Officer shall, before transferring any funds to an entity within or outside the Government, ensure that there is a written assurance from the entity that it shall implement effective, efficient and transparent financial management and internal control systems.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.80,200 could not be confirmed.

2. Unprocedural Transfer of Activity Funds

Included in the activities payments of Kshs.1,001,820 is Kshs.317,900 which was transferred to fund subcounty, county and regional school activities through State Department of Basic Education at the Sub County, County and Regional Level. However, the expenditure was not supported with requisitions/authority from the State Department of Basic Education and it was not in the approved school budget contrary to Regulation 23(2)(c) of the Public Finance Management (National Government) Regulations, 2015 which states that an Accounting Officer shall, before transferring any funds to an entity within or outside government, ensure that there is a written assurance from the entity that

it shall implement effective, efficient and transparent financial management and internal control systems.

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

3. Under Funding of Capitation Grants

The statement of receipts and payments and as disclosed in Note 1 and Note 2 to the financial statements reflects capitation grants for tuition and operations of Kshs 1,001,888 and Kshs 4,005,942 respectively. During the financial year under review, NEMIS reported a total number of One Thousand Five Hundred and Ten (1510) students while the student registers provided by the School reflected One Thousand Nine Hundred and Eleven (1911) students, resulting in a variance of Four Hundred and One (401) students. As a result of the variances, the school was under funded by an amount of Kshs 2,918,507.

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

4. Over Supply of Text Books

During the year under review, the Ministry of Education distributed textbooks to public secondary schools through Kenya Institute of Curriculum Development (KICD). However, examination of records revealed that KICD delivered eight hundred and seventy -two (872) books to the School while the School requirements was six hundred and eighty -two (682), resulting in text books oversupply of one hundred and ninety (190) books.

In the circumstances, over supply of text books amounts to misallocation of resources and this may have affected negatively other schools which did not receive the required number of books.

5. Failure to Prepare School Improvement Plan

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

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

6. Failure to and Delay in Transfer of Infrastructure Funds

The statement of receipts and payments and as disclosed in Note 2 to the financial statements reflects Government grants for operations of Kshs.4,005,942. Review of the bank statements indicates infrastructure grants amounting to Kshs.2,569,900 was received in operations account. However, only Kshs.1,238,000 was transferred to the

infrastructure account, leaving a balance of Kshs.1,331,900. Further, the transfer was made more than fifteen (15) days after receipt of the same. This was contrary to The MOE.HQS/3/13/3 dated 16 June, 2021 which states that infrastructure grants as well as maintenance and improvement funds shall 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. Irregular Increase of School Fees

The statement of receipts and payments and as disclosed in Note 4 to the financial statements reflects school fund income - parents' contributions of Kshs.19,548,831. Examination of the records revealed that the school charged an extra fees of Kshs.3,500 to support the BOM teacher's salary and other activities which had not been approved by the Ministry of Education through the County Education Board and which was contrary to Government Circular No. MOE.HQS/3/13/3 dated 16 June, 2021 which states the that parent will only pay for school uniforms, boarding related costs as reflected in the boarding fee's structure and lunch for the day scholars.

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

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

Review of the financial statements submitted for audit revealed omissions and non-compliance with the reporting requirements:

- i) Annex 1 to the financial on analysis of pending accounts payable does not include creditors name, original amount, date contracted, amount paid to date, outstanding balance and outstanding balance comparative 2024.
- ii) Annex 2 to the financial statements on summary of fixed assets register does not indicate monetary value of assets but indicates numbers or size of land.
- iii) Note 20 to the financial statements on progress on follow up of Auditor recommendations does not indicate management response, current status and expected time frames to resolve audit findings.
- iv) Note 19 to the financial statements does not indicate inventory balances.

In the circumstances, Management did not comply with the PSASB reporting requirements.

9. Irregularities in Procurement Processes

Review of the School's procurement processes revealed the School did not have annual procurement plan contrary to Regulation 40(1) of the Public Procurement and Asset Disposal Regulations, 2020 and did not have an established procurement function managed by qualified procurement professional as required under Section 47(2) of the Public Procurement and Asset Disposal Act, 2015. Further, review of the procurement process for various procurement of goods and services revealed that School

Management did not maintain tender documents, tender advertisements, bid evaluation reports, correspondences with supplier, award letters, contract document and professional opinion contrary to Regulation 79(1) of the Public Procurement and Asset Disposal Regulations, 2020.

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

10. Doubtful Motor Vehicle Repairs

The statement of receipts and payments and as disclosed in Note 9 to the financial statements reflects boarding and school fund payments of Kshs.18,467,658 which includes expenses on bus fund of Kshs.605,000 out of which Kshs.560,000 was incurred on repairs. However, review of the payment vouchers revealed that there was no evidence of a pre and post inspection report to confirm the bus mechanical defects before repairs were done and whether the repairs done were sufficient and comprehensive. This is contrary to Regulation 173(1) of Public Procurement and Disposal Regulations, 2020 which states that the Cabinet Secretary or County Executive Committee Member responsible for matters relating to transport and mechanical engineering at the national and county government level, as the case may be, shall prepare a detailed schedule of requirements and specifications of motor vehicles, plant and equipment for use by procuring entities when initiating the procurement. Further, it was noted that the service provider was not competitively procured.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of Internal Audit Function and Audit Committee

The Key School Information and Management section of the financial statements indicates the School has an audit committee but the committee did not hold any meeting

in the year under review. Further, no evidence was provided to confirm whether any internal audit work was carried out. This contravenes Regulation 166(1) of Public Finance Management (National Government), 2015 which states that each year the internal audit unit of a national government entity shall assess its own effectiveness through an internal performance appraisal and shall carry out annual review of the performance of the internal audit activity commenting on its effectiveness in the annual report to National Treasury.

In the circumstances, the existence of an effective oversight mechanisms could not be confirmed.

2. Weaknesses in the Board of Management

Audit verification revealed that the School Board of Management was constituted by the County Education Board on 12 July, 2022 but the chairman and one board member did not have a university degree and a KCSE certificate respectively and this was contrary to Regulation 6 of the Basic Education Regulations, 2015 which requires that the minimum qualification for chairmen and members of the board for a secondary school or a middle level college be a degree from a university recognized in Kenya and a KCSE certificate respectively. Further, attendance registers were not provided.

In the circumstances, weakness in the governance mechanism hinders the management achievement of the School's strategic objectives.

3. Weaknesses in Management of Assets

Annex 2 to the financial statements reflects summary of fixed assets register which includes various assets historical cost brought forward balances reported in terms of quantity/units instead of monetary values. Further, the school has a parcel of land, buildings, a generator, posho mill, school bus, office equipment and other furniture items. However, management did not maintain a detailed fixed asset register giving details of the individual asset name, tag number, specific asset location and amount contrary to Regulation 143(1) of Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer shall be responsible for maintaining a register of assets. It was therefore not possible to identify specific assets for physical verification. Further, ownership documents for land were not provided.

In the circumstances, controls in the management of asset are in adequate and lack of ownership documents may lead to misappropriation and physical loss of assets.

4. Weaknesses in Stock/Inventory Management

Other important disclosures under Note 19 to the financial statements reflects stock/inventory balance of Kshs. Nil during the year under review. However, despite the school holding various inventory inform of books, stationeries and food stuffs, there was no stock take report done as at 30 June 2024 contrary to Regulation 171(1)(d) of Public Procurement and Asset Disposal Regulations, 2020 which states that the head of the procurement function of a procuring entity shall conduct quarterly and annual stock taking pursuant to Section 162(2) of the Act.

In the circumstances, the accuracy and completeness of the stock/inventory balance of Kshs Nil could not be confirmed.

5. Long Outstanding Receivables

The statement of assets and liabilities and as disclosed in Note 13 to the financial statements reflects accounts receivables balance of Kshs.20,010,052 which relates to fees arrears. However, receivables amounting Kshs.14,844,061 has been outstanding for more than three (3) years.

In the circumstances, recoverability of accounts receivables balance could not be confirmed.

6. Inadequate School Infrastructural Facilities

The statement of receipts and payments and as disclosed in Note 8 to the financial statements reflects payments on infrastructure of Kshs.1,223,220. However, review of existing infrastructure revealed that the school has two dormitories with a capacity of two hundred and ninety-five (295) against a student population of three hundred and fifty (356) as at the time of audit in March 2026. The difference of sixty-one (61) students were accommodated in a classroom which has been converted to a dormitory.

In the circumstances, there is likelihood of compromised education standards in the school arising from inadequate and uninhabitable learning environment.

7. Internal Controls and Risk Management Weaknesses

Review of the School's governance and policy framework revealed that several key policies and strategies were not approved or operationalized including ICT Policy, Audit Committee and Internal Audit Charters, Risk Management Policy, Disaster Recovery Plan and Business Continuity Policy, Finance and Procurement Policy and Library Management Policy. As a result, the School did not have documented and implemented guidance for critical functions such as ICT governance, finance and procurement processes, continuity planning, risk preparedness, and management of textbooks.

In the circumstances, inconsistent processes and weakened oversight may compromise the School ability to safeguard assets, ensure service continuity, and achieve strategic objectives.

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 controls, 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 the Management and Board of Management

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 controls 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 controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the School's, ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 comply with the authorities which govern them and that public resources are applied in an effective way.

The Board of Management is 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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, SBS
AUDITOR-GENERAL

Nairobi

25 May, 2026

6. **Statement Of Receipts and Payments for the Year Ended 30th June 2024**

Description Of Vote Head	Note	2023-2024	2022-2023
		Kshs	Kshs
Receipts			
Government grants for tuition	1	1,001,888.20	1,089,624.00
Government grants for operations	2	4,005,942.15	4,720,009.10
Government Grants for infrastructure	3	1,819,900.00	
School fund income- parents' contributions	4	19,548,830.50	16,064,314.00
Miscellaneous incomes	5	469,370.00	800,263.00
Total Receipts		26,845,938.85	22,674,210.00
Payments			
Tuition	6	1,180,608.00	1,750,069.00
Operations	7	3,899,361.00	4,441,321.00
Infrastructure	8	1,223,220.00	
Boarding and school fund	9	18,467,658.85	16,996,152.00
Total Payments		24,770,847.85	23,187,542.00
Surplus/Deficit		2,075,091.00	(513,331.90)

The school financial statements were approved on **23.03. 2026** and signed by:

.....


Name: Charles Lewa Chai

Chair BOM

Date: 23.03.2026

.....


Name: Seif Juma Dzilla
School Principal/ Secretary to
BOM

Date: 23.03.2026

MARAFI SECONDARY SCHOOL
PRINCIPAL
23 MAR 2026
P. O. Box 4-80207- MADINA
SIGNATURE :

.....


Name: Tom Ombere

Bursar/ Finance Officer

Date: 23.03.2026

7. Statement of Assets and Liabilities As At 30th June 2024

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	1,406,023.57	199,824.57
Cash balances	11	1,771.00	33,342
Short term investments	12	nil	nil
Total cash and cash equivalent		<u>1,407,794.57</u>	<u>233,166.57</u>
Account's receivables	13	20,010,051.54	23,545,887.30
Total financial assets (a)		21,417,846.11	23,779,053.87
Financial liabilities			
Accounts payables	14	1,392,455.00	5,828,753.76
Total Financial Liabilities (b)		1,392,455.00	5,828,753.76
Net financial assets (a-b)		20,025,391.11	17,950,300.11
Represented by			
Accumulated fund b/fwd	15	17,950,300.11	18,463,632.01
Surplus/deficit for the year		2,075,091.00	(513,331.90)
Net Assets		20,025,391.11	17,950,300.11

The school's financial statements were approved on **23.03.2026** and signed by:


 Name: Charles L. Chai
 Chair BOM
 Date: 23.03.2026


 Name: Seif Juma Dzila
 School Principal/ Secretary to BOM
 Date: 23.03.2026


 Name: Tom Ombere
 Bursar/ Finance Officer
 Date: 23.03.2026

MARAFA SECONDARY SCHOOL
 PRINCIPAL
 23 MAR 2026
 P. O. Box 4-8020/- MADINA
 SIGNATURE:2

8. Statement of Cash Flows for the Year Ended 30th June 2024

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition		1,001,888.20	1,089,624.00
Government grants for operations		4,005,942.15	3,145,009.10
Government grants for infrastructure		1,819,900.00	1,575,000.00
School fund income- parents contributions/ fees		16,653,780.50	15,860,673.00
Other income		3,005,545.00	1,853,250.00
Total receipts		26,487,055.85	23,523,556.10
Payments			
Cash outflows for tuition		1,180,608.00	1,750,069.00
Cash outflows for operations		3,899,361.00	4,441,321.00
Cash outflows Boarding/lunch and school fund payments		19,009,238.85	16,853,412.00
Total payments		24,089,207.85	23,044,802.00
Net cash inflow/outflow from operating activities		2,397,848.00	478,754.10
Cash flow from investing activities			
Acquisition of assets		(1,223,220.00)	(1,185,650.00)
Proceeds from sale of Assets		0.00	0.00
Proceeds from investments		0.00	0.00
Purchase of investments		0.00	0.00
Net cash inflow/outflows from investing activities		(1,223,220.00)	(1,185,650.00)
Cash flow from Financing activities			
Proceeds from borrowings/ loans	18	0.00	0.00
Repayment of principal borrowings		0.00	0.00
Net cash inflow/outflow from financing activities		0.00	0.00
Net increase/decrease in cash and cash equivalents		1,174,628.00	(706,895.90)
Cash and cash equivalent at beginning of the FY		233,166.57	940,062.47
Cash and cash equivalent at end of the FY		1,407,794.57	233,166.57

The school's financial statements were approved on 23.03.2026 and signed by:

.....
Name: Charles L Chai
Chair BOM
Date: 23.03.2026

.....
Name: Seif Juma Dzila
School Principal/ Secretary to BOM
Date: 23.03.2026

.....
Name: Tom Ombere
Bursar/ Finance Officer
Date: 23.03.2026

MARAFI SECONDARY SCHOOL
PRINCIPAL
3
23 MAR 2026
P. O. Box 4-8020 / - MADINA
SIGNATURE:

9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2024

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					
Exercise Books	379,840.00		379,840.00	35,500.00	9
Laboratory Equipment	379,840.00		379,840.00	194,623.00	51
Internal Exams/Chalk and Dusters	94,960.00		94,960.00	17,750.00	18
Teaching / Learning Materials	498,540.00		498,540.00	665,615.00	133
Exams And Assessment	68,371.00		68,371.00	88,400.20	129
	1,421,551.00		1,421,551.00	1,001,888.20	
(2) Capitation Grant on Operations					
Personnel Emoluments	2,563,920.00		2,563,920.00	1,715,762.85	66
Repairs And Maintenance					
Local Transport / Travelling	379,840.00		379,840.00	482,859.00	127
Electricity And Water	474,800.00		474,800.00	495,200.00	104
Medical	82,500.00		82,500.00	303,675.30	368
Administration Costs	1,044,560.00		1,044,560.00	565,850.00	54
Activity	221,062.00		221,062.00	442,595.00	200
Gratuity					
	4,766,682.00		4,766,682.00	4,005,942.15	

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
3) FDSE for infrastructure					
Maintenance & Improvement MoE	2,525,000.00	nil	2,525,000.00	1,819,900.00	72
M&I parents' contribution					
Economic Stimulus Programs					
Transition Infrastructure Grants					
Administration Block					
(4) Fees Charged on Parents					
Personnel Emoluments	1,745,600.00		1,745,600.00	1,715,134	98
Repairs And Maintenance	588,000.00		588,000.00	511,603	87
Local Transport / Travelling	228,400.00		228,400.00	213,345	93
Electricity And Water	735,000.00		735,000.00	662,430	90
BOM Teachers	1,420,600.00		1,420,600.00	1,568,260	110
Administration Costs	848,000.00		848,000.00	879,481	103
Activity	294,000.00		294,000.00	233,969.50	79
Lunch programe	3,044,000		3,044,000.00	2,108,595	69
Fee On Boarding Equipment and Stores	6,931,910.00		6,931,910.00	8,760,963	126
	15,835,510.00		15,835,510.00	16,653,780.50	105
5) Miscellaneous Income					
Income from sale of t/shirts				18,200.00	
Income from sale of tender documents				13,000.00	
Income From disposal of assets				76,720.00	
Income from bus fund project				205,950.00	

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
Dishonored cheque made good				10,000	
Income From Bus Hire				155,500.00	
Fee Arrears recovered in 2023/2024				1,538,080	
Prepaid fees received in 2023/2024				988,095	
				3,005,545	
Total Income				26,487,055.85	
(6) Expenditure For Tuition					
Textbooks	nil				
Reference Materials	nil				
Exercise Books	379,840.00		379,840.00	29,000.00	7
Laboratory Equipment	379,840.00		379,840.00	584,738.00	153
Internal Exams/chalk and dusters	68,371.00		68,371.00	34,400.00	50
Teaching / Learning Materials	498,540.00		498,540.00	494,560.00	99
Chalks	94,960.00		94,960.00	37,445.00	39
Exams And Assessment					
Teachers Guides					
Administration Costs					
Bank Charges				465.00	
	1,421,551.00		1,421,551.00	1,180,608.00	
(7) Expenditure For Operations					
Personnel Emoluments	2,563,920		2,563,920.00	1,884,804.00	73
Repairs, Maintenance & Improvements					

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
Local Transport / Travelling	379,840.00		379,840.00	44,500.00	11
Electricity, Water and Conservancy	474,800.00		474,800.00	233,473.00	49
Medical	82,500.00		82,500.00	nil	
Administration Costs	1,044,560.00		1,044,560.00	1,059,309.00	101
Activity Expenses	221,062.00		221,062.00	675,060.00	305
Bank charges				2,215.00	
SMASSE					
	4,766,682.00		4,766,682.00	3,899,361.00	
(8) Expenditure For infrastructure					
Construction of classrooms					
Construction of LAB					
Construction of DORMS					
Purchase of furniture	2,525,000.00		2,525,000.00	1,223,220.00	48
Purchase of equipment					
Purchase of machinery					
(9) Expenditure For school fund/lunch/boarding					
Personnel Emoluments	1,745,600.00		1,745,600.00	3,064,495.00	175
Repairs, Maintenance and Improvements	588,000.00		588,000.00	525,165.00	89
Local Transport / Travelling	228,400.00		228,400.00	663,100.00	290

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
Electricity, Water and Conservancy	735,000.00		735,000.00	1,103,636.00	150
Medical Expenses					
Administration Costs	848,000.00		848,000.00	1,879,768.00	221
Activity	294,000.00		294,000.00	1001,820.00	340
Gratuity					
Lunch Programme	3,044,000.00		3,044,000.00	988,288.00	32
Boarding Equipment and Stores	6,931,910.00		6,931,910.00	7,215,673.00	104
Expenditure on BOM teacher's salary	1,420,600.00		1,420,600.00	744,881.00	52
Expenditure on bus hire				266,700.00	
Expenditure on bus fund project				605,000.00	
Bank Charges				4,772.85	
	15,835,510.00		15,835,510.00	19,009,238.85	
Totals	24,548,743.00		24,548,743.00	24,089,207.85	

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

- i. Xxxx
- ii. Xxxx

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 various sources when the event occurs, and the related cash has been received by the *school*. In addition, the *school* recognises all expenses when the event occurs, and the related cash has 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 an 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 the fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Payables also include expenditures incurred for the purchase of goods, works and services that have 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 2024.

11. Notes to the Financial Statements

1 Government Grants for Tuition

Description	2023-2024	2022-2023
	Kshs	Kshs
Reference Materials		
Exercise Books	35,500.00	138,546.00
Laboratory Equipment	194,623.00	164,337.00
Internal Exams	88,400.20	112,757.00
Teaching / Learning Materials	665,615.00	535,437.50
Chalk and dusters	17,750.00	138,546.50
Total	1,001,888.20	1,089,624

2 Government Grants for Operations

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	1,715,762.85	1,337,621.05
Repairs And Maintenance	nil	2,026,000.00
Local Transport / Travelling	482,859.00	296,145.35
Electricity And Water	495,200.00	339,108.25
Medical	303,675.30	82,500.00
Administration Costs	565,850.00	417,571.95
Activity	442,595.00	221,062.50
Other Vote Heads (specify)*		
Total	4,005,942.15	2,694,009.10

3 Government Grants for infrastructure

Description	2023-2024	2022-2023
	Kshs	Kshs
Maintenance & Improvement	1,819,900.00	2,026,000.00
Transition infrastructure grants		
Administration Block		
Economic stimulus grants		
Other (specify)(NGCDF and County govt.		
Total	1,819,900.00	2,026,000.00

4 School Fund Income - Parents Contribution/Fees

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel emoluments	2,294,547.00	1,844,130.00
Repairs and maintenance	778,500.00	681,000.00
Local transport / travelling	389,200.00	254,620.00
Electricity and water	977,791.00	764,785.00
Medical	nil	
Administration costs	1,160,133.00	789,385.00
Activity	413,409.50	231,505.00
Fee on Boarding Equipment and stores	9,350,756.00	6,695,200.00
BOM Teachers salary	1,755,991.00	2,061,892.00
Lunch program	2,428,511.00	1,831,794.00
Receipts from infrastructure projects		910,003.00
Total	19,548,838.50	16,064,314.00

5 Miscellaneous Incomes

Description	2023-2024	2022-2023
	Kshs	Kshs
Income from sale of tender	13,000.00	10,000.00
Income From Sale of t-shirts	18,200.00	413,813.00
Income for bus fund	205,950.00	
Income From disposal of assets	76,720.00	16,550.00
Income From Bus Hire	155,500.00	359,900.00
Fee For Hire of Ground and Equipment		
Income From Grants and Donations*		
Interest Income		
Dividends Income		
Loans/Borrowings*		
Other Income (specify)*		
Total	469,370.00	800,263.00

6 Tuition

Description	2023-2024	2022-2023
	Kshs	Kshs
Exercise Books	29,000.00	347,630.00
Textbooks	nil	nil
Reference materials	nil	nil
Laboratory Equipment	584,738.00	764,273.00
Teaching / Learning Materials	494,560.00	516,920.00
Exams And Assessment	34,400.00	89,750.00
Teachers Guides	nil	nil
Bank Charges	465.00	606.00
Chalk and dusters	37,445.00	30,890.00
Total	1,180,608.00	1,750,069.00

7 Operations

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	1,884,804.00	1,769,640.00
Service Gratuity	nil	nil
Administration Cost	1,059,309.00	614,068.00
Repairs And Maintenance & Improvements	nil	nil
Local Transport / Travelling	44,500.00	351,082.00
Electricity And Water	233,473.00	309,361.00
Medical	nil	nil
Activity Expenses	675,060.00	209,750.00
Insurance Cost	nil	nil
Bank charges	2,215.00	1,770.00
Total	3,899,361.00	3,255,671.00

8 Infrastructure

Description	2023-2024	2022-2023
	Kshs	Kshs
Construction of classrooms		
Construction of laboratory		
Construction of dormitory		1,185,650.0
Purchase of furniture-steel beds	1,223,220.00	
Purchase of equipment		
Purchase of apparatus		
Drilling of boreholes		
Others (specify)		
Total	1,223,220.00	1,185,650.00

9 Boarding and School Fund

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	3,064,495.00	2,826,000.00
Service Gratuity	nil	nil
Repairs And Maintenance & Improvements	525,165.00	288,710.00
Local Transport / Travelling	663,100.00	412,977.00
Electricity And Water	1,103,636.00	616,348.00
Medical Expenses	nil	nil
Administration Costs	1,879,768.00	2,418,964.00
Lunch Programme	1,107,078.00	1,298,202.00
Bank Charges	4,772.85.00	5,504.00
Activities	1,001,820.00	1,048,590.00
Fee On Boarding Equipment and Stores	7,501,243.00	5,647,182.00
Bus hire and repair	267,900.00	547,344.00
Expense on bus fund	605,000.00	nil
Expenses on purchase of t-shirts	nil	460,000.00
Loan Interest Repayment		
Acquisition Of Assets		
BOM Teachers salary	744,881.00	821,600.00
Payment for infrastructure		604,731.00
Total	18,467,658.85	16,996,152.00

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2023-2024	2022-2023
	Active/Dormant		Kshs	Kshs
Tuition Account		1104229056	122,715.90	1,435.70
Operations Account		1104238497	719,764.08	30,208.68
School Fund Account/Boarding		1107991234	503,420.81	121,138.06
Bus account		1124139826	24,392.73	24,692.83
Service Gratuity		1121903304	5,093.30	5,649.30
Infrastructural Account		1109797052	30,636.75	16,700.00
Total			1,406,023.57	199,824.57

11 Cash In Hand

Description	2023-2024	2022-2023
	Kshs	Kshs
Notes and Coins	1,771.00	33,342
Total	1,771.00	33,342.00

12 Short Term Investments

Description	2023-2024	2022-2023
	Kshs	Kshs
Cooperative Shares	nil	
Treasury Bills	nil	
Fixed Deposit accounts	nil	
Other Investments	nil	
Total	nil	

13 Accounts Receivable

Description	2023-2024	2022-2023
	Kshs	Kshs
Fees Arrears	20,010,051.54	23,535,887.30
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)		
Imprest (list/schedule attached)		
Rent arrears (list/schedule attached)		
Returned cheque	nil	10,000.00
Total	20,010,051.54	23,545,887.30

13 b) Ageing Analysis of Accounts Receivable

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	2024	% of the total	2023	% of the total
Less than 1 year	2,667,005.00	10.7	2,517,543.00	10.7
Between 1- 2 years	1,561,897.00	3.9	937,089.00	3.98
Between 2-3 years	937,089.00	3.18	749,945.00	3.18
Over 3 years	14,844,060.54	82.13	19,331,310.3	82.13
Total (should tie to note 13 a)	20,010,051.54	100	23,535,887.30	100

14 Accounts Payable

Description	2023-2024	2022-2023
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	404,360.00	944,740.00
Prepaid Fees	988,095.00	228,053.00
Retention Monies		
Unpaid salaries and statutory deductions		
Caution money		
Funded Accounts	nil	4,654,760.76
Paye	nil	1,200.00
Total	1,392,455.00	5,828,753.76

14a. Ageing Analysis of Accounts Payable

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	2023-2024	% of the total	2022-2023	% of the total
Less than 1 year	1,392,455.00	100		%
Between 1- 2 years				%
Between 2-3 years				%
Over 3 years				%
Total (should tie to note 14)	1,392,455.00	100		%

15 Fund Balance Brought Forward

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank Balances	199,824.57	927,489.47
Cash Balances	33,342.00	12,573.00
Short Term Investments	00	00
Receivables	23,545,887.30	22,333,315.30
Payables	(5,828,753.76)	(4,809,745.76)
Total	17,950,300.11	18,463,632.01

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	2023-2024	2022-2023
	Kshs	Kshs
Bank Loans		
Outstanding Leases		
Hire Purchase		
Gratuity And Leave Provision		
Others (specify)		
Total		

17 Biological assets

Description	Numbers	2023-2024	2022-2023
		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		

Other important disclosure notes

19 Stock/ Inventory

Description	2023-2024	2022-2023
	Kshs	Kshs
Food stuffs		
Lab consumables		
Farm produce		
Medication		
Construction Materials		
Others (specify)		

(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)

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	Inaccuracy in capitation grants	Not yet discussed		
2	Accounting for other receipts			
3	Unsupported payments			
4	Unsupported cash and cash equivalent			
5	Unsupported accounts receivables			
6	Long outstanding receivables			
7	Unsupported accounts payables			
8	Budget control and performance			
9	Late submission of f/s			
10	Failure to transfer infrastructure funds from op/ a/c			
11	Irregular transfer of funds to KESSHA			
12	Use of cash to procure goods and works			
13	Lack of approved budget and procurement plan			
14	Non adherence to procurement law			
15	Lack of a functional audit committee			
16	Lack of fixed assets register			

Sign and Date
Principal


MARAFA SECONDARY SCHOOL
PRINCIPAL
23 MAR 2023
P. O. Box 4-80207- MADINA
SIGNATURE:

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 2024	Outstanding Balance Comparative 2023	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1.						
2.						
3.						
Sub-Total						
Supply Of Goods						
4. Goods	404,360	June 2024		404,360	944,740	
5. Prepaid fees						
Sub-Total						
Supply Of Services						
6.						
7.						
8.						
Sub-Total						
Grand Total	404,360.00			404,360.00	944,740.00	

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 st July 2023	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2024
Land	1(25 acres)	nil	nil	1(25 acres)
Buildings And Structures	18	nil	nl	18
Motor Vehicles	1	nil	nil	1
Office Equipment, Furniture and Fittings	1,909	57	nil	1,909
Textbooks	16,348	nil	nil	16,348
ICT Equipment	32	nil	nil	32
Tools And Apparatus	5,187	nil	nil	5,187
Other Machinery and Equipment	14	nil	nil	14
Heritage And Cultural Assets	-			
Intangible Assets- Soft Ware	4	nil	nil	4
Total	23,457	57	nil	23,514

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

REPUBLIC OF KENYA

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OAG/AUD/SCH/MARAFABA/BOYS/2024/2025(22)

18 June, 2026

Mr. Samuel J. Njoroge, CBS
Clerk of the National Assembly
Parliament Buildings
P. O. Box 41842-00100
NAIROBI

Dear Mr. Njoroge

REPORT OF THE AUDITOR-GENERAL ON MARAFA BOYS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023/2024 AND 2024/2025 – KILIFI COUNTY

I transmit the report of the Auditor-General on the examination and audit of Marafa Boys Secondary School for the year ended 30 June, 2024 and 2025 in accordance with the provisions of Article 229(7) of the Constitution of Kenya for the necessary action as required by Article 229(8) of the Constitution.

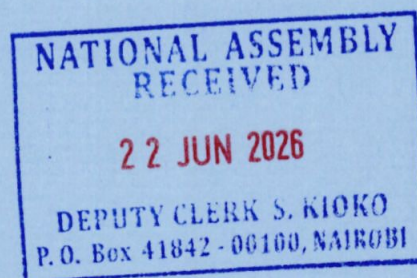
Yours sincerely

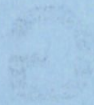
FCPA. Edwin Kamar
For: AUDITOR-GENERAL

Copy to: **Dr. Chris Kiptoo, PhD., CBS**
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The National Treasury
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Principal Secretary
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Seif Juma Dzillah
Principal
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MALINDI





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