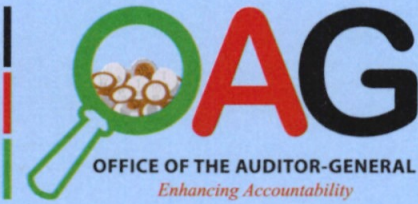


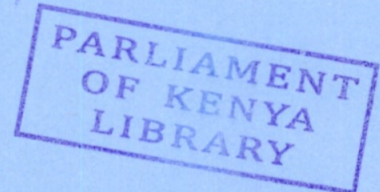
REPUBLIC OF KENYA



 THE NATIONAL ASSEMBLY PAPERS LAID	
REPORT	01 JUN 2026
DAY: Wed	
TABLED BY:	Hon. Owen Jari Baya Deputy Majority Leader
OF	Modio Atubo

THE AUDITOR-GENERAL

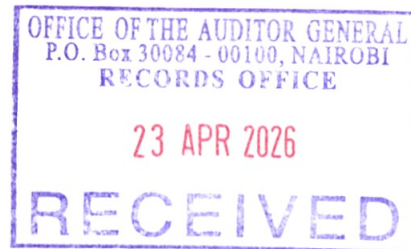
ON



**MURUAKI BOYS
SECONDARY SCHOOL**

**FOR THE YEAR ENDED
30 JUNE, 2025**

NYANDARUA COUNTY



Revised 30th June 2025



MURUAKI BOYS SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025

Transitional Financial Statements Prepared 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 Nyandarua County, North Kinangop Sub-County.

The school was registered in January 2020 under registration number 18-8-0030-0861 and is currently categorized as an *Extra County* public school established, owned or operated by the Government.

The school is a boarding school and had 243 students as at 30th June 2025. It has 2 streams and 17 teachers. 13 teachers are employed by the TSC while 4 are employed by the School Board of Management.

(b) School Board of Management - Board Members

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

Ref:	Name of Board Member	Designation	Date of appointment
1	Mr. Peter Gachuhi	Chairman	18th May 2022
2	Mr. Samuel Waweru	Secretary - Principal	18th May 2022
3	Md Mary Nyambura	Member	18th May 2022
4	Mr. Francis Muchiri	Member	18th May 2022
5	Mr. Peter Wahungu	Member	18th May 2022
6	Mr. Benard G Mubea	Member	18th May 2022
7	Md. Dorcas Nyokabi	Member	18th May 2022
8	Pastor Alex Gitaka	Member – Rep CEB	18th May 2022
9	Mr. Laban Macharia	Member Rep Teachers	18th May 2022
10	Rev. Paul Mwaura	3 Members - Sponsor	18th May 2022
11	Md Rosemary Njoroge	Member - Community	18th May 2022
12	Mr. Eric Murimi	Member	18th May 2022
13	Mr. John Kaberi	Member	18th May 2022
14	Md. Evalyne Mwangi	Member	18th May 2022
15	Mr. Stephen Kuria	Member	18th May 2022
16	Mr. Pius Otieno	Member(P.T.A. Chairman)	18th May 2022
17	Mr. Isaac Gitura	Member	18th May 2022
18	Mr. Charles Kahenya	Rep Students	18th May 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

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Mr. Peter Gachuhi Mr. Francis Njenga Mr. Peter Wahungu	Chairman Member Member	two
2	Audit Committee	Mr. Benard Mubea Mr. Pius Aomo Mr. Laban Macharia	Chairman Member Member	none
3	Finance, procurement and general purposes Committee	Mr. Francis Muchiri Mr. Pius Aomo Md. Rosemary	Chairman Member Member	two
4	Academic Committee	Mr. Peter Gachuhi Mr. John Kaberi Md. Evalyn Mwangi Mr. Benard Mubea Mr. Stephen Kuria	Chairman Member Member Member Member	two

School operation Management

For the financial year ended 30th June, 2025 the School's day-to-day management was under the following persons:

Ref:	Designation	Name	Identification
1	Principal	Mr Samuel Waweru	TSC No.364269
2	Deputy Principal	Mr John Mwangi	TSC No.367625
3	School Bursar	Md Lydia Mwangi	ID NO. 10880250

(d) Schools contacts

Post Office Box: 1002 -20117 NAIVASHA
Telephone: 0733737879
E-mail: muruakiboys@yahoo.com.
Website:
Facebook:
Twitter:

(e) School Bankers

1. Name of Bank: K.C.B
Branch: NAIVASHA
Account Number: 1104232081 - School Fund
1104241714 -Operations
1104243946 -Tuition
1267244283 -Infrastructure
2. Name of Bank: EQUITY -School fund
Branch: NAIVASHA
Account Number: 0200293331579
3. MPESA Pay Bill No. 522123 AC/NO.23135K attached to KCB bank account

(f) Independent Auditors

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

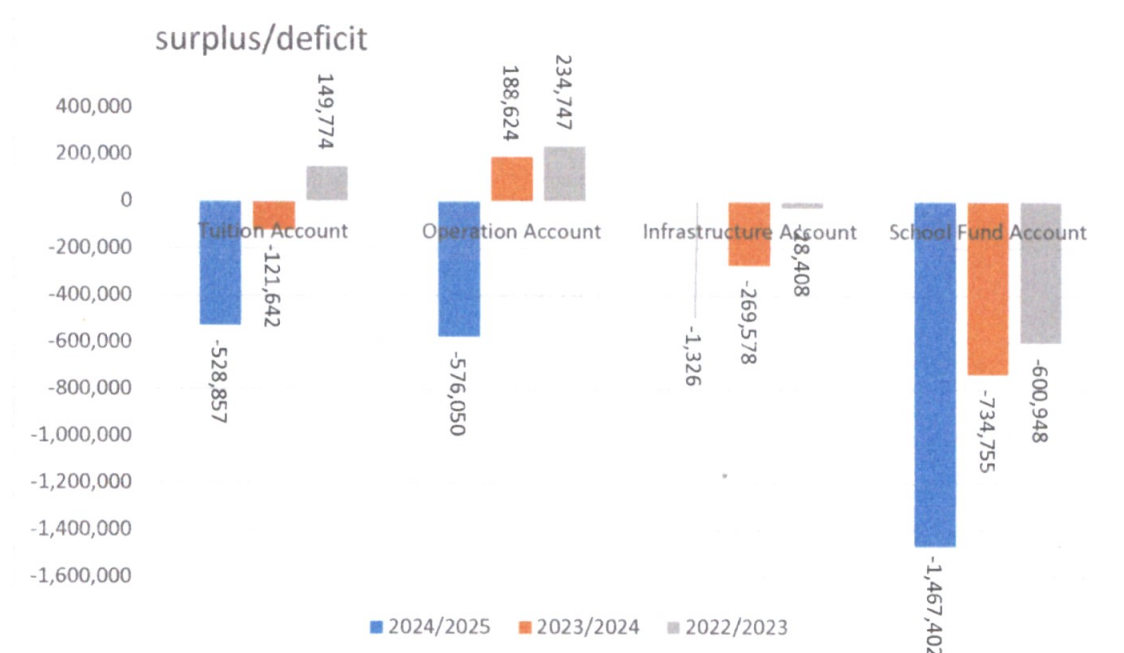
3.Summary Report of Performance of The School

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

a) Financial performance:

SURPLUS/DEFICIT FOR THE YEAR AND A COMPARISON OF THE SAME FOR THE LAST THREE YEARS

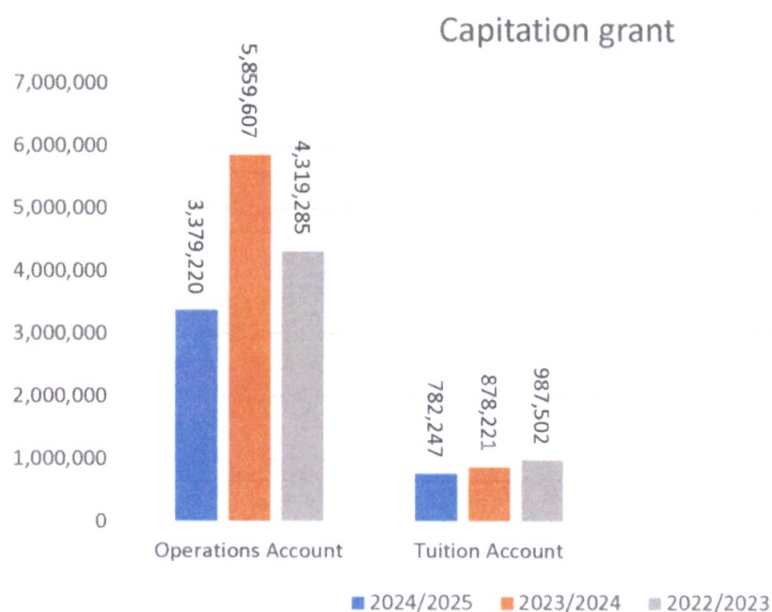
ACCOUNT	2024/2025	2023/2024	2022/2023
Tuition Account	-528,857	-121,642	149,774
Operation Account	-576,050	188,624	234,747
Infrastructure Account	-1,326	-269,578	-28,408
School Fund Account	-1,467,402	-734,755	-600,948
TOTAL	-2,573,635	-937,351	-244,835
Increase/Decrease	-3,755,821	-1,182,186	-2,992,328



During the F/Y 2024/2025 the school recorded a deficit of sh. 2,573,635.85. This was because capitation grant that was received at the end of the previous F/Y was utilised during this F/Y.

CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS

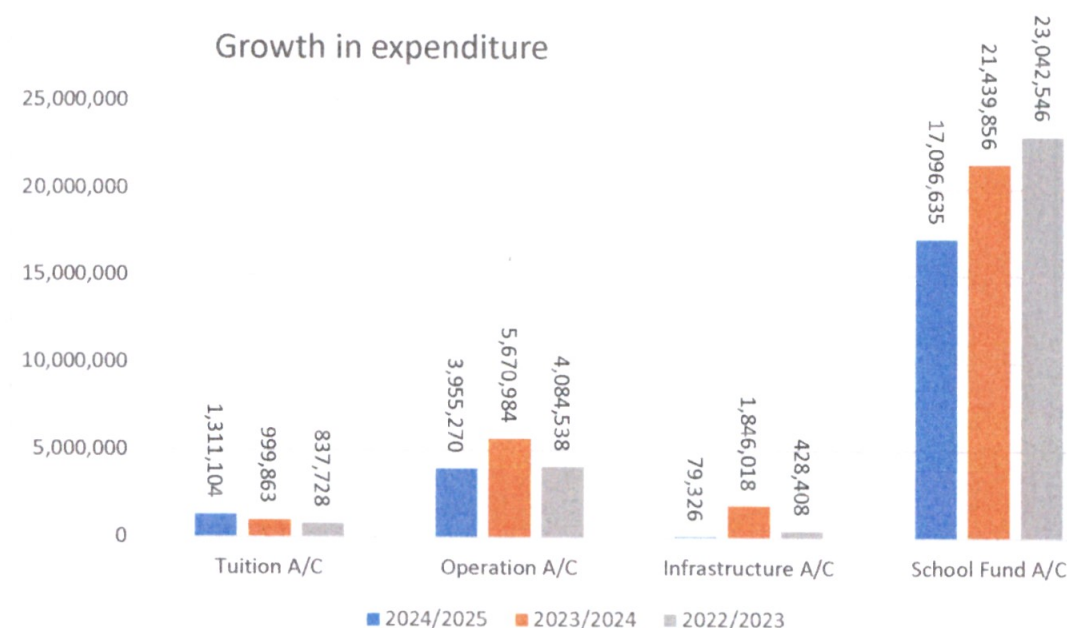
SNO	ACCOUNTS	2024/2025	2023/2024	2022/2023
1	Operations Account	3,379,220	5,859,607	4,319,285
2	Tuition Account	782,247	878,221	987,502
	Total	4,161,467	6,737,828	5,306,787
	Increase/Decrease	-2,576,361	1,431,041	-2,386,825
	No. of students	243	340	365



The F/Y 2024/2025 both Operations Account and Tuition account recorded a decrease in total capitation received due to decrease in the number of students and decrease of amount received per student.

OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL

SNO	ACCOUNTS	2024/2025	2023/2024	2022/2023
1	Tuition A/C	1,311,104	999,863	837,728
2	Operation A/C	3,955,270	5,670,984	4,084,538
3	Infrastructure A/C	79,326	1,846,018	428,408
4	School Fund A/C	17,096,635	21,439,856	23,042,546
	TOTAL	22,442,335	29,956,721	28,393,220



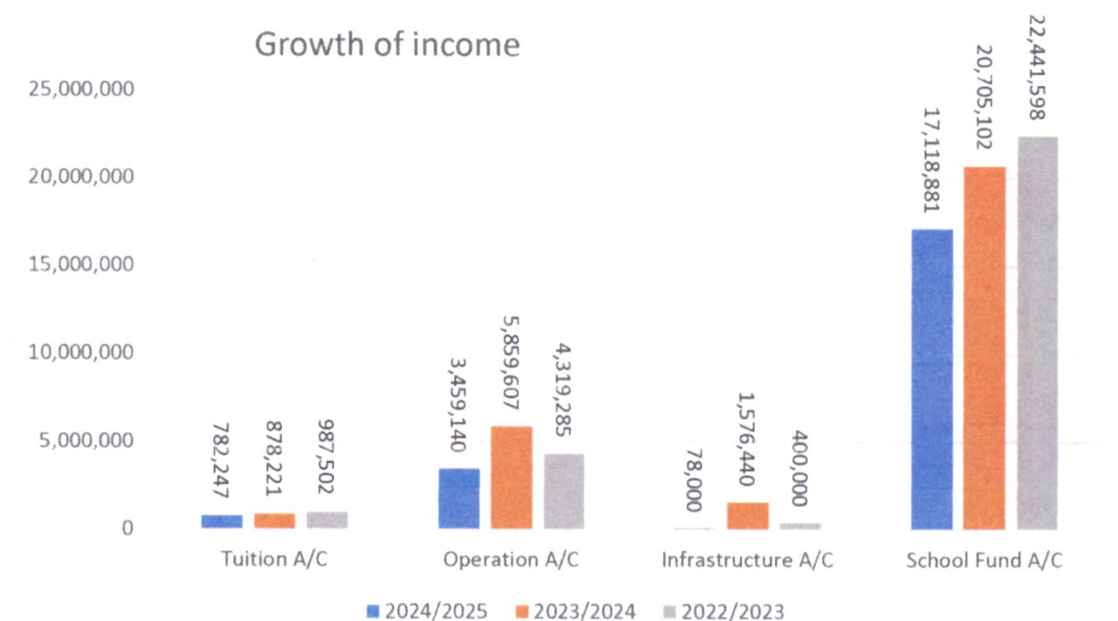
There was a decrease in expenditure during the year due to decrease in the number of students.

OVERVIEW GROWTH OF INCOME OF THE SCHOOL

SNO	ACCOUNTS	2024/2025	2023/2024	2022/2023
1	Tuition A/C	782,247	878,221	987,502
2	Operation A/C	3,459,140	5,859,607	4,319,285
3	Infrastructure A/C	78,000	1,576,440	400,000
4	School Fund A/C	17,118,881	20,705,102	22,441,598
	TOTAL	21,438,268	29,019,370	28,148,385

MURUAKI BOYS SECONDARY SCHOOL

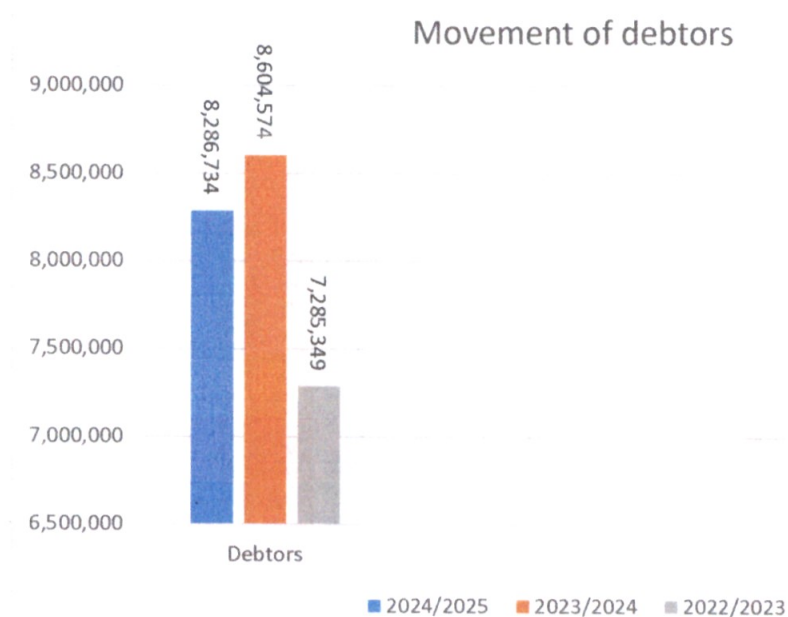
Annual Report and Financial Statements For the year ended 30th June 2025



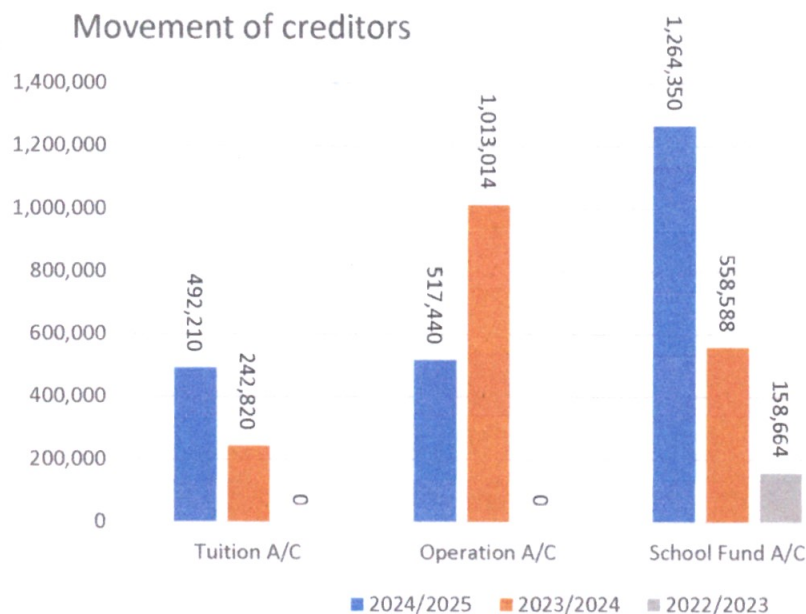
The decrease in income recorded during the F/Y was due to decrease on enrolment

MOVEMENT OF DEBTORS

SNO	ACCOUNTS	2024/2025	2023/2024	2022/2023
	School Fund Account		KSHS	KSHS
	Debtors	8,286,734	8,604,574	7,285,349
	Total	8,286,734	8,604,574	7,285,349
	Increase/Decrease	(317,840)	1,319,225	535,372

**MOVEMENT OF CREDITORS**

SNO	ACCOUNTS	2024/2025	2023/2024	2022/2023
		KSHS	KSHS	KSHS
1	Tuition A/C	492,210	242,820	-
2	Operation A/C	517,440	1,013,014	-
3	School Fund A/C	1,264,350	558,588	158,664
	Total	2,274,000	1,814,422	158,664
	Increase/Decrease	459,578	1,655,758	-72,038)



b) Teacher Student ratio:

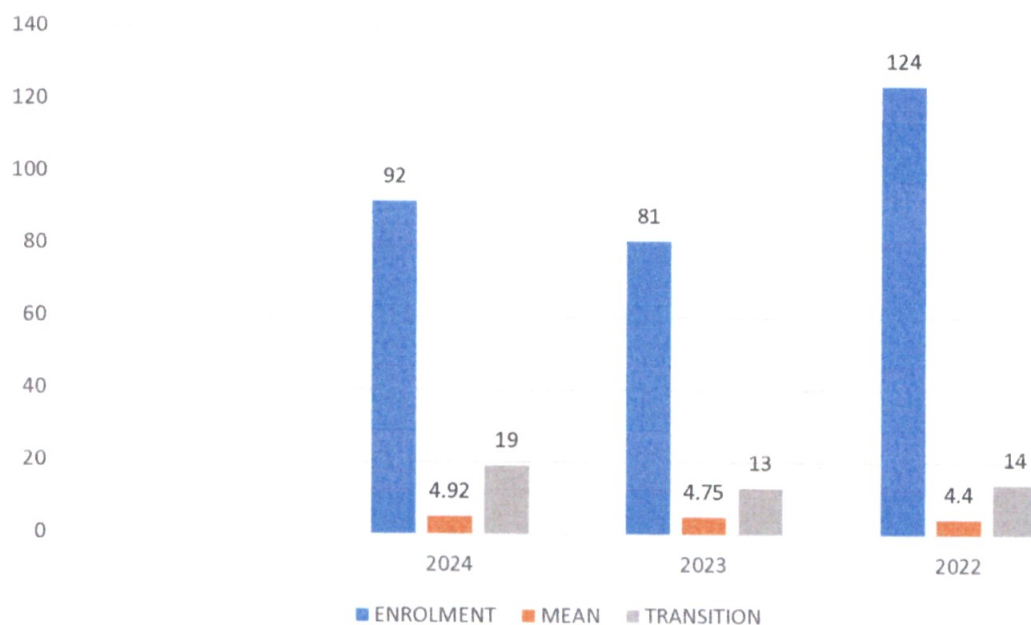
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There are 17 teachers ,13 are employed by the TSC and 4 are employed by the BOM.

SUBJECT	ENG	KISWA	MATH S	CHEM	BIO	PHY	CRE	HIST	GEO	AGRI	B/ST	COM
NO. OF TEACHERS	1	4	4	1	2	2	2	2	3	1	1	0

c) Mean score in the 2024 KCSE:4.92

	ENROLMENT	MEAN	TRANSITION	TRANSIT (%)	TARGET
2024	92	4.92	19	21	5.5
2023	81	4.75	13	16	5.5
2022	124	4.40	14	12	5.5



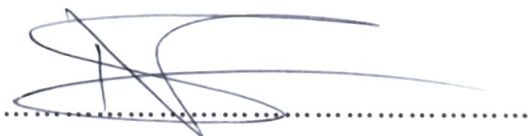
d) The capacity of the school:

The school has enough facilities to accommodate 500 boarding students

	CLASSROOMS	DORMITORIES	LABORATORIES	TOILETS
NO.	12	6	4	22
CAPACITY	500	500	500	500

e) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)
Renovation of library(shelving)	Parents contribution	complete	147,750	147,750
Repair of Dinning hall classrooms & toilets	Parents contribution	complete	421,200	421,200



School Principal

4.Statement of School Management Responsibility

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

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

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

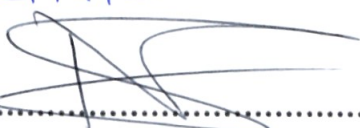
The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2025, and of the school's financial position as at that date.



.....
Name: Peter Gachuhi

Designation: Chairman, School Board of Management

Date: 21/4/26



.....
Name: Samuel Waweru

Designation: School Principal & Secretary to Board of Management

Date: 21/4/26



.....
Name: Lydia Mwani

Designation: Bursar/ Finance Officer

Date: 21/4/26

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 MURUAKI BOYS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2025- NYANDARUA 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 transitional IPSAS financial statements of Muruaki Boys Secondary School set out on pages 1 to 21, which comprise the statement of assets and

liabilities as at 30 June, 2025, and the statement of financial performance, 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 Muruaki Boys Secondary School as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis (including the transitional provisions permitted under IPSAS 33) and comply with the Public Finance Management Act, 2012, the Basic Education Act 2013 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Unsupported Accounts Receivable

The statement of assets and liabilities reflects accounts receivable balance of Kshs.8,286,734 in respect of fees arrears as disclosed in Note 13 to the financial statements. However, the supporting schedules, detailed aging analysis and issued invoices were not provided for audit. Further, included in the balance is fees arrears of Kshs.5,171,089 that has been outstanding for more than three (3) years. However, no policy on debt recovery was provided for audit casting doubt on the recoverability of the accounts receivable balance of Kshs.5,171,089.

In the circumstances, the accuracy and completeness of the accounts receivable balance of Kshs.8,286,734 could not be confirmed.

2. Understated School Fund Income-Parents' Contribution

The statement of financial performance reflects school fund income - parents' contributions amount of Kshs.13,783,917 as disclosed in Note 4 to the financial statements. However, re-computation of the expected school fund income revealed an amount of Kshs.14,620,897 against the reported amount of Kshs.13,783,917 resulting in unexplained variance of Kshs.836,980.

In the circumstances, the accuracy, completeness, presentation and disclosure of school fund contribution could not be confirmed.

3. Unsupported Trade and Other Payables

The statement of assets and liabilities reflects accounts payables balance of Kshs.2,597,379 as disclosed in Note 14 to the financial statements. Further, invoices

provided for audit verification were not supported with delivery notes, stores counter receipt vouchers, and job cards indicating the service or good that had been provided. In addition, the account payables balance includes prepaid fees amount of Kshs.296,379 which varies with the supporting schedule amount provided of Kshs.300,364.

In the circumstances, the accuracy, existence and completeness of payables balance of Kshs.2,597,379 could not be confirmed.

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

Emphasis Of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects a recasted budgeted final receipt of Kshs.19,571,685 and actual receipt on comparable basis of Kshs.17,148,936 resulting to underfunding of Kshs.2,422,750 or 12% of the budget. Further, the school spent Kshs.15,801,364 against actual receipts of Kshs.17,148,936 resulting in underutilization of Kshs.1,347,542.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional 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

Significant Exemptions by PSASB in the Financial Reporting Template

The financial statements have been prepared using the financial year 2024/2025 reporting template issued by the Public Sector Accounting Standards Board (PSASB). As communicated by PSASB on 25 February, 2026, the template was designed to facilitate a phased transition to accrual-based IPSAS for public secondary schools and, therefore,

does not include certain statements and disclosures required under the full IPSAS transition. These omissions include the Opening Statement of Financial Position, the Statement of Changes in Net Assets/Equity, detailed disclosures of transitional provisions under IPSAS 33, and a reconciliation of budgeted amounts to actual accrual amounts. The absence of these elements arises from limitations inherent in the prescribed template and does not constitute non-compliance on the part of the school.

My opinion is not modified in respect of this matter.

Other Information

The Management is responsible for the Other Information set out on pages iii to xiv 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. Transfer of Funds to Kenya Secondary Schools Heads Association

The statement of financial performance reflects boarding and school fund payments amount of Kshs.17,096,635 as disclosed in Note 9 to the financial statements. Included in the expenditure is an amount of Kshs.1,391,500 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 Kshs.1,391,599 could not be confirmed.

2. Unconfirmed Students Enrolment Data

The statement of financial performance reflects capitation grants for tuition, capitation grants for operations and grants for infrastructure totalling Kshs.4,239,467 as disclosed in Note 1, Note 2 and Note 3 to the financial statements. During the financial year, NEMIS reported a total number of two hundred and eighty-five (285) students while the enrolment records provided by the School indicated a total number of two hundred and seventy-five (275) students, resulting in an unexplained variance of ten (10) students. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 dated 16 June, 2021 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

In the circumstances, inaccuracies in the NEMIS database may lead to erroneous funding decisions and affect the equitable allocation of capitation grants.

3. Failure to Transfer Infrastructure Funds from the Operations Bank Account

The statement of financial performance and as disclosed in Note 2 to the financial statements reflects operations grants amount of Ksh.3,379,220 from the Ministry of Education credited in the operations bank account. Included in this amount is Kshs.959,500 in respect of infrastructure grants, which were to be transferred to infrastructure bank account for maintenance and improvement of the school's facilities. However, no amount was transferred to the infrastructure account. 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 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 guidelines.

4. Lack of a Procurement Plan

The statement of financial performance reflects amounts of Kshs.19,868,699 and Kshs.22,442,335 in respect of total receipts and payments, respectively. However, the School did not prepare a Procurement Plan as part of the annual budget process. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that 'a procuring entity prepare a Procurement Plan for each financial year as part of the annual budget preparation process'.

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

5. Non-Deduction of Capacity Building Levy

The statement of financial performance reflects total expenditure of Kshs.22,442,335. However, review of sampled payment vouchers amounting to Kshs.2,255,409 revealed that there was no deduction of the public procurement capacity building levy of 0.03% on the contracts, contrary to the Levy Order 2023 issued by the Public Procurement Regulatory Authority. Further, no returns were made to the Authority as required.

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

6. Irregularities in Procurement Processes

Review of the School's procurement processes revealed the following irregularities;

6.1 Lack of a Functional Procurement Unit

The School 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 and Regulation 33 of the Public Procurement and Asset Disposal Regulations, 2020. Procurement activities were undertaken by individuals lacking the requisite qualifications.

6.2 Weaknesses in Record Keeping

Examination of payment records revealed that the School failed to maintain complete procurement records, including requisitions from user departments, inspection and acceptance reports, the professional opinion, tender documents, tender advertisements, bid evaluation reports, correspondences with supplier and contract documents. This was contrary to Section 68 of the Public Procurement and Asset Disposal Act, 2015 which requires an Accounting Officer of a procuring entity to keep records for each procurement for at least six years after the resulting contract has been completed. Lack of procurement records also limits audit trail and transparency. Further, a Procurement Plan for the year and documentary evidence of market survey conducted were not provided for audit review.

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

7. Non-Adherence to the Fees Structure Issued by the Ministry of Education

Review of the school's fees structure and students' statements revealed that the fees charged to parents was Kshs.53,875 per annum. This resulted in an increment in school fees by Kshs.13,340 from the prescribed fees by the Ministry of Education. No explanation was provided for this anomaly. Although the fee was approved by the parents

and Board of Management, the new fee structure was not approved by the Ministry of Education through the County Education Board. This was contrary to Government Circular No. MOE.HQS/3/13/3 dated 16 June, 2021 on guidelines on implementation of Free Day and Secondary Education programme which stipulates that a parent will only pay for school uniforms, boarding related costs as reflected in the boarding fee structure and lunch for the day scholars.

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

8. Lack of a School Improvement Plan

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

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

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 on whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities which 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. Non-Compliance with Board Statutory Requirements

Review of Board records and governance documents revealed the following anomalies:

- i. Eight (8) Board Members had exceeded the maximum allowable Board tenure following their third re-appointment in May, 2025, contrary to Section 3(3) of the Fourth Schedule to the Basic Education Act, 2013.
- ii. The Board of Management held only two meetings during the year under review (on 10 October 2024 and 21 February 2025), contrary to Section 6(1) of the Fourth Schedule to the Basic Education Act, 2013, which requires the Board to meet at least four (4) times annually.

The Board of Management did not develop an Annual Work Plan to guide its oversight and governance responsibilities during the year under review and had not established clear guidelines governing the payment of Board allowances.
- iii. The School did not prepare the Annual Governance Report for submission to the Director of Basic Education as required by Section 60 of the Basic Education Act, 2013.
- iv. Review of Board and Committee minutes revealed that the minutes were not signed by the attendees.

In the circumstances, the effectiveness of the governance mechanism at the school could not be confirmed.

2. Lack of an Internal Audit Function and Audit Committee

During the year under review, the school had not constituted an Audit Committee and an Internal Audit Unit as required by Regulation 166 (1) and (2) of the Public Finance Management (National Government), 2015 which states that, the internal audit unit of a National Government entity to assess effectiveness of the school through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury.

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

3. Weaknesses in Asset Management

Annex 2 to the financial statements reflects summary of fixed assets register with undisclosed value of assets. Further, the asset register presented for audit lacks details such as the type of asset, depreciation charge, net book values, date of purchase, unique identification mark of asset as required by Regulation 136(2) of the Public Finance Management (National Government) Regulations, 2015.

In addition, Note 17 to the financial statements discloses Biological Assets of undetermined values. However, the School did not maintain biological assets register to support this disclosure.

In the circumstances, the existence of effective measures in the management of assets could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal 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 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 (Accrual 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.

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

Auditor-General's Responsibilities for the Audit

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 also 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, CBS
AUDITOR-GENERAL

Nairobi

15 May, 2026

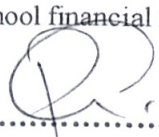
MURUAKI BOYS SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2025

6.Statement Of financial performance for the Year Ended 30th June 2025

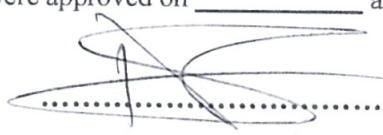
Description Of Vote Head	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Revenue			
Government grants for tuition	1	782,247	878,221
Government grants for operations	2	3,379,220	4,283,167
Government Grants for infrastructure	3	78,000	1,576,440
School fund income- parents' contributions	4	13,783,917	19,516,239
Miscellaneous incomes	5	1,845,315	1,188,863
Total Revenue		19,868,699	27,442,930
Expenditure			
Tuition	6	1,311,104	999,863
Operations	7	3,955,270	4,094,543
Infrastructure	8	79,326	1,846,018
Boarding and school fund	9	17,096,635	21,439,856
Total Expenditure		22,442,335	28,380,280
Surplus/Deficit		(2,573,636)	(937,351)

The school financial statements were approved on _____ and signed by:


.....
Name: Peter Gachuhi

Chair BOM

Date 21/4/26


.....
Name: Samuel Waweru
School Principal/ Secretary to
BOM


.....
Name: Lydia Mwangi
Bursar/ Finance Officer

MURUAKI BOYS SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2025

7. Statement of Assets and Liabilities As At 30th June 2025

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	52,594	1,521,014
Cash balances	11	6,938	11,357
Short term investments	12	-	-
Total cash and cash equivalent		59,532	1,532,371
Account's receivables	13	8,286,734	8,604,574
Total financial assets (a)		8,346,266	10,136,945
Financial liabilities			
Accounts payables	14	2,597,379	1,814,422
Total Financial Liabilities (b)		2,597,379	1,814,422
Net financial assets (a-b)		5,748,887	8,322,523
Represented by			
Accumulated fund b/fwd	15	8,322,523	9,259,874
Surplus/deficit for the year		(2,573,636)	(937,351)
Net Assets		5,748,887	8,322,523

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

Name: Peter Gachuhi
Chair BOM

Date 21/4/26

Name: Samuel Waweru

School Principal/ Secretary to
BOM

Date 21/4/26

Name: Lydia Mwangi

Bursar/ Finance Officer

Date 21/4/26

8.Statement of Cash Flows for the Year Ended 30th June 2025

Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition	1	782,247	878,221
Government grants for operations	2	3,379,220	4,283,167
Government grants for infrastructure	4	78,000	1,576,440
School fund income- parents contributions/ fees	16(a)	11,995,533	16,781,983
Other income	(b)	4,247,918	2,811,801
Total receipts		20482918	26,331,612
Payments			
Cash outflows for tuition	17(a)	1,061,714	757,043
Cash outflows for operations	(b)	4,423,844	2,966,529
Cash outflows Boarding/lunch and school fund payments	(c)	16,390,873	21,362,840
Total payments		21,876,431	25,086,412
Net cash inflow/outflow from operating activities		(1,393,513)	1,245,200
Cash flow from investing activities			
Acquisition of assets	8	79,326	1,846,018
Proceeds from sale of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash inflow/outflows from investing activities		(79,326)	(1,846,018)
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		(1,472,839)	(600,818)
Cash and cash equivalent at beginning of the FY		1,532,371	2,133,189
Cash and cash equivalent at end of the FY		59,532	1,532,371

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

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

MURUAKI BOYS SECONDARY SCHOOL

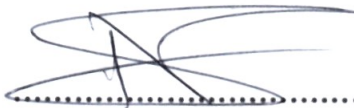
Annual Report and Financial Statements For the year ended 30th June 2025

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



.....
Name: Peter Gachuhi

Chair BOM



.....
Name: Samuel Waweru
School Principal/ Secretary to
BOM



.....
Name: Lydia Mwangi

Bursar/ Finance Officer

Date 21/4/26

Date 21/4/26

Date 21/4/26

MURUAKI BOYS SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2025

Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2025

Receipt/Expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b Kshs	Actual On Comparable Basis d Kshs	% Of Utilization e=d/c % Kshs
Receipts					
(1) <i>Capitation Grant on Tuition</i>	1,086,000	-	1,086,000	782,247	72%
(2) <i>Capitation Grant on Operations</i>					
	4,025,000	-	4,025,000	3,379,220	82%
3) <i>FDSE for infrastructure</i>					
Maintenance & Improvement MoE	78,000		78,000	78,000	100%
(4) <i>Fees Charged on Parents</i>					
Personnel Emoluments	1,700,000	-	1,700,000	1,299,196	76%
Repairs And Maintenance	500,000	-	500,000	632,540	126%
Local Transport / Travelling	725,000	-	725,000	576,613	79%
Electricity And Water	900,000	-	900,000	719,390	80%
Administration Costs	2,050,000	-	2,050,000	2,063,832	101%
Activity	100,000	-	100,000	58,450	58%
Fee On Boarding Equipment and Stores	7,493,750	-	7,493,750	6,645,512	87%
5) <i>Miscellaneous Income</i>					
Income From Farming Activities	707,865	-	707,865	707,865	100%
Income From Bus Hire	170,000	-	170,000	170,000	100%

MURUAKI BOYS SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2025

Receipt/Expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b Kshs	Actual On Comparable Basis d Kshs	% Of Utilization	
					e=d/c %	Kshs
Catholic Action	470	-	470	470	100%	
Refundable fees	35,600	-	35,600	35,600	100%	
Total Income	19,571,685			17,148,935	88%	
(6) Expenditure For Tuition		-				
Laboratory equipment	564,650		564,650	648,990	115%	
Teaching & learning materials	521,350		521,350	661,145	127%	
TOTAL	1,086,000					
(7) Expenditure For Operations		-				
Personnel Emoluments	1,200,000		1,200,000	657,240	55%	
Repairs And Maintenance	1,000,000		1,000,000	221,800	22%	
Local Transport / Travelling	150,000		150,000	240,347	160%	
Electricity And Water	250,000		250,000	290,000	116%	
Administration Costs	325,000		325,000	1,340,160	412%	
Activity	375,000		375,000	299,500	80%	
TOTAL	3,300,000			3,049,047	92%	
(8) Expenditure For infrastructure	79,326	-	79,326	79,326	100%	

MURUAKI BOYS SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2025

Receipt/Expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b Kshs	Actual On Comparable Basis d Kshs	% Of Utilization e=d/c % Kshs
(9) Expenditure For school fund/lunch/boarding					
Personnel Emoluments	1,700,000	-	1,700,000	3,172,955	187%
Repairs And Maintenance	500,000		500,000	568,950	114%
Local Transport / Travelling	725,000		725,000	1,208,973	167%
Electricity And Water	900,000		900,000	636,460	71%
Administration Costs	2,050,000		2,050,000	2,649,227	129%
Activity	100,000		100,000	702,615	702%
Fee On Boarding Equipment and Stores	7,493,750		7,493,750	5,985,004	80%
Expenditure on farming activities	379,700		379,700	379,700	100%
Expenditure on school bus	497,480		497,480	497,480	100%
Total	14,345,930		14,345,930	15,801,364	110%

- (i) Capitation received for both Tuition and Operations accounts was less than the budgeted amount.
- (ii) There was over expenditure in Tuition account due to increase in cost of laboratory equipment and learning materials
- (iii) The over expenditure in school fund account was due to the under funding of operation account therefore most of the expenditure was paid through the school fund account.

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

Statement of Compliance

The financial statements have been prepared in accordance with the PFM Act and International Public Sector Accounting Standards (IPSAS). The entity has taken advantage of the transitional provisions under IPSAS 33, and therefore, these first/second/third year financial statements are transitional financial statements.

Basis of Preparation

These financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period on an accrual basis unless otherwise specified (for example, statement of cash flow). Under an accrual basis, revenues are recognized when rights to assets are earned or levied rather than when cash is received, and expenses are recognized when obligations are incurred rather than when they are settled. The financial statements have been prepared and presented in Kenya Shillings to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

2. Recognition of revenue and expenditure

The school recognizes all revenue from various sources when earned and all expenses when incurred.

The capitation grants include recurrent and development grants. Recurrent capitation are recognised in the statement of financial performance while development grants are recognised in the statement of financial position after meeting the revenue recognition criteria. The conditional grants will be recognised as revenue upon fulfilment of the set conditions.

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 financial performance both as revenue and as expenditure 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 2025.

MURUAKI BOYS SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2025

Notes To the Financial Statements

1 Government Grants for Tuition

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Grant from Ministry of Education	782,247	878,220
Total	782,247	878,220

**Include others as per MOE circulars*

2 Government Grants for Operations

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Infrastructure grant	959,500	2,970,840
Other Accounts	2,348,120	2,888,767
Boarding A/c	71,600	
Total	3,379,220	5,859,607

**Include others as per MOE circulars*

3 Government Grants for infrastructure

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
	Kshs	Kshs
Maintenance & Improvement	78,000	1,576,440
Total	78,000	1,576,440

4 School Fund Income - Parents Contribution/Fees

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Fee on Boarding Equipment and Stores	7,510,026	11,701,840
Personnel emoluments	1,696,121	2,115,190
Repairs and maintenance	709,295	678,610
Local transport / travelling	703,483	1,003,560
Electricity and water	868,935	1,069,120
Administration costs	2,166,222	2,749,952

MURUAKI BOYS SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2025

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Activity	93,765	135,462
Catholic Action	470	2,770
Christian Union	-	10,000
Refundable Fees	35,600	49,735
TOTAL	13,783,917	19,516,239

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

5 Miscellaneous Incomes

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Income from farming activities	707,865	734,013
Income from Bus Hire	170,000	363,850
Staff Welfare	64,300	-
Savings account	-	91,000
Operation account	903,150	
Total	1,845,315	1,188,863

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

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

**Indicate what other income relates to including income arising from writebacks if any.*

6 Tuition

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Laboratory equipment	648,990	573,685
Teaching / learning materials	661,145	421,270
Bank Charges	969	4,908
Total	1,311,104	999,863

7 Operations

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Electricity water and Conservancy	290,000	376,000
Local Transport and Travelling	240,347	
Maintenance and Improvements	221,800	839,549
Personal emolument	657,240	1,114,323
Admin cost	1,340,160	1,711,372
Activity	299,500	53,300
Infrastructure grant		1,576,440
Boarding A/c	903,150	
Bank Charges	3,073	
TOTAL	3,955,270	5,670,984

8 Infrastructure

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Maintanance & Improvement	78,822	548,235
Construction of classrooms	-	1,294,918
Bank charges	504	2,865
Total	79,326	1,846,018

9 Boarding And School Fund

Description	FY 2024/2025	FY 2023/2024
Fee on Boarding Equipment and Stores	6,958,124	9,321,000
Personnel emoluments	3,172,955	3,280,410
Repairs and maintenance & Improvements	568,950	1,389,740
Electricity and water	691,460	1,023,758
Local transport / travelling	1,208,973	1,503,000
Activity	702,615	594,620
Administration costs	2,649,227	3,363,646
Catholic Action	5,000	6,800
Christian Union	2,200	16,000
Science club	71,600	-
School Farm	411,530	508,415
School Bus	497,480	385,497
Insurance	78,000	
Refundable fees	25,765	46,970
Staff Welfare	43,900	
Bank charges	8,856	
TOTAL	17,096,635	21,439,856

MURUAKI BOYS SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2025

Bank Accounts

Account Name & Currency	Status	Bank Account Number	FY 2024/2025	FY 2023/2024
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	1104243946	3,278	282,746
Operations Account	Active	1104241714	1,596	1,046,220
School Fund Account/equity	Active	0200293331579	10,397	22,447
School Fund Account/k.c.b.	Active	1104232081	34,283	165,235
Infrastructural Account	Active	1267244283	3,040	4,366
Total			52,594	1,521,014

11 Cash In Hand

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Notes and Coins	6,938	11,357
Total	6,938	11,357

12 Short Term Investments

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit accounts	-	-
Other Investments	-	-
Total	-	-

13 Accounts Receivable

Description	<i>FY 2024/2025</i>	<i>FY 2023/2024</i>
	Kshs	Kshs
Fees arrears	8,286,734	8,598,574
Other non-fees receivables		
Salary advances		6,000
Total	8,286,734	8,604,574

13 b) Ageing Analysis of Accounts Receivable

Description	<i>FY 2024/2025</i>		<i>FY 2023/2024</i>	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	1,752,314	21 %	2,671,751	31 %
Between 1- 2 years	607,597	7 %	755,734	9 %
Between 2-3 years	755,734	9 %	634,330	7 %
Over 3 years	5,171,089	63 %	4,536,759	53 %
Total (should tie to note 13 a)	8,286,734	100 %	8,598,574	100 %

14 Accounts Payable

Description	<i>FY 2024/2025</i>	<i>FY 2023/2024</i>
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	2,301,000	1,686,514
Prepaid Fees	296,379	127,908
Total	2,597,379	1,814,422

14a. Ageing Analysis of Accounts Payable

Description	FY 2024/2025		FY 2023/2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	2,274,000	99 %	1,814,422	100 %
Between 1- 2 years	27,000	1%		
Between 2-3 years	-	%		
Total (should tie to note 14)	2,301,000	100%	1,814,422	100%

15 Fund Balance Brought Forward

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Bank Balances	1,521,014	2,036,565
Cash Balances	11,357	96,624
Receivables	8,604,574	7,285,349
Payables	(1,814,422)	(158,664)
Total	8,322,523	9,259,874

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 cashflow statement notes**(a) School fund income-parents contribution**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Fee on Boarding Equipment and Stores	6,645,512	10,073,304
Personnel emoluments	1,299,196	1,887,572
Repairs and maintenance & Improvements	632,540	561,730
Electricity and water	719,390	825,183
Local transport / travelling	576,613	779,465
Activity	58,450	79,662
Administration costs	2,063,832	2,575,067
Total	11,995,533	16,781,983
(b) Other income		
Arreas	2,070,154	1,358,526
School bus	170,000	363,850
School farm	707,865	734,012
Prepayments	296,379	127,908
Catholic Action	470	2,770
Christian Union		10,000
Refundable fees	35,600	49,735
Saving account		91,000
Salary advance		74,000
Staff welfare	64,300	
Insurance		
Operations account	903,150	
Total	4,247,918	2,811,802



MURUAKI BOYS SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2025

17(a) Payments for Tuition

Description	<i>FY 2024/2025</i>	<i>FY 2023/2024</i>
Teaching & learning materials	577,925	358,250
Laboratory equipment	240,000	393,885
creditors	242,820	
Bank charges	969	4,908
Total	1,061,714	757,043

(b) Payment for operation account

Personnel emoluments	364,100	741,928
Repairs and maintenance & Improvements	478,619	218,930
Electricity and water	301,000	241,000
Local transport / travelling	240,347	
Activity	241,000	53,300
Administration costs	1,340,160	1,707,794
Boarding account	903,150	
creditors	552,395	
Bank charges	3,073	3,577
Total	4,423,844	2,966,529

©School fund payments

Description	<i>FY 2024/2025</i>	<i>FY 2023/2024</i>
	Kshs	Kshs
Fee on Boarding Equipment and Stores	5,985,004	9,141,220
Personnel emoluments	3,172,955	3,280,410
Repairs and maintenance & Improvements	568,950	1,389,740
Electricity and water	636,460	1,023,758
Local transport / travelling	1,208,973	1,503,000
Activity	702,615	594,620
Administration costs	2,649,227	3,227,746
School bus	497,480	385,497
School farm	379,700	508,415
Creditors	354,188	158,664
Catholic Action	5,000	6,800
Christian Union	2,200	16,000
Refundable fees	25,765	46,970
Salary advance		80,000
Operations account	71,600	

Staff welfare	43,900	
Infrastructure account	78,000	
Bank charges	8,856	
Total	16,390,873	21,362,840

18 Non-current Liabilities Summary

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Bank Loans		
Outstanding Leases		
Hire Purchase		
Gratuity And Leave Provision		
Others (specify)		
Total		

19 Biological assets

Description	Numbers	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Cattle	13		
Trees	375		
Total			

20 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 .**21 Stock/ Inventory**

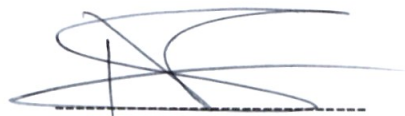
Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Food stuffs	68,500	225,100
Lab consumables	165,000	190,000
Farm produce	29,000	18,000
	262,500	433,100

(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)

22 Progress On Follow Up of Auditor Recommendations

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

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



Sign and Date
Principal

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
		A	b	C	d=a-c	
		Kshs	Kshs	Kshs	Kshs	Kshs
Supply Of Goods						
1. Samuel G Mutungu	Maize & Beans	2,168,500	13/07/2024	1,177,000	991,500	-
2. Paul Kariuki Gachugu	Meat supply	837,880	01/06/2025	772,360	65,520	111,280
3. Coffeebee Nemrys	Coffee supply	101,000	14/08/2024	68,500	32,500	68,500
4. Junslab supplies& services	Exhaustion & disinfectant	344,000	28/06/2024	245,000	99,000	135,900
5 Samuel Nginyo Nene	Firewood	198,000	17/06/2025	110,000	88,000	-
6 Joes BK Printers	stationery	237,310	13/06/2024	154,090	83,220	49,020
7. Astro Scientific lab	Laboratory equipment	1,888,790	21/07/2024	1,479,800	408,990	179,800
8. Admaz Products	Games Equipment	158,500	17/05/2025	100,000	58,500	-
9. David Maingi Njoroge	Farm Inputs	148,630	5/05/2025	116,800	31,830	-
10.Umoja Hardware	Repair Materials	425,650	15/05/2025	394,850	30,800	-
11.Shanangel agencies	Service & charter boards	115,000	19/06/2024	115,000	-	115,000
12.Peter Nderi Kibara	Revision materials	14,000	19/06/2024	14,000	-	14,000

MURUAKI BOYS SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2025

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY
Supply Of Services					
13. Check It Solution	77,000	15/02/2025	30,000	47,000	-
14. Maxci general lab	333,619	16/06/2024	333,619	-	333,619
15. Juns lab supplies & services	135,900	19/06/2024	135,900	-	135,000
16. Marvel system solution	216,000	04/06/2024	145,000	71,000	172,000
17. B.O.M. salaries	293,140	01/06/2025	-	293,140	372,395
Total	7,692,919		5,391,919	2,301,000	1,686,514

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 st July 2024	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2025
Land	15 acres			
Buildings And Structures				
Classrooms, Laboratories & library	17			
Dormitories	6			
Staff houses	3			
Administration block	1			
Motor Vehicles	1 bus			

MURUAKI BOYS SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2025

Asset Class	Historical Cost b/f (Kshs) 1 st July 2024	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2025
Office Equipment, Furniture and Fittings				
Copy printer	1			
Photocopier	1			
computers	3			
Boardroom tables	6			
Boardroom chairs	18			
Office chairs	6			
Office desks	4			
ICT Equipment				
computers	10			
Tools And Apparatus				
Chaff cutter	1			
Welding machine	1			
Plants & machinery				
Bore hole	1			
generator	1			
Water heater	1			

REPUBLIC OF KENYA



REPUBLIC OF KENYA



 THE NATIONAL ASSEMBLY REPORT PAPERS LAID	
DATE: 01 JUN 2026	
DAY: wed	
TABLED BY: OF	Hon. Owen Yaa Baya
CLERK AT THE TABLE:	Deputy Majority Leader
	Mado Atabo

THE AUDITOR-GENERAL

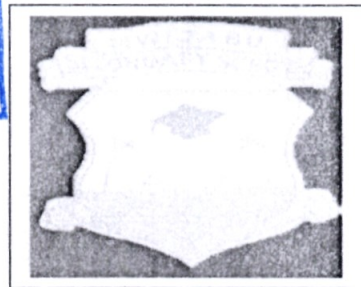
ON

MWIJABU SECONDARY SCHOOL

FOR THE YEAR ENDED

30 JUNE, 2025

MOMBASA COUNTY



MWIJABU SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025

Transitional Financial Statements Prepared 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
PA	Parents association
NG-CDF	National Government –Constituency Development
I.R.E	Islamic Religious Education
CRE	Christian Religion Education
ICPAK	Institute of certified public of accountants of Kenya

B. Definition of Key Terms

Comparative Year- Means the prior period.

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 Mombasa County, Changamwe Sub-County.

The school was registered in January 2015 under registration number 01S30000410 and is currently categorized as a County public school established, owned or operated by the Government.

The school is a day/boarding school and had 611 number of students as at 30th June 2025. It has three streams and 24 teachers of which 1 teacher is employed by the School Board of Management.

(b) School Board of Management - Board Members

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

Ref:	Name of Board Member	Designation	Date of appointment
1	Mr. Julius Mjawasi Mwanose	Chairman	1 st August 2022
2	Mr. Julius Mucheke	Secretary - Principal	1 st August 2022
	Mr. Lucas k. Jefwa	Secretary - Principal	5 th May 2025
3	Ms. Farida Salim Rashid	Member	1 st August 2022
4	Ms. Asia Riziki Khamis	Member	1 st August 2022
5	Mr. Phelix Onyango Otieno	Member	1 st August 2022
6	Mr. Silas Alfred Angore	Member	1 st August 2022
7	Mr. Joseph Mbaka Gechuki	Member	1 st August 2022
8	Ms. Rahma Adam Mwinyi	Member – Rep CEB	1 st August 2022
9	Ms. Ruth Mugure Mwangi	Member Rep Teachers	1 st August 2022
10	Ms. Euphrasia Owour Ayoo	3 Members - Sponsor	1 st August 2022
11	Khalid Kabanda	Member - Community	1 st August 2022
12	Ms. Lydiah Gathoni	Member Special Needs	1 st August 2022
13	Mr. Joshua Masila kithome	Rep Students	1 st August 2022
14	Ms Florence Mulei	Persons with Special Needs Rep	1 st August 2022
15	Ms Flora Ngonyo	Students Council Rep	1 st August 2022
16	Ms. Esha Abdallah abushiri	Co-Opted	1 st August 2022
17	Mr. Dennis Maloba	Co-Opted	1 st August 2022
18	Ms Esha Mshai	Co-Opted	1 st August 2022

Principal is a member of B.O.M as per section 62(1) of the Basic Education Act 2013. Co-opted members as per section 55(4) of Basic Education Act 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, 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

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Eng. Julius M.Mwanose Mr. Julius Mucheke Ms. Esha Abdallah Ms. Lydiah Waithaka Mr. Joseph Mbaka	Chairman Secretary PA Chairman Member Member	3 out of 3 3 out of 3 3 out of 3 3 out of 3 3 out of 3
2	Audit Committee	Mr. Khalid Kabanda Eng. Julius Mwanose, Ms. Asia Riziki, Ms. Florence Mulei Mr. Dennis Maloba	Chairman Member Member Member Member	3 out of 3 3 out of 3 3 out of 3 3 out of 3 3 out of 3
3	Finance,procurement and general purposes Committee	Mr. Khalid Kabanda Eng. Julius Mwanose, Ms. Asia Riziki, Ms. Florence Mulei Mr. Dennis Maloba	Chairman Member Member Member Member	3 out of 3 3 out of 3 3 out of 3 3 out of 3 3 out of 3
4	Academic Committee	Ms. Ruth M. Mwangi	Chairman	3 out of 3

		Ms Euphrasia Owour, Mr Joseph Mbaka, Ms Lydia Waithaka Ms Rahma Mwinyi	Member Member Member Member	3 out of 3 3 out of 3 3 out of 3 3 out of 3
5	Development Committee	Ms Rahma Mwinyi Khalid Kabanda, Eng. Julius Mwanose Ms Esha Abdallah Julius Mucheke Killian Ngoma	Chairman Member Member Member Member Member	3 out of 3 3 out of 3 3 out of 3 3 out of 3 3 out of 3 3 out of 3
6	Discipline and welfare Committee	Mr. Phelix Otieno Mr. Josep Mbaka, Esha Abdallah, Ms Lydiah Waithaka	Chairman Member Member Member	3 out of 3 3 out of 3 3 out of 3 3 out of 3

(d) School operation Management

For the financial year ended 30th June, 2025 the School's day-to-day management was under the following persons:

Ref:	Designation	Name	Identification
1	Principal	Julius Mucheke	350721
2	Deputy Principal	Killian Maloti Ngoma	333800
3	School Bursar	Comfort Mbucu	ID NO. 295663061

(e) Schools contacts

Post Office Box: 88950-80100, Mombasa
Telephone: 0719884500
E-mail: mwijabusecondary@yahoo.com
Website: None
Facebook: None
Twitter: None

(f) School Bankers

The School Operated 05 numbers of bank accounts in the following banks:

Bank	Branch	Account Name	Account Number
KCB	Mwembe Tayari	TUITION	1143780035
KCB	Mwembe Tayari	OPERATIONS	1143803248
KCB	Mwembe Tayari	INFRASTRUCTURE	1177547996
KCB	Mwembe Tayari	PA	1269673998
EQUITY	Changamwe	NG-CDF	1200260621108

MPESA Pay Bill No.522123, Account No. 62201K for A/C No.1269673998, KCB, MWEMBE TAYARI

(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:**i. FDSE Capitation the Last 3 Years**

Year	Students Enrolment	Tuition A/C (KES)	Operation A/C (KES)
2022	713	2,080,978.	9,304,251.
2023	777	1,761,155.	7,795,516.
2024	790	1,755,569.	8,530,507.
2025	611	1,864,930.	8,339,531.

ii. Ration of Capitation per Student the Last 3 Years

YEAR	TUITION	OPERATION
2022	1:2,919	1:13,049
2023	1:2267	1:10,033
2024	1:2,222	1:10,798
2025	1:3052	1:13,649

iii. Income from Lunch Program per Student the Last 3 Years

YEAR	Expected Income (KES)	Students Enrolment	Income (KES)	Ration Per Student
2022	12,000	713	10,030,516	1:14,068
2023	12,000	777	9,866,900	1:12,699
2024	14,000	790	11,300,665	1:14,304
2025	15,000	611	8,110,622	1:13,274

i **Teacher Student ratio** Total number of Students: 611

ii Total number of Teachers: 24

iii Teacher to Students Ratio: 1:25

iv Entry and Exits during the year: 5

v. BOM Teachers during the Year

BOM Teachers During The Year		
Name	TSC NO.	Subject Combination

Polycap odieki orare	965807	Business Studies and Geography
----------------------	--------	--------------------------------

b) :

The mean score in the 2021 to 2024 KCSE:

YEAR	ENTRY	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E	MEAN	DEV
2021	66	0	0	0	0	0	2	1	1	4	26	27	4	2.45	- 0.884
2022	146	0	0	0	0	0	0	2	7	18	25	76	18	2.493	- 0.230
2023	195	0	0	0	0	0	1	2	3	11	34	94	49	2.15	- 0.184
2024	137	0	0	0	0	0	2	5	9	11	28	47	35	2.53	0.31

c) Number of Candidates in the 2024 KCSE:

YEAR	KCSE Candidature
2024	137
2023	195
2022	165
2021	146

d. The capacity of the school:

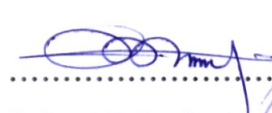
The School Infrastructural Facilities 2024

ITEM	CURRENT NUMBER	REQUIRED NUMBER	REMARKS

Classrooms		14	16	Approached MOE & CDF
Laboratories		02	03	Approached MOE & CDF
Toilets	Boys	11 & 2 urinals	1:30	Current Ratio of 1: 27 is adequate
	Girls	15	1:25	Current Ratio of 1: 20 is adequate
	Teachers	7	4	Adequate
Library		0	1	Approached MOE & CDF
ICT Room		1	1	Approached MOE & CDF to expand it
Guidance & Counseling Room		1	1	Adequate
Hand Washing Points		26	15	Adequate

d) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
-	-	-	-	-	-
-	-	-	-	-	-


 School Principal



4. Statement of School Management Responsibility

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

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

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

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2025, and of the school's financial position as at that date.



Name:

VINCENT OKAZ

Designation: Chairman, School Board of Management

Date:

23/4/26

CHAIRPERSON B.O.M
MWIJABU SENIOR SCHOOL
P.O BOX 88950-80100, MOMBASA.

Date: _____ Sign: _____



Name:

MWJABU SENIOR SCHOOL

Designation: School Principal & Secretary to Board of Management

Date:



Name:

BUKU (BURSAR)

Designation: Bursar/ Finance Officer

Date:

23/04/26



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 MWIJABU SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2025 – MOMBASA 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 transitional IPSAS financial statements of Mwijabu Secondary School – Mombasa County set out on pages 1 to 22, which comprise of the statement of assets and liabilities as at 30 June, 2025 and the statement of financial performance, 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 transitional IPSAS financial statements present fairly, in all material respects, the financial position of Mwijabu Secondary School as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) including the transitional provisions permitted under IPSAS 33 and comply with the Basic Education Act, 2013, the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Inaccuracies in Capitation Grants

The statement of financial performance reflects capitation grants for operations and infrastructure amounts of Kshs.5,575,597 and Kshs.2,282,500 as disclosed in Notes 2 and 3 to the financial statements. Review of the NEMIS capitation disbursements to the School revealed that the entity received Kshs.6,171,597 and Kshs.1,686,500 in respect of operations and infrastructure grants, resulting in an unexplained variance of Kshs.596,000 in each case.

In the circumstances, the accuracy and completeness of capitation grants for operations and infrastructure amounting to Kshs.5,575,597 and Kshs.2,285,500 respectively could not be confirmed.

2. Long Outstanding Accounts Receivables

The statement of assets and liabilities reflects accounts receivable balance of Kshs.14,156,899 in respect of fees arrears as disclosed in Note.13 to the financial statements. Included in the balance is accounts receivable balance of Kshs.6,539,315 which had been outstanding for more than two (2) years. However, there was no age analysis and policy on the impairment of long outstanding fees arrears casting doubt on full recoverability of the accounts receivables balance.

In the circumstances, the accuracy, completeness and existence of accounts receivables balance of Kshs.14,156,899 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Mwijabu 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.26,446,880 and Kshs.22,099,760 respectively, resulting in an under-funding of Kshs.4,347,120 or 16% of the budget. However, the School spent an amount of Kshs.18,527,646 against actual receipts of Kshs.22,099,760, resulting in an under-utilization of Kshs.3,572,114 or 16% of actual receipts.

The underfunding and under-utilization may have affected implementation of planned activities and impacted negatively on service delivery to the citizens.

My opinion is not modified in respect of this matter.

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

1. Significant Exemptions by the Public Sector Accounting Standards Board in the Financial Reporting Template

The financial statements have been prepared using the FY 2024/25 reporting template issued by the Public Sector Accounting Standards Board (PSASB). As communicated by PSASB on 25 February, 2026, the template was designed to facilitate a phased transition to accrual-based IPSAS for public secondary schools and, therefore, does not include certain statements and disclosures required under the full IPSAS transition. These omissions include the Opening Statement of Financial Position, the Statement of Changes in Net Assets/Equity, detailed disclosures of transitional provisions under IPSAS 33, and a reconciliation of budgeted amounts to actual accrual amounts. The absence of these elements arises from limitations inherent in the prescribed template and does not constitute non-compliance on the part of the school

Other Information

The Management is responsible for the Other Information set out on page iii to x which comprise of Key School Information and Management, Summary Report of Performance of the School and Statement of School Management Responsibility. 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. Non-Compliance with the Public Sector Accounting Standards Board (PSASB) Reporting Requirements

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

- i. Annex II, summary of fixed assets register disclosed quantities of assets instead of historical cost brought forward and carried forward. Additionally, the assets acquired during the year of Kshs.801,982 were not included in the addition's column.
- ii. The statement of budgeted verses actual amounts does not provide commentary on significant underutilization and overutilization.

In the circumstances, Management did not comply with the PSASB guidelines.

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

The statement of financial performance reflects boarding and School fund payments amount of Kshs.7,577,558 and operations payments amount of Kshs.8,155,749 as disclosed in Notes 9 and 7 to the financial statements respectively. Included in the expenditure is an amount of Kshs.123,000 and Kshs.800,680 transferred to Kenya Secondary School Heads Association (KESSHA) from boarding and operations bank accounts respectively. 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 Kshs.923,680 could not be confirmed.

3. Excess Supply of Text Books

During the year under review, the Ministry of Education distributed textbooks to public Secondary Schools through Kenya Literature of Bureau (KLB). Examination of records revealed that the Institute distributed five thousand eight hundred and sixty-one (5,861) books to the School while only three thousand eight hundred and seventy-one (3,871) books were issued to the students, resulting in an unexplained excess text books of one thousand nine hundred and ninety (1990) books in the School store.

In the circumstances, value for money on the excess one thousand nine hundred and ninety (1,990) could not be confirmed.

4. Failure To Prepare School Improvement Plan

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

In the circumstances, Management was in breach of a Government guideline.

5. Failure To Transfer Infrastructure Funds from The Operations Bank Account

The statement of financial performance reflects Government grants for infrastructure of Kshs.2,282,500 as disclosed in Note 3 to the financial statements which differed with the supported amount of Kshs.1,686,500. These were amounts received from the Ministry of Education credited in the operations bank account and was to be transferred to infrastructure bank account. However, only Kshs.600,000 was transferred to infrastructure account, leaving a balance of Kshs.1,086,500 as at 30 June 2025. This was contrary to The Ministry of Education Circular Ref. No: Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds 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 a Government guideline.

6. Long Outstanding Payables

The statement of assets and liabilities and as disclosed in Note 14 to the financial statements reflects accounts payables balance of Kshs.3,057,014. However, included in the balance are trade payables balance of Kshs.527,710 which had been outstanding for more than one (1) year, and risk of loss of public funds through litigations, interests and penalties. This was contrary to Regulation 42 (1) (a) of the

Public Finance Management (National Government) Regulations, 2015 which requires that service payments to be a first charge on the Consolidated Fund and the Accounting Officer to ensure this is done to the extent possible that the Government does not default on debt obligations.

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

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 2315 and 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.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion, 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

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 2315 and 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.

1. Weakness in Information Technology Controls

Review of the internal controls of the organization's Information Technology (IT) controls revealed that the School had been utilizing an accounting systems for receipting school fees paid by the students and a different application for creating report forms while it had no formal contract and service level agreement with the service providers, risking possible service disruption and liability in the event of breach of data.

In the circumstances, the effectiveness of the information technology controls could not be confirmed.

2. Lack of Segregation of Duty

Review of financial records revealed that the same officer responsible for receiving payments and generating receipts was also preparing reports and reconciliations indicating lack of segregation of duties. There was also no evidence of supervision by senior officers hence errors and omissions could possibly not be detected.

In the circumstances, the effectiveness of the internal controls on finances could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal 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 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 (Accrual 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.

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

Auditor-General's Responsibilities for the Audit

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, CBS
AUDITOR-GENERAL

Nairobi

05 June, 2026

Mwijabu secondary school

Annual report and financial statement for the year ended 30th June 2025

6. Statement of Financial Performance for the Year Ended 30th June 2025

Description Of Vote Head	Note	2024-2025	2023-2024
		Kshs	Kshs
Revenue			
Government grants for tuition	1	1,864,930	1,755,568
Government grants for operations	2	5,575,597	6,668,382
Government Grants for infrastructure	3	2,282,500	2,927,126
School fund income- parents' contributions	4	11,704,322	11,300,665
Miscellaneous incomes	5	-	-
Total Revenue		21,427,349.	22,651,741
Expenditure			
Tuition	6	2,092,356	1,673,216
Operations	7	8,155,749	5,810,886
Infrastructure	8	701,982	513,114
Boarding and school fund	9	7,577,558	10,438,547
Total Expenditure		18,527,645	18,435,763
Surplus/Deficit		2,899,703.	4,215,977

The school financial statements were approved on 29/08 2025 and signed by:



Name: VINCENT OTHMAN
Chair BOM

Date: 23/4/26



Name: MWILIMU MUKHOMBI
School Principal/ Secretary to
BOM

Date:





Name: NJIRU CONSTANTINE
Bursar/ Finance Officer

Date: 28/04/26

CHAIRPERSON B.O.M
MWIJABU SENIOR SCHOOL
P.O BOX 88950-80100, MOMBASA.

Date: _____ Sign: _____

Mwijabu secondary school

Annual report and financial statement for the year ended 30th June 2025

7. Statement of Assets and Liabilities As At 30th June 2025

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	1,046,701	3,693,150
Cash balances	11	2,280	58,753
Short term investments	12	-	-
Total cash and cash equivalent		1,048,981	3,751,903
Account's receivables	13	14,156,899	9,771,537
Total financial assets (a)		15,205,880	13,523,440
Financial liabilities			
Accounts payables	14	3,057,014	4,274,277
Total Financial Liabilities (b)		3,057,014	4,274,277
Net financial assets (a-b)		12,148,866	9,249,163
Represented by			
Accumulated fund b/fwd	15	9,249,163	5,033,185
Surplus/deficit for the year		2,899,703	4,215,977
Net Assets		12,148,866	9,249,163

The school's financial statements were approved on 29/08 2025 and signed by:



Name: VINCENT OCHI

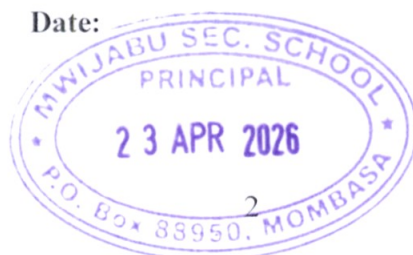
Chair BOM

Date: 23/4/26



Name: MWILUWA MUKHIMO
School Principal/ Secretary to
BOM

Date:





Name: MBUCU CORSTOFF

Bursar/ Finance Officer

Date: 23/04/26

CHAIRPERSON B.O.M
MWIJABU SENIOR SCHOOL
P.O BOX 88950-80100, MOMBASA.

Date: _____ Sign: _____

Mwijabu secondary school

Annual report and financial statement for the year ended 30th June 2025

8. Statement of Cash Flows for the Year Ended 30th June 2025

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition		1,864,930	1,755,569
Government grants for operations		5,575,597	6,668,382
Government grants for infrastructure		2,282,500	2,927,126
School fund income- parents contributions/ fees		8,110,622	16,349,471
Other income		-	-
Total receipts		17,833,649	27,700,558
Payments			
Cash outflows for tuition		2,047,519	1,189,696
Cash outflows for operations		8,230,774	6,127,264
Cash outflows Boarding/lunch and school fund payments		9,456,296	16,508,668
Total payments		19,734,589	23,825,628
Net cash inflow/outflow from operating activities		(1,900,940)	4,163,247
Cash flow from investing activities			
Acquisition of assets		(801,982)	(813,114)
Proceeds from sale of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash inflow/outflows from investing activities		(801,982)	(813,114)
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		(2,702,922)	3,350,132
Cash and cash equivalent at beginning of the FY		3,751,903	401,771
Cash and cash equivalent at end of the FY		1,048,981	3,751,903

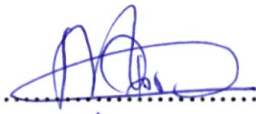
Mwijabu secondary school

Annual report and financial statement for the year ended 30th June 2025

The school's financial statements were approved on 29/08 2025 and signed by:


Name: VINCENT OKAR
Chair BOM
Date: 23/4/26


Name: MWANGI Mwangi
School Principal/ Secretary to
BOM
Date:


Name: NBUU Cora Ford
Bursar/ Finance Officer
Date: 23/04/26

CHAIRPERSON B.O.M
MWIJABU SENIOR SCHOOL
P.O BOX 88950-80100, MOMBASA
Date: _____ Sign: _____



9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2025

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	-	-	-	-	-
Laboratory Equipment	-	-	-	-	-
Internal Exams	-	-	-	-	-
Teaching / Learning Materials	-	-	-	-	-
Exams And Assessment	-	-	-	-	-
Total Tuition	2,206,880	-	2,206,880	1,864,930.30	84%
(2) Capitation Grant on Operations					
Other votehead (personnel Emoluments,L.T.T, E.W.C,A.D.M,	7,520,000	-	7,520,000	4,446,614	59%
Repairs And Maintenance	-	-	-	-	-
Local Transport / Travelling	-	-	-	-	-
Electricity And Water	-	-	-	-	-
Medical	800,000	-	800,000	728,575	91%
Administration Costs	-	-	-	-	-
Activity	760,000	-	760,000	428,193	56%
Smasse	160,000	-	160,000	-	-
Total operation	9,240,000	-	9,240,000	5,603,382	64%

Mwijabu secondary school
Annual report and financial statement for the year ended 30th June 2025

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	3,800,000	-	3,800,000	2,927,126	77%
M&I parents' contribution	-	-	-	-	-
Economic Stimulus Programs	-	-	-	-	-
Transition Infrastructure Grants	-	-	-	-	-
Administration Block	-	-	-	-	-
(4) Fees Charged on Parents					
Lunch Programme	11,200,000	-	11,200,000	8,110,622	72%
Repairs And Maintenance	-	-	-	-	-
Local Transport / Travelling	-	-	-	-	-
Electricity And Water	-	-	-	-	-
Medical	-	-	-	-	-
Administration Costs	-	-	-	-	-
Activity	-	-	-	-	-
SMASSE	-	-	-	-	-
Fee On Boarding Equipment and Stores	-	-	-	-	-
5) Miscellaneous Income					
Loans / Borrowing	-	-	-	-	-
Rent income	-	-	-	-	-
Income From Farming Activities	-	-	-	-	-
Insurance Compensation	-	-	-	-	-
Income From Posho Mill	-	-	-	-	-

Mwijabu secondary school
Annual report and financial statement for the year ended 30th June 2025

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
Income From Bus Hire	-	-	-	-	-
Fee For Hire of Ground and Equipment	-	-	-	-	-
Interest Income	-	-	-	-	-
Income From Any Other Investment	-	-	-	-	-
Total Income	26,446,880	-	26,446,880	22,099,760	85%
(6) Expenditure For Tuition					
Tuition	2,206,880	-	2,206,880	2,090,109.	95%
Reference Materials	-	-	-	-	-
Exercise Books	-	-	-	-	-
Laboratory Equipment	-	-	-	-	-
Internal Exams	-	-	-	-	-
Teaching / Learning Materials	-	-	-	-	-
Chalks	-	-	-	-	-
Exams And Assessment	-	-	-	-	-
Teachers Guides	-	-	-	-	-
Bank Charges	-	-	-	2,247	-
Tuition total	2,206,880.	-	2,206,880	2,092,356.	95%
(7) Expenditure For Operations					
Other votehead (personnel Emoluments,L.T.T, E.W.C,A.D.M,	7,520,000	-	7,520,000	7,808.571	95%
Repairs, Maintenance & Improvements	-	-	-	-	-
Local Transport / Travelling	-	-	-	-	-

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	-	-	-	-	-
Medical	800,000	-	800,000	13,400	17%
Administration Costs	-	-	-	-	-
Activity Expenses	760,000	-	760,000	1,035,760	136%
Gratuity	-	-	-	-	-
SMASSE	160,000	-	160,000	-	0%
TOTAL	8,760,000		8,760,000	8,155,749	93%
(8) Expenditure For infrastructure					
Construction of classrooms	-	-	-	-	-
Construction of LAB	-	-	-	-	-
Construction of DORMS	-	-	-	-	-
Purchase of furniture	-	-	-	-	-
Purchase of equipment	-	-	-	-	-
Purchase of machinery	-	-	-	-	-
(9) Expenditure For school fund/lunch/boarding					
Personnel Emoluments	-	-	-	-	-
Repairs, Maintenance and Improvements	-	-	-	-	-
Local Transport / Travelling	-	-	-	-	-
Electricity, Water and Conservancy	-	-	-	-	-
Medical Expenses	-	-	-	-	-

Mwijabu secondary school
Annual report and financial statement for the year ended 30th June 2025

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
Administration Costs	-	-	-	-	-
Activity	-	-	-	-	-
Gratuity	-	-	-	-	-
Lunch Programme	11,200,000	-	11,200,000	7,577,559	68%
Boarding Equipment and Stores	-	-	-	-	-
Expenditure For Income Generating Activity	-	-	-	-	-
Insurance Costs	-	-	-	-	-
Other Expenses On Investments	-	-	-	-	-
Rent Expenses	-	-	-	-	-
Bank Charges	-	-	-	-	-
Loan Interest Repayment	-	-	-	-	-
Loan Principal Repayment	-	-	-	-	-
Acquisition Of Assets	-	-	-	-	-
Totals	22,646,880	-	22,646,880	18,527,646	84%

Mwijabu secondary school
Annual report and financial statement for the year ended 30th June 2025

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

Statement of Compliance

The financial statements have been prepared in accordance with the PFM Act and International Public Sector Accounting Standards (IPSAS). The entity has taken advantage of the transitional provisions under IPSAS 33, and therefore, these first/second/third/year financial statements are transitional financial statements.

Basis of Preparation

These financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period on an accrual basis unless otherwise specified (for example, statement of cash flow). Under an accrual basis, revenues are recognized when rights to assets are earned or levied rather than when cash is received, and expenses are recognized when obligations are incurred rather than when they are settled. The financial statements have been prepared and presented in Kenya Shillings to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

2. Recognition of revenue and expenditure

The school recognizes all revenue from various sources when earned and all expenses when incurred.

The capitation grants include recurrent and development grants. Recurrent capitation are recognised in the statement of financial performance while development grants are recognised in the statement of financial position after meeting the revenue recognition criteria. The conditional grants will be recognised as revenue upon fulfilment of the set conditions.

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

Mwijabu secondary school

Annual report and financial statement for the year ended 30th June 2025

contributions can be reliably determined, the *school* includes such value in the statement of financial performance both as revenue and as expenditure 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, Imprest 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.

Mwijabu secondary school

Annual report and financial statement for the year ended 30th June 2025

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 2025

Mwijabu secondary school**Annual report and financial statement for the year ended 30th June 2025****11. Notes to the Financial Statements****1 Government Grants for Tuition**

Description	2024-2025	2023-2024
	Kshs	Kshs
Reference Materials	1,864,930	1,755,569
Exercise Books	-	-
Laboratory Equipment	-	-
Teaching / Learning Materials	-	-
Total	1,864,930	1,755,569

2 Government Grants for Operations

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel Emoluments	4,478,326	4,446,614
Repairs And Maintenance	-	-
Local Transport / Travelling	-	-
Electricity And Water	-	-
Medical	649,440	728,575
Administration Costs	-	-
Activity	447,831	428,193
Other Vote Heads (specify)*	-	1,065,000
Total	5,575,597	6,668,382

3 Government Grants for infrastructure

Description	2024-2025	2023-2024
	Kshs	Kshs
Maintenance & Improvement	2,282,500	2,927,126
Transition infrastructure grants	-	-
Administration Block	-	-
Economic stimulus grants	-	-
Other (specify)(NGCDF and County govt.	-	-
Total	2,282,500	2,927,126

Mwijabu secondary school**Annual report and financial statement for the year ended 30th June 2025****4 School Fund Income - Parents Contribution/Fees**

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel emoluments	-	-
Lunch programme	11,704,322	11,300,665
Repairs and maintenance	-	-
Local transport / travelling	-	-
Electricity and water	-	-
Medical	-	-
Administration costs	-	-
Activity	-	-
Fee on Boarding Equipment and stores	-	-
PA Levies*	-	-
Others (specify)	-	-
Total	11,704,322	11,300,665

5 Miscellaneous Incomes

Description	2024-2025	2023-2024
	Kshs	Kshs
Rent Income	-	-
Income From Farming Activities	-	-
Insurance Compensation	-	-
Income From Posho Mill	-	-
Income From Bus Hire	-	-
Fee For Hire of Ground and Equipment	-	-
Income From Grants and Donations*	-	-
Interest Income	-	-
Dividends Income	-	-
Loans/Borrowings*	-	-
Other Income (specify)*	-	-
Total	-	-

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6 Tuition

Description	2024-2025	2023-2024
	Kshs	Kshs
Exercise Books	2,090,109	1,649,020
Textbooks	-	-
Reference materials	-	-
Laboratory Equipment	-	-
Teaching / Learning Materials	-	-
Exams And Assessment	-	-
Teachers Guides	-	-
Bank Charges	2,247	1,196
Others (specify)	-	23,000
Total	2,092,356	1,673,216

7 Operations

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel Emoluments	-	-
Other votehead	6,843,169	5,424,535
Service Gratuity	-	152,570
Administration Cost	-	-
Repairs And Maintenance & Improvements	263,420	-
Local Transport / Travelling	-	-
Electricity And Water	-	150,000
Medical	13,400	-
Activity Expenses	1,035,760	4,783
Insurance Cost	-	78,998
Others (specify)	-	-
Total	8,155,749	5,810,886

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8 Infrastructure

Description	2024-2025	2023-2024
	Kshs	Kshs
Construction of classrooms	-	-
Construction of laboratory	-	-
Construction of dormitory	-	-
Purchase of furniture	700,200	512,500
Purchase of equipment	-	-
Purchase of apparatus	-	-
Drilling of boreholes	-	-
Bank charges	1,782	
Others (specify)	-	614
Total	701,982	513,114

9 Boarding and School Fund

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel Emoluments	844,474	994,078
Activity	261,500	-
Repairs And Maintenance & Improvements	-	-
Local Transport / Travelling	49,504	-
Electricity And Water	-	-
Medical Expenses	-	-
Administration Costs	1,133,821	3,124,945
Lunch Programme	5,282,456	5,378,542
Bank Charges	5,804	23,682
Expenses On Income Generating Activities**	-	-
Fee On Boarding Equipment and Stores	-	-
Rent Expenses	-	917,300
Insurance Cost (Life Property)	-	-
Loan Interest Repayment	-	-
Acquisition Of Assets	-	-
Others (specify)	-	-
Total	7,577,559	10,438,547

Mwijabu secondary school**Annual report and financial statement for the year ended 30th June 2025****10 Bank Accounts**

Account Name & Currency	Status	Bank Account Number	2024-2025	2023-2024
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	1143780035	11,397.	567,215
Operations Account	Active	1143803248	700,459.	1,923,136
School Fund Account/Boarding	Active	1269673998	18,418.10	816,891
Savings Account	Active	1200260621108	2,303	2,303
Parent Association Development Account	-	-	-	-
Income Generating Activities Account	-	-	-	-
Infrastructural Account	Active	1177547996	314,122.75	383,605
Total			1,046,700.	3,693,150.

11 Cash In Hand

Description	2024-2025	2023-2024
	Kshs	Kshs
Notes and Coins	2,280	58,753
Total	2,280	58,753

12 Short Term Investments

Description	2024-2025	2023-2024
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit accounts	-	-
Other Investments	-	-
Total	-	-

Mwijabu secondary school

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13 Accounts Receivable

Description	2024-2025	2023-2024
	Kshs	Kshs
Fees Arrears	14,156,899	9,771,537
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)	-	-
Imprest (list/schedule attached)	-	-
Rent arrears (list/schedule attached)	-	-
Total	14,156,899	9,771,537

13 b) Ageing Analysis of Accounts Receivable

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	5,028,852	%	3,232,222	33%
Between 1- 2 years	2,588,732	%	2,101,942	22%
Between 2-3 years	2,101,942	%	1,341,725	14%
Over 3 years	4,437,373	%	3,095,648	32%
Total (should tie to note 13 a)	14,156,899	%	9,771,537	100%

14 Accounts Payable

Description	2024-2025	2023-2024
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	2246588	2875229
Prepaid Fees	810426	1399048
Retention Monies	-	-
Unpaid salaries and statutory deductions	-	-
Caution money	-	-
Other payables (specify)	-	-
Total	3,057,014	4,274,277

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14a. Ageing Analysis of Accounts Payable

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Prepaid fee	810,426	27%	1,399,048	33%
Sub totals (a)	810,426		1,399,048	
Less than 1 year	1,718,878	56%	1,673,520	39%
Between 1- 2 years	527,710	17%	1,201,709	28%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Sub totals (b)	2,246,588		2,875,229	
Total (should tie to note 14)	3,057,014	100%	4,274,277	100%

15 Fund Balance Brought Forward

Description	2024-2025	2023-2024
	Kshs	Kshs
Bank Balances	3,693,150	386,269
Cash Balances	58,753	15,501
Short Term Investments	-	-
Receivables	9,771,537	7,988,887
Payables	(4,274,277)	(3,357,472)
Total	9,249,163	5,033,185

Mwijabu secondary school**Annual report and financial statement for the year ended 30th June 2025****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	2024-2025	2023-2024
	Kshs	Kshs
Bank Loans	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Others (specify)	-	-
Total	-	-

17 Biological assets

Description	Numbers	2024-2025	2023-2024
		Kshs	Kshs
Cattle		-	-
Goats		-	-
Trees		-	-
Coffee Or Tea Plantation		-	-
Poultry		-	-
Others (specify)		-	-
Total		-	-

18 Borrowings

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

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Other important disclosure notes

19 Stock/ Inventory

Description	2024-2025	2023-2024
	Kshs	Kshs
Food stuffs	110,250	-
Lab consumables	95,230	-
Farm produce	-	-
Medication	-	-
Construction Materials	-	-
Others (specify)	-	-
	205,480	-

20 Progress on Follow up of Auditor Recommendations

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

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

Sign and Date
Principal



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12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2024-2025	Outstanding Balance 2023-2024	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1.						
2.						
3.						
Sub-Total						
Supply Of Goods						
4. Ayam Book Centre	2,248,211	July 2024	1,280,000	968,211	-	
5. Lizam Entrepriise	2,098,377	July 2024	820,000	1,278,377	-	
Sub-Total	4,346,588		2,100,000	2,246,588	-	
Supply Of Services						
6.						
7.						
8.						
Sub-Total						
Grand Total	4,346,588		2,100,000	2,246,588	-	

Annex 2 – Summary of Fixed Assets Register

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Asset Class	Historical Cost b/f (Kshs) 1 st July 2024	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2025
Land	-	-	-	-
Buildings And Structures	5	-	-	5
Motor Vehicles	-	-	-	-
Office Equipment, Furniture and Fittings	655	-	-	655
Textbooks				
ICT Equipment				
Tools And Apparatus				
Other Machinery and Equipment	-	-	-	-
Heritage And Cultural Assets	-	-	-	-
Intangible Assets- Soft Ware	-	-	-	-
Total				

