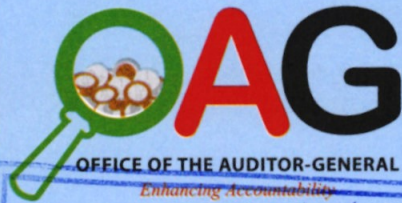


REPUBLIC OF KENYA



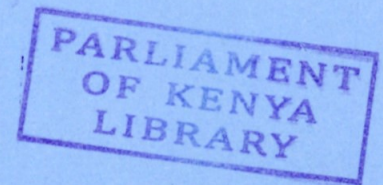
REPORT

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 01 JUL 2026	DAY. WEDNESDAY
TABLED BY:	HON- DWEN BAMA, M.P.
CLERK-AT THE-TABLE:	CHRISTINE NDIRITU

OF

THE AUDITOR-GENERAL

ON

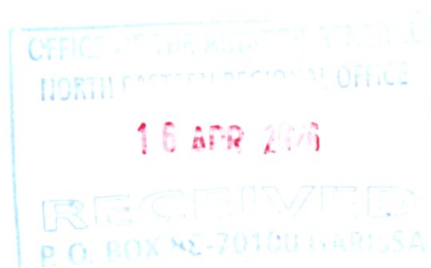


UMUSALAMA GIRLS SECONDARY SCHOOL

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

GARISSA COUNTY

Revised 30th June 2025.



UMUSALAMA GIRLS SECONDARY SCHOOL
PUBLIC DAY 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.

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 Garissa County, Garissa Township Sub-County.

The school was registered in 22nd July 2025 under registration number 07S30000288 and is currently categorized as Sub County Public school established, owned or operated by the Government.

The school is a day school and had 1140 number of students as at 30th June 2025, it has 6 streams and 37 teachers .

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	FATHA ADAN A.	Chairman	October 2022
2	ADOW ADAN	Secretary - Principal	October 2022
3	ABDINASISIR SHARIF	Member	October 2022
4	MOHAMED SHEKH	Member	October 2022
5	HALIMA ABDULLAHI	Member	October 2022
6	FUNNY ABDI	Member	October 2022
7	SOFIA ABDI	Member	October 2022
8	KORIO HUSSEIN	Member – Rep CEB	October 2022
9	HAFSA AHMED	Member Rep Teachers	October 2022
10	ALI MATHOBE	3 Members - Sponsor	October 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.

(b) Committees of the Board

(c) 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	HAKIMA MAALIM	497167
2	Deputy Principal	HASSAN GARANE	462925
3	School Bursar	HAUSA MOHAMED	BOM

(d) Schools contacts

Post Office Box: 459-70100
Telephone: 0720172048
E-mail: umusalamagirls @gmailcom
Website: N/A
Facebook:
Twitter:

(e) School Bankers

Provide details of the school bankers.

Name of Bank: NATIONAL BANK
Branch: GARISSA
ACCOUNT NO: 01041254271100 (tuition account)

.

Name of Bank: NATIONAL BANK
Branch: GARISSA
ACCOUNT NO:01041254259900 (infrastructure account)

Name of Bank: NATIONAL BANK
Branch: GARISSA
ACCOUNT NO: 7700498970 (operation account)

(f) Independent Auditors

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

Summary Report of Performance of The School

a) Number of Candidates in the 2025 KCSE: 160

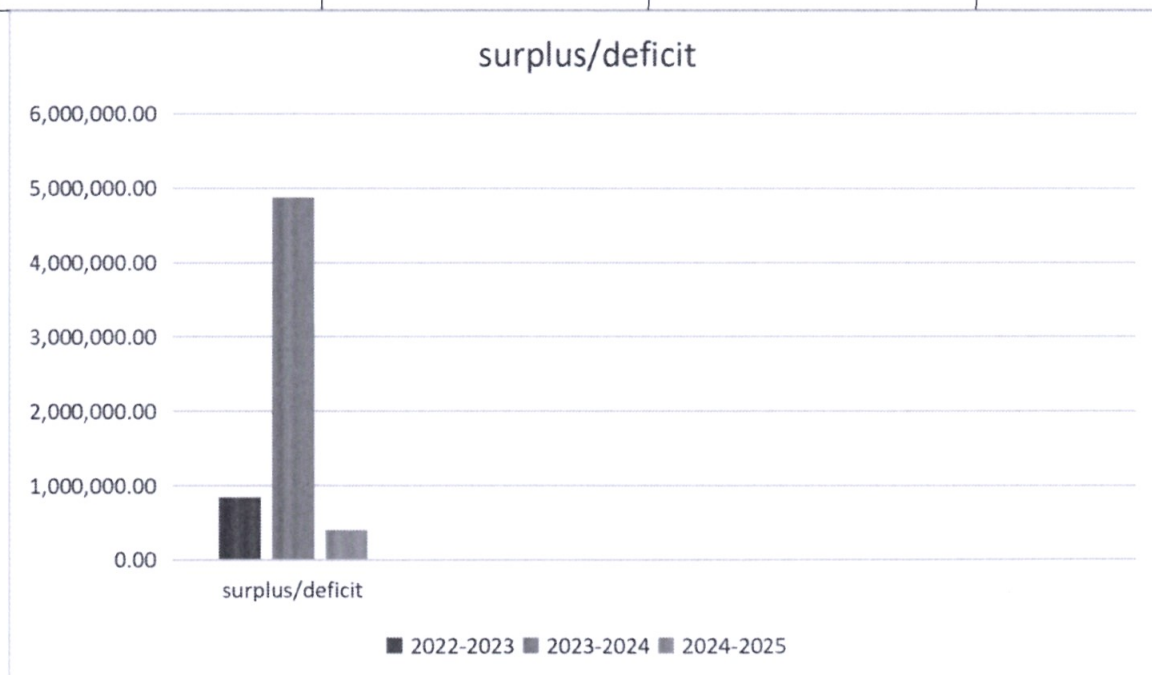
3.

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

b) Financial performance:

- *Surplus/ deficit for the year and a comparison of the same for the last three years*

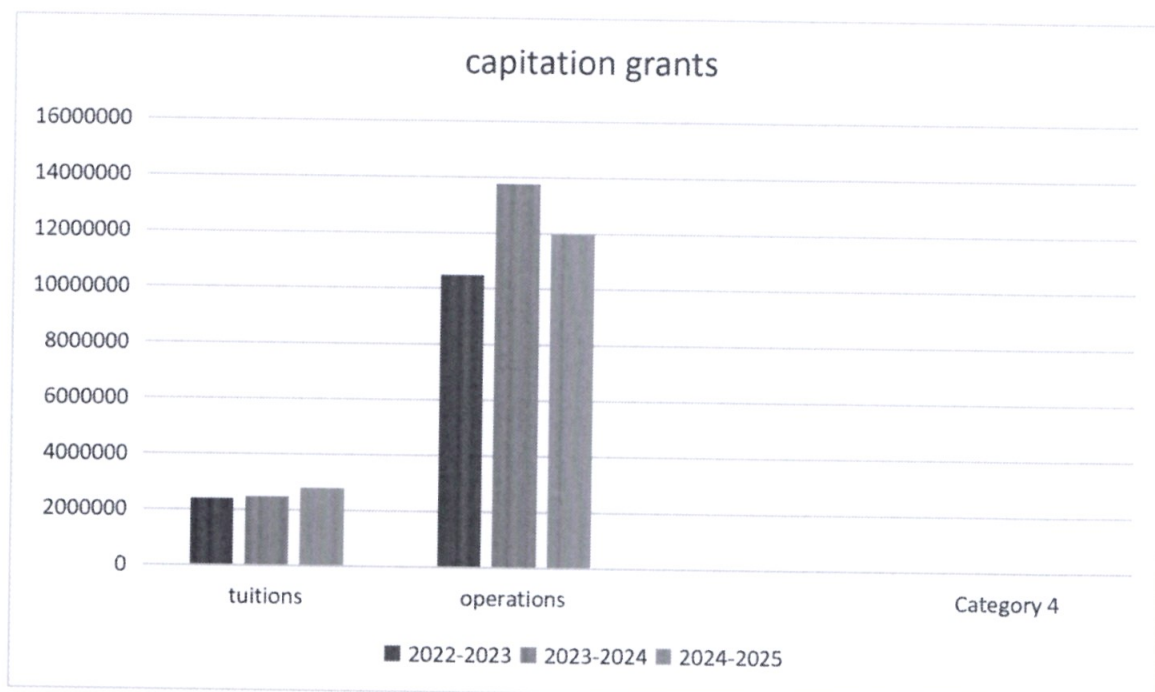
<i>FY</i>	<i>2022-2023</i>	<i>2023-2024</i>	<i>2024-2025</i>
<i>Surplus/deficit</i>	<i>844,773.16</i>	<i>4,870,981.98</i>	<i>400,984.98</i>



The financial year 2023-2024 had the highest surplus compared to the other financial years

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

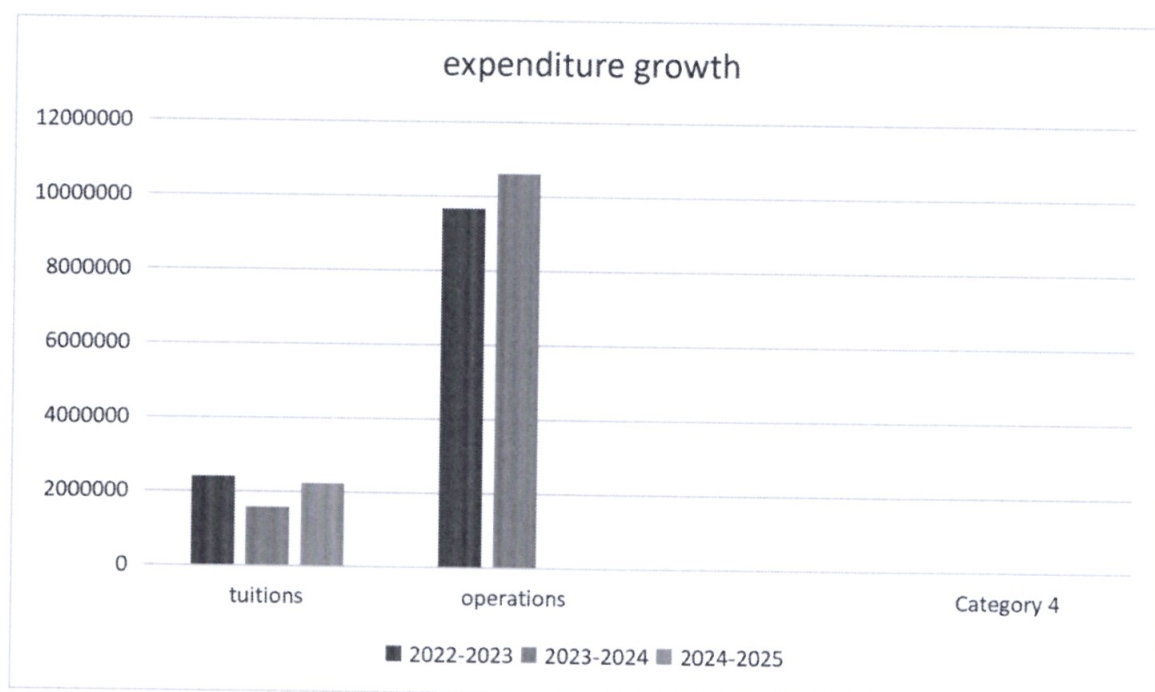
<i>FY</i>	<i>2022-2023</i>	<i>2023-2024</i>	<i>2024-2025</i>
<i>Tuitions</i>	<i>2,401,716.79</i>	<i>2,478,662.5</i>	<i>2,804,273.16</i>
<i>operations</i>	<i>10,483,857.37</i>	<i>13,752,785.5</i>	<i>11,983,417.5</i>



The financial year 2023-2024 had the highest capitation grants

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

<i>FY</i>	<i>2022-2023</i>	<i>2023-2024</i>	<i>2024-2025</i>
<i>Tuitions</i>	2,401,170	1,571,835	2,223,440
<i>operations</i>	9,661,610	10,610,575.5	13,719,110

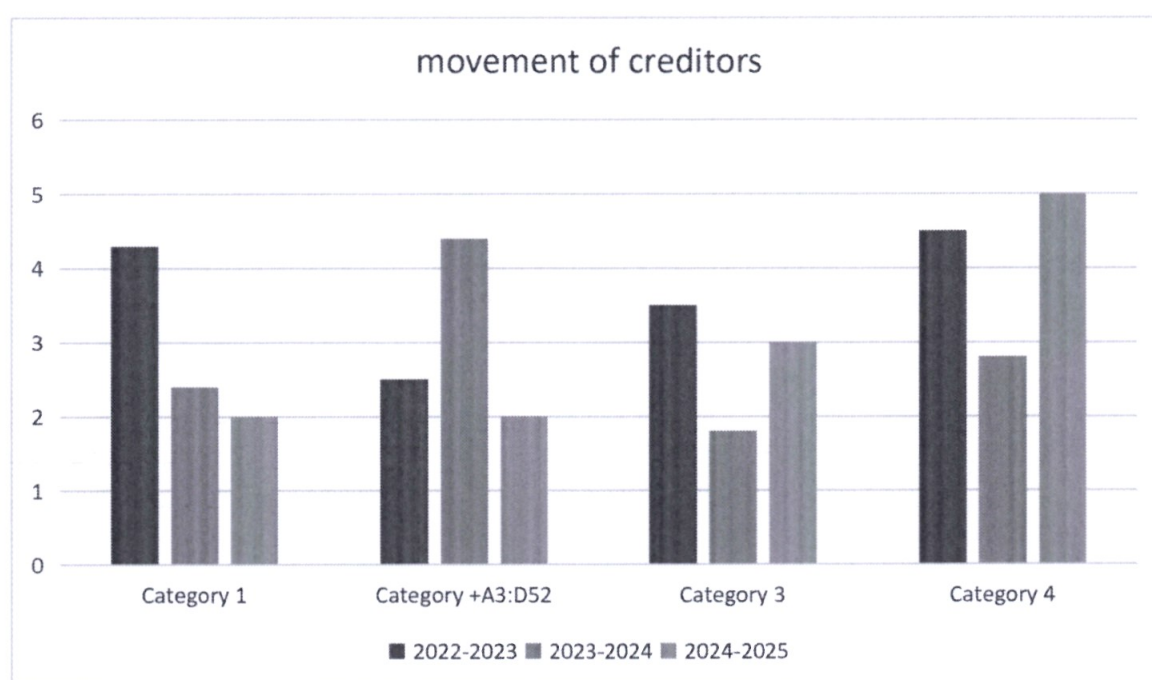


UMUSALAMA GIRLS SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2025

The year 2024-2025 had the highest expenditure growth

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

fy	2022-2023	2023-2024	2024-2025
Tuitions creditors	1,656,470	1,626,470	1,316,620
Operations creditors	1,130,000	740,000	0



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

c) Teacher Student ratio:

Teacher student ratio	TSC teachers	BOM teachers	Total number of students	Teachers recruited 2022
1:30	40	0	1140	0

UMUSALAMA GIRLS SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2025

The mean score in the 2022,2023,2024 KCSE:

YEAR	MEAN	NO TRANSITIONED
2022	5.65 C plain	144
2023	6.08 C plain	158
2024	6.5 C plus	160
2025	Mean score	

The financial year 2024-2025 has the highest number of transition

<i>fy</i>	2021-2022	2022-2023	2023-2024
No candidates	144	158	160

The FY 2024-2025 had highest number of candidates

d) The capacity of the school:

<i>classrooms</i>	20	22	25
<i>toilets</i>	19	23	23
<i>tank</i>	5	6	7
<i>Dinnig hall</i>	0	0	0

e) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)
Renovation of school admnikstration	MOE	complete	2,200,000.00
Renovation of departmental offices	MOE	complete	182,000.00
Bulding of school main gate	MOE	complete	500,000.00

PRINCIPAL
 UMUSALAMA GIRLS SECONDARY
 P.O. Box 459 - 70101, GARISSA
 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 Umusalama Girls Secondary School accepts responsibility for the school's financial statements, which have been prepared on the accrual 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.

CHAIRPERSON, BOM

.....
UMUSALAMA GIRLS' SCHOOL

Name: **Abdumassir Sharif**

Designation: Chairman, School Board of Management

Date: 26th July 2025

PRINCIPAL
UMUSALAMA GIRLS SECONDARY
P.O. Box 459-70100, GARISSA

.....
Name: **Hakima Maatlin**

Designation: School Principal & Secretary to Board of Management

Date: 26th July 2025

.....
Name: **Hafsa Mohamed**

Designation: Bursar/ Finance Officer

Date: 26th July 2025

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 UMUSALAMA GIRLS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2025 – GARISSA 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 Umusalama Girls Secondary School set out on pages 1 to 16, 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 Umusalama Girls Secondary School 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. Non-Compliance with Transitional IPSAS Reporting Requirements

As disclosed in Note 1 to the financial statements on Statement of Compliance and Basis of Preparation of the Financial Statements, the School has taken advantage of the transitional provisions under IPSAS 33. However, Management has not indicated the elements of the financial statements that have not been fully recognized as per the respective IPSAS and the steps being taken towards full compliance with IPSAS Accrual.

In the circumstances, the financial statements as prepared and presented are not in compliance with IPSAS reporting framework.

2. Inaccuracies in the Statement of Budgeted Versus Actual Amounts

The statement of cash flows reflects total actual receipts and payments of Kshs.19,233,815 and Kshs.15,992,550 respectively. However, the statement of budgeted versus actual amounts reflects total actual receipts and payments of Kshs.19,223,815 and Kshs.18,832,830 respectively, resulting in variances of Kshs.10,000 and Kshs.2,840,280 in receipts and payments respectively.

In the circumstances, the accuracy of the amounts reflected in the statement of budgeted versus actual amounts could not be confirmed.

3. Unsupported Accounts Payables Balance

The statement of assets and financial liabilities reflects accounts payable balance of Kshs.1,236,620 as disclosed in Note 14 to the financial statements. However, movement schedule reconciling the opening balance to the closing balance was not provided for audit review.

In the circumstances, the accuracy and completeness of the payables balance of Kshs.1,236,620 could not be confirmed.

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

1. Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects total receipts budget and actual on a comparable basis of Kshs.21,088,160 and Kshs.19,223,815 respectively, resulting in an underfunding of Kshs.1,864,345 or 9% of the budget. However, the School spent an amount of Kshs.18,832,830 against actual receipts of Kshs.19,223,815 resulting in an under-utilization of Kshs.390,985 or 2% of actual receipts.

The underfunding affected implementation of the planned activities and may have adversely impacted on the operations of the School.

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

The financial statements have been prepared using the financial year 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.

My opinion is not modified in respect of these matters.

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 Information

The Management is responsible for the Other Information set out on page iii to xii 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. Late Submission of Financial Statements

The financial statements for the year ended 30 June, 2025 were submitted to the Auditor-General on 6 February, 2026 instead of the statutory deadline of 31 August, 2025. This was contrary to The National Treasury Circular No: AG.3/88 Vol. VII (41) of 4 December, 2024 in compliance which Section 81 of the Public Finance Management Act, 2012 which required all public entities to submit financial statements for the year ended 30 June, 2025 by 31 August, 2025.

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

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

The statement of financial performance reflects operations payments of Kshs.13,719,110 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.115,000 transferred to Kenya Secondary School 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.115,000 could not be confirmed.

3. Capitation Under-Disbursement from Ministry of Education

The statement of financial performance reflects capitation grants for tuition and operations amount of Kshs.2,840,273 and Kshs.11,983,417 respectively as disclosed

in Note 1 and Note 2 to the financial statements. During the financial year under review, the approved capitation rate per student was Kshs.22,244 which, based on recorded student enrollment, should have translated to total capitation funding of Kshs.22,733,368. However, the School received a total of Kshs.14,823,690 while Kshs.583,972 was retained by the Ministry for Strengthening of Mathematics and Sciences in Secondary Schools (SMASSE) and other co-curricular activities resulting in an under-funding of Kshs.7,325,706.

In the circumstances, the under-funding of the School may have affected delivery of quality services to the students.

4. Lack of a Procurement Plan

The statement of financial performance reflects amounts of Kshs.19,233,815 and Kshs.18,832,830 in respect of total revenue and payments respectively. However, during the year Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that a procuring entity shall 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. 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.

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

6. Non-Deduction of Capacity Building Levy

The statement of financial performance reflects total payments amounting to Kshs.18,832,830 which includes an amount of Kshs.2,890,300 in respect of procurement contracts signed with the School's suppliers. Review of payments for goods and services revealed that there was no deduction of the public procurement capacity building levy of 0.03% on the contracts. This was contrary to the Public Procurement Capacity Building Levy Order, 2023 which requires Public Procurement Capacity Building Levy be deducted at 0.03% on all contracts between the supplier and a procuring entity.

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

7. Non-Compliance with the Law on Ethnic Diversity in Employment

Review of the payroll revealed that the School had eighteen (18) employees engaged by the Board or Management. However, fifteen (15) or 83% of the employees were from the dominant ethnic community. This was contrary to Section 7(1) and (2) of the

National Cohesion and Integration Act, 2008 which states that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and no public establishment shall have more than one third of its staff from the same ethnic community.

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

8. Non-Compliance with the Law on Employment of Persons with Disabilities

Review of the School's human resource records indicated that the School had a total of eighteen (18) employees. However, none of the employees represented persons living with disabilities. This was contrary to Section 4(f) of the Persons with Disabilities Act, 2025 provides that the national government shall promote the inclusion and integration of persons with disability in the public service and put in place measures to ensure that at least five per centum of the employment positions are filled by persons with disability.

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

9. Late Transfer of Infrastructure Funds from Operations Bank Account

During the year under review, the School received operations and infrastructure grants of Kshs.11,983,417 as disclosed in Note 2 to the financial statements. Included in the amount is Kshs.4,420,125 in respect of infrastructure grants which was supposed to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, an amount of Kshs.3,081,500 was transferred more than fifteen (15) days after receipt, contrary to The Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which requires infrastructure funds to be transferred within fifteen (15) days after receipt in the operations account.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Internal Audit and Audit Committee

During the year under review, the School did not have an Audit Committee and an Internal Audit Unit. This was contrary to Section 73(1)(a) of the Public Finance Management Act, 2012, which provides that every National Government entity shall ensure that it has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board. Further, Regulation 174(1) of the Public Finance Management (National Government) Regulations, 2015, requires each National Government entity to establish an audit committee.

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

2. Weaknesses in Management of Assets

Annex 2 of the financial statements on summary of fixed assets register reflects property, plant and equipment balance of Kshs.42,720,000 which includes land with a balance of Kshs.10,000,000. However, land ownership documents were not provided for audit. In addition, the fixed assets register maintained was not updated and did not include details of the assets and their values. Further, assets were not tagged for easy of identification.

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 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

17 April, 2026

UMUSALAMA GIRLS SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2025

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

Description Of Vote Head	Note	2024-2025
		Kshs
Receipts		
Government grants for tuition	1	2,840,273
Government grants for operations	2	11,983,417
Government Grants for infrastructure	3	4,410,125
School fund income- parents' contributions	4	-
Miscellaneous incomes	5	-
Total Receipts		19,233,815
Payments		
Tuition	6	2,223,440
Operations	7	13,719,110
Infrastructure	8	2,890,280
Boarding and school fund	9	-
Total Payments		18,832,830
Surplus/Deficit		400,985

The school financial statements were approved on _____ 2025 and signed by:

CHAIRPERSON, BOM
UMUSALAMA GIRLS' SCHOOL
P.O. Box 459-70100, GARISSA
Name: Abdinasir Shariff

Chair BOM

Date: 26th July 2025

PRINCIPAL
UMUSALAMA GIRLS' SECONDARY
P.O. Box 459-70100, GARISSA
Name: Hakima Maalim
School Principal/ Secretary to BOM

Date: 26th July 2025

Name: Hafsa Mohamed
Bursar/ Finance Officer
Date: 26th July 2025

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

Description	Note	2024-2025	Opening Statement 1 st July 2024
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	6,123,446	5,772,462
Cash balances	11	-	-
Short term investments	12	-	-
Total cash and cash equivalent		<u>6,123,446</u>	<u>5,772,462</u>
Account's receivables	13	-	-
Total financial assets (a)		6,123,446	5,772,462
Financial liabilities			
Accounts payables	14	1,236,620	2,366,470
Total Financial Liabilities (b)			
Net financial assets (a-b)		4,886,826	3,355,992
Represented by			
Accumulated fund b/fwd	15	4,485,841	(1,514,990)
Surplus/deficit for the year		400,985	4,870,982
Net Assets		4,886,826	3,355,992

The school's financial statements were approved on _____ 2025 and signed by

CHAIRPERSON, BOM

 UMUSALAMA GIRLS' SCHOOL
 P.O. Box 459 70100, GARISSA

Name: Abdinasir Shariff

Chair BOM

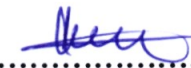
Date: 26th July 2025

PRINCIPAL

 UMUSALAMA GIRLS' SECONDARY
 P.O. Box 459

Name: Hakima Maalim
 School Principal/ Secretary to
 BOM

Date: 26th July 2025



Name: Hafsa Mohamed

Bursar/ Finance Officer

Date: 26th July 2025

UMUSALAMA GIRLS SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2025

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

Description	Note	2024-2025
		Kshs
Cash from Operating Activities		
Receipts		
Government grants for tuition	1	2,840,273
Government grants for operations	2	11,983,417
Government grants for infrastructure	3	4,410,125
School fund income- parents contributions/ fees	4	-
Other income	5	-
Total receipts		19,233,815
Payments		
Cash outflows for tuition	6	2,223,440
Cash outflows for operations	7	13,769,110
Cash outflows Boarding/lunch and school fund payments		
Total payments		15,992,550
Net cash inflow/outflow from operating activities		3,241,261
Cash flow from investing activities		
Acquisition of assets	8	2,890,280
Proceeds from sale of Assets		
Proceeds from investments		
Purchase of investments		
Net cash inflow/outflows from investing activities		(2,890,280)
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		350,985
Cash and cash equivalent at beginning of the FY		5,772,462
Cash and cash equivalent at end of the FY		6,123,447

The school's financial statements were approved on _____ 2025 and signed by:

UMUSALAMA GIRLS SECONDARY SCHOOL

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

Name: Abdinash Sharif

Chair BOM

Date: 26th July 2025

Name: ~~Hakima Maatini~~

School Principal/ Secretary to
BOM

Date: 26th July 2025

Name: Hafsa Mohamed

Bursar/ Finance Officer

Date: 26th July 2025

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					
Teaching / Learning Materials	2,733,930	-	2,733,930	2,840,273	104%
(2) Capitation Grant on Operations					
Other vote heads	14,025,230	-	14,025,230	11,983,417	85%
Repairs And Maintenance					
3) FDSE for infrastructure	4,329,000	-	4,329,000	4,410,125	102%
Maintenance &Improvement MoE					
Total Income	21,088,160	-	21,088,160	19,223,815	
(6) Expenditure For Tuition					
Teaching / Learning Materials	2,733,000	-	2,733,000	2,223,440	81%
(7) Expenditure For Operations					
Personnel Emoluments	8,787,149		8,787,149	13,008,677	148%
Activities	909,090		909,090	688,072	76%
Bank charges	-		-	22,361	-

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
(8) Expenditure For infrastructure					
Construction of school main gate	4,329,000.00	-	4,329,000	2,890,280	67%
Renovation of school admiration	-	-	-	-	
Renovation of departmental offices	-	-	-	-	
Totals	14,025,239	-	14,025,239	18,832,830	-

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 year financial statements are transitional financial statements and the following elements of the financial statements have not been recognised as the entity has taken advantage of the transition provisions outlined in IPSAS 33.

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 recognized in the statement of financial performance while development grants are recognized in the statement of financial position after meeting the revenue recognition criteria. The conditional grants will be recognized 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

10. Notes To the Financial Statements

1 Government Grants for Tuition

Description	2024-2025
	Kshs
Teaching / Learning Materials	2,840,273.16
Others (<i>specify</i>)*	
Total	2,840,273.16

2 Government Grants for Operations

Description	2024-2025
	Kshs
Maintenance and Improvement	-
Activity	-
Other Vote Heads -EWC, LTT, PE & ADMIN COSTS	11,983,417
Total	11,983,417

3 Government Grants for infrastructure

Description	2024-2025
	Kshs
Maintenance & Improvement	4,410,125
Total	4,410,125

4 Tuition

Description	2024-2025
	Kshs
Teaching / Learning Materials	1,905,320
Sundry Creditors	309,850
Bank Charges	8,270
Total	2,223,440

5 Operations

Description	2024-2025
	Kshs
Maintenance and Improvement	4,717,405
other vote heads-EWC, LTT, PE \$ ADMIN COSTS	7,376,272
Bank Charges	22,361
Activity Expenses	688,072
Sundry Creditors	740,000
Imprest	175,000
Total	13,719,110

UMUSALAMA GIRLS SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2025

6 Infrastructure

Description	2024-2025
	Kshs
Maintenance and Improvement	2,882,000.00
Bank Charges	8,280.00
Total	2,890,280.00

(Bank Accounts)

Account Name & Currency	Status	Bank Account Number	2024-2025	2023-2024
	Active/Dormant		Kshs	Kshs
Tuition Account NBK	ACTIVE	01041254271100	1,527,412.45	910,579.39
Tuition account FCB	INACTIVE	29776999902		
Operations Account NBK	ACTIVE	770049870	2,050,160.94	3,785,854.34
Operation account	INACTIVE	29776999803		
Infrastructural Account NBK	ACTIVE	01041254259900	2,545,873.19	1,026,028.19
Infrastructure FCB	INACTIVE	2977983701		
Total			6,123,446.58	5,722,461.92

7 Cash In Hand

Description	2024-2025	2023-2024
	Kshs	Kshs
Notes and Coins	-	-
Total	-	-

8 Short Term Investments

Description	2024-2025	2023-2024
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-

UMUSALAMA GIRLS SECONDARY SCHOOL

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

Fixed Deposit accounts	-	-
Other Investments	-	-

9 Accounts Receivable

Description	2024-2025	2023-2024
	Kshs	Kshs
Fees Arrears	-	-
Other Non-Fees Receivables	-	-
Salary Advances (list/schedule attached)	-	-
Imprest (list/schedule attached)	-	-
Rent arrears (list/schedule attached)	-	-
Total	-	-

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	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (should tie to note 13 a)	-	%	-	%

10 Accounts Payable

Description	2024-2025	2023-2024
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	(130,700)	240,550.00
Prepaid Fees		
Retention Monies		
Unpaid salaries and statutory deductions		
Caution money		
Other payables (<i>specify</i>)		
Total	(130,700)	240,550.00

UMUSALAMA GIRLS SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2025

14a. Ageing Analysis of Accounts Payable

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	1,236,620	100%	130,700	6%
Between 1- 2 years			-	
Between 2-3 years			2,235,770	94%
Over 3 years				
Total (should tie to note 14)	1,236,620	100%	2,366,470	100%

11 Fund Balance Brought Forward

Description	2024-2025	2023-2024
	Kshs	Kshs
Bank Balances	5,722,461.82	8,51,479.94
Cash Balances		
Payables	1,236,620.00	2,366,470.00
Total	4,485,841.85	(1,514,990.06)

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.

12 Non-current Liabilities Summary

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

13 Biological assets

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

14 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	-	-

UMUSALAMA GIRLS SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2025

Other important disclosure notes

15 Stock/ Inventory

Description	2024-2025	2023-2024
	Kshs	Kshs
Food stuffs	-	-
Lab consumables	-	-
Farm produce	-	-
Medication	-	-
Construction Materials	-	-
Others (specify)	-	-
	-	-

16 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

PRINCIPAL
 UMUSALAMA GIRLS SECONDARY
 P.O. Box 459 - 70100, GARIESA

11. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1.	-	-	-	-	-	-
2.	-	-	-	-	-	-
3.	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-
Supply Of Goods						
4. Hirola booksellers	466,820.00		180,000.00	366,820.00	2866,820.00	
5. Science lab	602,000.00		50,000.00	552,000.00	552,000.00	
Tamar lab supplies	447,800.00		50,000	397,800.00	397,800.00	
Usitawi book centre	109,850.00		109,850.0	0		
6.	-	-	-	-	-	-
7. Sub-Total	1,626,470.00					
8. Supply Of Services						
9.maryam ibrahim (deceased)	700,000.00		700,000.00	0.00		
Diego mitambo	40,000.00		40,000.00	0.00		

UMUSALAMA GIRLS 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	Comments
TOTAL	2,366,470.00		1,129,850.00	1,236,620.00	1,236,620.00	

Annex 2 – Summary of Fixed Assets Register

UMUSALAMA GIRLS SECONDARY SCHOOL

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

Asset Class	Historical Cost b/f (Kshs) 1 st July 2025	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2025
Land	10,000,000.00			10,000,000.00
Buildings And Structures				
Motor Vehicles				
Office Equipment, Furniture and Fittings	26,000,000.00	200,000.00		200,000.00
Textbooks				
ICT Equipment	2,500,000.00	2,500,000.00		2,700,000.00
Tools And Apparatus	3,000,000.00	3,000,000.00		3,000,000.00
Other Machinery and Equipment				
Heritage And Cultural Assets				
Intangible Assets- Soft Ware	1,200,000.00	1,200,000.00		1,200,000.00
Total	42,700,000.00			42,720,000.00

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