

REPUBLIC OF KENYA



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

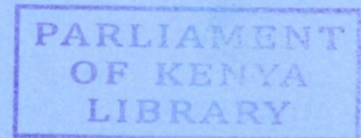
REPORT

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 15 JUN 2026	
DAY: <u>Tuesday</u>	
OF	Hon. Naomi Wago, CBS, MP (Deputy Majority Party Whip)
TABLED BY:	
CLERK-AT THE-TABLE:	<u>Lemuel</u>

OF

THE AUDITOR-GENERAL

ON



OUR LADY OF MERCY MUTOMO GIRLS'
SECONDARY SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2025

KITUI COUNTY



Revised 30th June 2025.



OUR LADY OF MERCY MUTOMO GIRLS' 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)

OUR LADY OF MERCY MUTOMO GIRLS' SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2025

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OUR LADY OF MERCY MUTOMO GIRLS' SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2025

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)

OUR LADY OF MERCY MUTOMO GIRLS' SECONDARY SCHOOL
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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 **Kitui County, Mutomo Sub-County**.

The school was registered in **March, 2015** under registration number **13530000097** and is currently categorized as a **Extra County** public school established, owned or operated by the Government.

The school is a day/boarding school and had 340 number of students as at *30th June 2025*. It has 2 & 3 streams and 20 teachers of which 1 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

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

Ref:	Name of Board Member	Designation	Date of appointment
1	Zipporah Kakungu	Chairperson	15th May 2025
2	Teresia Mutinda	Secretary – Principal	15th May 2025
3	Albert Ndambuki	Member	15th May 2025
4	Joel Kilonzi	Member	15th May 2025
5	Patrick Kiusya	Member	15th May 2025
6	Ambrose Kivusyu	Member	15th May 2025
7	Mike Mulei	Member	15th May 2025
8	Jackson King'onde	Member – Rep CEB	15th May 2025
9	Benjamin Kyalo	Member - Rep Teachers	15th May 2025
10	Fr. Julius Maingi	Member – sponsor	15th May 2025
11	Sr. Mary Okumu	Member – Sponsor	15th May 2025
12	Felistus Mwandia	Member – Sponsor	15th May 2025
13	Olivia Mwende	Member – Community	15th May 2025
14	Robert Kusinga	Member – Community	15th May 2025
15	Lazarus Wambua	Member – Special Needs	15th May 2025
16	Blessings Kisengese	Rep Students	15th May 2025

OUR LADY OF MERCY MUTOMO GIRLS' SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2025

The functions of the School Board of Management are to:

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

(c) Committees of the Board

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

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1. Zipporah Kakungu 2. Mike Robert 3. Fr. Julius Maingi 4. Sr. Mary Okumu 5. Albert Nadmbuki 6. Teresia Mutinda	BOM Chairperson BOM Vice Chairperson Sponsor Member P.A Chairperson BOM Secretary	1 out of 3
2	Audit Committee			
3	Finance, procurement and general purposes Committee	1. Patrick Kiusya 2. Teresia Mutinda 3. Sr. Mary Okumu 4. Zippotah Kakungu 5. Fr. Julius Maingi	Finance Committee Chairperson BOM Secretary Member Member Member	3 out of 3
4	Academic Committee	1. Ambrose Kiusya 2. Teresia Mutinda 3. Robert Kusinga 4. Mike Robert 5. Benjamin Kyalo 6. Felistus Mwandia	Chairperson BOM Secretary Member Member Member Member	1 out of 3

OUR LADY OF MERCY MUTOMO GIRLS' SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2025

5	Development Committee	1. Mike Robert 2. Zipporah Kakungu 3. Teresia Mutinda 4. Gorreti Muthami 5. SCDE – Mutomo 6. Albert Ndambuki	Chairperson Member Member Member Member	5 out of
6	Discipline and welfare Committee	1. Robert Kusinga 2. Olivia Mulatya 3. Albert Ndambuki 4. Patrick Kiusya 5. Teresia Mutinda 6. Albert Ndambuki	Chairpeson Member Member Member Member Member	0 out of
7	Adhoc Committee (if any during the year)	1. Gorreti Muthami 2. Jones Kilele 3. Sr. Virginia 4. Joyce Mbuli 5. Vincent Marao	Chairperson Member Member Member Member	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	Teresia Mutinda	TSC No. 372196
2	Deputy Principal	Gorreti Mulumba	TSC No. 333670
3	School Bursar	Joyce Mbuli	ICPAK No.
4	Other (specify)		

(e) Schools contacts

Post Office Box: 7 – 90201
 Telephone: +254 721 915 116
 E-mail: olmmutomogirls@gmail.com
 Website:
 Facebook:
 Twitter:

OUR LADY OF MERCY MUTOMO GIRLS' SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2025

(f) School Bankers

- | | | | | |
|---|--------------------|--|-------------|---------------|
| 1 | Name of Bank: | National Bank of Kenya-School fund account | | |
| | Branch: | Mutomo | | |
| | Account Number: | 1021051516100 | | |
| | | | | |
| 2 | Name of Bank: | Kenya Commercial Bank-Operation Account | | |
| | Branch: | Mutomo | | |
| | Account Number: | 1106069161 | | |
| | | | | |
| 3 | Name of Bank: | Kenya Commercial Bank-Tuition Account | | |
| | Branch: | Mutomo | | |
| | Account Number: | 1106069226 | | |
| | | | | |
| 4 | Name of Bank: | Kenya Commercial Bank-Infrastructure Account | | |
| | Branch: | Mutomo | | |
| | Account Number: | 1254976698 | | |
| | | | | |
| 5 | Name of Bank: | Kenya Commercial Bank-CDF Account | | |
| | Branch: | Mutomo | | |
| | Account Number: | 1198757043 | | |
| | | | | |
| 6 | Name of Bank: | Equity Bank Kenya- Savings account | | |
| | Branch: | Mutomo | | |
| | Account Number: | 1670181744406 | | |
| | | | | |
| 7 | MPESA Pay Bill No. | 620885 | Attached to | 1021051516100 |

(g) Independent Auditors

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

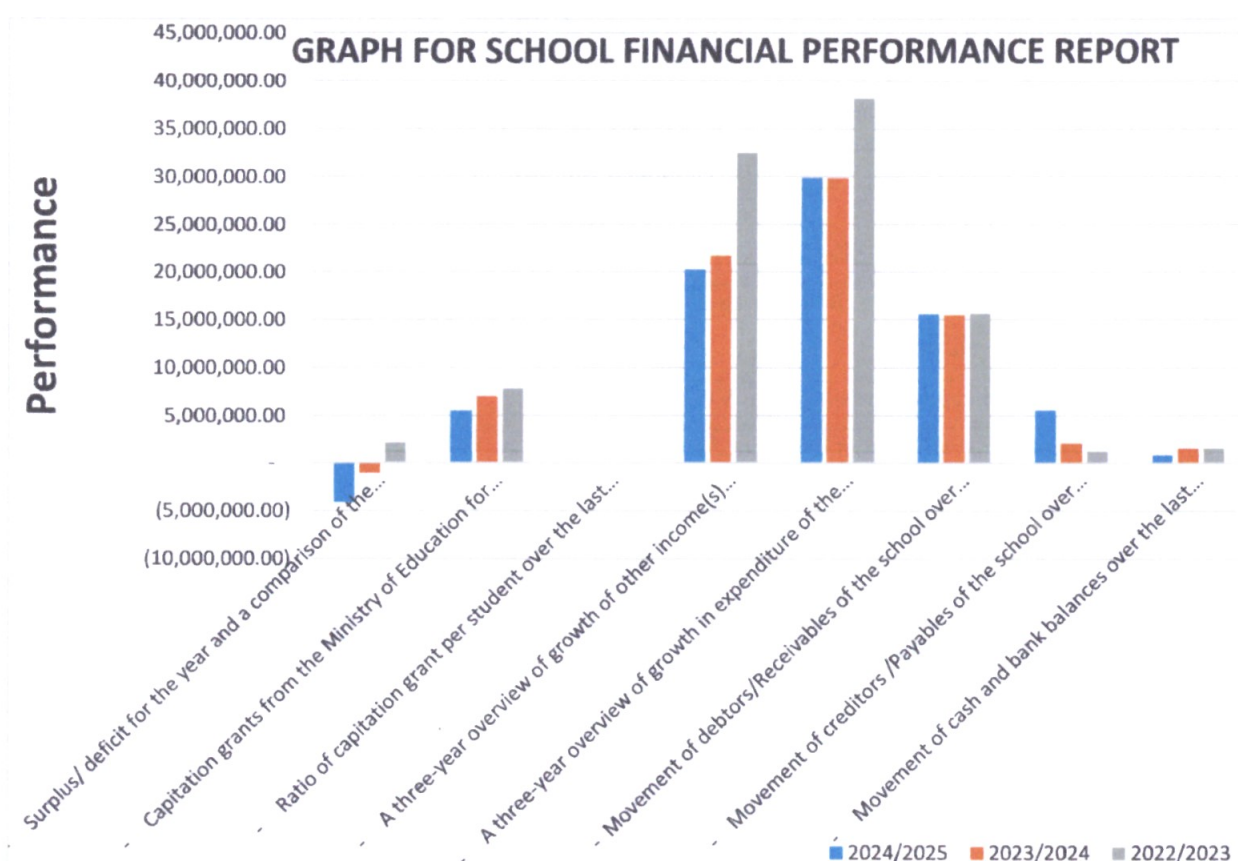
OUR LADY OF MERCY MUTOMO GIRLS' SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2025

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:

	2024-2025	2023-2024	2022-2023
Surplus/ deficit for the year and a comparison of the same for the last three years	(4,151,576.65)	(1,046,325.35)	2,150,191.00
Capitation grants from the Ministry of Education for the last three years	5,461,208.00	6,991,363.95	7,834,449.00
Ratio of capitation grant per student over the last three years	1:16,062	1:14,535	1:16,493
A three-year overview of growth of other income(s) earned by the school.	20,247,927.00	21,766,394.70	32,458,045.00
A three-year overview of growth in expenditure of the school	29,860,711.65	29,804,084.00	38,142,303.00
Movement of debtors/Receivables of the school over the last three years	15,527,223.40	15,450,233.40	15,629,897.00
Movement of creditors /Payables of the school over the last three years	5,588,547.00	2,111,548.00	1,288,776.00
Movement of cash and bank balances over the last three years	821,179.02	1,572,746.67	1,616,637.00



OUR LADY OF MERCY MUTOMO GIRLS' SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2025

b) Teacher Student ratio:

	2024-2025	2023-2024	2023-2022
The teacher to student ratio	1:17	1:21	1:21
Number of teachers recruited and posted to the school within the year	0	0	1
Number of teachers that were transferred/ retired during the period	2	1	1
Number of teachers employed by TSC	18	18	18
Number of teachers employed by BOM.	1	4	5
Number of teachers the school has for each subject in order to indicate			
Shortage/ allocation of resources			
SUBJECTS	Number of Teachers	Number of Teachers	Number of Teachers
Mathematics	6	7	7
English	3	3	3
Kiswahili	6	6	5
Chemistry	4	4	4
Physics	3	3	3
Biology	4	4	4
History	3	3	4
CRE	3	3	3
Agriculture	1	1	1
Business Studies	1	2	2
Geography	2	2	2
Computer Studies	1	1	1

c & d) The mean score in KCSE

Performance of the school for each year over the last three years	2024-2025	2023-2024	2023-2022
Number of candidates sitting for KCSE	147	125	76
Number of students that have since transitions to institutions of higher learning	45	42	12
Mean Score	5.789	5.96	5.355
Comment on improvement or otherwise as compared to the set school's set score	Improved		

OUR LADY OF MERCY MUTOMO GIRLS' SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2025

e) The capacity of the school:

	2024-2025	2023-2024	2022-2023
Number of Students in the school	340	481	475
Dormitories	6	6	6
Dining Hall	1	1	1
Laboratories	4	4	4
Toilets	42	42	42
Land with legal ownership	Yes	Yes	Yes
Othe amenities			

d) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
12 Doors Latrine Construction	MoE	Complete	1,385,590	1,385,590	26/3/2025
Installation of Solar Lights	MoE	Complete	138,000	138,000	1/10/2024

.....
Spak

School Principal

THE PRINCIPAL
 OURLADY OF MERCY - MUTOMO GIRLS
 P.O. Box 7 - 90201,

OUR LADY OF MERCY MUTOMO GIRLS' SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2025

4. Statement of School Management Responsibility

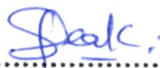
Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant 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.

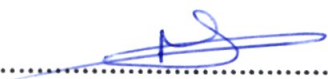
The Board of Management of **Our Lady of Mercy Mutomo Girls' Secondary School** accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector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

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


Name: Zipporah Kikungu
Designation: Chairman, School Board of Management
Date: 15/5/26


Name: TERESIA MUTINDA
Designation: School Principal & Secretary to Board of Management
Date: 25/03/2026

THE PRINCIPAL
OURLADY OF MERCY - MUTOMO GIRLS
P.O. Box 7 - 90201,


Name: JOYCE MBULI
Designation: Bursar/ Finance Officer
Date: 25/3/2026

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: 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 OUR LADY OF MERCY MUTOMO GIRLS' SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2025 - KITUI 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 Our Lady of Mercy Mutomo Girls' Secondary School set out on pages 1 to 23, 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

Report of the Auditor-General on Our Lady of Mercy Mutomo Girls Secondary School for the year ended 30 June, 2025 - Kitui County

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 Our Lady of Mercy Mutomo Girls' 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, 2024.

Basis for Qualified Opinion

1. Unsupported Accounts Receivable

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.15,527,223 as disclosed in Note 13 to the financial statements. However, the supporting schedules, detailed fees ageing analysis, registers and invoices were not provided for audit review. Further, the School had no policy in place for the impairment of long-outstanding fee arrears, casting doubt on the fair presentation of the accounts receivable balance.

In the circumstances, the accuracy and completeness of the accounts receivables balance of Kshs.15,527,223 could not be confirmed.

2. Unsupported Accounts Payables

The statement of financial assets and financial liabilities reflects accounts payables balance of Kshs.5,588,547 in respect of accounts payables as disclosed in Note 14 to the financial statements. However, the balance was not supported with detailed analysis, schedules and suppliers' invoices.

In the circumstances, the accuracy and completeness of the accounts payables balance of Kshs.5,588,547 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Our Lady of Mercy Mutomo 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.

REPUBLIC OF KENYA

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



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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON OUR LADY OF MERCY MUTOMO GIRLS' SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2025 - KITUI 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 Our Lady of Mercy Mutomo Girls' Secondary School set out on pages 1 to 23, 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

Report of the Auditor-General on Our Lady of Mercy Mutomo Girls Secondary School for the year ended 30 June, 2025 - Kitui County

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 Our Lady of Mercy Mutomo Girls' 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, 2024.

Basis for Qualified Opinion

1. Unsupported Accounts Receivable

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.15,527,223 as disclosed in Note 13 to the financial statements. However, the supporting schedules, detailed fees ageing analysis, registers and invoices were not provided for audit review. Further, the School had no policy in place for the impairment of long-outstanding fee arrears, casting doubt on the fair presentation of the accounts receivable balance.

In the circumstances, the accuracy and completeness of the accounts receivables balance of Kshs.5,527,223 could not be confirmed.

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In the circumstances, the accuracy and completeness of the accounts payables balance of Kshs.5,588,547 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Our Lady of Mercy Mutomo 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

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.22,974,155 and Kshs.25,709,136, respectively, resulting in an over-funding of Kshs.2,734,981 or 12% of the budget. However, the School spent an amount of Kshs.29,860,712 against actual receipts amounting to Kshs.25,709,136, resulting in an over-utilization of Kshs.4,151,576, or 16% of actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section of my report, 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 2024/25 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 Board of Management is responsible for the other information set out on pages iii to x, which comprise of Key Entity Information and Management, Summary Report of the Performance of the School, and the 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, 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 for Audit

The financial statements for the year under review were submitted for audit on 30 September 2025, after the statutory deadline of 31 August, 2025. This was contrary to Circular No. AG.3/88 Vol. VIII (41) issued on 4 December, 2024 on submission of financial statements to the Auditor-General by 31 August, 2025 in compliance with Section 81 of the Public Finance Management Act, 2012, on the preparation of the financial statements.

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 account payments amount of Kshs.3,711,578 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.100,100 transferred to the 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 the 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.100,100 could not be confirmed.

3. Failure to Prepare a Procurement Plan

The statement of financial performance reflects amounts of Kshs.25,709,135 and Kshs.29,860,712 in respect of total receipts and payments respectively. However, during the year, Management did not prepare an Annual Procurement Plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020, which requires a procuring entity to

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.

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 the Ministry of Education guidelines.

5. Underfunding of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amount of Kshs.1,033,752 and Kshs.3,407,707, respectively, as disclosed in Notes 1 and 2 to the financial statements. During the financial year, the National Education Management Information System (NEMIS) reported a total of one thousand, one hundred and forty five (1145) students, while the enrolment records provided by the School indicated a total of one thousand, three hundred and thirty two (1332) students, resulting in an unexplained variance of one hundred and eighty seven (187) students. As a result of the variance, the School was underfunded by an amount of Kshs.935,000.

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

6. Non-Deduction of Capacity Building Levy

The statement of financial performance reflects infrastructure amount of Kshs.1,555,526 as disclosed in Note 8 to the financial statements 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, contrary to the Levy Order, 2023, issued by the Public Procurement Regulatory Authority.

In the circumstances, Management was in breach of the Levy Order 2023.

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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

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 the 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. Weaknesses in Assets Management

Annex 2 to the financial statements reflects summary of fixed assets register, which includes property, plant and equipment balance of Kshs.63,216,800, comprising of land and buildings, other tools and equipment and office equipment, furniture and fittings. However, land ownership documents were not provided for audit. Further, the assets were not tagged with unique identification numbers and the fixed assets register was not updated in line with The National Treasury guidelines.

In the circumstances, the existence of effective measures for managing assets could not be confirmed.

2. Inadequate Maintenance of Textbook Records

Review of records relating to learning materials revealed that the School did not maintain comprehensive and up-to-date records for textbooks, indicating the opening balances, additions, and closing balances of textbooks as at the end of each financial year. Further, records relating to lost or missing textbooks were scanty and incomplete, and hence could not establish the total number of textbooks lost during the year under review.

In the circumstances, the adequacy of a proper textbook records could not be confirmed..

3. Lack of an Audit Committee

During the year under review, the School had not constituted an Audit Committee as required by Regulation 166(2) of the Public Finance Management (National Government) Regulations, 2015, which states that, each year, the Audit Committee shall carry out an annual review of the independence performance and competency of the internal unit and comment on effectiveness in the annual report. Further, Section 61(2)(d) of the Basic Education Act, 2013, requires the Board of Management to establish an Audit Committee among other Board committees.

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

4. Weaknesses in the Board of Management

During the year under review, the School Board of Management was constituted by the County Education Board. However, the appointment letters or gazette notice for the appointment were not provided for audit review. Further, despite the Board meeting thrice

during the year, the Board did not have an approved work plan that clearly outlined the activities it was to undertake in that year.

In the circumstances, the effectiveness of the governance mechanisms at the School 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 Board of Management

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.

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

Auditor-General's Responsibilities for the Audit

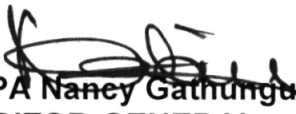
My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial

statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

30 April, 2026

OUR LADY OF MERCY MUTOMO GIRLS' 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	2024-2025	2023-2024
		Kshs	Kshs
Revenue			
Government grants for tuition	1	1,033,752	1,193,451
Government grants for operations	2	3,407,707	3,906,913
Government Grants for Infrastructure	3	1,019,750	1,891,000
School Fund Income- Parents' Contributions	4a	15,549,262	20,006,265
Miscellaneous income	5a	4,698,665	1,760,130
Total Revenue		25,709,135	28,757,759
Expenditure			
Tuition	6	1,648,573	1,222,004
Operations	7	3,711,578	3,554,237
Infrastructure	8	1,555,526	2,353,321
Boarding and school fund	9	22,945,034	22,674,523
Total Expenditure		29,860,712	29,804,084
Surplus/Deficit		(4,151,577)	(1,046,325)

The school financial statements were approved on 25/3/2026 2025 and signed by:

Name:

Chair BOM

Date:

Name:

School Principal/ Secretary to BOM

Date:

Name:

Bursar/ Finance Officer

Date:

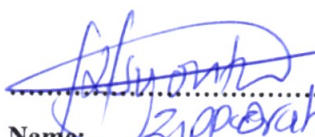
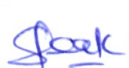
THE PRINCIPAL
 OUR LADY OF MERCY - MUTOMO GIRLS
 P.O. Box 7-90201,

OUR LADY OF MERCY MUTOMO GIRLS' 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	2024-2025	2023-2024
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank Balances	10	739,869	1,561,732
Cash Balances	11	81,310	11,015
Short term Investment	12	-	-
Total Cash and cash equivalent		821,179	1,572,747
Account's receivables	13	15,527,223	15,450,233
Total Financial Assets (a)		16,348,402	17,022,980
Financial Liabilities			
Accounts Payables	14	5,588,547	2,111,548
Total Financial Liabilities (b)		5,588,547	2,111,548
Net Financial Assets (a-b)		10,759,855	14,911,432
REPRESENTED BY			
Fund balance b/fwd	15	14,911,432	15,957,757
Surplus/Deficit for the year		(4,151,577)	(1,046,325)
NET FINANCIAL POSITION		10,759,855	14,911,432

The school's financial statements were approved on 25/3/2026 2025 and signed by:

 Name: <u>Zipperah Kakuyi</u> Chair BOM Date: <u>25/3/26</u>	Spock:  Name: <u>TERESIA MUTINDA</u> School Principal/ Secretary to BOM Date: <u>25/03/2026</u>	 Name: <u>JOYCE MBULI</u> Bursar/ Finance Officer Date: <u>25/3/2026</u>
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OUR LADY OF MERCY MUTOMO GIRLS' SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2025

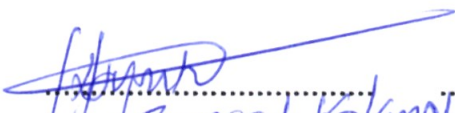
8. Statement of Cash Flows for the Year Ended 30th June 2025

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition	1	1,033,752	1,193,451
Government grants for operations	2	3,407,707	3,906,913
Government Grants for Infrastructure	3	1,019,750	1,891,000
School fund income- Parents contributions/ fees	4b	16,178,602	20,185,928
School fund income- Miscellaneous income	5b	4,320,335	1,760,130
Total receipts		25,960,145	28,937,422
Payments			
Cash outflows for Tuition	6b	1,029,089	1,187,889
Cash outflows for operations	7b	3,728,628	3,537,187
Cash outflows Boarding/lunch and school fund payments	9b	20,398,469	21,902,916
Total payments		25,156,187	26,627,991
Net cash inflow/outflow from operating activities		803,958	2,309,431
Cash flow from Investing Activities			
Acquisition of Assets-Infrastructure payments		(1,555,526)	(2,353,321)
Proceeds from sale of Assets		-	-
Purchase of investments		-	-
Net cash inflow/outflow from investing activities		(1,555,526)	(2,353,321)
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		(751,568)	(43,890)
Cash and cash equivalent at beginning of the FY		1,572,747	1,616,637
Cash and cash equivalent at end of the FY		821,179	1,572,747

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

OUR LADY OF MERCY MUTOMO GIRLS' SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2025

The school's financial statements were approved on 25/3/2026 2025 and signed by:


Name: Zipporah Kakama

Chair BOM

Date: 15/1/26

Seal:
Name: TERESIA MUTINDA
School Principal/ Secretary to
BOM

Date: 25/03/2026


Name: JOICE MBULI

Bursar/ Finance Officer

Date: 25/3/2026

THE PRINCIPAL
OURLADY OF MERCY - MUTOMO GIRLS
P. O. Box 7 - 90201,

OUR LADY OF MERCY MUTOMO GIRLS' SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 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					
Textbooks and reference materials		0	0		
Exercise books		0	0		
Laboratory equipment		0	0		
Internal exams		0	0		
Teaching / learning materials	1,422,780	-465,750	957,030	1,033,752	
Chalks		0	0		
reference/Library		0	0		
Teachers guides		0	0		
Reference/Library		0	0		
Total	1,422,780	-465,750	957,030	1,033,752	108.0%
(2) Capitation Grant on Operations					
Other Votehead	3,243,000	0	3,243,000	2,471,847	
Repairs and maintenance		0	0	249,000	
Local transport / travelling		0	0		
Electricity and water		0	0		
Insurance	690,000	-465,750	224,250	381,800	
Administration costs		0	0		
P.E		0	0	50,170	

OUR LADY OF MERCY MUTOMO GIRLS' SECONDARY SCHOOL
Annual Report and Financial Statements 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
Activity	517,500	0	517,500	254,890	.
Total	4,450,500	-465,750	3,984,750	3,407,707	84.3%
<i>3) FDSE for infrastructure</i>					
Maintenance &Improvement MoE	1,725,000		1,725,000	1,019,750	
M&I parents' contribution					
Economic Stimulus Programs			0		
Transition Infrastructure Grants			0		
Administration Block			0		
Total	1,725,000	0	1,725,000	1,019,750	59.0%
<i>(4) Fees Charged on Parents</i>					
P.E			0	1,000,000	
Local transport / travelling			0		
Electricity and water			0		
Other Votehead	4,450,500		4,450,500	4,584,268	
Administration costs			0	19,695	
Activity	86,250		86,250	91,250	
MI	690,000		690,000	731,435	
Fee on Boarding Equipment and Stores	8,757,825		8,757,825	9,122,614	
Total	13,984,575	0	13,984,575	15,549,262	

OUR LADY OF MERCY MUTOMO GIRLS' SECONDARY SCHOOL
Annual Report and Financial Statements 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
5) Miscellaneous Income					
Tender fee			0	38,500	
Home science	216,000		216,000	197,000	216,000
Rent income	256,800		256,800	142,400	256,800
Disposal			0	5,300	
P.A Project	1,500,000		1,500,000	2,402,400	1,500,000
Agri/Computer			0	147,000	
Income from Bus Hire/hire of ground	350,000		350,000	945,300	350,000
Fee for hire of ground and equipment			0	820,765	
Income from grants and donations*			0		
Interest income			0		
Total	2,322,800	0	2,322,800	4,698,665	
Total Income	23,905,655	-931,500	22,974,155	25,709,136	107.0%
(6) Expenditure For Tuition					
Textbooks And Reference Materials		0	0		
Exercise Books		0	0		
Laboratory Equipment	115,000	0	115,000	405,044	
Internal Exams		0	0		
Teaching / Learning Materials	841,700	0	841,700	1,240,159	
Chalks		0	0		
Reference		0	0		
Administration Costs			0		

OUR LADY OF MERCY MUTOMO GIRLS' SECONDARY SCHOOL
Annual Report and Financial Statements 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
Bank Charges			0	3,370	
Total	956,700	0	956,700	1,648,573	175.9%
<i>(7) Expenditure For Operations</i>					
Personal Emoluments	2,904,000		2,904,000	1,781,821	
Service Gratuity			0		
Administration Cost	23,000		23,000	748,280	
Local transport / travelling	96,000		96,000	253,200	
Electricity and water	220,000		220,000	439,145	
Activity Expenses	514,725		514,725	420,050	
Insurance Cost	685,750		685,750	68,030	
Bank Charges			0	1,052	
Acquisition of Assets			0		
Total	4,443,475	0	4,443,475	3,711,578	84.0%
<i>(8) Expenditure For infrastructure</i>					
Maintenance & Improvement MoE	1,725,000		1,725,000	1,555,526	
M&I parents' contribution					
Economic Stimulus Programs			0		
Transition Infrastructure Grants			0		
Administration Block			0		
Total	1,725,000	0	1,725,000	1,555,526	90.0%

OUR LADY OF MERCY MUTOMO GIRLS' SECONDARY SCHOOL
Annual Report and Financial Statements 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
(9) Expenditure For school fund/lunch/boarding					
Activity	85,400		85,400	260,845	
Hire of ground & School bus	350,000		350,000	595,030	
Personnel emoluments	1,408,000		1,408,000	3,642,779	
P.A project	1,500,000		1,500,000	2,402,595	
Repairs and maintenance & Improvements	690,000		690,000	30,000	
Local transport / travelling	1,277,000		1,277,000	1,224,840	
Electricity and water	885,000		885,000	632,960	
Medical Expenses			0		
Administration costs	880,000		880,000	1,179,916	
Training Expenses			0	392,250	
Fee on Boarding Equipment and Stores	8,756,945		8,756,945	12,413,964	
Tender fee			0	36,000	
Home science	216,000		216,000	133,855	
Total	16,048,345	0	16,048,345	22,945,034	119.0%
Total Expenditure	23,173,520	0	23,173,520	29,860,712	128.0%

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

1. In some voteheads there was overutilization and this was due to skyrocketing of prices compared to our estimated prices.

OUR LADY OF MERCY MUTOMO GIRLS' SECONDARY SCHOOL
Annual Report and Financial Statements 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 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.

OUR LADY OF MERCY MUTOMO GIRLS' SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2025

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.

OUR LADY OF MERCY MUTOMO GIRLS' SECONDARY SCHOOL
Annual Report and Financial Statements 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	-	-
Exercise books	-	-
Laboratory Equipment	-	-
Teaching/learning materials	1,033,752	1,193,451
Internal exams	-	-
Total	1,033,752	1,193,451

2 Government Grants for Operations

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel emoluments	50,170	
Repairs and maintenance	249,000	
Local transport / travelling		
Electricity and water		
Insurance	381,800	398,700
Administration costs		
Activity	254,890	387,995
Other voteheads	2,471,847	3,120,217
Statutory		
Total	3,407,707	3,906,913

**Include others as per MOE circulars*

3 Government Grants for infrastructure

Description	2024-2025	2023-2024
	Kshs	Kshs
Maintenance & Improvement	1,019,750	1,891,000
Other (specify)(NGCDF and County govt.	-	
Total	1,019,750	1,891,000

OUR LADY OF MERCY MUTOMO GIRLS' SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2025

4 a. School Fund Income - Parents Contribution/Fees

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel emoluments	1,000,000	-
Repairs and maintenance	731,435	888,842
Local transport / travelling		
Electricity and water		
Other voteheads	4,584,268	3,902,099
Administration costs	19,695	
Activity	91,250	273,741
Fee on Boarding Equipment and Stores	9,122,614	14,941,583
Levies		
Other specify	-	-
Total	15,549,262	20,006,265

4. b. School Fund Income – Parents Contribution/Fees

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel emoluments	1,000,000	-
Repairs and maintenance	583,077	888,842
Operation a/c Inter-borrowing	328,000	
Fees arrears	1,969,396	
Other voteheads	3,835,394	3,902,099
Administration costs	19,695	
Activity	70,859	273,741
Fee on Boarding Equipment and Stores	8,303,731	14,941,583
Agri/Comp	68,450	
Other specify	-	-
Total	16,178,602	20,006,265

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5 a. Miscellaneous Incomes

Description	2024-2025	2023-2024
	Kshs	Kshs
Rent income	142,400	202,900
Home Science	197,000	94,500
SIC Meetings		
Income from Bus Hire	945,300	339,800
Fee for hire of ground and equipment	820,765	663,200
Income from grants and donations*(Bursary from CDF)		
Harambee	2,402,400	
Disposal	5,300	293,130
Agriculture/computer	147,000	
Refund		120,600
Tender fee	38,500	46,000
Total	4,698,665	1,760,130

5. b. Miscellaneous Incomes

Description	2024-2025	2023-2024
	Kshs	Kshs
Rent income	142,400	202,900
Home science	113,000	94,500
SIC Meetings		
Income from Bus Hire	945,300	339,800
Fee for hire of ground and equipment	820,765	663,200
Income from grants and donations*(Bursary from CDF)		
Harambee	2,255,070	
Disposal	5,300	293,130
Agriculture/computer	-	
Refund		120,600
Tender fee	38,500	46,000
Total	4,320,335	1,760,130

(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.*

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6 a. Tuition

Description	2024-2025	2023-2024
	Kshs	Kshs
Reference materials	-	-
Exercise books	-	
Laboratory Equipment	405,044	304,513
Teaching/learning materials	1,240,159	886,296
Chalks		
Internal exams		30,000
Bank charges	3,370	1,195
Total	1,648,573	1,222,004

6. b. Tuition

Description	2024-2025	2023-2024
	Kshs	Kshs
Reference materials	-	-
Exercise books	-	
Laboratory Equipment	405,044	304,513
Teaching/learning materials	586,560	886,296
Creditor	34,115	
Internal exams		30,000
Bank charges	3,370	1,195
Total	1,029,089	1,222,004

7 a. Operations

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel emoluments	1,781,821	1,864,804
Service Gratuity		19,210
Administration Cost	748,280	60,000
Repairs and maintenance & improvements		
Local transport / travelling	253,200	141,000
Electricity and water	439,145	707,008
Teaching/learning materials		422,425
Activity Expenses	420,050	338,405

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Medical/Insurance	68,030	
Bank charges	1,052	1,385
TOTAL	3,711,578	3,554,237

7. b. Operations

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel emoluments	1,781,821	1,864,804
Service Gratuity		19,210
Administration Cost	748,280	60,000
Creditors	17,050	
Local transport / travelling	253,200	141,000
Electricity and water	439,145	707,008
Teaching/learning materials		422,425
Activity Expenses	420,050	338,405
Medical/Insurance	68,030	
Bank charges	1,052	1,385
TOTAL	3,728,628	3,554,237

8 Infrastructure

Description	2024-2025	2023-2024
	Kshs	Kshs
Toilet construction	1,385,590	
Solar installation	138,000	
Construction of toilet/tilling of 2 classrooms		1,050,000
Renovation of dormitory/laboratories		1,264,860
Administration cost	31,936	16,461
Old toilet pit covering		22,000
TOTAL	1,555,526	2,353,321

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9 a. Boarding and School Fund

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel emoluments	3,642,779	2,605,374
Service Gratuity		118,420
Repairs and maintenance & Improvements	30,000	271,250
Local transport / travelling	1,224,840	1,169,200
Electricity and water	632,960	1,216,580
Home Science	133,855	101,350
Administration costs	1,179,916	871,095
Stationary		1,013,500
Refund		82,800
Fee on Boarding Equipment and Stores	12,413,964	14,085,552
Bus Hire	595,030	462,669
Disposal		12,000
Training Expenses	392,250	138,380
SIC meetings		27,000
Insurance Cost		100,023
Activity Expenses	260,845	342,330
Tender	36,000	57,000
Harambee	2,402,595	
TOTAL	22,945,034	22,674,523

9. b. Boarding and School fund

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel emoluments	3,105,968	2,605,374
Service Gratuity		118,420
Repairs and maintenance & Improvements	30,000	271,250
Local transport / travelling	1,224,840	1,169,200
Electricity and water	632,960	1,216,580
Home Science	133,855	101,350
Administration costs	1,179,916	871,095
Stationary		1,013,500
Refund		82,800
Fee on Boarding Equipment and Stores	7,788,876	14,085,552
Bus Hire	595,030	462,669

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Disposal		12,000
Training Expenses	392,250	138,380
SIC meetings		27,000
Insurance Cost		100,023
Activity Expenses	260,845	342,330
Tender	36,000	57,000
Harambee	2,402,595	
Creditor	2,060,383	
Operation a/c	328,000	
Statutories	226,951	
TOTAL	20,398,469	22,674,523

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2024-2025	2023-2024
	Active/Dormant		Kshs	Kshs
Tuition Account-Active		1106069161	12,297	7,635
Operations Account-Active		1106069226	7,168	412,895
School Fund Account/Boarding-Active		1021051516100	613,155	308,323
Infrastructure Account-Active		1254976698	21,064	556,840
Savings Account		167018174406	86,184	276,039
Total			739,869	1,561,732

11 Cash In Hand

Description	2024-2025	2023-2024
	Kshs	Kshs
Notes and Coins	81,310	11,015
Total	81,310	11,015

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12 Short Term Investments

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

13 Accounts Receivable

Description	2024-2025	2023-2024
	Kshs	Kshs
Fees Arrears	15,446,196	15,369,206
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)	-	-
Bank arrears (list/schedule attached)	81,028	81,028
Rent arrears (list/schedule attached)		-
Total	15,527,223	15,450,233

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	2,046,386	13.25%	2,868,167	18.67%
Between 1- 2 years	898,771	5.82%	1,661,097	10.81%
Between 2-3 years	1,661,097	10.75%	644,654	4.19%
Over 3 years	10,839,942	70.18%	10,195,288	66.34%
Total (should tie to note 13 a)	15,446,196	100%	15,369,206	100%

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14 Accounts Payable

Description	2024-2025	2023-2024
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	5,588,547	2,111,548
Prepaid Fees	-	-
Retention Monies	-	-
Caution money	-	-
Total	5,588,547	2,111,548

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	5,588,547		2,111,548	
Between 1- 2 years	-		-	
Between 2-3 years	-		-	
Over 3 years	-		-	
Total (should tie to note 14)	5,588,547		2,111,548	

15 Fund Balance Brought Forward

Description	2024-2025	2023-2024
	Kshs	Kshs
Bank Balances	739,869	1,561,732
Cash Balances	81,310	11,015
Short Term Investments	-	-
Accounts Receivables	15,527,223	15,450,233
Accounts Payables	5,588,547	2,111,548
Total	10,759,855	14,911,432

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Other important disclosure notes

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

16 Non-current Liabilities Summary

Description	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 (1650 x 500)	1650	825,000	906,500
Coffee Or Tea Plantation		-	-
Poultry		-	-
Others (specify)		-	-
Total		825,000	906,500

18 Borrowings

Description	Kshs	Kshs
Borrowings at beginning of the year	-	-
Borrowings during the year	1,000,000	-
Repayments during the year	1,000,000	-
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	56,000	175,515
Lab consumables	15,500	100,500
Farm produce	-	-
Medication	-	-
Construction Materials	-	-
Others (specify)	-	-
Total	71,500	276,015

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

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20 Progress On Follow Up of Auditor Recommendations

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

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

_____ *Spade:*
Sign and Date 25/03/2026
Principal

THE PRINCIPAL
OUR LADY OF MERCY - MUTOMO GIRLS
P. O. Box 7 - 90201,

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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 Comparative 2023-2024	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1.						
Sub-Total						
Supply Of Goods						
2. Mutomo Kandai General	1,130,518	Termly		1,130,518		
3. Jevvy Tarmacky Ventures	309,130	Termly		309,130		
4. Capital Inn Mutomo	200,000	Termly		200,000		
5. DPL Festive Ltd	100,000	Termly		100,000		
6. Ikanga H/W	151,400	Termly		151,400		
7. Schaccs Technologies	92,750	Termly		92,750		
8. Joseph Nguli Nyamai	87,000	Termly		87,000		
9. Low Energy Stove & Services	121,800	Termly		121,800		
10. Mahitaji Merchants	267,140	Termly		267,140		
11. Kwazulu Natal	2,186,260	Termly		2,186,260		
12. Sweden(SMPI) Enterprises	653,599	Termly		653,599		

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Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2024-2025	Outstanding Balance Comparative 2023-2024	Comments
Sub-Total	5,588,547			5,588,547		
Supply Of Services						
13.						
14.						
15.						
Sub-Total						
Grand Total	5,588,547			5,588,547		

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Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1st July 2024	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2025
Land	2,244,300			2,244,300
Buildings And Structures	34,400,00			34,400,00
Motor Vehicles	2,250,00			2,250,00
Office Equipment, Furniture and Fittings	14,338,500			14,338,500
Textbooks	5,827,000			5,827,000
ICT Equipment	290,000	150,000		440,000
Tools And Apparatus	3,000,000			3,000,000
Other Machinery and Equipment	300,000			300,000
Heritage And Cultural Assets				
Intangible Assets- Soft Ware	567,000			567,000
Total	63,216,800			63,216,800

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

