

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

**REPORT THE NATIONAL ASSEMBLY
PAPERS LAID**

OF

DATE: 01 JUN 2026

DAY.
Wed

**TABLED
BY:**

Hon. Owen Taa Baga
Deputy Majority Leader

**CLERK-AT
THE-TABLE:**

Nodo Afubo

THE AUDITOR-GENERAL

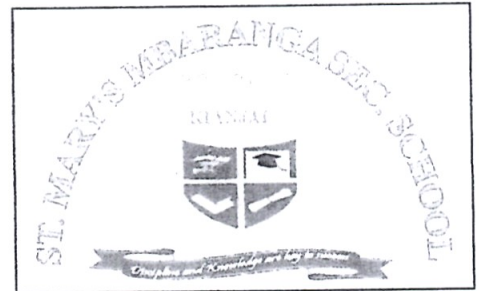
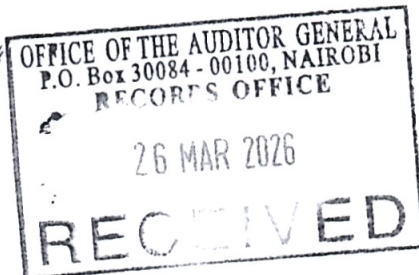
ON

**ST. MARY'S MBARANGA SECONDARY
SCHOOL**

PARLIAMENT
OF KENYA
LIBRARY

FOR THE YEAR ENDED 30 JUNE, 2025

MERU COUNTY



ST. MARY'S MBARANGA 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)

ST. MARY'S MBARANGA SECONDARY SCHOOL

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

ST. MARY'S MBARANGA SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2025

1. Acronyms and Glossary of 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.

ST. MARY'S MBARANGA SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2025****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 located in Meru County, Tigania East Sub-County

The school was registered on 02/2015 under registration number 12S30000022 and is currently categorized as a County public school established, owned or operated by the Government.

The school is a day and boarding school and had 59 students as at 30th June 2025. It has 1 stream and 8 teachers of which 1 teacher is employed by the School Board of Management.

(b) School Board of Management - Board Members

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

NEW BOARD

Ref:	Name of Board Member	Designation	Date of appointment
1	STEPHEN MWORIA MUNORU	Chairman (Sponsor)	28 TH MARCH 2025
2	LEONARD M. MARETE	Secretary - Principal	28 TH MARCH 2025
3	FEDHA WANJA	Member - Parents' Rep.	28 TH MARCH 2025
4	REBECCA MWATHATHI	Member - Parents' Rep.	28 TH MARCH 2025
5	DERRICK MITHIKA MUTIGA	Member-Special Interests	28 TH MARCH 2025
6	PHILIP KIMATHI	Member – Rep CEB	28 TH MARCH 2025
7	EUNICE KANINI MWENDA	Member Rep Teachers	28 TH MARCH 2025
8	ISAAC KIMATHI	Members - Sponsor	28 TH MARCH 2025
9	JACINTA NKIROTE KAMENCHU		
10	MOSES NG'ERE	Member - Community	28 TH MARCH 2025
11	DAVID THIRINJA	MemberSpecial Needs	28 TH MARCH 2025
12	SAMUEL MUTIGA	Member - Community	28 TH MARCH 2025
13	JOSHUA MBERIA	Member - Community	28 TH MARCH 2025
14	JEREMIAH G. MWIRICHIA	Member - Community	28 TH MARCH 2025
15	VIVIAN MAKENA	Rep Students	28 TH MARCH 2025

OLD BOARD

Ref:	Name of Board Member	Designation	Date of appointment
1	ZABERIO KARITHI	Chairman	5 TH FEBRUARY 2022
2	LEONARD M. MARETE	Secretary - Principal	5 TH FEBRUARY 2022
3	DORCAS MWORIA	Member	5 TH FEBRUARY 2022
4	SAMMY MUTIGA	Member	5 TH FEBRUARY 2022
5	ANDREW MAINGI	Member	5 TH FEBRUARY 2022
6	MUTHOMI KAMENCU	Member	5 TH FEBRUARY 2022
7	MOSES NG'ERE	Member	5 TH FEBRUARY 2022
8	PHILIP KIMATHI	Member – Rep CEB	5 TH FEBRUARY 2022
9	EUNICE KANINI	Member Rep Teachers	5 TH FEBRUARY 2022
10	FEDHA WANJA FESTUS MUGAMBI EVANS KAILEMIA	Members - Sponsor	5 TH FEBRUARY 2022
11	JACINTA KAMENCU	Member - Community	5 TH FEBRUARY 2022
12	STEPHEN KARITHI KOBIA	MemberSpecial Needs	5 TH FEBRUARY 2022
13	REBECCA BARNABAS	Member - Community	5 TH FEBRUARY 2022
14	PRISCILLA GAKULA	Member - Community	5 TH FEBRUARY 2022
	RAPHAEL MUTWIRI	Rep Students	5 TH FEBRUARY 2022

ST. MARY'S MBARANGA 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, 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**NEW BOARD**

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	STEPHEN MWORIA MUNORU LEONARD MARETE MOSES NGERE REBECCA MWATHATHI SAMUEL MUTIGA JEREMIAH G. MWIRICHIA	CHAIRPERSON SECRETARY V/CHAIR MEMBER MEMBER MEMBER	NONE
2	Finance, procurement and general purposes Committee	STEPHEN MWORIA MUNORU LEONARD MARETE PHILIP KIMATHI JACINTA NKIROTE KAMENCHU SAMUEL MUTIGA	CHAIRPERSON SECRETARY MEMBER MEMBER MEMBER MEMBER	NONE
3	Academic Committee	EUNICE KANINI MWENDA MOSES NG'ERE DERRICK MITHIKA MUTIGA JEREMIAH G. MWIRICHIA VIVIAN MAKENA	CHAIRPERSON SECRETARY MEMBER MEMBER MEMBER	NONE
4	Infrastructure, welfare & Guidance, Audit & Risk Committee	DAVID THIRINJA ISAAC KIMATHI REBECCA MWATHATHI FEDHA WANJA JOSHUA MBERIA	CHAIRPERSON SECRETARY MEMBER MEMBER MEMBER	NONE

ST. MARY'S MBARANGA SECONDARY SCHOOL

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

OLD BOARD

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	ZABERIO KARITHI LEONARD MARETE SAMUEL MUTIGA DORCAS MWORIA DAVID THIRINJA MOSES NGERE	CHAIRPERSON SECRETARY V/CHAIR MEMBER MEMBER MEMBER	2 OUT OF 2 2 OUT OF 2 2 OUT OF 2 2 OUT OF 2 2 OUT OF 2 2 OUT OF 2
2	Finance, procurement and general purposes Committee	DAVID THIRINJA LEONARD MARETE DORCAS MWORIA PHILIP KIMATHI ANDREW MAINGI FEDHA WANJA	CHAIRPERSON SECRETARY MEMBER MEMBER MEMBER MEMBER	1 OUT OF 1 1 OUT OF 1 1 OUT OF 1 1 OUT OF 1 1 OUT OF 1 1 OUT OF 1
3	Academic Committee	LEONARD MARETE MOSES NGERE DORCAS MWORIA ISAAC MUTHOMI EUNICE KANINI	CHAIRPERSON SECRETARY MEMBER MEMBER MEMBER	NONE
4	Development Committee	ZABERIO KARITHI LEONARD MARETE SAMUEL MUTIGA DAVID THIRINJA DORCAS MWORIA	CHAIRPERSON SECRETARY MEMBER MEMBER MEMBER	NONE
5	Audit Committee	PHILIP KIMATHI JACINTA KAMENCU FESTUS MBAABU BEATRICE NKIROTE	CHAIRPERSON SECRETARY MEMBER MEMBER	NONE

ST. MARY'S MBARANGA SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2025**

(d) School operation Management

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

Ref:	Designation	Name	Identification
1	Principal	LEONARD MARETE	372754
2	Deputy Principal	LUCYLINE MWORIA	675978
3	School Bursar	PETER MWIKA	51720(KASNEB)
4	Other (specify)		

(e) Schools contacts

Post Office Box: 268 – 60602 KIANJAI
Telephone: 0721447756
E-mail: stmarysmbaranga@gmail.com

(f) School Bankers

The school operated 5 bank accounts in the following banks:

1. Name of Bank: NATIONAL BANK – OPERATION ACCOUNT
Branch: MERU
Account Number: 01025039708701
2. Name of Bank: NATIONAL BANK – TUITION ACCOUNT
Branch: MERU
Account Number: 01025039708700
3. Name of Bank: DHABITI SACCO – SCHOOL FUND ACCOUNT
Branch: MERU
Account Number: 01021039028000
4. Name of Bank: NATIONAL BANK – INFRASTRUCTURE ACCOUNT
Branch: MERU
Account Number: 01022245094600
5. Name of Bank: DHABITI SACCO – SAVINGS ACCOUNT
Branch: MURIRI
Account Number: 491840912102

(g) Independent Auditors

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

ST. MARY'S MBARANGA SECONDARY SCHOOL

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

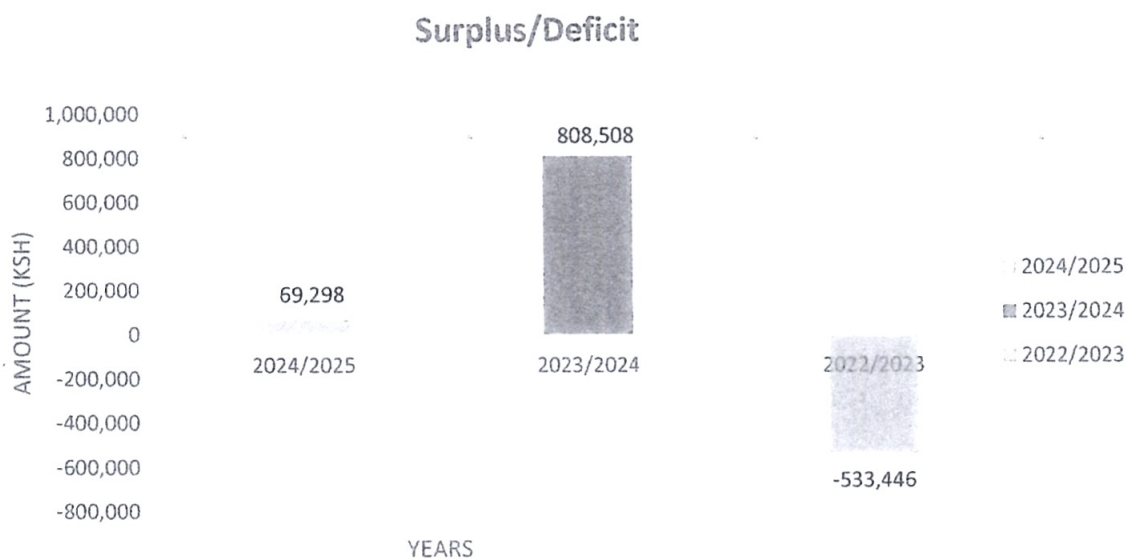
3. Summary Report on Performance of the School

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

a) Financial performance:

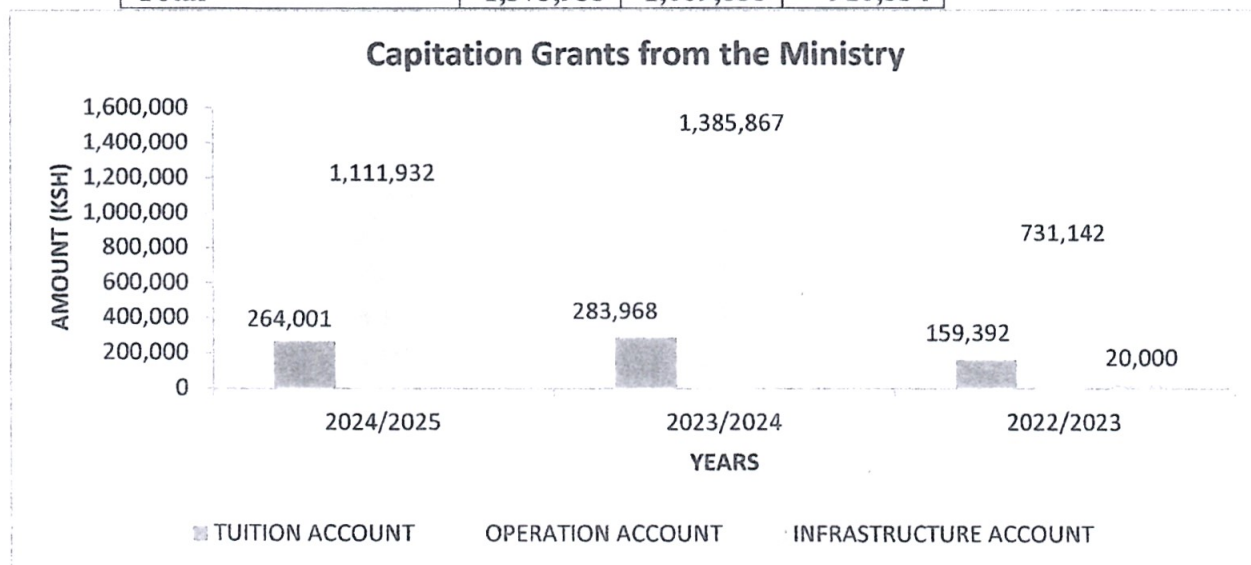
b) Surplus/ deficit for the year and a comparison of the same for the last three years

YEAR	2024/2025	2023/2024	2022/2023
Surplus/Deficit	69,298	808,508	(533,446)



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

YEAR	2024/2025	2023/2024	2022/2023
Tuition Account	264,001	283,968	159,392
Operations Account	1,111,932	1,385,867	731,142
Infrastructure Account			20,000
Total	1,375,933	1,669,835	910,534



ST. MARY'S MBARANGA SECONDARY SCHOOL

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

d) Ratio of capitation grant per student over the last three years

YEAR	2024/2025	2023/2024	2022/2023
Capitation Grants	1,375,933	1,669,835	910,534
No. of Student	59	53	66
Ratio of Capitation per Student	1:23,321	1:31,506	1:13,976

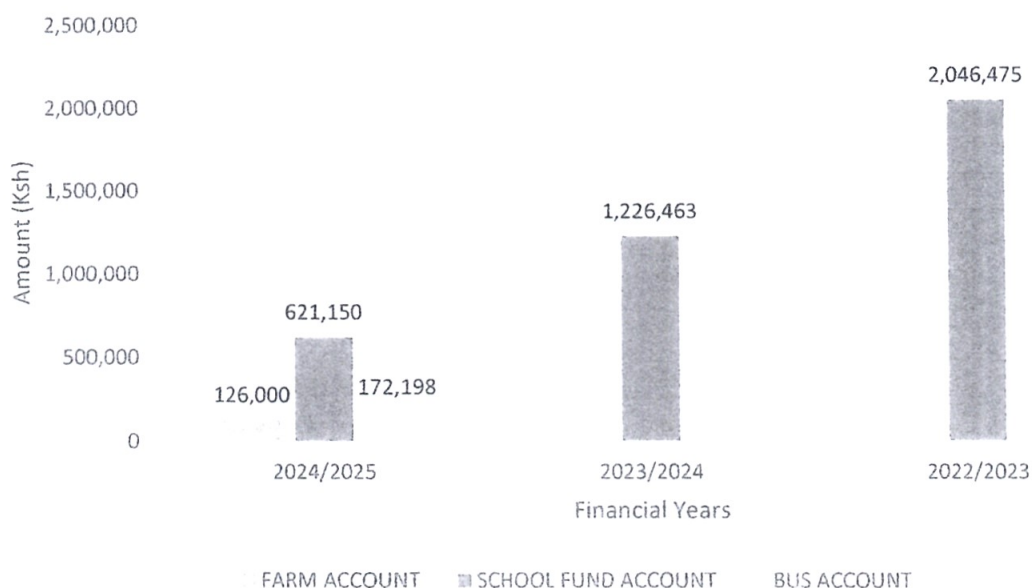
Ratio of Capitation



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

YEAR	2024/2025	2023/2024	2022/2023
Farm Account	126,000		
School Fund Account	621,150	1,226,463	2,046,475
Safaricom	172,198		
Total	919,348	1,226,463	2,046,475

Growth in Income

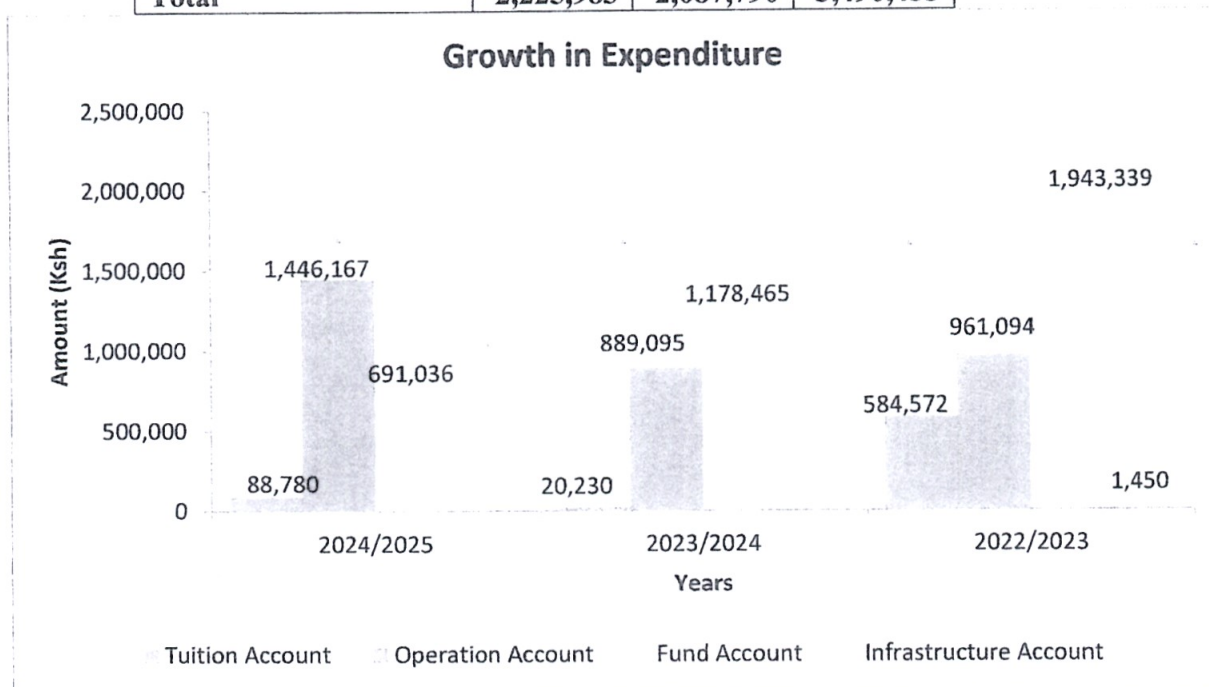


ST. MARY'S MBARANGA SECONDARY SCHOOL

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

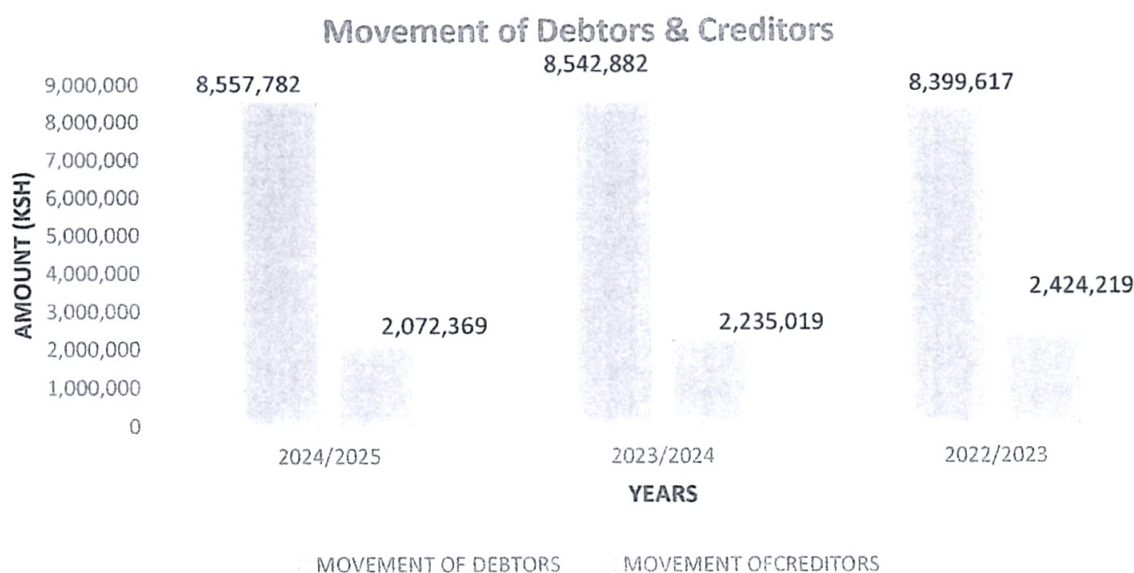
f) A three-year overview of growth in expenditure of the school

YEAR	2024/2025	2023/2024	2022/2023
Tuition Account	88,780	20,230	584,572
Operations Account	1,446,167	889,095	961,094
School Fund Account	691,036	1,178,465	1,943,339
Infrastructure Account			1,450
Total	2,225,983	2,087,790	3,490,455



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

YEAR	2024/2025	2023/2024	2022/2023
Sundry Debtors	8,557,782	8,542,882	8,399,617
Sundry Creditors	2,072,369	2,235,019	2,424,219



ST. MARY'S MBARANGA SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2025****h) Teacher Student ratio:**

$$\text{Teacher to student ratio} = \frac{\text{No. of students}}{\text{No. of teacher}} = \frac{59}{8} = 1:7$$

No. of teachers recruited within the year **NIL**

No. of teacher posted to the school within the year **NIL**

No. of teachers that were transferred during the period **1**

No. of teachers Retired during the period **1**

No. of teachers employed by TSC **7**

No. of teachers employed by BOM **1**

No. of teachers per subject

Subject	ENG	KISW	MATH	BIO	CHEM	PHYS	AGRI	B/S	HIST	CRE	GEO
No. of TSC teachers	1	1	1	1	1	0	1	1	1	1	1
No. of BOM teachers	0	1	0	0	0	1	0	0	0	0	0
Surplus											
Shortage			1			1					

i) Mean score in the 2022 – 2024:

YEAR	KCSE Mean Score	No. of students that have transitioned to institutions of higher learning	Comment
2024	3.86	7	
2023	2.627	5	
2022	3.09	5	

j) Number of Candidates in the 2020 – 2023 KCSE:

YEAR	2024	2023	2022
No. of candidates	7	36	33

ST. MARY'S MBARANGA SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2025**

k) Capacity of the school:

Facility	Available	Capacity	No. of students	Required	Comment
Classrooms	5	225	59	NIL	<i>Adequate</i>
Science Laboratories	1	50	59	NIL	<i>Need renovation</i>
Computer lab					
Dining hall					
Dormitories	2	500	59	NIL	<i>Need renovation</i>
Modern library					
Pitches	3	225	59	NIL	<i>Adequate</i>
School bus					
Ablution block	2	180	59	NIL	<i>Adequate</i>
Student Bathrooms	16		59	NIL	<i>Need renovation</i>
Staff washrooms					
Water tank storage	4	10000Ltrs	59	NIL	<i>Adequate</i>
Departmental offices	1	1		2	<i>Required</i>
Boardroom					
Staffroom	1				<i>Need renovations</i>
Staff houses	3	3			<i>Need renovations</i>

ST. MARY'S MBARANGA SECONDARY SCHOOL

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

l) Development projects carried out by the school:

There was no development project carried on in the reporting period

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School Principal

ST. MARY'S MBARANGA
SECONDARY SCHOOL
P. O. Box 268 - 60602, KIANJAI
Date: 24/3/2026

ST. MARY'S MBARANGA SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2025

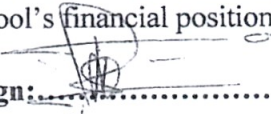
4. Statement of School Management Responsibility

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

The Board of Management of *St. Mary's Mbaranga 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).

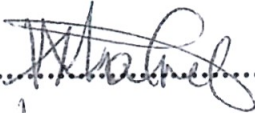
The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2025, and of the school's financial position as at that date.

Sign: 

Name: MUNOIA MUNOIA

Designation: Chairman, School Board of Management

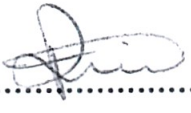
Date: 24/3/2026

Sign: 

Name: LEONARD MARETE

Designation: School Principal & Secretary to Board of Management

Date: 24/3/2026

Sign: 

Name: PETER MUNOIA

Designation: Bursar/ Finance Officer

Date: 24/3/2026

ST. MARY'S MBARANGA
SECONDARY SCHOOL
P.O. Box 268 - 60602, KIANJAL
Date: 24/3/2026

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON ST. MARY'S MBARANGA SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2025 - MERU 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 St. Mary's Mbaranga Secondary School set out on pages 1 to 14, which comprise of the

Report of the Auditor-General on St. Mary's Mbaranga Secondary School for the year ended 30 June, 2025 - Meru County

statement of assets and liabilities as at 30 June, 2025, and the statement of financial performance, statement of cash flows and the 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 financial statements present fairly, in all material respects, the financial position of St. Mary's Mbaranga 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, as disclosed in Note 2 to the financial statements and comply with the Public Finance Management Act, 2012, the Basic Education Act, 2013 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Material Uncertainty Related to Going Concern

The statement of financial performance reflects a decline in surplus from Kshs.808,508 for the 2023/2024 financial year to a surplus of Kshs.69,298 for 2024/2025 financial year. In addition, the student enrolment declined from one hundred and sixty-seven (167) students in 2022/2023 to forty-nine students (49) in 2024/2025, with the School registering only seventeen (17) Grade 10 students in 2026. Despite these indicators of financial pressure and diminishing enrollment, Management has not disclosed the resulting material uncertainty related to the School's ability to continue as a going concern, as required by the applicable financial reporting framework.

2. Variances in the Cash and Cash Equivalents

The statement of assets and liabilities and as disclosed in Notes 10 and 11 to the financial statements reflects bank and cash balances of Kshs.454,894 and Kshs.197 respectively totalling Kshs.454,091. However, Note 10 reflects bank balances of Kshs.209,707 resulting to an unexplained variance of Kshs.245,187. The balance was also not supported by ledgers, bank reconciliation statements and board of survey for cash at hand. Further, the cashbook was not closed monthly and checked for accuracy every month by the Principal.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.454,091 could not be confirmed.

3. Unsupported Long Outstanding Account's Receivables

The statement of assets and liabilities reflects accounts receivables balance of Kshs.8,557,782 in respect of fees arrears as disclosed in Note 12 to the financial statements. Included in the balance is accounts receivables balance of Kshs.8,399,617 which had been outstanding for more than two (2) years. However, Management did not provide school fees statements or ledgers, a listing of the individual debtors and policy on the impairment of long outstanding fees arrears. Further, the lack of an impairment policy on receivables casts doubt on the full recoverability of the accounts receivables balance.

In the circumstances, the accuracy and completeness of accounts receivables balance of Kshs.8,399,617 could not be confirmed.

4. Understatement of School Fund Income

The statement of financial performance and as disclosed in Note 4 to the financial statements reflects receipts from school fund income - parents' contribution of Kshs.621,150. Review and re-computation of bank statement and receipt book balances revealed that the School received school fees from parents of Kshs.545,100 and Kshs.414,560 through the bank account and cash respectively all totalling Kshs.959,660 resulting to an unreconciled understatement of school fees by an amount of Kshs.338,510.

In the circumstances, the accuracy and completeness of school fund income of Kshs.621,150 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the St Mary's Mbaranga 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.4,939,100 and Kshs.2,295,281 respectively, resulting in an under-collection of Kshs.2,643,819 or 54% of the budget. Similarly, the School spent an amount of Kshs.2,225,983 against actual receipts of Kshs.2,295,281, resulting in an under-expenditure of Kshs.69,298 or 3% of actual receipts.

The under-collection affected the planned activities and may have impacted negatively on service delivery to the School.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Significant Exemptions by PSASB in the Financial Reporting Template

The financial statements have been prepared using the 2024/2025 financial year reporting template issued by the Public Sector Accounting Standards Board (PSASB). As communicated by PSASB on 25 February, 2026, the template was designed to facilitate a phased transition to accrual-based IPSAS for public secondary schools and, therefore, does not include certain statements and disclosures required under the full IPSAS transition. These omissions include the Opening Statement of Financial Position, the Statement of Changes in Net Assets/Equity, detailed disclosures of transitional provisions under IPSAS 33, and a reconciliation of budgeted amounts to actual accrual amounts. The absence of these elements arises from limitations inherent in the prescribed template and does not constitute non-compliance on the part of the School.

Other Information

The Management is responsible for the Other Information set out on page iv to xiv which comprise of Key Entity 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. Overfunding of Capitation

The statement of financial performance reflects capitation grants for tuition and operations amounts of Kshs.264,001 and Kshs.1,111,932, respectively as disclosed in Notes 1 and Note 2 to the financial statements. However, review of Ministry of Education records on enrolment provided in NEMIS against the School's student's enrolment and attendance records provided by the School indicated that there was an over-funding of Kshs.134,000. This was contrary to Paragraph 3.2.5 of circular MOE.HQS/3/10/18/(112) dated 15 November, 2022 on implementation of Free Day Secondary Education (FDSE) which requires School Principals to ensure that schools records on NEMIS are accurate at all times by regularly updating the NEMIS records. Details are as below;

Period	Allocation Per Student (Kshs)(a)	Enrolment			Over Funding (Kshs)
		School	NEMIS	Variance (b)	c=a*b
May-Aug 2024	750	37	101	64	48,000
Sept-Nov 2024	1,000	37	90	53	53,000
Jan-April 2025	750	46	90	44	33,000
		Overfunding			134,000

In the circumstances, the over-funding of the School may have affected service delivery to the public.

2. Failure to Deduct and Remit Statutory Deductions

The statement of financial performance and as disclosed in Note 7 to the financial statements reflects operating payments amounting to Kshs.1,446,167. Review and analysis of the payment vouchers and the cashbook revealed that included in these payments was an amount of Kshs.325,400 paid to Board of Management (BoM) teachers and non-teaching staff as salaries and wages.

However, it was noted that the mandatory statutory deductions, including National Social Security Fund (NSSF) and Social Health Insurance Fund (NHIF), were not deducted and remitted to the relevant authorities. This was contrary to Social Health Insurance Act, 2023, which requires employers to deduct and remit SHA contributions by the 9th day of the subsequent month, and the NSSF Act, 2013, which requires employers to register employees, deduct contributions, and remit them promptly within the statutory timelines.

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

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

The statement of financial performance reflects operation payments of Kshs.1,446,167 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.288,050 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 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, the legality and value for money of funds transferred to KESSHA amounting to Kshs.288,050 could not be confirmed.

4. Long Outstanding Accounts Payables

The statement of assets and liabilities and as disclosed in Note 13 to the financial statements reflects accounts payables balance of Kshs.2,072,369. However, included in the accounts payables is a balance of Kshs.1,986,669 which had been outstanding for more than two (2) years. This was contrary to Section 53(8) of the Public Procurement and Asset Disposal Act, 2015 which requires an Accounting Officer not to commence any procurement procedure until satisfied that sufficient funds to meet the obligation of the resulting contract are reflected in the approved budget.

Further, Regulation 150(1) of the Public Procurement and Asset Disposal Regulations, 2020 requires a procuring entity to make prompt payments for all performed contract within sixty (60) days from receipt of the invoice to ensure that the resources of the entity for which the officer is responsible are used in a way that is lawful and authorized, and that all expenditures are incurred in accordance with the law and in a timely manner.

In the circumstances, the School Management was in breach of the law and there is risk of loss of public funds through litigations and interest on the overdue amounts.

5. Weaknesses in Management of Textbooks

Physical verification of the books revealed that a total of eight hundred and sixty-three (863) for ten (10) subjects categories namely: English, Kiswahili, Biology, Geography, History, Home Science, Mathematics, Physics, Chemistry, Agriculture, CRE and English and Kiswahili set books for different classes, received between financial years 2018 to 2025 were still laying idle in the School's store. Further, the books in the store were kept on the floor and those kept on the shelves have been damaged by rain water from leaking roof. The School does not have an inventory of the books.

In the circumstances, the value for money on the excess eight hundred and sixty-three (863) textbooks could not be confirmed.

6. Non-Compliance with Guidelines on Tuition and Operations Bank Accounts

The statement of financial performance reflects an amount of Kshs.264,001 in respect to Government grants for tuition as disclosed in Note 1 to the financial statements. However, a total of Kshs.154,000 was transferred from tuition account to school fund income - parents' contributions account for use by the School. This was contrary to the Ministry of Education circular on the guidelines on Free Day Secondary Education Ref; No; MOE/CONF/G5 that prohibits transfer of funds from tuition account other than for the procurement of Teaching and Learning Materials (TLMs).

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

7. Failure to Transfer Infrastructure Funds from Operational Bank Account

The statement of financial performance reflects an amount of Kshs.1,111,932 in respect to Government grants for operations receipts as disclosed in Note 2 to the financial statements. Included in these receipts is an amount of Kshs.233,250 that was to be transferred to infrastructure funds account. However, the School did not transfer the amount to the infrastructure account. This was contrary to the Ministry of Education Circular Reference No. MOE.HQS/3/13/3 dated 16 June, 2021 on implementation of free secondary education which requires that all infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account within fifteen (15) days of receipt.

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

8. Failure to Prepare School Improvement Plan

During the year under review, the School did not have an approved School Improvement Plan. This was 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.

This may affect planning, coordination, accountability and continuous improvement of the School.

9. Stalled Proposed Administration Block and Other Idle Assets

Physical verification of School infrastructure revealed a stalled structure of unknown value which was meant to be the School Administration Block. The construction started in 2018 but has since been abandoned. However, there were no records to confirm the cost to date, contractors' details, reasons of abandonment and the financing details.

Further, the School has other assets including; sixteen (16) hectares piece of land, one (1) classroom meant for grade ten (10) and two (2) dormitories with a capacity of five hundred (500) students, which are not in use due to low enrolment of students.

Management explained that the School had utilized about three (3) hectares of its piece of land leaving the remaining thirteen (13) hectares idle.

There was no value for money on the stalled and idle assets.

10. Non-deduction of Capacity Building Levy

The statement of financial performance reflects operations and boarding and school fund payments amount of Kshs.1,446,167 and Kshs.691,036 as disclosed in Notes 7 and 9 to the financial statements, which includes an amount of Kshs.2,137,503 in respect of procurement of goods, works and services from various suppliers. Review of payments for goods and services revealed that there was no deduction of the public procurement capacity building levy of 0.03% amounting to Kshs.64,125 on the supplies. This was contrary to the Levy Order 2023 issued by the Public Procurement Regulatory Authority.

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

11. Irregular Spending of School Fees at Source

The statement of financial performance as disclosed in Note 4 to the financial statement reflects receipts from school fund income - parents' contribution of Kshs.621,150. Review and recomputation of the receipt book amounts revealed that Management received school fees amounting to Kshs.414,560 in cash. However, the school fees collected in cash was not banked intact. This was contrary to Regulation 64(1)(4) of Public Finance Management (National Government) Regulations, 2015 which requires an accounting officer to ensure that all public moneys collected by receiver of revenue or collector of revenue or collected and retained by a national government entity, are paid into a designated bank account of the national government and shall not be used by any public officer in any manner between the time of their receipts and payment into the bank except as provided by the law.

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

12. Lack of Procurement Function

During the year, Management did not prepare an Annual Procurement Plan as part of the annual budget preparation process. This was contrary to Section 45(3)(a) and Section 53(2) of the Public Procurement and Asset Disposal Act, 2015 which requires an accounting officer of a procuring entity to prepare a procurement plan within the approved budget for each financial year as part of the annual budget preparation process.

Further the School did not have a procurement function as required by Section 47(2) of the Public Procurement and Asset Disposal Act, 2015 and did not seek to transfer the procurement function through the use of alternative procurement structures as guided by Sections 51 and 52 of the Public Procurement and Asset Disposal Act, 2015.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Weaknesses in the Board of Management

Review of the Board of Management (BoM) Minute file revealed that the BoM and its Committees namely; Finance, Procurement and General Purposes Committee, Academic Committee, Infrastructure, welfare Guidance, Audit and Risk Committee and Discipline and Welfare Committee did not meet during the financial year under review, as required by Section 61(d) of the Basic Education Act, 2013.

Further, even though there was an Audit Committee in place at the School, the Committee was not operational as there was no record of minutes for meetings held.

This may expose the entity to risks associated with weak internal controls, delayed decision-making, and inadequate oversight.

2. Lack of a Risk Management Policy and Disaster Recovery Plan

Engagement with the Management revealed that the School lacked a framework for management of risks which includes identification, assessment and control of the risks. In addition, it lacked a disaster recovery plan. This implies that there was no business continuity plan to assist the institution to resume business processes with minimal interruptions in the event of occurrence of a disaster.

3. Understaffing

Review of teaching and non-teaching staff levels in the School revealed that the Institution was understaffed as at 30 June, 2025. This was contrary to the Ministry of Education Letter dated 22 May, 2019 on Curriculum Based Establishment for Non-Teaching Staff

and the School's staff establishment which stipulated the optimal number of staff to be maintained in each department.

Details are as shown below;

Details	Recommended	Current	Variance
C.B.E Teachers	9	7	(2)
Lab Technician	1	0	(1)
Security	3	1	(2)
Total	13	8	

The understaffing may negatively affect effective service delivery, supervision, maintenance of school facilities, and security management. The staffing shortages may also expose the School to operational, academic, and security risks, including poor curriculum delivery, equipment breakdowns, theft, and unauthorized access.

4. Failure to Carry Out Annual Stock Take

As disclosed in Note 16 to the notes of the financial statements, the School had inventory worth Kshs.275,200. However, it was observed that the School did not carry out a stock take exercise as at 30 June, 2025 and did not maintain a Board of Survey. This was contrary to Regulation 168 of the Public Procurement and Asset Disposal Regulations, 2020 that states an accounting officer of a procuring entity shall ensure proper management and distribution of inventory, stores and assets by ensuring that – (a) they are received and taken on charge, (b) they are consumed in the course of public business and a record of the same is maintained.

There were no effective stock controls and management mechanisms at the School.

5. Weaknesses in Management of Assets

Physical inspection of the School revealed that the School has several assets including, land, buildings, furniture, laboratory equipment and biological assets. However, it was observed that Management has not prepared and updated its assets register to include the number and value of different classes of assets owned by the School. In addition, Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.21,932,483 which includes land with a balance of Kshs.8,250,000 and building and structures balance of Kshs.12,040,000. However, relevant ownership documents were not provided for audit. Further, biological assets amounting to Kshs.728,100 were not supported by any documentary evidence.

There were no effective measures in the management of assets at the School.

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

29 May, 2026

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
Receipts			
Government grants for tuition	1	264,001	283,968
Government grants for operations	2	1,111,932	1,385,867
Government Grants for infrastructure	3	-	-
School fund income- parents' contributions	4	621,150	1,062,405
Miscellaneous incomes	5	298,198	164,058
Total Receipts		2,295,281	2,896,298
Payments			
Tuition	6	88,780	20,230
Operations	7	1,446,167	889,095
Infrastructure	8	-	-
Boarding and school fund	9	691,036	1,178,465
Total Payments		2,225,983	2,087,790
Surplus/Surplus		69,298	808,508

The school financial statements were approved on _____ 2026 and signed by:

Sign:.....

Sign:.....

Name: Mwona Mwona

Chair BOM

Date: 24/3/2026

Sign:.....

Sign:.....

Name: LEONARD MARETA

**School Principal/ Secretary to
BOM**

Date: 24/3/2026

Sign:.....

Sign:.....

Name: PETER MUKA

Bursar/ Finance Officer

Date: 24/3/2026

ST. MARY'S MBARANGA
SECONDARY SCHOOL
P. O. Box 268, 60602, KIANJAI
Date: 24/3/2021

ST. MARY'S MBARANGA 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	454,894	630,746
Cash balances	11	197	597
Total cash and cash equivalent		454,091	631,343
Account's receivables	12	8,557,782	8,542,882
Total financial assets		9,012,873	9,174,225
Financial liabilities			
Accounts payables	13	(2,072,369)	(2,235,019)
Net financial assets		6,940,504	6,939,206
Represented by			
Accumulated fund b/fwd	14	6,871,206	6,130,698
Surplus/deficit for the year		69,298	808,508
Net financial position		6,940,504	6,939,206

The school's financial statements were approved on _____ 2026 and signed by:

Sign: _____

Name: Mworia Mwaru

Chair BOM

Date: 24/3/2026

Sign: _____

Name: LEONARD MAREJE
School Principal/ Secretary to BOM

Date: 24/3/2026

Sign: _____

Name: Peter Mwila

Bursar/ Finance Officer

Date: 24/3/2026

ST. MARY'S MBARANGA

SECONDARY SCHOOL

P.O. Box 268 - 60502, Mbarara

Date: 24/3/2026

ST. MARY'S MBARANGA 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	264,001	283,968
Government grants for operations	2	1,111,932	1,385,867
Government grants for infrastructure	3	-	-
School fund income- parents contributions/ fees	4	606,250	851,140
Other income	5	298,198	164,058
Total receipts		2,280,381	2,685,033
Payments			
Cash outflows for tuition	1	173,930	127,080
Cash outflows for operations	2	1,424,467	909,695
Infrastructure	3	-	-
Cash outflows Boarding/lunch and school fund payments	4	858,236	1,104,215
Total payments		2,456,638	2,140,990
Net cash inflow/outflow from operating activities		(176,252)	544,043
Net increase/decrease in cash and cash equivalents		(176,252)	544,043
Cash and cash equivalent at beginning of the FY		631,343	87,300
Cash and cash equivalent at end of the FY		455,091	631,343

The school's financial statements were approved on _____ 2026 and signed by:

Sign:.....

Name: Mwaka Mwangi

Chair BOM

Date: 24/3/2026

Sign:.....

Name: LEONARD MARETE

School Principal/ Secretary to BOM

Date: 24/3/2026

Sign:.....

Name: Peter Mwangi

Bursar/ Finance Officer

Date: 24/3/2026

ST. MARY'S MBARANGA

SECONDARY SCHOOL

P. O. Box 268 - 60502, KIANJAI

Date: 24/3/2026

ST. MARY'S MBARANGA 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					
Teaching / Learning Materials	484,300	-	484,300	264,001	55%
(2) Capitation Grant on Operations					
Others	1,021,800	-	1,021,800	662,876	65%
Repairs And Maintenance	600,000	-	600,000	359,244	60%
Medical	30,000	-	30,000	24,494	82%
Activity	150,000	-	150,000	65,318	44%
(3) Fees Charged on Parents					
Fee On Boarding Equipment and Stores	2,653,000	-	2,653,000	919,348	35%
Total Income	4,939,100	-	4,939,100	2,295,281	46%
(4) Expenditure For Tuition					
Teaching / Learning Materials	484,300	-	484,300	88,780	46%
(5) Expenditure For Operations					
Others	1,021,800	-	1,021,800	1,245,947	122%
Repairs, Maintenance & Improvements	600,000	-	600,000	129,460	22%
Medical	30,000	-	30,000	-	0%
Activity Expenses	150,000	-	150,000	70,760	47%
(6) Expenditure For school fund/lunch/boarding					
Boarding Equipment and Stores	2,653,000	-	2,653,000	691,036	26%
Totals	4,939,100	-	4,939,100	2,225,983	45%

- i. There was underutilization of funds because the ministry of education did not disburse all the funds as per the budget
- ii. Parents did not also pay fees in full

ST. MARY'S MBARANGA 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

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and applicable government legislations and regulations. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

This cash basis of accounting has been supplemented with accounting for; a) receivables that include school fees from parents, imprest, salary advances and other receivables and b) payables that include deposits and retentions and payables from operations.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of *St. Mary's Mbaranga Secondary School*, and all values are rounded to the nearest Kenya Shilling (Kshs). The accounting policies adopted have been consistently applied to all the years presented.

2. Recognition of receipts and payments

The *school* recognises all receipts from the various sources when the event occurs, and the related cash has actually been received by *St. Mary's Mbaranga Secondary School*. In addition, *St. Mary's Mbaranga Secondary School* recognises all expenses when the event occurs, and the related cash has actually been paid out by *St. Mary's Mbaranga Secondary School*. Income arising from school fees is recognised when the event occurs whether cash is received or not. Expenditure arising from operations is recognised when the event occurs irrespective of receipt of cash.

3. In-kind contributions

In-kind contributions are donations that are made to *St. Mary's Mbaranga Secondary 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, *St. Mary's Mbaranga Secondary School* includes such value in the statement of receipts and payments both as a receipt and as a payment in equal and opposite amounts; otherwise, the contribution is not recorded.

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various financial institutions at the end of the financial year.

ST. MARY'S MBARANGA 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 fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Payables also include expenditure incurred for the purchase of goods, works and services that has been rendered and not settled. This is an enhancement to the cash accounting policy adopted for public secondary schools. Other liabilities are disclosed in the financial statements.

7. Non-current assets

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the school fixed asset register a summary of which is provided as a memorandum to these financial statements.

8. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. *St. Mary's Mbaranga Secondary 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

The 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.

ST. MARY'S MBARANGA 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
Teaching / Learning Materials	264,001	283,968
Total	264,001	283,968

2 Government Grants for Operations

Description	2024/2025	2023/2024
	Kshs	Kshs
Repairs And Maintenance	359,244	427,525
Medical	24,494	126,235
Activity	65,318	88,917
Other Vote Heads (LTT, EWC, ADM & PE)*	662,876	743,190
Total	1,111,932	1,385,867

3 Government Grants for Infrastructure

Description	2024/2025	2023/2024
	Kshs	Kshs
Maintenance & Improvement	NIL	NIL
Total		

4 School Fund Income - Parents Contribution/Fees

Description	2024/2025	2023/2024
	Kshs	Kshs
Personnel emoluments		72,753
Repairs and maintenance		30,027
Local transport / travelling		19,731
Electricity and water		63,390
Medical		26,687
Administration costs		17,159
Fee on Boarding Equipment and stores	621,150	832,658
Total	621,150	1,062,405

ST. MARY'S MBARANGA SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2025**

5 Miscellaneous Incomes

Description	2024/2025	2023/2024
	Kshs	Kshs
Safaricom	172,198	163,997
Interest Income		61
Income from Farm Activities	126,000	
Total	298,198	164,058

6 Tuition

Description	2024/2025	2023/2024
	Kshs	Kshs
Teaching / Learning Materials	80,000	20,000
Exams and Assessments	7,100	
Bank Charges	1,680	230
Total	88,780	20,230

7 Operations

Description	2024/2025	2023/2024
	Kshs	Kshs
Personnel Emoluments	422,400	380,615
Administration Cost	642,485	270,370
Repairs, Maintenance & Improvements	129,460	114,900
Local Transport / Travelling	98,950	69,600
Electricity And Water	80,430	30,780
Activity Expenses	70,760	22,600
Bank Charges	1,680	230
Total	1,446,167	889,095

8 Infrastructure

Description	2024/2025	2023/2024
	Kshs	Kshs
Construction of Classrooms	NIL	NIL
Total		

ST. MARY'S MBARANGA SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2025

Notes to the Financial Statements (continued)

9 Boarding and School Fund

Description	2024/2025	2023/2024
	Kshs	Kshs
Personnel Emoluments	47,000	89,000
Repairs And Maintenance & Improvements	6,670	43,890
Local Transport / Travelling	9,500	13,300
Electricity And Water	1,200	1,000
Administration Costs	11,050	71,770
Farm	202,770	61,688
Bank Charges	3,986	8,717
Fee On Boarding Equipment and Stores	408,860	889,100
Total	691,036	1,178,465

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2024/2025	2023/2024
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	01025039708700	42,987	106,916
Operations Account	Active	01025039708701	165,670	333,950
School Fund Account/Boarding	Active	01021039028000		145,589
School Fund Account2	Active	491840912102		43,241
Infrastructural Account	Active	01022245094600	1,050	1,050
Total			209,707	630,746

11 Cash In Hand

Description	2024/2025	2023/2024
	Kshs	Kshs
Notes and Coins	197	597
Total	197	597

ST. MARY'S MBARANGA SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2025
Notes to the Financial Statements (continued)

12 a. Accounts Receivable

Description	2024/2025	2023/2024
	Kshs	Kshs
Fees Arrears	8,557,782	8,542,882
Total	8,557,782	8,542,882

12 b. Ageing Analysis of Accounts Receivable

Description	2024/2025		2023/2024	
	Kshs		Kshs	
	2024/2025	% of the total	2023/2024	% of the total
Less than 1 year	104,100	1%	143,265	2%
Between 1- 2 years	54,065	0.6%	477,724	6%
Between 2-3 years	477,724	6%	492,985	6%
Over 3 years	7,921,893	92.4%	7,428,908	86%
Total (should tie to note 12 a)	8,557,782	100%	8,542,882	100%

13 a. Accounts Payable

Description	2024/2025	2023/2024
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	2,072,369	2,303,019
Prepaid Fees		(68,000)
Total	2,072,369	2,235,019

13 b. Ageing Analysis of Accounts Payable

Description	2024/2025		2023/2024	
	Kshs		Kshs	
	2024/2025	% of the total	2024/2025	% of the total
Less than 1 year	85,700	4%	100,000	4%
Between 1- 2 years			887,181	39%
Between 2-3 years	670,831	32%	451,583	19%
Over 3 years	1,315,838	64%	864,255	38%
Total (should tie to note 13a)	2,072,369	100%	2,303,019	100%

ST. MARY'S MBARANGA SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2025

14 Fund Balance Brought Forward

Description	2024/2025	2023/2024
	Kshs	Kshs
Bank Balances	630,746	87,175
Cash Balances	597	125
Receivables	8,542,882	8,399,617
Payables	(2,303,019)	(2,424,219)
Total	6,871,206	6,062,698

ST. MARY'S MBARANGA SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2025****Other Important Disclosure Notes**

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

15 Biological assets

Description	Numbers	2024/2025	2023/2024
		Kshs	Kshs
Cattle	5	200,000	200,000
Trees	754	528,100	528,100
Total		728,100	728,100

ST. MARY'S MBARANGA SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2025****Other Important Disclosure Notes**

16 Stock/ Inventory

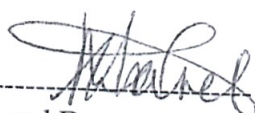
Description	2024/2025	2023/2024
	Kshs	Kshs
Food stuffs	25,600	72,500
Lab consumables	199,100	187,200
Stationery	50,500	
Total	275,200	259,700

ST. MARY'S MBARANGA SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2025

17 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

ST. MARY'S MBARANGA
 SECONDARY SCHOOL
 P. O. Box 268, 60602, KIANJAI
 Date: 24/3/2026

12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current 2025	Outstanding Balance 2024	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Supply Of Goods						
1. JEKINA - TUITION	125,684	2020/22		125,684	125,684	
2. KIANJAI AGROVET - FUND	29,000	2020		29,000	29,000	
3. POSTAL COOPERATION LTD - OPERATION	40,000	2020		40,000	40,000	
4. WINFRED KUNIYA - FUND	118,293	2020	30,000	88,293	118,293	
5. PENZI PUBLISHERS - TUITION	23,000	2020		23,000	23,000	
6. COUNTY COMPUTERS - OPERATION	36,432	2020		36,432	36,432	
7. MUGAMBI EMPORIUM - TUITION	74,000	2020/22		74,000	74,000	
8. WILFRED KAILEMIA - FUND	25,000	2020/22		25,000	45,000	
9. RUMANO NJATI - FUND	15,000	2020/22		15,000	15,000	
10. FIRE CHIEF LTD - OPERATION	37,300	2019		37,300	37,300	
11. MUNILAS ENTERPRISES - FUND	30,000	2019		30,000	30,000	
12. TIMOTHY MWENDA - OPERATION	81,861	2019	5,000	76,861	81,861	
13. DOREEN K. CYPRIAN - OPERATION	68,000	2019	36,000	32,000	68,000	

ST. MARY'S MBARANGA 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 2025	Outstanding Balance 2024	Comments
14. JUSTIN KIMATHI - FUND	51,533	2019		51,533	51,533	
15. JOHN THURANIRA - FUND	51,377	2019	15,000	36,377	51,377	
16. MARY THIRINDI - FUND	14,350	2019		14,350	9,317	
17. JOHN MWENDA - FUND	68,700	2019	20,000	48,700	68,700	
18. JULIAS MUGAMBI - FUND	40,700	2019		40,700	40,700	
19. GEOFFREY KARUTI - FUND	2,900	2019		2,900	2,900	
20. JOSHUA KITHINJI - FUND	131,000	2022/23		131,000	131,000	
21. PAUL MATHIU- FUND	96,350	2022/23	30,000	66,350	96,350	
22. FESTUS MUGAMBI - TUITION	51,000	2022/23		51,000	51,000	
23. GACHUI RENGEURA - FUND	6,000	2022/23		6,000	6,000	
24. JOSEPH MWIKA - FUND	32,000	2022/23		32,000	32,000	
25. HIGH MARK - TUITION	304,000	2022/23		304,000	304,000	
26. KIOKO - FUND	54,000	2022/23		54,000	54,000	
27. MARY KIENDE - OPERATION	39,000	2021/22		39,000	39,000	
28. BEATRICE NKIROTE - OPERATION	37,000	2021/22	5,000	32,000	37,000	
29. ELANTHENTIC SUPPLY	20,540	2021/22		20,540		
30. RANGERS BUTCHERY - FUND	18,000	2022/23		18,000	18,000	
31. MUGRAPHIC PRESS - TUITION	5,250	2022/23		5,250	5,250	
32. EMIGA LAB - TUITION	291,582	2022/23	67,150	224,432	291,582	
33. PURITY GICHUNGE - TUITION	8,810	2022/23		8,810	8,810	

ST. MARY'S MBARANGA 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 2025	Outstanding Balance 2024	Comments
34. OLIVE COMPUTERS - OPERATIONS	18,000	2022/23		18,000	14,500	
35. DANIEL KINYUA - FUND	18,600	2022/23		18,600	18,600	
36. JOHN THURANIRA - FUND	64,377	2022/23		64,377	64,377	
37. LAWRENCE KANAMPIU - FUND	49,210	2022/23	15,000	34,210	49,210	
38. JAMES MEEME - FUND	19,970	2022/23		19,970	19,970	
39. FRANKLIN KIMATHI - FUND	8,000	2022/23		8,000	8,000	
40. JAMES MWIKA - FUND	5,700	2022/23		5,700	5,700	
41. ROSE KAWIRIA	100,000	2024	98,200	1,800	100,000	
42. ANDREW KOBIA	9,000	2024		9,000		
43. KESSHA	70,000	2024		70,000		
44. ST. CATHERINE	3,200	2024		3,200		
Sub-Total	2,388,719		316,350	2,072,369	2,303,019	
Grand Total	2,388,719		316,350	2,072,369	2,303,019	

ST. MARY'S MBARANGA SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2025

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	8,250,000			8,250,000
Buildings And Structures	12,040,000			12,040,000
Textbooks	1,260,483			1,260,483
ICT Equipment	370,000			370,000
Tools And Apparatus	12,000			12,000
Total	21,932,483			21,932,483

ST. MARY'S MBARANGA SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2025
Annex 3 - Trial Balances

ST. MARY'S MBARANGA SECONDARY SCHOOL
ADJUSTED TRIAL BALANCE AS AT 30/06/2025

PARTICULARS	ORIGINAL TRIAL BALANCE		ADJUSTED T. BALANCE		FINAL TRIAL BALANCE	
	DR	CR	DR	CR	DR	CR
OPENING BALANCE - CASH		597				597
- BANK		630,746				630,746
TUITION ACCOUNT	88,780	264,001			88,780	264,001
OPERATIONS ACCOUNT	1,369,467	1,111,932	76,700		1,446,167	1,111,932
SCHOOL FUND ACCOUNT	682,036	815,248	9,000	104,100	691,036	919,348
INFRASTRUCTURE ACC.						
DEBTORS			104,100		104,100	
ARREARS		89,200				89,200
CREDITORS	316,350			85,700	316,350	85,700
FEES OVERPAYMENT						
CLOSING BALANCE - CASH	197				197	
- BANK	454,894				454,894	
TOTALS	2,911,724	2,911,724	189,800	189,800	3,101,524	3,101,524

Sign.....

Date.....24/3/2026

Name.....LEONARD MARETE
Principal/BoM Secretary

ST. MARY'S MBARANGA
SECONDARY SCHOOL
P. O. Box 268 - 60602, ATANGA
Date:.....24/3/2026

ST. MARY'S MBARANGA SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2025

ST. MARY'S MBARANGA SECONDARY SCHOOL
TUITION ACCOUNT

ADJUSTED TRIAL BALANCE AS AT 30/06/2025

PARTICULARS	APPR. ESTI.	INITIAL TRIAL BALANCE		COMM.	BAL. AVAIL.	ADJUSTMENTS		FINAL TRIAL BALANCE	
		DR	CR			DR	CR	DR	CR
OPENING BAL.- BANK			106,916						106,916
T/L MATERIALS		80,000	264,001					80,000	264,001
OPERATIONS ACC.		154,000						154,000	
EXAMS		7,100						7,100	
SUNDRY CREDITORS		85,150						85,150	
BANK CHARGES		1,680						1,680	
CLOSING BAL.- BANK		42,987						42,987	
TOTALS		370,917	370,917					370,917	370,917

Sign.....

Date..... 24/3/2026

Name..... LEONARD MARETE
Principal/BoM Secretary

ST. MARY'S MBARANGA
SECONDARY SCHOOL
P.O. Box 268 - 60602, KIANJA
Date: 24/3/2026

ST. MARY'S MBARANGA SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2025

ST. MARY'S MBARANGA SECONDARY SCHOOL
OPERATIONS ACCOUNT
ADJUSTED TRIAL BALANCE AS AT 30/06/2025

PARTICULARS	APP. ES.					ADJUSTMENTS		FINAL TRIAL BALANCE	
		DR	CR	COMM.	BAL.AV.	DR	CR	DR	CR
OPEN. BAL. - CASH			320						32
- BANK			333,950						333,95
EWC		80,430						80,430	
OTHERS			662,876						662,87
LTT		98,950						98,950	
ADMIN. COST		568,985				73,500		642,485	
PERSONAL EMOL.		422,400						422,400	
ACTIVITY		67,560	65,318			3,200		70,760	65,31
MEDICAL			24,494						24,49
RMI		129,460	359,244					129,460	359,24
TUITION ACC.			154,000						154,00
SCHOOL FUND ACC.		10,000						10,000	
SUNDRY CREDITORS		55,000						55,000	
BANK CHARGES		1,682					76,700		76,70
CLOS. BAL. - CASH		65						65	
- BANK		165,670						165,670	
TOTALS		1,600,202	1,600,202			76,700	76,700	1,676,902	1,676,90

Sign.....

Date: 24/3/2026

Name: LEONARD MARETE
Principal/BoM Secretary

ST. MARY'S MBARANGA
SECONDARY SCHOOL
P. O. Box 268 - 60602, KIANJAI
Date: 24/3/2026

ST. MARY'S MBARANGA SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2025

ST. MARY'S MBARANGA SECONDARY SCHOOL
SCHOOL FUND & OTHER MONIES ACCOUNT
ADJUSTED TRIAL BALANCE AS AT 30/06/2025

PARTICULARS	ESTI.					ADJUSTMENTS		FINAL TRIAL BALANCE	
		DR	CR	COMM.	AVAIL.	DR	CR	DR	CR
OPENI. BAL. - CASH			277						277
OPENI. BAL. - BANK			188,830						188,830
BES/LUNCH		399,860	517,050			9,000	104,100	408,860	621,150
RMI		6,670						6,670	
EWC		1,200						1,200	
LTT		9,500						9,500	
OPERATIONS ACC.			10,000						10,000
SAFARICOM			172,198						172,198
PERSONAL EMOL.		47,000						47,000	
ADMIN. COST		11,050						11,050	
FEES ARREARS			89,200						89,200
BANK CHARGES		3,986						3,986	
FARM		202,770						202,770	
DEBTORS						104,100		104,100	
CREDITORS		176,200					9,000	176,200	9,000
CLOS. BAL. -CASH		132						132	
CLOS. BAL. -BANK		245,187						245,187	
TOTALS		1,103,555	1,103,555			113,100	113,100	1,216,655	1,216,655

Sign.....

Date... 24/3/2026

Name... LEONARD MARETE
Principal/BoM Secretary

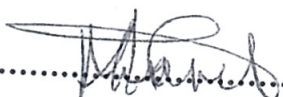
ST. MARY'S MBARANGA
SECONDARY SCHOOL
Date: 24/3/2026

ST. MARY'S MBARANGA SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2025

Annex 4 – Sundry Debtors Schedule

ST. MARY'S MBARANGA SECONDARY SCHOOL
SUNDRY DEBTORS SCHEDULE

CLASS/FORM	AMOUNT
FORM 1	
FORM 2	26,400
FORM 3	77,100
FORM 4	600
TOTALS	104,100

Sign.....

Date...24/3/2026

Name...LEONARD MARETE
Principal/BoM Secretary

ST. MARY'S MBARANGA
SECONDARY SCHOOL
P. O. Box 268 - 60602, Kisumu
Date:.....24/3/2026