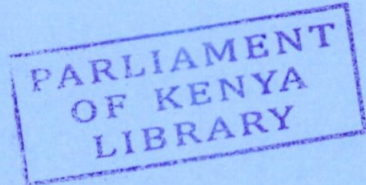


REPUBLIC OF KENYA



REPORT



OF

THE AUDITOR-GENERAL

PAPERS LAID

DATE: 29 JUL 2026

DAY.

WEDNESDAY

TABLED
BY:

HON. MARIANE KITANYI

ON

ON BEHALF OF LOM

CLERK-AT
THE-TABLE:

ESTHER NGINYO

MOLO SECONDARY SCHOOL

FOR THE YEAR ENDED

30 JUNE, 2025

NAKURU COUNTY



Revised 30 June 2025



MOLO SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

Transitional Financial Statements Prepared under the International Public Sector Accounting Standards (IPSAS)

MOLO SECONDARY SCHOOL

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

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MOLO SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30 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)

MOLO SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30 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 Nakuru County, Molo Sub-County

The school was registered in 3/2010 under registration number GP/A/8431/10 and is currently categorized as a County public school established, owned or operated by the Government.

The school is a day school and had 821 number of students as at *30 June 2025*. It has 5 streams and 34 teachers of which 10 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.	Dr. Julius Kariuki	Chairman	23/05/2022
2.	Mr. Tom Amollo	Secretary - Principal	23/05/2022
3.	Mr. Michael Ndung'u	Vice- Chairman	23/05/2022
4.	Mr. Stanley Karanja	Member	23/05/2022
5.	Ms. Jackline Kemunto	Member	23/05/2022
6.	Ms. Margaret Wangari	Member	23/05/2022
7.	Mr. Moris Njoroge	Member	23/05/2022
8.	Ms. Susan Nyambura	Member	23/05/2022
9.	Mr. David Mwai	Member – Rep CEB	23/05/2022
10.	Mrs. Joyce W. Ndung'u	Member Rep Teachers	23/05/2022
11.	Sr. Agnes N. Njeru	Member-Sponsor	23/05/2022
12.	Fr. Christopher Kamau	Members - Sponsor	23/05/2022
13.	Mr. Rufus Mwaura	Member - Community	23/05/2022
14.	Mr. Joshua K. Gitau	Member Special Needs	23/05/2022
15.	Mr. Paul Maraga	Rep Students	23/05/2022
16.	Rev. David Gikonyo	P.A Chairman	23/05/2022
17.	Mr. Samuel Kinyanjui	BOM-co-opted	23/05/2022
18.	Ms. Hannah Kinuthia	BOM-co-opted	23/05/2022

MOLO SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30 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

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1.	Executive Committee	1.Mr.Tom Amollo	Secretary/Principal	0
		2.Dr.Julius Kariuki	BOM Chairman	
		3.Rev. David Gikonyo	P.A Chairman	
		4.Sr.Agnes Njeru	Sponsor	
		5.Ms.Susan Nyambura	Member	
2.	Audit Committee Finance, procurement and general purposes Committee	1.Mr.Rufus Mwaura	Chairman	2
		2.Rev.David Gikonyo	Member	
		3.Mr. Tom Amollo	Secretary/Principal	
		4.Mr.Stanley Karanja	Member	
3	Academic Committee	1.Mr. Josiah Obala	Chairman	2
		2.Mr.Tom Amollo	Secretary/Principal	
		3.Mrs.Joyce Gachie	Member	
		4.Dr.Julius Kariuki	B.O.M Chairman	
		5.Ms.Margaret Wangare	Member	
4	Development Committee	1.Mr.Michael Ndung'u	Chairman	2
		2.Mr.Tom Amollo	Secretary/Principal	
		3.Mr.Musikoyo S. Angoye	SCDE-Molo	
		4.Rev. David Gikonyo	Member	
		5.Ms.Hannah Kinuthia	Member	
		6. Dr.Julius Kariuki	B.O.M Chairman	
		7.Mr.Patrick Gikonyo	Deputy Principal	
5	Discipline and welfare Committee	1.Mr.Josiah Obala	Chairman	3
		2.Tom Amollo	Secretary/Principal	
		3.Ms.Jackline Kemunto	Member	
		4.Mr.Stanley Karanja	Member	
		5.Mr.David Mwai	Member	
6	Adhoc Committee(If any during the year)	N/A	N/A	1

MOLO SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30 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	TSC Number
1	Principal	Tom Amollo	357144
2	Deputy Principal	Rose Munene	313415
3	School Bursar	Ruth Nandua	ID NO.22224699
4	Other(Specify)	-	-

(e) Schools contacts

Schools contacts

Post Office Box: 220-20106-MOLO

Telephone: 0700149002

E-mail: molosecondary@yahoo.com

Website: -

Facebook: -

Twitter: -

(f) School Bankers

The following school operated 5 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

Name of Bank: EQUITY BANK
Branch: MOLO
Account Number: 0230291741084-Tuition Account

Name of Bank: EQUITY BANK
Branch: MOLO
Account Number: 0230291741064-Operations Account

Name of Bank: EQUITY BANK
Branch: MOLO
Account Number: 0230290250365-School Fund Account

Name of Bank: EQUITY BANK
Branch: MOLO
Account Number: 0230178259144-CDF Account

Name of Bank: EQUITY BANK
Branch: MOLO
Account Number: 0230279323671-M.I.F Account

MOLO SECONDARY SCHOOL

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

(f) Independent Auditors

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

MOLO SECONDARY SCHOOL

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

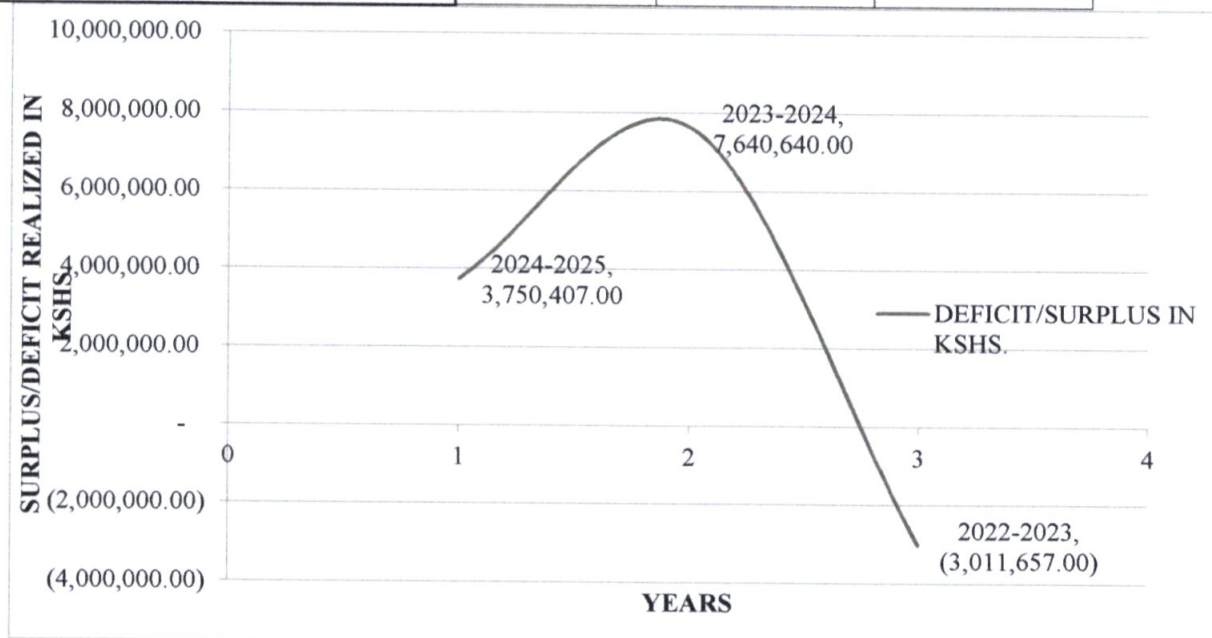
3. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

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

a) Financial performance:

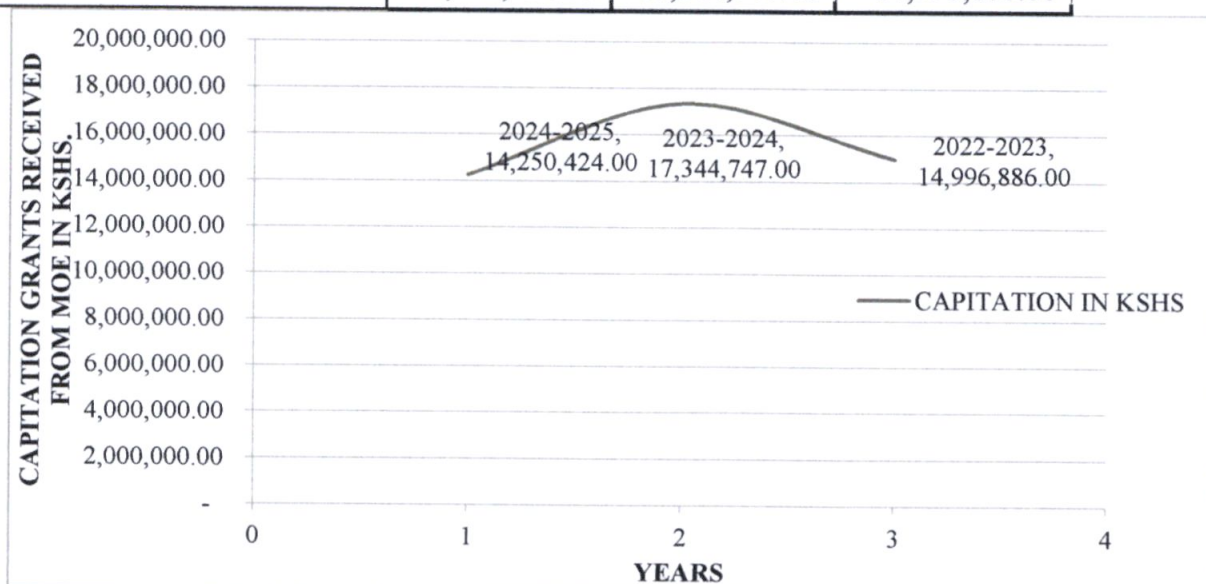
- Surplus/ deficit for the year and a comparison of the same for the last three years

YEAR	2024-2025	2023-2024	2022-2023
MOVEMENT IN SURPLUS/DEFICIT IN KSHS	3,750,407.00	7,640,640.00	(3,011,657.00)



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

YEAR	2024-2025	2023-2024	2022-2023
CAPITATION IN KSHS	14,250,424.00	17,344,747.00	14,996,886.00

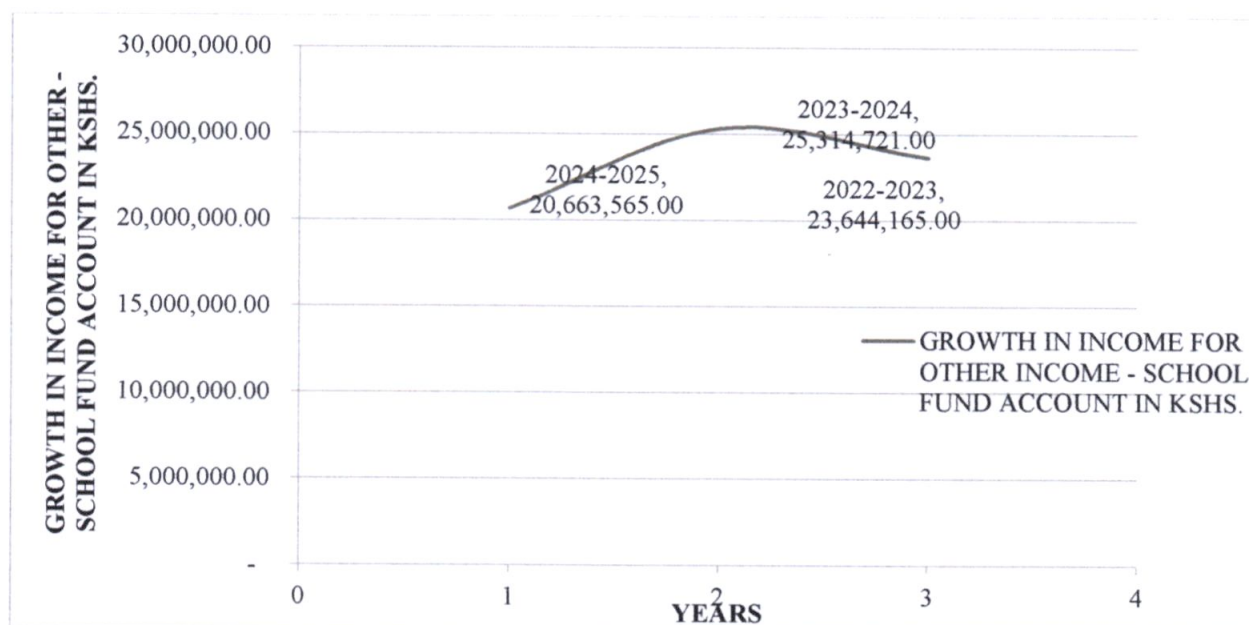


MOLO SECONDARY SCHOOL

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

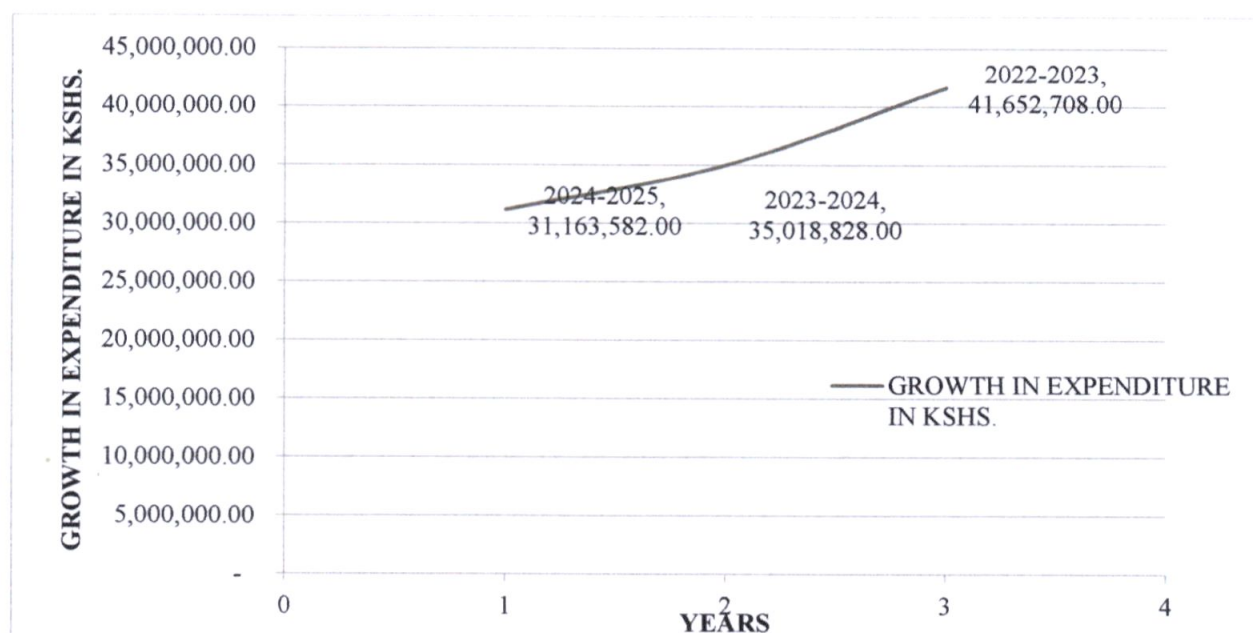
- A three-year overview of growth of other income(s) earned by the school.

YEARS	2024-2025	2023-2024	2022-2023
GROWTH IN INCOME FOR OTHER INCOME - SCHOOL FUND ACCOUNT	20,663,565.00	25,314,721.00	23,644,165.00



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

YEARS	2024-2025	2023-2024	2022-2023
GROWTH IN EXPENDITURE IN KSHS.	31,163,582.00	35,018,828.00	41,652,708.00

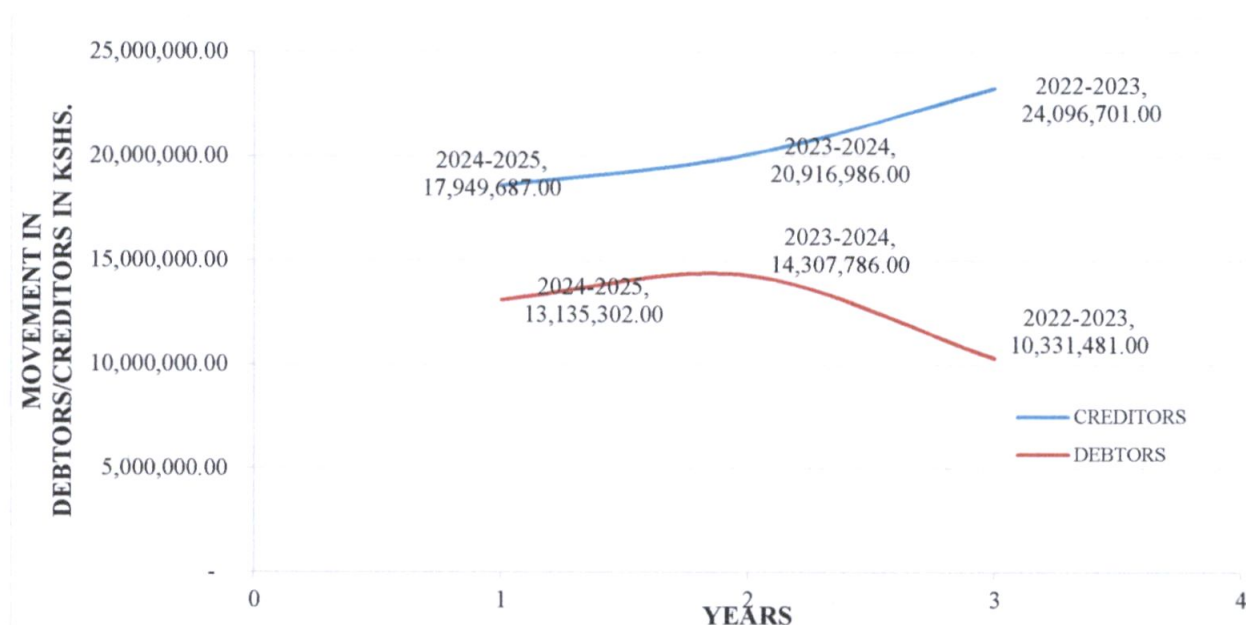


MOLO SECONDARY SCHOOL

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

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

YEARS	2024-2025	2023-2024	2022-2023
CREDITORS	17,949,687.00	20,916,986.00	24,096,701.00
DEBTORS	13,135,302.00	14,307,786.00	10,331,481.00



Teacher Student ratio:

1. Teachers recruited in the year

	Gender		Total
	Male	Female	
Number of teachers employed by TSC	13	11	24
Number of teachers employed by B.O.M.	5	5	10
Number of teachers transferred or Retired during the year	2	-	2
Number of TSC teachers posted during the year	2	-	2
Number of B.O.M. teachers posted during the year	-	2	2

2. Teacher student ratio

NO. OF STUDENTS	NO. OF TEACHERS	TEACHER STUDENT RATIO
821	34	24:1

MOLO SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30 June 2025****3. Teacher subject distribution**

SUBJECT	NO. OF TEACHERS	NO. OF LESSONS
English	5	138
Kiswahili	7	109
Mathematics	6	138
Biology	9	89
Physics	4	78
Chemistry	3	89
History	5	78
Geography	5	78
C.R.E.	8	69
Agriculture	6	69
Business Studies	2	69
Computer	1	69
Homescience	1	69
Shortage as per C.B.E – 20 Teachers		

a) Mean score in the 2023 KCSE

YEARS	2024	2023	2022
MEAN SCORE	4.362	4.417	4.645
DEVIATION	-0.0552	-0.228	-0.400
NO. OF STUDENTS TRANSITIONING TO INSTITUTIONS OF HIGHER LEARNING	32	24	28

b) Number of Candidates in the 2023 KCSE:

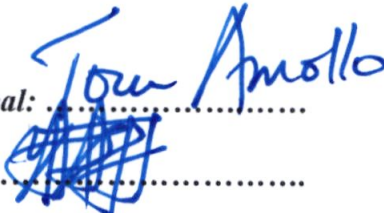
	2023	2022	2021
NUMBER OF CANDIDATES SITTING FOR KCSE	246	221	231

MOLO SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30 June 2025****c) Capacity of the school:**

S/NO.	AMENITY	NO. OF AMENITIES	NO. OF STUDENTS USING THE AMENITY
1.	Classrooms	21	821
2.	Library	1	60
3.	Laboratories	3	60
4.	A Kitchen	1	0
5.	Girl's Toilets	22	405
6.	Boy's Toilets	33	416

d) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Construction of 1 No. Science Laboratory	M & I Funds	On going	4,490,160.00	1,800,000.00	2024

School Principal: **Sign:** 

MOLO SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30 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 **MOLO 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 30 June, 2025, and of the school's financial position as at that date.

Name: DR. JULIUS KARIUKI
Designation: Chairman, School Board of Management
Sign: 
Date: 10/4/2026

Name: MR. TOM AMOLLO
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 10/4/2026

Name: MS. RUTH NANDUA
Designation: Bursar/ Finance Officer
Sign: 
Date: 10/4/2026

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 MOLO SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2025 - NAKURU 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 Molo Secondary School set out on pages 1 to 20, which comprise of the statement of assets

and liabilities as at 30 June, 2025, and the statement of financial performance, statement of cash flows and statement of budgeted versus actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion Section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of Molo Secondary School as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis including the transitional provisions permitted under IPSAS 33 and comply with the Basic Education Act, 2013, the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Unsupported Payments

The statement of financial performance reflects operations and boarding and school fund payments of Kshs.8,728,685 and Kshs.21,121,463 as disclosed in Notes 7 and 9 respectively, all totalling Kshs.29,850,148. However, examination of sampled payment vouchers amounting to Kshs.5,970,029 supporting the reported expenditure revealed that Management made payments without proper support documents such as requisitions, local purchase orders, delivery notes, inspection reports, goods received notes and certificate of payments.

In the circumstances, the regularity, accuracy and completeness of the operations and boarding and school fund amounting to Kshs.29,850,148 could not be confirmed.

2. Unsupported Bank Balance

The statement of assets and liabilities reflects a bank balance of Kshs.3,030,630 as disclosed in Note 10 to the financial statements which included Nil balances on savings, income generating activities account - farm account and NG-CDF accounts. However, the Nil balance were not supported by the certificates of balances. Further, Management did not prepare monthly bank reconciliations for all the accounts held for the School. This was contrary to Regulation 90(1) of the Public Finance Management Regulation 2015 provides that the accounting officers to ensure bank accounts reconciliations are completed for each bank account held by the Accounting Officer, every month and submit a bank reconciliation statement not later than the 10th of the subsequent month to The National Treasury with a copy to the Auditor-General.

Further, the bank balance included tuition, operations, school fund and infrastructure accounts balances of Kshs.384, Kshs.2,046,993, Kshs.55,045 and Kshs.928,209, respectively. However, review of the bank statements revealed that Management made cash withdrawals amounting to Kshs.2,139,000 which were not reflected in the petty cash book or any relevant documents.

In the circumstances, the regularity, accuracy and completeness of bank balance of Kshs.3,030,630 could not be confirmed.

3. Unreconciled and Unsupported Accounts Payable Balance

The statement of assets and liabilities reflects accounts payable balance of Kshs.17,949,687. However, Note 14 to the financial statements reflects a balance of Kshs.18,633,935, resulting in an unexplained variance of Kshs.684,248. In addition, included in the balance were payables totalling Kshs.7,962,821 (including prepaid fees of Kshs.669,431) which was not supported with any documentation.

In the circumstances, the existence, accuracy and completeness of accounts payable balance of Kshs.17,949,687 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Molo 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.49,549,990 and Kshs.34,913,989 respectively, resulting in an under-funding of Kshs.14,636,001 or 30% of the budget.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

1. Significant Exemptions in the PSASB Reporting Templates

The financial statements have been prepared using the FY 2024/25 reporting template issued by the Public Sector Accounting Standards Board (PSASB). As communicated by

PSASB on 25 February 2026, the template was designed to facilitate a phased transition to accrual-based IPSAS for public secondary schools and, therefore, does not include certain statements and disclosures required under the full IPSAS transition. These omissions include the Opening Statement of Financial Position, the Statement of Changes in Net Assets/Equity, detailed disclosures of transitional provisions under IPSAS 33, and a reconciliation of budgeted amounts to actual accrual amounts. The absence of these elements arises from limitations inherent in the prescribed template and does not constitute non-compliance on the part of the School.

Other Information

The School Management is responsible for Other Information set out on pages iii to xii which comprise of Key School Information and Management, the 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 USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Non-Deduction of Capacity Building Levy

The statement of financial performance reflects total payments amounting to Kshs.31,163,582. However, there was no evidence of deduction of the public procurement capacity building levy of 0.03% on the signed contracts for goods and services during the year under review. This was contrary to Section 3(1) of the Levy Order, 2023 which provides that there shall be paid a levy by a supplier on all procurement contracts signed between the supplier and a procuring entity, at the rate of 0.03% of the value of the signed contract, exclusive of applicable taxes.

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

2. Failure to Transfer Infrastructure Funds from Operations Bank Account

The statement of financial performance reflects Governments grants on operations amount of Kshs.10,877,460 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount is infrastructure grants amount of Kshs.2,208,500 which were to be transferred to infrastructure bank account for maintenance and improvement of the school's facilities. However, Management transferred an amount of Kshs.910,500 to infrastructure account but reported an amount of Kshs.816,000 resulting in an unreconciled variance of Kshs.94,500. This was contrary to The Ministry of Education Circular Ref. No:MOE.HQS/3/13/3, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

3. Long Outstanding Accounts Payable Balance

The statement of assets and liabilities and as disclosed in Note 14 to the financial statements reflects accounts payable balance of Kshs.17,964,504 in respect of trade creditors. However, included in the balance is trade creditors balance of Kshs.15,953,513 which had been outstanding for between one (1) year and two (2) years, and risk of loss of public funds through litigations, interests and penalties. This was contrary to Regulation 42 (1) (a) of the Public Finance Management (National Government) Regulations, 2015 which states that, service payments to be a first charge on the Consolidated Fund and the Accounting Officer to ensure this is done to the extent possible that the government does not default on debt obligations.

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

4. Irregularities in Procurement Processes

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

4.1 Lack of a Functional Procurement Unit

The school did not have an established procurement function managed by qualified procurement professional as required under Section 47(2) of the Public Procurement and Asset Disposal Act, 2015 and Regulation 33 of the Public Procurement and Asset Disposal Regulations, 2020. Procurement activities were undertaken by individuals lacking the requisite qualifications.

4.2 Unstructured Procurement Processes

Review of procurement of process revealed absence of need analysis reports, failure to advertise, wrong choice of procurement methods and failure to comply with evaluation regulations.

In the circumstances, Management was in breach of law.

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

The statement of financial performance reflects operations and boarding payments amounts of Kshs.8,728,685 and Kshs.21,121,463 as disclosed in Notes 7 and Note 9 to the financial statements. Included in the expenditure is an amount of Kshs.780,500 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.780,500 could not be confirmed.

6. Stalled Projects

During the year under review, the School had one (1) project for the construction of a science laboratory, contracted at a sum of Kshs.4,490,160 with a commencement date of 15 February, 2023 and an expected completion period of one (1) year. However, as at the time of audit in March, 2026, the contractor was not on site, although a total of Kshs.1,800,000 had been paid as at 30 June, 2025.

In the circumstances, value for money for the expenditure amounting to Kshs.1,800,000 on the stalled project could not be confirmed.

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

Conclusion

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

Basis for Conclusion

1. Lack of Board and Committee Meetings

The School Board of Management had eighteen(18) members who are part of five(5)

Board Committees instituted in the School. During the year, the Board of Management and its Committee held various committees' meetings. However, the audit committee, finance, procurement and general-purpose committee, development committee held two (2) meetings, contrary to contrary to Section 6 (1) of the Fourth Schedule of the Basic Education Act, 2013 that requires the Board of Management to meet at least once every four months.

In the circumstances, the effectiveness of the governance mechanisms at the School could not be confirmed.

2. Long Outstanding Accounts Receivable Balance

The statement of assets and liabilities reflects accounts receivable balance of Kshs.13,135,302 in respect of fees arrears as disclosed in Note 13 to the financial statements. Included in the balance is accounts receivable balance of Kshs.10,935,829 which had been outstanding for between one (1) and two (2) years. However, there was no aging analysis and policy on the impairment of long outstanding fees arrears casting doubt on full recoverability of the accounts receivables balance.

In the circumstances, the existence of effective mechanisms for debt management 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 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

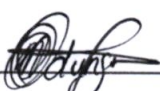
Nairobi

29 April, 2026

MOLO SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30 June 2025****6. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025**

Description Of Vote Head	Note	2024-2025	2023-2024
		Kshs	Kshs
Receipts			
Government grants for tuition	1	2,556,965.00	2,690,290.00
Government grants for operations	2	10,877,460.00	10,399,457.00
Government Grants for infrastructure	3	816,000.00	4,255,000.00
School fund income- parents' contributions	4	19,766,535.00	24,942,701.00
Miscellaneous incomes	5	897,030.00	372,020.00
Total Receipts		34,913,990.00	42,659,468.00
Payments			
Tuition	6	1,313,260.00	3,621,586.00
Operations	7	8,728,685.00	10,415,978.00
Infrastructure	8	175.00	835.00
Boarding and school fund	9	21,121,463.00	20,980,429.00
Total Payments		31,163,582.00	35,018,828.00
Surplus/Deficit		3,750,408.00	7,640,640.00

The school financial statements were approved on 10/4/2026 ~~2025~~ and signed by:

Dr. Julius Kariuki	Mr. Tom Amollo	Ms. Ruth Nandua
Name: _____	Name: _____	Name: _____
Chairman, BoM	School Principal/ Secretary to BOM	Bursar/ Finance Officer
Sign: 	Sign: 	Sign: 
Date: <u>10/4/2026</u>	Date: <u>10/4/2026</u>	Date: <u>10/4/2026</u>

MOLO SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30 June 2025****7. STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2025**

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
FINANCIAL ASSETS			
CASH AND CASH EQUIVALENTS			
Bank balances	10	3,030,630.00	1,077,530.00
Cash balances	11	4,215.00	1,723.00
Short term investments	12		-
Total cash and cash equivalent		3,034,845.00	1,079,253.00
Account's receivables	13	13,135,302.00	14,307,786.00
TOTAL FINANCIAL ASSETS		16,170,148.00	15,387,039.00
FINANCIAL LIABILITIES			
Accounts payables	14	17,949,687.00	20,916,986.00
NET FINANCIAL ASSETS		<u>(1,779,539.00)</u>	<u>(5,529,947.00)</u>
REPRESENTED BY			
Accumulated fund b/fwd	15	(5,529,947.00)	(13,170,587.00)
Surplus/deficit for the year		3,750,407.00	7,640,640.00
NET FINANCIAL POSITION		<u>(1,779,539.00)</u>	<u>(5,529,947.00)</u>

The school financial statements were approved on 10/4/2026 2025 and signed by:

Dr. Julius Kariuki

Name: _____
Chairman, BOM

Sign: Date: 10/4/2026**Mr. Tom Amollo**

Name: _____
School Principal/
Secretary to BOM

Sign: Date: 10/4/2026**Ms. Ruth Nandua**

Name: _____
Bursar/
Finance Officer

Sign: Date: 10/4/2026

MOLO SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30 June 2025****8. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025**

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition	1	2,556,965.00	2,690,290.00
Government grants for operations	2	10,877,460.00	10,399,457.00
Government grants for infrastructure	3	816,000.00	4,255,000.00
School fund income-parents contribution/fees	4	21,608,450.00	20,966,396.00
Other income	5	897,030.00	372,020.00
Total receipts		36,755,905.00	38,683,163.00
Payments			
Cash outflows for tuition	6	2,597,095.00	2,670,676.00
Cash outflows for operations	7	8,939,075.00	10,279,836.00
Cash outflows for Boarding/ school fund payments	9	22,468,968.00	23,219,595.00
Total Payments		34,005,137.00	36,170,107.00
Net cash flow from operating activities		2,750,767.00	2,513,056.00
Cash flow from investing activities			
Acquisition of assets		(795,175.00)	(2,028,436.00)
Proceeds from sale of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash inflow/outflows from investing activities		(795,175.00)	(2,028,436.00)
Cash flow from Financing activities			
Proceeds from borrowings/ loans	18	-	-
Repayment of principal borrowings		-	-
Net cash inflow/outflow from financing activities		-	-
Net increase/decrease in cash and cash equivalents		1,955,592.00	484,620.00
Cash and cash equivalent at beginning of the FY		1,079,253.00	594,633.00
Cash and cash equivalent at end of the FY		3,034,845.00	1,079,253.00

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

MOLO SECONDARY SCHOOL

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

The school financial statements were approved on 10/4/2026 ~~2025~~ and signed by:

Dr. Julius Kariuki

Name: _____

Chairman, BOM

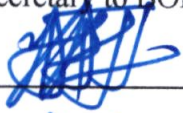
Sign:  _____

Date: 10/4/2026

Mr. Tom Amollo

Name: _____

School Principal/
Secretary to BOM

Sign:  _____

Date: 10/4/2026

Ms. Ruth Nandua

Name: _____

Bursar/
Finance Officer

Sign:  _____

Date: 10/4/2026

MOLO SECONDARY SCHOOL

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

9. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2025

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
<i>(1) CAPITATION GRANT ON TUITION</i>						
Tuition	2,693,700.00	-	2,693,700.00	-	2,693,700.00	
Exercise books	-	-	-	734,931.00	-734,931.00	
Laboratory equipments and apparatus	-	-	-	612,725.00	-612,725.00	
Teaching/learning materials	-	-	-	734,931.00	-734,931.00	
Library materials	-	-	-	287,852.00	(287,852.00)	
Internal exams	-	-	-	186,526.00	-186,526.00	
Reference books	-	-	-	-	-	
SMASSE	-	-	-	-	-	
Sub totals	2,693,700.00	-	2,693,700.00	2,556,965.00	136,735.00	95.00%
<i>(2) CAPITATION GRANT ON OPERATIONS</i>						
EWC	-	-	-	799,073.00	(799,073.00)	
LT @T	-	-	-	1,572,408.00	(1,572,408.00)	
RMI	-	-	-	3,134,500.00	(3,134,500.00)	
Personal emolument	-	-	-	3,878,861.00	(3,878,861.00)	
Admin cost	-	-	-	559,698.00	(559,698.00)	
Activity	876,000.00	-	876,000.00	932,920.00	(56,920.00)	107.00%
Others	7,008,000.00		7,008,000.00	-		
Medical and insurance	985,500.00	-	985,500.00	-	985,500.00	0.00%
Insurance	-	-	-	-	-	
Sub totals	8,869,500.00	-	8,869,500.00	10,877,460.00	(2,007,960.00)	123.00%
<i>(3) FDSE FOR INFRASTRUCTURE</i>						
Maintenance and Improvement	4,380,000.00	-	4,380,000.00	816,000.00	3,564,000.00	19.00%

MOLO SECONDARY SCHOOL

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

Transition infrastructure Grants	-	-	-	-	-	
Administration block	-	-	-	-	-	
Economic stimulus grants	-	-	-	-	-	
Others(NGCDF, County government)	-	-	-	-	-	
Sub total	4,380,000.00		4,380,000.00	816,000.00	3,564,000.00	19.00%
(4) FEES CHARGED ON PARENTS						
Boarding/Lunch	24,820,000.00	-	24,820,000.00	17,567,062.00	7,252,938.00	71.00%
Fee Arrears	8,136,790.00	-	8,136,790.00	2,199,473.00	5,937,317.00	27.00%
Repairs and Maintenance	-	-	-	-	-	
Personal Emoluments	-	-	-	-	-	
LTT	-	-	-	-	-	
Activity	-	-	-	-	-	
EWC	-	-	-	-	-	
Admin costs	-	-	-	-	-	
Bursary			-	-		
Sub total	32,956,790.00	-	32,956,790.00	19,766,535.00	(13,190,255.00)	60.00%
(5) MISCELLANEOUS INCOME						
Rent income	-	-	-	-	-	
Income from farming activities	-	-	-	-	-	
Insurance compensation	-	-	-	-	-	
Miscellaneous expenses	-	-	-	-	-	
Income from bus hire	500,000.00	-	500,000.00	471,600.00	28,400.00	94.00%
Fee for hire of ground and equipment	150,000.00	-	150,000.00	382,100.00	(232,100.00)	255.00%
Income from grants and donations	-	-	-	-	-	
Water Sales	-	-	43,330.00	43,330.00	-	
Bank Charges	-	-	-	-	-	
SUB TOTAL	650,000.00	-	693,330.00	897,030.00	(203,700.00)	129.00%
GRAND TOTAL INCOME	49,549,990.00	-	49,549,990.00	34,913,989.00	14,636,001.00	70.00%
(1) EXPENDITURE FOR TUITION						
Tuition	-	-	-	-	-	

MOLO SECONDARY SCHOOL

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

Exercise books	794,000.00	-	794,000.00	659,102.00	134,898.00	83.00%
Laboratory equipments and apparatus	481,160.00	-	481,160.00	-	481,160.00	0.00%
Teaching/learning materials	479,340.00	-	479,340.00	653,180.00	(173,840.00)	136.00%
chalks	211,500.00	-	211,500.00	-	211,500.00	0.00%
Exams & Assessment	-	-	-	-	-	
Internal exams	688,000.00	-	688,000.00	-	688,000.00	0.00%
library & Reference	40,000.00	-	40,000.00	-	40,000.00	
Bank charges				978.00		
Creditors	-	-	-	-	-	
sub totals	2,694,000.00	-	2,694,000.00	1,313,259.50	1,380,740.50	49.00%
PAYMENTS FOR OPERATIONS						
EWC	-		-	631,690.00	(631,690.00)	
LT @T	-	-	-	1,558,300.00	(1,558,300.00)	
RMI	-	-	-	816,000.00	(816,000.00)	
Personal emolument	-	-	-	4,407,662.00	(4,407,662.00)	
Admin cost	-	-	-	486,142.00	(486,143.00)	
Activity	876,000.00	-	876,000.00	828,890.00	47,110.00	95.00%
Medical and insurance	985,500.00		985,500.00	-	985,500.00	0.00%
Creditors	-	-	-	-	-	
Other Vote Heads	7,008,000.00	-	7,008,000.00		7,008,000.00	
SUBTOTALS	8,869,500.00	-	8,869,500.00	8,728,685.00	140,816.00	98.00%
INFRASTRUCTURE PAYMENTS						
Construction of classrooms	4,380,000.00	-	4,380,000.00	-	4,380,000.00	0.00%
Construction of laboratory	-	-	-	-	-	
Repair of classrooms	-	-	-	-	-	
Purchase of furniture	-	-	-	-	-	
Purchase of equipment	-	-	-	-	-	
Purchase of apparatus	-	-	-	-	-	
Bank Charges				175.00	(175.00)	
Creditors	-	-	-	-	-	

MOLO SECONDARY SCHOOL

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

SUBTOTALS	4,380,000.00	-	4,380,000.00	175.00	4,379,825.00	0.00%
BOARDING AND SCHOOL FUND PAYMENTS						
Activity	-	-	-	-	-	
Academic improvement	-	-	-	-	-	
Lunch	-	-	-	-	-	
Bus hire	-	-	-	445,025.00	(445,025.00)	
Farm expenses	-	-	-	-	-	
Bursary	-	-	-	1,949,000.00	(1,949,000.00)	
Personnel emoluments	-	-	-	-	-	
Repairs and maintenance & Improvements	-	-	-	-	-	
Local transport / travelling	-	-	-	-	-	
Electricity and water	-	-	-	-	-	
Medical Expenses	-	-	-	-	-	
Water Sales				42,155.00		
Fee on Boarding Equipment and Stores	21,386,500.00	-	21,386,500.00	18,935,376.00	2,451,124.00	89.00%
Creditors	-	-	-	2,730,351.00	(2,730,351.00)	
Expenses on Hiring of Ground		-	-	353,890.00	(353,890.00)	
Hire of facilities	-	-	-	-	-	
Bank Charges				18,274.00		
Tender		-	-	-	-	
SUBTOTALS	21,386,500.00	-	21,386,500.00	21,121,463.00	265,037.00	99.00%
TOTAL	37,330,000.00	-	37,330,000.00	31,163,582.00	6,166,418.00	83.00%

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

- There was increase in enrolment leading to more funds received enabling over expenditure.
- The school had been under funded by the ministry of education leading to less funds received.

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

MOLO SECONDARY SCHOOL

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

performance both as revenue and as expenditure in equal and opposite amounts; otherwise, the contribution is not recorded.

4. **Cash and cash equivalents**

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

5. **Accounts Receivable**

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. Accounts receivables also include school fees billed to parents for services rendered but not paid. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. **Accounts Payable**

For the purposes of these financial statements, deposits, and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending the fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Payables also include expenditures incurred for the purchase of goods, works and services that have been rendered and not settled. This is an enhancement to the cash accounting policy adopted for public secondary schools. Other liabilities are disclosed in the financial statements.

7. **Non-current assets**

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

8. **Budget**

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *school's* budget was approved by the School Board of Management. A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

9. **Comparative figures**

Where necessary, comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

10. **Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30 June 2025.

MOLO SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30 June 2025****11. Notes To the Financial Statements****1 Government Grants for Tuition**

Description	2024-2025	2023-2024
	Kshs	Kshs
Exercise books	734,931.00	672,573.00
Laboratory equipment's and apparatus	612,725.00	672,573.00
Teaching/learning materials	734,931.00	671,572.00
Library materials	287,852.00	403,543.00
Internal exams	186,526.00	270,029.00
Chalk & Dusters	-	-
Total	2,556,965.00	2,690,290.00

2 Government Grants for Operations

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel Emoluments	3,878,861.00	4,230,741.00
Repairs And Maintenance	3,134,500.00	140,728.00
Local Transport / Travelling	1,572,408.00	595,949.00
Electricity And Water	799,073.00	844,367.00
Medical	-	902,925.00
Administration Costs	559,698.00	1,233,517.00
Activity	932,920.00	874,790.00
CBC	-	1,576,440.00
Total	10,877,460.00	10,399,457.00

3 Government Grants for infrastructure

Description	2024-2025	2023-2024
	Kshs	Kshs
Maintenance & Improvement	816,000.00	4,255,000.00
Transition infrastructure grants	-	-
Administration Block	-	-
Others (NG-CDF)	-	-
Total	816,000.00	4,255,000.00

MOLO SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30 June 2025****4 School Fund Income - Parents Contribution/Fees**

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel emoluments	-	-
Repairs and maintenance	-	-
Local transport / travelling	-	-
Electricity and water	-	-
Medical	-	-
Administration costs	-	-
Activity	-	-
Fee on Boarding Equipment and stores	17,567,062.00	20,537,408.00
Arrears	2,199,473.00	4,405,293.00
PA Levies*	-	-
Bursary	-	-
Total	19,766,535.00	24,942,701.00

5 Miscellaneous Incomes

Description	2024-2025	2023-2024
	Kshs	Kshs
Rent Income	-	-
Income From Farming Activities	-	-
Water Sales	43,330.00	-
Income From Posho Mill	-	-
Income From Bus Hire	471,600.00	326,120.00
Fee For Hire of Ground and Equipment	382,100.00	45,900.00
Income From Grants and Donations*	-	-
Accommodation	-	-
Dividends Income	-	-
Loans/Borrowings*	-	-
Tender	-	-
Total	897,030.00	372,020.00

MOLO SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30 June 2025****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6 Tuition**

Description	2024-2025	2023-2024
	Kshs	Kshs
Exercise books	659,102.00	1,031,588.00
Textbooks and reference materials	-	-
Reference Materials	-	-
Laboratory equipment	-	93,350.00
Internal exams	-	-
Teaching / learning materials	653,180.00	847,630.00
Exams and Assessment	-	133,340.00
Teachers guides	-	70,000.00
Creditors	-	-
Bank Charges	978.00	1,093.00
Total	1,313,260.00	3,621,586.00

7 Operations

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel Emoluments	4,407,662.00	5,523,084.00
Service Gratuity	-	-
Administration Cost	486,143.00	693,191.00
Repairs And Maintenance & Improvements	816,000.00	294,070.00
Local Transport / Travelling	1,558,300.00	543,500.00
Electricity And Water	631,690.00	540,680.00
Medical	-	770.00
Activity Expenses	828,890.00	870,300.00
Creditors	-	373,942.00
CBC	-	1,576,441.00
Bank Charges	-	-
Total	8,728,685.00	10,415,978.00

MOLO SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30 June 2025****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****8 Infrastructure**

Description	2024-2025	2023-2024
	Kshs	Kshs
Construction of classrooms	-	-
Construction of twin laboratory & Classrooms	-	-
construction of dormitory	-	-
Purchase of furniture	-	-
Construction of Hall/Kitchen	-	-
Bank charges	175.00	835.00
Creditors	-	-
Total	175.00	835.00

9 Boarding and School Fund

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel Emoluments	-	-
Service Gratuity	-	-
Repairs And Maintenance & Improvements	-	-
Local Transport / Travelling	-	-
Electricity And Water	-	-
Medical Expenses	-	-
Administration Costs	-	-
Lunch Programme	-	-
Bank Charges	18,274.00	20,133.00
Expenses On Income Generating Activities	-	-
Fee On Boarding Equipment and Stores	18,935,376.00	19,806,591.00
Creditors	1,326,743.00	783,461.00
Farm Expenses	-	-
Bus Hire	445,025.00	319,450.00
Hire of facilities	353,890.00	50,795.00
Activity	-	-
Bursary	1,949,000.00	-
Water Sales	42,155.00	-
Tender	-	-
Total	21,121,463.00	20,980,430.00

MOLO SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30 June 2025****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****10 Bank Accounts**

Account Name & Currency	Status	Bank Account Number	2024-2025	2023-2024
	Active/Dormant		Kshs	Kshs
Tuition Account – Equity Bank	Active	0230291741084	384.00	40,513.00
Operations Account-Equity Bank	Active	0230291741064	2,046,993.00	110,043.00
School Fund Account/Boarding-Equity Bank	Active	0230290250365	55,045.00	19,590.00
Savings Account- Co-op Bank	Dormant	01139522000000	-	-
Income generating activities Account - Farm Account	N/A	-	-	-
Infrastructural Account-Equity Bank	Active	0230279323671	928,209.00	907,384.00
NG-CDF Account-Equity Bank	Dormant	0230178259144	-	-
Total			3,030,631.00	1,077,530.00

11 Cash In Hand

Description	2024-2025	2023-2024
	Kshs	Kshs
Tuition Account	-	-
M & I Account	-	-
Operation Account	1,655.00	220.00
Farm Account	-	-
School Fund account	2,560.00	1,503.00
Total	4,215.00	1,723.00

12 Short Term Investments

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

MOLO SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30 June 2025****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****13 Accounts Receivable**

Description	2024-2025	2023-2024
	Kshs	Kshs
Fees Arrears	13,135,302.00	14,307,786.00
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)	-	-
Imprest (list/schedule attached)	-	-
Rent arrears (list/schedule attached)	-	-
Total	13,135,302.00	14,307,786.00

13 b Ageing Analysis of Accounts Receivable

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	2023-2024	% of the total	2022-2023	% of the total
Less than 1 year	2,199,473.00	17%	4,405,293.00	31%
Between 1- 2 years	10,935,829.00	83%	2,517,455.00	18%
Between 2-3 years	-	-	494,538.00	3%
Over 3 years	-	-	6,890,500.00	48%
Total (should tie to note 13 a)	13,135,302.00	100%	14,307,786.00	100%

14 Accounts Payable

Description	2024-2025	2023-2024
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix I)	17,964,504.00	20,121,986.00
Prepaid Fees	669,431.00	-
Retention Monies	-	-
Unpaid salaries and statutory deductions	-	-
Caution money	-	-
Other payables (specify)	-	-
Total	18,633,935.00	20,121,986.00

MOLO SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30 June 2025****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****14a. Ageing Analysis of Accounts Payable**

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	2024-2025	% of the total	2023-2024	% of the total
Less than 1 Year	1,326,743.00	8%	2,601,988.00	12%
Between 1 - 2 years	15,953,513.00	92%	3,896,890.00	19%
Between 2 - 3 years	-	-	5,273,287.00	25%
Over 3 years	-	-	9,144,821.00	44%
Total	17,280,256.00	100%	20,916,986.00	100%

15 Fund Balance Brought Forward

Description	2024-2025	2023-2024
	Kshs	Kshs
Bank Balances	1,077,530.00	591,921.00
Cash Balances	1,723.00	2,712.00
Short Term Investments	-	-
Receivables	14,307,786.00	10,331,481.00
Payables	(20,916,986.00)	(24,096,701.00)
Total	(5,529,947.00)	(13,170,587.00)

MOLO SECONDARY SCHOOL

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

Other important disclosure notes

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

16 Non-current Liabilities Summary

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

17 Biological assets

Description	Numbers	2024-2025	2023-2024
		Kshs	Kshs
Cattle	2	-	-
Goats	-	-	-
Trees	345	-	-
Coffee Or Tea Plantation	-	-	-
Poultry	-	-	-
Others (specify)	-	-	-
Total	347	-	-

18 Borrowings

Description	2024-2025	2023-2024
	Kshs	Kshs
Borrowings at beginning of the year	-	-
Borrowings during the year	-	-
Repayments during the year	-	-
Balance at the end of the year	-	-

MOLO SECONDARY SCHOOL

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

Other important disclosure notes

19 Stock/ Inventory

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

MOLO SECONDARY SCHOOL

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

20 Progress On Follow Up Of Auditor Recommendations

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

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

Sign and Date
Principal


15/4/2026

MOLO SECONDARY SCHOOL

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

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	Outstanding Balance 2025
	a	b	c		
	Kshs	Kshs	Kshs		
Construction of Buildings& other Projects					
1. Remmtex engineers		February 2022		308,119	-
2. Kimbleflex Enterprises		February 2023	795,000	-	-
Sub-Total		-	795,000	308,119	308,119
Supply of goods and services					
Tuition Account					
1. Pamfloy Entreprises		January 2018	-	1,676,690	1,376,790
2. Gilgil Press		January 2019	-	300,000	300,000
3. Fig Education Suppliers		January 2018	35,000	559,140	524,140
4. Osram Top Investments		January 2019	-	113,000	113,000
5. H.Downing Ltd		January 2018	-	110,000	-
6. Peroa Merchants		January 2018	-	70,000	70,000
7. Blitz Computer		January 2016	-	39,000	39,000
8. Robtech Copy		January 2019	-	80,000	80,000
9. Robco Offices Ltd		January 2020	-	625,000	625,000
10. Bethany Technologies ltd		January 2020	-	600,000	600,000
11. General Biological Supply House		January 2021	-	1,090,593	1,090,593
12. Dajohn Enterprises		January 2021	-	560,000	560,000
13. Brain Waves Solution		January 2021	16,000	16,000	-
14. Catholic Bookshop		January 2022	-	304,340	304,340
15. Marchworld Enterprises		July 2022	77,000	427,000	350,000

MOLO SECONDARY SCHOOL

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

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2024	Outstanding Balance 2025
16. Domsiry Educational supplies		March 2023	500,000	802,750	859,080
17. Blue Tangerine stationers		March 2023	641,835	641,835	-
18. Crestyln Suppliers		January 2023	14,000	-	-
Sub-total			1,283,835.00	8,015,448.00	6,891,943.00
Operations Account					
19. Aketch Electrical		January 2020	10,000	39,880	-
20. Micah Inyangu		January 2019	-	40,000	40,000
21. Lilisam Traders		January 2019	77,350	286,200	200,000
22. Bosco Karanja		January 2018	-	249,000	249,000
23. Bmladec Maxicorso		January 2019	-	256,670	256,670
24. Stellotech		January 2017	-	95,500	95,500
25. Jose Electronics		January 2018	-	31,000	31,000
26. Molo Uniform Centre		January 2019	-	100,000	100,000
27. Ideal Smart Graphics		January 2019	47,400	80,250	52,850
28. Startic Distributors		January 2016	-	70,000	70,000
29. Simon Mburu		2016	-	274,072	84,072
30. Robco Office Suppliers ltd		January 2020	-	56,800	56,800
31. Target Techniques		January 2016	-	66,500	66,500
32. Barsalang Technologies		January 2019	-	78,140	78,140
33. Qwest Gen. Merchants		January 2021	-	12,000	12,000
34. Alpha Jones ltd		January 2022	-	24,150	-
35. Uchumi Selection stores		January 2018	-	43,180	43,180
36. N.S.S.F		-	-	1,322,796	1,626,962
37. P.A.Y.E		-	-	1,213,608	-
38. Staff arrears		-	-	1,813,200	1,813,200
39. Jane Gitau		-	-	830,223	806,000
40. Crestyln Suppliers		January 2023	-	70,000	46,000
41. Unipro Enterprises		March 2023	-	150,000	50,000

MOLO SECONDARY SCHOOL

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

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2024	Outstanding Balance 2025
42. BM Hardware		May 2023	-	199,850	99,850
43. Wilgeton Enterprises ltd		October 2023	75,640	75,640	53,270
44. Robtech Copy		January 2020	-	-	2,500
45. Interglobal Computer solutions		February 2023	-	-	8,500
Sub-total			210,390.00	7,378,659.00	5,941,994.00
School Fund Account					
46. Elijah Kimemia		January 2017	-	415,000	415,000
47. Uchumi Selection Stores		January 2018	-	189,573	189,573
48. Patrick Mwangi		January 2017	-	66,600	66,600
49. Imani Hotel		January 2020	16,000	40,000	24,000
50. Wakulima Favoured		January 2019	37,320	117,320	80,000
51. Josdowa Enterprises		January 2022	-	155,830	155,830
52. Ann Andai		January 2020	96,823	208,342	218,535
53. Arcturus Enterprises		January 2019	-	100,000	100,000
54. Mash Butchery		January 2019	748,330	748,330	-
55. G-Max Engeering		January 2021	-	62,500	62,500
56. Betty Cherotich		January 2022	87,000	87,000	-
57. Muraya Butchery		January 2017	225,450	225,450	416,740
58. Abercare Hardware		January 2016	-	360,035	360,035
59. Robtech Copy		January 2016	-	131,700	131,700
60. Elica Supplies		May 2022	-	215,530	215,530
61. Poly Energy saver		January 2016	-	147,500	147,500
62. Mwangaza Metal workshop		January 2018	-	73,200	-
63. Tabitha Wakaria		July 2022	-	347,600	347,600
64. Bestech Africa		July 2022	46,500	93,000	46,500
65. Duka ya Denno		July 2022	-	16,500	16,500
66. SCHACCS Software services		July 2024	-	-	200,000
67. Kianjenga Merchants ltd		July 2024	-	-	1,178,976

MOLO SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30 June 2025**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2024	Outstanding Balance 2025
68. Old Gold Solutions		July 2022	18,500	18,500	-
69. Check planettwo		July 2023	414,000	414,000	-
70. Molo Mwangaza metal workshop		January 2018	-	186,250	-
71. H.Downing Ltd		January 2018	110,000	-	-
72. Pamfloy Enterprises		January 2018	300,000	-	-
73. B.M Hardware		May 2023	100,000	-	-
74. Domsiry Educational Supplies		March 2023	200,000	-	-
75. Aketch Electrical		-	29,880	-	-
76. Jane Gitau		-	24,223	-	-
77. Alpha jones exhaust services		-	24,150	-	-
78. Robtech Copy		January 2020	112,000	-	-
79. Simon Mburu		2016	84,072	-	-
Sub-total			2,674,248.00	4,419,760.00	4,138,200.00
Grand Total		-	4,963,473.00	20,121,886.0	17,280,256.00

MOLO SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30 June 2025****Annex 2 – Summary of Fixed Assets Register**

Asset class	Date purchased	Quantity	Historical Cost b/f (Kshs) 1 July 2023	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 June 2024
Land 1		6.6 Acres				
Land 2		-				
Buildings and structures						
✓ Classrooms		21				
✓ Toilets		97				
✓ Administration block/Library		1				
✓ Dining Hall/Kitchen/Kitchen store		1				
✓ Departmental offices		10				
✓ Computer lab		1				
✓ Biology Lab		1				
✓ Chemistry Lab		1				
Motor vehicles (Bus school)		1				
Office equipment, furniture and fittings						
-Students desks & Chairs		1,200				
-Teachers' desks and chairs		54				
-Office Cabinets		26				
ICT Equipment, and Other ICT Assets						
✓ Computers		31				
✓ Printers		5				
✓ Duplo machine		1				
		1				

MOLO SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30 June 2025**

Asset class	Date purchased	Quantity	Historical Cost b/f (Kshs) 1 July 2023	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 June 2024
✓ Photocopier machine						
Tools and apparatus		30				
Textbooks		22,851				
Other Machinery and Equipment		1				
Lamination machine		1				
Paper cutter		1				
Camera		1				
Heritage and cultural assets		-				
Intangible assets- soft ware		2				
Total						

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

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

Ref: OAG/NKR/AUD/MSS/11/2024/2025/22

16 June, 2026

Mr. Samuel Josephat Njoroge, CBS

Clerk of the National Assembly

Parliament Buildings

P. O. Box 41842-00100

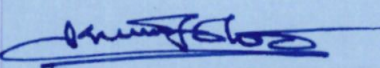
NAIROBI

Dear Sir,

REPORT OF THE AUDITOR-GENERAL ON MOLO SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023, 2024 AND 2025 – NAKURU COUNTY

I transmit the report of the Auditor-General on the examination and audit of Molo Secondary School for the year ended 30 June, 2023, 2024 and 2025 in accordance with the provisions of Article 229(7) of the Constitution of Kenya for the necessary action as required by Article 229(8) of the Constitution.

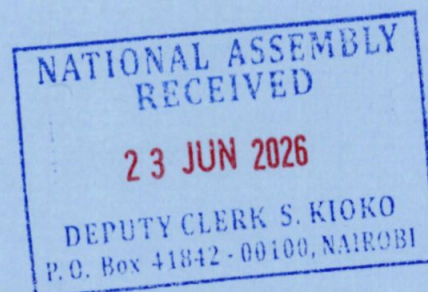
Yours sincerely


CPA Justus O. Okumu
For: AUDITOR-GENERAL

Copy to: **Dr. Chris K. Kiptoo, PhD., CBS**
Principal Secretary
The National Treasury
P. O. Box 30007-00100
NAIROBI

Mr. John Lekakeny Ololtuaa, CBS
Principal Secretary
Ministry of Education
State Department for Basic Education
P. O. Box 30040-00100
NAIROBI

Tom Amollo
The Principal
Molo Secondary School
P.O. Box 220 - 20106
MOLO



THE UNIVERSITY OF CHICAGO



THE UNIVERSITY OF CHICAGO
CHICAGO, ILLINOIS 60637