


REPUBLIC OF KENYA



REPORT

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 09 JUN 2026	DAY. Tuesday
TABLED BY:	Hon. Ngoni Wago
CLERK-AT-THE-TABLE:	Mchaw

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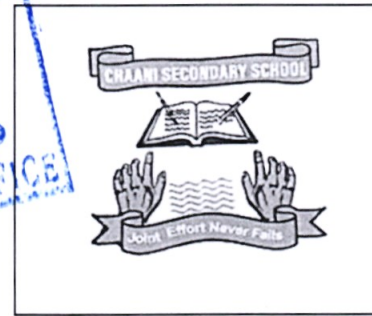
THE AUDITOR-GENERAL

ON

CHAANI SECONDARY SCHOOL

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

MOMBASA COUNTY



CHAANI 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)

Chaani secondary school
Annual Report and Financial Statements for the year ended 30th June 2025

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1. Acronyms and Definition of Key Terms

A. Acronyms.

BOM	Board of Management
CEB	County Education Board
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
FY	Financial Year
FDSE	Free Day Secondary Education
TSC	Teachers Service Commission
SMASSE	Strengthening of Mathematics and Science in Secondary Education
PA	Parents Association
NG – CDF	National Government – Constituency Development Fund
IRE	Islamic Religious Education
CRE	Christian Religious Education
ICPAK	Institute of Certified Public of Accountants of Kenya
PFM	Public Finance Management

2. Key School Information and Management

(a) Background information

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is in Mombasa County, Chagamwe Sub-County.

The school was registered in **15/02/2018** under registration number **013000210** and is currently categorized as a Sub – County public school established, owned or operated by the Government.

The school is a day school and had **266** number of students as at 30th June 2025. It has 2 streams and **9** teachers of which **4** 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	James Ngari Yaa	Chairman	1/3/2022
2	Lucas Kalu Jefwa	Secretary – Principal	1/3/2025
	Munira M. Abeid	Secretary - Principal	8/5/2025
3	Rashid Khamis Bakuly	Member	1/3/2022
4	Julius Mokuja Njoroge	Member	1/3/2022
5	Milcar Titus	Member	1/3/2022
6	Juma Shumbwana	Member	1/3/2022
7	Josephine Yumbya	Member	1/3/2022
8	Eisha Mohammed	Member – Rep CEB	1/3/2022
9	Nelson Mandela	Member Rep Teachers	1/3/2022
10	Mwangangi Kakania	Members - Sponsor	1/3/2022
11	Twalib Bwajuma	Members - Sponsor	1/3/2022
12	Phoebe Akinyi	Members - Sponsor	1/3/2022
13	George Mbogholi	Member - Community	1/3/2022
14	Urbanas Mutisya	Member Special Needs	1/3/2022
15	John kitwa	Rep Students	1/3/2022
16	Elias Fondo	PA Chair – Co – opted	1/3/2022
17	Fatma Chokwe	Member – Co – opted	1/3/2022
18	James Sangura	Member – Co – opted	1/3/2022

**Principal is a member of B.O.M as per section 62(1) of the Basic Education Act, 2013.
Co – opted members as per section 55(4) of the Basic Education Act,2023**

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The functions of the School Board of Management are to:

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

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1.Mr.James Ngari Yaa 2.Mr. Lucas Kalu Jefwa 3.Mr.Rashid khamis Bakuly 4.Md.Fatma Chokwe 5.Md. Micar Titus	Chairpesron Secretary Member Member Member	3 out of 3 3 out of 3 3 out of 3 3 out of 3 3 out of 3
2	Audit Committee	1.Mr. James Sangura 2.Mr.Twalib Bwajuma 3.Mr.Mwangangi Kakunia 4.Md. Phoebe Akinyi	Chairperson Member Member Member	3 out of 3 3 out of 3 3 out of 3 3 out of 3
3	Finance,procurement and general purposes Committee	1.Mr. Rahid Khamis Bakully 2.Md.Josephine Yumbya 3.Mr.Julius Njoroge 4.Md. Milcar Titus	Chairperson Member Member Member	3 out of 3 3 out of 3 3 out of 3 3 out of 3
4	Academic Committee	1.Mr.Juma Shumbwana 2.Mr.Nelson Mandela 3.Mr. George Mbogholi 4.Mr. Rashid khamis Bakully 5.Md. Esha Mohammed 6 Md. Fatma Chokwe	Chairperson secretary Member Member Member Member	3 out of 3 3 out of 3 3 out of 3 3 out of 3 3 out of 3 3 out of 3
5	Development Committee	1.Mr. Rahid Khamis Bakully 2.Md.Josephine Yumbya	Chairperson Member	3 out of 3 3 out of 3

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		3.Mr.Julius Njoroge	Member	3 out of 3
		4.Md. Milcar Titus	Member	3 out of 3
6	Discipline and welfare Committee	1.Mr.Julius Njoroge	Chairperson	3 out of 3
		2.Md.Fatuma Chokwe	Member	3 out of 3
		3.Mr. Urbanus Mutisya	Member	3 out of 3
		4.Mr. George Mbogholi	Member	3 out of 3
7	Human Rights and students Welfare committee	1.Mr.Elias Fondo	Chairperson	3 out of 3
		2.Md. Esha Mohammed	Member	3 out of 3
		3.Mr.Urbanus Mutisya	Member	3 out of 3
		4.Mr.James Sangura	Member	3 out of 3
		5.Md.Milcar Titus	Member	3 out of 3

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(d) School operation Management

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

Ref:	Designation	Name	Identification
1	Principal	Munira M. Abeid	TSC No.336722
2	Deputy Principal	Muthoni Secil	TSC No.352143
3	School Bursar	Maranga Nyabei Amos	ID No. 27590807

(e) Schools contacts

Post Office Box: 93200 – 80102 Changamwe
Telephone:
E-mail: chaanisecondaryschool@yahoo.com
Website: None
Facebook: None
Twitter: None

(f) School Bankers

1. Equity Bank
Branch: Changamwe
P.O.BOX 92222 – 80102
Changamwe

(g) Independent Auditors

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

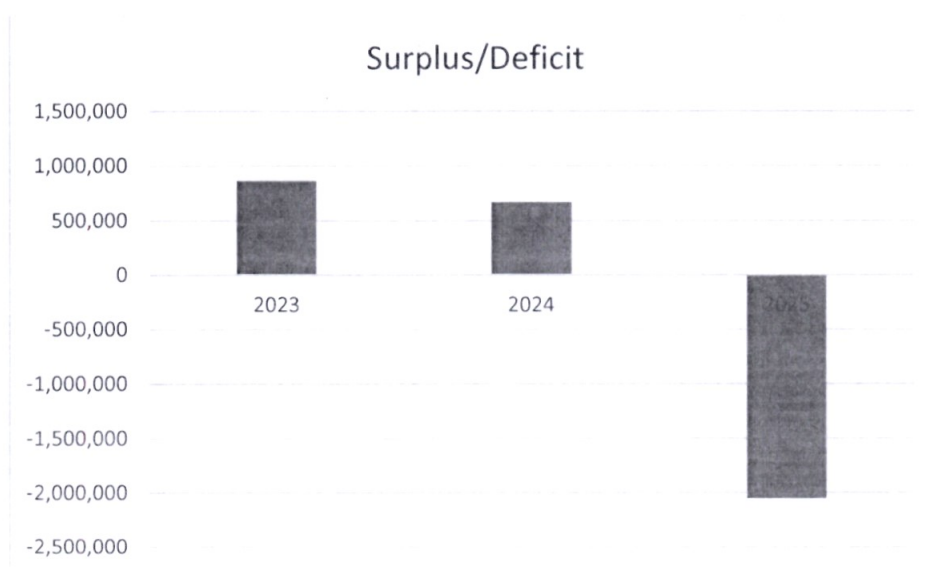
3. Summary Report of Performance of the School

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

a) Financial performance:

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

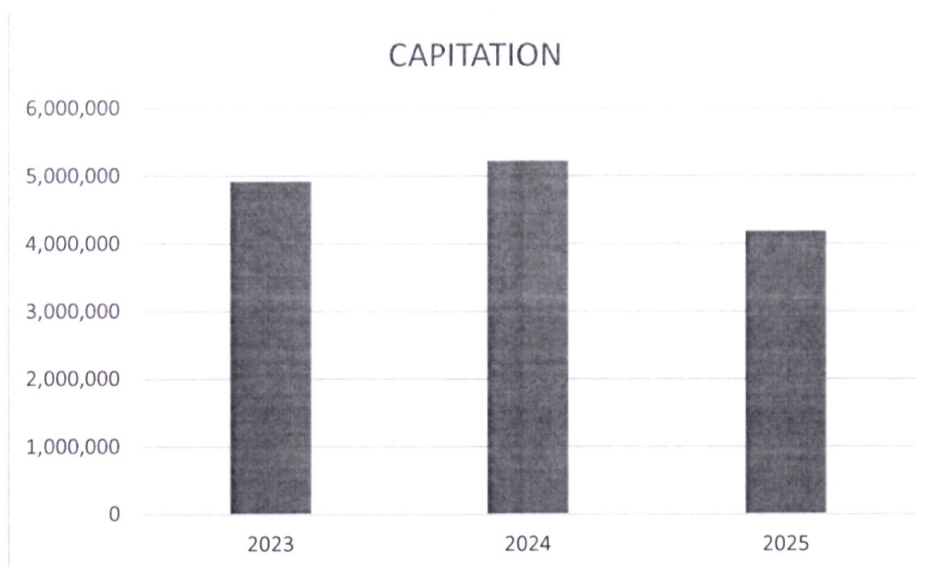
S/NO	Year	Surplus/Deficit
1	2023	866,959
2	2024	669,282
3	2025	(1,783,276)



ii. Capitation grants from the Ministry of Education for the last three years

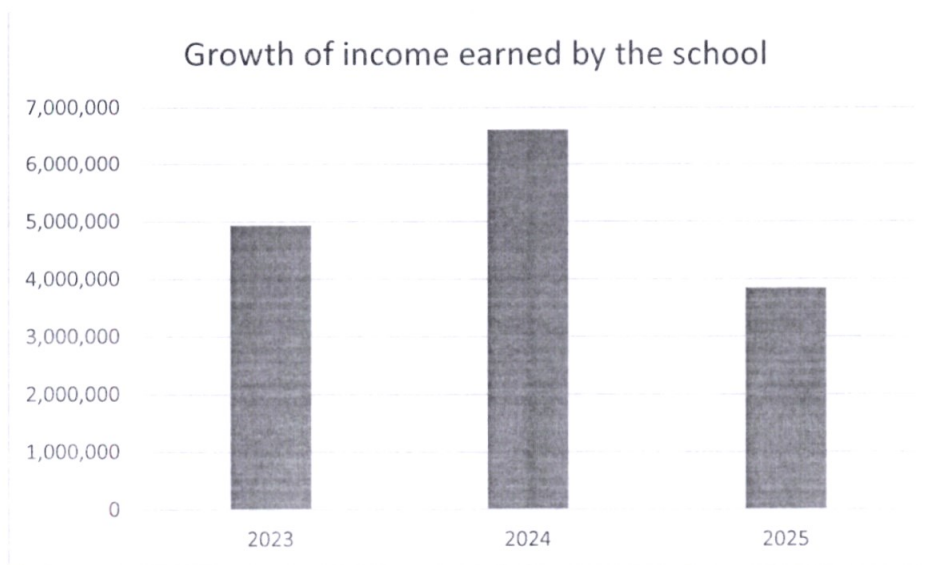
S/NO	YEAR	CAPITATION
1	2023	4,922,720
2	2024	5,229,020
3	2025	4,186,712

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

S/NO	YEAR	Growth of income earned by the school
1	2023	4,936,018
2	2024	6,495,322
3	2025	4,644,655

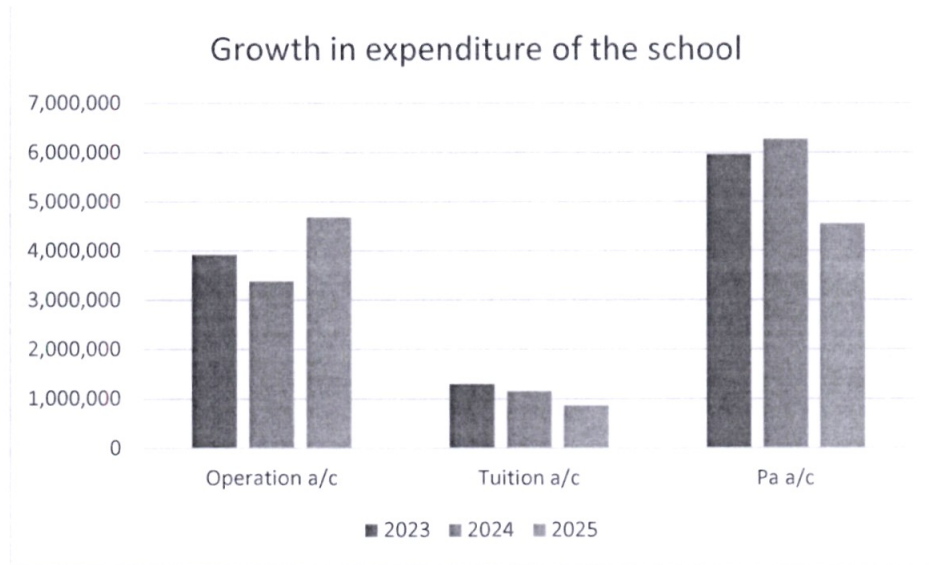


Chaani secondary school

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

S/NO	YEAR	Operation a/c	Tuition a/c	Pa a/c
1	2023	2,879,184	1,524,101	5,949,505
2	2024	3,344,765	539,502	5,534,397
3	2025	3,651,143	782,393	5,123,957

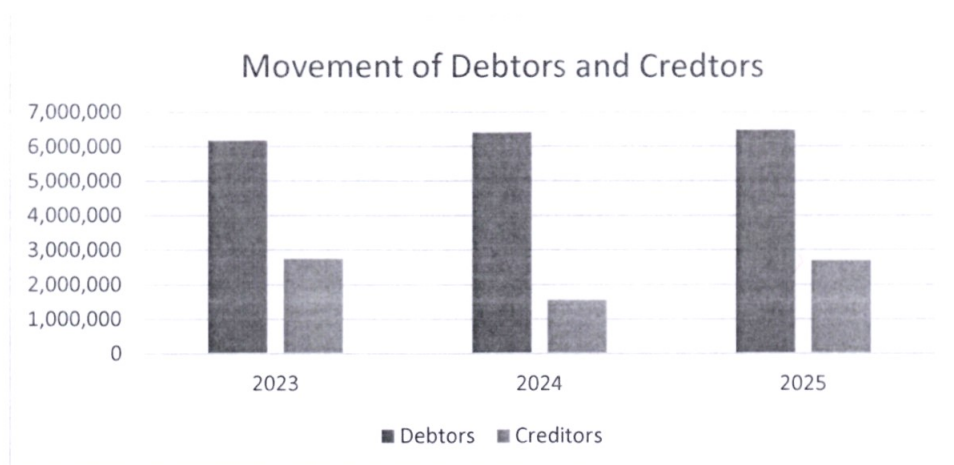


v. Movement of debtors and creditors of the school over the last three years

	YEAR	Debtors	Creditors
1	2023	6,183,888	2,747,356
2	2024	6,413,088	1,565,301
3	2025	6,480,290	1,703,411

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b) Teacher Student ratio:

S/No.	No. of Teachers	No. of Students	Teachers students ratio	No. of Teachers retired
1	13	266	1.21	1

S/no	Subject	No.of TSC Teachers	No. of BOM Teachers	Shortages
1	English	2	0	1
2	Kiswahili	2	1	1
3	Mathematics	2	1	1
4	Chemistry	3	1	0
5	Biology	2	0	1
6	Physics	0	1	2
7	History	3	1	0
8	Geography	1	0	1
9	CRE	1	2	0
10	IRE	1	0	1
11	Business Studies	0	1	1
12	Agriculture	1	0	0

c) The mean score in the 2024 KCSE:

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S/No	Year	Mean Score	No of Students transited to institution of higher learning
1	2022	2.95	1
2	2023	2.70	0
3	2024	2.80	1

d) Number of Candidates in the 2024:

S/No	Year	Number of candidates
1	2022	56
2	2023	60
3	2024	71

e) The capacity of the school:

S/No	No. of Students	Toilets	Laboratories	Lockers	Chairs
1	266	14	2	386	386

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f) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Construction of Students Washroom	Ministry of Education	completed	2,499,720	2,499,720	completed



School Principal

CHIEF PRINCIPAL
CHAANI SECONDARY SCHOOL
P.O BOX 93200-80102, CHANGWE
Date:.....Sign:.....


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

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

.....

Name: Joyochuv
Designation: Chairperson, School Board of Management
Date: 7/4/2026

.....

Name: Munira M. Abeid
Designation: School Principal & Secretary to Board of Management
Date: 7/4/2026

CHIEF PRINCIPAL
CHAANI SECONDARY SCHOOL
P.O BOX 93200-80102, CHANGAMWE
Date:.....Sign:.....

.....

Name: Maranga Nyabisi Ames
Designation: Bursar/ Finance Officer
Date: 7/4/2026

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 CHAANI SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2025 – MOMBASA COUNTY

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional (IPSAS) financial statements of Chaani Secondary School set out on pages 1 to 21, 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 comparison of budget and 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial performance of Chaani Secondary School – Mombasa County and of its statement of assets and liabilities 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

Inaccuracies in the Statement of Financial Performance

The statement of financial performance reflects total payments of Kshs.10,614,643 which includes operations expenditure of Kshs.3,651,143 as disclosed in Note 7 to the financial statements. The operations expenditure differs with supporting schedules totalling Kshs.3,578,326 resulting in an unexplained variance of Kshs.72,817. Further, included in this amount is personal emoluments of Kshs.1,380,183 which further includes security expenses of Kshs.468,000 which ought to have been charged under boarding and school fund. In addition, boarding/school fund expenditure of Kshs.5,123,957 differs with supporting schedules amount of Kshs.3,398,705 resulting in a variance of Kshs.1,725,252 which has not been explained or reconciled.

In the circumstances, the accuracy and completeness of the statement of financial performance could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Chaani 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 Performance and Control

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.12,167,516 and Kshs.9,578,543 respectively, resulting into under-realization of Kshs.2,588,973 or 21% of the budget. However, the School spent an amount of Kshs.10,529,930 against actual receipts of Kshs.9,578,543, resulting in an over-absorption of Kshs.951,387 or 10 % of actual receipts.

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

Other Information

The Management is responsible for the Other Information set out on page iii to xiv which comprise of Key School Information and Management, Summary Report of Performance of the School, and Statement of School Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the school 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. Irregular Transfer of Funds to Mombasa County Secondary School Heads Association and Kenya Secondary Schools Heads Association

The statement of financial performance reflects operation and boarding/school fund payments amounts of Kshs.3,651,143 and Kshs.5,123,957 as disclosed in Notes 7 and 9 to the financial statements respectively. Included in the operations payments is an amount of Kshs.355,260 transferred to Kenya Secondary Schools Heads Association (KESSHA). Further, boarding and school fund payments include administration and activity costs amounting to Kshs.320,560 transferred to the Mombasa County Secondary School Heads Association (MCSSHA)). However, KESSHA and MCSSHA are welfare associations drawing their membership from only School Principals 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 as required under Regulation 23(2)c of the Public Finance Management (National Government) Regulations, 2015.

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

2. Failure to Transfer of Infrastructure Funds from Operations Bank Account

The statement of financial performance reflects Government grants for operations amount of Kshs.2,977,236 as disclosed in Note 2 to the financial statements, received from the Ministry of Education and credited into the operations bank account. Included in this amount is Kshs.982,250 in respect of infrastructure grants, which was meant for transfer to the infrastructure bank account for maintenance and improvement of the School's facilities. However, audit review revealed that only an amount of Kshs.408,500 was transferred to the infrastructure account, leaving a balance of Kshs.573,750 as at 30 June 2025. This was contrary to The Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds 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. Irregular Procurement of Security Services

The statement of financial performance reflects operations expenditure of Kshs.3,651,143 as disclosed in Note 7 to the financial statements. Included in this amount is personnel emoluments totaling Kshs.1,321,183 which further includes security expenses amount of Kshs.468,000. Review of contract files revealed that a security firm was awarded an open-ended contract on 22 January, 2020 for provision of security services. However, the contract did not specify the commencement or termination period. In addition, there was no documented evidence of agreed financial obligations, including the number of guards to be deployed and the applicable rates per guard.

In the circumstances, 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. Lack of Controls in Management Inventory

Note 18 to the financial statements on other important disclosures reflect an inventory balance of Kshs.114,000. However, the valuation could not be established as there were no disclosure notes provided. Audit inspection further revealed that although the School maintained a store holding inventory items, the stock movement register was not up to date. In addition, key inventory control records, including S11 and S13 forms, bin cards, and stock ledgers, were not maintained, and no annual stock take was conducted during the year under review.

In the circumstances, the effectiveness of internal controls, risk management and governance of inventories could not be confirmed.

2. Weak Procurement Management Controls

The statement of financial performance reflects a balance of Kshs.10,614,643 in respect of total expenditure. The expenditure includes an amount of Kshs.9,832,610 which was spent on procurement of goods and services. However, review of

procurement activities during the year revealed weaknesses in the School's procurement management framework as indicated below:

2.1 Lack of a Functional Procurement Unit

The School did not have an established procurement unit managed by a qualified procurement professional as required by Section 47(2) of the Public Procurement and Asset Disposal Act, 2015.

2.2 Failure to Prepare an Annual Procurement Plan

Management did not prepare an annual procurement plan as part of the annual budget preparation process to guide procurement activities during the financial year.

2.3 Unstructured Procurement Processes

Review of procurements relating to infrastructural projects revealed a lack of key procurement documentation and processes including budgets, need analysis reports, procurement plans, tender advertisements, appropriate procurement methods and compliance with bid evaluation procedures.

2.4 Weaknesses in Record Keeping

Review of documents provided for audit revealed that the school failed to maintain complete procurement records including tender documents, tender advertisements, bid evaluation reports, supplier correspondences, contract agreements, payment certificates and contract performance monitoring reports.

In the circumstances, effectiveness of internal controls and risk management on procurement processes could not be confirmed.

3. Weaknesses in Management of Assets

Annex 2 to the financial statements reflects a summary of the fixed assets register with a net balance of Kshs.13,315. However, review of records and physical inspection of the School premises during the month of March 2026 revealed the existence of fixed assets, including buildings, furniture, equipment, and other infrastructure, which had not been recorded in the fixed asset register or disclosed in the financial statements. In addition, the School occupies land without title deed or ownership documents, and whose ownership was under dispute with two ongoing court cases. Further, the School had an abandoned building which had been commissioned for use but was dilapidated, with leaking roofs, cracked walls and floors, and poor mechanical works, and not suitable for occupation.

In the circumstances, effectiveness of internal controls, risk management and governance on assets could not be confirmed.

4. Lack of Key Departments and Lack of Segregation of Duties

During the year under review, the School management had not operationalized key departments such as procurement and human resources to effectively allocate roles and responsibilities to enhance accountability and minimize the risk of fraud or errors. The person preparing monthly bank reconciliations was also the one performing the

role of revenue and cash management officer, procurement as well as in charge of store management.

In the circumstances, the effectiveness of internal controls, risk management and human resource governance could not be confirmed.

5. Failure to Establish an Executive Committee

During the year under review, the School had a parents association in place but failed to establish an executive committee contrary to Section 55 of Basic Education Act, 2013 (Third Schedule) which requires establishment of an executive committee consisting of representatives of each class and two teachers and the members of the executive committee of parents association to be elected during an annual general meeting of parents and teachers.

In the circumstances, effectiveness of internal controls and oversight, risk management and governance could not be confirmed.

6. Encroachment on Public Land and Ongoing Boundary Dispute

Review of court records relating to environment and land court case revealed that the School constructed an administration block and classrooms on a designated public access road separating two (2) plots. Survey report by the Ministry of Lands dated 18 July, 2017 confirmed that although the road reserve existed in planning records, the School had not adjusted its boundaries to accommodate the same. The court issued an injunction restraining further developments on the road reserve and, in a judgement delivered on 14 October 2021, ordered demolition of the affected structures within 90 days. At the time of audit in March 2026, the structures had not been removed and the matter remained active, with the School issued with notices to show cause why execution should not proceed. Efforts by the Board of Management to obtain legal support from the Office of the Attorney General was not confirmed.

In the circumstances, the School remained exposed to legal and financial risks, including possible enforcement action, demolition of structures, and disruption of operations.

In the circumstances, the effectiveness of risk management and governance could not be confirmed.

7. Ineffective Board of Management

Review of internal controls revealed significant weaknesses of the Board of Management in executing its mandated functions. Inspection of structures in the School during the month of March 2026 revealed poor state of infrastructure and occupational safety and health conditions, including cracked classroom floors and tiles, broken window panes, and poorly maintained compound. In addition, the School lacked a security gate and clear boundary demarcation between the primary and secondary sections, with a newly constructed ablution block encroaching into the primary section.

Despite receipt of capitation funds from the Government, the deficiencies persisted alongside other concerns relating to non-compliance with regulatory requirements,

weak oversight on development projects, poor academic performance, and delayed reporting to the County Education Board.

In the circumstances, effectiveness of internal controls and oversight, risk management and School governance could not be confirmed.

8. Doubtful Recoverability and Long Outstanding Accounts Receivables

The statement of assets and liabilities reflects accounts receivables balance of Kshs.6,480,290 as disclosed in Note 13 to the financial statements. Included in the balance is Kshs.5,206,046 which had been outstanding for more than two (2) years. However, there was no policy on impairment of long outstanding fees arrears thus casting doubt on full recoverability of the accounts receivables balance.

In the circumstances, the existence of an effective mechanism on of internal controls, risk management and 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 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

11 May, 2026

Chaani secondary school

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

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

Description Of Vote Head	Note	2024 - 2025	2023 - 2024
		Kshs	Kshs
Revenue			
Government grants for tuition	1	800,976	891,766
Government grants for operations	2	2,977,236	5,125,290
Government Grants for infrastructure	3	408,500	-
School fund income- parents' contributions	4	4,644,655	6,489,322
Miscellaneous incomes	5	-	6,000
Total Revenue		8,831,367	12,512,378
Expenditure			
Tuition	6	782,393	539,502
Operations	7	3,651,143	3,344,765
Infrastructure	8	1,057,150	2,424,432
Boarding and school fund	9	5,123,957	5,534,397
Total Expenditure		10,614,643	11,843,096
Surplus/Deficit		(1,783,276)	669,282

The school financial statements were approved on 7/4 2026 and signed by:



Name: Joy Odhiambo

Chair BOM

Date: 7/4/2026



Name: Mumira M. Abeid
School Principal/ Secretary to
BOM

Date: 7/4/2026



Name: Maranya Jabel Amos

Bursar/ Finance Officer

Date: 7/4/2026

CHIEF PRINCIPAL
CHAANI SECONDARY SCHOOL
P.O BOX 93200-80102, CHANGAMWE
Date:..... Sign:.....

7. Statement of Assets and Liabilities as at 30th June 2025

Description	Note	2024 – 2025	2023 – 2024
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	1,378,545	2,280,956
Cash balances	11	4,000	14,000.00
Short term investments	12	-	-
Total cash and cash equivalent		<u>1,382,545</u>	<u>2,294,957</u>
Account's receivables	13	6,480,290	6,413,044
Total financial assets (a)		7,862,835	8,708,001
Financial liabilities			
Accounts payables	14	2,703,411	1,765,301
Total Financial Liabilities (b)			
Net financial assets (a-b)		5,194,424	6,942,700
Represented by			
Accumulated fund b/fwd	15	6,942,700	6,273,418
Surplus/deficit for the year		(1,783,276)	669,282
Net Assets		5,159,424	6,942,700

The school's financial statements were approved on 7/4 2026 and signed by:

.....
 Name: Joy aduwa

Chair BOM

Date: 7/4/2026

.....
 Name: Munira M. Abeid
 School Principal/ Secretary to BOM

Date: 7/4/2026

 Date:.....Sign:.....

.....
 Name: Mwanga Nyabeli Mw

Bursar/ Finance Officer

Date: 7/4/2026


Chaani 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		800,976	891,766
Government grants for operations		2,977,236	3,385,409
Government grants for M & I		408,500	1,739,880
School fund income- parents contributions/ fees		4,644,655	6,489,322
Other income		-	6,000
Total receipts		8,831,367	12,512,378
Payments			
Cash outflows for tuition		699,713	615,184
Cash outflows for operations		3,639,643	3,344,765
Cash outflows Boarding/lunch and school fund payments		4,472,258	5,586,068
Total payments		8,811,614	(9,546,017)
Net cash inflow/outflow from operating activities		19,753	2,966,361
Cash flow from investing activities			
Acquisition of assets		(932,164)	(2,424,432)
Proceeds from sale of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash inflow/outflows from investing activities		(932,164)	(2,424,432)
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		(912,411)	(541,929)
Cash and cash equivalent at beginning of the 1 ST July 2024		2,294,956	2,836,886
Cash and cash equivalent at end of the FY		1,382,545	2,294,956

Chaani secondary school
Annual Report and Financial Statements for the year ended 30th June 2025

The school's financial statements were approved on 7/4 2026 and signed by:


.....
Name: Joy Odwar
Chair BOM
Date: 7/4/2026


.....
Name: Mumra M. Abeid
School Principal/ Secretary to
BOM
Date: 7/4/2026


.....
Name: Maranga Nyabei Amos
Bursar/ Finance Officer
Date: 7/4/2026

CHIEF PRINCIPAL
CHAANI SECONDARY SCHOOL
P.O BOX 93200-80102, CHANGAMWE
Date:.....Sign:.....

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
(1) Capitation Grant on Tuition					
Reference Materials	891,766		891,766	800,977	90%
Exercise Books	-	-	-	-	-
Laboratory Equipment	-	-	-	-	-
Internal Exams	-	-	-	-	-
Teaching / Learning Materials	-	-	-	-	-
Exams And Assessment	-	-	-	-	-
(2) Capitation Grant on Operations					
Personnel Emoluments	-	-			
Repairs And Maintenance	960,000		960,000	464,250	48%
Local Transport / Travelling	-	-	-	-	-
Electricity And Water	-	-	-	-	-
Medical	100,000	-	100,000	98,840	99%
Administration Costs	-	-	-	-	-
Activity	130,000	-	130,000	125,080	96%
Gratuity	-	-	-	-	-
Other vote heads	3,000,000		3,000,000	2,753,316	92%

Chaani secondary school
Annual Report and Financial Statements for the year ended 30th June 2025

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
3) FDSE for infrastructure					
Maintenance &Improvement MoE	982,250	-	982,250	408,500	42%
M&I parents' contribution	-	-	-	-	-
Economic Stimulus Programs	-	-	-	-	-
Transition Infrastructure Grants	-	-	-	-	-
Administration Block	-	-	-	-	-
(4) Fees Charged on Parents					
Personnel Emoluments	-	-	-	-	-
Repairs And Maintenance	-	-	-	-	-
Local Transport / Travelling	-	-	-	-	-
Electricity And Water	-	-	-	-	-
BOM Teachers	1,408,500	-	1,408,500	908,000	83%
Administration Costs	-	-	-	-	-
Activity	-	-	-	-	-
SMASSE	-	-	-	-	-
Lunch fees	4,695,000		4,695,000	3,736,655	80%
5) Miscellaneous Income					
Loans / Borrowing	-	-	-	-	-
Rent income	-	-	-	-	-
Income From Farming Activities	-	-	-	-	-

Chaani secondary school
Annual Report and Financial Statements for the year ended 30th June 2025

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Insurance Compensation	-	-	-	-	-
Income From Posho Mill	-	-	-	-	-
Income From Bus Hire	-	-	-	-	-
Fee For Hire of Ground and Equipment	-	-	-	-	-
Interest Income	-	-	-	-	-
Income From Any Other Investment	-	-	-	-	-
Total Income	12,167,516		12,167,516	9,578,543	85%
(6) Expenditure For Tuition					
Textbooks	-	-	-	-	-
Reference Materials	-	-	-	-	-
Exercise Books	-	-	-	-	-
Laboratory Equipment	-	-	-	-	-
Internal Exams	-	-	-	-	-
Teaching / Learning Materials	891,766		891,766	780,760	88%
Chalks	-	-	-	-	-
Exams And Assessment	-	-	-	-	-
Teachers Guides	-	-	-	-	-
Administration Costs	-	-	-	-	-
Bank Charges	1,400		1,400	1,273	91%
(7) Expenditure For Operations					
Personnel Emoluments	1,390,000		1,390,000	1,321,183	95%

Chaani secondary school
Annual Report and Financial Statements for the year ended 30th June 2025

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Repairs, Maintenance & Improvements	200,000		200,000	181,920	91%
Local Transport / Travelling	504,170		504,170	452,830	91%
Electricity, Water and Conservancy	130,000		130,000	116,553	90%
Medical	-		-	-	-
Administration Costs	800,000		800,000	786,055	98%
Activity Expenses	800,000		800,000	786,320	98%
Gratuity	-	-	-	-	-
SMASSE	-	-	-	-	-
Banks charges	7,000		7,000	6,282	90%
(8) Expenditure For infrastructure					
Construction of classrooms	-	-	-	-	-
Construction of students washrooms	932,164		932,164	932,164	100%
Construction of DORMS	-	-	-	-	-
Purchase of furniture	-	-	-	-	-
Purchase of equipment	-	-	-	-	-
Purchase of machinery	-	-	-	-	-
(9) Expenditure For school fund/lunch/boarding					
Personnel Emoluments	1,700,000		1,634,746	1,634,746	96%
Repairs, Maintenance and Improvements	-	19,600	19,600	19,600	100%

Chaani secondary school
Annual Report and Financial Statements for the year ended 30th June 2025

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Local Transport / Travelling	400,000	-	400,000	374,605	94%
Electricity, Water and Conservancy	-	-	-	-	-
Medical Expenses	-	-	-	-	-
Administration Costs	500,000	-	500,000	496,080	99%
Activity	550,000	-	550,000	509,220	93%
Gratuity	-	-	-	-	-
Lunch Programme	2,100,000	-	2,100,000	2,059,225	98%
Boarding Equipment and Stores	-	-	-	-	-
Expenditure For Income Generating Activity	-	-	-	-	-
Refund	-	3000	3000	3,000	100%
Other Expenses On Investments	-	-	-	-	-
TLM	-	21,120	21,120	21,120	100%
Bank Charges	7,000	-	7,000	6,361	91%
Loan Interest Repayment	-	-	-	-	-
Loan Principal Repayment	-	-	-	-	-
Acquisition Of Assets	-	-	-	-	-
Totals	10,913,500	43,720	10,913,500	10,529,930	96%

1. Underutilization of funds below 90% resulted because the enrolment reduced because there were no new admissions (form 1)
2. Overutilization resulted because the school participated in co – curricular activities and some advanced to National Levels

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 **Chaani 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, the **Chaani Secondary School** includes such

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

4. Cash and cash equivalents

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

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The **Chaani 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

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

10. Subsequent events

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

Chaani secondary school
Annual Report and Financial Statements for the year ended 30th June 2025

11. Notes to the Financial Statements

1 Government Grants for Tuition

Description	2024 – 2025	2023 - 2024
	Kshs	Kshs
Reference Materials	-	-
Exercise Books	-	-
Laboratory Equipment	-	-
Internal Exams	-	-
Teaching / Learning Materials	800,976	891,766
Others (<i>specify</i>)*	-	-
Total	800,976	891,766

2 Government Grants for Operations

Description	2024 – 2025	2023 - 2024
	Kshs	Kshs
Personnel Emoluments	-	-
Repairs And Maintenance	-	-
Local Transport / Travelling	-	-
Electricity And Water	-	-
Medical	98,840	301,050
Administration Costs		
Activity	125,080	290,436
Other Vote Heads (<i>specify</i>)*	2,753,316	3,137,904
Total	2,977,236	3,729,390

3 Government Grants for infrastructure

Description	2024 – 2025	2023 - 2024
	Kshs	Kshs
Maintenance & Improvement	408,500	1,395,900
Transition infrastructure grants	-	-
Administration Block	-	-
Economic stimulus grants	-	-
Other (<i>specify</i>)(NGCDF and County govt.	-	-
Total	408,500	1,395,900

Chaani secondary school
Annual Report and Financial Statements for the year ended 30th 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	-	-
Lunch	3,736,655	6,607,997
BOM Teachers	908,000	-
Others (specify)	-	6000.00
Total	4,644,655	6,613,997

5 Miscellaneous Incomes

Description	2024 – 2025	2023 - 2024
	Kshs	Kshs
Rent Income	-	-
Income From Farming Activities	-	-
Insurance Compensation	-	-
Income From Posho Mill	-	-
Income From Bus Hire	-	-
Fee For Hire of Ground and Equipment	-	-
Income From Grants and Donations*	-	-
Interest Income	-	-
Dividends Income	-	-
Loans/Borrowings*	-	-
Other Income : saving account - main	-	6.000
Total	-	6.000

Chaani secondary school
Annual Report and Financial Statements for the year ended 30th June 2025

6 Tuition

Description	2024 – 2025	2023 - 2024
	Kshs	Kshs
Exercise Books	-	-
Textbooks	-	-
Reference materials	-	-
Laboratory Equipment	-	-
Teaching / Learning Materials	781,120	712,206
Exams And Assessment	-	-
Teachers Guides	-	-
Bank Charges	1,273	1,088
Others (<i>specify</i>)	-	-
Total	782,393	713,294

7 Operations

Description	2024 – 2025	2023 - 2024
	Kshs	Kshs
Personnel Emoluments	1,321,183	1,159,400
Service Gratuity	-	-
Administration Cost	786,055	623,914
Repairs And Maintenance & Improvements	181,920	89,628
Local Transport / Travelling	452,830	1,011,065
Electricity And Water	116,553	138,451
Medical	-	-
Activity Expenses	786,320	446,096
Insurance Cost	-	-
Bank Charges	6,282	9,235
Others (<i>specify</i>)	-	-
Total	3,651,143	3,477,789

Chaani secondary school

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

8 Infrastructure

Description	2024-2025	2023-2024
	Kshs	Kshs
Construction of students washrooms	932,164	788,220
Construction of laboratory	-	-
Construction of dormitory	-	-
Purchase of furniture	-	-
Purchase of equipment	-	-
Purchase of apparatus	-	251,350
Drilling of boreholes	-	-
Maintenance and Improvements	-	54,779
Total	932,164	2,424,432

9 Boarding and School Fund

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel Emoluments	1,634,746	1,653,716
Service Gratuity		0.0
Repairs And Maintenance & Improvements	19,600	0.0
Local Transport / Travelling	374,605	795,100
Electricity And Water		0.0
Activity	509,220	815,834
Administration Costs	496,080	567,076
Lunch Programme	2,059,225	1,497,139
Bank Charges	6,361	9,268
Fee On Boarding Equipment and Stores		
NG – CDF account Closure		2,580
Insurance Cost (<i>Life Property</i>)		
Refund	3,000	65000
Loan Interest Repayment		
Acquisition Of Assets		
TLM	21,120	
Others (specify)		
Total	5,123,957	5,346,713

Chaani secondary school
Annual Report and Financial Statements for the year ended 30th June 2025

Bank Accounts

Account Name & Currency	Status	Bank Account Number	2024 - 2025	2023 - 2024
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	1200262143419	81,491	18,390
Operations Account	Active	1200262143619	286,666	897,754
Main account	Active	1200126143362	308,135	8,135
Savings Account	Active	1200197035813	3,352	3,352
Parent Association Account- School Fund	Active	1200269660599	193,147	326,793
Infrastructural Account	Active	1200267164527	505,542	1,029,322
Total			1,378,545	2,280,956

10 Cash In Hand

Description	2024 - 2025	2023-2024
	Kshs	Kshs
Notes and Coins	4,000	14,000
Total	4,000	14,000

11 Short Term Investments

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

Chaani secondary school
Annual Report and Financial Statements for the year ended 30th June 2025

12 Accounts Receivable

Description	2024 – 2025	2023 – 2024
	Kshs	Kshs
Fees Arrears	6,480,290	6,413,088
Other Non-Fees Receivables	-	-
Salary Advances (list/schedule attached)	-	-
Imprests (list/schedule attached)	-	-
Rent arrears (list/schedule attached)	-	-
Total	6,480,290	6,413,088

13 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	607,202	9%	918,700	14%
Between 1- 2 years	667,042	10%	88,342	2%
Between 2-3 years	1,980,000	31%	2,150,090	34%
Over 3 years	3,226,046	50%	3,299,546	50%
Total (should tie to note 13 a)	6,480,290	100%	6,413,088	100%

13 Accounts Payable

Description	2024 – 2025	2023 – 2025
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	1,145,114	1,242,850
Prepaid Fees	1,302,900	435,366
Retention Monies	124,987	87,085
Unpaid salaries and statutory deductions	130,410	-
Caution money	-	-
Other payables (<i>specify</i>)	-	-
Total	2,703,411	1,765,301

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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	1,005,859	79%	641,571	52%
Between 1- 2 years	269,665	21%	601,279	48%
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (should tie to note 14)	1,275,524	100%	1,242,850	100%

14 Fund Balance Brought Forward

Description	2024 – 2025		2023 – 2024	
	Kshs		Kshs	
Bank Balances	2,280,957		2,813,886	
Cash Balances	14,000		23,000	
Short Term Investments	-		-	
Receivables	6,413,088		6,184,388	
Payables	(1,765,301)		(2,747,356)	
Total	6,942,744		6,273,918	

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Other important disclosure notes

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

15 Non-current Liabilities Summary

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

16 Biological assets

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

17 Borrowings

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

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Other important disclosure notes

18 Stock/ Inventory

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Food stuffs	25,000	24,250
Lab consumables	89,000	29,000
Farm produce	-	-
Medication	-	-
Construction Materials	-	-
Others (specify)	-	-
	114,000	53,250

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19 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:	Timeframe: (



Sign and Date
Principal

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12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance -2025	Outstanding Balance 2023 – 2024	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1. Befox Enterprises Ltd	1,057,150	2024	932,164	124,986		
2.	-	-	-	-		
3.	-	-	-	-		
Sub-Total	1,057,150		932,164	124,986		
Supply Of Goods						
4. Kansbag Ltd	673,250	July 2024	462,000	211,250		
5. Toptext stationers Ltd	319,665	July 2024	50,000	0.0	269,665	
6. Shekem Generals Supplies	509,065	July 2024	300,000	209,065		
7. Henry Kithome Kilunda	431,245	July 2024	160,995	270,250		
8. Louisa Achieng' Odhiambo	93,450	July 2024	67,100	26,350		
9. Copy Cat Ltd	126,969	July 2024	60,000	66,969		
10. Activetech Computers Systems	66,500	July 2024	55,000	11,500		
11. Saloe Butchery	231,285	July 2024	151,220	80,065		
Sub-Total	2,451,429		1,306,315	875,449	269,665	

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Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance -2025	Outstanding Balance 2023 – 2024	Comments
Supply Of Services						
12.	-	-	-	-	-	
13.	-	-	-	-	-	
14.	-	-	-	-	-	
Sub-Total	-	-	-	-	-	
Grand Total	3,508,579		2,238,479	1,000,435	269,665	

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 st July 2024	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2025
Land				
Buildings And Structures	5	1		6
Motor Vehicles	-	-		-
Office Equipment, Furniture and Fittings	465	2		467
Textbooks	8552	-		8552
ICT Equipment	20	-		20
Tools And Apparatus	3787	483		4270
Other Machinery and Equipment	-	-		-
Heritage And Cultural Assets	-	-		-
Intangible Assets- Soft Ware	-	-		-
Total	12,829	485		13,315



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