REPUBLIC OF KENYA

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

MUNGORE GIRLS SECONDARY SCHOOL

FOR THE YEAR ENDED 30 JUNE, 2025

BUNGOMA COUNTY

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 28 JUL 2026 | DAY. Tue

TABLED BY: Deputy Majority leader Hon. Owen Baya

CLERK-AT THE-TABLE: Mr. Inzofu Mwale

OFFICE OF THE AUDITOR GENERAL
20 APR 2026
Sign....
P. O. Box 2043-50100, KAKAMEGA

MUNGORE GIRLS SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2025

Prepared in accordance with the Cash Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)

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1. Acronyms and Definition of Key Terms

A. Acronyms.

BOM	Board of Management
CEB	County Education Board
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
FY	Financial Year
FDSE	Free Day Secondary Education
TSC	Teachers Service Commission
SMASSE	Strengthening of Mathematics and Science in Secondary Education

B. Definition of Key Terms

Comparative Year- Means the prior period.

2. Key School Information and Management

(a) Background information

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

The school was registered in 20/09/2017 under registration number 39S30000150 and is currently categorized as a *County* public school established, owned or operated by the Government.

The school is a day/boarding school and had 340 number of students as at *30th June 2025*. It has 3 streams and 18 teachers of which 5 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	Sella Okolla Mutsotso	Chairman	11/03/2024
2	Dr. Wasike Jayne	Secretary - Principal	21/05/2023
3	Mr. Okuku Wycliffe	Member	23/04/2022
4	Mr. Peter Kwanusu	Member	23/04/2022
5	Mr. Waswa Joseck	Member	23/04/2022
6	Mrs. Betty Kachoma	Member	23/04/2022
7	Mrs. Nakhumicha Everlyne	Member	23/04/2022
8	Mrs. Masinde Everlyne	Member – Rep CEB	23/04/2022
9	Mr. Kuloba Anerico	Member Rep Teachers	23/04/2022
10	Mr. Mwimali Albert	3 Members - Sponsor	23/04/2022
11	Mrs. Muyeki Margaret	Member - Community	23/04/2022
12	Mrs. Nafula Hellen	Member Special Needs	23/04/2022
13	Virgina Ojuma	Rep Students	23/04/2022

The functions of the School Board of Management are to:

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

(c) Committees of the Board

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

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Ms. Sella Mutsotso Dr. Wasike Jayne Mr. Okuku Wycliffe Mr. Mwimali Albert Mrs. M[illegible]eki Margaret	Chairperson Secretary Member Member Member	3 out of 5
2	Audit Committee	N/A		
3	Finance,procurement and general purposes Committee	Ms. Masinde Everlyne Ms. Sella Mutsotso Dr. Wasike Jayne Mr. Okuku Wycliffe Mr. Mwimali Albert	Chairperson Member Principal/Sec. Member Member	3 out of 3
4	Academic Committee	Mr. Albert Mutsotso Dr. Wasike Principal Mr. Okuku Wycliffe Ms. Everlyne Masinde Mrs. Judith Widava	Chairperson Principal/Sec. Member Member Member	2 out of 2
5	Development Committee	Mr. Peter Kwanusu Dr. Wasike Jayne	Chairperson Principal/Sec.	

		Ms. Sella Mutsotso Mr. Waswa Joseck Mr. Ezra Odondi Mr. Okuku Wycliffe Ms. Judith Widava	Member Member Member Member Member	3 out of 3
6	Discipline and welfare Committee	Mr. Joseck Waswa Dr. Wasike Jayne Ms. Margaret Muyeki Mr. Okuku Wycliffe Ms. Judith Widava	Chairperson Principal/Sec. Member Member Member	1 out of 3
7	Adhoc Committee (if any during the year)	n/a		

(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	DR. WASIKE JAYNE	TSC No. 323989
2	Deputy Principal	MRS. WIDAVA JUDITH	TSC No. 404268
3	School Bursar	MR. NYUNDO JAMES	ID.NO. 9298026
4	Other (specify)		

(e) Schools contacts

Post Office Box: P.O. BOX 70, 50210, BUYOFU
Telephone: 0710989471
E-mail: mungoregirlssec.@gmail.com.
Website: n/a
Facebook:
Twitter:

(f) School Bankers

Provide details of the school bankers.

1. Name of Bank: KENYA COMMERCIAL BANK
   Branch BUNGOMA
   Account No: 1106238028 , 1181868106, 1105440192
   Type of Account – School Fund, Bus Account, Savings Account

2. Name of the Bank – Cooperative Bank
   Branch - Bungoma
   Account No: - 01139049923900, 01139049923901, 01139049923902
   Type of Account - Tuition A/C, Operation A/C, SIC A/C

3. Mpesa Paybill No. 522123, Account Code, 51127K attached to KCB School Fund Account.

(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:

(Under this section, the following information should be given:

	As at June 2025	*As at June 2024*	*As at June 2023*
Surplus	-	-	-
Deficit	*(2,451,841.19)*	*(145,233.85)*	*(78,609.05)*

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

As at June 2025	*As at June 2024*	*As at June 2023*
5,069,770.70	6,610,297.70	*6,238,519.77*

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

	Bus	*Farm*	***Total income per year***
2023	*325,900.00*	*149,263.00*	***475,163.00***
2024	*317,000.00*	*226,040.00*	***543,040.00***
2025	*505,500.00*	*423,425.00*	***929,025.00***

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

	Bus	*Farm*	*Total Expenditure*
2023	*310,343.00*	*100,569.00*	***410,912.00***
2024	*291,505.25*	*60,893.00*	***352,398.25***
2025	*375,401.00*	*101,107.00*	***476,508.00***

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

YEAR	*DEBTORS*	*CREDITORS*
2023	*3,289,069.00*	*1,596,969.00*
2024	*1,914,665.00*	*2,878,907.50*
2025	*2,006,992.00*	*3,650,821.94*

REPUBLIC OF KENYA

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OAG
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HEADQUARTERS
Anniversary Towers
Monrovia Street
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON MUNGORE GIRLS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2025 – BUNGOMA 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 Mungore Girls Secondary School, 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 Mungore Girls Secondary School as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis (including the transitional provisions permitted under IPSAS 33) and comply with the Basic Education Act, 2013 and Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in Capitation Grants

The statement of receipts and payments reflects Government grants for operations and infrastructure amounts of Kshs.4,100,953 and Kshs.1,277,750 respectively as disclosed in Notes 2 and 3 to the financial statements. Review of the NEMIS capitation disbursements made to the school and the amount receipted by the school was Kshs.4,100,833 whereas the financial statements reflect capitation amount of Kshs.5,378,703 resulting in an unexplained variance of Kshs.1,277,870.

In the circumstances, the accuracy and completeness of capitation grants for operations and infrastructure amounts of Kshs.4,100,953 and Kshs.1,277,750 respectively could not be confirmed.

2. Unsupported Cash and Cash Equivalents

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.1,183,850. Included in this amount is Kshs.214,328 in respect of savings account. However, the bank balance differs with the balance reflected in the bank certificate of Kshs.1,542 resulting in an unreconciled variance of Kshs.212,786. In addition, the savings account bank balance was not supported by bank reconciliation statements, cash books and bank statements.

Further, the statement of budgeted versus actual amounts reflect information of the School repaying interest on loan of Kshs.415,950 whereas Management has not disclosed in the financial statements any operation with financial obligation (loan) or the account the loan funds were deposited into.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.1,183,850 could not be confirmed.

3. Unsupported Accounts Receivable

The statement of assets and liabilities reflects accounts receivable balance of Kshs.11,171,986 as disclosed in Note 13 to the financial statements. However, the supporting schedules, detailed aging analysis and issued invoices were not provided for audit.

In the circumstances, the accuracy and completeness of the accounts receivable balance of Kshs.11,171,986 could not be confirmed.

4. Variances in Accounts Payable

The statement of assets and liabilities reflects accounts payable balance of Kshs.5,179,061 as disclosed in Note 14 to the financial statements. Included in the balance is trade creditors of Kshs.5,076,694 which should tie with the amount in Annex 1 on analysis of pending accounts payable. However, Annex 1 reflects a balance of Kshs.3,650,822 resulting in an unexplained variance of Kshs.1,425,872.

In the circumstances, the accuracy, existence and completeness of the accounts payable balance of Kshs.5,179,061 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Mungore Girls Secondary School Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

1. Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and recalculated actual on comparable basis of Kshs.24,419,355 and Kshs.17,458,284 respectively resulting in under-funding of Kshs.6,961,071 or 29% of the budget. Similarly, the School spent Kshs.19,885,487 against final expenditure budget of Kshs.24,419,860 resulting in under-utilization of Kshs.4,534,373 or 19% of budget.

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

2. Incomplete Disbursement of Free Day Secondary Education (FDSE) Capitation Funds

The statement of receipts and payments reflects Government grants of Kshs.968,981, Kshs.4,100,953, Kshs.1,277,750 for tuition, operations and infrastructure respectively as disclosed in Notes 1, 2 and 3 to the financial statements. However, audit of capitation disbursements and enrolment data revealed that the School only received Kshs.14,888 per learner during the financial year against an expected annual allocation of Kshs.22,244 per learner, in line with Ministry of Education (MoE) guidelines, resulting in undisbursed balance estimated at Kshs.2,273,004 based on the NEMIS enrolment of 309 for term 2 of 2025.

In the circumstances, lack of timely and full disbursement of the FDSE funds may have negatively affected learning and operational activities of the School.

My opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion, 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 2024/25 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 Management is responsible for the Other Information which comprise of Key School Information and Management, Summary Report of Performance of the School and Statement of School Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the School's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on

Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Under Funding of Capitation Grants

The statement of receipts and payments reflects Government grants for tuition, operations and infrastructure of Kshs.968,981, Kshs.4,100,953 and Kshs.1,277,750 respectively as disclosed in Notes 1, 2 and 3 to the financial statements. During the financial year, there were discrepancies between the NEMIS and actual student enrolment at the school and as a result of the variances, the School was under funded by an amount of Kshs.1,036,052.

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

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

The statement of receipts and payments reflects operation payments of Kshs.3,920,739 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.148,550 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.148,550 could not be confirmed.

3. Long Outstanding Accounts Payable

The statement of assets and liabilities reflects accounts payable balance of Kshs.5,179,061 as disclosed in Note 14 to the financial statements. However, included in the balance are trade payables balance of Kshs.1,425,873 which had been outstanding for more than one (1) year, 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 shall be a first charge on the Consolidated Fund and the Accounting Officer shall 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. Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements

The financial statements presented for audit did not include all information provided in the format prescribed and published by the Public Sector Accounting Standards Board (PSASB) as follows:

i. The table of contents contained page numbers whereas the various statements/reports and annexes had no page numbers.

ii. The amounts and balances are presented in decimals instead of being rounded to the nearest Kenya Shilling as required.

iii. The financial statements were missing headers, with the exception of the page immediately following the cover.

iv. The School Management did not adhere to the prescribed reporting template which requires report of statement of financial performance instead of statement of receipts and payments. This issue was also evident in the table of contents.

v. The statement of cash flows incorporated items of working capital adjustments which was contrary to the reporting requirements.

vi. The Note 10 on bank balances has undisclosed bank accounts and status of whether active or dormant.

vii. Annex 1 to the financial statements on analysis of pending accounts payable was incomplete.

Further, lack of relevant information may affect users' reliance on the financial statements for decision making.

In the circumstances, Management did not comply with the PSASB guidelines.

5. Non-Compliance with Transitional IPSAS Reporting Requirements

The cover page to the financial statements indicate that the financial statements have been prepared in accordance with the cash basis of accounting method under the International Public Sector Accounting Standards (IPSAS). Further, in the significant accounting policy number one (1) on Statement of Compliance and Basis of Preparation of the Financial Statements, the School Management reported that they used the cash basis financial reporting. Therefore, this implies they have not taken advantage of the transitional provisions under IPSAS 33.

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

6. Late Submission of Financial Statements for Audit

During the year under review, the School Management submitted the financial statements to the Auditor-General on 30 September, 2025 instead of the statutory deadline of 31 August, 2025. This was contrary to The National Treasury Circular AG.3/88 Vol. VII (41) dated 4 December, 2024 which required accounting officers to submit their financial statements by 31 August, 2025 and not the initial statutory deadline of 30 September and in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

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. Long Outstanding Accounts Receivable

The statement of assets and liabilities reflects accounts receivable balance of Kshs.11,171,986 as disclosed in Note 13 to the financial statements. Included in the balance is an amount of Kshs.8,273,313 which had been outstanding for more than two (2) years. However, there was no policy on 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.

2. Weaknesses in the Board of Management

During the year under review, the School's Board of Management convened twice on 12 July, 2024 and 28 March, 2025. This was contrary to the provisions of Section 6(1) of the Fourth Schedule of the Basic Education Act, 2013 which stipulates that the Board should meet at least once every four months. Further, the appointment letters and annual work plan were not provided for review.

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

3. Weaknesses in Management of Assets

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.698,220,000 in respect of fixed assets which includes land balance of

Kshs.528,000,000. Review of asset records revealed that the School acquired two (2) parcels of land in West Bukusu/Khasoko area, one in December 2016 and the other in March 2018. However, the School did not have land title deed and thus no proof of legal ownership. Further, Management did not prepare an updated fixed asset register.

In the circumstances, the existence of effective measures in the management of assets could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and 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 for Supreme Audit Institutions (ISSAIs). The ISSAIs requires 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

12 May, 2026

6. **Statement Of Receipts and Payments for the Year Ended 30th June 2025**

DESCRIPTION OF VOTE HEAD	Note	2024-2025	2023-2024
		Kshs	Kshs
RECEIPTS			
Government grants for tuition	1	968,981.20	1,127,485.20
Government grants for operations	2	4,100,953.00	5,482,812.50
Government Grants for infrastructure	3	1,277,750.00	842,200.00
School fund income- parents' contributions	4	10,124,747.00	11,402,692.00
Miscellaneous incomes	5	961,215.00	1,096,040.00
Total Receipts		**17,433,646.20**	**19,951,229.70**
PAYMENTS			
Tuition	6	1,558,974.50	955,045.00
Operations	7	3,920,739.20	4,391,658.00
Infrastructure	8	1,384,477.00	76,750.00
Boarding and school fund	9	13,021,296.69	14,673,010.55
Total Payments		**19,885,487.39**	**20,096,463.55**
SURPLUS/DEFICIT		**(2,451,841.19)**	**(145,233.85)**

The school financial statements were approved on 12th July 2025 and signed by:

Name: Sella Mutsotso	Name: Dr. Jayne Wasike	Name: James Nyundo
Chair BOM	School Principal/ Secretary to BOM	Bursar/ Finance Officer
Date: 18/3/2026	Date: 18/3/2026	Date: 18/3/2026

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

Description	Note	2024-2025 Kshs	2023-2024 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	10	1,183,170.55	2,634,429.50
Cash Balances	11	679.00	370.30
Short term Investment	12	-	-
Total Cash and Cash Equivalents		**1,183,849.55**	**2,634,799.80**
Account's receivables	13	**11,171,986.40**	**10,299,130.40**
TOTAL FINANCIAL ASSETS		**12,355,835.95**	**12,933,930.20**
FINANCIAL LIABILITIES			
Accounts Payable	14	5,179,061.44	3,305,314.50
NET FINANCIAL SSETS		**7,176,774.51**	**9,628,615.70**
REPRESENTED BY			
Fund balance b/fwd...	15	9,628,615.70	9,773,849.55
Surplus/Deficit for the year		(2,451,841.19)	(145,233.85)
NET FINANCIAL POSITION		**7,176,774.51**	**9,628,615.70**

The school's financial statements were approved on 12th July 2025 and signed by:

....	....	....
Name: Sella Mutsotso	**Name: Dr. Wasike Jayne**	**Name: James Nyundo**
Chair BOM	**School Principal/ Secretary to BOM**	**Bursar/ Finance Officer**
Date: 18/3/2026	**Date:** 18/3/2026	**Date:** 18/3/2026

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

		2024- 2025 Kshs	2023-
CASHFLOW FROM OPERATING ACTIVITIES			
RECEIPTS			
Government grants for tuition	1	968,981.20	1,127,48
Government grants for operations	2	4,100,953.00	5,482,81
Government Grants for infrastructure		1,277,750.00	842,20
School fund income- parents' contributions	4	9,255,891.00	11,332,88
Miscellaneous incomes	5	961,215.00	1,096,04
Total Receipts		**16,564,790.20**	**19,039,22**
PAYMENTS			
Tuition	6	1,232,549.50	798,27
Operations	7	3,771,339.20	4,507,97
Infrastructure	8	-	
Boarding and school fund	9	12,441,374.75	13,131,09
Total Payments		**17,445,263.45**	**18,437,34**
Cash flows from Operating Activities before working capital changes		**(880,473.25)**	**601,87**
Add/less decrease/increase in receivables			
Add/less increase/decrease in payables			
Net cash flows from Operating Activities		**(880,473.25)**	**601,87**
CASHFLOW FROM INVESTING ACTIVITIES			
Expenditure for infrastructure		(570,477.00)	(76,750
Proceeds from investments			
Net cash flows from Investing Activities		**(1,450,950.25)**	**765,45**
CASHFLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings/ loans		-	
Repayment of principal borrowings		-	
Net cash flows from borrowing Activities		-	
NET INCREASE IN CASH AND CASH EQUIVALENT		**(1,450,950.25)**	**1,367,32**

Cash and cash equivalent at BEGINNING of the year	**10**	**2,634,799.80**	**1,267,474.45**
Cash and cash equivalent at END of the year		**1,183,849.55**	**2,634,799.80**

The school's financial statements were approved on 12th July 2025 and signed by:

....	....	....
Name: Jr Sela Mutsotso	**Name:**	**Name:**
Chair BOM	**School Principal/ Secretary to BOM**	**Bursar/ Finance Officer**
Date: 13/3/2026	**Date:** 13/3/2026	**Date:** 13/3/2026

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	Budget Utilisation Difference	% Of Utilization
	a	b	c=a+b	d	e = c-d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs.	Kshs
Receipts						
(1) Capitation Grant on Tuition						
Reference Materials	-	-	-	-	-	0%
Exercise Books	-	-	-	-	-	0%
Laboratory Equipment	-	-	-	-	-	0%
Internal Exams	-	-	-	-	-	0%
Teaching / Learning Materials	1,826,170.00	-	1,826,170	968,981	857,189	53%
Exams And Assessment			-		-	0%
	1,826,170	**-**	**1,826,170**	**968,981**	**857,189**	**53%**
(2) Capitation Grant on Operations						
Personnel Emoluments	1,865,150		1,865,150	1,157,921	707,229	62%
Repairs And Maintenance	1,885,000		1,885,000	1,189,000	696,000	63%
Local Transport / Travelling	565,500		565,500	231,504	333,996	41%
Electricity And Water	595,660		595,660	463,117	132,543	78%
Medical	754,000		754,000	358,410	395,590	48%
Administration Costs	595,660		595,660	463,237	132,423	78%
Activity	297,830		297,830	237,765	60,065	80%
Gratuity	-		-	-		-
Sub-totals	**6,558,800**	**-**	**6,558,800**	**4,100,953**	**2,457,847**	**63%**
3) FDSE for infrastructure						
Maintenance &Improvement MoE	1,885,000	-	1,885,000	1,277,750	607,250	68%
M&I parents' contribution	-		-	-	-	-

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Budget Utilisation Difference	% Of Utilization
	a	b	c=a+b	d	e = c-d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Economic Stimulus Programs	-		-	-	-	-
Transition Infrastructure Grants	-		-	-	-	-
Administration Block	-		-	-	-	-
Sub-totals	1,885,000		1,885,000	1,277,750	607,250	68%
(4) Fees Charged on Parents						
Personnel Emoluments	3,694,945		3,694,945	1,879,136	1,815,809	51%
Repairs And Maintenance	754,000		353,367	353,367	400,633	47%
Local Transport / Travelling	486,330		486,330	230,076	256,254	47%
Electricity And Water	1,131,000		1,131,000	510,847	620,847	45%
Medical	-		-	-	-	-
Administration Costs	972,660		972,660	552,365	420,295	57%
Activity	94,250		94,250	45,910	48,340	49%
SMASSE						
Fee On Boarding Equipment and Stores	7,016,200		7,016,200	6,553,046	463,154	93%
Sub-totals	14,149,385		14,149,385	10,149,385	4,024,638	72%
5) Miscellaneous Income						
Loans / Borrowing						
Rent income			-	-	-	0%
Income From Farming Activities			-	423,425	(423,425)	0%
Insurance Compensation			-	-	-	0%
Income From Posho Mill			-	-	-	0%
Income From Bus Hire			-	505,500	(505,500)	0%
Fee For Hire of Ground and Equipment			-	-	-	0%

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Budget Utilisation Difference	% Of Utilization
	a	b	c=a+b	d	e = c-d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs.	Kshs
Interest Income			-	-	-	0%
Income From Any Other Investment			-	32,290	(32,290)	0%
Sub-totals	-	-	-	**961,215**	**(961,215)**	**0%**
Total Income	**24,419,355**	-	**24,419,355**	**17,433,646**	**6,985,709**	**71%**
(6) Expenditure For Tuition						
Textbooks			-	-	-	0%
Reference Materials			-	-	-	0%
Exercise Books			-	-	-	0%
Laboratory Equipment			-	-	-	0%
Internal Exams					-	0%
Teaching / Learning Materials	1,826,170		1,826,170	1,557,271	268,899	85%
Chalks						
Exams And Assessment						
Teachers Guides	-		-	-	-	0%
Administration Costs						
Bank Charges			-	1,704	(1,704)	0%
Sub-totals	**1,826,170**	-	**1,826,170**	**1,558,975**	**267,196**	**85%**
(7) Expenditure For Operations						
Personnel Emoluments	1,865,150		1,865,150	827,952	1,037,198	44%
Repairs, Maintenance & Improvements	1,885,000		1,885,000	1,277,750	607,250	68%
Local Transport / Travelling	565,500		565,500	513,690	51,810	91%
Electricity, Water and Conservancy	595,660		595,660	362,857	232,803	61%
Medical	754,000		754,000	223,160	530,840	30%
Administration Costs	595,660		595,660	562,804	32,856	94%
Activity Expenses	297,830		297,830	152,526	145,304	51%
Gratuity	-		-	-	-	0%

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Budget Utilisation Difference	% Of Utilization
	a	b	c=a+b	d	e = c-d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs.	Kshs
SMASSE						
Sub-totals	**6,558,800**	**-**	**6,558,800**	**3,920,739**	**2,638,061**	**60%**
(8) Expenditure For infrastructure						
Construction of classrooms	1,885,000		1,885,000	1,383,517	501,483	73%
Construction of LAB						
Construction of DORMS			-	-	-	0%
Purchase of furniture			-	-	-	0%
Purchase of equipment			-	-	-	0%
Purchase of machinery			-	-	-	0%
Others Bank charges			-	960	(960)	0%
Sub-totals	**1,885,000**	**-**	**1,885,000**	**1,384,477**	**500,523**	**73%**
(9) Expenditure For school fund/lunch/boarding						
Personnel Emoluments	3,694,945		3,694,945	4,929,366	(1,234,421)	133%
Repairs, Maintenance and Improvements	754,000		754,000	389,800	364,200	52%
Local Transport / Travelling	486,330		486,330	156,960	329,370	32%
Electricity, Water and Conservancy	1,131,000		1,131,000	257,290	873,710	23%
Medical Expenses						
Administration Costs	972,660		972,660	664,220	308,440	68%
Activity						
Gratuity	-		-	-	-	0%
Lunch Programme			-	30,290	(30,290)	0%

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Budget Utilisation Difference	% Of Utilization
	a	b	c=a+b	d	e = c-d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs.	Kshs
Boarding Equipment and Stores	7,016,200		7,016,200	5,981,559	1,034,642	85%
Expenditure For Income Generating Activity						
Insurance Costs	-		-	-	-	0%
Other Expenses On Investments	-		-	-	-	0%
Rent Expenses			-	101,107	(101.107)	0%
Bank Charges	505		505	505	0	0%
Loan Interest Repayment			-	415,950	(415,950)	0%
Loan Principal Repayment			-	-	-	0%
Acquisition Of Assets	94,250		94,250	94,250	-	100%
Sub-totals	**14,149,890**	-	14,149,890	13,021,297	1,128,593	92%
Totals	**24,419,860**	-	24,419,860	19,885,487	4,534,373	81%

i. *On Overutilization, the salary work load is high due to BOM teachers and subordinate staff*

On underutilization, votehead on boarding and personal emolument was overloaded, money was borrowed from other vote heads leading to underutilization.

7. **Significant Accounting Policies**

The principal accounting policies adopted in the preparation of these financial statements are set out below:

1. **Statement of compliance and basis of preparation**

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

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

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

2. **Recognition of receipts and payments**

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

3. **In-kind contributions**

   In-kind contributions are donations that are made to 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 receipts and payments both as a receipt and as a payment in equal and opposite amounts; otherwise, the contribution is not recorded.

4. **Cash and cash equivalents**

   Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call, and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to 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 pub officers and/or institutions which were not surrendered or accounted for at the end of financial year are treated as receivables. Accounts receivables also include school fees bil to parents for services rendered but not paid. This is an enhancement to the cash account policy. Other accounts receivables are disclosed in the financial statements

5. **Accounts Payable**

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

6. **Non-current assets**

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

7. **Budget**

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

8. **Comparative figures**

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

9. **Subsequent events**

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

9. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current 2025	Outstanding Balance Comparative 2024	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
1. Johnthern R kutoyi				207,749.50		
2. Alex w wasike				139,500		
3. Hellen n makete				11,875		
4. Ledycia R Oduor				72,000		
5. Mungore welolere S.H.G				71,666		
6. Demaline General supplies				259,000		
7. New mekech Enterprises				56,000		
8. Royal Super Trust ltd				9.867		
9. Maridadi Furniture				46,620		
10. Samis systems ltd				121,396		
11. Nelson Makokha				24,595		
12. School Employees				741,874		
13. Sic Account				814,000		
14. Central farmers garage ltd				40,549.44		
15.						
16. Winlab Computer solutions				37,000		

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current 2025	Outstanding Balance Comparative 2024	Comments
17. Buyofu Electrical Works				51,900		
18. Jarrkom Ventures				36,500		
19. Lidways Connection				24,000		
20. Alliance Stationeries ltd				253,500		
21. Winlab computer solutions				30,500		
22. Weston Commodities enterprise				195,160		
23. Peak-lab ltd				226,960		
24. Mega bookshop				56,710		
Grand Total				**3,650,821.94**		

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1st July 2024	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2025
Land	528,000,000	-	-	528,000,000
Buildings And Structures	125,400,000			125,400,000
Motor Vehicles	11,600,000			11,600,000
Office Equipment, Furniture And Fittings	22,600,000		-	22,600,000
Textbooks	360,000	120,000	-	480,000
ICT Equipment	760,000			760,000
Tools And Apparatus	6,000,000			6,000,000
Other Machinery And Equipment	3,080,000			3,080,000
Heritage And Cultural Assets				
Intangible Assets- Soft Ware	300,000			300,000
Total	**698,100,000**	**120,000**		**698,220,000**