

REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

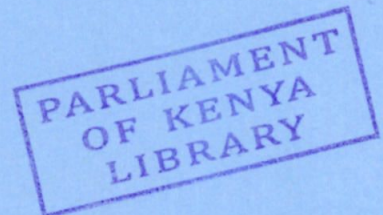
ON

MCK KISIMA 78 SECONDARY SCHOOL

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

ISIOLO COUNTY

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 29 JUL 2026	
DAY: WED -	
TABLED BY:	Hon. Robert pucuse
CLERK-AT THE-TABLE:	J. Lemuel



Revised 30th June 2025.



OFFICE OF THE AUDITOR GENERAL
P.O. Box 30084 - 00100, NAIROBI
RECORDS OFFICE

20 APR 2026

RECEIVED



MCK Kisima 78 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)

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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 **ISIOLO County, ISIOLO Sub-County**.

The school was registered in **12/06/2024** under registration number **11S30000205** 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 **175** number of students as at *30th June 2025*. It has **one** stream **form three to four**, and **two streams form two** and **13** teachers of which **2** teacher is employed by the School Board of Management.

(b) School Board of Management - Board Members

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

Ref:	Name of Board Member	Designation	Date of appointment
1	Peter Majau	Chairman	26/7/2022
2	Jacinta Mwende	Secretary - Principal	26/7/2022
3	Joseph Ekanan	Member	26/7/2022
4	Flavia Ekamais	Member	26/7/2022
5	Chucha Hassan	Member	26/7/2022
6	Dennis kaimenyi	Member	26/7/2022
7	Pst. Augostino Loreng	Member	26/7/2022
8	Adan Happi	Member – Rep CEB	26/7/2022
9	Stanford Mwangi	Member Rep Teachers	26/7/2022
10	Ann Kimaita	Member – V/Chairperson	26/7/2022
11	Fred Maingi	Member – Sponsor	26/7/2022
12	Peter Lesh	Member – Community	26/7/2022
13	Mary Lokom	Member Special Needs	26/7/2022
14	Amina Isack	Member	26/7/2022
15	Evalyne Echakan	Rep Students	26/7/2024

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.Peter Majau 2.Jacinta Mwende 3.Agostino Loreng 4.Mary Lokom 5.Ann Kimaita	Chairman Secretary Member Member Member	01 out of 03 01 out of 03 01 out of 03 01 out of 03 01 out of 03
2	Audit Committee	1.Amina Isack 2.Fred Maingi 3.Flavia Ekamais 4.Muriuki K. Denis 5.Stanford Mwangi	Chairman Secretary Member Member Member	0 out of 03 0 out of 03 0 out of 03 0 out of 03 0 out of 03
3	Finance,procurement and general purposes Committee	1.Peter Majau 2.Agostino Loreng 3.Mary Lokom 4.Amina Isack 5.Joseph Ekarani	Chairman Secretary Member Member Member	0 out of 03 0 out of 03 0 out of 03 0 out of 03 0 out of 03
4	Academic Committee	1.Peter Majau 2.Jacinta Mwende 3.Agostino Loreng 4.Stanford Mwangi 5.Ann Kimaita	Chairman Secretary Member Member Member	01 out of 03 01 out of 03 01 out of 03 01 out of 03 01 out of 03

MCK KISIMA 78 SECONDARY SCHOOL

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

		6.Peter Lesh	Member	01 out of 03
5	Development Committee	1.Happi Adan 2.Peter Lesh 3.Peter Majau 4.Augostino Loreng 5.Chucha Hassan	Chairman Secretary Member Member Member	0 out of 03 0 out of 03 0 out of 03 0 out of 03 0 out of 03
6	Discipline and welfare Committee	1.Peter Majau 2.Joseph Ekan 3.Fred Maingi 4.Flavia Ekamais 5.Ann Kimaita	Chairman Secretary Member Member Member	0 out of 03 0 out of 03 0 out of 03 0 out of 03 0 out of 03
7	Adhoc Committee (if any during the year)	1.Peter Majau 2.Jacinta Mwende 3.Agostino Loreng 4.Mary Lokom 5.Ann Kimaita	Chairman Secretary Member Member Member	0 out of 03 0 out of 03 0 out of 03 0 out of 03 0 out of 03

(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	Jacinta Mwende Mbiinzi	TSC No. 374857
2	Deputy Principal	George Muriira	TSC No. 350752
3	School Bursar	Nicholas Chokera Kaluma	ID No. 31055191

(e) Schools contacts

Post Office Box: 919-60300
Telephone: 0710431645
E-mail: mckkisimasecondary@gmail.com
Website: N.A
Facebook: MCK Kisima 78 Sec
Twitter: N.A

(f) School Bankers

The following school operate 4 number of banks accounts and 1 pay bill number as follows:

Name of Bank: KCB
Branch: ISIOLO
Account No. 1226237118 school fund account.

Name of Bank: KCB
Branch: ISIOLO
Account No. 1223625885 tuition account.

Name of Bank: Consolidated Bank
Branch: ISIOLO
Account No. 10111203000215 infrastructure account.

Name of Bank: KCB
Branch: ISIOLO
Account No. 1222958422 operation account.

M-pesa Pay Bill no. 522123 attached to 1226237118 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

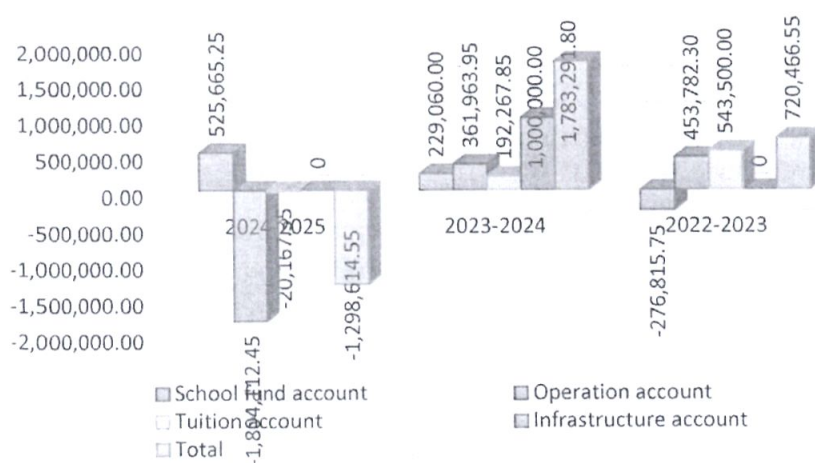
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) Financial performance:

Under this section, it reflects that the actual financial performance trend for the last three years between 1st July 2022 to 30th June 2025 it's summarized as follows

SURPLUS/ DEFICIT FOR THE YEAR AND A COMPARISON OF THE SAME FOR THE LAST THREE YEARS				
S/N	ACCOUNTS	2024-2025	2023-2024	2022-2023
		KSHS	KSHS	KSHS
1.	School fund account	525,665.25	229,060.00	(276,815.75)
2.	Operation account	(1,804,112.45)	361,963.95	453,782.30
3.	Tuition account	(20,167.35)	192,267.85	543,500.00
4.	Infrastructure account	0.00	1,000,000.00	0.00
	Total	(1,298,614.55)	1,783,291.80	720,466.55
	Increase/Decrease	(3,081,906.35)	1,062,825.25	984,056.65

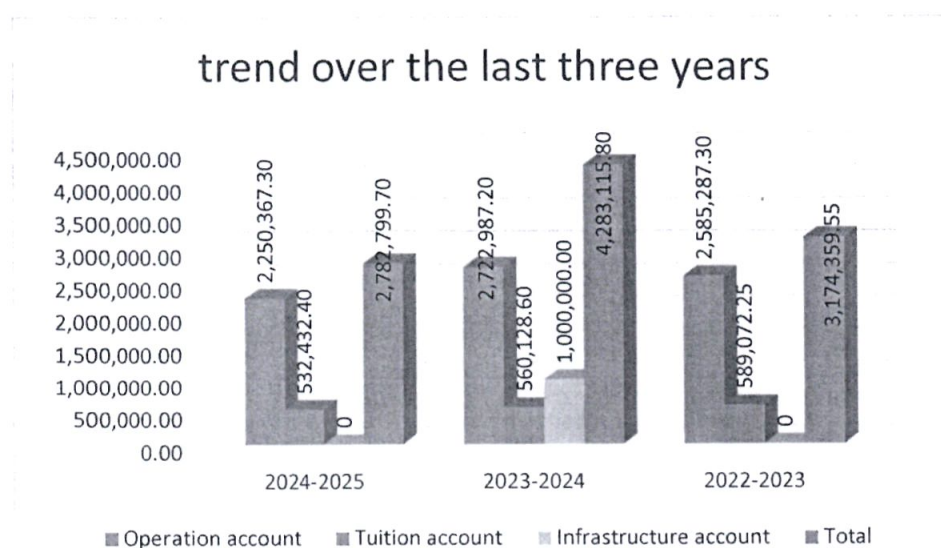
trend over the last three years



The surplus for the year 2024-2025 decreased by 1,783,291.80 since it was the surplus of the year 2023-2024 leading to a decrease to 3,081,906.35 from deficit 1,291,614.55.

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

CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS				
S/N	ACCOUNTS	2024-2025	2023-2024	2022-2023
		KSHS	KSHS	KSHS
1.	Operation account	2,250,367.30	2,722,987.20	2,585,287.30
2.	Tuition account	532,432.40	560,128.60	589,072.25
3.	Infrastructure account	0.00	1,000,000.00	0.00
	Total	2,782,799.70	4,283,115.80	3,174,359.55
	Increase/Decrease	(1,500,316.10)	1,108,756.25	(110,775.35)
	No. of students	175	218	211
	Ratio of capitation per student	1:15,901.71	1:15,060.16	1:15,044.36



The total capitation grant for the year 2023-2024 was kshs 4,283,115.80 as compared to kshs. 3,174,359.55 representing an increase of kshs 1,108,756.25 the net increase is mainly attributed by disbursement of capitation for term one, two and three based on different students population.

The total capitation grant for the year 2024-2025 was kshs 2,782,799.70 as compared to kshs. 4,283,115.80 in the year 2023-2024 representing a decrease of kshs 1,500,316.10 the net decrease is mainly attributed by disbursement of capitation for term one, two and three based on different students population.

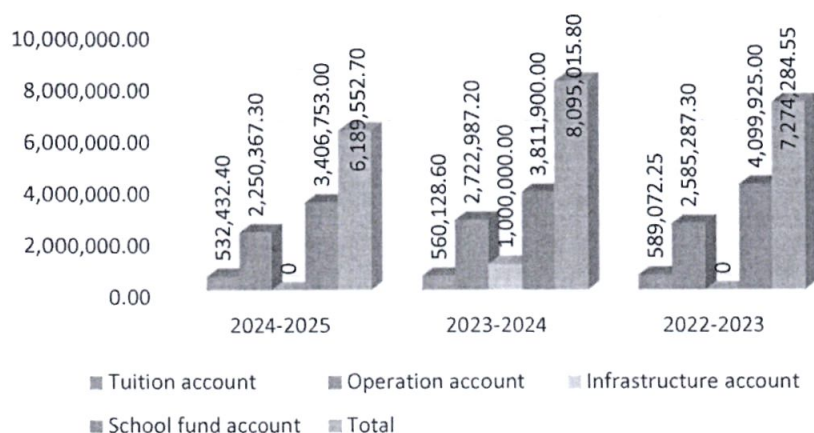
MCK KISIMA 78 SECONDARY SCHOOL

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

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

A THREE-YEAR OVERVIEW OF GROWTH OF OTHER INCOME(S) EARNED BY THE SCHOOL.				
S/N	ACCOUNTS	2024-2025	2023-2024	2022-2023
		KSHS	KSHS	KSHS
1.	Tuition account	532,432.40	560,128.60	589,072.25
2.	Operation account	2,250,367.30	2,722,987.20	2,585,287.30
3.	Infrastructure account	0.00	1,000,000.00	0.00
4.	School fund account	3,433,403.00	3,811,900.00	4,099,925.00
	Total	6,216,202.70	8,095,015.80	7,274,284.55
	Increase/Decrease	1,878,813.10	820,731.25	365,225.65

trend over the last three years



The financial year 2024-2025 shows a decrease growth in income which resulted from the decrease in student population from the current year of 2023-2024.

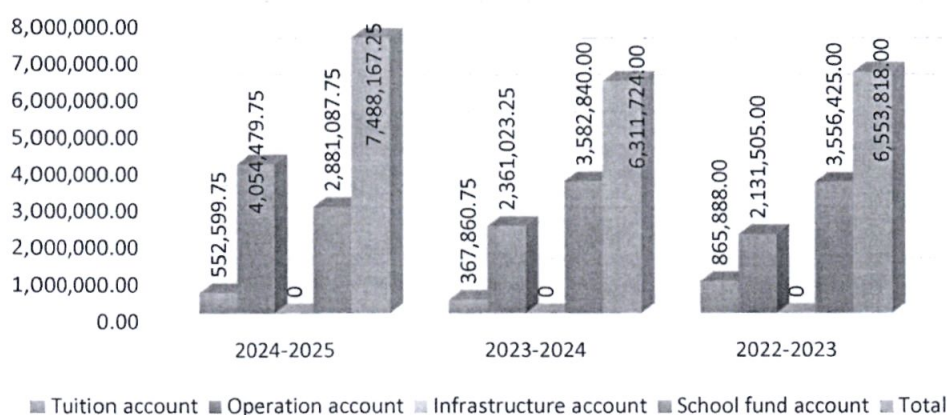
MCK KISIMA 78 SECONDARY SCHOOL

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

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

A THREE-YEAR OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL.				
S/N	ACCOUNTS	2024-2025	2023-2024	2022-2023
		KSHS	KSHS	KSHS
1.	Tuition account	552,599.75	367,860.75	865,888.00
2.	Operation account	4,054,479.75	2,361,023.25	2,131,505.00
3.	Infrastructure account	0.00	0.00	0.00
4.	School fund account	2,881,087.75	3,582,840.00	3,556,425.00
	Total	7,488,167.25	6,311,724.00	6,553,818.00
	Increase/Decrease	1,176,443.25	(242,094.00)	(618,831.00)

trend over the last three years

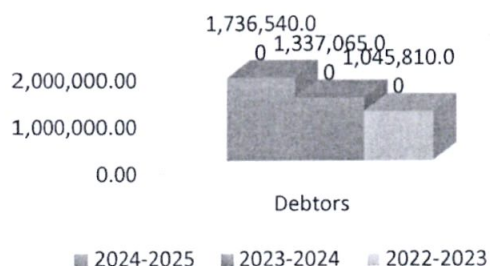


The financial year 2024-2025 shows an increase growth in expenditure which resulted from low collection over expenditure of that year of 2023-2024.

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

MOVEMENT OF DEBTORS OF THE SCHOOL				
S/N		2024-2025	2023-2024	2022-2023
1.	Debtors	1,763,190.00	1,337,065.00	1,045,810.00
	Total	1,763,190.00	1,337,065.00	1,045,810.00
	Increase/Decrease	426,125.00	291,255.00	622,655.00

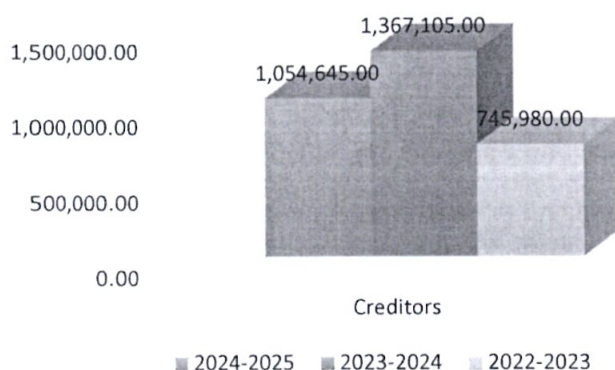
trend over the last three
years



Total debtors as at 2024-2025 increased by to 1,736,540.00 compared to kshs 1,337,065.00 as at 2023-2024. The main contributors to increase in total debtors is students having high fees balances and the form four 2021, 2022, 2023 and 2024 leaving the school with huge balances.

MOVEMENT OF CEDITORS OF THE SCHOOL				
S/N	ACCOUNTS	2024-2025	2023-2024	2022-2023
		KSHS	KSHS	KSHS
1.	Creditors	1,054,645.00	1,367,105.00	745,980.00
	Total	1,054,645.00	1,367,105.00	745,980.00
	Increase/Decrease	312,460.00	621,125.00	474,695.00

trend over the last three years



b) Teacher Student ratio:

Between the month of July 2024 and June 2025, the status of the teaching staff is as follows:

There are 13 teachers posted by the Teachers Service Commission and 2 recruited by the Board of Management. Although the teacher student ratio lies at 1:12.

Teachers posted in the year – 1

Teachers transferred/retired in the year –1

Teachers employed by BOM – 2

Teachers employed by TSC – 13

Subject	Maths	Eng.	Kisw.	Chem.	Bio	Phy.	Hist.	CRE	IRE	Geo.	Agri.	B/S
No. of TSC teachers	3	2	3	1	0	2	2	3	1	1	1	1
No. of BOM teachers	1	0	0	1	1	1	0	0	0	0	0	0
Surplus	0	0	0	0	0	0	0	0	0	0	0	0
Shortages	1	0	0	1	1	1	0	0	0	1	1	1

c) The mean score in the 2021, 2022, 2023 and 2024 KCSE

Year	Enrolment	Mean	Transition	Transition %	School target	Comments
2025	31					
2024	31	3.194	31	100%	3.5	
2023	40	2.525	40	100%	3.0	
2022	48	2.625	48	100%	3.0	
2021	35	1.9143	35	100%	3.5	

d) Number of Candidates in the 2023-2025 KCSE:

(Tabulate the number of candidates sitting for KCSE over the last three years).

Year	2025	2024	2023	2022	2021
Number of candidates	31	31	40	48	35

e) The capacity of the school:

The school had a population of 175 students against 5 classes. The pit latrines for boys were 4 and 1 urinal to the ratio of 1:30 and girls' latrines 5 to the ratio of 1:25.

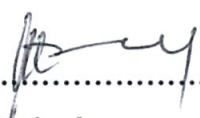
The school has one science lab.

The school has one dining hall.

The school has one dormitory (girls).

f) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
One dormitory	CDF Isiolo North	Completed	5,000,000.00	5,000,000.00	2024-2025
One Class and office renovation	Capitation Grant and Maintenance and improvement GOK	Completed	2,473,440.00	2,473,440.00	2024-2025

.....

 School Principal

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 *MCK Kisima 78 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).

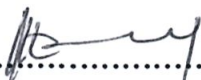
The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2025, and of the school's financial position as at that date.



.....
Name: Anne Kimacho

Designation: Chairman, School Board of Management

Date: 17/04/26



.....
Name: Francis Riungu Severino

Designation: School Principal & Secretary to Board of Management

Date: 17/4/2026



.....
Name: Nicholas Chokera Kaluma

Designation: Bursar/ Finance Officer

Date: 17/4/2026

REPUBLIC OF KENYA

Phone: +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 MCK KISIMA 78 SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2025 - ISIOLO COUNTY

PREAMBLE

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

- A. Report on the 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 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 the Financial Statements should be read together with the Report on Lawfulness and Effectiveness in Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities 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 MCK Kisima 78 Secondary School set out on pages 1 to 22, which comprise of the statement of assets

Report of the Auditor-General on MCK Kisima 78 Secondary School for the year ended 30 June, 2025 - Isiolo County

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 financial statements present fairly, in all material respects, the financial position of MCK Kisima 78 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) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Review of the financial statements revealed variances between the financial statements and the supporting ledgers as shown below:

Audit Component	Amount in Financial Statements (Kshs)	Amount in the Ledgers (Kshs)	Variance (Kshs)
Receivables	1,763,190	941,025	822,165
Operation Payments	4,054,480	2,672,464	1,382,016

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

2 Variances in Parents' Contributions

The statement of financial performance reflects an amount of Kshs.3,433,403 in respect of school fund income - parents' contributions as disclosed in Note 4 to the financial statements. However, supporting schedules and registers reflect Kshs.3,228,000 resulting in an unexplained and unreconciled variance of Kshs.205,403.

In the circumstances, the accuracy and completeness of the parents' contributions amount of Kshs.3,433,403 could not be confirmed.

3. Unsupported Tuition Expenditure

The statement of financial performance reflects payments for tuition amount of Kshs.552,600 as disclosed in Note 6 to the financial statements. However, payment vouchers for the expenditure were not supported by relevant underlying documents such

as requisitions, local purchase orders, delivery notes, inspection reports and goods received notes.

In the circumstances, the propriety of the tuition expenditure of Kshs.552,600 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the MCK Kisima 78 Secondary School Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects receipts budget and actual on comparable basis amounts of Kshs.12,679,680 and Kshs.5,316,778 respectively, resulting in under-funding of Kshs.7,362,902 or 58% of the budget. The statement also reflects total actual expenditure of Kshs.7,868,877 against approved budget of Kshs.12,679,680 resulting in under-performance of Kshs.4,810,803 or 38% of the budget.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, 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

Management is responsible for the Other Information set out on pages iii to xv, which comprise of Key School Information and Management, Summary Report of Performance of the School, and School Management Responsibility. The Other Information does not include the financial statements and our auditor's report thereon.

In connection with my audit of the Schools' 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 thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources, 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 Kenya Secondary Schools Heads Association

The statement of financial performance reflects boarding and school fund payments amount of Kshs.2,881,088 as disclosed in Note 9 to the financial statements. Included in the expenditure is Kshs.218,000 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.218,000 could not be confirmed.

2. Excess Supply of Books

During the year under review, the Ministry of Education distributed textbooks to public secondary schools through Kenya Institute of Curriculum Development (KICD). Examination of records revealed that the Institute distributed 334 excess books to the School which were not issued to the students and, therefore, were not put to use. Further, the School lacked a library facility for proper storage and management of learning materials. The books were kept on the floor, which exposed them to damage, loss and deterioration from dust and moisture.

In the circumstances, value for money on the excess 334 text books could not be confirmed.

3. Failure to Prepare School Improvement Plan

During the year under review, the School did not have an approved School Improvement Plan, contrary to Section 2.2 of the Ministry of Education Operations Manual for Utilization of Learner Capitation Grant and Other School Funds, which requires schools to identify in every three-year school improvement planning cycle, one priority area in each of the four key areas which include curriculum implementation, foundational literacy and numeracy outcomes, an enabling environment for learning and parental involvement and community engagement for implementation.

In the circumstances, Management was in breach of regulations.

4. Irregular Transfer of Funds to Methodist Sponsored Schools Principals Association (MESSPA)

The statement of financial performance reflects boarding and school fund payments amount of Kshs.2,881,088 as disclosed in Note 9 to the financial statements. Included in the expenditure is Kshs.115,000 transferred to Methodist Sponsored School Principals' Association (MESPA). However, MESPA 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 MESPA amounting to Kshs.115,000 could not be confirmed.

5. Irregularities in Procurement Processes

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

5.1 Lack of a Procurement Plan

The statement of financial performance reflects total expenditure for the year of Kshs.7,488,167. However, during the year, the School did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020, which states that a procuring entity should prepare a procurement plan for each financial year as part of the annual budget preparation process.

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

5.2 Lack of a Functional Procurement Unit

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

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

5.3 Unstructured Procurement Processes

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

In the circumstances, value for money may not have been obtained from the total procurements made during the year.

5.4 Weaknesses in Record Keeping

During the year under review, the School failed to maintain complete procurement records including: tender documents, tender advertisements, bid evaluation reports, correspondences with supplier, contract documents, payment certificates and contract performance monitoring reports. This was contrary to Section 58 of the Public Procurement and Asset Disposal Act, 2015 which requires accounting officers to keep adequate procurement records.

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, 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 Internal Audit Function and Audit Committee

During the year under review, the School had not constituted an audit committee and an internal audit unit as required by Regulation 166(1) and (2) of the Public Finance Management (National Government) Regulations, 2020, which states that, the internal audit unit of a National Government entity to assess effectiveness of the school through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury.

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

2. Weaknesses in Management of Assets

Annex 2 to the financial statements on summary of fixed assets register reflects assets balance of Kshs.22,072,315 which includes buildings and structures valued at Kshs.20,440,000. However, the register excludes land of undetermined valued on which the buildings and structures stand. Further, ownership documents for the excluded land were not provided for audit review.

In the circumstances, the correct valuation, completeness and existence of the assets of the School could not be confirmed.

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

Responsibilities of Management and the Board of Management

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards 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 terminate the School or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

8 May, 2026

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	532,432.40	560,128.60
Government grants for operations	2	2,250,367.30	2,722,987.20
Government Grants for infrastructure	3	-	1,000,000.00
School fund income- parents' contributions	4	3,433,403.00	3,811,900.00
Miscellaneous incomes	5	-	-
Total Revenue		6,216,202.70	8,095,015.80
Expenditure			
Tuition	6	552,599.75	367,860.75
Operations	7	4,054,479.75	2,361,023.25
Infrastructure	8	0.00	0.00
Boarding and school fund	9	2,881,087.75	3,582,840.00
Total Expenditure		7,488,167.25	6,311,724.00
Surplus/Deficit		(1,271,964.55)	1,783,291.80

The school financial statements were approved on _____ 2025 and signed by:


.....

Name:

Anne Kimata

Chair BOM

Date: 17/04/2026


.....

Name: Francis Riungu Severino

School Principal/ Secretary to
BOM

Date: 17/4/2026


.....

Name: Nicholas Chokera
kaluma

Bursar/ Finance Officer

Date: 17/4/2026

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	698,194.65	2,696,744.20
Cash balances	11	-	12,000.00
Short term investments	12	-	-
Total cash and cash equivalent		698,194.65	2,708,744.20
Account's receivables	13	1,763,190.00	1,337,065.00
Total financial assets (a)		2,461,384.65	4,045,809.20
Financial liabilities			
Accounts payables	14	1,054,645.00	1,367,105.00
Total Financial Liabilities (b)		1,054,645.00	1,367,105.00
Net financial assets (a-b)		1,406,739.65	2,678,704.20
Represented by			
Accumulated fund b/fwd	15	2,678,704.20	895,412.40
Surplus/deficit for the year		(1,271,964.55)	1,783,291.80
Net Assets		1,406,739.65	2,678,704.20

The school's financial statements were approved on _____ 2025 and signed by:

.....
Name:

Anne Kimani
Chair BOM

Date: 17/04/26

.....
Name: Francis Riungu

Severino
School Principal/ Secretary to
BOM

Date: 17/4/2026

.....
Name: Nicholas Chokera

kaluma

Bursar/ Finance Officer

Date: 17/4/2026

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		532,432.40	560,128.60
Government grants for operations		2,250,367.30	2,722,987.20
Government grants for infrastructure			1,000,000.00
School fund income- parents contributions/ fees		3,075,528.00	3,652,045.00
Other income			0.00
Total receipts		5,858,327.70	7,935,160.80
Payments			
Cash outflows for tuition		707,659.75	393,145.75
Cash outflows for operations		2,831,599.75	2,042,353.25
Cash outflows Boarding/lunch and school fund payments		2,907,617.75	3,386,500.00
Total payments		6,446,877.25	5,821,999.00
Net cash inflow/outflow from operating activities		(588,549.55)	2,113,161.80
.			
Cash flow from investing activities			
Acquisition of assets		1,422,000.00	-
Proceeds from sale of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash inflow/outflows from investing activities		1,422,000.00	-
Cash flow from Financing activities			
Proceeds from borrowings/ loans	18	-	-
Repayment of principal borrowings		-	-
Net cash inflow/outflow from financing activities		-	-
Net increase/decrease in cash and cash equivalents		(2,010,549.55)	2,113,161.80
Cash and cash equivalent at beginning of the FY		2,708,744.20	595,582.40
Cash and cash equivalent at end of the FY		698,194.65	2,708,744.20

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

MCK KISIMA 78 SECONDARY SCHOOL

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

The school's financial statements were approved on _____ 2025 and signed by:

.....

Name:

Anne Kimata

Chair BOM

Date: 17/04/26

.....

Name: Francis Riungu

Severino

**School Principal/ Secretary to
BOM**

Date: 17/4/2026

.....NK.....

**Name: Nicholas Chokera
kaluma**

Bursar/ Finance Officer

Date: 17/4/2026

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	% Of Utilization
	A	B	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
(1) Capitation Grant on Tuition					
Reference Materials	-	-	-	-	-
Exercise Books	-	-	-	-	-
Laboratory Equipment	-	-	-	-	-
Internal Exams	-	-	-	-	-
Teaching / Learning Materials	911,680.00	0.00	911,680.00	532,432.40	58.40%
Exams And Assessment	-	-	-	-	-
Sub Totals	911,680.00	0.00	911,680.00	532,432.40	58.40%
(2) Capitation Grant on Operations					
Personnel Emoluments	1,290,000.00	0.00	1,290,000.00	771,000.00	59.77%
Repairs And Maintenance	1,250,000.00	0.00	1,250,000.00	653,000.00	52.24%
Local Transport / Travelling	-	-	-	-	-
Electricity And Water	195,000.00	0.00	195,000.00	133,488.80	68.46%
Medical	440,000.00	0.00	440,000.00	196,770.00	44.72%
Administration Costs	803,000.00	0.00	803,000.00	366,988.50	45.70%
Activity	330,000.00	0.00	330,000.00	129,120.00	39.13%
Gratuity	-	-	-	-	-
Sub Totals	4,308,000.00	0.00	4,308,000.00	2,250,367.30	52.24%

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	2,000,000.00	0.00	2,000,000.00	0.00	0.00%
M&I parents' contribution	-	-	-	-	-
Economic Stimulus Programs	-	-	-	-	-
Transition Infrastructure Grants	-	-	-	-	-
Administration Block	-	-	-	-	-
Sub Totals	2,000,000.00	0.00	2,000,000.00	0.00	0.00%
(4) Fees Charged on Parents					
Personnel Emoluments	480,000.00	0.00	480,000.00	40,000.00	8.33%
Repairs And Maintenance	-	-	-	-	-
Local Transport / Travelling	-	-	-	-	-
Electricity And Water	-	-	-	-	-
Medical	-	-	-	-	-
Administration Costs	-	-	-	-	-
Activity	-	-	-	-	-
Meal programme	4,980,000.00	0.00	4,980,000.00	2,493,978.00	50.08%
Fee On Boarding Equipment and Stores	-	-	-	-	-
Sub Totals	5,460,000.00	0.00	5,460,000.00	2,533,978.00	46.41%
5) Miscellaneous Income					
Loans / Borrowing	-	-	-	-	-
Rent income	-	-	-	-	-
Income From Farming Activities	-	-	-	-	-

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	12,679,680.00	0.00	12,679,680.00	5,316,777.70	41.93%
(6) Expenditure For Tuition					
Textbooks	-	-	-	-	-
Reference Materials	-	-	-	-	-
Exercise Books	-	-	-	-	-
Laboratory Equipment	-	-	-	-	-
Internal Exams	-	-	-	-	-
Teaching / Learning Materials	911,680.00	0.00	911,680.00	705,440.00	77.38%
Chalks	-	-	-	-	-
Exams And Assessment	-	-	-	-	-
Teachers Guides	-	-	-	-	-
Administration Costs	-	-	-	-	-
Bank Charges	-	-	-	2,219.75	0.00%
Sub totals	911,680.00	0.00	911,680.00	707,659.75	77.62%
(7) Expenditure For Operations					
Personnel Emoluments	1,290,000.00	0.00	1,290,000.00	1,038,425.00	80.50%

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	1,250,000.00	0.00	1,250,000.00	1,231,020.00	98.48%
Local Transport / Travelling	-	-	-	-	-
Electricity, Water and Conservancy	195,000.00	0.00	195,000.00	75,000.00	38.46%
Medical	440,000.00	0.00	440,000.00	12,050.00	2.74%
Administration Costs	803,000.00	0.00	803,000.00	638,055.00	79.46%
Activity Expenses	330,000.00	0.00	330,000.00	257,100.00	77.91%
Gratuity	-	-	-	-	-
Bank charges	-	-	-	1,949.75	0.00%
Sub totals	4,308,000.00	0.00	4,308,000.00	3,253,599.75	75.52%
(8) Expenditure For infrastructure					
Construction of classrooms	2,000,000.00	0.00	2,000,000.00	1,000,000.00	50.00%
Construction of LAB	-	-	-	-	-
Construction of DORMS	-	-	-	-	-
Purchase of furniture	-	-	-	-	-
Purchase of equipment	-	-	-	-	-
Purchase of machinery	-	-	-	-	-
Sub totals	2,000,000.00	0.00	2,000,000.00	1,000,000.00	50.00%
(9) Expenditure For school fund/lunch/boarding					
Personnel Emoluments	480,000.00	0.00	480,000.00	228,610.00	47.63%
Repairs, Maintenance and Improvements	-	-	-	-	-

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	-	-	-	-	-
Electricity, Water and Conservancy	-	-	-	-	-
Medical Expenses	-	-	-	-	-
Administration Costs	-	-	-	-	-
Activity	-	-	-	-	-
Gratuity	-	-	-	-	-
Lunch Programme	4,980,000.00	0.00	4,980,000.00	2,668,840.00	53.59%
Boarding Equipment and Stores	-	-	-	-	-
Expenditure For Income Generating Activity	-	-	-	-	-
Insurance Costs	-	-	-	-	-
Other Expenses On Investments	-	-	-	-	-
Rent Expenses	-	-	-	-	-
Bank Charges	-	-	-	10,167.75	0.00%
Loan Interest Repayment	-	-	-	-	-
Loan Principal Repayment	-	-	-	-	-
Acquisition Of Assets	-	-	-	-	-
Sub totals	5,460,000.00	0.00	5,460,000.00	2,907,617.75	53.25%
Totals	12,679,680.00	0.00	12,679,680.00	7,868,877.25	62.06%

- i. The school has only received 41.93% of the expected revenue from 1st July 2024 to 30th June 2025.
- ii. The school has only utilised 62.06% of the expected revenue from 1st July 2024 to 30th June 2025.

10. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

Statement of Compliance

The financial statements have been prepared in accordance with the PFM Act and International Public Sector Accounting Standards (IPSAS). The entity has taken advantage of the transitional provisions under IPSAS 33, and therefore, these first/second/third/year financial statements are transitional financial statements.

Basis of Preparation

These financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period on an accrual basis unless otherwise specified (for example, statement of cash flow). Under an accrual basis, revenues are recognized when rights to assets are earned or levied rather than when cash is received, and expenses are recognized when obligations are incurred rather than when they are settled. The financial statements have been prepared and presented in Kenya Shillings to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

2. Recognition of revenue and expenditure

The school recognizes all revenue from various sources when earned and all expenses when incurred.

The capitation grants include recurrent and development grants. Recurrent capitation are recognised in the statement of financial performance while development grants are recognised in the statement of financial position after meeting the revenue recognition criteria. The conditional grants will be recognised as revenue upon fulfilment of the set conditions.

3. In-kind contributions

In-kind contributions are donations that are made to the *school* in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles,

equipment, or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the *school* includes such value in the statement of financial performance both as revenue and as expenditure in equal and opposite amounts; otherwise, the contribution is not recorded.

4. Cash and cash equivalents

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

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

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	532,432.40	560,128.60
Others (specify)*	-	-
Total	532,432.40	560,128.60

*Include others as per MOE circulars

2 Government Grants for Operations

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel Emoluments	771,000.00	921,900.00
Repairs And Maintenance	653,000.00	887,300.00
Local Transport / Travelling		
Electricity And Water	133,488.80	156,314.51
Medical	196,770.00	187,575.00
Administration Costs	366,988.50	388,100.00
Activity	129,120.00	181,797.69
Other Vote Heads (specify)*		
Total	2,250,367.30	2,722,987.20

*Include others as per MOE circulars

3 Government Grants for infrastructure

Description	2024-2025	2023-2024
	Kshs	Kshs
Maintenance & Improvement		1,000,000.00
Transition infrastructure grants		-
Administration Block		-
Economic stimulus grants		-

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Description	2024-2025	2023-2024
	Kshs	Kshs
Other (specify) (NGCDF and County govt.		-
Total	-	1,000,000.00

4 School Fund Income - Parents Contribution/Fees

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel emoluments	40,000.00	-
Repairs and maintenance		-
Local transport / travelling		-
Electricity and water		-
Medical		-
Administration costs		-
Development fund		33,050.00
Fee on Boarding Equipment and stores		-
PA Levies*		-
Others (specify)	3,393,403.00	3,778,850.00
Total	3,433,403.00	3,811,900.00

*Includes all levies charged by the school outside the fees structure but by mutual agreement with the parents.

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 (specify) *	-	-

MCK KISIMA 78 SECONDARY SCHOOL

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

Total	-	-
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6 Tuition

Description	2024-2025	2023-2024
	Kshs	Kshs
Exercise Books	-	-
Textbooks	-	-
Reference materials	-	-
Laboratory Equipment	-	-
Teaching / Learning Materials	550,380.00	366,540.00
Exams And Assessment	-	-
Teachers Guides	-	-
Bank Charges	2,219.75	1,320.75
Others (<i>specify</i>)	-	-
Total	552,599.75	367,860.75

7 Operations

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel Emoluments	1,038,425.00	833,300.00
Service Gratuity	-	-
Administration Cost	577,835.00	663,691.00
Repairs And Maintenance & Improvements	611,720.00	566,790.00
Local Transport / Travelling		
Electricity And Water	75,000.00	96,960.00
Medical	13,150.00	27,000.00
Activity Expenses	314,400.00	169,100.00
Insurance Cost		-
Acquisition of Assets	1,422,000.00	
Others (<i>specify</i>)	1,949.75	4,182.25
Total	4,054,479.75	2,361,023.25

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8 Infrastructure

Description	2024-2025	2023-2024
	Kshs	Kshs
Construction of classrooms	-	-
Construction of laboratory	-	-
Construction of dormitory	-	-
Purchase of furniture	-	-
Purchase of equipment	-	-
Purchase of apparatus	-	-
Drilling of boreholes	-	-
Others (specify)	-	-
Total	-	-

9 Boarding And School Fund

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel Emoluments	228,610.00	281,870.00
Service Gratuity	-	-
Repairs And Maintenance & Improvements	-	-
Local Transport / Travelling	-	-
Electricity And Water	-	-
Medical Expenses	-	-
Administration Costs	-	-
Lunch Programme	2,642,310.00	3,292,515.00
Bank Charges	10,167.75	8,455.00
Expenses On Income Generating Activities**	-	-
Fee On Boarding Equipment and Stores	-	-
Rent Expenses	-	-
Insurance Cost (<i>Life Property</i>)	-	-
Loan Principal Repayment	-	-
Loan Interest Repayment	-	-
Acquisition Of Assets	-	-
PA expenses	-	-
Others (specify)	-	-
Total	2,881,087.75	3,582,840.00

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10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2024-2025	2023-2024
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	1222958422	304.35	175,531.70
Operations Account	Active	1223625885	5,202.05	684,399.50
School Fund Account/Boarding	Active	1226237118	560,543.25	380,633.00
Savings Account				-
Parent Association Development Account				-
Income Generating Activities Account				-
Infrastructural Account	Active	10111203000215	132,145.00	1,456,180.00
Total			698,194.65	2,696,744.20

11 Cash In Hand

Description	2024-2025	2023-2024
	Kshs	Kshs
Notes and Coins	-	12,000.00
Total	-	12,000.00

12 Short Term Investments

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

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13 Accounts Receivable

Description	2024-2025	2023-2024
	Kshs	Kshs
Fees Arrears	1,763,190.00	1,337,065.00
Other Non-Fees Receivables	-	-
Salary Advances (list/schedule attached)	-	-
Imprest (list/schedule attached)	-	-
Rent arrears (list/schedule attached)	-	-
Total	1,763,190.00	1,337,065.00

13 b) Ageing Analysis of Accounts Receivable

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	967,675.00	54.90%	943,125.00	70.50%
Between 1- 2 years	795,515.00	45.10%	393,940.00	29.50%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (should tie to note 13 a)	1,763,190.00	100%	1,337,065.00	100%

14 Accounts Payable

Description	2024-2025	2023-2024
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	771,770.00	1,152,480.00
Prepaid Fees	282,875.00	214,625.00
Retention Monies	-	-
Unpaid salaries and statutory deductions	-	-
Caution money	-	-
Other payables (<i>specify</i>)	-	-
Total	1,054,645.00	1,367,105.00

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14a. Ageing Analysis of Accounts Payable

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	771,770.00	100%	1,152,480.00	100%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (should tie to note 14)	771,770.00	100%	1,152,480.00	100%

15 Fund Balance Brought Forward

Description	2024-2025	2023-2024
	Kshs	Kshs
Bank Balances	698,194.65	2,696,744.20
Cash Balances	-	12,000.00
Short Term Investments		
Receivables	1,763,190.00	1,337,065.00
Payables	(1,054,645.00)	(1,367,105.00)
Total	1,406,739.65	2,678,704.20

Other important disclosure notes

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

16 Non-current Liabilities Summary

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

17 Biological assets

Description	Numbers	2024-2025	2023-2024
		Kshs	Kshs
Cattle		-	-
Goats		-	-
Trees	350	35,000.00	25,000.00
Coffee Or Tea Plantation		-	-
Poultry		-	-
Others (specify)		-	-
Total		35,000.00	25,000.00

18 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

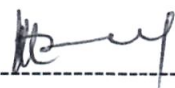
19 Stock/ Inventory

Description	2024-2025	2023-2024
	Kshs	Kshs
Food stuffs	39,210.00	57,425.00
Lab consumables		-
Farm produce		-
Medication		-
Construction Materials		-
Others (specify)		-
	39,210.00	57,425.00

20 Progress On Follow Up of Auditor Recommendations

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

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



 Sign and Date
 Principal 17/1/2026

12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
	A	B	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1.						
Sub-Total						
Supply Of Goods						
2. Samar Energy	195,000.00		0.00		195,000.00	
3. Nyambene Cereals Store	272,000.00		0.00		272,000.00	
4. Chairman Grocery	15,400.00		0.00		15,400.00	
5. Purity Kagendo G.	12,000.00		0.00		12,000.00	
6. Mt. Zion Horticulture	20,970.00		0.00		20,970.00	
7. Elite Executive Dealership	24,350.00		0.00		24,350.00	
8. Ibrahim Mungatia G.	13,840.00		0.00		13,840.00	
9. Twins Chemist	13,150.00		0.00		13,150.00	
10. Hannam Enterprises	106,400.00		0.00		106,400	
11. Helelo Bookshop Enterprise	98,660.00		0.00		98,660.00	
Sub-Total	771,770.00		0.00		771,770.00	



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Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
Supply Of Services						
12.						
13.						
Sub-Total						
Grand Total	758,620.00		0.00		758,620.00	

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	Donated			Donated
Buildings And Structures	20,440,000.00			20,440,000.00
Motor Vehicles				
Office Equipment, Furniture and Fittings	896,000.00			896,000.00
Textbooks	300,000.00			300,000.00
ICT Equipment	250,000.00			250,000.00
Tools And Apparatus	186,315.00			186,315.00
Other Machinery and Equipment				
Heritage And Cultural Assets				
Intangible Assets- Soft Ware				
Total	22,072,315.00			22,072,315.00

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

