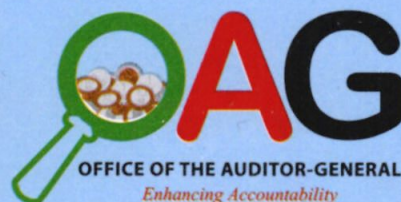


REPUBLIC OF KENYA

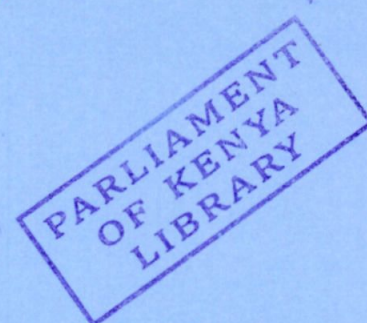


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability



REPORT

OF

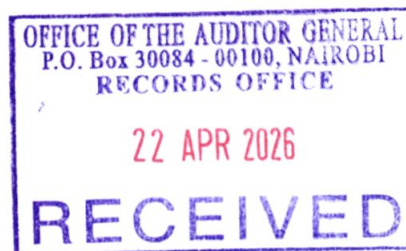
THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 29 JUL 2026	DAY: WEDNESDAY
TABLED BY:	ON - MARIANE KITANY ON BEHALF OF LOM
CLERK-AT THE-TABLE:	ESTHER NGINYO

MARAFI BOYS SECONDARY SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2025

KILIFI COUNTY



MARAFIA BOYS SECONDARY
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.

(This list is an indication of the common acronyms and abbreviations; the Entity should include all from the annual report and financial statements prepared)

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 **Kilifi** County, **Magarini** Sub-County.

The school was registered in **04/2022** under registration number **03S/3000/0206** 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 **452** number of students as at **30th June 2025**. It has **9** streams and **21** teachers of which **3** 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	Paul Mwambire	Chairman	8th July 2022
2	Seif Juma Dzillah	Secretary - Principal	8th July 2022
3	Hellen Mzungu	Member	8th July 2022
4	Doyo Wario Hiribae	Member	8th July 2022
5	Fadhili Ngua Daniel	Member	8th July 2022
6	Franklin Karema	Member	8th July 2022
7	Anderson Kalamagona	Member	8th July 2022
8	Naphtal Tsofa Mwarogo	Member – Rep CEB	8th July 2022
9	John Muturi Nyaga	Member Rep Teachers	8th July 2022
10	Wilberforce Mwakiru Ngetso	3 Members – Sponsor	8th July 2022
11	George Kalume Musha		8th July 2022
12	Lilian Jumwa		8th July 2022
13	Dr. Nelson Chengo Menza	Member - Community	8th July 2022
14	Maryselina Kibamba	Member Special Needs	8th July 2022
15	Onesmus Rajabu	Rep Students	Sept, 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. Paul Mwambire 2. Seif Juma Dzillah 3. Daniel Wanje 4. Lilian Jumwa 5. Hellen Mzungu 6. Maryselina Kimbamba	BOM Chairman Secretary Member Member Member Member	1
2	Audit Committee	1.Naphtal Tsofa Mwarogo 2.Fadhili Ngua Daniel 3.Hellen Mzungu 4.Dr. Nelson Menza	Chairman Secretary	0
3	Finance,procurement and general purposes Committee	1.Daniel Wanje 2.Wilberforce Mwakiru 3.Anderson Kalama Gona	Chairman Secretary	1
4	Academic Committee	1.Hellen Mzungu 2.John Muturi Nyaga	Chairperson Secretary	1
5	Development Committee	1.Seif Juma Dzillah 2.Wilberforce Mwakiru 3.George Kalume Musha 4. Maryselina Kimbamba	Chairman Secretary	1

MARAFI BOYS SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2025**

6	Discipline and welfare Committee	1.Franklin Karema 2.Lilian Jumwa	Chairman Secretary	0
7	Adhoc Committee (if any during the year)			

(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	Seif JumaDzillah	TSC No. 375205
2	Deputy Principal	Lewa Stanslus	TSC No. 302695
3	School Bursar	Thomas Ombere	Id No. 11344419
4	Other (specify)		

(e) Schools contacts

Post Office Box: 4 – 80207, Madina – Malindi
Telephone: 0717 614 123
E-mail: marafasecondary@ymail.com
Website: N/A
Facebook: The Marafa Boys School
Twitter: N/A

(f) School Bankers**1. Marafa secondary school Main account.**

Name of Bank: Kenya Commercial Bank
Branch : Malindi
Account no 1107991234

2. Tuition Account

Name of Bank: Kenya Commercial Bank
Branch : Malindi
Account no 1104229056

3. Operation Account.

Name of Bank: Kenya Commercial Bank
Branch : Malindi
Account no 1104238497

4. Marafa secondary bus account.

Name of Bank: Kenya Commercial Bank
Branch : Malindi
Account 1124139826

5. Marafa secondary service gratuity.

Name of Bank: Kenya Commercial Bank

Branch : Malindi

Account 1121903304

6. Marafa secondary Infrastructure Account

Name of Bank: Kenya Commercial Bank

Branch : Malindi

Account no 1109797052

7. Mpesa paybill no 522123 attached to 60011k (1107991234) bank 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:

1. SURPLUS/DEFICIT

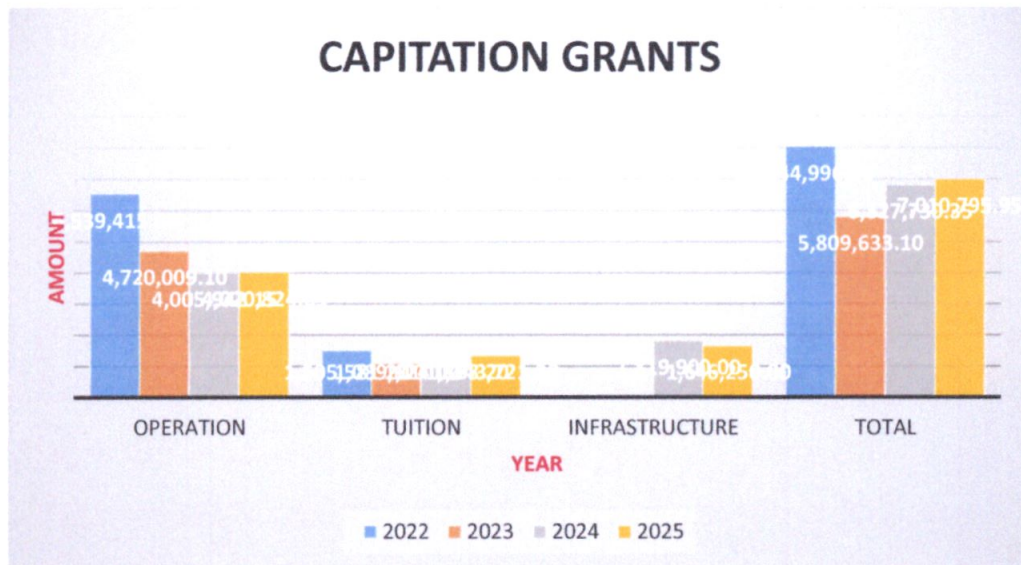
Year	Amount
2022	528,024.20
2023	(513,331.90)
2024	2,075,091.00
2025	(143,847.55)



2. CAPITATION GRANTS

Year	Operation	Tuition	Infrastructure	Total
2022	6,539,415.00	1,505,581.20		8,044,996.20
2023	4,720,009.10	1,089,624.00		5,809,633.10
2024	4,005,942.15	1,001,888.20	1,819,900.00	6,827,730.35
2025	4,020,824.65	1,343,721.30	1,646,250.00	7,010,795.95

Summary Report of Performance of The School -continued

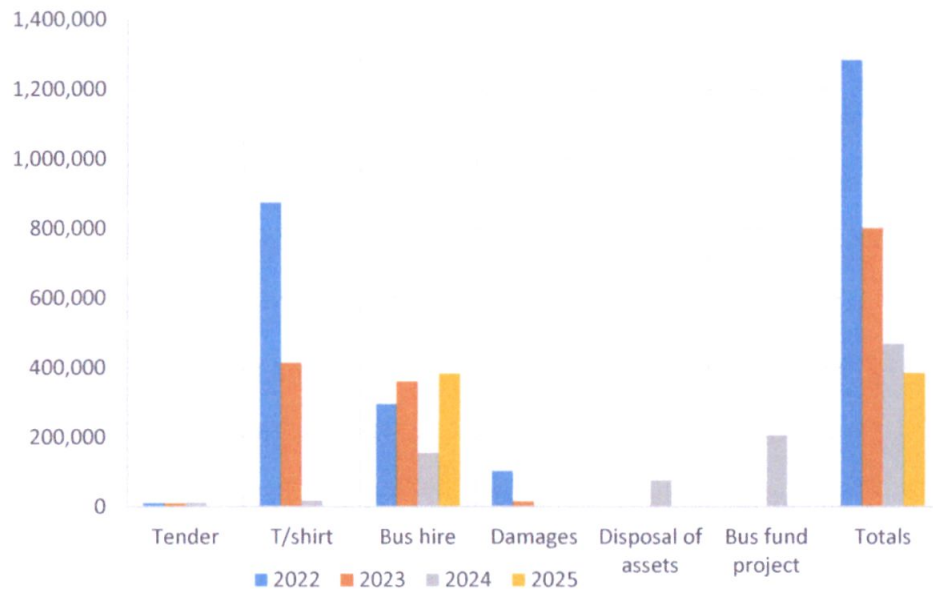


3. GROWTH OF OTHER INCOMES

Year	Tender	T/shirt	Bus hire	Damages	Disposal of assets	Bus fund project	Totals
2022	11,000	874,750	296,000	103,338			1,285,088
2023	10,000	413,813	359,900	16,550			800,263
2024	13,000	18,200	155,500	nil	76,720	205,950	469,370
2025	2,000	nil	382,834	nil	nil	nil	384,834

Summary Report of Performance of The School -continued

Growth in other incomes

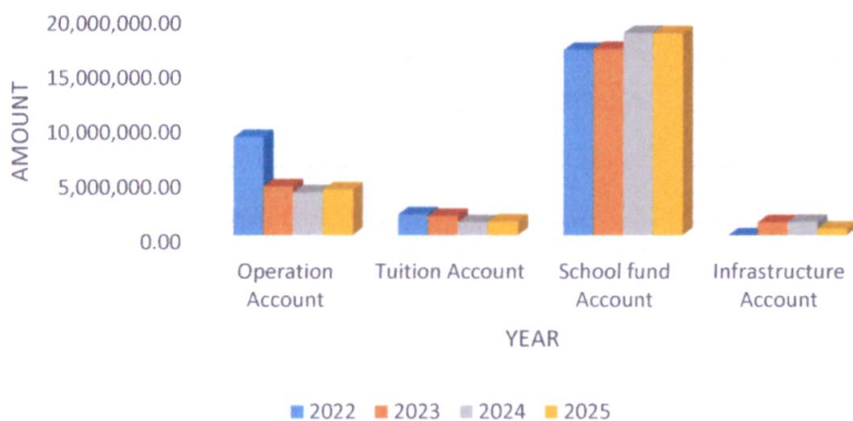


4. GROWTH IN EXPENDITURE OF THE SCHOOL

Year	Operation Account	Tuition Account	School fund Account	Infrastructure Account
2022	8,920,475.00	1,895,344.00	16,906,531.00	
2023	4,441,321.00	1,750,069.00	16,996,152.00	1,185,650.00
2024	3,899,361.00	1,180,608.00	18,467,658.85	1,223,220.00
2025	4,154,022.00	1,237,250.00	18,420,235.50	585,644.00

Summary Report of Performance of The School –continued

Growth in expenditure



5. MOVEMENT OF DEBTORS AND CREDITORS

Year	Debtors	Creditors
2022	22,333,315.30	154,985.00
2023	23,545,887.30	944,740.00
2024	20,010,051.54	404,360.00
2025	20,124,469.54	1,674,549.00

Movement of debtors and creditors



b) Teacher Student ratio:

School Enrolment in 2025	Number of Teachers	Number of Streams	TSC Teachers posted in 2025	TSC Teachers Transferred in 2025	BOM Teachers Recruited in 2025	TSC Interns Posted in 2025
452	18	9	0	0	0	0

C.B.E FOR THE YEAR 2025

Number of streams: FORM 1-6, FORM 2-2, FORM 3-2, FORM 4-2

SUBJECT	FORM 1	FORM 2	FORM 3	FORM 4	TOTAL PERIODS	T.R
ENGLISH	36	12	14	14	76	2.814814815
KISWAHILI	30	10	12	12	64	2.37037037
MATHEMATICS	36	12	14	14	76	2.814814815
BIOLOGY	24	8	10	10	52	1.925925926
PHYSICS	24	8	5	5	42	1.555555556
CHEMISTRY	24	8	10	10	52	1.925925926
HISTORY	18	6	8	8	40	1.481481481
GEOGRAPHY	18	6	5	5	34	1.259259259
C R E	18	6	10	10	44	1.62962963
AGRICULTURE	9	6	4	4	23	0.851851852
COMPUTER	12	6	4	4	26	0.962962963
BUSINESS	18	6	4	4	32	1.185185185
IRE	3	3	4	4	14	0.518518519
	270	97	104	104	575	21.2962963

SHORT FALL

PRINCIPAL (27-6) = **21**PERIODS

DEPUTY PRINCIPAL (27-12) = **15** PERIODS

H.O.D JOB GROUP L (27-18)9 = **81** PERIODS

TOTAL SHORTFALL **117** PERIODS.

T.R FROM SHORTFALL = $117/27 = 4.333$

TOTAL T. R= 21.296 + 4.333 = 25.629

NUMBER OF TEACHERS IN THE SCHOOL = **18**

SHORT FALL = 8

Areas of Need

AGRICULTURE / BIOLOGY	—	2
KISWAHILI/HISTORY	—	1
IRE/HISTORY	—	1
CRE/GEOGRAPHY	—	1
MATHS/CHEMISTRY	—	1
PHYSICS/MATHS	—	1
BIOLOGY/CHEMISTRY	—	1

c) The mean score in the 2024 KCSE:

YEAR	ENROL MENT	MEAN	TRANSI TION	TRANSITION (%)	SCHOOL TARGET	COMMENTS
2024	83	4.1687		54%	5.0	Negative deviation of -0.3096. However at the transition of D+ and above, 45 students qualified to join tertiary institutions.
2023	46	4.4783		65%	5.1	Positive deviation of 0.6668. Most subjects registered positive deviation. However at the transition of D+ and above, 30 students qualified to join tertiary institutions.
2022	122	3.8115	61	50%	4.5	Positive deviation of 0.3115. Most subjects registered positive deviation. However at the transition of D+ and above, 61 students qualified to join tertiary institutions.

MARAFI BOYS SECONDARY SCHOOL

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

d) Number of Candidates in the 2022, 2023 & 2024 KCSE:

S/N	YEAR	ENTRY
1	2024	83
2	2023	46
3	2022	122

e) The capacity of the school

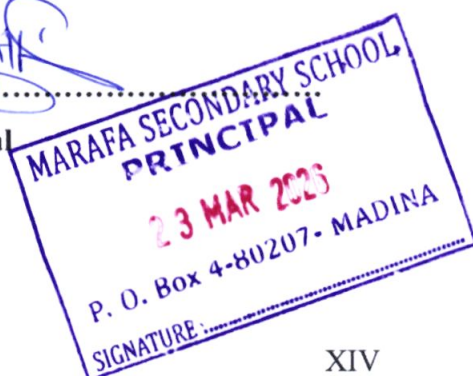
Basic School Infrastructure

Enrolment			No. of Classrooms		Toilets/Pit Latrines		No. of Other Facilities					ICT Learning	
Boarders	Day scholars	Total	Permanent	Temporary	Staff	Boys	Labs	Workshops	Libraries	Kitchen	Dormitory	No. of Computer/ Tablets	Internet (Yes/No)
275	177	452	14	0	2	30	1	0	1	1	3	6	Yes

f) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time

.....
School Principal



MARAFI BOYS SECONDARY SCHOOL

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

4. Statement of School Management Responsibility

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board (PSASB) of Kenya from time to time.

Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to keep all proper books and records of accounts of the income, expenditure, and assets of the institution.

The Board of Management of *Marafa Boys 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: Charles Lewa Chai

Designation: Chairman, School Board of Management

Date: 23.03. 2026



.....
Name: Seif Juma Dzila

Designation: School Principal & Secretary to Board of Management

Date: 23. 03. 2026



.....
Name: Tomas Ombere

Designation: Bursar/ Finance Officer

Date: 23. 03. 2026

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON MARAFA BOYS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2025 - KILIFI 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 Marafa Boys Secondary School set out on pages 1 to 22, 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 Marafa Boys Secondary School 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 Basic Education Act, 2013 and the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Variance in the Statement of Financial Performance

The statement of financial performance and as disclosed in Note 4 to the financial statements reflects school fund income -parents contributions of Kshs.16,857,674 while recomputed revenue balance based on student data amounts to Kshs.21,014,348 resulting to a variance of Kshs.4,156,674. Further, the statement and as disclosed in Note 1 and Note 2 to the financial statements reflects Government grants for tuition and operations of Kshs.1,343,721 and Kshs.4,020,825 respectively. However, the bank statements reflects Kshs.1,561,489 and Kshs.6,603,638 respectively resulting to variance of Kshs.217,768 and Kshs.2,582,814 respectively.

In the circumstances, the accuracy and completeness of school fund income-parents contributions, Government grants for tuition and operations of Kshs.16,857,674, 1,343,721 and Kshs.4,020,825 respectively could not be confirmed.

2. Unsupported Payments on Boarding and School Fund Expenditure

The statement of financial performance and as disclosed in Notes 9 to the financial statements reflects boarding and school fund expenditure of Kshs.18,422,366. However, supporting documents such as requisitions, local purchase orders, delivery notes, inspection reports, goods received notes, activity reports or minutes and attendance lists were not provided to support payment expenditure amounting to Kshs.1,452,997.

In the circumstances, the accuracy, completeness and validity of boarding and school fund expenditure amounting to Kshs.18,422,366 could not be confirmed.

3. Variance in Students' Fee Balances and Unsupported Balance

The statement of assets and liabilities and as disclosed in Note 13 to the financial statements reflects accounts receivables balance of Kshs.20,124,469 relating to

students' fee arrears. However, analysis of opening balances of Kshs.20,010,052, invoiced amount of Kshs.16,857,674 and receipted amount of Kshs.14,026,047 amounts to recomputed closing balance of Kshs.22,841,679 resulting to variance of Kshs.2,717,210 in student fee balance. Further, the ledger balance reflects a balance of Kshs.19,234,542 resulting to a variance of Kshs.889,927. Further, receivables amounting to Kshs.18,280,937 were not supported.

In the circumstances, the accuracy and completeness of account receivables balance of Kshs.20,124,469 could not be confirmed.

4. Unsupported and Under Statement of Accounts Payables

The statement of assets and liabilities and as disclosed in Note 14 to the financial statements reflects accounts payables balance of Kshs.1,674,549. Included in the balance is trade creditors balance of Kshs.244,130 which was not supported by ledgers. Further, analysis of receipts revealed that the school received bursary cheques amounting to Kshs.4,331,035 from various entities to sponsor students, out of which Kshs.3,206,035 was allocated to various students resulting into unallocated amount of Kshs.1,125,000 which was not recognized in the accounts payable balance of Kshs.1,392,455.

In the circumstances, the accuracy and completeness of the accounts payables balance of Kshs.1,674,549 could not be confirmed.

5. Unsupported Cash and Cash Equivalents

The statement of assets and liabilities and as disclosed in Note 10 and Note 11 to the financial statements reflects cash and cash equivalents balance of Kshs.1,427,363 which includes bank balance of Kshs.1,401,928 and cash balance of Kshs.25,435. However, the bank balance includes bus bank account and service gratuity account balances of Kshs.22,263 and Kshs.2,963 respectively whose cashbooks, bank reconciliation statements and certificates of bank balance were not provided for audit verification.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.1,427,363 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Marafa Boys 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.

Key Audit Matters

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

Other Matter

Significant Exemptions by PSASB in the Financial Reporting Template

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

Other Information

The Management is responsible for the Other Information set out on page iii to xvi which comprise of Key School Information and Management, Summary Report of Performance of the School and Statement of Management Responsibilities. 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. Unprocedural Transfer of Activity Funds

The statement of financial performance and as disclosed in Note 9 to the financial statements reflects boarding and school fund amount of Kshs.18,422,366 which includes activities of Kshs.1,062,008, out of which Kshs.247,700 was transferred to State

Department of Basic Education to fund co-curricular activities at the Sub County, County and Regional Level. However, the expenditure was not supported with requisitions and authority from the State Department of Basic Education and it was not in the approved school budget contrary to Regulation 52(1)(b) of the Public Finance Management (National Government) Regulations, 2015 which states that 'AIE holders shall be made to understand that the limit to which they may spend is that prescribed by the authority and not their expectations, however justified this may seem.

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

2. Over Funding of Capitation Grants

The statement of financial performance and as disclosed in Note 1 and Note 2 to the financial statements reflects Government grants for tuition and operations of Kshs.1,343,721 and Kshs.4,020,825 respectively. During the financial year under review, NEMIS reported student population of two thousand and two hundred and sixteen (2,216) students while the enrolment records provided by the school indicated student population of one thousand seven hundred and sixty (1,760), resulting to variance of 456 students. As a result of the variances, the school was over funded by an amount of Kshs.316 944 and Kshs.1,346,321 for both tuition and operation grant all totalling to Kshs.1,663,265.

This was contrary to Section 3.2 of Ministry of Education Circular Ref: MOE.HQS/10/18 VOLII/(33) dated 7 March, 2024 which states that it is the responsibility of the Principal to ensure accuracy of the data available in NEMIS where every eligible learner is fully registered on the platform.

In the circumstances, Management was in breach of the law and variances in student enrolment distorted Government capitation funding.

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 Operation Manual for Utilization of Learner Capitation Grant and Other School Funds, which requires schools to identify in every three-year school improvement planning cycle, one priority area in each of the four key areas which include curriculum implementation, foundational literacy and numeracy outcomes, an enabling environment for learning and parental involvement and community engagement for implementation.

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

4. Delay in Transfer of Infrastructure Funds from Operations Bank Account

The statement of financial performance and as disclosed in Note 2 and Note 3 to the financial statements reflects Government grants for operations and infrastructure of Kshs.4,020,824 and Kshs.1,646,250 respectively. However, infrastructure grants of Kshs.1,915,500 was credited in the operations bank account but Kshs.1,646,250 was transferred to infrastructure account, leaving a balance of Kshs.269,250 un transferred as at 30 June, 2025 contrary to the MOE.HQS/3/13/3 dated 16 June, 2021 which directed

that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

5. Unprocedural Transfer of Funds from infrastructure Account

The statement of financial performance as disclosed in Note 3 to the financial statements reflects Government grants for Infrastructure of Kshs.1,646,250. However, audit verifications revealed that an amount of Kshs.430,000 was transferred from the infrastructure grant account to the school's main account on 30 October, 2024. This was contrary to Paragraph 3.1.2 of Ministry of Education, State Department of Basic Education Circular Ref: MOE.HQS/3/10/18 VOL.II/(33) dated 7 March, 2024 which states that under the operations account schools may seek authority from County Education Boards(CEB) to vire savings or surplus fund from one item to another when it is absolutely necessary but the same does not apply for both tuition and infrastructure accounts.

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

6. Irregular Increase of School Fees

The statement of financial performance and as disclosed in Note 4 to the financial statements reflects school fund income -parents' contributions of Kshs.16,857,674. Examination of the records revealed that the school charged an extra fee of Kshs.3,500 to support the BOM teacher's salary and other activities which was not approved by the Ministry of Education through the County Education Board. This was contrary to Government Circular No. MOE.HQS/3/13/3 dated 16 June, 2021 which states that parent will only pay for school uniforms, boarding related costs as reflected in the boarding fees structure and lunch for the day scholars.

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

7. Project Implementation Without Approval

The statement of financial performance and as disclosed in Note 8 to the financial statements reflects infrastructure expenditure of Kshs.585,644. However, review of project records revealed that the school implemented roof repair project through purchase of materials and use of local masons without an approval from the Office of the County Director of Education as required by the Ministry of Education Circular Ref. No. MOE.HQS/3/6/36 dated 12 January, 2021. Explanation provided during audit indicated that school Management sought approval from the County Director of Education through a letter dated 12 July, 2024 but the approval was not granted.

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

8. Stalled Laboratory Project

Audit verifications carried out at the school revealed that there was a stalled laboratory project at the School which was at the walling stage. However, the bill of quantity indicating tendered/quoted cost and contract agreement indicating the contract sum,

contract period, contractor and amount paid to date were not provided for audit verification.

Further, audit verification revealed that the laboratory project was being handled by the Ministry of Education under the Kenya Secondary Education and Equity Quality Improvement Program (SEEQIP) to promote equity, and ensure compliance with mandatory requirement for all senior schools to offer STEM subjects.

In the circumstances, value for money from the laboratory project could not be confirmed.

9. Stalled Dining Hall Project

Audit verifications carried out in the School revealed there was a stalled dining hall project. However, project file with bills of quantities, project costs and amount paid to date was not provided for audit verification. Further, the explanation provided indicated that parents undertook to construct a dining hall through payment of levies through local labour in 2021/2022 financial year. Physical verification carried in March, 2026 revealed the dining hall building was constructed but flooring finishes had not been done and the dining hall had not been equipped with tables and chairs.

In the circumstances, value for money for the dining hall project could not be confirmed.

10. Unjustified and Unverified Bus Repairs

The statement of financial performance and as disclosed in Note 9 to the financial statements reflects boarding and school fund payments of Kshs.18,422,365 which includes bus hire and repair of Kshs.1,010,919. However, review of work tickets revealed that the bus was not operational for 6 months from September, 2024 to February, 2025 though expenditure amounting Kshs.433,271 was incurred over the same period.

In addition, no evidence of a pre and post inspection report was provided for audit verification confirming that there was proper diagnosis of the mechanical problem and proper confirmation of whether repairs were correctly done. This was contrary to Regulation 173(1) of Public Procurement and Disposal Regulations, 2020 which states that the Cabinet Secretary or County Executive Committee Member responsible for matters relating to transport and mechanical engineering at the national and county government level, as the case may be, shall prepare a detailed schedule of requirements and specifications of motor vehicles, plant and equipment for use by procuring entities when initiating the procurement.

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

11. Lack of Annual Procurement Plan

The statement of financial performance reflects total expenditure of Kshs.24,401,412 which includes procurement of goods and services of Kshs.6,483,715 which were not supported with an annual procurement plan. 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.

12. Irregularities in Procurement Processes

Review of the School's procurement processes revealed that the School did not have annual procurement plan contrary to Regulation 40(1) of the Public Procurement and Asset Disposal Regulations, 2020 and did not have an established procurement function managed by qualified procurement professional contrary to Section 47(2) of the Public Procurement and Asset Disposal Act, 2015. Further, review of the procurement process for various procurement of goods and services revealed that School Management did not maintain tender documents, tender advertisements, bid evaluation reports, correspondences with supplier, award letters, contract document and professional opinion contrary to Regulation 79(1) of the Public Procurement and Asset Disposal Regulations, 2020.

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

13. Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements

Review of the financial statements submitted for audit revealed omissions and non-compliance with the format prescribed and published by the Public Sector Accounting Standards Board (PSASB) as follows:

- i) Annex 1 to the financial statements on analysis of pending accounts payable was incomplete and lacked creditors name, original amount, date contracted, amount paid to date, outstanding balance.
- ii) Annex 2 to the financial statements on the summary of fixed assets register lacks fixed asset balances in monetary value.
- iii) Note 20 on progress on follow up of auditor recommendations and current status and time frame to resolve audit recommendations was not completed.
- iv) Note 19 to the financial statements was blank and did not indicate inventory items held and corresponding values as at 30 June, 2025.

In the circumstances, the financial statements are not fully compliant with the Public Sector Accounting Standard Board (PSASB) financial reporting template.

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. Ineffective Audit Committee and Lack of Internal Audit Function

The key school information and management section of the financial statement indicates the School has an audit committee which did not hold any meeting. This was contrary to Regulation 179(1) of Public Finance Management (National Government) Regulations, 2015 which states that the audit committee shall meet at least once in every three months. Further, no internal audit was conducted contrary to Regulation 166(1) and (2) of the Public Finance Management (National Government), 2015 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 the Board of Management

From the review of School governance documents, it was noted that the School Board of Management chairman and one board member did not have a university degree and a KCSE certificate respectively and this was contrary to Regulation 6 of the Basic Education Regulations, 2015 which requires the minimum qualification for chairmen and members of the board for a secondary school or a middle level college be a degree from a university recognized in Kenya and a KCSE certificate respectively. Further, attendance registers were not provided for audit verification.

In the circumstances, weakness in the governance mechanism hinders the management achievement of the School's strategic objectives.

3. Weaknesses in Management of Assets

Annex 2 to the financial statements reflects summary of fixed asset register which includes various assets brought forward balances reported in terms of quantities or units instead of historical cost in monetary terms. Further, the School has a parcel of land, buildings, a generator, posho mill, school bus, office equipment and other furniture items. However, management did not prepare a detailed fixed assets register giving details of the individual asset name, tag number, specific asset location and amount and therefore it was not possible to identify specific assets for physical verification. This was contrary to Regulation 143(1) of Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

Further, the land title deed was not provided and physical verification conducted in March 2026 revealed the school land measuring approximately 25 acres is not fenced making it an easy target for encroachment. It was noted that a portion of the school land had been encroached by an individual who has erected a temporary structure but the matter has not been resolved.

In the circumstances, controls in the management of assets are not adequate and lack of ownership documents may lead to misappropriation and physical loss of assets.

4. Weaknesses in Stock/Inventory Management and Failure to Conduct Annual Stock Take

Note 19 on other important disclosures reflects stock/inventory balance of Kshs. Nil during the year under review. However, despite the School holding various inventory inform of books, stationeries and food stuffs, there was no stock take report done as at 30 June 2025. This was contrary to Regulation 171(1)(d) of Public Procurement and Asset Disposal Regulations, 2020 which states that the head of the procurement function of a procuring entity shall conduct quarterly and annual stock taking pursuant to section 162(2) of the Act.

In the circumstances, the existence of effective control over inventory management could not be confirmed.

5. Long Outstanding Receivables

The statement of assets and liabilities and as disclosed in Note 13 to the financial statements reflects accounts receivable balance of Kshs.20,124,470. However, receivables amounting to Kshs.14,844,061 have been outstanding for more than three (3) years.

In the circumstances, recoverability of accounts receivables balance could not be confirmed.

6. Inadequate School Infrastructural Facilities

Review of existing infrastructure revealed that the School has two dormitories with a capacity of two hundred and ninety-five (295) against a student population of three hundred and fifty (356) as at the time of audit in March 2026 resulting into excess of sixty-one (61) students who were accommodated in a classroom which has been converted to a dormitory.

In the circumstances, there is likelihood of compromised education standards in the School arising from inadequate and uninhabitable learning environment.

7. Internal Controls and Risk Management Weaknesses

Review of the School's governance and policy framework revealed that several key policies and strategies were not approved or operationalized including ICT Policy, Audit Committee and Internal Audit Charters, Risk Management Policy, Disaster Recovery Plan

and Business Continuity Policy, Finance and Procurement Policy and Library Management Policy. This was contrary to Section 68(2)(e) of Public Finance Management Act, 2012 which states that in the performance of a function under subsection(1), an accounting officer shall ensure that all applicable accounting and financial controls, systems, standards, laws and procedures are followed when procuring or disposing of goods and services and that, in the case of goods, adequate arrangements are made for their custody, safeguarding and maintenance.

In the circumstances, inconsistent processes and weakened oversight may compromise the School ability to safeguard assets, ensure service continuity, and achieve strategic objectives.

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 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

28 May, 2026

MARAFI BOYS SECONDARY SCHOOL

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

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

Description Of Vote Head	Note	2024-2025	2023-2024
		Kshs	Kshs
Revenue			
Government grants for tuition	1	1,343,721.30	1,001,888.20
Government grants for operations	2	4,020,824.65	4,005,942.15
Government Grants for infrastructure	3	1,646,250.00	1,819,900.00
School fund income- parents' contributions	4	16,857,674.00	19,548,830.50
Miscellaneous incomes	5	384,834.00	469,370.00
Total Revenue		24,253,303.95	26,845,938.85
Expenditure			
Tuition	6	1,237,250.00	1,180,608.00
Operations	7	4,156,152.00	3,899,361.00
Infrastructure	8	585,644.00	1,223,220.00
Boarding and school fund	9	18,422,365.50	18,467,658.85
Total Expenditure		24,401,411.50	24,770,847.85
Surplus/Deficit		(148,107.55)	2,075,091.00

The school financial statements were approved on **23.03 2026** and signed by:

.....


Name: Charles L. Chai

Chair BOM

Date: **23.03. 2026**

.....


Name: Seif Juma Dzilla
School Principal/ Secretary to
BOM

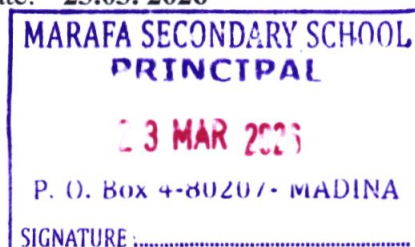
Date: **23.03. 2026**

.....


Name: Tomas Ombere

Bursar/ Finance Officer

Date: **23.03. 2026**



MARAFI BOYS SECONDARY SCHOOL

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

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

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	1,401,928.02	1,406,023.57
Cash balances	11	25,435.00	1,771.00
Short term investments	12	nil	nil
Total cash and cash equivalent		<u>1,427,363.02</u>	<u>1,407,794.57</u>
Account's receivables	13	20,124,469.54	20,010,051.54
Total financial assets (a)		21,551,832.56	21,417,846.11
Financial liabilities			
Accounts payables	14	1,674,549.00	1,392,455.00
Total Financial Liabilities (b)		1,674,549.00	1,392,455.00
Net financial assets (a-b)		19,877,283.56	20,025,391.11
Represented by			
Accumulated fund b/fwd	15	20,025,391.11	17,950,300.11
Surplus/deficit for the year		(148,107.55)	2,075,091.00
Net Assets		19,877,283.56	20,025,391.11

The school's financial statements were approved on **23.03. 2026** and signed by:


 Name: Charles L. Chai
 Chair BOM
 Date: **23.03. 2026**


 Name: Seif Juma Dzila
 School Principal/ Secretary to BOM
 Date: **23.03. 2026**


 Name: Tomas Ombere
 Bursar/ Finance Officer
 Date: **23.03. 2026**



MARAFI BOYS SECONDARY SCHOOL

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

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

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition		1,343,721.30	1,001,888.20
Government grants for operations		4,020,824.65	4,005,942.15
Government grants for infrastructure		1,646,250.00	1,819,900.00
School fund income- parents contributions/ fees		14,026,047.00	16,653,780.50
Other income		3,190,039.00	3,005,545.00
Total receipts		24,226,881.95	26,487,055.85
Payments			
Cash outflows for tuition		1,237,250.00	1,180,608.00
Cash outflows for operations		4,156,152.00	3,899,361.00
Cash outflows Boarding/lunch and school fund payments		18,228,267.50	19,009,238.85
Total payments		23,621,669.50	24,089,207.85
Net cash inflow/outflow from operating activities		605,212.45	2,397,848.00
Cash flow from investing activities			
Acquisition of assets		(585,644.00)	(1,223,220.00)
Proceeds from sale of Assets			0.00
Proceeds from investments			0.00
Purchase of investments			0.00
Net cash inflow/outflows from investing activities		(585,644.00)	(1,223,220.00)
Cash flow from Financing activities			
Proceeds from borrowings/ loans	18	NIL	0.00
Repayment of principal borrowings			0.00
Net cash inflow/outflow from financing activities			0.00
Net increase/decrease in cash and cash equivalents		19,568.45	1,174,628.00
Cash and cash equivalent at beginning of the FY		1,407,794.57	233,166.57
Cash and cash equivalent at end of the FY		1,427,363.02	1,407,794.57

The school's financial statements were approved on 23.03.2026 and signed by:

.....
Name: Charles L Chai

Chair BOM

Date: 23.03. 2026

.....
Name: Seif Juma Dzilla

School Principal/ Secretary to BOM

Date: 23.03. 2026

.....
Name: Tomas Ombere

Bursar/ Finance Officer

Date: 23.03. 2026

MARAFI SECONDARY SCHOOL
PRINCIPAL
23 MAR 2026
P. O. Box 4-80207 • MADINA
SIGNATURE :

MARAFI BOYS SECONDARY SCHOOL

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

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
<i>(1) Capitation Grant on Tuition</i>					
Reference Materials					
Exercise Books	172,669.00		172,669.00	169,070.00	97.91
Laboratory Equipment	400,645.00		400,645.00	442,451.00	110.43
Exams and assessment	71,298.00		71,298.00	71,952.00	100.91
Teaching / Learning Materials	526,252.00		526,252.00	515,758.30	98.00
Chalk and dusters	101,284.00		101,284.00	144,490.00	142.65
	1,272,148.00		1,272,148.00	1,343,721.30	105.626
<i>(2) Capitation Grant on Operations</i>					
Personnel Emoluments	1,518,501.00		1,518,501.00	1,451,829.00	95.60
Repairs And Maintenance					
Local Transport / Travelling	659,210.00		659,210.00	502,669.50	76.25
Electricity And Water	824,229.00		824,229.00	697,324.20	84.60
Medical	212,075.00		212,075.00	529,881.00	249.85
Administration Costs	494,086.00		494,086.00	526,002.95	106.45
Activity	368,197.00		368,197.00	313,118.00	85.04
Gratuity					
	4,076,298.00		4,076,298.00	4,020,824.65	98.639

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	2,065,600.00		2,065,600.00	1,646,250.00	79.698
M&I parents' contribution					
Economic Stimulus Programs					
Transition Infrastructure Grants					
Administration Block					
(4) Fees Charged on Parents					
Personnel Emoluments	2,290,400.00		2,290,400.00	1,591,519.00	69
Repairs And Maintenance	672,000.00		672,000.00	490,860.00	73
Local Transport / Travelling	275,800.00		275,800.00	201,450.00	73
Electricity And Water	840,000.00		840,000.00	606,806.00	72
BOM Teachers salary	1,549,000.00		1,549,000.00	1,168,941.00	75
Administration Costs	1,043,000.00		1,043,000.00	796,172.00	76
Activity	336,000.00		336,000.00	228,748.00	68
Lunch program	2,496,000.00		2,496,000.00	1,775,044.00	71
Fee On Boarding Equipment and Stores	8,725,000.00		8,725,000.00	7,166,507.00	82
	18,227,200.00		18,227,200.00	14,026,047.00	76
5) Miscellaneous Income					
Income from fees arrears				1,729,114.00	
Income from prepaid fees				1,076,091.00	
Income From Farming Activities					
Insurance Compensation					

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
Income From Posho Mill					
Income From Bus Hire	nil		nil	382,834.00	
Fee For Hire of Ground and Equipment					
Interest Income					
Income From sale of tender document	nil		nil	2,000.00	
				3,190,039.00	
Total Income	25,641,246.00		25,641,264.00	24,226,881.95	94
(6) Expenditure For Tuition					
Textbooks					
Reference Materials					
Exercise Books	172,669.00		172,669.00	36,000.00	20.84
Laboratory Equipment	400,645.00		400,645.00	483,965.00	120.79
Internal Exams					
Teaching / Learning Materials	526,252.00		526,252.00	604,775.00	114.92
Chalks	101,284.00		101,284.00	67,800.00	66.94
Exams And Assessment	71,298.00		71,298.00	42,000.00	58.90
Teachers Guides					
Administration Costs					
Bank Charges	nil		nil	2,710.00	
	1,272,148.00		1,272,148.00	1,237,250.00	97.256
(7) Expenditure For Operations					
Personnel Emoluments	1,518,501.00		1,518,501.00	2,451,946.00	161.47

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	nil		nil	nil	
Local Transport / Travelling	659,201.00		659,201.00	237,000.00	35.95
Electricity, Water and Conservancy	824,229.00		824,229.00	420,740.00	51.04
Medical	212,075.00		212,075.00	nil	
Administration Costs	494,086.00		494,086.00	823,201.00	166.61
Activity Expenses	368,197.00		368,197.00	216,910.00	58.91
Bank charges	nil		nil	4,225.00	
SMASSE					
	4,076,298.00		4,076,298.00	4,154,022.00	101.906
(8) Expenditure For infrastructure					
Construction of classrooms					
Construction of LAB					
Repair of DORMS	2,065,600.00		2,065,600.00	585,644.00	28.352
Purchase of furniture					
Purchase of equipment					
Purchase of machinery					
(9) Expenditure For school fund/lunch/boarding					
Personnel Emoluments	2,290,400.00		2,290,400.00	2,491,148.00	108
Repairs, Maintenance and Improvements	672,000.00		672,000.00	271,345.00	40
Local Transport / Travelling	275,800.00		275,800.00	723,498.00	262

MARAFI BOYS SECONDARY SCHOOL

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

Receipts/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
Electricity, Water and Conservancy	840,000.00		840,000.00	667,757.00	79
Medical Expenses					
Administration Costs	1,043,000.00		1,043,000.00	1,984,985.00	190
Activity	336,000.00		336,000.00	1,062,008.00	316
BOM Teachers salary	1,549,000.00		1,549,000.00	604,143.00	39
Lunch Programme	2,496,000.00		2,496,000.00	1,797,676.00	72
Boarding Equipment and Stores	8,725,010.00		8,725,010.00	7,115,603.00	81
Expenditure For -Bus hire	nil		nil	1,010,919.00	
Insurance Costs					
Payments to previous years creditors				404,360.00	
Refund to students				87,455.00	
Bank Charges	nil		nil	7,370.50	
Loan Interest Repayment					
Loan Principal Repayment					
Acquisition Of Assets					
Sub totals	18,227,200.00		18,227,200.00	18,228,267.50	100
Totals	25,641,246.00		25,641,246.00	24,205,184	92

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

- i. Xxx
- ii. Xxx

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	169,070.00	35,500.00
Laboratory Equipment	442,451.00	194,623.00
Internal Exams	71,952.00	88,400.20
Teaching / Learning Materials	515,758.30	665,615.00
Chalk and dusters	144,490.00	17,750.00
Total	1,343,721.30	1,001,888.20

2 Government Grants for Operations

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel Emoluments	1,451,829.00	1,715,762.85
Repairs And Maintenance	-	nil
Local Transport / Travelling	502,669.50	482,859.00
Electricity And Water	697,324.20	495,200.00
Medical	529,881.00	303,675.30
Administration Costs	526,002.95	565,850.00
Activity	313,118.00	442,595.00
Other Vote Heads (specify)*		
Total	4,020,824.65	4,005,942.15

3 Government Grants for infrastructure

Description	2024-2025	2023-2024
	Kshs	Kshs
Maintenance & Improvement	1,646,250.00	1,819,900.00
Transition infrastructure grants		
Administration Block		
Economic stimulus grants		
Other (specify)(NGCDF and County govt.		
Total	1,646,250.00	1,819,900.00

4 School Fund Income - Parents Contribution/Fees

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel emoluments	1,977,772.00	2,294,547.00
Repairs and maintenance	587,470.00	778,500.00
Local transport / travelling	240,885.00	389,200.00
Electricity and water	730,741.00	977,791.00
Medical	nil	nil
Administration costs	937,432.00	1,160,133.00
Activity	294,031.00	413,409.50
Fee on Boarding Equipment and stores	8,085,597.00	9,350,756.00
BOM Teachers' salaries	1,470,778.00	1,755,991.00
Lunch program	2,532,968.00	2,428,511.00
Total	16,857,674.00	19,548,838.50

5 Miscellaneous Incomes

Description	2024-2025	2023-2024
	Kshs	Kshs
Income from sale of tender documents	2,000.00	13,000.00
Income from sale of t-shirts	nil	18,200.00
Collection from students for bus maintenance	nil	205,950.00
Income from disposal of assets	nil	76,720.00
Income from school bus hire	382,834.00	155,500.00
Other Income (<i>specify</i>) *		
Total	384,834.00	469,370.00

6 Tuition

Description	2024-2025	2023-2024
	Kshs	Kshs
Exercise Books	36,000.00	29,000.00
Textbooks	nil	nil
Reference materials	nil	nil
Laboratory Equipment	483,965.00	584,738.00
Teaching / Learning Materials	604,775.00	494,560.00
Exams And Assessment	42,000.00	34,400.00
Teachers Guides		nil
Bank Charges	2,710.00	465.00
Chalk and dusters	67,800.00	37,445.00
Total	1,237,250.00	1,180,608.00

7 Operations

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel Emoluments	2451946.00	1,884,804.00
Service Gratuity	nil	nil
Administration Cost	823201.00	1,059,309.00
Repairs And Maintenance & Improvements	nil	nil
Local Transport / Travelling	237,000.00	44,500.00
Electricity And Water	420,740.00	233,473.00
Medical		nil
Activity Expenses	216,910.00	675,060.00
Insurance Cost		nil
Others (Bank charges)	6,355.00	2,215.00
Total	4,156,152.00	3,899,361.00

8 Infrastructure

Description	2024-2025	2023-2024
	Kshs	Kshs
Construction of classrooms		
Construction of laboratory		
Repair of dormitory	583,399.00	
Purchase of furniture-Steel beds		1,223,220.00
Purchase of equipment		
Purchase of apparatus		
Drilling of boreholes		
Others (bank charges)	2,245.00	
Total	585,644.00	1,223,220.00

9 Boarding and School Fund

Description	2024-2025	2023-2024
	Kshs	Kshs
Personnel Emoluments	2,868,518.00	3,064,495.00
Service Gratuity	nil	nil
Repairs And Maintenance & Improvements	271,345.00	525,165.00
Local Transport / Travelling	723,498.00	663,100.00
Electricity And Water	667,757.00	1,103,636.00
Medical Expenses	nil	nil
Administration Costs	1,984,985.00	1,879,768.00
Lunch Program	1,797,676.00	1,107,078.00
Bank Charges	7,370.50	4,772.85.00
Activities	1,062,008.00	1,001,820.00
Fee On Boarding Equipment and Stores	7,359,733.00	7,501,243.00
Bus hire and repair	1,010,919.00	266,700.00
Expenses on bus fund	nil	605,000.00
BOM teachers' salaries	668,556.00	744,881.00
Total	18,422,365.50	18,467,658.85

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2024-2025	2023-2024
	Active/Dormant		Kshs	Kshs
Tuition Account		1104229056	29,187.20	122,715.9
Operations Account		1104238497	4,161.73	719,764.08
School Fund Account/Boarding		1107991234	100,210.31	503,420.81
Bus account		1124139826	22,262.73	24,392.73
Service Gratuity		1121903304	2,963.30	5,093.30
Infrastructural Account		1109797052	1,243,142.75	30,636.75
Total			1,401,928.02	1,406,023.57

11 Cash In Hand

Description	2024-2025	2023-2024
	Kshs	Kshs
Notes and Coins	25,435.00	1,771.00
Total	25,435.00	1,771.00

12 Short Term Investments

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

13 Accounts Receivable

Description	2024-2025	2023-2024
	Kshs	Kshs
Fees Arrears	20,124,469.54	20,010,051.54
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)		
Imprest (list/schedule attached)		
Rent arrears (list/schedule attached)		
Returned cheques	nil	nil
Total	20,124,469.54	20,010,051.54

13 b) Ageing Analysis of Accounts Receivable

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	Current 2025	% of the total	Comparative 2024	% of the total
Less than 1 year	1,843,532.00	9.16	2,667,005.00	13.6
Between 1- 2 years	950,321.00	4.72	1,561,897.00	7.8
Between 2-3 years	2,486,556.00	12.35	937,089.00	4.6
Over 3 years	14,844,060.54	73.76	14,844,060.54	74
Total (should tie to note 13 a)	20,124,469.54	100.00	20,010,051.54	100

14 Accounts Payable

Description	2024-2025	2023-2024
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	244,130.00	404,360.00
Prepaid Fees	988,636.00	988,095.00
Retention Monies		
Unpaid salaries and statutory deductions	441,783.00	nil
Caution money		
Total	1,674,549.00	1,392,455.00

14a. Ageing Analysis of Accounts Payable

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	Current 2025	% of the total	Comparative 2024	% of the total
Less than 1 year	1,674,549.00	100.00	1,392,455.00	100
Between 1- 2 years		%		
Between 2-3 years		%		
Over 3 years		%		
Total (should tie to note 14)	1,674,549.00	100.00	1,392,455.00	100

15 Fund Balance Brought Forward

Description	2024-2025	2023-2024
	Kshs	Kshs
Bank Balances	1,406,023.57	199,824.57
Cash Balances	1,771.00	33,342.00
Short Term Investments	0.00	00
Receivables	20,010,051.54	23,545,887.30
Payables	(1,392,455.00)	(5,828,753.76)
Total	20,025,391.11	17,950,300.11

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			
Coffee Or Tea Plantation			
Poultry			
Others (specify)			
Total			

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		

Other important disclosure notes

19 Stock/ Inventory

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

(Stock to be measured at lower of cost and net realisable value. Net realisable value is the difference between selling costs less costs to sell)

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)
1	Inaccuracy in capitation grants	Not yet discussed		
2	Accounting for other receipts	Not yet discussed		
3	Unsupported payments	Not yet discussed		
4	Unsupported cash and cash equivalent	Not yet discussed		
5	Unsupported accounts receivables	Not yet discussed		
6	Long outstanding receivables	Not yet discussed		
7	Unsupported accounts payables	Not yet discussed		
8	Budget control and performance	Not yet discussed		
9	Late submission of financial statements	Not yet discussed		
10	Failure to transfer infrastructure funds from the operation a/c	Not yet discussed		
11	Irregular transfer of funds to kessha	Not yet discussed		
12	Use of cash to procure works and services	Not yet discussed		
13	Lack of approved budget and procurement plan	Not yet discussed		
14	Non adherence to procurement laws	Not yet discussed		
15	Lack of a functional audit committee	Not yet discussed		
16	Lack of fixed register and asset ownership documents	Not yet discussed		

Sign and Date
Principal



12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2025	Outstanding Balance Comparative 2024	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1.						
2.						
3.						
Sub-Total						
Supply Of Goods						
4.	244,130.00	2025	n/a	244,130	404,360.00	
5.						
Sub-Total						
Supply Of Services						
6.	441,783.00	2025	n/a	441,783.00	nil	
7.						
8.						
Sub-Total						
Grand Total	685,913.00			685,913.00	404,360.00	

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	1(25 acres)			1(25 acres)
Buildings And Structures	18			18
Motor Vehicles	1			1
Office Equipment, Furniture and Fittings	1,909			1,909
Textbooks	16,348			16,348
ICT Equipment	32			32
Tools And Apparatus	5,187			5,187
Other Machinery and Equipment	14			14
Heritage And Cultural Assets				
Intangible Assets- Soft Ware	4			4
Total	23,514			23,514

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

REPUBLIC OF KENYA

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

OAG/AUD/SCH/MARAFABA/BOYS/2024/2025(22)

18 June, 2026

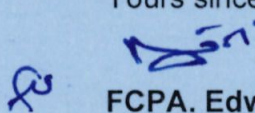
Mr. Samuel J. Njoroge, CBS
Clerk of the National Assembly
Parliament Buildings
P. O. Box 41842-00100
NAIROBI

Dear Mr. Njoroge

REPORT OF THE AUDITOR-GENERAL ON MARAFA BOYS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023/2024 AND 2024/2025 – KILIFI COUNTY

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

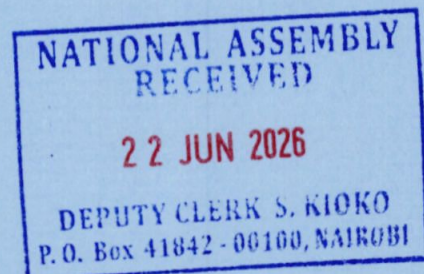
Yours sincerely


FCPA. Edwin Kamar
For: AUDITOR-GENERAL

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

John Lekakeny Ololtuaa, CBS
Principal Secretary
Ministry of Education
State Department for Basic Education
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P.O. Box 4 -80207
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ASTOR LENOX TILDEN FOUNDATION
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