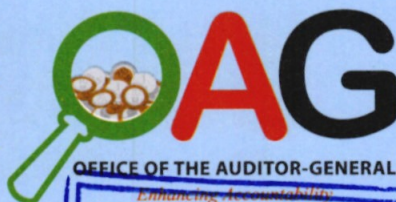


REPUBLIC OF KENYA



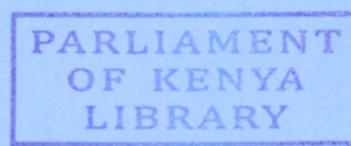
THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 16 JUN 2026	DAY. Tuesday
TABLED BY:	Ken. Naomi Wago, CBS, MP (Deputy Majority Party Whip)
CLERK-AT THE-TABLE:	Lomale

REPORT

OF

THE AUDITOR-GENERAL

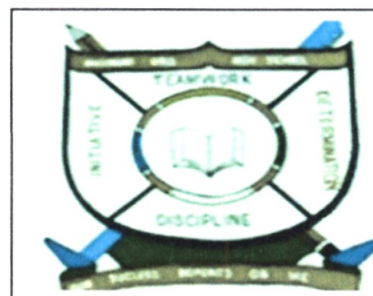
ON



**MAGOMANO GIRLS
SECONDARY SCHOOL**

**FOR THE YEAR ENDED
30 JUNE, 2024**

NYANDARUA COUNTY



MAGOMANO GIRLS SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30 JUNE 2024

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



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1. Acronyms and Definition of Key Terms

A. Acronyms.

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

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 Nyandarua County, North Kinangop Sub-County.

The school was registered in 16/7/2019 under registration number 18-S-0030-0789 and is currently categorized as an extra County public school established, owned or operated by the Government.

The school is a boarding school and had 1201 number of students as at 30 June 2024. It has 6 streams and 49 teachers of which 13 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	Prof. Matthew Theuri	Chairman	12/5/2022
2	Md. Naomi Ritho	Secretary - Principal	12/5/2022
3	Mrs. Lydia Ngunjiri	Secretary- Principal	01/12/2025
4	Mrs. Mary Maina	Member	12/5/2022
5	Mrs. Mercy Maina	Member	12/5/2022
6	Dr. Lydia Wambui	Member	12/5/2022
7	Mr. Dedan Kimani	Member	12/5/2022
8	Mr. Joseph Kirite	Member	12/5/2022
9	Mrs. Joyce Nyambura	Member – Rep CEB	12/5/2022
10	Mr. Grishon Kimani	Member Rep Teachers	12/5/2022
11	Dr. Eunice Kihara	Members - Sponsor	12/5/2022
12	Mr. Erick Ndisi	Member - Community	12/5/2022
13	Mr. Joseph Karanja	Member Special Needs	12/5/2022
14	Mr. Edward Mutuaruhiu	Member	12/5/2022
15	Mrs Zipporah Njoroge	Member	12/5/2022
16	Fr John Maina	Member	12/5/2022
17	Ms Elizabeth maigua	Member	12/5/2022
18	Eunice Wanjiru	Rep Student	12/5/2022

The functions of the School Board of Management are to:

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

(c) Committees of the Board

Ref.	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Prof. Matthew Theuri Md Naomi Ritho Ms.Zipporah Njoroge	BOM chair BOM secretary/ Principal PA chair	2
2	Audit Committee	Mr. Matthew Theuri MD. Lydiah Kuria Md. Rose Wanjiku	Chairman Secretary Member	2
3	Finance,procurement and general purposes Committee	Mr. Matthew Theuri Md. Lydiah Wambui Mr. Edward Mutuaruhiu	Chairman Secretary Member	2
4	Academic Committee	Dr. Eunice Kihara Md. Zipporah Mr. G.K Kimani Mr. Joseph Kirite	Chairpeson Member Member Secretary	2
5	Development Committee	Mr. Dedan Kimani Ms. Mercy Maina Ms.Mary Maina	Chairperson Secretary Member	2
6	Discipline and welfare Committee	Mr Joseph Karanja Mrs Mary Maina Ms Mercy Maina	Chairperson Member Member	2

(d) School Operation Management

For the financial year ended 30 June, 2024 the School's day-to-day management was under the following persons:

Ref:	Designation	Name	Identification
1	Principal	Naomi M. Ritho	TSC No.304464
2	Deputy Principal	Ms. Elizabeth Maigua Ms. Mary Ng'ang'a	392895 442745
3	School Bursar	Md. Rahab Mwangi	11729000

(e) Schools contacts

Post Office Box: 86-20318 North Kinangop
 Telephone: 0748205809
 E-mail: magomanoghs@gmail.com

(f) School Bankers

Provide details of the school bankers.

1. Name of Bank: KCB
 Branch: Njabini
 Account Number: 1104230410
2. Name of Bank: KCB
 Branch: Njabini
 Account Number: 1104243229
3. Name of Bank: KCB
 Branch: Njabini
 Account Number: 1104242818
4. Name of Bank: KCB
 Branch: Njabini
 Account Number: 1237702879
5. Name of Bank: KCB
 Branch: Njabini
 Account Number: 1103471430
6. Name of Bank: Co-Operative Bank
 Branch: Engineer
 Account Number: 01129605292400
 MPESA Pay Bill No.: Business Number: 400222,
 Account Number: 13499#adm no
 Attached to bank account
 01129605292400
7. Name of Bank: Equity Bank
 Branch: Engineer
 Account Number: 0200295018042

(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:

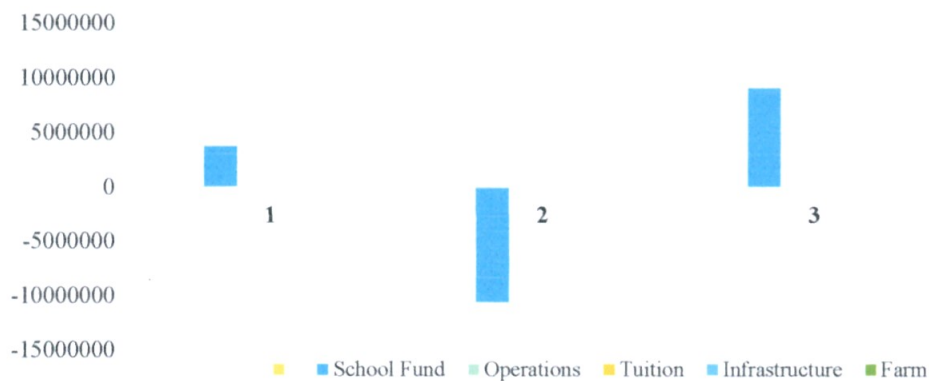
a) Financial performance:

Under this section, it reflects the actual financial performance trend for the last three years period between 1 July 2021 and 30 June 2022 which covers a period of 12 months, 1 July 2022 to 30 June 2023 and 1 July 2023 to 30 June 2024 covers a period of 12 months and is summarised as follows:

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

SNO	ACCOUNTS	2024	2023	2022	2021
		Ksh	Kshs	Kshs	Kshs
		7,087,869	9,142,679	-10,568,659	3,761,471
	TOTALS	7,087,869	9,142,679	-10,568,659	3,761,471

Trend Over the Last Three Years



ii). Capitation Grants from The Ministry of Education for The Last Three Years

SNO	ACCOUNTS	2024	2023	2022	2021
		Kshs	Kshs	Kshs	Kshs
1	Operations Account	16,137,425	15,701,548	17,317,402	10,074,684
2	Tuition Account	2,979,956	3,448,561	3,953,350	1418,935
	Total	19,117,381	19,150,109	21,270,752	11,486,619
	No of Students	1201	1209	1198	1,090
	Ratio of Capitation per student	1:14597	1.15320	1:17755	1:10538

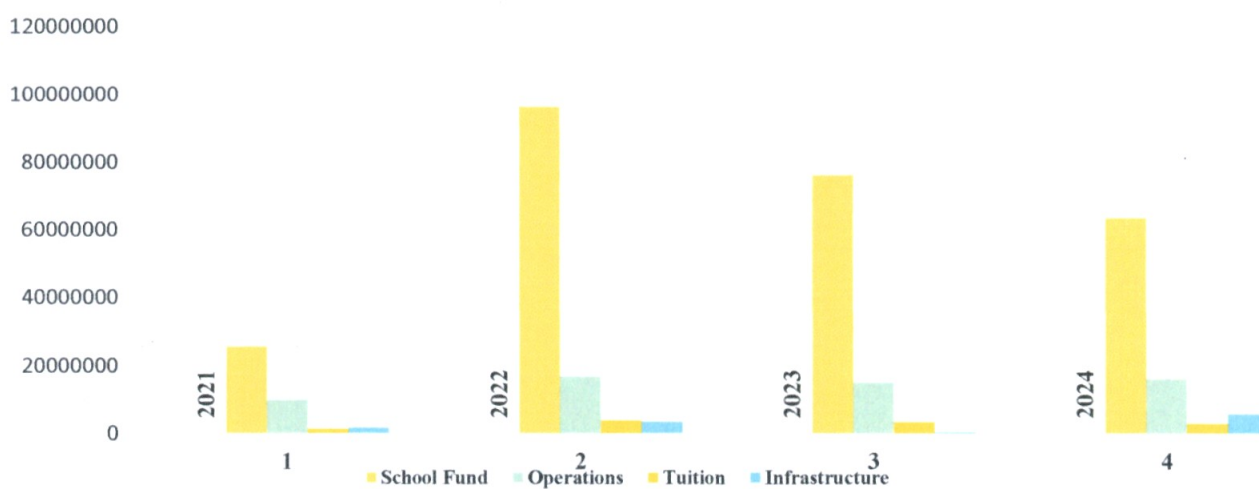
Trend over the Last Four Years



iii). Overview of Growth in Expenditure of the School

SNO	ACCOUNTS	2024	2023	2022	2021
		Kshs	Ksh	Kshs	Kshs
1	School Fund Account	57,746,876	80,642,652	108,423,097	24,896,617
2	Operations Account	13,976,611	12,059,720	15,819,201	6,328,250
3	Tuition Account	1,323,499	1,296,732	3,893,594	422,728
4	Infrastructure Account	5,828,058	401,569	3,472,080.00	1,797,130
	Total	78,875,044	94,400,673	131,607,973	33,444,725

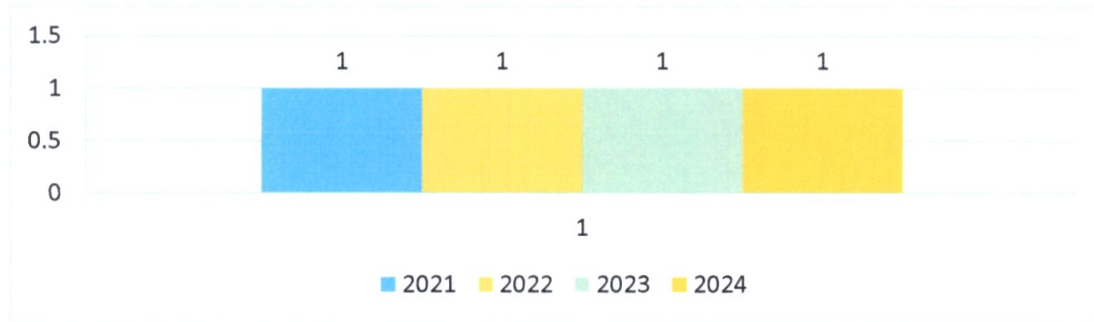
Trend Over the Last Four Years



iv). Movement Of Debtors of the School

SNO	ACCOUNTS	2024	2023	2022	2021
		Ksh	Ksh	Kshs	Kshs
	Debtors	12,491,497	12,556,373	6,938,923	5,383,651
	Total	12,491,497	12,556,373	6,938,923	5,383,651

Trend Over the Last Four Years



v). Movement of Creditors of the School

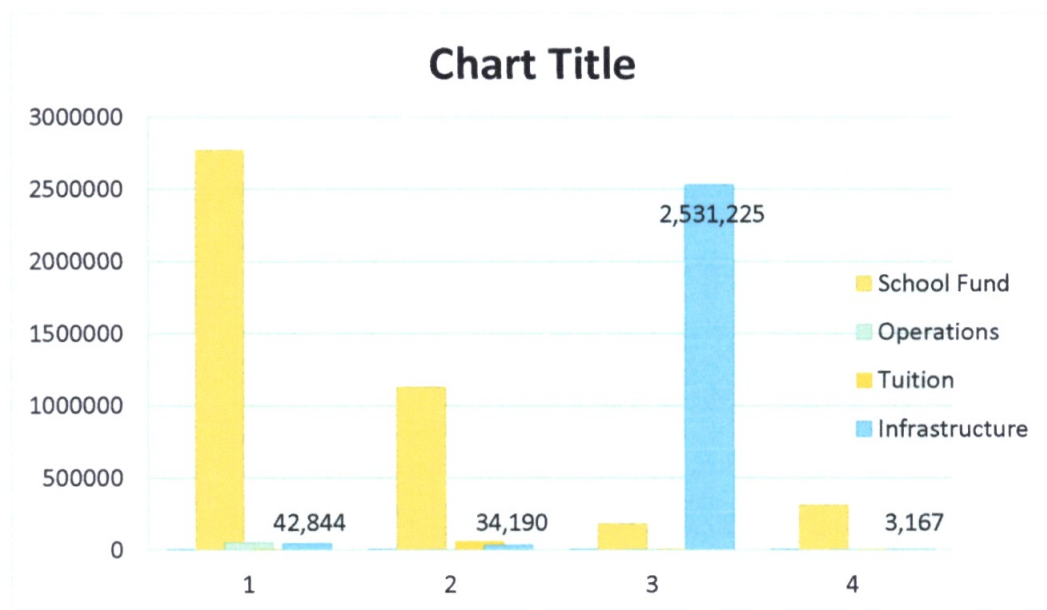
SNO	ACCOUNTS	2024	2023	2022	2021
	School Fund Account	Kshs	Ksh	Kshs	Kshs
	Creditors	18,127,105	27,678,235	29,714,823	19,227,619
	Total	18,127,105	27,678,235	29,714,823	19,227,619

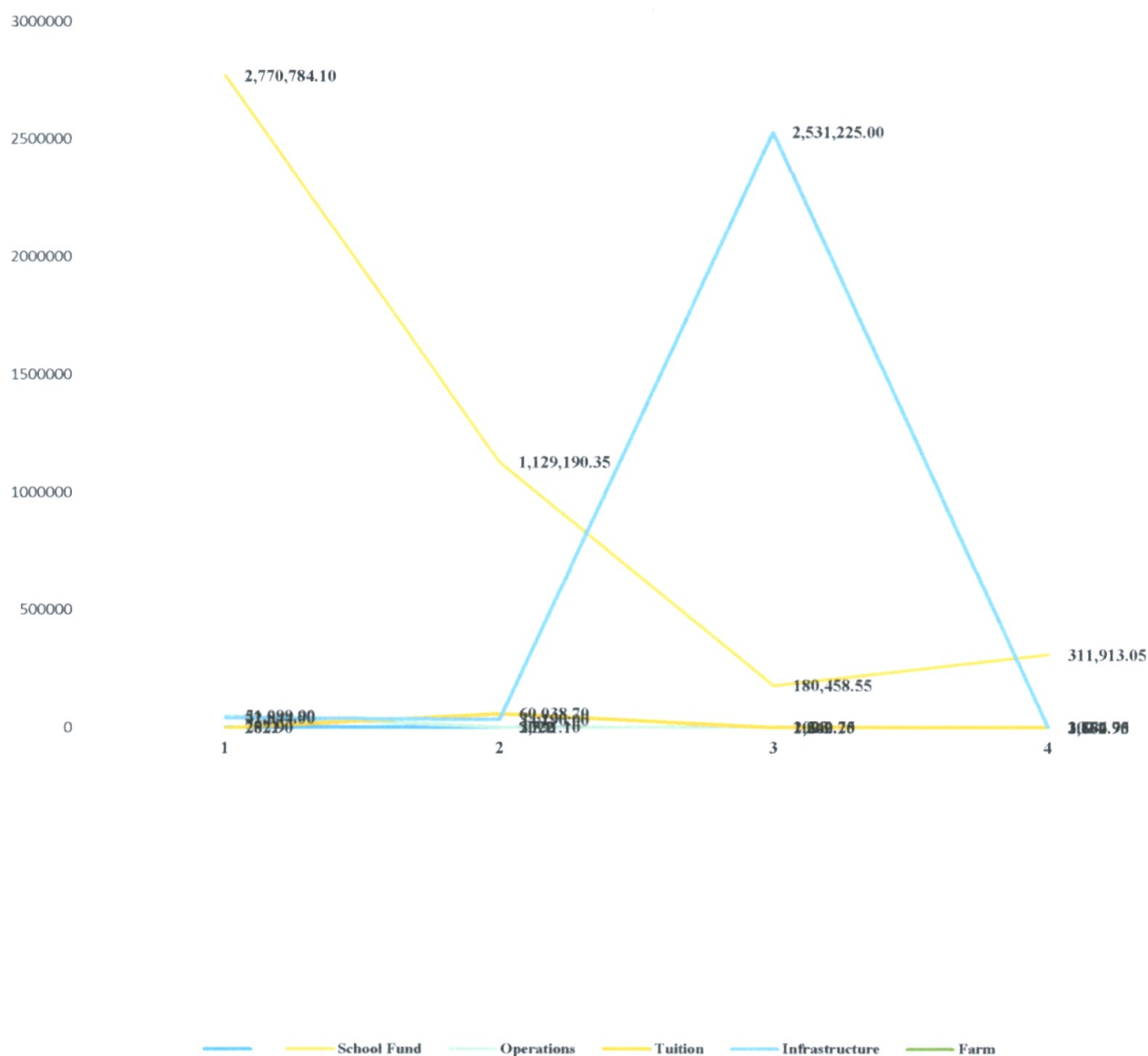
Trend Over the Last Four Years



vi). Movement of Cash and Bank Balances

SNO	ACCOUNTS	2024	2023	2022	2021
		Kshs	Ksh	Kshs	Kshs
1	School Fund Account	311,552	181,582	1,129,240	2,768,240
2	Operations Account	1,775	2,511	3,181	51,100
3	Tuition Account	1,683	1,262	60,038	283
4	Infrastructure Account	3,167	2,531,225	35,464	42,844
5	Savings Account	361	361	361	2,544
	Total	318,538	2,716,921	1,228,284	2,865,011





Trend Over the Last four Years

b) Teacher Student ratio:

Between the month of June 2023 and June 2024, the status of the teaching staff is as follows:

There are 35 teachers posted by the Teachers Service Commission. and 13 recruited by the Board of Management. 4 of our T.S.C were promoted i.e. three deputy principal and one transferred to other services. The school also received three 3 new teachers on transfer. The teacher student ratio lies at 1: 25. The school is incurring a big wage bill for employing BOM teachers.

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

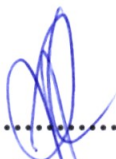
Year	Enrolment	Mean	Transition	Transition (%)	School Target	Comments
2023	292	6.491	144	49%	7.5	49% qualified for university and 148 students qualified for middle level colleges
2022	292	5.26	49	17%	7.5	17% qualified for university and 243 students qualified for middle level collages
2021	197	6.127	79	40%	7.5	40% qualified for university and 110 students qualified for middle level collages

d) The capacity of the school:

Area	Means of Infrastructure	Quantity Required	Actual Quantity	Infrastructure Gap
Classrooms	No. of classes	30	24	6
Laboratories	No. of Laboratories	5	3	2
Toilets	No. of Toilets doors	129	129	0
Offices	No of offices	30	23	7
Dining Hall	Number of students well seated	1201	400	801
Library	Number of students well seated	300	150	150
Dormitories	Number of decker beds well-spaced	639	639	0
Staffrooms	Number of teachers well seated	50	50	0
Staff houses	No of staff properly housed	2	20	18

e) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
1	Maintenance & Improvement from Parents and government grant	Complete	7,536,984	7,536,984	Complete


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

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30 June, 2024, and of the school's financial position as at that date.

.....

Name: Prof. Matthew Theuri

Designation: Chairman, School Board of Management

Date: 31/3/2026

.....

Name: Mrs Lydia Ngunjiri

Designation: School Principal & Secretary to Board of Management

Date: 31/3/2026

.....

Name: Mrs. Rahab Mwangi

Designation: Bursar/ Finance Officer

Date: 31/3/2026

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: 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 MAGOMANO GIRLS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2024 - NYANDARUA 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 financial statements of Magomano Girls Secondary School set out on pages 1 to 15, which comprise of the statement of assets and liabilities

as at 30 June, 2024, and the statement of receipts and payments, statement of cash flows, 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 Magomano Girls Secondary School as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Variances in Accounts Receivable

The statement of assets and liabilities reflects accounts receivable balance of Kshs.12,491,497 as disclosed in Note 11 to the financial statements. However, the ledger reflects a balance of Kshs.11,552,201 resulting in an unexplained variance of Kshs.939,296.

In the circumstances, the accuracy and completeness of the accounts receivable balance of Kshs.12,491,497 could not be confirmed.

2. Unsupported Payables

The statement of assets and liabilities reflects payables balance of Kshs.18,127,105 as disclosed in Note 12 to the financial statements. Included in the accounts payables is a balance of Kshs.1,190,669 whose supporting documents were not provided.

In the circumstances, the accuracy, existence and completeness of payables balance of Kshs.18,127,105 could not be confirmed.

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

Emphasis of Matter

Budgetary Controls and Performance

The statement of budgeted versus actual amounts reflects final income budget and actual on a comparable basis of Kshs.95,167,400 and Kshs.81,557,405, respectively resulting in an under-funding of Kshs.13,609,995 or 15% of the budget. However, the School spent an amount of Kshs.74,533,082 against actual receipts of Kshs.81,557,405, resulting in an under-utilization of Kshs.7,024,323 or 9% of actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

The statement of receipts and payments reflects boarding and school fund payments amount of Kshs.57,746,876 as disclosed in Note 8 to the financial statements. Included in the expenditure is an amount of Kshs.1,878,500 transferred to the 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.1,878,500 could not be confirmed.

2. Failure to Transfer Infrastructure Funds from Operations Bank Account

During the year under review, the School received capitation grants totalling Kshs.16,137,425 from the Ministry of Education credited in to the operations bank account. Included in the amount is Kshs.4,723,000 in respect of infrastructure grants which was to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, only Kshs.3,300,000 was transferred to infrastructure account, leaving a balance of Kshs.1,423,000 not transferred as at 30 June, 2024. This was contrary to the Ministry of Education Circular Ref. 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 within fifteen (15) days upon receipt of the funds in the operations account.

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

3. Unconfirmed Students Enrolment Data

The statement of receipts and payments reflects capitation grants for tuition, capitation grants for operations and infrastructure grants totalling Kshs.19,117,381. Comparison of data from National Education Management and Information System (NEMIS) with the School enrollment records revealed discrepancies during the financial year ending 30 June, 2024. NEMIS reported one thousand, two hundred and ten (1,210) students while School records reflected one thousand, two hundred and one (1,201) students, resulting in overfunding of the School by an amount of Kshs.200,196. This was contrary to the Ministry of Education Circular MOE.CONF/G5 dated 26 November, 2019 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

In the circumstances, the over-funding may result in misallocation of public resources and affect equitable distribution of resources across schools.

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 effects of the matter 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

Long Outstanding Accounts Receivables Balance

The statement of assets and liabilities reflects a balance of Kshs.12,491,497 in respect of accounts receivable. Included in the balance is fees arrears amounting to Kshs.3,469,985 which has remained outstanding for over two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on full recoverability of the accounts receivables balance.

In the circumstances, the existence of effective mechanisms for debt management could not be confirmed.

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

Responsibilities of the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue as a going concern, disclosing, as applicable, matters related

to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

27 April, 2026

6. Statement of Receipts and Payments for the Year Ended 30 June 2024

Description Of Vote Head	Note	2023-2024	2022-2023
		Kshs	Kshs
Receipts			
Government grants for tuition	1	2,979,956	3,448,561
Government grants for operations	2	12,837,425	12,804,218
Government Grants for infrastructure	3	3,300,000	2,897,330
School fund income- parents' contributions	4	63,545,532	81,495,914
Total Receipts		82,662,913	100,646,022
Payments			
Tuition	5	1,323,499	1,296,732
Operations	6	10,676,611	9,785,720
Infrastructure	7	5,828,058	401,569
Boarding and school fund	8	57,746,876	80,019,322
Total Payments		75,575,044	91,503,343
Surplus		7,087,870	9,142,679

The school financial statements were approved on 30/09/2024 and signed by:

.....

Name: Prof. Matthew Theuri

Chair BOM

Date: 31/3/2026

.....

Name: Mrs Lydia Ngunjiri
School Principal/ Secretary to
BOM

Date: 31/3/2026

.....

Name: Mrs. Rahab Mwangi

Bursar/ Finance Officer

Date: 31/3/2026

7. Statement of Assets and Liabilities as At 30 June 2024

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	9	313,868	2,715,287
Cash balances	10	4,670	1,634
Total cash and cash equivalent		318,538	<u>2,716,921</u>
Account's receivables	11	12,491,497	12,556,374
Total financial assets		12,810,035	15,273,294
Financial liabilities			
Accounts payables	12	18,127,105	(27,678,236)
Net financial assets		(5,317,070)	(12,404,942)
Represented by			
Accumulated fund b/fwd	13	(12,404,942)	(21,547,615)
Surplus for the year		7,087,872	9,142,679
Net financial position		(5,317,070)	(12,404,942)

The school's financial statements were approved on 30/09/2026 and signed by:

.....

Name: Prof. Matthew
Theuri

Chair BOM

Date: 31/3/2026

.....

Name: Mrs Lydia Ngunjiri
School Principal/ Secretary to
BOM

Date: 31/3/2026

.....

Name: Mrs. Rahab Mwangi
Bursar/ Finance Officer

Date: 31/3/2026

8. Statement of Cash Flows for the Year Ended 30 June 2024

Description	Note	2023-20224	2022-2023
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition	1	2,979,956	3,448,561
Government grants for operations	2	12,837,425	12,804,218
Government grants for infrastructure	3	3,300,000	2,897,330
School fund income- parents contributions/ fees	4(a)	63,727,420	74,540,055
Total receipts		82,844,801	93,690,163
Payments			
Cash outflows for tuition	5(a)	2,979,535	3,532,337
Cash outflows for operations	6(a)	12,838,161	12,805,293
Cash outflows for infrastructure	7	5,828,058	401,569
Cash outflows Boarding/lunch and school fund payments	8(a)	63,597,430	75,462,328
Total payments		85,243,184	92,201,527
Net cash inflow/outflow from operating activities		-2,398,383	1,488,636
Net increase/decrease in cash and cash equivalents		-2,398,383	1,488,636
Cash and cash equivalent at beginning of the FY		2,716,921	1,228,284
Cash and cash equivalent at end of the FY		318,538	2,716,921

The school's financial statements were approved on 30/09/2024 and signed by:

.....
Name: Prof. Matthew Theuri
Chair BOM
Date: 31/3/2026

.....
Name: Mrs Lydiah Ngunjiri
School Principal/ Secretary to
BOM
Date: 31/3/2026

.....
Name: Mrs. Rahab Mwangi
Bursar/ Finance Officer
Date: 31/3/2026

9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30 June 2024

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					
Teaching / Learning Materials	5,750,400		5,750,400	2,979,956	51%
(2) Capitation Grant on Operations					
Personnel Emoluments	6,906,000		6,906,000	3,684,323	53.34%
Repairs And Maintenance	2,263,200		2,263,200	4,762,410	201%
Local Transport / Travelling	2,199,600		2,199,600	1,172,579	53%
Electricity And Water	3,781,200		3,781,200	1,954,299	51%
Medical and insurance	2,398,800		2,398,800	1,002,750	41%
Administration Costs	1,886,400.00		1,886,400	1,016,236	53%
Activity	1,507,200.00		1,507,200	968,388	64%
CBC Classroom				1,576,440	0.0%
3) FDSE for infrastructure					
Maintenance & Improvement MoE					
M&I parents' contribution					
(4) Fees Charged on Parents					
Personnel Emoluments	3,720,000		3,720,000	3,290,348	88%
Repairs And Maintenance	2,880,000		2,880,000	1,980,661	69%
Local Transport / Travelling	1,141,900		1,141,900	1,176,320	103%
Electricity And Water	5,880,000		5,880,000	5,271,602	90%
Administration Costs	2,358,500		2,358,500	2,448,272	104%
Activity	1,642,800		1,642,800	246,935	15%
SES	1,561,540		1,561,540	-	
Fee On Boarding Equipment and Stores	49,289,860		49,289,860	47,589,151	97%

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
Total Income	95,167,400		95,167,400	81,557,405	85%
(6) Expenditure For Tuition					
Teaching / Learning Materials	5,750,400		5,750,400	2,319,285	40%
Bank Charges				1,079	0.0%
(7) Expenditure For Operations					
Personnel Emoluments	6,906,000		6,906,000	3,012,675	43%
Repairs, Maintenance & Improvements	2,263,200		2,263,200		0.0%
Local Transport / Travelling	2,199,600		2,199,600		0%
Electricity, Water and Conservancy	3,781,200		3,781,200	1,489,960	39%
Medical	2,398,800		2,398,800	118,570	5%
Administration Costs	1,886,400		1,886,400	4,728,186	250%
Activity Expenses	1,507,200		1,507,200	82,300	5%
RMI				1,448,400	0%
(8) Expenditure For infrastructure					
Construction of classrooms					
CBC Classroom				788,220	0.0%
Construction of DORMS				5,827,444	0%
Bank charges				614.00	0%
(9) Expenditure For school fund/lunch/boarding					
Personnel Emoluments	3,720,000		3,720,000	6,757,108	182%
Repairs, Maintenance and Improvements	2,880,000		2,880,000	1,194,615	41%
Local Transport / Travelling	1,141,900		1,141,900	2,954,540	259%
Electricity, Water and Conservancy	5,880,000		5,880,000	4,335,919	74%
Administration Costs	2,358,500		2,358,500	5,374,638	228%

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
Activity	1,642,800		1,642,800	1,865,785	114%
Gratuity					
SES	1,561,540		1,561,540	109,750	7%
Boarding Equipment and Stores	49,289,860		49,289,860	31,358,219	64%
Farm				460,100	0.0%
Uniforms				223,290	0%
Totals	95,167,400		95,167,400.00	74,533,082	78%

- i) The school has only received 85.% of expected revenue from 1st July 2023 to 30 June 2024
- ii) The school has utilized 78% this included cash and cash equivalents brought forward at the beginning of the year.

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

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

In-kind contributions are donations that are made to the school in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment, or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the school includes such value in the statement of receipts and payments both as a receipt and as a payment in equal and opposite amounts; otherwise, the contribution is not recorded.

4. Cash and cash equivalents

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

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30 June 2024.

11. Notes To the Financial Statements**1 Government Grants for Tuition**

Description	Insert Current FY	2022-2023
	Kshs	Kshs
Teaching / Learning Materials	2,979,956	3,448,561
Total	2,979,956	3,448,561

2 Government Grants for Operations

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	10,240	4,600
Repairs And Maintenance	3,038,850	2,760,000
Medical	1,002,750	255,000
Activity	968,388	705,975
Other Vote Heads (specify)*	7,817,197	9,078,643
Total	12,837,425	12,804,218

3 Government Grants for infrastructure

Description	2023-2024	2022-2023
	Kshs	Kshs
Maintenance & Improvement	3,300,000	2,274,000
Other (specify)(NGCDF and County govt.	-	623,330
Total	3,300,000	2,897,330

4 School Fund Income - Parents Contribution/Fees

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel emoluments	10,240	-
Repairs and maintenance	1,980,661	2,344,429
Local transport / travelling	122,000	15,000
Medical	93,105	202,761
Administration costs	339,631	47,700
Activity	246,935	529,975
Fee on Boarding Equipment and stores	48,694,659	56,247,246
PA Levies*	-	2,059,151
Others (specify)	11,714,671	17,135,738
Exam and KUCCPS	62,300	279,775
Uniform	281,330	2,421,341
SES	-	212,798
Total	63,545,532	81,495,914

4(a) School Fund Income - Parents Contribution/Fees- Note to cash flow

Description	2023-2024	2022-2023
	Kshs	Kshs
Reported as per statement of receipt and payment	63,545,532	81,495,914
Add debtors recovered during the year	7,800,488	1,041,851
Add prepaid for the year	1,190,669	1,073,659
Less debtors for the year	(7,735,610)	(6,659,301)
Less prepayment at the beginning of the year	(1,073,659)	(2,412,068)
Total	63,727,420	74,540,055

5 Tuition

Description	2023-2024	2022-2023
	Kshs	Kshs
Teaching / Learning Materials	1,322,420	1,293,200
Bank Charges	1,079	3,532
Total	1,323,499	1,296,732

5(a) Tuition payments- Note to cash flow

Description	2023-2024	2022-2023
	Kshs	Kshs
Reported as per statement of receipt and payment	1,323,499	1,296,732
Add creditors paid during the year	1,656,036	2,235,605
Total	2,979,535	3,532,337

6 Operations

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	3,012,675	3,575,053
M &I	788,220	
Administration Cost	4,169,541	3,604,942
Repairs And Maintenance & Improvements	1,448,400	672,550
Local Transport / Travelling	-	387,200
Electricity And Water	1,056,905	838,721
Medical	118,570	195,510
Activity Expenses	82,300	111,000
Insurance Cost	-	400,749
Total	10,676,611	9,785,720

6(a) Operation Payments- Note to cash flow

Description	2023-2024	2022-2023
	Kshs	Kshs
Reported as per statement of receipt and payment	10,676,611	9,785,720
Add creditor paid during the year	2,161,550	3,019,573
Total	12,838,161	12,805,293

7 Infrastructure

Description	2023-2024	2022-2023
	Kshs	Kshs
Construction of classrooms	-	400,000
Construction of dormitory	5,827,444	-
Others (specify)	614.25	1,569
Total	5,828,058	401,569

8 Boarding and School Fund

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	6,725,409	6,388,765
Activity	1,829,385	1,054,480
Repairs And Maintenance & Improvements	1,194,615	1,714,285
Local Transport / Travelling	2,954,540	2,543,395
Electricity And Water	4,251,869	2,191,989
Medical Expenses	82,385	420,950
Administration Costs	5,374,638	3,663,984
SES	-	63,700
Fee On Boarding Equipment and Stores	34,560,395	58,903,380
Uniform fund	223,290	2,506,394
Exam and kuccps registration	109,750	222,600
Farm	440,600	345,400
Total	57,746,876	80,019,322

8(a) Boarding and school fund Payments- Note to cash flow

Description	2023-2024	2022-2023
	Kshs	Kshs
Reported as per statement of receipt and payment	57,746,876	80,019,322
Add creditors paid during the year	20,116,513	22,047,472
Add prepayments for the year	1,190,669	
Less creditors for the year	(14,382,969)	(26,604,576)
Less prepayment at the beginning of the year	(1,073,659)	
Total	63,597,430	75,462,218

9 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2023-2024	2022-2023
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	1104243224	1,683	1,262
Operations Account	Active	1104242818	1,605	2,341
School Fund Account/Boarding KCB	Active	1104230410	164,783	3819
Savings Account	Dormant	1103471430	360.55	361
School fund-equity account	Active	0200295018042	75,910	55,961
School fund- co-operative account	Active	01129605292400	66,360	120,319
Infrastructural Account	Active	1237702879	3,167	2,531,225
Total			313,868	2,715,287

10 Cash In Hand

Description	2023-2024	2022-2023
	Kshs	Kshs
Notes and Coins	4,670	1634
Total	4,670	1,634

11 Accounts Receivable

Description	2023-2024	2022-2023
	Kshs	Kshs
Fees Arrears	12,491,496	12,556,373
Other Non-Fees Receivables	-	-
Total	12,491,496	12,556,373

11 a) Ageing Analysis of Accounts Receivable

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	Current FY	% of the total	Current FY	% of the total
Less than 1 year	7,735,610	62%	6,659,301	53%
Between 1- 2 years	1,285,901	8%	2,202,087	18%
Between 2-3 years	3,469,985	30%	3,694,985	29%
Total	12,491,496	100%	12,556,373	100%

12 Accounts Payable

Description	2023-2024	2022-2023
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	16,936,436	26,604,576
Prepaid Fees	1,190,669	1,073,659
Total	18,127,105	27,678,235

12(a) Ageing Analysis of Accounts Payable

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	2023-2024	% of the total	2022-2023	% of the total
Less than 1 year	14,382,769	79%	27,678,235	100%
Between 1- 2 years	3,744,336	21%	-	%
Total	18,127,105	100%	27,678,235	100%

13 Fund Balance Brought Forward

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank Balances	2,715,286	1,224,874
Cash Balances	1,634	3,410
Receivables	12,556,373	6,938,923
Payables	(27,678,235)	(29,714,823)
Total	(12,404,940)	(21,547,614)

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.

14 Biological assets

Description	Numbers	2023-2024	2022-2023
		Kshs	Kshs
Trees	1000	-	-
Total	1000	-	-

15 Stock/ Inventory

Description	2023-2024	2022-2023
	Kshs	Kshs
Food stuffs	1,044,066	2,931,847
Lab consumables	96,138	1,990,000
Others (specify)	565,260	360,749
	1,705,464	5,282,596

16 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

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	
Supply Of Goods						
1. Samuel G. Mutungu	4,150,070				4,150,070	
2. Cosmack Maina	1,050,000				1,050,000	
3. Kenblest foods Ltds	1,495,355				1,495,355	
4. Daniel Karanja Mugwe	1,127,000				1,127,000	
5. Kasoga	2,592,400				2,592,400	
6. Gachkam	100,960				100,960	
7. Tawins	103,140				103,140	
8. Udderlife	126,000				126,000	
9. Ikaja investment	128,400				128,400	
10. Suekimo Greems enterprises	71,500				71,500	
11. Goldwise ventures	3,247,200				3,247,200	
12. Jocajo enterprises	350,396				350,396	
13. Laboquips suppliers	103,605				103,605	
14. Mama Nganga hardware	355,655				355,655	
15. Joes BK printers & stationery	786,410				786,410	
16. Dajohn enterprises	106,850				106,850	
17. Wakim Uniform suppliers	333,800				333,800	
18. Mash agrove	19,500				19,500	
19. Mucklin general enterprises	30,000				30,000	
20. Abernaro dressmaking ltd	36,400				36,400	
Sub-Total						
Supply Of Services						

MAGOMANO GIRLS SECONDARY SCHOOL

Annual Report and Financial Statements For the year ended 30 June 2024

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
21. Teaching staff	265,500				265,500	
22. Triad Action team	194,845				194,845	
23. Lumu cleaning and health	77,400				77,400	
24. Winzip company ltd	84,050				84,050	
Sub-Total						
Grand Total	16,936,436				16,936,436	

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 2023
Land	70,000,000.00			70,000,000.00
Buildings And Structures	111,000,000			111,000,000
Motor Vehicles	1,170,000			1,170,000
Office Equipment, Furniture and Fittings	1,820,000			1,820,000
Textbooks	3,000,000			3,000,000
ICT Equipment	3,500,000			3,500,000
Tools And Apparatus	1,500,000			1,500,000
Other Machinery and Equipment	5,000,000			5,000,000
Intangible Assets- Soft Ware	1,500,000			1,500,000
Total	198,490,000			198,490,000



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