

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

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PAPERS LAID

REPORT

DATE: 29 JUL 2026 DAY: WEDNESDAY

TABLED BY: HON. MARIANE KITANY

CLERK-AT-THE-TABLE: OF ON BEHALF OF LOM

FURTHER NGIN-TO

THE AUDITOR-GENERAL

ON

PANGANI GIRLS SCHOOL

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

NAIROBI CITY COUNTY



Revised 30th June 2025.



**PANGANI GIRLS SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025**

**Transitional Financial Statements Prepared under the International Public Sector Accounting
Standards (IPSAS)**

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PANGANI GIRLS SCHOOL

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

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PANGANI GIRLS SCHOOL

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

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.

PANGANI GIRLS SCHOOL

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

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 located in Nairobi County, Starehe Sub-County

The school was registered in 04/1985 under registration number G/A/407/85 and is currently categorized as a National public school established, owned or operated by the Government.

The school is a boarding school and had 1,414 number of students as at 30th June 2025. It has 8 streams and 61 teachers of which 5 teachers are employed by the BOM.

(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	Mr. James Katule	Chairman(Rep Community)	22nd May 2022
2	Ms..Florenc Ngarari	Secretary(Principal)	22nd May 2022
4	Mrs. Edna Gitachu	Member(Rep Community)	22nd May 2022
5	Mr. NjorogeNdirangu	Member(Sponsor)	22nd May 2022
6	Mr. Nicholas Mutua	Member(Rep Special group)	22nd May 2022
7	Mr. Jamleck Njagi	Member(Community)	22nd May 2022
8	Mr. Samwel Githae	Member(Rep Community)	22nd May 2022
9	Mrs. Zahra Mohammed	Member(Rep Community)	22nd May 2022
10	Mrs. Alice Mwangi	Member(Rep Teachers)	22nd May 2022
11	Dr. Janet Githinji	Member(Rep Sponsor)	22nd May 2022
12	Ms. Juliana Mwikali	Member(Rep Special needs)	22nd May 2022
13	Mrs. Anne Wangari Otieno	Member(Rep C.E.B)	22nd May 2022
14	Ms. Janefrances Mutisya	Member(Rep Special group)	22nd May 2022
15	Sharon Naliaka	Member(Rep Student)	22nd May 2022

PANGANI GIRLS SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2025****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	Designati on	Number of meetings attended during the year
1	Executive Committee	• Mr. James Katule • Ms. Florence Ngarai • Mr. Jamleck Njagi • Mr. Samwel Githae • Dr. Janet Githinji	Chairperso n Secretary Member Member Member	1 out of 1
2	Audit Committee	-	-	0
3	Finance,procuremen t and general purposes Committee	• Mrs. Anne Otieno • Ms. Florence Ngarai • Ms. Edna Gitachu • Mr. Jamleck Njagi • Ms. Jane Frances Mutisya	Chairperso n Secretary Member Member Member	3 out of 3
4	Academic Committee	• Mrs. Zahra Mohammed • Ms. Florence Ngarari • Mrs. Alice Mwangi • Ms. Juliana Kivasu	Chairperso n Secretary Member Member	0

PANGANI GIRLS SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2025**

5	Development Committee	- Mr. Samwel Githae - Ms. Florence ngarari - Mr. Jamleck Njagi - Mr. James Katule - Eng. Nicholas Mutua	Chairperson Secretary Member Member Member	2 out of 2
6	Discipline and welfare Committee	- Mr. Jamleck Njagi - Ms. Florence Ngarari - Mrs. Zahra Mohamed - Dr. Janet Githinji - Mr. Njoroge Ndirangu	Chairperson Secretary Member Member Member	2 out of 2
7	Adhoc Committee (if any during the year)	-	-	0

(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	TSC Number
1	Principal	Ms. Florence Muthoni Ngarari	304242
2	Deputy Principal - Administration	Mrs. Alice Wanjiku Mugwe	335111
3	Deputy Principal - Academics	Mr. Kennedy Irungu Mwangi	232287
4	School Finance Officer	Mr. Pancras Oloo Pacho	B.O.M

(e) Schools contacts

Post Office Box: 30152 - 00100
 Telephone: 0733 314 991
 E-mail: panganigirlsschool@gmail.com
 Website: www.panganigirls.sc.ke
 Facebook: None
 Twitter: None

(f) School Bankers

- Name of Bank: Cooperative
 Branch: Moi Avenue
 Account Number: 01129123540100
- Name of Bank: Equity
 Branch: Ngara
 Account Number: 0910276617220

PANGANI GIRLS SCHOOL

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

- | | | |
|----|-----------------|-----------------------|
| 3. | Name of Bank: | Kenya Commercial Bank |
| | Branch: | Moi Avenue |
| | Account Number: | 1107723809 |
| 4. | Name of Bank: | Kenya Commercial Bank |
| | Branch: | Moi Avenue |
| | Account Number: | 1107298164 |
| 5. | Name of Bank: | Kenya Commercial Bank |
| | Branch: | Moi Avenue |
| | Account Number: | 1107298210 |
| 6. | Name of Bank: | Kenya Commercial Bank |
| | Branch: | Moi Avenue |
| | Account Number: | 1134966431 |
| 7. | Mpesa Paybill | 87934444 |

(g) Independent Auditors

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

PANGANI GIRLS SCHOOL

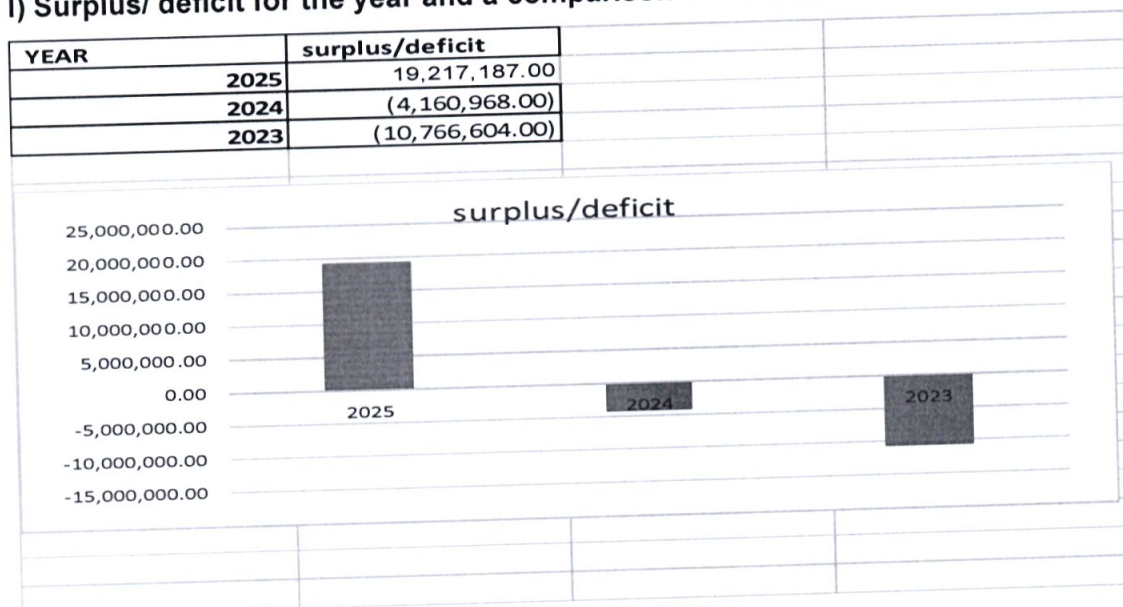
Annual Report and Financial Statements For the year ended 30th June 2025

3. Summary Report of Performance of The School

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

a) Financial performance:

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



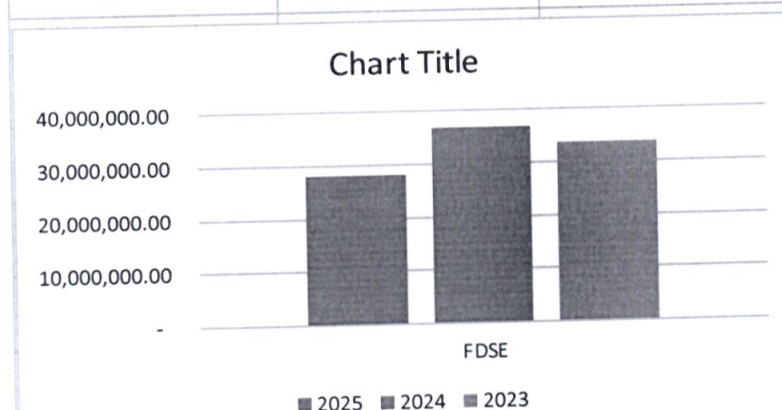
II) Capitation grants from the Ministry of Education for the last three years

PANGANI GIRLS SCHOOL

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

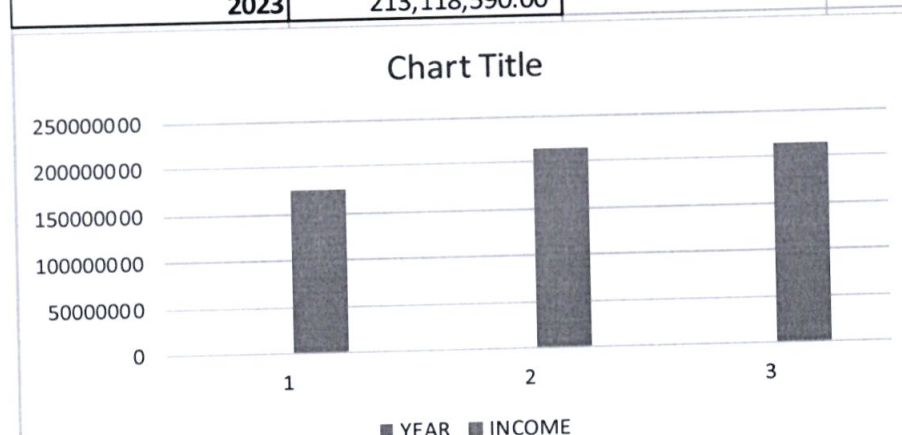
I) Capitation grants from the Ministry of Education for the last three years

YEAR	FDSE
2025	27,982,045.00
2024	36,711,507.00
2023	33,831,606.00



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

YEAR	INCOME
2025	176,049,816.00
2024	214,199,731.00
2023	213,118,590.00



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

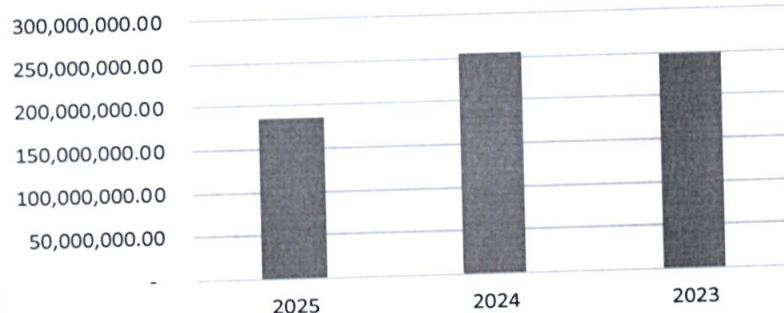
PANGANI GIRLS SCHOOL

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

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

YEAR	EXPENDITURE
2025	184,545,424.00
2024	255,072,206.00
2023	249,030,597.00

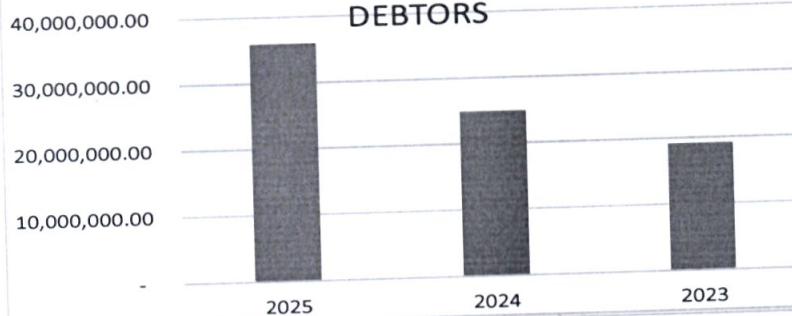
EXPENDITURE



V) Movement of debtors of the school over the last three years

YEAR	DEBTORS
2025	35,966,217.00
2024	24,877,399.00
2023	19,217,478.00

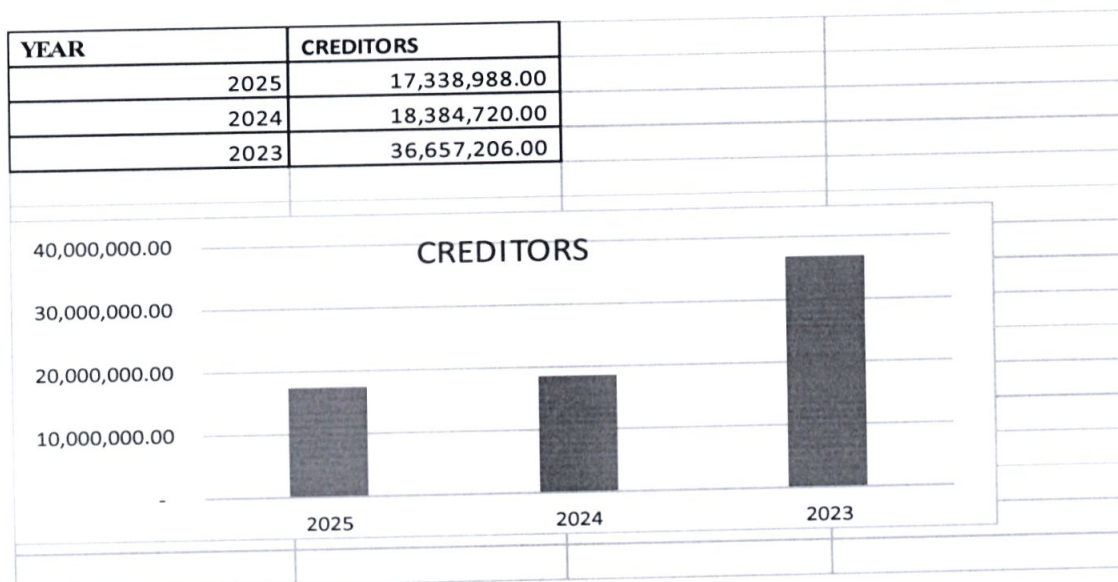
DEBTORS



PANGANI GIRLS SCHOOL

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

VI) Movement of creditors of the school for the year and a comparison of the last three years



b) Teacher Student ratio:

Between the month of 1st July 2024 and 30th June 2025, the status of the teaching staff was follows:

No of Teachers (TSC)	No of Students	Teachers Student Ratio
56	1,414	1:23

There are 56 teachers posted by Teachers Service Commission and 5 recruited by the Board of management. We have a shortage of 15 teachers from CBE. This is due to increase in enrolment.

- No. of teachers recruited within the year 2024/2025 FY 11 teachers.
- No of teachers posted to the school within the year 6
- No. of teacher transferred from the school within 6

PANGANI GIRLS SCHOOL

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

SUBJECT	EN	KIS	MAT	BI	CHE	PH	B/S	AG	GE	HIS	C.R
T	G	W	H	O	M	Y	T	R	O	T	.E
No. of TSC teachers	09	06	05	08	07	05	04	02	02	05	03
No. of B.O.M teachers	03	02	0	0	0	0	0	0	0	0	0
Surplus	0	0	0	0	0	0	0	0	0	01	01
Shortage	03	02	0	0	0	0	0	0	0	01	01

c) The mean score in the 2024 KCSE:

Year	Gender	Entry	MSSS	Grade	Dev	Comment	University Entry
2024	F	410	9.841	B+	-0.048	Decline	404 (98.54%)
2023	F	397	9.889	B+	0.3	Improvement	360-(98.99%)
2022	F	358	9.550	B+	-0.339	Decline	95.251%
2021	F	338	9.77	B+	0.3	Improvement	94.37%

c) Number of Candidates in the 2024 KCSE:

d)	Year	2024	2023	2022	2021
No. of candidates		410	397	358	338

capacity of the school:

The school has an enrolment of 1,414 students and the enrolment is expected to increase rapidly next year 2025-2026.

Below is the table tabulating the capacity of the school facilities

PANGANI GIRLS SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2025**

S/no	Facility	Expected	Current	Shortage	Comment
1	Dining Hall	2	1	1	There is need to construct 1 more dining hall which can accommodate 2000 students
2	Dormitories	18	12	6	There is need to construct more dormitories which can accommodate 2000 students
3	Library	2	1	1	There is need to construct more libraries which can accommodate 2000 students
4	Laboratories	16	11	5	There is need to construct 5 more laboratories in order to reduce number of groups during KCSE science practical
6	Toilets	154	154	-	There are enough toilets as per Ministry of Health (MOH)
7	Classrooms	42	34	8	Six more classes are under construction. There is need to complete the construction and add two more classes.

PANGANI GIRLS SCHOOL

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

e) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Tuition Block	Parents & M.O.E	Ongoing	69,081,360	50,381,2293	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 **Pangani Girls 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.

Nicholas

Name: NICHOLAS MUTUA

Chair BOM

Date: :23/3/26

SENIOR PRINCIPAL
PANGANI GIRLS SCHOOL
23 MAR 2026
Name: DR. MILLICENT
ODHIAMBO
NAIROBI

School Principal/ Secretary to
BOM

Date: :23/3/26

FINANCE OFFICER
PANGANI GIRLS SCHOOL
23 MAR 2026
Name: CPA WALTER
OMOLLO
P.O. Box 30152-00100,
NAIROBI

Bursar/ Finance Officer

Date: :23/3/26

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 PANGANI GIRLS SCHOOL FOR THE YEAR ENDED 30 JUNE, 2025 – NAIROBI CITY 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 Pangani Girls School set out on pages 1 to 33, 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 important disclosure notes 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 Pangani Girls 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 the Basic Education Act, 2013, the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Variances between Financial Statements and Supporting Ledgers

Review of the financial statements revealed reported amounts that did not reconcile with the corresponding balances reflected in the ledger extracts maintained by the School as analysed below:

Description	Financial Statements Balances (Kshs)	Schedule Amounts (Kshs)	Variance (Kshs)
Income			
Miscellaneous Incomes			
Rent Income	800,442	753,742	46,700
Fee for Hire of Ground and Equipment - KNEC Marking Centre	17,975,248	7,477,400	10,497,848
Expense			
Boarding and School Fund			
Repairs and Maintenance	12,344,364	10,795,789	1,548,575
Local Transport/Travelling	4,631,167	4,391,742	239,425
Medical Expenses	270,783	184,629	86,154
Activity Fees	3,900,444	3,291,707	608,737
Fee on Boarding Equipment and Stores	58,037,235	54,406,690	3,630,545
School Uniform	3,859,983	3,254,400	605,583
Extra Tea and Snacks	8,045,707	6,592,346	1,453,361
Total			18,716,928

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

2. Unconfirmed Tuition Expenditure

The statement of financial performance and as disclosed in Note 6 to the financial statements reflects tuition expenditure amount of Kshs.7,512,737 out of which Kshs.7,509,269 relates to teaching and learning materials. However, review of payment vouchers and supporting documents submitted for audit revealed that only an amount of Kshs.4,672,584 could be directly traced to the supporting vouchers, invoices, purchase orders and goods received notes, resulting to an unexplained and unsupported balance of Kshs.2,840,153.

In the circumstances, the accuracy and propriety of expenditure under tuition totalling Kshs.2,840,153 could not be confirmed.

3. Unsupported Imprest Advances

The statement of assets and liabilities as disclosed in Note 13 to the financial statements reflects accounts receivables balance of Kshs.35,966,217. Included in this balance is Kshs.10,497,798 relating to un-surrendered imprest. However, the supporting schedule, imprest application forms and imprest register were not provided for audit review and it was therefore not possible to confirm if officers receiving imprest were correctly indicated, the amounts applied for were accurately captured or if any outstanding advances had been settled before issuing new imprest. Further, the total imprest balance of Kshs.10,497,798 raises concerns on whether imprest was retained by officers for extended periods or if there was double issuance of funds without corresponding settlements.

In the circumstances, the accuracy and completeness of the imprest receivable amount of Kshs.10,497,798 could not be confirmed.

4. Inconsistencies in Cash and Cash Equivalents

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.38,881,354 which includes bank balances totalling Kshs.38,654,224 as disclosed in Note 10 to the financial statements held in six (6) bank accounts. However, the balances were not supported by bank certificates. Further, the School had an Mpesa Paybill with a balance of Kshs.3,980,098 as at 30 June, 2025, however, the Mpesa statement provided indicated a balance of Kshs.4,366,413 which also differed with the amount in the reconciliation statements of Kshs.4,536,320 resulting to variances of Kshs.386,315 and Kshs.556,222 between the financial statements balance and the two (2) sets of records. In addition, the reconciliation provided for the Mpesa Till had an amount of Kshs.556,222 for assorted deposits, however, the breakdown was not provided.

In the circumstances, the accuracy, completeness, existence of cash and cash equivalents balance of Kshs.38,881,354 could not be confirmed.

5. Double Accounting of Repairs, Maintenance and Improvement Income

The statement of financial performance reflects capitation grants for operations of Kshs.18,145,385 as disclosed in Note 2 to the financial statements. Included in the

amount is Kshs.5,269,250 for repairs and maintenance. However, the same amount has been recognized as capitation grants for infrastructure under Note 3 to the financial statements.

In the circumstances, the accuracy and completeness of income amount of Kshs.5,269,250 could not be confirmed.

6. Inconsistencies in Fee Arrears and Weak Monitoring of Receivables

Reported in the statement of assets and liabilities as disclosed in Note 13 to the financial statements is a receivables balance of Kshs.35,966,217, out of which Kshs.25,421,719 relates to fee arrears, compared to a prior year balance of Kshs.19,867,080. This represents an increase of Kshs.5,554,639 or 28% higher than the previous year, which was not explained. Further, analysis of the accounts receivables disclosed in Note 13(b) to the financial statements indicates that arrears of between one (1) and two (2) years amounted to Kshs.6,151,128 (24%) against Kshs.1,160,712 (6%) in the prior year. However, the schedule provided for this category indicates an amount of Kshs.7,159,423 resulting to an understatement of receivables by Kshs.1,008,295.

In addition, the accounts receivables balance increased from Kshs.24,877,399 in the prior year to Kshs.35,966,217 or 45% in the current year. However, Management did not confirm their recoverability or explain whether any adjustments or write-offs were necessary.

In the circumstances, the accuracy, completeness and full recoverability of account receivables balance of Kshs.35,966,217 could not be confirmed.

7. Unsupported and Long Outstanding Accounts Payables

The statement of assets and liabilities and as disclosed in Note 14 to the financial statements reflects accounts payables balance of Kshs.17,338,988. However, included in the balance are trade payables balance of Kshs.1,738,213 which had been outstanding for more than one (1) year and risk of loss of public funds through litigations, interests and penalties. No explanation was provided as to why the School maintained long outstanding bills but opt to settle some of the most current bills as revealed in the payables data. This was contrary to Regulation 42(1)(a) of the Public Finance Management (National Government) Regulations, 2015 which states that, 'service payments shall be a first charge on the Consolidated Fund and the Accounting Officer shall ensure this is done to the extent possible that the Government does not default on debt obligations. Further, the authenticity of the outstanding amounts could not be verified due to the absence of vendor invoices and the respective contracts with the School.

In the circumstances, the accuracy and completeness of account payables totalling Kshs.17,338,988 could not be confirmed and Management was in breach of the law.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Pangani Girls School Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical

responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects a final approved revenue budget of Kshs.222,651,591 with actual receipts totalling Kshs.203,762,611 resulting to an under funding of Kshs.18,888,980. Further, the School spent an amount of Kshs.179,276,174 against actual receipts of Kshs.203,762,611 resulting to an under expenditure of Kshs.24,486,437 or 12 % of total receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

1. Errors and Omissions in the Reporting Templates

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

2. Unresolved Prior Year Audit Issues

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of Pangani Girls High School in 2024/2025 revealed that although Management provided

explanations on the status of these matters, the following issues had not been fully resolved;

No.	Audit Issue
1	Long Outstanding Accounts Receivables
2	Inaccuracies in Capitation Grants
3	Late Submission of Financial Statements for Audit
4	Transfer of Funds to Kenya Secondary Schools Heads Association (KESSHA)
6	Long Outstanding Payables
7	Unconfirmed Students Enrolment Data
8	Incomplete Fixed Assets Register
9	Unconfirmed Land Ownership
10	Failure to Operate Separate Bank Accounts for Other Income
11	Lack of an Approved School Improvement Plan
12	Lack of Inspection and Acceptance Committee Reports
13	Lack of Audit Committee
14	Non-Maintenance of School Accounting Software

Other Information

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

In connection with my audit on the Pangani Girls School financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is no 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 financial performance reflects boarding and school fund payments amount of Kshs.155,570,943 as disclosed in Note 9 to the financial statements. Included in the activity expenditure is an amount of Kshs.761,700 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The Organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.761,700 could not be confirmed.

2. Late Transfer of Infrastructure Funds from Operations Bank Account

The statement of financial performance reflects operations grants amount of Kshs.18,145,385 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.5,269,250 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the school's facilities. However, an amount of Kshs.2,834,000 received in January and March, 2025 was transferred on 23 May, 2025, approximately two (2) to five (5) months after receipt. Further, amounts of Kshs.1,375,500 and Kshs.1,059,750 received on August, 2024 and 28 May, 2025 respectively was transferred on 18 October, 2024 and 12 August, 2025, approximately one (1) to two (2) months after receipt. This was contrary to the Ministry of Education Circular 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 Circular.

3. Overfunding of Capitation Grants

The statement of financial performance reflects capitation grants for tuition and capitation grants for operations amounts of Kshs.4,298,160 and Kshs.18,145,385 respectively as disclosed in Note 1 and Note 2 to the financial statements. During the financial year, National Education Management Information System (NEMIS) reported a total number of one thousand four hundred and thirteen (1,413) students while enrolment records provided by the School indicated a total number of one thousand three hundred and ninety (1,390) students, resulting to a variance of twenty three (23) students. As a result of the variances, the School was over funded by an amount of Kshs.455,476. In the circumstances, the inaccuracies in the NEMIS database may lead to erroneous funding decisions and affect the equitable allocation of capitation grants.

4. Failure to Deduct Capacity Building Levy

The statement of financial performance reflects expenditure amount of Kshs.184,545,424 which includes an amount of Kshs.58,037,235 in respect of procurement contracts signed with the School's suppliers. Review of payments for goods and services revealed that there was no deduction of the public procurement capacity building levy of 0.03% amounting to Kshs.17,411 of the contracts, contrary to the Levy Order, 2023 issued by the Public Procurement Regulatory Authority.

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

5. Nugatory Expenditure on Proposed Construction of Tuition Block

The statement of financial performance reflects infrastructure expenditure amount of Kshs.5,697,695 as disclosed in Note 8 to the financial statements. Included in the amount is Kshs.1,245,586 in respect to purchase of equipment. The proposed construction of classrooms was awarded to a local contractor at a contract sum of Kshs.61,997,584. Negotiations took place on 25 February, 2022 on having the project done in two (2) phases. However, the contract period ended without the work being completed hence the contractor was discharged from site on 30 January, 2024. Although interim payment certificate number 8 was forwarded on 15 March, 2024 for processing with a condition that the payment be honored after 60 days that is by 13 May, 2024, the School paid the contractor on 28 January, 2025 an amount of Kshs.121,077 as interest on delayed payments. Further, verification of the classrooms revealed that sections of the walls had peeling paint and visible cracks.

In the circumstances, value for money on payment of interest on delayed settlement of Kshs.121,077 could not be confirmed.

6. Irregular Extension of Security Services Contract

The statement of financial performance and Note 9 to the financial statements reflect an amount of Kshs.155,570,943 under boarding and school fund which includes an amount of Kshs.9,858,407 for personnel emoluments which further includes security costs. The School entered into a contract with a security company for provision of security services in June, 2022. The contract period was to end on 30 June, 2023. However, the contract lapsed and the School extended the contract period up to 30 June, 2025. Review of records provided revealed that the following documents were not provided;

- i. A formal request by the contractor asking for extension of the contract which should include reasons for the extension and proposed period.
- ii. Assessment showing the security firm performed satisfactorily before the extension.
- iii. Written explanation from the School procurement unit explaining why extension is necessary.
- iv. Approval by the Accounting Officer of the extension.
- v. Evidence that the Board approved the extension.

- vi. A formal amendment to the existing contract indicating the new contract period, revised terms which must be signed by the School Management and the security firm was not provided.

Further, the original contract stated that there would be six (6) security personnel and the total cost per year would be Kshs.1,368,000. However, upon the extension of the contract, the security personnel increased to eight (8) and the amount payable per year was Kshs.1,632,000 leading to direct procurement since the terms of the contract changed.

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

7. Irregular Accounting for Other Receipts

The statement of financial performance reflects an amount totalling Kshs.203,762,611 in respect to total revenue. Included in the amount is Kshs.29,824,992 in respect to miscellaneous income. Review of income invoices, receipts and income files revealed that the miscellaneous income was receipted and banked in the parent's school fund accounts allocated for banking funds paid by parents for boarding related expenses. Management however, failed to open and operate a separate banks account for the miscellaneous income.

In the circumstances, Management is in breach of the Ministry guidelines.

8. Failure to Prepare School Improvement Plan

During the year under review, the School did not have an Approved School Improvement Plan to be used to measure improvement activities and hold the School accountable, keep the School in focus in achieving the target, prioritization of needs, ensuring prudent utilization of resources and to improve accountability. This was 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 manual.

9. Failure to Acknowledge Receipt of Capitation Funds

The statement of financial performance reflects Government grants for tuition and operations amounts of Kshs.4,298,160 and Kshs.18,145,385 respectively as disclosed in Note 1 and Note 2 to the financial statements. However, the School did not acknowledge the receipt of Free Secondary Education funds for both operations and tuition amounting to Kshs.22,443,545 during the year under review. This was contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/6 which directed all principals to

acknowledge receipt of funds within two (2) weeks failure to which release of grants to such schools will be suspended.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of Internal Audit Function and Audit Committee

During the year under review, the School had not constituted an Audit Committee and an Internal Audit Unit for purposes of reviewing and evaluating budgetary performance, financial management, transparency and accountability mechanisms processes in the School towards providing independent assurance that the risk management governance and internal control processes are operating effectively.

In the circumstances, the effectiveness of the internal controls could not be confirmed.

2. Board of Management Composition and Tenure

Reported in the statement of financial performance and as supported by Note 9 to the financial statements is boarding and school fund payments amount of Kshs.155,570,943. Included in the amount is administration cost of Kshs.17,188,530 which include Board expenses amount of Kshs.2,300,500. Review of the Board of Management (BOM) records revealed that all members of the Board were appointed on 22 May, 2022, and their three-year term lapsed in May, 2025. As at the time of audit, the Institution had not provided renewal or re-appointment letters for the members serving a second term. Further, since all members were appointed on the same date, their terms expire simultaneously which did not provide for staggered Board membership to ensure continuity in governance and oversight.

It was further observed that the tenure of the Board had not been linked to transitional financial reporting or the preparation and approval of financial statements under accrual basis IPSAS, which the School is currently adopting. There is no documented plan or guidance on how continuity of Board oversight will be maintained for critical approvals, including financial statements, statements of School Management responsibility and other statutory declarations required under the reporting framework. In addition, during the year under review the Board of Management held only three (3) meetings, whereas the law allows a minimum of four (4) and a maximum of six (6).

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

3. Misalignment of Budget and Financial Reporting Period

During the year under review, Management prepared the School's budget based on the academic calendar covering the period January to December, 2024. However, the financial statements presented for audit covered the period July, 2024 to June, 2025, resulting in a misalignment between the budget period and the financial reporting period. This mismatch hinders the comparison of budgeted amounts against actual expenditure, limiting the ability to monitor adherence to approved allocations and assess financial performance effectively.

In the circumstances, there is need to align the School calendar to the financial reporting period.

4. Ineffective Management and Monitoring of Textbooks

The statement of financial performance and as disclosed in Note 6 to the financial statements reflects tuition expenses of Kshs.7,512,737. However, during the year under review, the School did not receive any textbooks with records indicating that the last consignment was delivered in January, 2024. Physical verification at the stores confirmed that textbooks are issued to students upon receipt, although significant balances remain idle or stored. Audit review noted that the School relies on manual records to track textbook issuance, with no comprehensive or updated register to monitor individual student allocations, returns or remaining balances. Manual records are maintained to capture lost, damaged or unreturned textbooks. However, such instances are only identified at the point of student clearance or during class progression, limiting timely detection and resolution of discrepancies.

Further, there was no mechanism in place to periodically assess and document the condition of textbooks while in use. Once issued, textbooks remain in the custody of students throughout their School period and are returned only during class progression, restricting the School's ability to reallocate resources efficiently, plan for future procurement or monitor utilization. In addition, the stores are managed by a single staff member responsible for receiving, recording and issuing all textbooks, which increases the risk of errors, misappropriation or loss.

The absence of a formalized textbook management system including registers, issuance tracking, periodic inspections and reconciliations reduces accountability, transparency and control over School assets. It also exposes the School to inefficiencies in resource utilization, potential stock losses and challenges in planning for timely replacement or redistribution of textbooks across classes. The reliance on manual processes further increases the likelihood of human error and makes it difficult to generate accurate management reports for decision-making.

In the circumstances, these weaknesses may result in loss or damage of textbooks without detection, inaccurate records on available resources, inability to plan for future textbook requirements and inefficient utilization of Government-provided learning materials

5. Lack of Controls in Fuel Management

The statement of financial performance and Note 9 to the financial statements reflect an amount of Kshs.155,570,943 under boarding and school fund which includes an amount of Kshs.4,631,167 for local transport. During the year under review, Management made payments for fuel, oil and lubricants to a local filling station amounting to Kshs.547,577. However, review of the payments revealed that;

- i. They were not supported by approved fuel requisitions.
- ii. The payments were not supported by vehicle work tickets.
- iii. The School did not maintain a fuel register showing date of fuel purchase, vehicle fueled and quantity issued.
- iv. There was no formal fuel supply contract or approved Local Purchase Orders with the fuel station.

In the circumstances, the effectiveness of the controls on fuel management could not be confirmed.

6. Unconfirmed Land Ownership

Annex 2 on summary of fixed assets register reflects a listing of the School assets which include two (2) parcels of land of unknown value. The School vide letter allotment Ref No. 71435/00 dated 1 July, 1998 was granted a plan with a term of 99 years by the Commissioner of Lands. At the time of audit, the School did not have a title deed hence full ownership of the land could not be confirmed. Further, a licensed surveyor's verification confirming the land boundaries was not provided for audit review.

In the circumstances, the ownership and valuation of the piece of land could not be confirmed.

7. Non-Maintenance of School Accounting Software

Review of the School operations revealed that the School has an automated system Schaccs 1.0 which has seven (7) modules; receipts, payments, banking, Local Purchase Order, invoice, payroll and pocket money. However, Local Purchase Orders and invoices

modules were not functional. No clear explanations were provided as to why the School was still using manual LPO and payroll yet there was an automated system in place.

In the circumstances, the optimum utilization of the automated system could not be confirmed.

8. Failure to Implement Structures in Management of Student Bursary

Reported in the statement of financial performance and as disclosed in Note 4 to the financial statements is school fund income - parents contribution amount of Kshs.146,224,824. Review of records revealed that the School received a total of Kshs.13,102,485 during the year under review in respect of student bursaries from various National Government Constituency Development Funds. The bursary funds are vetted and allocated to beneficiaries at the Constituency Development Fund level and the School's role was to receive the funds, disburse them to the intended students and maintain accountability. However, audit review noted that the School did not maintain comprehensive records to confirm receipt and disbursement of the funds to students. There was limited evidence such as beneficiary registers, acknowledgment receipts or reconciliation schedules to demonstrate that the funds received were fully accounted for and appropriately disbursed.

In the circumstances, effectiveness of internal controls in the management of bursary could not be confirmed.

9. Misalignment of Cut-Off and Revenue Recognition Period

The statement of financial performance reflects receipts of Kshs.146,224,824 from school fund income – parents' contributions. Audit review of the general ledger and supporting invoices revealed that while invoices were raised between 1 July, 2024 and 30 June, 2025, the School operates three academic terms, namely January–April, May–August and September–December. Invoices raised in May, 2024 for the May–August, 2024 term were not appropriately apportioned between the financial year ended 30 June, 2024 and the financial year commencing July, 2024. A similar issue was noted for invoices raised in May, 2025 for the May–August, 2025 term, which were not deferred into the subsequent financial year. This indicates that revenue is recognized in full in the period the invoice is raised rather than being appropriately apportioned across the financial periods to which it relates.

In the circumstances, there is need to align the School calendar to the financial reporting period.

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 (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

14 May, 2026

PANGANI GIRLS 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	4,298,160	4,345,929
Government grants for operations	2	18,145,385	21,383,438
Government Grants for infrastructure	3	5,269,250	10,982,140
School fund income- parents' contributions	4	146,224,824	140,825,935
Miscellaneous incomes	5	29,824,992	73,373,796
Total Revenue		203,762,611.00	250,911,238.00
Expenditure			
Tuition	6	7,512,737	8,692,485
Operations	7	15,764,049	18,346,129
Infrastructure	8	5,697,695	12,388,441
Boarding and school fund	9	155,570,943	215,645,151
Total Expenditure		184,545,424.00	255,072,206
Surplus/Deficit		19,217,187.00	(4,160,968.00)

The school financial statements were approved on 29th September, 2025 and signed by:


.....

Name: NICHOLAS MUTUA

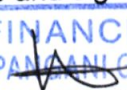
Chair BOM

Date: :23/3/26

SENIOR PRINCIPAL
PANGANI GIRLS SCHOOL

Name: DR. MILLICENT
ODHIAMBO
P.O. Box 30152 - 00100
School Principal/ Secretary to
BOM NAIROBI

Date: :23/3/26

FINANCE OFFICER
PANGANI GIRLS SCHOOL

Name: CPA WALTER
OMOLLO
P.O. Box 30152 - 00100,
Bursar/ Finance Officer

Date: :23/3/26

PANGANI GIRLS 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 Kshs	2023/2024 Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	38,654,224.00	30,746,068
Cash balances	11	227,130.00	1,052,649
Short term investments	12	-	0
Total cash and cash equivalent		38,881,354.00	31,798,717
Account's receivables	13	35,966,217.00	24,877,399
Total financial assets (a)		74,847,571.00	56,676,116
Financial liabilities		-	
Accounts payables	14	17,338,988.00	18,384,720
Total Financial Labilities (b)		17,338,988.00	18,384,720
Net financial assets (a-b)		57,508,583.00	38,291,396
Represented by		-	
Accumulated fund b/fwd	15	38,291,396.00	42,452,364
Surplus/deficit for the year		19,217,187.00	(4,160,968)
Net Assets		57,508,583.00	38,291,396.00

The school financial statements were approved on 29th September, 2025 and signed by:

Nicholas

Name: NICHOLAS MUTUA

Chair BOM

Date: :23/3/26

Name: DR.MILLICENT
ODHIAMBO

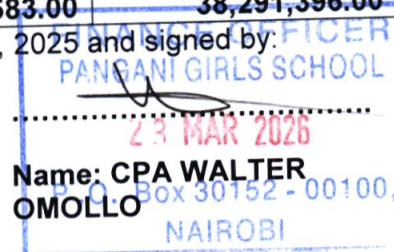
School Principal/ Secretary to
BOM

Date: :23/3/26

Name: CPA WALTER
OMOLLO

Bursar/ Finance Officer

Date: :23/3/26



PANGANI GIRLS 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 Kshs	2023/2024 Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition		4,298,160	4,345,929
Government grants for operations		13,145,385	21,383,438
Government grants for infrastructure		5,269,250	10,982,140
School fund income- parents contributions/ fees		134,090,274	140,825,935
Other income		29,824,992	73,373,796
Total receipts		186,628,061.00	250,911,238.00
Payments			
Cash outflows for tuition		7,512,737	8,692,485
Cash outflows for operations		15,764,049	18,346,129
Cash Outflows for Infrastructure		5,697,695	12,388,441
Cash outflows Boarding/lunch and school fund payments		150,301,693	215,645,151
Total payments		179,276,174.00	255,072,206.00
Net cash inflow/outflow from operating activities		7,351,887.00	(4,160,968.00)
Cash flow from investing activities			
Acquisition of assets		0	0
Proceeds from sale of Assets		0	0
Proceeds from investments		0	0
Purchase of investments		0	0
Net cash inflow/outflows from investing activities		0	0
Cash flow from Financing activities			
Proceeds from borrowings/ loans		0	0
Repayment of principal borrowings		0	0
Net cash inflow/outflow from financing activities		0	0
Net increase/decrease in cash and cash equivalents		7,351,887.00	(28,093,375.00)
Cash and cash equivalent at beginning of the FY		31,798,717.00	59,892,092.00
Cash and cash equivalent at end of the FY		39,150,604.00	31,798,717.00

The school financial statements were approved on 29th September, 2025 and signed by:

Nic. M.
Name: NICHOLAS MUTUA
OMOLLO
Chair BOM
Date: 23/3/26

DR. MILLICENT ODHIAMBO
Name: DR. MILLICENT ODHIAMBO
School Principal/ Secretary to BOM
Date: 23/3/26
P.O. Box 30152-00100
NAIROBI

CPA WALTER
Name: CPA WALTER
Bursar/ Finance Officer
Date: 23/3/26
P.O. Box 30152 - 00100,
NAIROBI

PANGANI GIRLS 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					
(1) Capitation Grant on Tuition					
Reference Materials	-	-	-	-	0
Exercise Books	-	-	-	-	0
Laboratory Equipment	-	-	-	-	0
Internal Exams	-	-	-	-	0
Teaching / Learning Materials	6,163,039.00	-	6,163,039.00	4,298,159.00	70%
Exams And Assessment	-	-	-	-	0
(2) Capitation Grant on Operations					
Personnel Emoluments	6,150,977.00	-	6,150,977.00	4,616,730.00	75%
Repairs And Maintenance	7,436,000.00	-	7,436,000.00	0	0%
Local Transport / Travelling	1,118,210.00	-	1,118,210.00	1,028,191.00	92%
Electricity, Water and Conservancy	4,333,783.00	-	4,333,783.00	3,080,326.00	71%
Medical/Insurance	2,974,400.00	-	2,974,400.00	1,576,270.00	53%
Administration Costs	2,376,710.00	-	2,376,710.00	1,544,113.00	65%
Activity	2,230,800.00	-	2,230,800.00	1,037,555.00	47%
Gratuity	-	-	-	-	0
Others - EWC Recovery	111,800.00	-	111,800.00	102,200.00	91%
Others - Rent Recovery	173,000.00	-	173,000.00	160,000.00	92%
3) FDSE for infrastructure					
Maintenance &Improvement MoE	7,436,000.00	-	7,436,000	5,269,250	71%

PANGANI GIRLS SCHOOL

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
M&I parents' contribution	-	-	-	-	0
Economic Stimulus Programs	-	-	-	-	0
Transition Infrastructure Grants	-	-	-	-	0
Administration Block	-	-	-	-	0
(4) Fees Charged on Parents					
Personnel Emoluments	13,329,938.00	-	13,329,938.00	15,454,386.00	116%
Repairs And Maintenance	2,974,400.00	-	2,974,400.00	3,089,305.00	104%
Local Transport / Travelling	2,424,136.00	-	2,424,136.00	2,511,995.00	104%
Electricity, Water and Conservancy	9,391,668.00	-	9,391,668.00	9,833,503.00	105%
Medical	234,635.00	-	234,635.00	199,655.00	85%
Administration Costs	5,150,338.00	-	5,150,338.00	5,871,277.00	114%
Activity	1,186,128.00	-	1,186,128.00	1,469,483.00	124%
SMASSE	-	-	-	-	0
PA Levies	22,534,744.00		22,534,744.00	22,312,946.00	99%
Extra Tea	10,347,825.00		10,347,825.00	11,512,261.00	111%
Insurance	685,640.00		685,640.00	876,444.00	128%
Uniform	3,859,983.00		3,859,983.00	3,859,983.00	100%
Fee On Boarding Equipment and Stores	69,233,587.00		69,233,587.00	57,099,036.00	100%
5) Miscellaneous Income					
Loans / Borrowing	-	-	-	-	0
Rent income	1,356,000.00	-	1,356,000.00	800,442	71%
Income From Farming Activities	-	-	-	-	0
Insurance Compensation	-	-	-	-	0
Income From Posho Mill	-	-	-	-	0

PANGANI GIRLS SCHOOL

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Income From Bus Hire	-	-	-	-	0
Fee For Hire of Ground and Equipment	51,619,214.00	-	51,619,214.00	18,180,448.00	35%
Interest Income	-	-	-	-	0
Income From Any Other Investment	-	-	-	-	0
Safaricom Trans receiver Rentals	-		-	647,500.00	0
Sale of Tender Documents	70,000.00		70,000.00	53,000.00	76%
Students Pocket Money	3,643,651.00		3,643,651.00	3,055,560.00	84%
Bakery	8,000,000.00		8,000,000.00	6,741,920.00	84%
Breakages & Losses	50,000.00		50,000.00	277,611.00	555%
Staff Lunch	100,000.00		100,000.00	68,511.00	69%
Total Income	222,651,591	-	222,651,591	203,762,611.00	92%
(6) Expenditure For Tuition					
Textbooks	-	-	-	-	0
Reference Materials	-	-	-	-	0
Exercise Books	-	-	-	-	0
Laboratory Equipment	-	-	-	-	0
Internal Exams	-	-	-	-	0
Teaching / Learning Materials	6,163,039.00	-	6,163,039.00	7,509,269.00	122%
Exams And Assessment	-	-	-	-	0
Chalks	-	-	-	-	0
Exams And Assessment	-	-	-	-	0
Teachers Guides	-	-	-	-	0
Administration Costs	-	-	-	3,468.00	0

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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
(7) Expenditure For Operations					
Personnel Emoluments	6,150,977.00	-	6,150,977.00	9,563,445.00	155%
Repairs And Maintenance	7,436,000.00	-	7,436,000.00	5,269,250.00	71%
Local Transport / Travelling	1,118,210.00	-	1,118,210.00	-	0%
Electricity, Water and Conservancy	4,333,783.00	-	4,333,783.00	853,401.00	20%
Medical/Insurance	2,974,400.00	-	2,974,400.00	-	0%
Administration Costs	2,376,710.00	-	2,376,710.00	77,953.00	3%
Activity	2,230,800.00	-	2,230,800.00	-	0%
Others - EWC Recovery	111,800.00	-	111,800.00	0	0
Others - Rent Recovery	173,000.00	-	173,000.00	0	0
Gratuity	-	-	-	-	0
SMASSE	0	0	0	0	0
(8) Expenditure For infrastructure					
Construction of classrooms	-	-	-	1,245,586.00	0
Construction of Borehole	-	-	-	-	0
Construction of dorm/ablution block	-	-	-	-	0
Purchase of furniture	-	-	-	-	0
Purchase of equipment	-	-	-	-	0
Purchase of machinery	-	-	-	-	0
Renovations of Classrooms and hostels	-	-	-	4,449,681.00	0
Bank Charges			-	2,428.00	0
(9) Expenditure For school fund/lunch/boarding					
Personnel Emoluments	13,329,938.00	-	13,329,938.00	9,858,407.00	74%

PANGANI GIRLS SCHOOL

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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 And Maintenance	2,974,400.00	-	2,974,400.00	12,344,364.00	415%
Local Transport / Travelling	2,424,136.00	-	2,424,136.00	4,631,167.00	191%
Electricity, Water and Conservancy	9,391,668.00	-	9,391,668.00	9,334,341.00	99%
Medical	234,635.00	-	234,635.00	270,783.00	115%
Administration Costs	5,150,338.00	-	5,150,338.00	17,188,530.00	334%
Activity	1,186,128.00	-	1,186,128.00	3,900,444.00	329%
Fee On Boarding Equipment and Stores	45,188,572.00	-	45,188,572.00	52,767,985.00	128%
Gratuity	-	-	-	-	0
Loans / Borrowing	-	-	-	-	0
Income From Farming Activities	-	-	-	-	0
Insurance Compensation	-	-	-	-	0
Income From Posho Mill	-	-	-	-	0
Income From Bus Hire	-	-	-	-	0
Fee For Hire of Ground and Equipment	51,619,214.00	-	51,619,214.00	14,646,742.00	28%
Interest Income	-	-	-	-	0
Income From Any Other Investment	-	-	-	-	0
PA Levies	22,534,744.00		22,534,744.00	210,000.00	1%
Extra Tea	10,347,825.00		10,347,825.00	8,045,707.00	78%
Insurance	685,640.00		685,640.00	492,607.00	72%
Uniform	3,859,983.00		3,859,983.00	3,859,983.00	100%
Sale of Tender Documents	70,000.00		70,000.00	486,843.00	695%
Students Pocket Money	3,643,651.00		3,643,651.00	3,521,500.00	97%
Bakery	8,000,000.00		8,000,000.00	5,034,540.00	63%
Breakages & Losses	50,000.00		50,000.00	-	0%
Staff Lunch	100,000.00		100,000.00	-	0%
Expenditure For Income Generating Activity	-	-	-	-	0

PANGANI GIRLS SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2025**

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Insurance Costs	-	-	-	-	0
Other Expenses On Investments	-	-	-	-	0
Rent Expenses	-	-	-	-	0
Bank Charges	-	-	-	-	0
Loan Interest Repayment	-	-	-	-	0
Loan Principal Repayment	-	-	-	-	0
Capacity Building Retreat	-	-	-	3,492,750.00	0
Unpaid Cheques	-	-	-	215,000.00	0
Acquisition Of Assets	-	-	-	-	0
Totals	222,651,591.00	-	222,651,591.00	179,276,174.00	83%

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

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

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

PANGANI GIRLS SCHOOL

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

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.

PANGANI GIRLS SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2025****11. Notes To the Financial Statements****1 Government Grants for Tuition**

Description	2024/2025	2023/2024
	Kshs	Kshs
Reference Materials	-	0
Exercise Books	-	0
Laboratory Equipment	-	0
Internal Exams	-	0
Teaching / Learning Materials	4,298,159.00	4,345,929.00
Others (specify)*	-	0
Total	4,298,159.00	4,345,929.00

2 Government Grants for Operations

Description	2024/2025	2023/2024
	Kshs	Kshs
Personnel Emoluments	4,616,730	5,120,410
Repairs And Maintenance	5,269,250	6,878,100
Local Transport / Travelling	1,028,191	1,136,105
Electricity And Water	3,080,326	3,411,789
Medical	1,576,270	1,438,875
Administration Costs	1,544,113	1,704,977
Activity	1,037,555	1,408,381
Other Vote Heads (Electricity & Water recovery)	102,200	111,800
Other Vote Heads (Rent Recovery)	160,000	173,000
Total	13,145,385.00	21,383,438.00

3 Government Grants for infrastructure

Description	2024/2025	2023/2024
	Kshs	Kshs
Maintenance & Improvement	5,269,250	10,194,100
Transition infrastructure grants	0	788,040
Administration Block	0	0
Economic stimulus grants	0	0
Other (specify)(NGCDF and	0	0

PANGANI GIRLS SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2025**

Description	2024/2025	2023/2024
	Kshs	Kshs
County govt.		
Total	5,269,250.00	10,982,140.00

4 School Fund Income - Parents Contribution/Fees

Description	2024/2025	2023/2024
	Kshs	Kshs
Personnel emoluments	15,454,386	14,771,888
Repairs and maintenance	3,089,305	4,005,039
Local transport / travelling	2,511,995	2,920,938
Electricity and water	9,833,503	11,447,482
Medical	199,655	200,461
Administration costs	5,871,277	6,257,211
Activity	1,469,483	1,497,570
Fee on Boarding Equipment and stores	69,233,587	57,102,522
PA Levies*	22,312,946	22,998,903
Others (specify)	-	
Extra Tea	11,512,261	13,069,607
Insurance	876,444	875,154
Uniform	3,859,983	5,586,116
Refunds	-	93,044
Total	146,224,824.00	140,825,935.00

5 Miscellaneous Incomes

Description	2024/2025	2023/2024
	Kshs	Kshs
Rent Income	800,442	1,101,729
Income From Farming Activities	-	0
Insurance Compensation	-	0
Income From Posho Mill	-	0
Income From Bus Hire	-	0
Fee For Hire of Ground and Equipment - KESSHA	205,200	77,000
Fee For Hire of Ground and Equipment(KNEC MARKING	17,975,248	16,718,282

PANGANI GIRLS SCHOOL

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

CENTRE)		
Fee For Hire of Ground and Equipment(EGF CONFERENCE)	-	39,727,752
Income From Grants and Donations*	-	100,000
Interest Income	-	0
Dividends Income	-	0
Loans/Borrowings*	-	0
Other Income - Safaricom Receiver Rentals	647,500	
Sale of Tender Documents	53,000	143,350
Income Generating Activities-Bakery	6,741,920	11,708,112
Students Pocket Money	3,055,560	3,643,651
Breakages And Losses	277,611	41,420
Refunds	-	94,500
Staff Lunch	68,511	18,000
Total	29,824,992.00	73,373,796.00

6 Tuition

Description	2024/2025	2023/2024
	Kshs	Kshs
Exercise Books	-	0
Textbooks	-	0
Reference materials	-	0
Laboratory Equipment	-	0
Teaching / Learning Materials	7,509,269	8,689,145
Exams And Assessment	-	0
Teachers Guides	-	0
Bank Charges	3,468	3,340
Others (<i>specify</i>)	-	0
Total	7,512,737.00	8,692,485.00

7 Operations

Description	2024/2025	2023/2024
	Kshs	Kshs
Personnel Emoluments	9,563,445	8,125,234
Service Gratuity	-	0

PANGANI GIRLS SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2025**

Administration Cost	77,953	26,795
Repairs And Maintenance & Improvements	5,269,250	10,194,100
Local Transport / Travelling	-	0
Electricity And Water	853,401	0
Medical	-	0
Activity Expenses	-	0
Insurance Cost	-	0
Others (specify)	-	0
Total	15,764,049.00	18,346,129.00

8 Infrastructure

Description	2024/2025	2023/2024
	Kshs	Kshs
Construction of classrooms	4,449,681	11,633,046
Construction of laboratory	-	754,245
Construction of dormitory	-	0
Purchase of furniture	-	0
Purchase of equipment	1,245,586	0
Purchase of apparatus	-	0
Drilling of boreholes	-	0
Others (specify)	2,428	1,150
Total	5,697,695.00	12,388,441.00

9 Boarding And School Fund

Description	2024/2025	2023/2024
	Kshs	Kshs
Personnel Emoluments	9,858,407	11,947,156
Service Gratuity	-	0
Repairs And Maintenance & Improvements	12,344,364	17,828,883
Local Transport / Travelling	4,631,167	3,615,577
Electricity And Water	9,334,341	14,701,652
Medical Expenses	270,783	224,724
Administration Costs	17,188,530	13,007,860.80
Activity Fees	3,900,444	2,780,947
Bank Charges	-	2,300
Exams	-	6,100

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Expenses On Income Generating Activities-Bakery	5,034,540	7,608,000
Expenses On Income Generating Activities-KNEC	14,646,742	15,377,290
Expenses On Income Generating Activities-EGF Conference	-	46,095,742
Fee On Boarding Equipment and Stores	58,037,235	65,060,251
Refunds	-	92,600
Insurance Cost (<i>Property</i>)	492,607	543,617
Loan Principal Repayment	-	0
Loan Interest Repayment	-	0
Acquisition Of Assets	-	0
PA expenses	210,000	0
Others - Unpaid Cheques	215,000	22,455
Others - Capacity Building Retreat	3,492,750	
School Uniform	3,859,983	6,523,970
Student Pocket Money	3,521,500	3,588,512
Tender	486,843	251,073
Extra Tea And Snacks	8,045,707	6,366,441
Total	155,570,943.00	215,645,151.00

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2024/2025	2023/2024
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	1107298210	32,918.00	10,810.00
Operations Account	Active	1107298164	5,020,162.00	2,369,576.00
School Fund Account/Boarding	Active	1107723809	4,526,652.00	7,911,682.00
Savings Account	Active	0910276617220	8,474,024.00	12,577,722.00
Parent Association Development Account	Active	01129123540100	9,886,079.00	1,059,206.00
Infrastructural Account	Active	1134966431	6,734,291.00	7,162,736.00
Mpesa Paybill	Active	8793444	3,980,098.00	(345,665.00)
Total			38,654,224.00	30,746,068.00

PANGANI GIRLS SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2025****11 Cash In Hand**

Description	2024/2025	2023/2024
	Kshs	Kshs
Notes and Coins	227,130.00	1,052,649
Total	227,130.00	1,052,649.00

12 Short Term Investments

Description	2024/2025	2023/2024
	Kshs	Kshs
Cooperative Shares	0	0
Treasury Bills	0	0
Fixed Deposit accounts	0	0
Other Investments	0	0
Total	0	0

13 a) Accounts Receivable

Description	2024/2025	2023/2024
	Kshs	Kshs
Fees Arrears	25,421,719.00	19,867,080.00
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)	-	0
Imprest (list/schedule attached)	10,497,798.00	4,826,819
Rent arrears (list/schedule attached)	46,700.00	183,500
Total	35,966,217.00	24,877,399.00

PANGANI GIRLS SCHOOL

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

13 b) Ageing Analysis of Accounts Receivable

Description	2024/2025		2023/2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	19,270,591.00	76%	13,956,864.00	70%
Between 1- 2 years	6,151,128.00	24%	1,160,712.00	6%
Between 2-3 years	-	0%	3,905,281.00	20%
Over 3 years	-	0%	844,223.00	4%
Total (should tie to note 13 a)	25,421,719.00	100%	19,867,223.00	100%

14 Accounts Payable

Description	2024/2025	2023/2024
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	13,427,416.00	11,486,731.00
Prepaid Fees	3,911,572.00	6,897,989.00
Retention Monies	-	0
Unpaid salaries and statutory deductions	-	0
Caution money	-	0
Other payables (<i>specify</i>)	-	0
Total	17,338,988.00	18,384,720.00

14a. Ageing Analysis of Accounts Payable

Description	2024/2025		2023/2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	11,689,203.00	87%	9,748,518.00	85%
Between 1- 2 years	705,691.00	5%	705,691.00	6%
Between 2-3 years	-	0%	-	%
Over 3 years	1,032,522.00	8%	1,032,522.00	9%
Total (should tie to note 14)	13,427,416.00	100%	11,486,731.00	100%

PANGANI GIRLS SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2025****15. Fund Balance Brought Forward**

Description	2024/2025	2023/2024
	Kshs	Kshs
Bank Balances	30,746,068.00	59,887,929.00
Cash Balances	1,052,649.00	4,163.00
Short Term Investments	-	0
Receivables	24,877,399.00	19,217,478.00
Payables	18,384,720.00	36,657,206.00
Total	38,291,396.00	42,452,364.00

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	0	0
Outstanding Leases	0	0
Hire Purchase	0	0
Gratuity And Leave Provision	0	0
Others (specify)	0	0
Total	0	0

17. Biological assets

Description	Numbers	2024/2025	2023/2024
		Kshs	Kshs
Cattle	0	0	0
Goats	0	0	0
Trees	0	0	0
Coffee Or Tea Plantation	0	0	0
Poultry	0	0	0

PANGANI GIRLS SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2025**

Others (specify)	0	0	0
Total	0	0	0

18. Borrowings

Description	2024/2025	2023/2024
	Kshs	Kshs
Borrowings at beginning of the year	0	0
Borrowings during the year	0	0
Repayments during the year	0	0
Balance at the end of the year	0	0

19 Stock/ Inventory

Description	2024/2025	2023/2024
	Kshs	Kshs
Food stuffs	525,178	3,424,490
Lab consumables (Tuition)	568,657	1,614,136
Farm produce	0	0
Medication	0	0
Construction Materials	0	0
Others (Activity)	0	49,620
Others (Cleaning materials)	97,338	892,150
Others (Exam Awards)	0	35,950
Others (Stationery)	950,246	80,750
	2,141,419.00	6,097,096.00

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

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	1. Long Outstanding Receivables The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.24,877,399 in respect of fees arrears as disclosed in Note 10 to the financial statements. Included in the balance are receivables amounting to Kshs.5,910,215 which had been outstanding more than two (2) years. No recoveries were made in the year under review casting doubt on their recoverability. Further, there was no policy on the impairment of long outstanding fees arrears casting doubt on the fair statement of the accounts receivables balance. In the circumstances, the accuracy and completeness of the Receivables balance of Kshs.24,877,399 could not be confirmed.	Ongoing	Not resolved	December 2025
2	2. Inaccuracies in Capitation Grants The statement of receipts and payments reflects capitation grants for tuition and operations amounts of Kshs.4,345,929 and Kshs.21,383,438 respectively as disclosed in Notes 1 and 2 to the financial statements respectively. Review of the NEMIS capitation disbursements made to the	Ongoing	Not Resolved	December 2025

PANGANI GIRLS SCHOOL

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

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	School against the amount receipted by the School revealed an amount of Kshs.24,143,317.49 whereas the NEMIS capitation reflects an amount of Kshs.25,556,367.50 resulting to an unexplained variance of Kshs.1,413,050. In the circumstances, the accuracy and completeness of capitation grants for tuition and operations of 4,345,929 and Kshs.21,383,438 respectively could not be verified.			
3	1. Budgetary Control and Performance The statement of budgeted versus actual amounts reflects final receipts budget and actual on comparable basis of Kshs.204,187,259 and Kshs.239,929,098 respectively, resulting to a variance of Kshs.35,741,839 or 18% of under budgeted receipts by the school. Further, the School had an expenditure of Kshs.255,072,251 against actual receipts of Kshs.239,929,098 resulting to budget over expenditure of Ksh.15,143,153 of actual receipts. In the circumstances, planned programmes may not have been implemented hence service delivery impacted.	Ongoing	Not Resolved	December 2025
4	Unresolved Prior Year Matters In the audit report of the previous year, several issues were raised	Ongoing	Not Resolved	December 2025

PANGANI GIRLS SCHOOL

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

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	under the Financial Statements, Report on Lawfulness and Effectiveness in use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues as at 30 June 2024			
5	1. Late Submission of Financial Statements for Audit During the year under review, Management submitted the financial statements to the Auditor-General on 09 April 2025 instead of the statutory deadline of 30 September, 2024. This was contrary to the Ministry of Education circular Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 and in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements. In the circumstances, late submission of the financial statements was in breach of MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 and Section 81 of the Public Finance Management Act, 2012. 2.	Finacial statements submitted in time	Resolved	Already resolved
6	Transfer of Funds to Kenya Secondary Schools Heads Association (KESSHA) The School transferred co-curricular funds totaling to Kshs.607,290 to Kenya	Ongoing	Not resolved	December 2025

PANGANI GIRLS SCHOOL

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

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Secondary School Heads Association (KESSHA) a private entity and a welfare organization that draws its membership from School Principals only. KESSHA is not subject to the Public Finance Management (PFM) Act, 2012 or any other public finance regulations. There were no expenditure returns to show how the co-curricular funds were utilized by KESSHA. The amounts are as detailed below: In the circumstances, the School may not have received value for funds transferred to Kenya Secondary School Heads Association (KESSHA).			
7	2. Long Outstanding Payables The statement of financial position reflects a Payables balance of Kshs.18,384,720 and as disclosed in Note 14 to the financial statements. However, included in the balance are trade payables balance of Kshs11,486,731 out of which Kshs.1,738,213. had been outstanding for more than two (2) years. This was contrary to Section 53 (8) of the Public Procurement and Asset Disposal Act, 2015 which states that 'an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contract (s) are reflected in approved budget estimates.	Ongoing	Not Resolved	December 2025

PANGANI GIRLS SCHOOL

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

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	In the circumstances, the School Management was in breach of the law and there is risk loss of public funds through litigations, interests and penalties			
8	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.25,729,367. Comparison of data from National Education Management and information System (NEMIS) with records from the County Director of Education revealed that during the financial year 2023/2024, NEMIS reported 1737, 1735 and 1835 while the enrolment records provided by the school indicated 1643, 1753 and 1753 for term 3 2023, term 1 2024 and term 2 2024 respectively, resulting to an unexplained variance of 158 students. As a result, the School was over funded by an amount of Kshs.549,176.55 This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 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.	Enrolment Data Reconciled	Resolved	Already Resolved

PANGANI GIRLS SCHOOL

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

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	In the circumstances, the over-funding of the School may have affected service delivery to the other schools which did not receive capitation for students			
9	4. Excess Supply of Text Books The Ministry of Education has distributed textbooks to the secondary school through Kenya Institute of Curriculum Development (KICD) in four (4) financial years (2017/18, 2018/19, 2020/21, 2022/2023). Examination of records revealed that the Institute distributed 22,267 books to the School while only 13,504 books were issued to the students, resulting to an unexplained excess text books of 8,763 books in the School store. Further, some books issued in the financial year 2017/2018 were still lying in the store as they were no longer in use. In the circumstances, the value for money was not realized as the books are lying idle at the library resulting in unprofitable lock-up of public funds.	Ongoing	Not Resolved	December 2025
10	Incomplete Fixed Assets Register. Annex 2-Summary of Fixed Assets to the Financial Statements reflects Historical cost of assets balance of Ksh.105,133. However, the Management did not maintain an asset register in the prescribed format indicating the description, financier,	Ongoing	Not Resolved	December 2025

PANGANI GIRLS SCHOOL

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

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	serial/log book number, acquisition date, location, opening balances, additions or disposals during the year and the closing balances. Further, the entity had also not tagged its assets which include computers and related accessories, office equipment, furniture and fittings thus the ownership of the said assets could not be confirmed. In addition, up to date valuation report of assets was not provided for audit thus it is not clear how the value of the assets was arrived at. In the circumstances, the completeness, valuation and existence of assets at historical value of Kshs 105,133 could be confirmed.			
11	Unconfirmed Land Ownership. The school vide letter of allotment ref no.71435/00 dated 1 July 1998 was granted plan no. 42/15/981 with an area of 0.25 hectares with a term of 99 years by the commissioner of lands. However, the school did not have a title deed hence full ownership of the land could not be confirmed. In addition, a licensed surveyor's verification confirming the land's boundaries was not availed for audit review. In the circumstances, the ownership and valuation of the piece of land could not be confirmed.	Ongoing	Not Resolved	December 2025

PANGANI GIRLS SCHOOL

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

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
12	Failure to Operate Separate Bank Accounts for Other Incomes The Statement of receipts and payments as at 30 June 2024 reflects Ksh.246,574,802 in respect to total receipts. Included in this balance is Ksh.73,373,796 in respect miscellaneous/other incomes which further includes Ksh.16,718,282 and Ksh.39,727,752 in respect to Hire of Ground by KNEC marking centre and EGF totalling to Ksh.56,446,034. A review of income invoices, receipts and income files revealed that both incomes were receipted and banked in the Parent's School Fund accounts allocated for banking of funds paid by parents for boarding related expenses. The Management of Pangani High school however failed to open and operate separate bank accounts for the two (2) sources of income as required in section 3.0 of the Ministry of Education circular ref no.MOE.HQS/3/10/18/(112) dated 15 November 2022 on guidelines on implementation of FSDE that states that schools with income generating activities shall open separate bank accounts for the same. In the circumstances the Management is in breach of the law.	Ongoing	Not Resolved	December 2025
13	8. Lack of an Approved School Improvement Plan	Ongoing	Not Resolved	December 2025

PANGANI GIRLS SCHOOL

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

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	A review of records provided for audit revealed that the management of Pangani Girls School lacked an approved school improvement plan to help improve the school environment and learning outcome. The accountability of the school's management, school target, prioritization of school needs, prudent utilization of resources and improved team work could not be achieved. This is contrary to the Ministry of Education Operation Manual for Utilization of Learner Capitation Grant and Other School Funds In the absence of the School improvement Plan, school improvement activities could not be measured.			
14	9. Lack of Inspection and Acceptance Committee Reports Review of payments made revealed that the Accounting Officer did not appoint the inspection and acceptance committee as required in Section 48. (1) of PPADA, 2015 and therefore there was no inspection and acceptance report for the goods and services paid during the financial year. In the circumstances, good and services may not have been delivered in the correct quantity, quality and specification.	Committee already in place	Resolved	Already Resolved
15	Lack of Audit Committee	MOE combines	Resolved	Already Resolve

PANGANI GIRLS SCHOOL

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

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	During the year under review, the School had not constituted an audit committee and an internal audit unit as required by Regulation 166 (1) and (2) of the Public Finance Management (National Government), 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 effectiveness of internal controls could not be confirmed.	Finance and Audit Committee as one		
16	1. Failure to Prepare Annual Reports on Governance The Board of Management of Pangani Girls High School failed to prepare annual reports on governance as required in section 60 of the Basic Education Act, 2013 which states Every public school or institution of basic education shall, submit on an annual basis a report to the Director of Basic Education. In the circumstances, the Board might not have effectively handled its mandate and responsibilities.	Ongoing	Not Resolved	December 2025
17	2. Board of Management Employees The statement of receipts and payments and as disclosed in note 7 and note 9 to the financial	Ongoing	Not Resolved	December 2025

PANGANI GIRLS SCHOOL

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

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	statements reflects Kshs.7,989,234 and Kshs.11,947,156 all totalling to Kshs.19,936,390 in respect to personnel emoluments. The Management of Pangani High school had engaged eight (8) BOM teachers and two (2) casuals. However, audit review of the expenditure related to Personnel Emoluments revealed the following anomalies; i. The contracts and muster rolls for all the staff engaged by the management were not provided for audit review. ii. The Management of the school did not conduct annual staff appraisals and trainings for the school staff. In the circumstances, the School may have inefficient teaching and non-teaching staff.			
18	Non-Maintenance of Buildings Staff Houses Examination of documents provided for audit revealed that the School owns rental houses which are occupied by its staff. However, physical inspection of the houses in the month of April 2025 revealed that most houses are dilapidated due to poor maintenance since revenue collected from the buildings is not allocated for repair and maintenance of the buildings. The dilapidated houses occupy vast	Ongoing	Not Resolved	June 2026

PANGANI GIRLS SCHOOL

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

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	chunks of the School's land. School Fence. A physical inspection done in the month April 2025 of the perimeter fence revealed that a section of the fence next to the volleyball court had rusted iron sheets which was vulnerable to trespassers and intruders. In the circumstances, the staff living condition is wanting and the school compound is exposed to trespassers and intruders.			
19	Non-Maintenance of School Accounting Software. Pangani Girls School has an automated system Schaccs 1.0 which has seven (7) modules (receipts, payments, banking, L.P.O, invoice, payroll and pocket money). However, L.P.O and invoice were not functional. No clear explanations were provided as to why the school was still using manual L.P.O and payroll yet there was an automated system in place. In the circumstances, system failure may lead to inefficiency and loss of revenue.	Ongoing	Not Resolved	December 2025
20	5. Lack of Risk Management Policy During the year under review, the Secondary school did not have an approved Risk Management Policy and a Risk Register to	Ongoing	Not Resolved	December 2025

PANGANI GIRLS SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2025**

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	document risks emanating from the users and the mitigation factors in place to minimize the risks. In the circumstances, the risk management strategies, which includes fraud prevention mechanism and a system of risk management and internal control that builds robust business operations could not be confirmed. In the circumstances, the Management was in breach of the law.			

SENIOR PRINCIPAL
PANGANI GIRLS SCHOOL
Sign and Date: 23/3/26
Principal
P.O. Box 30152-00100
NAIROBI

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

12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier of goods or services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1.						
2.						
3.						
Sub-total						
Supply of goods						
	86,154.00	0	0	86,154.00	0	
Accra pharmacy ltd	183,150.00	0	0	183,150.00	0	
Authentic fresh vegetables	223,816.00	0	0	223,816.00	0	
Bakers conner co.ltd	427,500.00	0	0	427,500.00	0	
Bavaryan commercial enterprises	98,000.00	0	0	98,000.00	0	
Benchmark plumbers investment	242,000.00	0	0	242,000.00	0	
Bititec systems & suppliers ltd	165,000.00	0	0	165,000.00	0	
Branwen value enterprises	225,334.00	0	0	225,334.00	0	
Britam general insurance co.ltd	237,000.00	0	0	237,000.00	0	
Constant hub ltd						

PANGANI GIRLS SCHOOL

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

Supplier of goods or services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
Eagles plan ltd	139,140.00	0	0	139,140.00	0	
Edmone ventures ltd	1,881,900.00	0	0	1,881,900.00	0	
Genetic merchandisers ltd	135,000.00	0	0	135,000.00	0	
Giltech fabricators ltd	92,800.00	0	0	92,800.00	0	
Goldmyer limited	441,745.00	0	0	441,745.00	0	
Happy occ. Tents & events ltd	45,936.00	0	0	45,936.00	0	
Instant services enterprises	86,900.00	0	0	86,900.00	0	
Jemwenda enterprises	181,815.00	0	0	181,815.00	0	
Jobestk service station	239,425.00	0	0	239,425.00	0	
Jostel enterprises ltd	174,300.00	0	0	174,300.00	0	
Kageha investments	148,000.00	0	0	148,000.00	0	
Kahujo enterprises	39,000.00	0	0	39,000.00	0	
Kibucho enterprises	316,005.00	0	0	316,005.00	0	
Ladira invest ltd	96,400.00	0	0	96,400.00	0	
Lidav enterprises ltd	46,155.00	0	0	46,155.00	0	
Mbariti & son enterprises	388,750.00	0	0	388,750.00	0	
Pengu traders	676,225.00	0	0	676,225.00	0	
Powermax sysytem resolution	532,800.00	0	0	532,800.00	0	

PANGANI GIRLS SCHOOL

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

Supplier of goods or services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
Ramcy investments limited	199,951.00	0	0	199,951.00	0	
Rostepho green groceries	38,905.00	0	0	38,905.00	0	
Salfone ventures	21,000.00	0	0	21,000.00	0	
Sarjay garments	362,850.00	0	0	362,850.00	0	
Sarjay garments	605,583.00	0	0	605,583.00	0	
School equipment centre	2,378,264.00	0	0	2,378,264.00	0	
Silver side butcheries	532,400.00	0	0	532,400.00	0	
Supply of services						
	0	0	0			
Sub totals	0	0	0	0	0	
Grand total	11,689,203	0	0	11,689,203	0	

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

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	10.14HA			10.14HA
Land 2	0.25HA			0.25HA
Buildings And Structures	UNKOWN			UNKOWN
Motor Vehicles	14,000,000			14,000,000
Office Equipment, Furniture and Fittings	APPROX 15,000,000			APPROX 15,000,000
Textbooks	APPROX 50,000,000			APPROX 50,000,000
ICT Equipment	APPROX 30,000,000			APPROX 30,000,000
Tools And Apparatus	APPROX 70,000,000			APPROX 70,000,000
Other Machinery and Equipment	APPROX 100,000,000			APPROX 100,000,000
Heritage And Cultural Assets	UNKOWN			UNKOWN
Intangible Assets- Soft Ware	680,000			680,000
Beds	APPROX 28,000,000			APPROX 28,000,000
Bedding (Assorted)	UNKOWN			UNKOWN
Utensils (Assorted)	APPROX 14,000,000			APPROX 14,000,000
Smart Board	350,000			350,000
Library Tables	540,000			540,000
Library Chairs	900,000			900,000

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

OAG/NRB/AUD/17/4/(20)

22 June, 2026

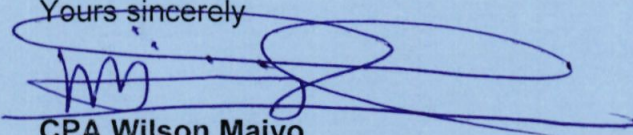
Mr. Samuel Josephat Njoroge
The Clerk to the National Assembly
Parliament Buildings
P.O. Box 41842-00100
NAIROBI

Dear Mr. Njoroge

**REPORT OF THE AUDITOR-GENERAL ON PANGANI GIRLS SCHOOL FOR THE
YEAR ENDED 30 JUNE, 2025 – NAIROBI CITY COUNTY**

I transmit the report of the Auditor-General on the examination and audit of Pangani Girls School for the year ended 30 June, 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.

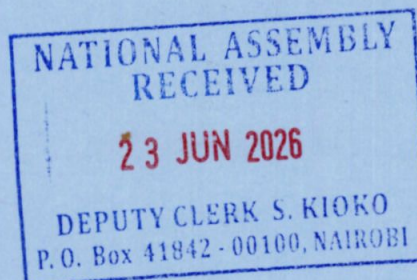
Yours sincerely


CPA Wilson Maiyo
For: AUDITOR-GENERAL

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

Mr. John Lekakeny Ololtuaa, CBS
Principal Secretary
Ministry of Education
State Department for Basic Education
P. O. Box 30040-00100
NAIROBI

The Principal
Pangani Girls School
P. O. Box 30152-00100
NAIROBI



THE BOARD OF DIRECTORS
OF THE COMPANY
HAS THE HONOR TO
REPORT TO THE STOCKHOLDERS
AT THE ANNUAL MEETING
Held on the 15th day of
MAY 1904

During the year ending
the 31st day of December
1903 the Company has
been engaged in the
business of the
manufacture and sale
of the product known
as the "X" brand
which has been
successfully marketed
in the United States
and in foreign countries
and the Company has
been able to maintain
its position as the
leading manufacturer
of the "X" brand
in the world.

The Company has
been able to maintain
its position as the
leading manufacturer
of the "X" brand
in the world.