

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 29 JUL 2026

DAY.

OF

WEDNESDAY

TABLED
BY:

HON. MARIAM WITANT

CLERK-AT
THE-TABLE:

ON BEHALF OF LOM

RUTH NGENDO

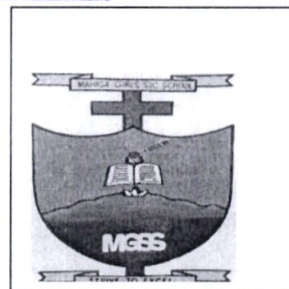
THE AUDITOR-GENERAL

ON

MAHIGA GIRLS SECONDARY SCHOOL

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

NYERI COUNTY



Mahiga Girls Secondary School
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025

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

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1. Acronyms and Definition of Key Terms

A. Acronyms.

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

B. Definition of Key Terms

Comparative Year- Means the prior period.

2. Key School Information and Management

(a) Background information

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

The school was registered in **July (26) 2016** under registration number **19 S 0030 0062** and is currently categorized as a **Extra County public school** established, owned or operated by the Government.

The school is a boarding school and had **1191** number of students as at **30th June 2025**. It has **6** streams in **form 3 and 4**; **10** streams in **form 2** and **46** teachers of which **5** teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

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

Ref:	Name of Board Member	Designation	Date of appointment
1	Dr. John Wachira	Chairman – Sponsor	25/03/2025
2	Mrs. Franciscar Wahome	Secretary – Principal	25/03/2025
3	Ms. Beth Wanjiru	Member – Sponsor	25/03/2025
4	Mr. Stephen Mwangi	Member – Sponsor	25/03/2025
5	Ms. Jedidah Wangechi	Member - Local Community	14/5/2022-25/03/2025
6	Mr. Paul Ekai	Member – Local Community	25/03/2025
7	Ms. Irene Wagura	Member – Local Community	25/03/2025
8	Ms. Purity Wangechi	Member – Local Community	25/03/2025
9	Mr. Moses Muturi	Member – Local Community	25/03/2025
10	Mr. Gabriel King'ori	Member – Local Community	28/02/2023-25/03/2025
11	Mr. William Wachira	Member – Rep CEB	25/03/2025
12	Mr. Nickson Muatha	Member - Rep Teachers	25/03/2025
13	Mr. Gerald Muguiyi	Member - Special Interest	14/5/2022-25/03/2025
14	Mr. Muchiri Gathoni	Member - Special Needs	14/5/2022-25/03/2025
15	Miss. Karen Wanjiru	Member - Rep Students	25/03/2025

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	Designation	Number of meetings attended during the year
1	Executive Committee	1. Dr. John Wachira 2. Mrs. Franciscar Wahome 3. Mrs. Purity Kaburu 4. Mr. Gabriel King'ori 5. Ms. Jedidah Wangechi	Chairman Secretary Member Member Member	3
2	Audit Committee	1. Mr. William W. Gichane 2. Ms. Beth Wanjiku 3. Mr. Stephen Kanyi	Chairman Member Member	
3	Finance, procurement and general purposes Committee	1. Mr. Gerald Muguiyi 2. Mrs. Franciscar Wahome 3. Ms. Irene Wagura 4. Mr. Paul Ekai	Chairman Secretary Member Member	4

4	Academic standards Committee	1. Mr. Paul Ekai 2. Mr. Moses Muturi 3. Miss Teresia Wanderi 4. Mr. Nickson Munyao	Chairman Member Member	
5	School Infrastructure Committee	1. Mr. Gabriel Kingori 2. Mrs. Ann Mburu 3. Mrs. Purity Kaburu 4. Dr. John Wachira 5. Mr. William W. Gichane 6. Mrs. Franciscar Wahome 7. Sub- County Director (MOE) Nyeri South	Chairman Secretary Member Member Member Member	2
6	Discipline, ethics and integrity Committee	1. Mr. Muchiri Gathoni 2. Mrs. Jedidah Karogo 3. Miss Teresia Wanderi 4. Mr. Stephen Kanyi 5. Ms. Beth Wanjiku	Chairman Member Member Member Member	
7	Adhoc Committee (if any during the year)			

(d) School operation Management

For the financial year ended 30th June, 2025 the School's day-to-day management was under the following persons:

Ref:	Designation	Name	Identification
1	Principal	Mrs. Franciscar Wahome	TSC No. 351221
2	Deputy Principal	Mrs. Anne Mburu	TSC No. 395618
3	Deputy Principal	Miss. Teresiah Wanderi	TSC No. 501384
4	School Bursar	Mr. John Ndirangu	ID No. 8813325
5	Hods/Academic	Senior Teachers	

(e) Schools contacts

Post Office Box: 322 - 10106
Telephone: 0745105919
E-mail: mahigagirls@gmail.com
Website:
Facebook:
Twitter:

(f) School Bankers

Provide details of the school bankers.

NO.	BANK	BRANCH	ACCOUNT NO	NAME AND PURPOSE OF THE ACCOUNT
1.	KCB	Othaya	1101539070	Development A/C for fees collections
2.	KCB	Othaya	1101565373	Operation A/C FDSE
3.	KCB	Othaya	1101543930	Tuition A/C FDSE
4.	KCB	Othaya	1294440616	Infrastructure A/C
5.	EQUITY	Othaya	0080262295961	Farm A/C for income generating activities

(g) Independent Auditors

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

3. Summary Report of Performance of The School

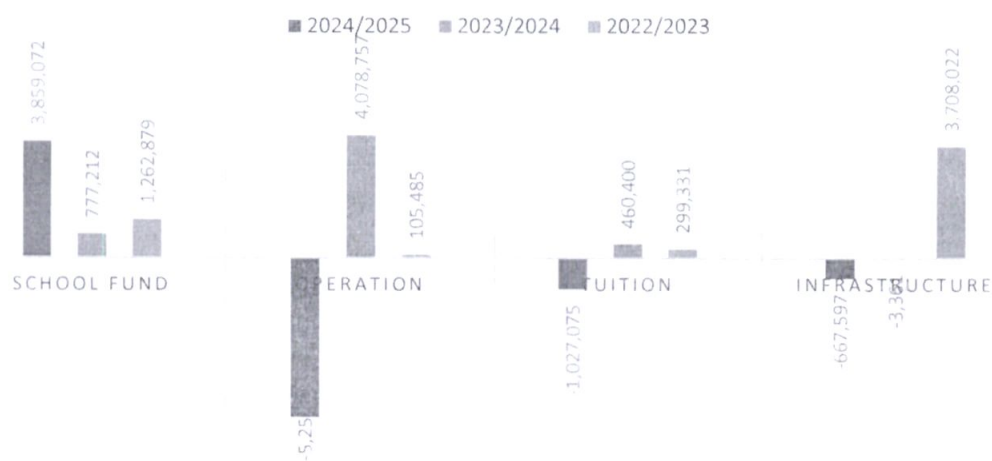
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) Financial performance:

Under this section, it reflects the actual financial performance trend for the last three years period between 1st July 2022 to 30th June 2025 which covers a period of 12 months is summarised as follows:

SURPLUS/DEFICIT FOR THE YEAR AND A COMPARISON OF THE SAME FOR THE LAST THREE YEARS				
SNO	ACCOUNTS	2024/2025	2023/2024	2022/2023
		KSHS	KSHS	KSHS
1	School Fund Account	3,859,072	777,212	1,262,879
2	Operations Account	(5,252,081)	4,078,757	105,485
3	Tuition Account	(1,027,075)	460,400	299,331
4	Infrastructure A/c	(667,597)	(3,361)	3,708,022
	TOTAL	(6,266,184)	5,313,008	5,375,717
	Increase/Decrease		62,709	14,236,485

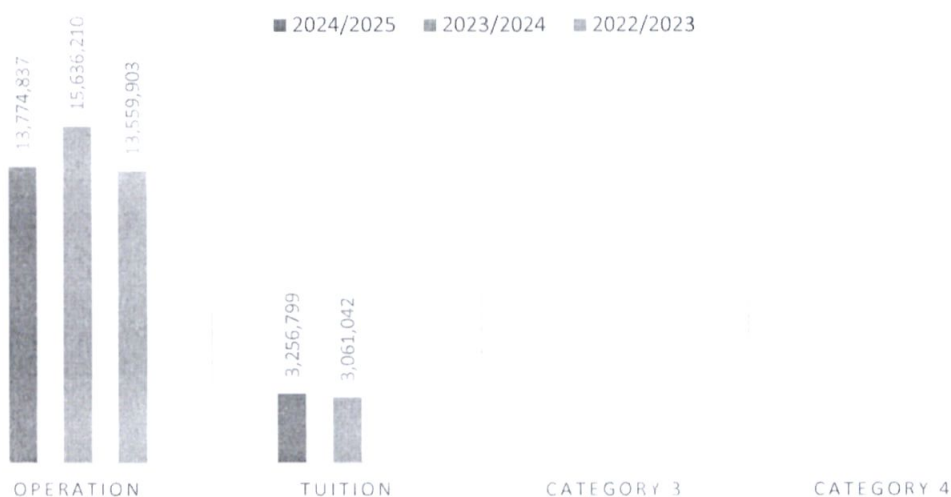
SURPLUS/DEFICIT FOR THE YEAR AND A COMPARISON OF THE SAME FOR THE LAST THREE YEARS



Summary Report of Performance of The School (continued)

CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS				
SNO	ACCOUNTS	2024/2025	2023/2024	2022/2023
		KSHS	KSHS	KSHS
1	Operations Account	13,774,837	15,636,210	13,559,903
2	Tuition Account	3,256,799	3,061,042	3,120,828
	Total	17,031,636	18,697,252	16,680,731
	Increase/Decrease	(1,665,616)	2,016,521	(4,832,340)
	No of Students	1191	1518	1307
	Ratio of Capitation per student	1:17030	1:12317	1:12762

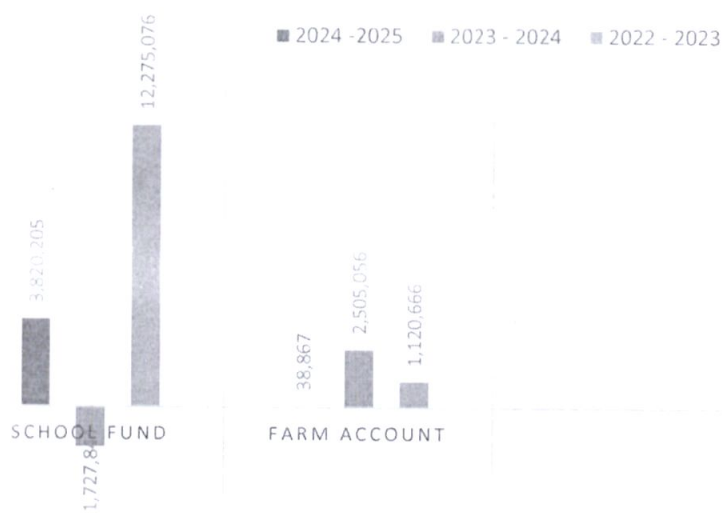
CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS



Summary Report of Performance of The School (continued)

THREE-YEAR OVERVIEW GROWTH OF OTHER INCOME(S) EARNED BY THE SCHOOL.				
SNO	ACCOUNTS	2024/2025	2023/2024	2022/2023
		KSHS	KSHS	KSHS
1	School Fund Account	3,820,205	(1,727,844)	12,275,076
2	Farm Account	38,867	2,505,056	1,120,666
	TOTAL	3,859,072	777,212	13,395,742
	Increase/Decrease	3,081,860	(12,618,530)	(181,268)

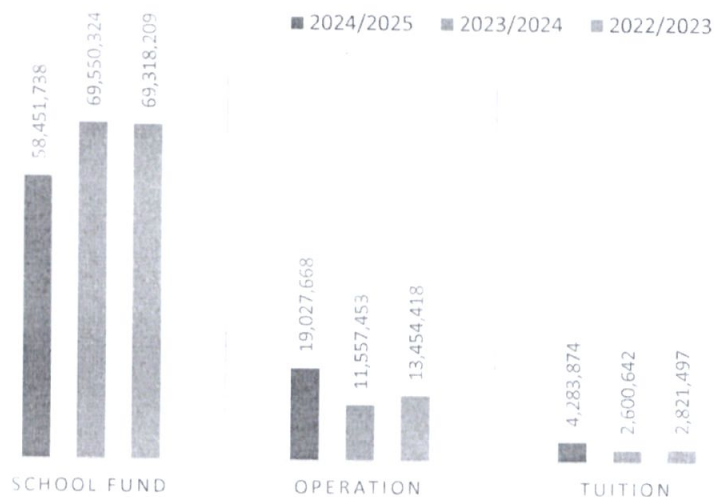
THREE YEAR OVERVIEW GROWTH OF OTHER INCOME(S) EARNED BY THE SCHOOL



Summary Report of Performance of The School (continued)

THREE-YEAR OVERVIEW GROWTH IN EXPENDITURE OF THE SCHOOL				
SNO	ACCOUNTS	2024/2025	2023/2024	2022/2023
		KSHS	KSHS	KSHS
1	School Fund Account	58,451,738	69,550,324	69,318,209
2	Operations Account	19,027,668	11,557,453	13,454,418
3	Tuition Account	4,283,874	2,600,642	2,821,497
	TOTAL	81,763,280	83,708,419	94,662,612
	Increase/Decrease	(1,945,139)	(10,954,193)	(25,468,612)

THREE YEAR OVERVIEW GROWTH IN
EXPENDITURE OF THE SCHOOL



Summary Report of Performance of The School (continued)

MOVEMENT DEBTORS OF THE SCHOOL				
SNO	ACCOUNTS	2024/2025	2023/2024	2022/2023
		KSHS	KSHS	KSHS
1	School Fund Account	2,827,676.00	3,766,613	7,258,303
	TOTAL	2,827,676.00	3,766,613	7,258,303
	Increase/Decrease	(938,937.00)	(3,491,690)	3,927,209

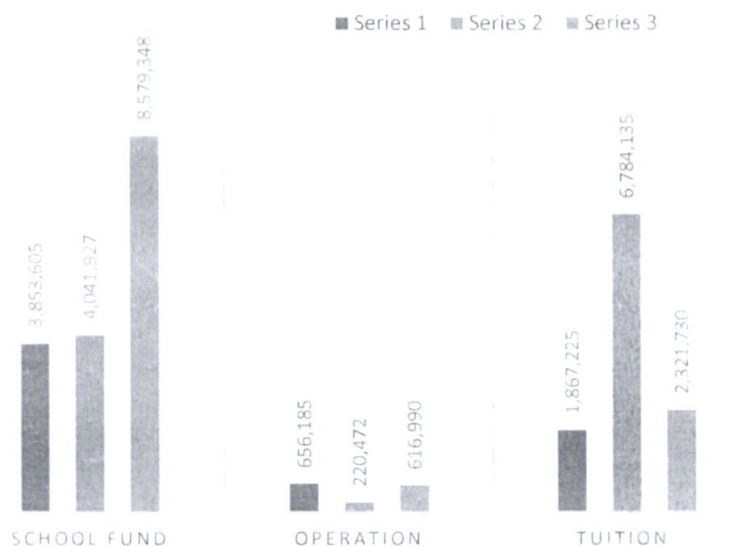
MOVEMENT DEBTORS OF THE SCHOOL



Summary Report of Performance of The School (continued)

MOVEMENT CREDITORS OF THE SCHOOL				
SNO	ACCOUNTS	2024/2025	2023/2024	2022/2023
		KSHS	KSHS	KSHS
1	School Fund Account	3,853,605.00	4,041,927	8,579,348
2	Operations Account	656,185.00	220,472	616,990
3	Tuition Account	1,867,225.00	6,784,135	2,321,730
	TOTAL	6,377,015.00	11,046,534	13,712,464
	Increase/Decrease	(4,669,519.00)	(2,665,930)	(9,491,077)

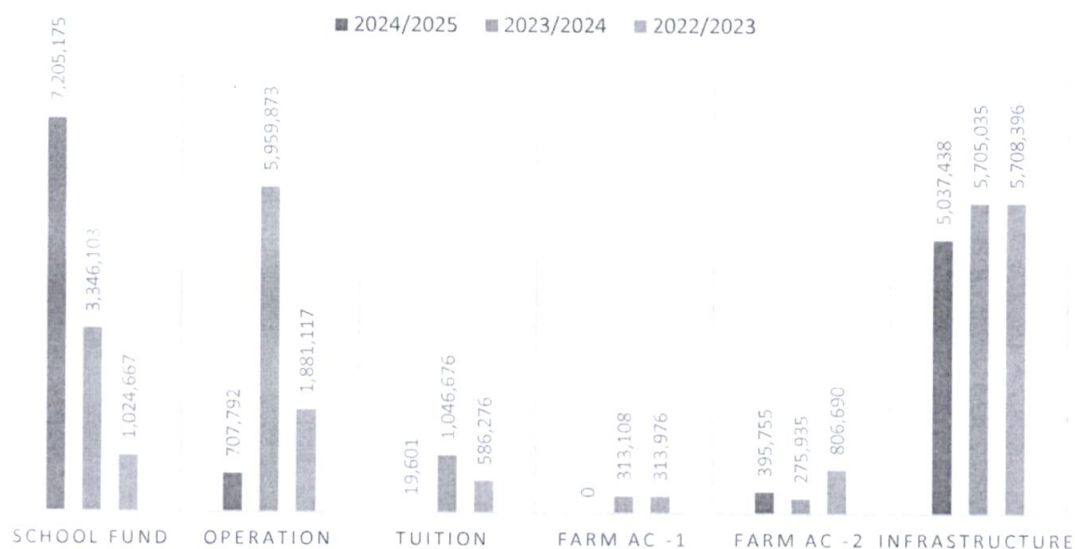
MOVEMENT CREDITORS OF THE SCHOOL



Summary Report of Performance of The School (continued)

MOVEMENT OF CASH AND BANK BALANCES				
SNO	ACCOUNTS	2024/2025	2023/2024	2022/2023
		KSHS	KSHS	KSHS
1	School Fund Account	7,205,175.00	3,346,103	1,024,667
2	Operations Account	707,792.00	5,959,873	1,881,117
3	Tuition Account	19,601.00	1,046,676	586,276
4.	Farm Account – 1	0	313,108	313,976
5.	Farm Account – 2	395,755	275,935	806,690
6.	Infrastructure Account	5,037,438.00	5,705,035	5,708,396
	TOTAL	13,365,761	16,646,730	10,321,122
	Increase/Decrease	(3,280,969)	6,325,608	5,574,005

MOVEMENT OF CASH AND BANK BALANCES



b) Teacher Student ratio:

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

There are **41** teachers posted by the Teachers Service Commission and **5** recruited by the board of management. The teacher student ratio lies at **1:26**

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

YEAR	ENROLMENT	MEAN	TRANSITION	TRANSITION %	SCHOOL TARGET	COMMENTS
2024	320	8.40	293	91.56	9.2	Good
2023	315	8.238	270	87.7	9.2	Good
2022	277	7.75	220	79.4	9.29	Good
2021	292	7.411	210	71.92	9.29	Fairly Good

d) Number of Candidates in the 2020, 2021, 2022 and 2023 KCSE:

YEAR	ENROLMENT
2024	320
2023	315
2022	277
2021	292

e) The capacity of the school:

ENROLMENT	DINNING HALL	DORMITORIES	LABORATORIES	TOILETS	BATH ROOMS
1191	1	10	8	108	75

f) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Borehole Drilling	Government Fund	Drilled	2,123,100	2,123,100	April 2026

MAHIGA GIRLS SECONDARY
SCHOOL
P.O. BOX 322 OT HAYA

School Principal

4. Statement of School Management Responsibility

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

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

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

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



.....
Name: **Dr. John Wachira**

Designation: Chairman, School Board of Management

Date: 27/08/2025



.....
Name: **Mrs. Franciscar Wahome**

Designation: School Principal & Secretary to Board of Management

Date: 27/08/2025



.....
Name: **Mr. John Ndirangu**

Designation: Bursar/ Finance Officer

Date: 27/08/2025

REPUBLIC OF KENYA

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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 MAHIGA GIRLS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2025 - NYERI 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 Mahiga Girls Secondary School set out on pages 1 to 23, 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 the statement of budgeted versus actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of Mahiga Girls Secondary School as at 30 June, 2025, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis (including the transitional provisions permitted under IPSAS 33) and comply with the Public Finance Management Act, 2012, the Basic Education Act, 2013 and The National Treasury and Economic Planning Circular No. 3 of 14 April, 2025.

Basis for Qualified Opinion

1. Unsupported Accounts Receivable

The statement of assets and liabilities reflects accounts receivable balance of Kshs.8,342,503 as disclosed in Note 12 to the financial statements. However, supporting schedules, detailed aging analysis and issued invoices for the receivables were not provided for audit review.

In the circumstances, the accuracy, completeness and existence of the accounts receivable balance of Kshs.8,342,503 could not be confirmed.

2. Irregular Cash Withdrawals

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.13,365,761 as disclosed in Notes 10 and 11 to the financial statements. Review of the school fund account bank statement revealed that Management made five cash withdrawals amounting to Kshs.3,150,000, between 17 April, 2025 and 07 May, 2025. However, Management did not support the cash withdrawals with approved requisitions, budget and expenditure schedules.

In the circumstances, the authenticity of expenditure of Kshs.3,150,000 could not be confirmed.

3. Inaccuracies in the Financial Statements

Review of the statement of cashflows and the statement of budgeted versus actual amounts revealed the following errors and misstatements;

- i. The statement of cashflows reflects Kshs.(3,280,969) in respect of net cash flows from investing activities instead of Kshs.(2,123,100);
- ii. The statement of budgeted versus actual amounts lacks the budget utilization difference amounts;

- iii. The statement of budgeted versus actual amounts had four (4) items where the actual amounts on comparable basis differed with the amounts in the statement of cash flows as analyzed below:

Item	Amount in statement of cash flows (Kshs)	Amount in statement of budgeted versus Actual amounts (Kshs)	Variance (Kshs)
School fund income parents contributions/fees	52,516,432	52,536,856	20,424
Other income	10,053,009	13,490,143	3,437,134
Boarding/lunch and school fund payments	58,903,657	62,157,937	3,254,280
Infrastructure payments	4,501,897	6,624,997	2,123,100

In the circumstances, the accuracy of the statement of cashflows and the statement of budgeted versus actual amounts could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts and expenditure budgets of Kshs.81,599,913 and Kshs.83,757,285 respectively, resulting in an over budgeting of Kshs.2,157,372. Management did not provide explanatory notes on how the deficit was planned to be funded. Further, the School spent an amount of Kshs.92,094,476 against actual receipts amounting to Kshs.89,016,785, resulting in an over expenditure of Kshs.3,077,691. The source of the extra funds utilized was not explained and supported.

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. Significant Exemptions in the PSASB 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 Matters

The Auditor General's report for the year ended 30 June, 2024 raised several audit issues which remained unresolved as at 30 June, 2025. Management has not taken adequate action to address these seven (7) matters. The issues relate to prior periods and have been reported for emphasis of matter purposes:

No.	Audit Issue
1	Long outstanding accounts receivables
2	Budgetary Control and Performance
3	Underfunding of capitation grants
4	Irregular contributions to KESSHA
5	Unbalance budget
6	Lack of Ownership and Weak Internal Controls Over Management of NEMIS
7	Fixed Assets Register and lack of ownership documents

Other Information

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

In connection with my audit on the School's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that Other Information is not materially inconsistent with the financial statements.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.81,599,913 and Kshs.89,016,785 respectively. However, the statement reflects expenditure budget amount of Kshs.83,757,285 against actual expenditure of Kshs.92,094,476, resulting in unbalanced budget by Kshs.8,337,191 contrary to Regulation 33(c) of the Public Finance Management (National Government) Regulations, 2015 which requires budget of a national government entity to be balanced.

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

2. Non-Deduction of Capacity Building Levy

The statement of financial performance reflects infrastructure expenditure amount of Kshs.6,624,997 as disclosed in Note 8 to the financial statements which includes an amount of Kshs.2,123,100 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% on 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.

3. Failure to Prepare School Improvement Plan

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

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

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

The statement of financial performance reflects boarding and school fund payments amount of Kshs.57,577,808 as disclosed in Note 10 to the financial statements. Included in the expenditure is an amount of Kshs.1,076,110 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.1,076,110 could not be confirmed.

5. Under Funding of Capitation Grants

The statement of financial performance reflects capitation grants for tuition and capitation grants for operations amount of Kshs.3,256,799 and Kshs.13,775,587 respectively as disclosed in Notes 1 and Note 2 to the financial statements, all totalling Kshs.17,032,386. The amount therefore, indicates that each learner was allocated Kshs.14,746.65 annually as per NEMIS instead of Kshs.22,244 per learner as stipulated in Ministry of Education Circular Ref. HQS/3/10/18 Vol.II/(33) dated 07 March, 2024. During the financial year, NEMIS reported a total number of one thousand eleven hundred and fifty-five (1155) students while the enrolment records provided by the School indicated a total number of one thousand one hundred and ninety one (1191) students, resulting in an unexplained variance of thirty six (36) students. As a result of the variances, the School was under funded by an amount of (Kshs.14,746.65 X 36 students) Kshs.530,879.

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

6. Late Transfer of Infrastructure Funds from Operations Bank Account

The statement of financial performance reflects operations grants amount of Kshs.13,775,587 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.3,991,500 in respect of repair maintenance and improvement which were to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, as at 30 June 2025, only Kshs.2,070,000 had been transferred, leaving a balance of Kshs.1,921,500. Further, the amount of Kshs.2,070,000 was transferred six (6) months after receipt of the operations capitation amounts. This was contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of matter 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 functional Audit Committee

During the year under review, the School had audit committee but no meeting minutes to show that they met during the year. In addition, an internal audit unit was not yet constituted 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 existence of an effective oversight mechanisms could not be confirmed.

2. Non-compliance with Stipulated Frequency of Board and Board Committee Meetings

During the year under review, the Discipline, Ethics and Integrity, Audit Committee and Academic standards, School Infrastructure Committee and Finance, Procurement and Gen F eral-purpose committees held one (1) meeting each whereas Executive Committee and ull board of Management held two (2) meetings each. This was contrary to Section 6 (1) of the Fourth Schedule of the Basic Education Act ,2013 which requires that a Board of Management shall meet at least once every four months.

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

3. Weaknesses in Management of Fixed Assets

The disclosure in annex 2 on summary of fixed assets register to the financial statements reflects a balance of Kshs.302,587,358 in respect to property plant and equipment and motor vehicles. However, the Management had not reviewed the useful lives of the

property, plant and equipment. Further, the School did not provide evidence of revaluation of fixed assets done within the past five years.

In addition, the Management did not maintain an updated fixed assets register showing the value of assets, depreciation of assets, the acquisition date and serial numbers nor conducted serialized assets tagging for most of the assets for ease of identification and tracking.

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

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

Responsibilities of Management and the Board of Management

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

29 April, 2026

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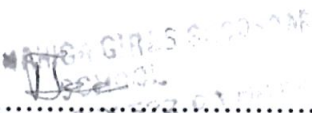
6. Statement Of Financial Performance for the Year Ended 30th June 2025

Description Of Vote Head	Note	2024 - 2025	2023 - 2024
		Kshs	Kshs
Revenue			
Government grants for tuition	1	3,256,799	3,061,042
Government grants for operations	2	13,775,587	15,636,210
Government Grants for infrastructure	3	5,957,400	1,741,600
School fund income- parents' contributions	4	53,451,197	64,024,992
Miscellaneous incomes	5	10,053,009	10,041,163
Saving		0	131,020
Total Revenue		86,493,992	94,636,027
Expenditure			
Tuition	6	4,223,717	2,600,642
Operations	7	19,313,401	11,557,453
Infrastructure	8	6,624,997	1,744,961
Boarding and school fund	9	57,577,808	71,744,720
Saving		0	662,643
Total Expenditure		87,739,923	88,310,419
Surplus/Deficit		1,245,931	6,325,608

The school financial statements were approved on 27/08/2025 and signed by:


.....
Name: Dr. John Wachira
Chair BOM

Date: 27/08/2025


.....
Name: Mrs. Franciscar
Wahome
School Principal/ Secretary to
BOM

Date: 27/08/2025


.....
Name: Mr. John Ndirangu
Bursar/ Finance Officer

Date: 27/08/2025

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

Description	Note	2024 - 2025	2023 - 2024
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	12,731,473	16,220,845
Cash balances	11	634,288	425,885
Total cash and cash equivalent		13,365,761	16,646,730
Account's receivables	12	8,342,503	8,951,961
Total financial assets (a)		21,708,264	25,598,691
Financial liabilities			
Accounts payables	13	(9,946,261)	(12,590,757)
Total Financial Liabilities (b)		(9,946,261)	(12,590,757)
Net financial assets (a-b)		11,762,003	13,007,934
Represented by			
Accumulated fund b/fwd	14	13,007,934	6,682,326
Surplus/deficit for the year		(1,245,931)	6,325,608
Net Assets		11,762,003	13,007,934

The school's financial statements were approved on 27/08/2025 and signed by:



Name: Dr. John Wachira

Chair BOM

Date: 27/08/2025



Name: Mrs. Franciscar

Wahome

School Principal/ Secretary to BOM

Date: 27/08/2025



Name: Mr. John Ndirangu

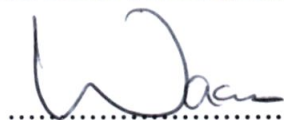
Bursar/ Finance Officer

Date: 27/08/2025

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

Description	Note	2024 - 2025	2023 - 2024
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition		3,256,799	3,061,042
Government grants for operations		13,775,587	15,636,210
Government grants for infrastructure		5,957,400	1,741,600
School fund income- parents contributions/ fees		52,516,432	64,024,992
Other income		10,053,009	10,041,163
Saving		0	131,020
Total receipts		85,559,227	94,636,027
Payments			
Cash outflows for tuition		4,283,874	2,600,642
Cash outflows for operations		19,027,668	11,557,453
Cash outflows for infrastructure		4,501,897	1,744,961
Cash outflows Boarding/lunch and school fund payments		58,903,657	71,744,720
Saving		0	662,643
Total payments		86,717,096	88,310,419
Net cash inflow/outflow from operating activities		(1,157,869)	6,325,608
Cash flow from investing activities			
Acquisition of assets (borehole)		2,123,100	-
Proceeds from sale of Assets			
Proceeds from investments			
Purchase of investments			
Net cash inflow/outflows from investing activities		(3,280,969)	6,325,608
Cash flow from Financing activities			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
Net cash inflow/outflow from financing activities			
Net increase/decrease in cash and cash equivalents		(3,280,969)	6,325,608
Cash and cash equivalent at beginning of the FY		16,646,730	10,321,122
Cash and cash equivalent at end of the FY		13,365,761	16,646,730

The school's financial statements were approved on 27/08/2025 and signed by:



Name: Dr. John Wachira

Chair BOM

Date: 27/08/2025

MAHIGA GIRLS SECONDARY
SCHOOL

Name: Mrs. Franciscar
Wahome
School Principal/ Secretary to
BOM

Date: 27/08/2025



Name: Mr. John Ndirangu

Bursar/ Finance Officer

Date: 27/08/2025

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	234,378	-	234,378	-	0
Exercise Books	1,430,514	-	1,430,514	761,499	53%
Laboratory Equipment	1,650,075	-	1,650,075	1,257,839	76%
Internal Exams	1,171,890	-	1,171,890	924,396	79%
Teaching / Learning Materials	1,077,600	-	1,077,600	231,300	21%
Chalk	17,511	-	17,511	-	0
Textbooks	-	-	-	81765	0
Sub-total	5,581,968	-	5,581,968	3,256,799	58%
(2) Capitation Grant on Operations					
Personnel Emoluments	6,330,900	-	6,330,900	4,930,819	78%
Repairs And Maintenance	6,735,000	-	6,735,000	3,991,500	59%
Local Transport / Travelling	2,694,000	-	2,694,000	0	0
Electricity And Water	2,020,500	-	2,020,500	2,030,373	100%
Medical	0	-	0	1,166,850	0
Administration Costs	1,616,400	-	1,616,400	862,890	53%
Activity	2,020,500	-	2,020,500	792,855	39%
Boarding	-	-	-	300	0
Sub-total	21,417,300	0	21,417,300	13,775,587	

Receipt/Expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b Kshs	Actual On Comparable Basis d Kshs	% Of Utilization e=d/c % Kshs
3) FDSE for infrastructure					
Maintenance & Improvement MoE	-	-	-	3,887,400	-
Operation a/c	-	-	-	2,070,000	-
Sub-total	-	-	-	5,957,400	-
(4) Fees Charged on Parents					
Personnel Emoluments	5,388,000	-	5,388,000	5,107,295	95%
Repairs And Maintenance	2,694,000	-	2,694,000	2,568,750	95%
Local Transport / Travelling	1,077,600	-	1,077,600	1,008,270	94%
Electricity And Water	8,082,000	-	8,082,000	7,548,425	93%
Administration Costs	2,828,700	-	2,828,700	2,864,679	101%
Activity	336,750	-	336,750	537,260	160%
Fee On Boarding Equipment and Stores	34,193,595	-	34,193,595	29,444,619	86%
Prepayment	-	-	-	3,457,558	-
Sub-total	54,600,645	-	54,600,645	52,536,856	96%
5) Miscellaneous Income					
Ses	-	-	-	1,049,055	-
Rent income	-	-	-	325,000	-
Income From Farming Activities	-	-	-	3,697,054	-
Infrastructure a/c	-	-	-	4,500,000	-
Tender	-	-	-	94,000	-
Saving a/c	-	-	-	311,000	-
Club	-	-	-	38,300	-

Mahiga Girls Secondary 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
Lab damages	-	-	-	38,600	-
Fees arrears	-	-	-	3,437,134	-
Sub-total	-	-	-	13,490,143	-
Grand Total Income	81,599,913	-	81,599,913	89,016,785	-
(6) Expenditure For Tuition					
Reference Materials	155,950	-	155,950	-	-
Exercise Books	511,835	-	511,835	-	-
Laboratory Equipment	4,000,000	-	4,000,000	830,000	21%
Internal Exams	3,694,695	-	3,694,695	1,401,490	38%
Teaching / Learning Materials	1,032,240	-	1,032,240	69,120	7%
Chalks	113,400	-	113,400	53640	47%
Sundry creditors	-	-	-	1,927,382	-
Bank Charges	-	-	-	2,242	-
Sub-total	9,508,120		9,508,120	4,283,874	-
(7) Expenditure For Operations					
Personnel Emoluments	3,022,240	-	3,022,240	4,794,339	159%
Repairs, Maintenance & Improvements	6,735,000	-	6,735,000	-	-
Local Transport / Travelling	937,850	-	937,850	812,938	87%
Electricity, Water and Conservancy	2,271,900	-	2,271,900	3,306,502	146%
Bes	-	-	-	1,292,159	-
Administration Costs	443,540	-	443,540	1,907,845	430%
Activity Expenses	1,226,870	-	1,226,870	579,980	47%

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Infrastructure	-	-	-	5,957,400	-
Bank Charges	-	-	-	6,053	-
Sundry creditors	-	-	-	370,452	-
Sub-total	14,637,400		14,637,400	19,027,668	
(8) Expenditure For infrastructure	-	-	-		
Maintenance &Improvement MoE	-	-	-	2,123,100	-
School Fund a/c	-	-	-	4,500,000	-
Bank Charges	-	-	-	1,897	-
Sub-total	-	-	-	6,624,997	-
(9) Expenditure For school fund/lunch/boarding					
Personnel Emoluments	3,022,240	-	3,022,240	1,696,232	56%
Repairs, Maintenance and Improvements	1,711,650	-	1,711,650	1,981,603	116%
Local Transport / Travelling	2,182,050	-	2,182,050	1,790,571	82%
Electricity, Water and Conservancy	3,293,950	-	3,293,950	2,121,548	64%
Medical Expenses	-	-	-	46,800	-
Administration Costs	1,184,300	-	1,184,300	1,813,301	153%
Activity	234,500	-	234,500	507,725	217%
Ses	-	-	-	4,708,430	-
Advance	-	-	-	27,500	-
Boarding Equipment and Stores	47,983,075	-	47,983,075	31,248,473	65%
Expenditure For Income Generating Activity	-	-	-	3,658,187	-

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
Donation	-	-	-	10,000	-
Club	-	-	-	90,000	-
Pocket money	-	-	-	49,960	-
Bank Charges	-	-	-	21,681	-
Prepayment	-	-	-	3,716,189	-
Sundry creditors	-	-	-	8,679,727	-
Sub Total	59,611,765	-	59,611,765	62,157,937	-
Grand Total	83,757,285		83,757,285	92,094,476	

- i. Account overutilised above 100% on the side of income is brought by extra admission and in expenditure is where there is much work / supply under a particular votehead.
- ii. Account underutilised below 90% on the side of income is due to lack of full government disbursement fund and student fees balances. On expenditure is where there was less work / supply than expected in the year.

10. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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,

Year	Financial Statements
FY 2024/2025- 30th June 2025	First transitional IPSAS accrual financial statements include financial performance, all financial assets, and all liabilities as per the requirements.
FY 2025/2026- 30th June 2026	Second transitional IPSAS accrual financial statements that will include all financial assets, all liabilities, and all inventories as a minimum requirement.
FY 2026/2027- 30th June 2027	Fully compliant IPSAS Accrual financial statements that include all financial assets, all financial liabilities and all non- financial assets including inventories.

Basis of Preparation

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

2. Recognition of revenue and expenditure

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

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

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

Description	2024 - 2025	2023 - 2024
	Kshs	Kshs
Exercise Books	761,499	718,855
Laboratory Equipment	1,257,839	1,179,032
Internal Exams	924,396	868,435
Teaching / Learning Materials	231,300	294,720
Textbook	81,765	-
Total	3,256,799	3,061,042

2 Government Grants for Operations

Description	2024 - 2025	2023 - 2024
	Kshs	Kshs
Personnel Emoluments	4,930,819	4,972,695
Repairs And Maintenance	3,991,500	5,619,440
Local Transport / Travelling	-	855,008
Electricity And Water	2,030,373	1,320,536
Medical / insurance	1,166,850	987,300
Administration Costs	862,890	871,631
Activity	792,855	985,600
Advance	-	24,000
Bes	300	-
Total	13,775,587	15,636,210

3 Government Grants for infrastructure

Description	2024 - 2025	2023 - 2024
	Kshs	Kshs
Maintenance & Improvement	3,887,400	1,741,600
Operation account	2,070,000	-
Total	5,957,400	1,741,600

4 School Fund Income - Parents Contribution/Fees

Description	2024 - 2025	2023 - 2024
	Kshs	Kshs
Personnel emoluments	5,303,950	5,829,566
Repairs and maintenance	2,620,115	2,690,898
Local transport / travelling	1,034,870	1,235,925
Electricity and water	7,825,185	8,486,563
Administration costs	2,938,544	3,245,225
Activity	551,230	350,550
Fee on Boarding Equipment and stores	33,177,303	38,447,646
Prepayments	-	3,738,619
Total	53,451,197	64,024,992

5 Miscellaneous Incomes

Description	2024 - 2025	2023 - 2024
	Kshs	Kshs
Rent Income	325,000	287,250
Income From Farming Activities	3,697,054	5,426,782
Lab damages	38,600	31,995
Pocket money	-	1,036,415
Tender	94,000	61,000
Club	38,300	52,250
Fees debtors	-	2,072,955
Advance	-	13,350
Donations	-	343,421
Tuition	1,049,055	715,745
Transfer from Infrastructure a/c	4,500,000	-
Transfer from Saving account	311,000	-
Total	10,053,009	10,041,163

6 Tuition

Description	2024 - 2025	2023 - 2024
	Kshs	Kshs
Laboratory Equipment	2,520,525	-
Teaching / Learning Materials	69,120	34,660
Exams And Assessment	1,578,190	529,058
Chalk	53,640	-
Bank Charges	2,242	2,748
Sundry creditors	-	2,034,176
Total	4,223,717	2,600,642

7 Operations

Description	2024 - 2025	2023 - 2024
	Kshs	Kshs
Personnel Emoluments	4,794,339	2,025,547
Service Gratuity	-	1,721,505
Administration Cost	1,915,065	1,395,231
Repairs And Maintenance & Improvements	-	788,220
Local Transport / Travelling	896,793	617,444
Electricity And Water	3,782,652	3,011,456
Bank charges	6,053	4,147
Activity Expenses	668,940	695,400
Boarding	1,292,159	548,713
Sundry creditors	-	749,790
Infrastructure	5,957,400	-
Total	19,313,401	11,557,453

Mahiga Girls Secondary School

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8 Infrastructure

Description	2024 - 2025	2023 - 2024
	Kshs	Kshs
School fund a/c	4,500,000	1,741,600
Drilling of boreholes	2,123,100	-
Bank charges	1,897	3,361
Total	6,624,997	1,744,961

9 Boarding And School Fund

Description	2024 - 2025	2023 - 2024
	Kshs	Kshs
Personnel Emoluments	1,696,232	3,603,846
Repairs And Maintenance & Improvements	2,770,953	2,575,353
Local Transport / Travelling	1,790,571	1,593,233
Electricity And Water	2,522,238	4,309,151
Medical Expenses	46,800	30,430
Administration Costs	1,814,851	1,675,066
Activity	534,225	579,530
Bank Charges	21,681	51,814
Expenses On Income Generating Activities farm	3,958,815	2,921,726
Fee On Boarding Equipment and Stores	37,276,921	42,815,600
Prepayment	258,631	2,194,396
Tuition	4,708,430	280,306
Payables	-	7,830,834
Club	90,000	110,000
Pocket money	49,960	1,109,085
Advance	27,500	54,350
Donations	10,000	10,000
Total	57,577,808	71,744,720

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2024 - 2025	2023 - 2024
	Active/Dormant		Kshs	Kshs
Tuition Account -kcb	Active	1101543930	19,601	1,046,676
Operations Account -kcb	Active	1101565373	707,792	5,957,158
School Fund Account/Boarding - kcb	Active	1101539070	6,570,887	2,922,933
Income Generating Activities Account - 2		4010607501	-	313,108
Income Generating Activities Account - 1	Active	0080262295961	395,755	275,935
Infrastructural Account-kcb	Active	1294440616	5,037,438	5,705,035
Total			12,731,473	16,220,845

11 Cash In Hand

Description	2024 - 2025	2023 - 2024
	Kshs	Kshs
Notes and Coins	634,288	425,885
Total	634,288	425,885

12 Accounts Receivable

Description	2024 - 2025	2023 - 2024
	Kshs	Kshs
Fees Arrears	8,342,503	8,951,961
Total	8,342,503	8,951,961

12 (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	2,827,676	34%	3,766,613	42%
Between 1- 2 years	5,514,827	66%	5,185,348	58%
Total (should tie to note 12 a)	8,342,503	%	8,951,961	100%

13 Accounts Payable

Description	2024 - 2025	2023 - 2024
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	6,377,015	11,046,534
Prepaid Fees	3,569,246	1,544,223
Total	9,946,261	12,590,757

13 (b). 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	6,308,042	100%	5,164,904	52%
Between 1- 2 years	68,973	%	5,881,630	48%
Total (should tie to note 13 a)	6,377,015	100%	11,046,534	100%

14 Fund Balance Brought Forward

Description	2024 - 2025	2023 - 2024
	Kshs	Kshs
Bank Balances	16,220,845	10,198,168
Cash Balances	425,885	122,954
Receivables	8,951,961	7,258,303
Payables	(12,590,757)	(10,897,099)
Total	13,007,934	6,682,326

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.

15 Biological assets

Description	Numbers	2024 - 2025	2023 - 2024
		Kshs	Kshs
Cattle	15	1,500,000	1,510,000
Pigs	12	240,000	315,000
Trees	550	5,500,000	4,450,000
Total		7,240,000	6,275,000

Other important disclosure notes

16 Stock/ Inventory

Description	2024 - 2025	2023 - 2024
	Kshs	Kshs
Food stuffs	860,000	2,026,859
Construction Materials	300,000	-
Others stationeries	2,000,000	2,000,000
Total	10,400,000	10,301,859

17 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.

A) REPORT ON LAWFULNESS AND EFFECTIVENESS ON USE OF RESOURCES

ISSUE/OBSERVATIONS	MANAGEMENT RESPONSE	ACTION TAKEN	TIME FRAME
1. Under Funding of Capitation Grants Kshs. 1,421,396	-As noted the was in the year 23/24 under funded by kshs,1,421,396 -The school Management would appreciate if compensated by th MOE -Liasion will be made at Nemis always when funds are disbursed.	The school Management always report the underfunding to the nemis whenever grants are disbursed.	Acknowledge Grants and report on any discrepancies whenever Grants are disbursed.
2. Irregular contributions to Kenya Secondary Schools Heads Association	KESSHA is a recognised body by the Ministry of Education Headquarters and had branches at County and Sub counties. Schools pooled funds together through KESSHA to support capacity building, workshops seminars and subsidize Co-curricular Activities	The school Management will rely on the Ministry of Education guidelines on KESSHA issues. -	As when the school management is guided by MOE on KESSHA issues.
3. Unbalanced budget Budgeted revenue kshs 83,738,573 Actual receipt kshs. 94,505,007 Over funding kshs 10,766,434 Actual receipt 94,505,007 Actual expenditure 87,647,777 Under utilization 6,857,230 The under utilization were saving made. The school had in the year a surplus of kshs 6,325,608 leading to increase cash in cash equivalent	The cause of over funding ie actual receipts being more than the budgeted amount by kshs. 10,766,434 is due to increased enrolment 2023/2024 1518 2022/2023 1307 Increase 211 $211 \times 40535 = 8552885$ Fees arrears recovered <u>2,072,955</u> Total <u>10,625,840</u>	The school management will conduct budget reviews in the last quarter to cover the over and under utilization.	Budget review in the month of March.

2022/2023 to 2023/2024 by kshs 6,325,608.			
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**B) REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK
MANAGEMENT AND GOVERNANCE**

ISSUE/OBSERVATIONS	MANAGEMENT RESPONSE	ACTION TAKEN	TIME FRAME
1. Fixed Assets Register and Lack of Ownership Documents	The school Management is still pursuing the acquisition of the school Title Deed from the County Government of Nyeri.	Pursuing of the schools title deed from County Government of Nyeri.	On going pursuance of acquisition of title deed.

Yours faithfully

MRS. F. WAHOME
PRINCIPAL

**MAHIGA GIRLS SECONDARY
SCHOOL
P O BOX 522 OT MAYER**

Mahiga Girls Secondary 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 2025	Outstanding Balance 2024	Comments
	A	b	C	d=a-c		
	Kshs		Kshs	Kshs	Kshs	
Supply Of Goods						
1. Kenblest foods limited	395,645	1-30 June 2025	-	395,645		
2. Gachpen ventures	132,000	1-30 June 2025	-	132,000		
3. Jogilewa general traders	224,200	1-30 June 2025	-	224,200		
4. Shahnest distributors limited	1,068,250	1-30 June 2025	-	1,068,250		
5. Racheal nyawira	460,000	1-30 June 2025	-	460,000		
6. Mupalma fresh fruits	43,200	1-30 June 2025	-	43,200		
7. Lumu cleaning and health care	36,000	1-30 June 2025	-	36,000		
8. Wahuma traders	276,220	1-30 June 2025	-	276,220		
9. Othaya central supplies hardware	828,260	1-30 June 2025	-	828,260		
10. Kenya power	400,690	1-30 June 2025	-	400,690		
11. Zeroland limited	2,044,815	Jan – June 2025	-	2,044,815		
12. Vaicom oil (k) limited	83,855	1-30 June 2025	-	83,855		
13. Patent general services	22,000	1-30 June 2025	-	22,000		
14. Benmar sports	88,960	1-30 June 2025	-	88,960		

Mahiga Girls Secondary 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 2025	Outstanding Balance 2024	Comments
15. Patmorehub enterprises	7,220	1-30 June 2025	-	7,220		
16. Copyrex limited	176,700	1-30 June 2025	-	176,700		
Sub-Total	6,288,015			6,288,015		
Supply Of Services						
17. Sigia building contractors	44,000	1-30 June 2025	-	44,000		
18. James karuga muchemi	15,000	1-30 June 2025	-	15,000		
19. Myktech network solutions	30,000	1-30 June 2025	-	30,000		
Sub-Total	89,000			89,000		
Grand Total	6,377,015			6,377,015		

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 st July 2024	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2025
Land	121,200,000			121,200,000
Buildings And Structures	169,624,000			169,624,000
Motor Vehicles	9,714,685			9,714,685

Mahiga Girls Secondary School

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

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
Generator	2,048,673			2,048,673
Total	302,587,358			302,587,358

Ref: OAG/NYR/AUD/MGSS/14/1/2024/2025/24

16 June, 2026

Mr. Samuel Josephat Njoroge, CBS

Clerk of the National Assembly

Parliament Buildings

P. O. Box 41842-00100

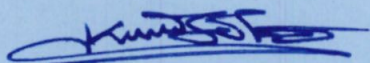
NAIROBI

Dear Sir,

**REPORT OF THE AUDITOR-GENERAL ON MAHIGA GIRLS SECONDARY SCHOOL
FOR THE YEAR ENDED 30 JUNE, 2025 – NYERI COUNTY**

I transmit the report of the Auditor-General on the examination and audit of Mahiga Girls Secondary 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



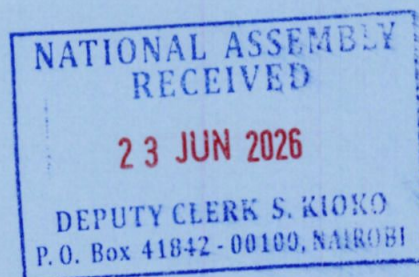
CPA Justus O. Okumu

For: AUDITOR-GENERAL

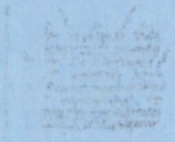
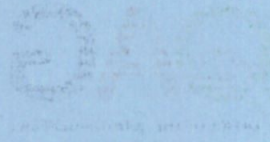
Copy to: **Dr. Chris K. Kiptoo, PhD., CBS**
Principal Secretary
The National Treasury
P. O. Box 30007-00100
NAIROBI

Mr. John Lekakeny Ololtuaa, CBS
Principal Secretary
Ministry of Education
State Department for Basic Education
P. O. Box 30040-00100
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Mrs. Franciscar Wahome
The Principal
Mahiga Girls Secondary School
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NYERI



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