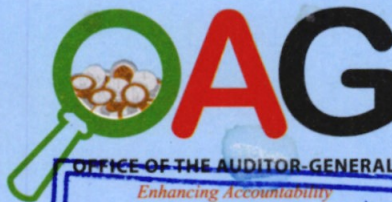


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 16 JUN 2021

DAY.

Tuesday

REPORT

TABLED
BY:

Hon. Naomi Wajir CBS, MP

CLERK-AT
THE-TABLE:

(Deputy Majority Party Whip)
Lemalle

OF

THE AUDITOR-GENERAL

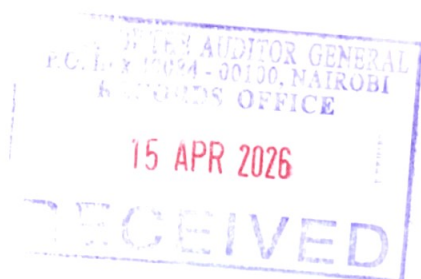
ON

PARLIAMENT
OF KENYA
LIBRARY

MAGOMANO GIRLS
SECONDARY SCHOOL

FOR THE SIX MONTHS' PERIOD
ENDED 30 JUNE, 2021

NYANDARUA COUNTY



MAGOMANO GIRLS SECONDARY SCHOOL
REPORT AND FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED
30 JUNE 2021

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

Magomano Girls Secondary School
Report and Financial Statements
For the Six (6) Month Period ended 30 June 2021

TABLE OF CONTENTS

I.	KEY SCHOOL INFORMATION AND MANAGEMENT	2
II.	SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL.....	6
III.	STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY	12
IV.	REPORT OF THE INDEPENDENT AUDITORS ON THE FINANCIAL STATEMENTS OF MAGOMANO GIRLS SECONDARY SCHOOL FOR THE SIX (6) MONTHS PERIOD ENDED 30 JUNE 2021	13
V.	STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30 JUNE 2021.....	14
VI.	STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30 JUNE 2021	15
VII.	STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2021	16
VIII.	STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE PERIOD ENDED 30 JUNE 2021	17
IX.	SIGNIFICANT ACCOUNTING POLICIES.....	20
X.	NOTES TO THE FINANCIAL STATEMENTS	22
XI.	ANNEXES	28

Magomano Girls Secondary School
Report and Financial Statements
For the Six (6) Month Period ended 30 June 2021

I. 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 Nyandarua County, North Kinangop Sub-County.

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

The school is a boarding school and had 1090 number of students as at 30 June 2021 respectively.

It has 6 streams and 50 teachers of which 18 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	Fr. Jack Wainaina	Chairman/Sponsor	02/04/2019
2	Prof. Mathew Theuri	Chairman	27/5/2025
3	Mrs Grace Kenya	Secretary – Principal	02/04/2019
4	Mrs. Lydiah Ngunjiri	Secretary- Principal	01/12/2025
5	Mrs Mary Maina	Member	02/04/2019
6	Mrs Mercy Wambui	Member	02/04/2019
7	Mr. John Kimani	Teacher Rep	02/04/2019
8	Paul Nduhiu	Local community	02/04/2019
9	Dr. Naomi Gikonyo	Co-opted Member	02/04/2019
10	Joseph Kirite	Member Local Community	02/04/2019
11	Amos Macharia	P.A	02/04/2019
12	Martin Ngotho	Member Local Community	02/04/2019
13	Dominic Gachui	Member Special needs	02/04/2019
14	Julius Kamau Wahinya	Member Local Community	02/04/2019
15	David Gitau	Member Local Community	02/04/2019
16	Joseph Kamau Karanja	Rev Interest special	02/04/2019
17	Ms Zipporah Njoroge	P.A	02/04/2019
18	Dr. Eunice Kahara	Member Local Community	02/04/2019
19	Mrs. Peninah Mwangi	Deputy Principal	02/04/2019

Magomano Girls Secondary School
Report and Financial Statements
For the Six (6) Month Period ended 30 June 2021

The function of the School Board of Management includes:

- 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, 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 students' 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 paragraph 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	Rev. Fr. Jack Wainaina Mrs. Grace Kenya Mrs Mary Maina Mrs Zipporah Njoroge	Chairman Secretary Member Member	4 out of 6
2	Audit Committee	Mr. Martin Ngotho Fr. Jack Wainaina Ms Mercy Maina Mr. Dominic Gachui Mrs. Grace Kenya Mrs. Peninah Mwangi	Chairman Secretary Member Member Member Member	4 out of 6
3	Finance, procurement and general-purpose Committee	Mr. Martin Ngotho Fr. Jack Wainaina Ms Mercy Maina Mr. Dominic Gachui Mrs. Grace Kenya Mrs. Peninah Mwangi	Chairman Secretary Member Member Member Member	4 out of 6

Magomano Girls Secondary School
Report and Financial Statements
For the Six (6) Month Period ended 30 June 2021

Ref	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
4	Development Committee	Mr. Martin Ngotho Fr. Jack Wainaina Ms Mercy Maina Mr. Dominic Gachui Mrs. Grace Kenya Mrs. Peninah Mwangi	Chairman Secretary Member Member Member Member	4 out of 6
5	Academic Committee	Mrs Mary Maina Mr. John Kimani Dr. Naomi Gikonyo Amos Macharia Julius Kamau Wahinya Dr. Eunice Kahara Ms Zipporah Njoroge Mrs Mercy Wambui Mrs Mary Maina	Chairman Secretary Member Member Member Member Member Member Member	4 out of 6

(d) School Operation Management

For the financial period ended 30 June 2021 the school day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	Mrs. Grace Kenya	291444
2	Deputy Principal-Administration	Mrs Peninah W. Mwangi	323419
4	School bursar	Mrs. Rahab G. Mwangi	11729000

(e) Schools contacts

Post Office Box: 86-20318; NORTH KINANGOP
 Mobile Number: 0748205809
 E-mail: magomanoghs@gmail.com

(f) School Bankers

The school operated 7 bank accounts and 1 Pay bill number as follows:

1. Name of Bank:	KCB
Account name	School fund
Account Number:	1104230410
Account name	Operation Account
Account Number:	1104243229

Magomano Girls Secondary School
Report and Financial Statements
For the Six (6) Month Period ended 30 June 2021

Account name	Tuition Account
Account Number:	1104242818
Account name	Infrastructure Account
Account Number	1237702879
Account name	Saving Account
Account Number	1103471430
2. Name of Bank:	Co-Operative Bank
Account name	School Fund
Account Number	01129605292400
	(Paybill) 400222-
3. Name of Bank:	Equity Bank
Account name	School Fund
Account Number:	0200295018042

(g) Independent Auditors

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

Magomano Girls Secondary School
Report and Financial Statements
For the Six (6) Month Period ended 30 June 2021

II. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

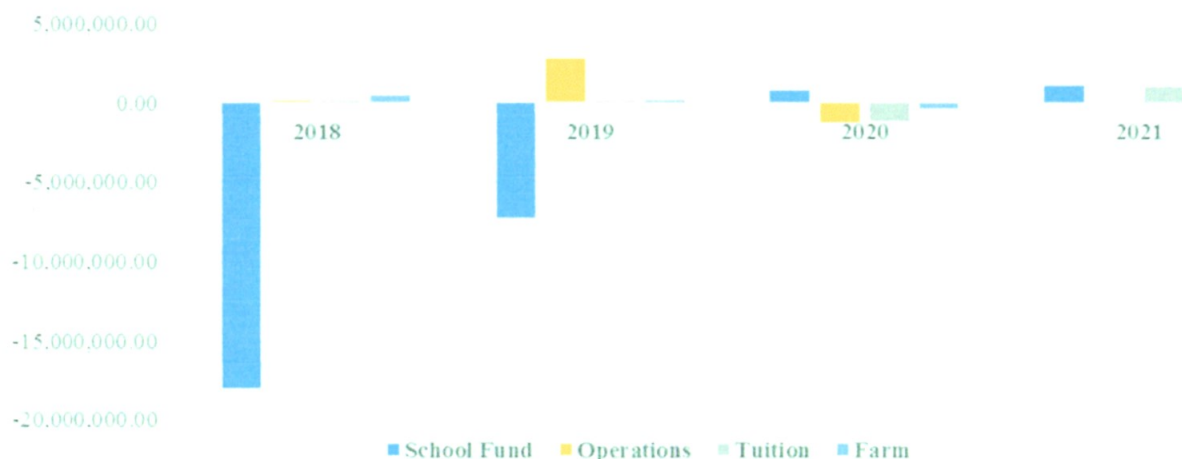
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) Financial performance

i). Surplus/deficit for the period and a comparison of the same for the last four years

SNO	ACCOUNTS	2021	2020	2019	2018
		Kshs	Kshs	Kshs	Kshs
1	School Fund Account	815,960	784,170	-7,217,198	-18,020,814
2	Operations Account	1,180,650	-1254,270	2,817,529	29,089
3	Tuition Account	996,206	-1,156,867.00	4,264	406,587
4	Infrastructure Account	768,654	1,423,022		
5	Farm Account		-361,713	154,719	473,376
	TOTAL	3,761,471	-565,658	-4,240,684	-17,111,762

Trend over the Last Three Years



ii). Capitation grants from the ministry of education for the last three

YEARS					
SNO	ACCOUNTS	2021	2020	2019	2018
		Kshs	Kshs	Kshs	Kshs
1	Operations Account	10,074,684	11,434,000	15,375,669	10,211,218
2	Tuition Account	1,418,935	1,832,270	3,237,929	4,301,013
	Total	11,486,619	13,266,270	18,613,597	14,512,232
	No of Students	1,090	1,087	992	825
	Ratio of Capitation per student	1:10538	1:12204.48	1:18763.71	1:17590.58

Magomano Girls Secondary School
Report and Financial Statements
For the Six (6) Month Period ended 30 June 2021

Trend over the Last Three Years



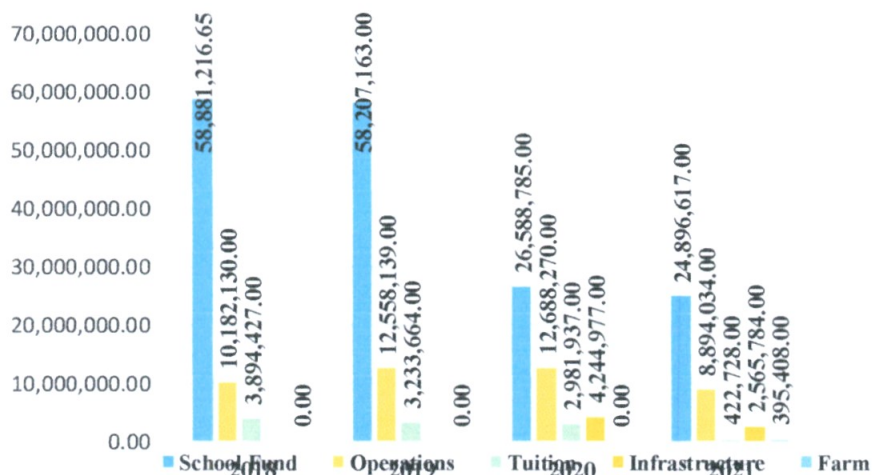
iii). Overview of net growth of other income

SNO	ACCOUNTS	2021	2020	2019	2018
		Kshs	Kshs	Kshs	Kshs
1	Farm			933,617	902,256
	Total			933,617	902,256

iv). Overview of growth in expenditure of the school

SNO	ACCOUNTS	2021	2020	2019	2018
		Kshs	Kshs	Kshs	Kshs
1	School Fund Account	24,896,617	26,588,785	58,207,163	58,881,216
2	Operations Account	6,328,250	12,688,270	12,558,139	10,182,130
3	Tuition Account	422,728	2,989,137	3,233,664	3,894,427
4	Infrastructure Account	1,797,130	4,244,977		
	Total	33,444,725	46,511,168	73,998,966	72,957,773

Trend over the Last Four Years

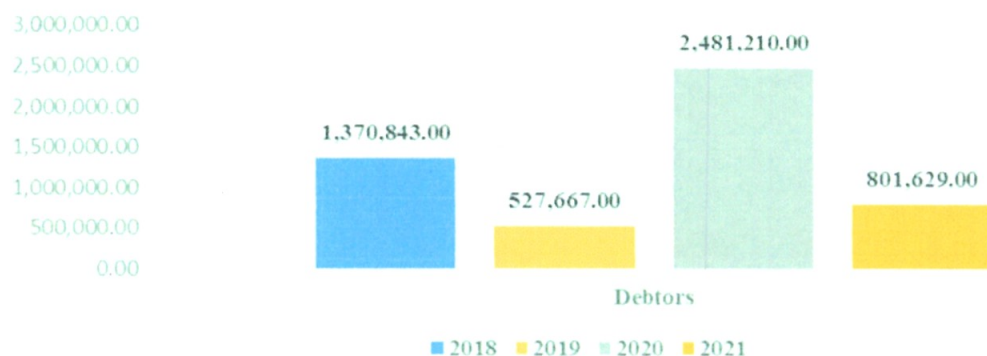


Magomano Girls Secondary School
Report and Financial Statements
For the Six (6) Month Period ended 30 June 2021

v). Movement of debtors of the school

SNO	ACCOUNTS	2021	2020	2019	2018
		Kshs	Kshs	Kshs	Kshs
1	Debtors	5,383,651	6,837,674	527,667	1,370,843
	Total	5,383,651	6,837,674	527,667	1,370,843

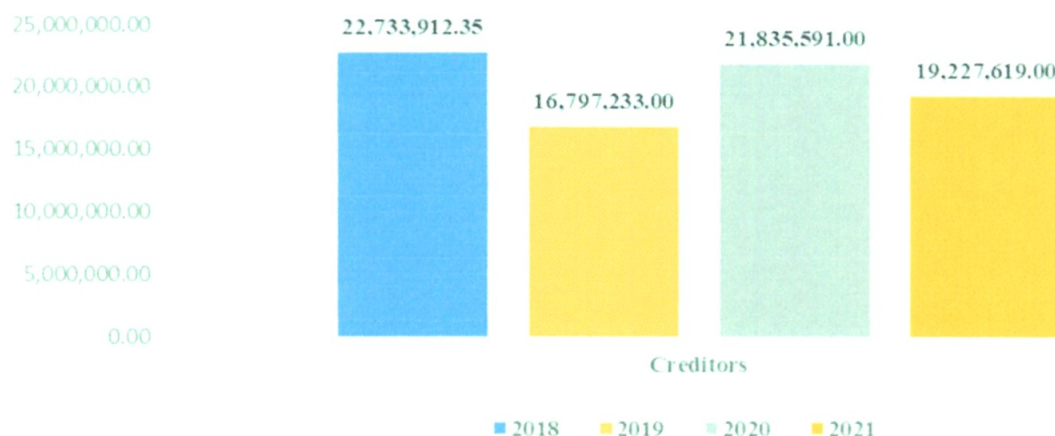
Trend over the Last Four Years



vi). Movement of creditors of the school

SNO	ACCOUNTS	2021	2020	2019	2018
		Kshs	Kshs	Kshs	Kshs
	Creditors	19,227,619	21,835,591	16,797,233	22,733,912
	Total	19,227,619	21,835,591	16,797,233	22,733,912

Trend over the Last Three Years

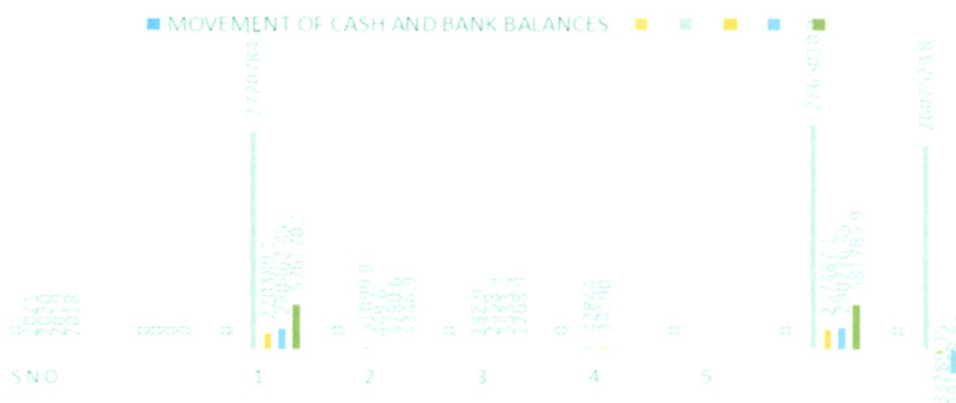


Magomano Girls Secondary School
Report and Financial Statements
For the Six (6) Month Period ended 30 June 2021

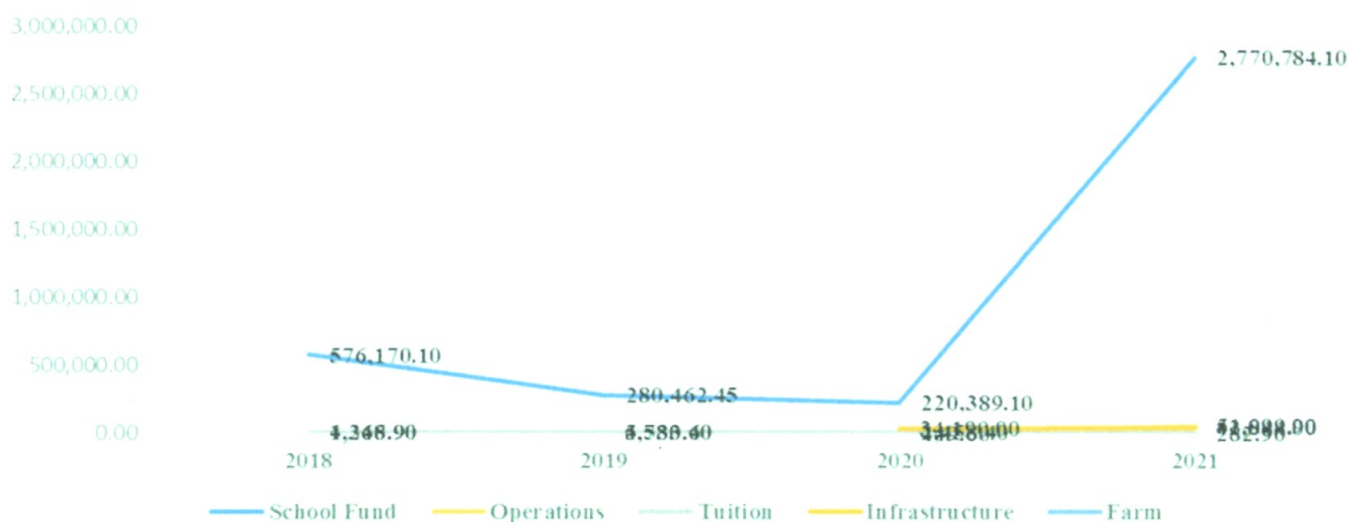
vii). Movement of cash and bank balances

SNO	ACCOUNTS	2021	2020	2019	2018
		Kshs	Kshs	Kshs	Kshs
1	School Fund Account	2,768,240	217,845	277,078	572,786
2	Operations Account	51,100	450	4,781	4,347
3	Tuition Account	283	2,458	5,533	1,269
4	Infrastructure Account	42,844	34,190		
5	Savings Account	2,544	2,544	3,384	3,384
	Total	2,865,011	257,487	290,776	581,786

MOVEMENT OF CASH AND BANK BALANCES



Trend over the Last Four Years



Magomano Girls Secondary School
Report and Financial Statements
For the Six (6) Month Period ended 30 June 2021

b) Teacher Student ratio

Between the month of January 2021 and June 2021, the status of the teaching staff is as follows:

There were 32 teachers posted by the Teachers Service Commission and 18 recruited by the Board of Management. The teacher student ratio lies at 1: 22.

The school is incurring a big wage bill for employing BOM teachers

c) Mean score in the year 2018, 2019 and 2020KCSE

Year	Candidates	Mean	Transition	Transition (%)	School Target	Comments
2020	197	6.31	82	41.6%	7.5	41.6% qualified for university and 110 qualified for middle level collages
2019	213	6.193	86	40.4%	7.5	40.4% qualified for university and 119 qualified for middle level collages.
2018	192	5.85	61	32%	7.5	61 qualified for university and 130 qualified for middle level collages

d) The capacity of the school

Area	Means of Infrastructure	Quantity Required	Actual Quantity	Infrastructure Gap
Classrooms	No. of classes	30	24	6
Laboratories	No. of Laboratory	5	3	2
Toilets	No. of Toilets doors	129	129	0
Offices	No of offices	30	23	7
Dining Hall	Number of students well seated	1100	400	700
Library	Number of students well seated	300	150	150
Dormitories	Number of decker beds well-spaced	550	550	0
Staffrooms	Number of teachers well seated	50	50	0
Staff houses	No of staff properly housed	2	20	18

Magomano Girls Secondary School
Report and Financial Statements
For the Six (6) Month Period ended 30 June 2021

e) Development projects carried out by the school

Sno.	Project	Year	Status	Amount	Fund Source
1	1 block classroom	2019-2020	completed	1,000,000	Maintenance & Improvement from Parents
2	Construction of 4 classrooms	2020-2021	Not completed	5,864,292	Maintenance & Improvement from G.O.K and Parents



.....
School principal

III. 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 Schools Hall 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 of Kenya from time to time.

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

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

The Board of Management is of the opinion that the school's period statements give a true and fair view of the state of the school's transactions during the period ended 30 June, 2021, and of the school's financial position as at that date.



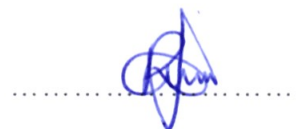
Prof. Mathew Theuri
Chair,
Board of Management

Date: 31/3/2026



Mrs. Lydia Ngunjiri
Secretary,
Board of Management
/Principal

Date: 31/3/2026



Mrs. Rahab G. Mwangi
Bursar

Date: 31/3/2026

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON MAGOMANO GIRLS SECONDARY SCHOOL FOR THE SIX (6) MONTHS' PERIOD ENDED 30 JUNE, 2021 - NYANDARUA COUNTY

PREAMBLE

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

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Magomano Girls Secondary School set out on pages 14 to 27, which comprise of the statement of financial assets

Report of the Auditor-General on Magomano Girls Secondary School for the six (6) months' period ended 30 June, 2021 - Nyandarua County

and financial liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows, statement of budgeted versus actual amounts for the six (6) months' period then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Magomano Girls Secondary School as at 30 June, 2021 and of its financial performance and its cash flows for the six (6) month period ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Variance in Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.5,383,651 as disclosed in Note 11 to the financial statements. However, the ledger reflects a balance of Kshs.4,371,020 resulting in an unexplained variance of Kshs.1,012,631.

In the circumstances, the accuracy and completeness of the accounts receivable balance of Kshs.5,383,651 could not be confirmed.

2. Unsupported Accounts Payables Balance

The statement of financial assets and financial liabilities reflects payables balance of Kshs.19,227,619 as disclosed in Note 12 to the financial statements. Included in the accounts payable is a balance of Kshs. 2,973,123 whose supporting documents were not provided for audit.

In the circumstances, the accuracy, existence and completeness of payables balance of Kshs.19,227,619 could not be confirmed.

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

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 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

Unaudited Comparative Balances

I draw attention to the fact that prior to the 2020/2021 financial year, Public Secondary Schools in Kenya did not prepare financial statements for audit. Consequently, the Public Sector Accounting Standards Board prescribed 30 June, 2021 as the first-time adoption of the International Public Sector Accounting Standards (IPSAS) – Cash Basis of Accounting by Public Secondary Schools.

The financial statements for the six (6) months' period ended 30 June, 2021 include comparative information. However, the comparative figures were based on unaudited figures. My audit procedures were, therefore, limited to the extent that comparative information does not contain misstatements that materially affect the current period's financial statements. Accordingly, I do not express an opinion or any form of assurance on the comparative information. My audit opinion on the current period financial statements is not modified in respect of this matter.

Other Information

The Management is responsible for the Other Information set out on pages 2 to 12 which comprise of Key School Information and Management, Summary Report of Performance of the School and Statement of Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matter 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

Failure to Transfer Infrastructure Funds from Operations Bank Account

During the year under review, the School received Government grants of Kshs.10,074,684 from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.4,739,890 in respect of infrastructure grants which was to be transferred to infrastructure bank account for maintenance and improvement of the school's facilities. However, only Kshs.2,565,784 was transferred to infrastructure account, leaving a balance of Kshs.1,423,000 not transferred as at 30 June, 2021. This was contrary to the Ministry of Education Circular Ref. MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account within fifteen (15) days upon receipt of the funds in the operations account.

In the circumstances, Management was in breach of the 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 effects of the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Long Outstanding Accounts Receivables Balance

The statement of financial assets and financial liabilities reflects a balance of Kshs.5,383,651 in respect of accounts receivables. Included in the balance are fees arrears amounting to Kshs.2,100,812 which have remained outstanding for over two (2) years. However, there was no policy on the impairment of long outstanding fees arrears casting doubt on full recoverability of the accounts receivables balance.

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

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the School's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes

and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

22 April, 2026

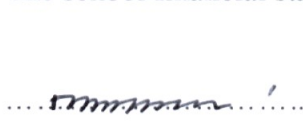
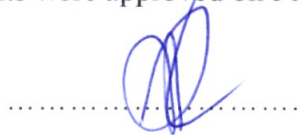
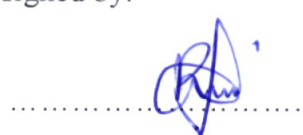
Magomano Girls Secondary School
Report and Financial Statements
For the Six (6) Month Period ended 30 June 2021

V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30 JUNE 2021

Description Of Vote Head	Note	2021
		Kshs
Receipts		
Capitation grants for tuition	1	1,418,935
Capitation grants for operations	2	7,508,900
School fund income- parents' contributions	3	25,712,577
Infrastructure	4	2,565,784
Total Receipts		37,206,196
Payments		
Payments for tuition	5	422,728
Payments for operations and infrastructure	6	6,328,250
Boarding and school fund payments	7	24,896,617
Infrastructure	8	1,797,130
Total Payments		33,444,725
Surplus		3,761,471

The accounting policies and explanatory notes to these financial statements for an integral part of the financial statements. The report covers the six months for the period ended 30 June 2021. The financial statements should be read in conjunction with the accompanying notes.

The school financial statements were approved on 30/09/2021 and signed by:

 Prof. Mathew Theuri Chair, Board of Management	 Mrs. Lydiah Ngunjiri Secretary, Board of Management /Principal	 Mrs. Rahab G. Mwangi Bursar
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Date: 31/3/2026

Date: 31/3/2026

Date: 31/3/2026

Magomano Girls Secondary School
Report and Financial Statements
For the Six (6) Month Period ended 30 June 2021

VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30 JUNE 2021

Description	Note	2021	Year 2020
		Kshs	
Financial Assets			
Cash and cash equivalent			
Bank balances	9	2,860,068	256,571
Cash balances	10	4,943	916
Total cash and cash equivalent		2,865,011	257,487
Account's receivables	11	5,383,651	6,837,674
Total financial assets		8,248,662	7,095,161
Financial Liabilities			
Accounts payables	12	19,227,619	21,835,590
NET FINANCIAL ASSETS		(10,978,957)	(14,740,428)
REPRESENTED BY			
Fund balance b/fwd	13	(14,740,428)	(13,845,435)
Surplus/deficit for the year		3,761,471	(894,994)
NET FINANCIAL POSITION		(10,978,957)	(14,740,428)

The School's financial statements were approved on 30/09/2021 and signed by:

.....

Prof. Mathew Theuri
Chair,
Board of Management

Date: 31/3/2026

.....

Mrs. Lydia Ngunjiri
Secretary,
Board of Management
/Principal

Date: 31/3/2026

.....

Mrs. Rahab G. Mwangi
Bursar/Finance Officer

Date: 31/3/2026

Magomano Girls Secondary School
Report and Financial Statements
For the Six (6) Month Period ended 30 June 2021

VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2021

	Notes	2021
		Kshs
Receipts for operating income		
Capitation grants for tuition	1	1,418,934
Capitation grants for operations	2	7,508,900
School fund income- Parents contributions/ fees	3(a)	27,166,601
Infrastructure	4	2,565,784
Total receipts		38,660,219
Payments		
Payments for Tuition	5(a)	1,421,110
Payments for Operations	6	6,328,250
Boarding and school fund payments	7(a)	26,506,206
Payments for Infrastructure	8	1,797,130
Total payments		36,052,696
Net cash flow from operating activities		2,607,524
Net Increase in Cash And Cash Equivalents		2,607,524
Cash and cash equivalent at BEGINNING of the year		257,487
Cash and cash equivalent at END of the year		2,865,011

Magomano Girls Secondary School
Report and Financial Statements
For the Six (6) Month Period ended 30 June 2021

VIII. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE PERIOD ENDED 30 JUNE 2021

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c = a+b	d	e = c - d	f = d/c
RECEIPTS	Kshs	Kshs	Kshs	Kshs	Kshs	
(1) CAPITATION GRANT ON TUITION						
All votes	5,271,200		5,271,200	1,418,935	3,852,266	27%
SUB-TOTAL	5,271,200		5,271,200	1,418,935	3,852,266	27%
(2) CAPITATION GRANT ON OPERATIONS						
All votes	19,197,200		19,197,200	10,067,684	9,129,516	52%
Personal Emoluments				7000		0.00%
SUB-TOTAL	19,197,200		19,197,200	10,074,684	9,129,516	
(3) FEES CHARGED ON PARENTS						-
Boarding, Equipment & Stores	30,123,500		30,123,500	17,324,802	12,798,698	58%
Local, Transport & Travelling	825,000		825,000	364,290	460,710	44%
Electricity, Water & Conservancy	5,390,000		5,390,000	2,078,176	3,311,824	39%
Repair, Maintenance & Improvement	2,640,000		2,640,000	1,059,365	1,580,635	40%
Activity (ii)	165,000		165,000	47,550	117,450	29%
Personal Emoluments	3,410,000		3,410,000	1,340,319	2,069,681	39%
Administration Costs	2,035,000		2,035,000	842,505	1,192,495	41%
Medical				14,770		0.00%
P.A				2,565,800		0.00%
Income from Farming/Dairy Activities				75,000		0.00%
SUB-TOTAL	44,588,500		44,588,500	25,712,577	34,552,191	
INFRASTRUCTURE ACCOUNT						
4No. Classrooms	5,864,292		5,864,292	2,565,784	3,299,508	44%
SUB-TOTAL	5,864,292		5,864,292	2,565,784	3,299,508	
GRAND TOTAL INCOME	74,921,192		74,921,192	39,771,979	50,833,480	53%

Magomano Girls Secondary School
Report and Financial Statements
For the Six (6) Month Period ended 30 June 2021

Receipt/Expenses	Original Budget	Adjustments	Final Budget	Actual on Comparable	Budget Utilization	% of Utilization
EXPENDITURE FOR:						
(1) TUITION						
All votes	5,271,200		5,271,200	422,728	4,848,472	8%
Bank Charges						
SUB-TOTAL	5,271,200		5,271,200	422,728	4,848,472	
(2) OPERATIONS						
Local, Transport& Travelling	2,016,300		2,016,300	139,500	1,876,800	5%
Electricity, Water& Conservancy	3,466,100		3,466,100	940,790	2,252,310	27%
Repair, Maintenance& Improvement	2,074,600		2,074,600	1,090,804	983,796	53%
Activity (i)	1,381,600		1,381,600	233,420	1,148,180	17%
Medical/Insurance	2,198,900		2,198,900	61,810	2,137,090	3%
Personal Emoluments	6,330,500		6,330,500	3,035,183	3,295,317	48%
Administration Costs	1,729,200		1,729,200	826,743	902,457	48%
R&I(infrastructure)				2,565,784		0.00%
SUB-TOTAL	19,197,200		19,197,200	8,894,034	12,868,950	
(3) SCHOOL FUND						
Boarding, Equipment& Stores	30,123,500		30,123,500	17,174,450	12,949,050	57%
Local, Transport& Travelling	825,000		825,000	772,612	52,388	94%
Electricity, Water& Conservancy	5,390,000		5,390,000	887,505	4,502,495	16%
Repair, Maintenance& Improvement	2,640,000		2,640,000	944,275	1,695,725	38%
Activity (ii)	165,000		165,000	3,000	162,000	2%
Personal Emoluments	3,410,000		3,410,000	1,469,836	1,940,164	43%
Administration Costs	2,035,000		2,035,000	3,057,393	-1,022,393	150%
Medical&insurance				22,100		0.00%
Farm expenses				147,236		0.00%
Exam expenses				118,200		0.00%
Uniform expenses				300,000		0.00%
SUB-TOTAL	44,588,500		44,588,500	24,896,617	40,279,429	
INFRASTRUCTURE ACCOUNT						
4No. Classrooms	5,864,292		5,864,292	1,796,884	4,067,408	31%
Bank Charges				246		

Magomano Girls Secondary School

Report and Financial Statements

For the Six (6) Month Period ended 30 June 2021

Receipt/Expenses m	Original Budget	Adjustments	Final Budget	Actual on Comparable	Budget Utilization	% of Utilization
SUB-TOTAL	5,864,292		5,864,292	1,797,130	4.067,408	
TOTAL EXPENDITURE	74,921,192		74,921,192	36,010,509	42,064,259	

The budget is for the whole year while the final budget is for six months period.

IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

The school recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the school. In addition, the school recognises all expenses when the event occurs and the related cash has actually been paid out by the school.

3. In-kind contributions

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

4. Cash and cash equivalents

Cash and cash equivalents comprise cash 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 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. Subsequent events

There have been no events subsequent to the six months period with a significant impact on the financial statements for the period ended 30 June 2021.

Magomano Girls Secondary School
Report and Financial Statements
For the Six (6) Month Period ended 30 June 2021

X. NOTES TO THE FINANCIAL STATEMENTS

1 CAPITATION GRANT FOR TUITION

	2021
	Kshs
Teaching / learning materials	1,418,935
Total	1,418,935

2 CAPITATION GRANT FOR OPERATIONS

	2021
	Kshs
Repairs and maintenance	1,513,716
Other votes	5,995,184
Total	7,508,900

3 SCHOOL FUND INCOME- PARENTS CONTRIBUTIONS

	2021
	Kshs
Fee on Boarding Equipment and stores	17,102,802
Local transport / travelling	364,290
Electricity, Water & Conservancy	2,078,176
Repairs and maintenance	1,059,365
Activity	47,550
Personnel emoluments	1,340,319
Administration costs	842,505
Medical	14,770
P A Project	2,565,800
Farm	75,000
Exam	9,665
Uniform	212,335
Total	25,712,577

3a SCHOOL FUND INCOME- PARENTS' CONTRIBUTIONS/-NOTE TO THE CASHFLOW

	2021
	Kshs
Reported in statement of receipts and payment	25,712,577
Add fees arrears collected	2,255,653
Less fees debtors	(801,629)
Total	27,166,601

4 INFRASTRUCTURE

	2021
	Kshs
Repairs And Maintenance	2,565,784

Magomano Girls Secondary School
Report and Financial Statements
For the Six (6) Month Period ended 30 June 2021

Total	2,565,784
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5 PAYMENTS FOR TUITION

	2021
	Kshs
Exercise books	190,522
Laboratory equipment	231,096
Bank Charges	1,110
Total	422,728

5(a) PAYMENT FOR TUITION- NOTE TO CASHFLOW

	2021
	Kshs
Reported per statement of receipt and payment	422,728
Add creditors paid during the year	998,382
Total	1,421,110

6 PAYMENTS FOR OPERATIONS

	2021
	Kshs
Personnel emoluments	3,035,183
Repair maintenance and improvement	1,090,904
Local transport / travelling	139,500
Electricity and water	940,790
Medical	61,810
Administration costs	826,743
Activity	233,420
Total	6,328,250

7 PAYMENTS FOR SCHOOL FUND

	2021
	Kshs
Boarding Equipment & Stores	17,174,430
Local transport / travelling	772,612
Electricity, Water & Conservancy	887,505
Repairs and maintenance	944,275
Medical and insurance	22,100
Activity	3,000
Personnel emoluments	1,469,836
Administration costs	3,057,393
Farm expenses	147,236
Exam expenses	118,200
Uniform expenses	300,000
Total	24,896,617

Magomano Girls Secondary School
Report and Financial Statements
For the Six (6) Month Period ended 30 June 2021

7 (a) PAYMENTS FOR SCHOOL FUND- NOTE TO CASH FLOW

	2021
	Kshs
Reported in statement of receipts and payment	24,896,617
Less creditors for the period	(6,955,632)
Add creditors paid during the year	8,565,221
Total	26,506,206

8 INFRASTRUCTURE PAYMENT

	2021
	Kshs
Classroom construction	1,796,884
Bank charges	246
Total	1,797,130

9 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2021	2020
		Kshs	Kshs
Co-operative Bank	01129605292400	2,106,428	121,339
KCB(school fund)	1104230410	160,880	3,922
Equity	0200295018042	496,403	92,094
KCB(operation)	1104242818	50,686	24
KCB (tuition)	1104243229	283	2,458
KCB(infrastructure)	1237702879	42,844	34,190
KCB(Saving account)	1103471430	2,544	2,544
Total		2,860,068	256,571

10 CASH IN HAND

Description	2021	2020
	Kshs	Kshs
Operations	414	426
School Fund account	4,529	490
Total	4,943	916

11 ACCOUNTS RECEIVABLE

Description	2021	2020
	Kshs	Kshs
Fees arrears	5,383,651	6,837,674
Total	5,383,651	6,837,674

Magomano Girls Secondary School
Report and Financial Statements
For the Six (6) Month Period ended 30 June 2021

Aging Analysis

Description	2021	2020
	Kshs	Kshs
Fees arrears for current year	801,629	2,481,210
Fees arrears for the previous year	2,481,210	527,667
Fees arrears for prior periods (over two years)	2,100,812	3,828,797
Total	5,383,651	6,837,674

12 ACCOUNTS PAYABLE

Description	2021	2020
	Kshs	Kshs
Trade creditors (See ageing below and Appendix 1)	16,254,496	19,958,438
Prepaid fees	2,973,123	1,877,153
Total	19,227,619	21,835,591

Aging Analysis

Description	2021	2020
	Kshs	Kshs.
Trade creditors for current year	6,955,632	18,105,905
Trade creditors for the previous year	9,298,864	1,852,533
Total	16,254,496	19,958,438

13 FUND BALANCE BROUGHT FORWARD

Description	2021	2020
	Kshs	Kshs.
Bank Balances	256,571	288,828
Cash Balances	916	1,948
Receivables	6,837,674	9,449,290
Payables	(21,835,591)	(23,585,501)
Total	(14,740,429)	13,845,435

Magomano Girls Secondary School
Report and Financial Statements
For the Six (6) Month Period ended 30 June 2021

Other important disclosure notes

IPSAS 1 encourages an entity to disclose accrual related information in relation to an entity's assets and liabilities. The notes outlined below are disclosure notes in relation to the school's non-financial assets and liabilities.

14 Biological Assets

Description	No.	2021
		Kshs.
Cattle	6	300,000
Trees	1000	3,000,000
Total		3,300,000

15 Stock/ Inventory

Description	2021
	Kshs
Stock/ inventory at beginning of the year	1,016,690
Stock/ inventory purchased during the year	11,065,100
Stock/ inventory issued during the year	11,293,380
Balance at end of the year	788,410.00

16 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

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

XI. ANNEXES

Annex 1 - Analysis Of Pending Accounts Payable

S/no	Supplier of Goods or Services	Original Amount	Date Contracted from	Amount Paid To-date	Outstanding Balance as at as 30/06/2021	Comment
		Kshs	Kshs	Kshs	Kshs	
		a	b	c	d=a-c	
1	Engineer general suppliers	9,332,879	30/6/2021		9,332,879	
2	Mayfair holdings	419,000	30/6/2021		419,000	
3	Esther W Muchemi	24,000	30/6/2021		24,000	
4	Mary Wanjiku	123,500	30/6/2021		123,500	
5	James Njoroge	85,195	30/6/2021		85,195	
6	Njoroge kirugu	825,000	30/6/2021		825,000	
7	Simon Mutegi	611,822	30/6/2021		611,822	
8	Samar energy savers	1,021,240	30/6/2021		1,021,240	
9	CosmackMaina	581,105	30/6/2021		581,105	
10	Lumu cleaning & health care	252,300	30/6/2021		252,300	
11	Tawins youth company	115,105	30/6/2021		115,105	
12	Climax publishers	6,960	30/6/2021		6,960	
13	Pharmatop co ltd	24,850	30/6/2021		24,850	
14	Kush hardware	62,840	30/6/2021		62,840	
15	Newstimes business solutions	8,500	30/6/2021		8500	
16	Amos Ngotho	12,100	30/6/2021		12,100	
17	Wagacheru Enterprises	40,900	30/6/2021		40,900	
18	Mama Ngangahardare	114,305	30/6/2021		114,305	
19	Jocajo enterprises ltd	1,255,605	30/6/2021		1,255,605	
20	Wamanyatta bookshop	781,580	30/6/2021		781,580	
21	Jochu office	132,500	30/6/2021		132,500	
21	Laboquips suppliers	423,210	30/6/2021		423,210	
	Grand Total	16,254,496			16,254,496	

Magomano Girls Secondary School
Report and Financial Statements
For the Six (6) Month Period ended 30 June 2021

Annex 2- SUMMARY OF FIXED ASSETS REGISTER

S/no	Asset class	Date purchased	Historical Cost b/f	Historical Cost c/f
			Kshs	Kshs
1	Land	Balance b/f 01/01 2021	70,000,000.00	
2	Buildings and Structure	Balance b/f 01/01 2021	110,000,000.00	
3	Motor Vehicles	Balance b/f 01/01 2021	1,300,000.00	
4	Office Equipment, furniture and fittings	Balance b/f 01/01 2021	1,820,000.00	
5	ICT Equipment and Other ICT Assets	Balance b/f 01/01 2021	3,500,000.00	
6	Tools and Apparatus	Balance b/f 01/01 2021	1,500,000.00	
7	Textbooks	Balance b/f 01/01 2021	3,000,000.00	
8	Other Machinery and Equipment	Balance b/f 01/01 2021	5,000,000.00	
9	Intangible assets-software	Balance b/f 01/01 2021	1,500,000.00	
	Total		196,270,000.00	

