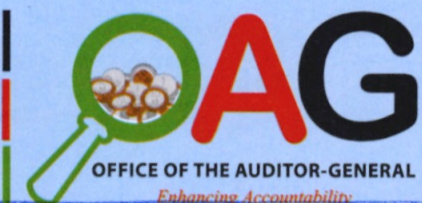


REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 01 JUN 2026	DAY: wed
REPORT	Hon. Owen Taa Deputy Majority Leader
CLERK-AT THE-TABLE:	Mado Atado

OF

THE AUDITOR-GENERAL

ON

PARLIAMENT
OF KENYA
LIBRARY

KIHEO
SECONDARY SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2024

NYANDARUA COUNTY



KIHEO SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2024

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

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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

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

The school was registered in March 3 2016 under registration number 18-S-0030-0362 and is currently categorized as a SUB COUNTY public school established, owned or operated by the Government.

The school is a day/boarding school and had 133 number of students as at 30th June 2024. It has 1 streams and 10 teachers of which 3 teachers are employed by the School Board of Management.

(a) 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. Joseph Kamau	Chairman	12/5/2022
2	Mr. Stephen Kimani	Secretary	12/5/2022
3	Mrs.Magdaline w. Gichia	Member	12/5/2022
4	Mr.David N. Mwangi	Member	12/5/2022
5	Mr.James Gathu	Member	12/5/2022
6	Mrs. Susan Kuruga	Member	12/5/2022
7	Mr. Joseph N. Gathecha	Member	12/5/2022
8	Mrs.Millicent W. Karue	Member	12/5/2022
9	Mr. Harun Kimani K.	Member	12/5/2022
10	Mr. Elijah Mugo N.	Member	12/5/2022
11	Mr.Peter Muiruri	Member	12/5/2022
12	Mr. Sam Thuita M	Member	12/5/2022
13	Mr. Cleophas Kiragu	Member	12/5/2022
14	Mr. Denis oyiengo	Member	12/5/2022
15	Fr- in – Charge(igwamiti)	Members	12/5/2022
16	Miss Beth Njeri	Member	12/5/2022
17	Mr. John Guarua	Member	12/5/2022

The functions of the School Board of Management are to:

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, of 2013.
- Ensure and assure the provision of proper and adequate facilities for the School.
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School(CEB)
- 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.

(b) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1. Dr.Joseph Kamau 2. Mr. Stephen Kimani 3. Mrs. Magdaline W.Gichia 4. Mdm. Beth Njeri	Chairman Secretary Vice chairperson PA Chair	1
2	Audit Committee	1.Mr. Sam Thuita 2.Mr. Stephen Kimani 3.Mrs. Grace Mumbui 4.Mr. John Guarua	Chairman Secretary Member Member	NIL
3	Finance,procurement and general purposes Committee	1.Mr. Elijah Mugo Ngunjiri 2.Dr. Joseph K. Kamau 3.Mrs. Magdaline Gichia 4.Mrs. Millicent Karue	Chairman Secretary Member Member	NIL
4	Academic Committee	1.Mr.James Gathu G. 2.Mr. Harun Kimani 3.Mr. Stephen Kimani	Chairman Secretary Member	NIL

*KIHEO SECONDARY SCHOOL***Annual Report and Financial Statements For the year ended 30th June 2024**

5	Development Committee	1.Mr. Peter Muiruri 2.Mr. Stephen Kimani 3.Mrs.Beth Njeri 4.Mrs. Susan Kuruga	Chairman Secretary Member Member	1
6	Discipline and welfare Committee	1.Mr. David Ndung'u M. 2.Mr. Cleophas Kiragu 3.Fr-in-Charge-Fr.Karatu 4.Area assistant Chief	Chairman Secretary Member Member	NIL
7	Human Rights committee	1.Mr.Joseph N Gathecha 2.Mr.John Guarua 3.Mrs.Millicent Karue 4.Mr.Denis Oyiengo	Chairman Member Member Member	NIL

KIHEO SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2024**

(c) School operation Management

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

Ref:	Designation	Name	Identification
1	Principal	Mr. Stephen Kimani	337099.
2	Deputy Principal	Mr. Cleophas Kiragu	336596.
3	School Bursar	Miss Mary Njeri	-
4			

(d) Schools contacts

Post Office Box: 2228-20300; Nyahururu
Telephone: 0726492193
E-mail: kiheosecondaryschl@gmail.com
Website: N/A
Facebook:
Twitter:

(e) School Bankers

Provide details of the school bankers.

1.	Name of Bank:	EQUITY BANK.	Account Name
	Branch:	NYAHURURU	
Account Number : 1		0160262316687	school Fund a/c
: 2		0160262288306.	Operations a/c
: 3		0160262288338.	Tuition a/c
: 4		0160264930294.	Building fund a/c
:5		0160277423735.	CDF a/c.
:6.		0160262316558.	County fund a/c

(f) Independent Auditors

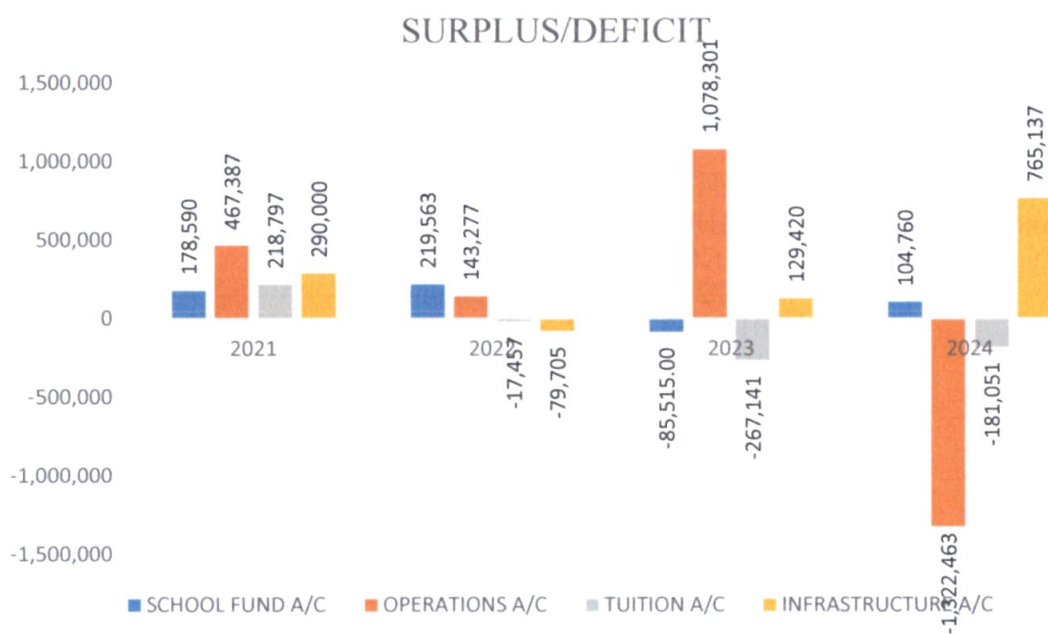
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

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:

- SURPLUS/DEFICIT FOR THE YEAR AND A COMPARISON OF THE SAME FOR THE LAST THREE YEARS					
SNO	ACCOUNTS	2024	2023	2022	2021
		Kshs	Kshs	Kshs	Kshs
1	School Fund Account	104,760	(85,515)	219,563	178,590
2	Operations Account	(1,322,463)	1,078,301	143,277	467,387
3	Tuition Account	(181,051)	(267,141)	(17,457)	218,797
4	Infrastructure Account	765,137	129,420	(79,705)	290,000
	TOTAL	(633,617)	855,065	265,678	1,154,774
	Increase/Decrease	(1,488,682)	589,387	(889,096)	-

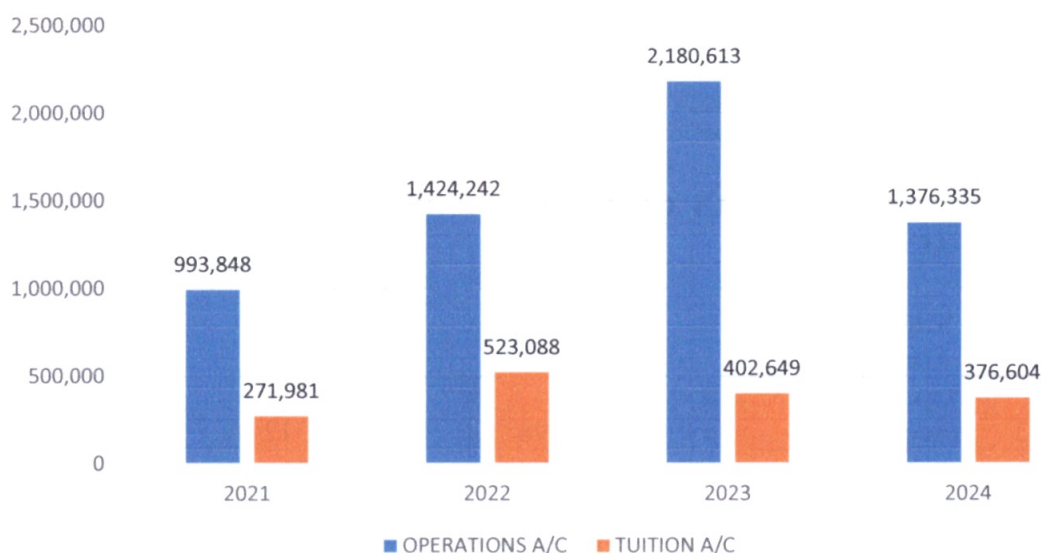


KIHEO SECONDARY SCHOOL

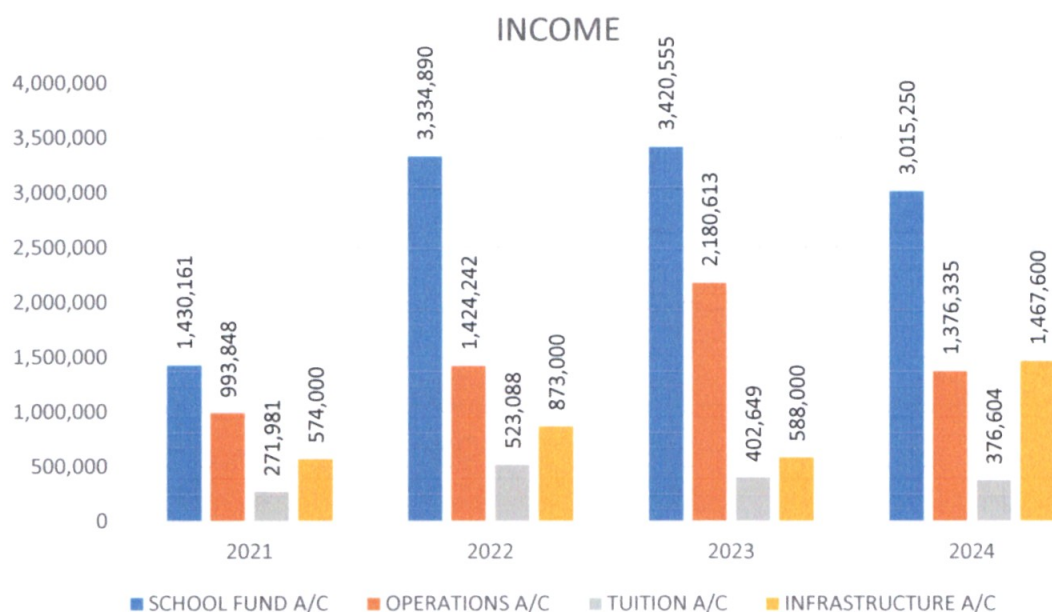
Annual Report and Financial Statements For the year ended 30th June 2024

CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS					
SNO	ACCOUNTS	2024	2023	2022	2021
		KSHS	KSHS	KSHS	KSHS
1	Operations Account	1,376,335	2,180,613	1,424,242	993,848
2	Tuition Account	376,604	402,649	523,088	271,981
	Total	1,752,939	2,583,262	1,947,330	1,265,829
	Increase/Decrease	(830,323)	635,932	681,501	-
	No of Students	151	175	180	180
	Ratio of Capitation per student	1:11,609	1:14,761	1:10,819	1:7,032

CAPITATION



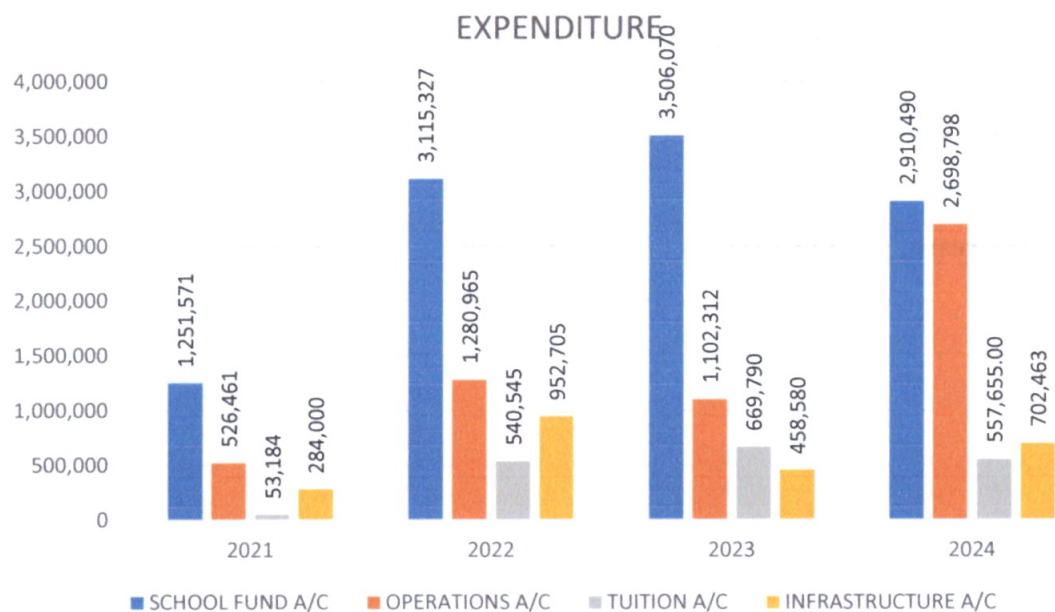
OVERVIEW OF GROWTH IN INCOME OF THE SCHOOL					
SNO	ACCOUNTS	2024	2023	2022	2021
		Kshs	Kshs	Kshs	Kshs
1	School Fund Account	3,015,250	3,420,555	3,334,890	1,430,161
2	Operations Account	1,376,335	2,180,613	1,424,242	993,848
3	Tuition Account	376,604	402,649	523,088	271,981
4	Infrastructure Account	1,467,600	588,000	873,000	574,000
	Total	6,235,789	6,591,817	6,155,220	3,269,990
	Increase/Decrease	(356,028)	436,597	2,885,230	-



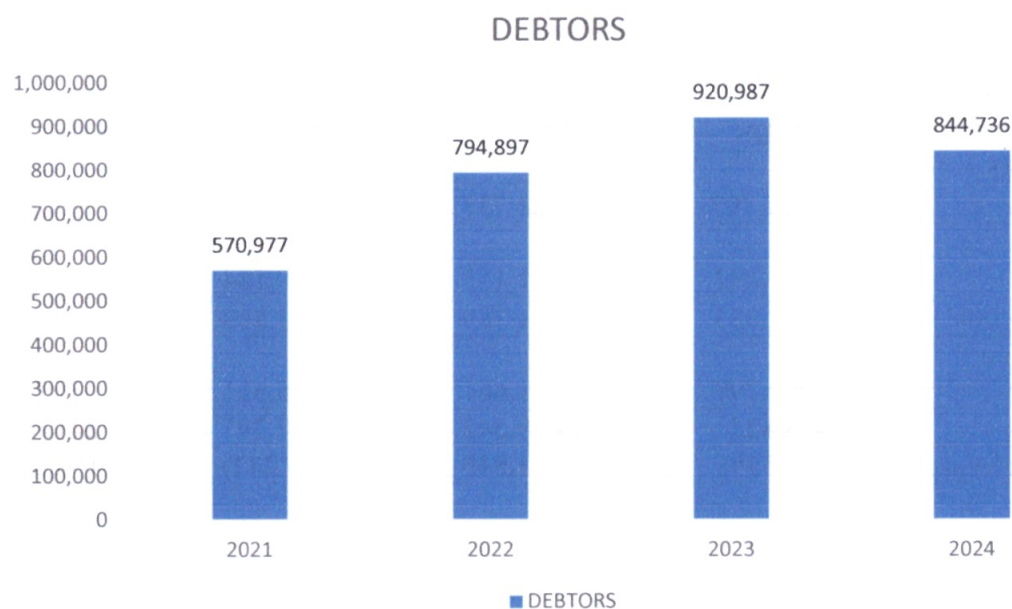
OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL					
SNO	ACCOUNTS	2024	2023	2022	2021
		Kshs	Kshs	Kshs	Kshs
1	School Fund Account	2,910,490	3,506,070	3,115,327	1,251,571
2	Operations Account	2,698,798	1,102,312	1,280,965	526,461
3	Tuition Account	557,655.00	669,790	540,545	53,184
4	Infrastructure Account	702,463	458,580	952,705	284,000
	Total	6,869,406	5,736,752	5,889,542	2,115,216
	Increase/Decrease	1,132,654	(152,790)	3,774,326	(2,256,825)

KIHEO SECONDARY SCHOOL

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



MOVEMENT OF DEBTORS OF THE SCHOOL					
SNO	ACCOUNTS	2024	2023	2022	2021
1	(I,II,III,IV)	KSHS	KSHS	KSHS	KSHS
a	Debtors	844,736	920,987	794,897	570,977
	Total	844,736	920,987	794,897	570,977
	Increase/Decrease	(76,251)	126,090	223,920	-

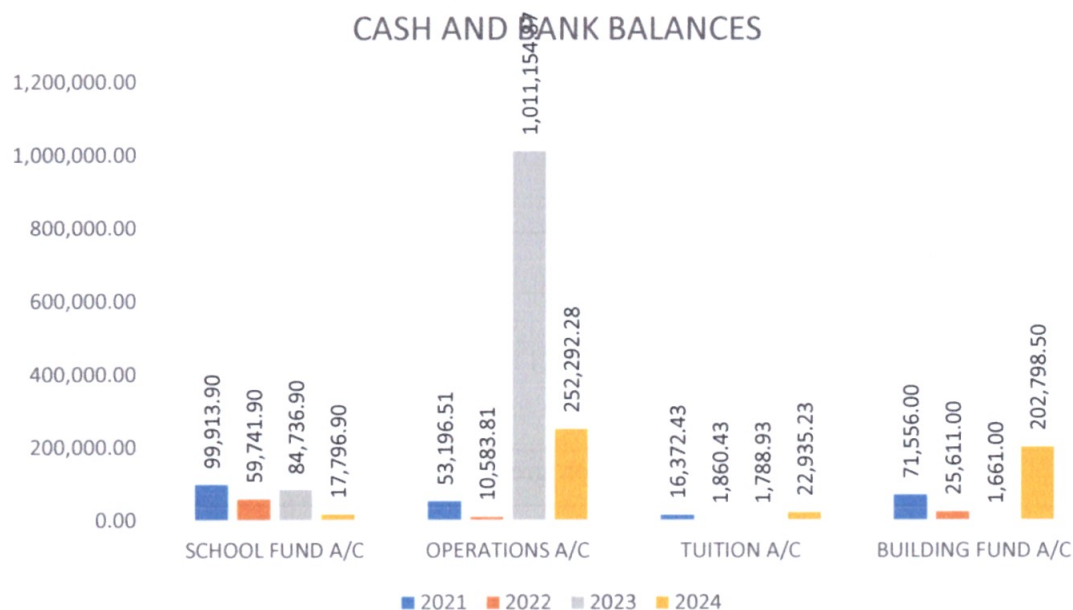


MOVEMENT OF CREDITORS OF THE SCHOOL					
SNO	ACCOUNTS	2024	2023	2022	2021
1	(I,II,III,IV)	KSHS	KSHS	KSHS	KSHS
a	Creditors	1,446,123	1,492,276	1,158,426	1,322,966
	Total	1,446,123	1,492,276	1,158,426	1,322.966
	Increase/Decrease	(46,153)	333,850	(146,320)	-

CREDITORS



MOVEMENT OF CASH AND BANK BALANCES					
SNO	ACCOUNTS	2024	2023	2022	2021
		KSHS	KSHS	KSHS	KSHS
1	School Fund Account	17,797	84,737	59,742	99,914
2	Operations Account	252,292	1,011,155	10,584	53,197
3	Tuition Account	22,935	1,789	1,860	16,372
4	Infrastructure Account	202,799	1,661	25,611	71,556
	Total	495,823	1,099,342	97,797	241,039
	Increase/Decrease	(603,519)	1,001,545	(143,242)	198,318



b) Teacher Student ratio:

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

There are 7 teachers posted by the Teachers Service Commission and 3 recruited by the Board of Management.

Although the teacher student ratio lies at 1: 14. We have a shortage of 3 teachers from the given CBE.

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

YEAR	ENROLMENT	MEAN	TRANSITION	TRANSITION (%)	SCHOOL TARGET	COMMENTS
2023	61	2.4318	44	72.1	3.036	Negative deviation of 0.193 in the mean grade
2022	34	2.625	32	94.1	3.109	Positive deviation of 0.220 in the mean grade.
2021	42	2.405	42	100	3.450	Negative deviation of 0.401 in the mean grade.

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

YEAR	2024	2023	2022	2021
KCSE CANDIDATES	35	44	34	42

e) The capacity of the school:

NO.OF STUDENT	DORMITORIES	DINING HALL	LABORATORIES	TOILETS
133	None	In progress	1	8

f) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Construction of laboratory	Parents	Completed	1,200,000	1,200,000	Completed
Dining hall	Ministry of education(TIG)	In-Progress	3,300,000	800,000	1 year

.....

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

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

.....
Name: MAGNATENE CLETHIN

Designation: Chairman, School Board of Management

Date: 14/4/2026

.....
Name: STEPHEN KIMANI

Designation: School Principal & Secretary to Board of Management

Date: 14/04/2026

.....
Name: MARY NGERI

Designation: Bursar/ Finance Officer

Date: 14/4/2026

KIHEO SECONDARY SCHOOL

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

5. Report Of The Independent Auditors on financial statement for the year ended 30th June 2024.

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 KIHEO SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2024 – NYANDARUA COUNTY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kiheo secondary school set out on pages 1 to 20, which comprise of the statement of assets and liabilities as at

Report of the Auditor-General on Kiheo Secondary School for the year ended 30 June, 2024- Nyandarua County

30 June, 2024, and the statement of receipts and payments, statement of cash flows and statement of budgeted versus and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kiheo Secondary School at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Review of the School's records revealed variances between the amounts reported in the financial statements and the amounts reflected in the supporting documents as indicated in the table below:

	Amount as per Financial Statements Kshs.	Amount as per Supporting Documents Kshs.	Variance Kshs.
School fund income- parents' contributions	3,015,250	2,940,440	74,810
Infrastructure	1,467,600	467,600	1,000,000
Payments for operations	2,698,798	962,898	1,735,900
School fund payments	2,910,490	2,590,864	319,626
Accounts Receivables	844,736	865,107	(20,371)

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

2. Undisclosed Bank Account

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.495,823 as disclosed in Note 9 to the financial statements. However, review of records revealed that the School operated an active bank account, Kiheo Secondary School - County Fund with a closing balance of Kshs.2,778 which was not disclosed in the School's financial statements. Further, the receipts and payments amounting to Kshs.116,750 and 123,173 respectively, relating to this account were not disclosed in the financial statements. This resulted in understatement of revenue and expenditure by the same amounts.

In the circumstance the accuracy and completeness of the cash and cash equivalents balance of Kshs.495,823 could not be confirmed.

3. Unsupported Accounts Payables

The statement of assets and liabilities reflect accounts payables balance of Kshs.1,446,123 as disclosed in Note 12 to the financial statements. However, supporting documents such as invoices, payment vouchers, delivery notes, and contracts were provided for audit.

In the circumstances, the accuracy, existence and completeness of accounts payables balance of Kshs.1,446,123 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kiheo 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 budget and actual on a comparable basis of Kshs.7,960,852 and Kshs.6,140,479 respectively, resulting in an under-funding of Kshs.1,820,373 or 23% of the budget.

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

My opinion is not modified in respect of this matter

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, 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 Information

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

In connection with my audit on the School's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is

materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

The statement of receipts and payments reflects payments for operations amount of Kshs.2,698,798 as disclosed in Note 6 to the financial statements. The payments include an amount of Kshs.881,650 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.881,650 could not be confirmed.

2. Irregular Transfer of Funds to Catholic Schools Principals Association

The statement of receipts and payments reflects payments for operation amount of Kshs.2,698,798 as disclosed in Note 6 to the financial statements. Included in the expenditure is an amount of Kshs.171,710 transferred to Catholic Schools Principals Association (CSPA). However, CSPA is a welfare organization that draws its membership from Catholic sponsored schools' 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 CSPA amounting to Kshs.171,710 could not be confirmed.

3. Failure to Transfer Infrastructure Funds from Operations Bank Account

The statement of receipts and payments reflects Kshs.1,376,335 and Kshs.1,467,600 being government grants for operations and infrastructure respectively, as disclosed in Notes 2 and 3 to the financial statements, from the Ministry of Education credited to the operations bank account. Included in the amount is Kshs.601,400 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the school's facilities. However, only an amount of Kshs.467,600 was transferred to infrastructure account, leaving a balance of Kshs.138,800 not transferred as at 30 June, 2024. 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 within fifteen (15) days upon receipt of the funds in the operations account.

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

4. Long Outstanding Payables

The statement of assets and liabilities reflects accounts payables balance of Kshs.1,446,123 as disclosed in Note 12 to the financial statements. However, included in the payables is a balance amounting to Kshs.693,426 which had been outstanding for more than three (3) years, exposing the school to the risk of loss of public funds through litigations, interests and penalties. This was contrary to Section 74(4d) of the Public Finance Management Act, 2012 which requires accounting officers to promptly pay eligible and approved bills where funds are provided for.

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 the 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

Long Outstanding Receivables

The statement of assets and liabilities, reflects accounts receivable balance of Kshs.844,736 in respect of fees arrears as disclosed in Note 11 to the financial statements. The receivable includes a balance of Kshs.344,581 which had been outstanding for more than three (3) years. However, a policy on the impairment of long outstanding fees arrears were not provided for audit.

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

21 May, 2026

KIHEO SECONDARY SCHOOL

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

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

Description Of Vote Head	Note	2023-2024	2022-2023
		Kshs	Kshs
Receipts			
Government grants for tuition	1	376,604	402,649
Government grants for operations	2	1,376,335	2,180,613
Government Grants for infrastructure	3	1,467,600	588,000
School fund income- parents' contributions	4	3,015,250	3,420,555
Miscellaneous incomes	-	-	-
Total Receipts		6,235,789	6,591,817
Payments			
Tuition	5	557,655	669,790
Operations	6	2,698,798	1,102,312
Infrastructure	7	702,463	458,580
Boarding and school fund	8	2,910,490	3,506,070
Total Payments		6,869,406	5,736,752
Surplus/Deficit		(633,617)	855,065

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

.....

Name: MAGNETENE GICHA

Chair BOM

Date: 14/4/2026

.....

Name: STEPHEN KIMANI
School Principal/ Secretary to
BOM

Date: 14/04/2026

.....

Name: MARY NJERI
Bursar/ Finance Officer

Date: 14/4/2026.

KIHEO SECONDARY SCHOOL

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

7. Statement of Assets and Liabilities As At 30th June 2024

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	9	495,823	1,030,342
Cash balances	10	-	69,000
Short term investments		-	-
Total cash and cash equivalent		495,823	1,099,342
Account's receivables	11	844,736	920,987
Total financial assets (a)		1,340,559	2,020,329
Financial liabilities			
Accounts payables	12	1,446,123	1,492,276
Total Financial Liabilities (b)		-	-
Net financial assets (a-b)		(105,564)	528,053
Represented by			
Accumulated fund b/fwd	13	528,053	(327,012)
Surplus/deficit for the year		(633,617)	855,065
Net Assets		(105,564)	528,053

The school's financial statements were approved on _____ 2026 and signed by:





Name: MARGARENE CICHINA Name: STEPHEN KIMANI Name: MAKI NJERI
 Chair BOM School Principal/ Secretary to BOM Bursar/ Finance Officer
 Date: 14/4/2026 Date: 14/04/2026 Date: 14/4/2026

KIHEO SECONDARY SCHOOL

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

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

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition	1	376,604	402,649
Government grants for operations	2	1,376,335	2,180,613
Government grants for infrastructure	3	1,467,600	588,000
School fund income- parents contributions/ fees	4	2,919,940	3,658,330
Other income		-	-
Total receipts		6,140,479	6,829,592
Payments			
Cash outflows for tuition	5	557,655	669,790
Cash outflows for operations	6	2,698,798	1,102,312
Cash outflows Boarding/lunch and school fund payments	7	3,035,082	3,616,085
Cash outflow for infrastructure	8	702,463	458,580
Total payments		6,993,998	5,846,767
Net cash inflow/outflow from operating activities		(853,519)	982,825
Cash flow from investing activities			
Acquisition of assets			-
Proceeds from sale of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash inflow/outflows from investing activities		(853,519)	982,825
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		(853,519)	982,825
Cash and cash equivalent at beginning of the FY		1,099,342	116,517
Cash and cash equivalent at end of the FY		495,823	1,099,342

(The above presentation of the cash flow statement uses the direct method of cash flow presentation.

KIHEO SECONDARY SCHOOL

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

The school's financial statements were approved on _____ 2026 and signed by:

		
Name: MARGARET GICHIA	Name: STEPHEN KIMANI	Name: MARY NJERI
Chair BOM	School Principal/ Secretary to BOM	Bursar/ Finance Officer
Date: 14/4/2026	Date: 14/04/2026	Date: 14/4/2026

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
<i>(1) Capitation Grant on Tuition</i>					
Reference Materials	-	-	-	-	-
Exercise Books	-	-	-	-	-
Laboratory Equipment	-	-	-	-	-
Internal Exams	-	-	-	-	-
Teaching / Learning Materials	551,152	-	551,152	376,604	68.3 %
Exams And Assessment	-	-	-	-	-
<i>(2) Capitation Grant on Operations</i>					
Personnel Emoluments	1,383,200	-	1,383,200	1,376,335	99.5%
Repairs And Maintenance	-	-	-	-	-
Local Transport / Travelling	-	-	-	-	-
Electricity And Water	-	-	-	-	-
Medical	-	-	-	-	-
Administration Costs	-	-	-	-	-
Activity	-	-	-	-	-
Gratuity	-	-	-	-	-
	-	-	-	-	-
<i>3) FDSE for infrastructure</i>					
Maintenance & Improvement MoE	532,000	-	532,000	467,600	87.9%

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
M&I parents' contribution	-	-	-	-	-
Economic Stimulus Programs	-	-	-	-	-
Transition Infrastructure Grants	3,300,000	-	3,300,000	1,000,000	33.3%
Administration Block	-	-	-	-	-
(4) Fees Charged on Parents					
Personnel Emoluments	-	-	-	-	-
Repairs And Maintenance	-	-	-	-	-
Local Transport / Travelling	-	-	-	-	-
Electricity And Water	-	-	-	-	-
Medical	-	-	-	-	-
Administration Costs	-	-	-	-	-
Activity	-	-	-	-	-
SMASSE	-	-	-	-	-
Lunch Programme	2,194,500	-	2,194,500	2,919,940	133%
5) Miscellaneous Income					
Loans / Borrowing	-	-	-	-	-
Rent income	-	-	-	-	-
Income From Farming Activities	-	-	-	-	-
Insurance Compensation	-	-	-	-	-
Income From Posho Mill	-	-	-	-	-
Income From Bus Hire	-	-	-	-	-
Fee For Hire of Ground and Equipment	-	-	-	-	-

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
Interest Income	-	-	-	-	-
Income From Any Other Investment	-	-	-	-	-
Total Income	7,960,852	-	7,960,852	6,140,479	77%
(6) Expenditure For Tuition					
Textbooks	-	-	-	-	-
Reference Materials	-	-	-	-	-
Exercise Books	-	-	-	-	-
Laboratory Equipment	-	-	-	-	-
Internal Exams	-	-	-	-	-
Teaching / Learning Materials	551,152	-	551,152	557,655	101 %
Chalks	-	-	-	-	-
Exams And Assessment	-	-	-	-	-
Teachers Guides	-	-	-	-	-
Administration Costs	-	-	-	-	-
Bank Charges	-	-	-	-	-
(7) Expenditure For Operations					
Personnel Emoluments	1,383,200	-	1,383,200	2,698,798	195%
Repairs, Maintenance & Improvements	-	-	-	-	-
Local Transport / Travelling	-	-	-	-	-
Electricity, Water and Conservancy	-	-	-	-	-
Medical	-	-	-	-	-
Administration Costs	-	-	-	-	-

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Activity Expenses	-	-	-	-	-
Gratuity	-	-	-	-	-
SMASSE	-	-	-	-	-
<i>(8) Expenditure For infrastructure</i>					
Construction of classrooms	-	-	-	-	-
Maintenance and Improvement expe	3,832,000	-	3,832,000	702,463	18%
Construction of dining	-	-	-	-	-
Purchase of furniture	-	-	-	-	-
Purchase of equipment	-	-	-	-	-
Purchase of machinery	-	-	-	-	-
<i>(9) Expenditure For school fund/lunch/boarding</i>					
Personnel Emoluments	-	-	-	-	-
Repairs, Maintenance and Improvements	-	-	-	-	-
Local Transport / Travelling	-	-	-	-	-
Electricity, Water and Conservancy	-	-	-	-	-
Medical Expenses	-	-	-	-	-
Administration Costs	-	-	-	-	-
Activity	-	-	-	-	-
Gratuity	-	-	-	-	-
Lunch Programme	2,194,500	-	2,194,500	3,035,082	138%

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
Boarding Equipment and Stores	-	-	-	-	-
Expenditure For Income Generating Activity	-	-	-	-	-
Insurance Costs	-	-	-	-	-
Other Expenses On Investments	-	-	-	-	-
Rent Expenses	-	-	-	-	-
Bank Charges	-	-	-	-	-
Loan Interest Repayment	-	-	-	-	-
Loan Principal Repayment	-	-	-	-	-
Acquisition Of Assets	-	-	-	-	-
Totals	7,960,852	-	7,960,852	6,993,998	88%

- i. The school has only received 77% of the total income from 1st July 2023 to 30th June 2024
- ii. The school has only utilized 88% of the amount received from 1st July 2023 to 30th June 2024

10. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

Cash and cash equivalents comprise cash 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 2024.

11. Notes To the Financial Statements

1 Government Grants for Tuition

Description	2023-2024	2022-2023
	Kshs	Kshs
Reference Materials	-	-
Exercise Books	-	-
Laboratory Equipment	-	-
Internal Exams	-	-
Teaching / Learning Materials	376,604	402,649
Transfer from Operations A/c	-	-
Transfer from School Fund A/c	-	-
Total	376,604	402,649

2 Government Grants for Operations

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	-	-
Repairs And Maintenance	-	-
Local Transport / Travelling	-	-
Electricity And Water	-	-
Other voteheads	1,376,335	2,180,613
Administration Costs	-	-
Activity	-	-
Transfer from Infrastructure A/c	-	-
Total	1,376,335	2,180,613

3 Government Grants for infrastructure

Description	2023-2024	2022-2023
	Kshs	Kshs
Maintenance & Improvement	1,467,600	588,000
Transition infrastructure grants	-	-
Administration Block	-	-
Economic stimulus grants	-	-
Adm costs	-	-
Total	1,467,600	588,000

4 School Fund Income - Parents Contribution/Fees

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel emoluments	643,965	-
Repairs and maintenance	-	-
Local transport / travelling	-	-
Electricity and water	-	-
Medical	-	-
Administration costs	10,700	-
Activity	-	-
Lunch programme	1,462,285	3,420,555
PA Levies*	-	-
Others (specify)	-	-
Total	2,116,950	3,420,555
Adjustment for cashflow		
Statement of receipt and payment	2,116,950	3,420,555
less:receivables paid during the year	(289,485)	(167,735)
Add:receivables for the year	194,175	405,510
cashflow	2,919,940	3,658,330

5 Tuition

Description	2023-2024	2022-2023
	Kshs	Kshs
Exercise Books & Stationeries	-	-
Textbooks	-	-
Reference materials	-	-
Laboratory Equipment	-	-
Teaching / Learning Materials	287,585	334,790
Internal Exams	-	-
Teachers Guides	-	-
Bank Charges	-	-
Others (specify)	-	-
Total	287,585	334,790
Adjustment for cashflow		
Tuition as per receipt and payment	287,585	334,790

*KIHEO SECONDARY SCHOOL***Annual Report and Financial Statements For the year ended 30th June 2024**

Add:creditors paid over the year	270,070	335,000
cashflow	557,655	669,790

6 Operations

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	213,660	-
Other voteheads	-	-
Administration Cost	751,960	757,840
Repairs And Maintenance & Improvements	-	-
Local Transport / Travelling	1,100	2,730
Electricity And Water	-	3,000
Transfer to Tuition a/c	-	-
Activity Expenses	225,320	296,080
Insurance Cost	35,653	36,232
Transfer to Infrastructure A/c	1,467,600	-
Bank charges	3,505	6,430
Total	2,698,798	1,102,312
Operations as per receipt and payment	-	1,102,312
Add:creditors paid	-	190,000
cashflow	2,698,798	1,292,312

7.Infrastructure

Description	2023-2024	2022-2023
	Kshs	Kshs
Construction of classrooms	-	-
Construction of laboratory	-	-
Construction of dormitory	-	-
Purchase of furniture	-	-
Purchase of equipment	-	-
Transfer to Operations A/c	-	-
Bank Charges	4,403	1,620
Maintenance and improvement funds	698,060	456,960
Total	702,463	458,580

8.Boarding And School Fund

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	1,083,500	1,294,300
Service Gratuity	-	-
Repairs And Maintenance & Improvements	27,965	54,160
Local Transport / Travelling	34,990	46,690
Electricity And Water	33,780	14,000
Medical Expenses	-	-
Administration Costs	716,265	614,595
Lunch Programme	907,500	1,391,240
Bank Charges	8,840	10,330
Expenses On Income Generating Activities	-	-
Transfer to Tuition A/c	-	-
Tuition (ses)	39,565	11,085
Insurance Cost (<i>Life Property</i>)	-	-
Farm	4,900	11,300
Activity Expenses	53,185	58,370
Acquisition Of Assets	-	-
PA expenses	-	-
Others (specify)	-	-
Total	2,910,490	3,506,070

9. Bank Accounts

Account Name & Currency	Status	Bank Account Number	2023-2024	2022-2023
	Active/Dormant		Kshs	Kshs
Tuition Account			22,935	1,789
Operations Account			252,292	1,011,155
School Fund Account/Boarding			17,797	15,737
Savings Account			-	-
Parent Association Development Account			-	-
Income Generating Activities Account			-	-
Infrastructural Account			202,799	1,661
Total			495,823	1,030,342

10. Cash In Hand

Description	2023-2024	2022-2023
	Kshs	Kshs
School Fund A/c	-	69,000
Total	-	69,000

11a. Accounts Receivable

Description	2023-2024	2022-2023
	Kshs	Kshs
Fees Arrears	844,736	920,957
Other Non-Fees Receivables	-	-
Salary Advances (list/schedule attached)	-	-
Imprest (list/schedule attached)	-	-
Rent arrears (list/schedule attached)	-	-
Total	844,736	920,957

11 b) Ageing Analysis of Accounts Receivable

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	2023-2024	% of the total	2022-2023	% of the total
Less than 1 year	194,175	33.7 %	405,510	60.4%
Between 1- 2 years	595,465	66.3 %	189,955	28.3%
Between 2-3 years	344,581	%	493,227	11.3%
Over 3 years	-	%	-	%
Total	1,134,221	100 %	1,088,692	100 %
Less:paid over the year	(289,485)		(167,735)	
Total receivables	844,736		920,957	

12a.Accounts Payable

Description	2023-2024	2022-2023
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	1,446,123	1,492,276
Prepaid Fees	-	-
Retention Monies	-	-
Unpaid salaries and statutory deductions	-	-
Caution money	-	-
Other Non-Creditors	-	-
Total	1,446,123	1,492,276

12b. Ageing Analysis of Accounts Payable

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	2023-2024	% of the total	2022-2023	% of the total
Less than 1 year	593,697	38.3 %	798,850	46.7 %
Between 1- 2 years	798,850	51.5 %	535,140	28.4 %
Between 2-3 years	693,426	10.3 %	703,286	24.9 %
Over 3 years	-	%	-	%
Total	2,085,973	100 %	2,037,276	100 %
Less:paid over the year	(751,850)		(545,000)	
Total payables	1,446,123		1,492,276	

13.Fund Balance Brought Forward

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank Balances	1,030,342	73,797
Cash Balances	69,000	24,000
Short Term Investments	-	-
Receivables	920,987	794,897
Payables	(1,492,276)	(1,238,426)
Total	528,053	(327,012)

KIHEO SECONDARY SCHOOL

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

Other important disclosure notes

14. Biological assets

Description	Numbers	2023-2024	2022-2023
		Quantity	Quantity
Cattle		-	-
Goats		-	-
Trees		25	20
Coffee Or Tea Plantation		-	-
Poultry		-	-
Ram		1	1
Sheep		4	2
Total		30	23

KIHEO SECONDARY SCHOOL

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

Other important disclosure notes

15. Stock/ Inventory

Description	2023-2024	2022-2023
	Kshs	Kshs
Food stuffs	20,200	60,500
Lab consumables	62,125	45,300
Farm produce	-	-
Medication	-	-
Construction Materials	125,850	27,000
Others (specify)	-	-
	208,175	132,800

16. Progress On Follow Up of Auditor Recommendations

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



Sign and Date *14/04/2026*
Principal

KIHEO SECONDARY SCHOOL

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

17. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2023-2024	Outstanding Balance 2022-2023	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1.						
2.						
Sub-Total						
School expenses						
1. SALARY ARREARS(BOM –T/NON-T)	225,370	2020	-	225,370		
2.ADMIN(STEPHEN KIMANI)	205,000	2023	-	205,000		
4.BEATRICE NJENGA(WORKSHOP)	85,500	2022	-	85,500		
Sub-Total	515,870			515,870		
Operation a/c Expenses						
1.STEPHEN KIMANI(WORKSHOP)	290,500	2022	112,000	178,500		
2.ESTHER KIGWA(WORKSHOP)	20,000	2024	-	20,000		
3.SALARIES(BOM T/NON-T STAFF	108,280	2024		108,280		
Sub-Total	418,780		112,000	306,780		
Supply Of Goods						

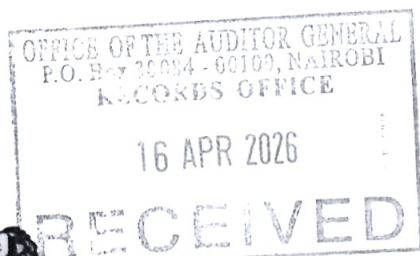
KIHEO SECONDARY SCHOOL

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

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2023-2024	Outstanding Balance 2022-2023	Comments
1. RUSADIV GENERAL AGENCIES	348,079	2020	-	348,079		
2. QWEST GENERAL MERCHANTS	153,049	2022	68,083	54,986		
3. GENERAL SCI-SCOPE SUPPLY HOUSE	582,627	2022	416,287	166,340		
4. OASIS OF HOPE	17,500	2023	-	17,500		
5. SAMUEL IRUNGU	-	-	-	-		
Sub-Total	1,101,255		484,370	586,905		
Supply Of Services						
6. ZERAKI ANALYTIC	18,568	2023	9,000	9,568		
7. LITEMORE LIMITED	27,580	2022	27,580	NIL		
8. KABUTECH GEN SALES & SUPPLIES	44,000	2022	44,000	NIL		
9. AJR TECHNOLOGY LIMITED	42,900	2022	42,900	NIL		
10. WORLDNET ENTERPRISES	17,000	2022	17,000	NIL		
11. JETLINK EDUCATIONAL ENT.	42,000	2023	15,000	27,000		
Sub-Total	192,048		155,480	36,568		
Grand Total	2,197,973		751,850	1,446,123		

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Quantity) 1 st July 2023	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2024
Land	1(3.34Ha)			
Buildings And Structures	8			
Motor Vehicles	-			
Office Equipment, Furniture and Fittings	55			
Textbooks	3,215			
ICT Equipment	2			
Tools And Apparatus	3,850			
Other Machinery and Equipment	-			
Heritage And Cultural Assets	3			
Intangible Assets- Soft Ware	1			
Total	7,135			



KIHEO SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2024

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

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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.

KIHEO SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2024****2. Key School Information and Management**

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

The school was registered in March 3 2016 under registration number 18-S-0030-0362 and is currently categorized as a SUB COUNTY public school established, owned or operated by the Government.

The school is a day/boarding school and had 133 number of students as at 30th June 2024. It has 1 streams and 10 teachers of which 3 teachers are employed by the School Board of Management.

(a) 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. Joseph Kamau	Chairman	12/5/2022
2	Mr. Stephen Kimani	Secretary	12/5/2022
3	Mrs.Magdaline w. Gichia	Member	12/5/2022
4	Mr.David N. Mwangi	Member	12/5/2022
5	Mr.James Gathu	Member	12/5/2022
6	Mrs. Susan Kuruga	Member	12/5/2022
7	Mr. Joseph N. Gathecha	Member	12/5/2022
8	Mrs.Millicent W. Karue	Member	12/5/2022
9	Mr. Harun Kimani K.	Member	12/5/2022
10	Mr. Elijah Mugo N.	Member	12/5/2022
11	Mr.Peter Muiruri	Member	12/5/2022
12	Mr. Sam Thuita M	Member	12/5/2022
13	Mr. Cleophas Kiragu	Member	12/5/2022
14	Mr. Denis oyiengo	Member	12/5/2022
15	Fr- in – Charge(igwamiti)	Members	12/5/2022
16	Miss Beth Njeri	Member	12/5/2022
17	Mr. John Guarua	Member	12/5/2022

The functions of the School Board of Management are to:

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, of 2013.
- Ensure and assure the provision of proper and adequate facilities for the School.
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School(CEB)
- 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.

(b) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1. Dr. Joseph Kamau 2. Mr. Stephen Kimani 3. Mrs. Magdaline W. Gichia 4. Mdm. Beth Njeri	Chairman Secretary Vice chairperson PA Chair	1
2	Audit Committee	1. Mr. Sam Thuita 2. Mr. Stephen Kimani 3. Mrs. Grace Mumbui 4. Mr. John Guarua	Chairman Secretary Member Member	NIL
3	Finance, procurement and general purposes Committee	1. Mr. Elijah Mugo Ngunjiri 2. Dr. Joseph K. Kamau 3. Mrs. Magdaline Gichia 4. Mrs. Millicent Karue	Chairman Secretary Member Member	NIL
4	Academic Committee	1. Mr. James Gathu G. 2. Mr. Harun Kimani 3. Mr. Stephen Kimani	Chairman Secretary Member	NIL

*KIHEO SECONDARY SCHOOL***Annual Report and Financial Statements For the year ended 30th June 2024**

5	Development Committee	1.Mr. Peter Muiruri 2.Mr. Stephen Kimani 3.Mrs.Beth Njeri 4.Mrs. Susan Kuruga	Chairman Secretary Member Member	1
6	Discipline and welfare Committee	1.Mr. David Ndung'u M. 2.Mr. Cleophas Kiragu 3.Fr-in-Charge-Fr.Karatu 4.Area assistant Chief	Chairman Secretary Member Member	NIL
7	Human Rights committee	1.Mr.Joseph N Gathecha 2.Mr.John Guarua 3.Mrs.Millicent Karue 4.Mr.Denis Oyiengo	Chairman Member Member Member	NIL

KIHEO SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2024**

(c) School operation Management

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

Ref:	Designation	Name	Identification
1	Principal	Mr. Stephen Kimani	337099.
2	Deputy Principal	Mr. Cleophas Kiragu	336596.
3	School Bursar	Miss Mary Njeri	-
4			

(d) Schools contacts

Post Office Box: 2228-20300; Nyahururu
Telephone: 0726492193
E-mail: kiheosecondaryschl@gmail.com
Website: N/A
Facebook:
Twitter:

(e) School Bankers

Provide details of the school bankers.

1.	Name of Bank:	EQUITY BANK.	Account Name
	Branch:	NYAHURURU	
	Account Number : 1	0160262316687	school Fund a/c
	: 2	0160262288306.	Operations a/c
	: 3	0160262288338.	Tuition a/c
	: 4	0160264930294.	Building fund a/c
	:5	0160277423735.	CDF a/c.
	:6.	0160262316558.	County fund a/c

(f) Independent Auditors

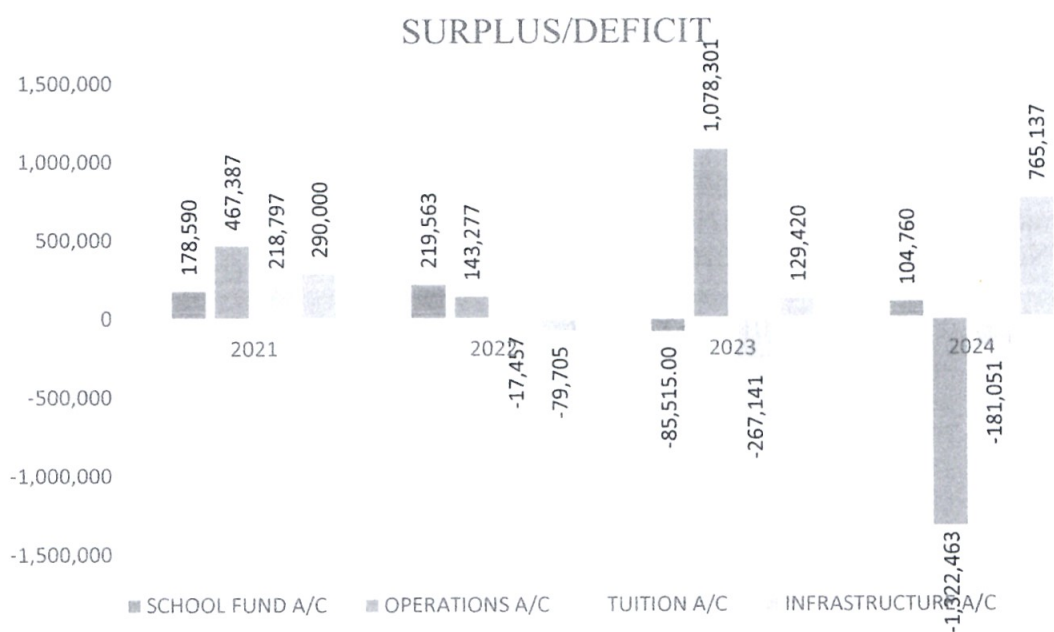
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

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:

- SURPLUS/DEFICIT FOR THE YEAR AND A COMPARISON OF THE SAME FOR THE LAST THREE YEARS					
SNO	ACCOUNTS	2024	2023	2022	2021
		Kshs	Kshs	Kshs	Kshs
1	School Fund Account	104,760	(85,515)	219,563	178,590
2	Operations Account	(1,322,463)	1,078,301	143,277	467,387
3	Tuition Account	(181,051)	(267,141)	(17,457)	218,797
4	Infrastructure Account	765,137	129,420	(79,705)	290,000
	TOTAL	(633,617)	855,065	265,678	1,154,774
	Increase/Decrease	(1,488,682)	589,387	(889,096)	-

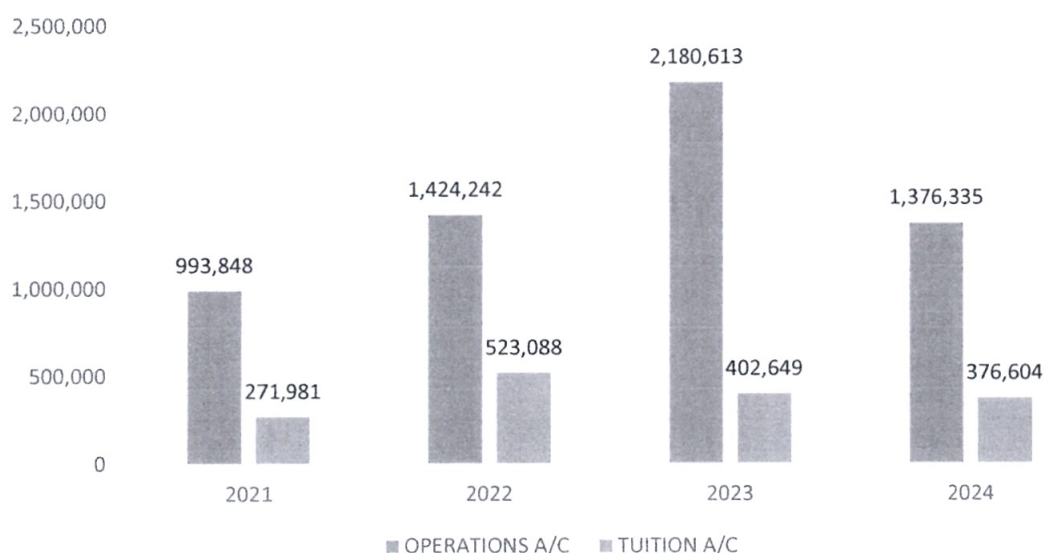


KIHEO SECONDARY SCHOOL

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

CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST THREE YEARS					
SNO	ACCOUNTS	2024	2023	2022	2021
		KSHS	KSHS	KSHS	KSHS
1	Operations Account	1,376,335	2,180,613	1,424,242	993,848
2	Tuition Account	376,604	402,649	523,088	271,981
	Total	1,752,939	2,583,262	1,947,330	1,265,829
	Increase/Decrease	(830,323)	635,932	681,501	-
	No of Students	151	175	180	180
	Ratio of Capitation per student	1:11,609	1:14,761	1:10,819	1:7,032

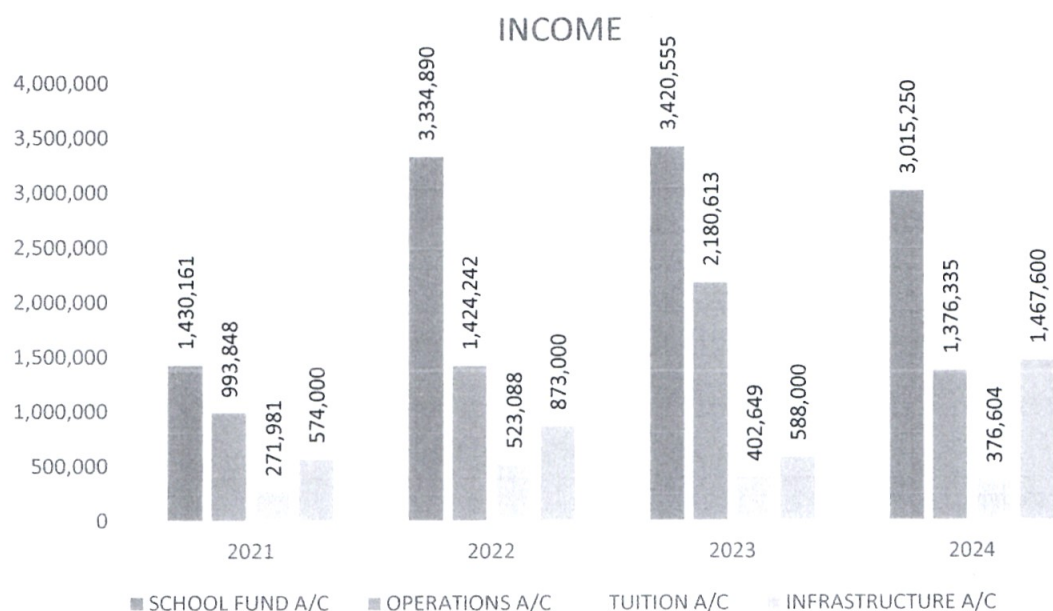
CAPITATION



OVERVIEW OF GROWTH IN INCOME OF THE SCHOOL					
SNO	ACCOUNTS	2024	2023	2022	2021
		Kshs	Kshs	Kshs	Kshs
1	School Fund Account	3,015,250	3,420,555	3,334,890	1,430,161
2	Operations Account	1,376,335	2,180,613	1,424,242	993,848
3	Tuition Account	376,604	402,649	523,088	271,981
4	Infrastructure Account	1,467,600	588,000	873,000	574,000
	Total	6,235,789	6,591,817	6,155,220	3,269,990
	Increase/Decrease	(356,028)	436,597	2,885,230	-

KIHEO SECONDARY SCHOOL

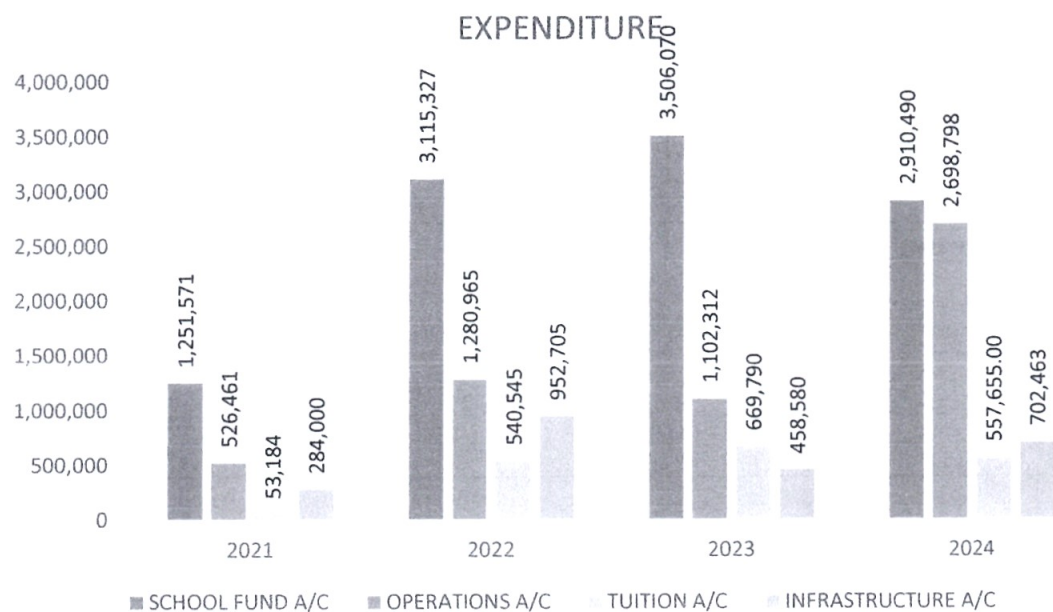
Annual Report and Financial Statements For the year ended 30th June 2024



OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL					
SNO	ACCOUNTS	2024	2023	2022	2021
		Kshs	Kshs	Kshs	Kshs
1	School Fund Account	2,910,490	3,506,070	3,115,327	1,251,571
2	Operations Account	2,698,798	1,102,312	1,280,965	526,461
3	Tuition Account	557,655.00	669,790	540,545	53,184
4	Infrastructure Account	702,463	458,580	952,705	284,000
	Total	6,869,406	5,736,752	5,889,542	2,115,216
	Increase/Decrease	1,132,654	(152,790)	3,774,326	(2,256,825)

KIHEO SECONDARY SCHOOL

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

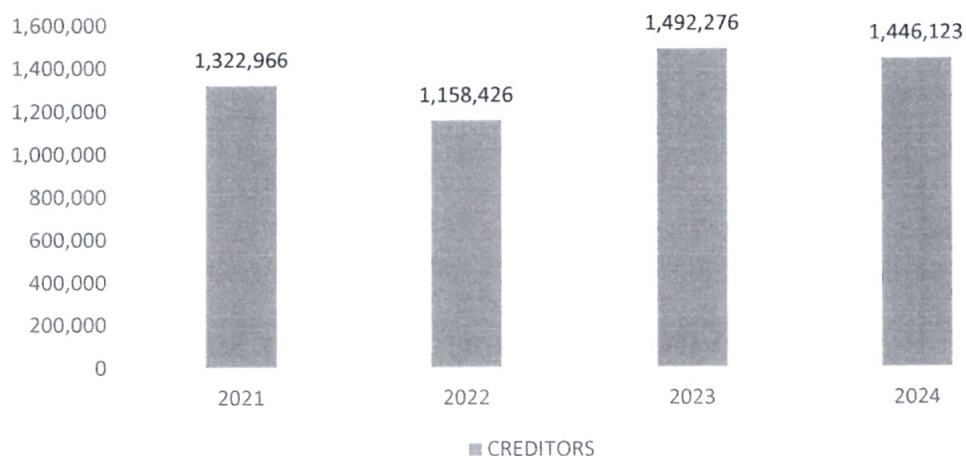


MOVEMENT OF DEBTORS OF THE SCHOOL					
SNO	ACCOUNTS	2024	2023	2022	2021
1	(I,II,III,IV)	KSHS	KSHS	KSHS	KSHS
a	Debtors	844,736	920,987	794,897	570,977
	Total	844,736	920,987	794,897	570,977
	Increase/Decrease	(76,251)	126,090	223,920	-

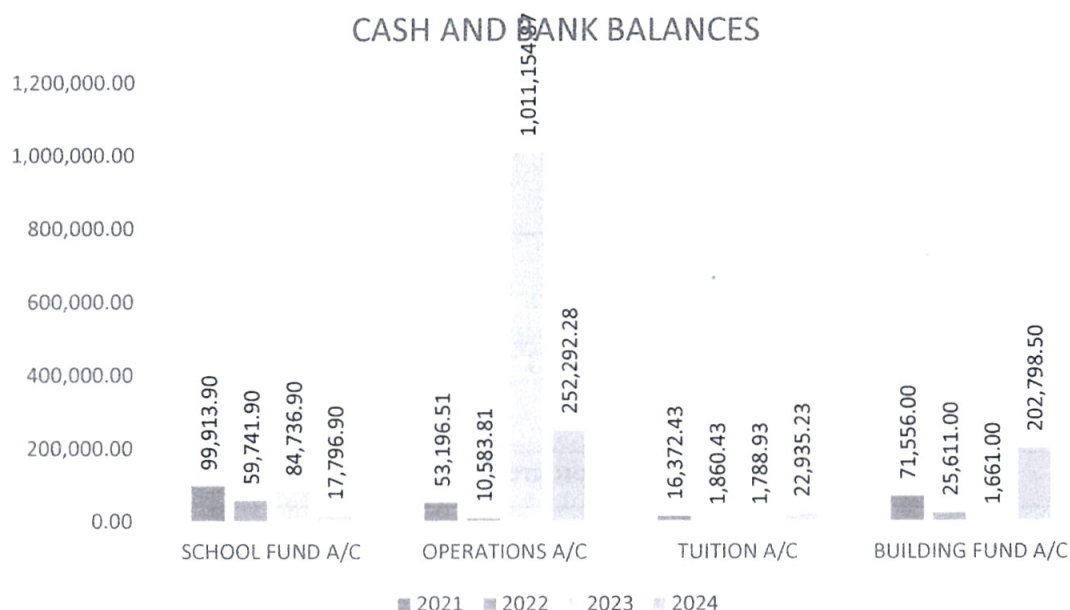


MOVEMENT OF CREDITORS OF THE SCHOOL					
SNO	ACCOUNTS	2024	2023	2022	2021
1	(I,II,III,IV)	KSHS	KSHS	KSHS	KSHS
a	Creditors	1,446,123	1,492,276	1,158,426	1,322,966
	Total	1,446,123	1,492,276	1,158,426	1,322,966
	Increase/Decrease	(46,153)	333,850	(146,320)	-

CREDITORS



MOVEMENT OF CASH AND BANK BALANCES					
SNO	ACCOUNTS	2024	2023	2022	2021
		KSHS	KSHS	KSHS	KSHS
1	School Fund Account	17,797	84,737	59,742	99,914
2	Operations Account	252,292	1,011,155	10,584	53,197
3	Tuition Account	22,935	1,789	1,860	16,372
4	Infrastructure Account	202,799	1,661	25,611	71,556
	Total	495,823	1,099,342	97,797	241,039
	Increase/Decrease	(603,519)	1,001,545	(143,242)	198,318



b) Teacher Student ratio:

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

There are 7 teachers posted by the Teachers Service Commission and 3 recruited by the Board of Management.

Although the teacher student ratio lies at 1: 14. We have a shortage of 3 teachers from the given CBE.

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

YEAR	ENROLMENT	MEAN	TRANSITION	TRANSITION (%)	SCHOOL TARGET	COMMENTS
2023	61	2.4318	44	72.1	3.036	Negative deviation of 0.193 in the mean grade
2022	34	2.625	32	94.1	3.109	Positive deviation of 0.220 in the mean grade.
2021	42	2.405	42	100	3.450	Negative deviation of 0.401 in the mean grade.

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

YEAR	2024	2023	2022	2021
KCSE CANDIDATES	35	44	34	42

e) The capacity of the school:

NO.OF STUDENT	DORMITORIES	DINING HALL	LABORATORIES	TOILETS
133	None	In progress	1	8

f) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Construction of laboratory	Parents	Completed	1,200,000	1,200,000	Completed
Dining hall	Ministry of education(TIG)	In-Progress	3,300,000	800,000	1 year

.....

School Principal

KIHEO SECONDARY SCHOOL

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

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

Description Of Vote Head	Note	2023-2024	2022-2023
		Kshs	Kshs
Receipts			
Government grants for tuition	1	376,604	402,649
Government grants for operations	2	1,376,335	2,180,613
Government Grants for infrastructure	3	1,467,600	588,000
School fund income- parents' contributions	4	3,015,250	3,420,555
Miscellaneous incomes	-	-	-
Total Receipts		6,235,789	6,591,817
Payments			
Tuition	5	557,655	669,790
Operations	6	2,698,798	1,102,312
Infrastructure	7	702,463	458,580
Boarding and school fund	8	2,910,490	3,506,070
Total Payments		6,869,406	5,736,752
Surplus/Deficit		(633,617)	855,065

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

.....

Name: MAGDALENE GICHA

Chair BOM

Date: 14/4/2026

.....

Name: STEPHEN KIMAN
School Principal/ Secretary to BOM

Date: 14/04/2026

.....

Name: MART NGERI
Bursar/ Finance Officer

Date: 14/4/2026.

KIHEO SECONDARY SCHOOL

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

7. Statement of Assets and Liabilities As At 30th June 2024

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	9	495,823	1,030,342
Cash balances	10	-	69,000
Short term investments		-	-
Total cash and cash equivalent		495,823	1,099,342
Account's receivables	11	844,736	920,987
Total financial assets (a)		1,340,559	2,020,329
Financial liabilities			
Accounts payables	12	1,446,123	1,492,276
Total Financial Liabilities (b)		-	-
Net financial assets (a-b)		(105,564)	528,053
Represented by			
Accumulated fund b/fwd	13	528,053	(327,012)
Surplus/deficit for the year		(633,617)	855,065
Net Assets		(105,564)	528,053

The school's financial statements were approved on _____ 2026 and signed by:

.....
 Name: MARGARET CICHWA Name: STEPHEN KIMANI Name: MARY NGERI
 Chair BOM School Principal/ Secretary to BOM Bursar/ Finance Officer
 Date: 14/4/2026 Date: 14/04/2026 Date: 14/4/2026

KIHEO SECONDARY SCHOOL

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

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

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition	1	376,604	402,649
Government grants for operations	2	1,376,335	2,180,613
Government grants for infrastructure	3	1,467,600	588,000
School fund income- parents contributions/ fees	4	2,919,940	3,658,330
Other income		-	-
Total receipts		6,140,479	6,829,592
Payments			
Cash outflows for tuition	5	557,655	669,790
Cash outflows for operations	6	2,698,798	1,102,312
Cash outflows Boarding/lunch and school fund payments	7	3,035,082	3,616,085
Cash outflow for infrastructure	8	702,463	458,580
Total payments		6,993,998	5,846,767
Net cash inflow/outflow from operating activities		(853,519)	982,825
Cash flow from investing activities			
Acquisition of assets			-
Proceeds from sale of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash inflow/outflows from investing activities		(853,519)	982,825
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		(853,519)	982,825
Cash and cash equivalent at beginning of the FY		1,099,342	116,517
Cash and cash equivalent at end of the FY		495,823	1,099,342

(The above presentation of the cash flow statement uses the direct method of cash flow presentation.

KIHEO SECONDARY SCHOOL

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

The school's financial statements were approved on _____ 2026 and signed by:

..... Name: <i>MARGARENE GICHIA</i> Chair BOM Date: <i>14/4/2026</i>	 Name: <i>STEPHEN KIMANI</i> School Principal/ Secretary to BOM Date: <i>14/04/2026</i>	 Name: <i>MARY NJERI</i> Bursar/ Finance Officer Date: <i>14/4/2026</i>
---	--	---

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
<i>(1) Capitation Grant on Tuition</i>					
Reference Materials	-	-	-	-	-
Exercise Books	-	-	-	-	-
Laboratory Equipment	-	-	-	-	-
Internal Exams	-	-	-	-	-
Teaching / Learning Materials	551,152	-	551,152	376,604	68.3 %
Exams And Assessment	-	-	-	-	-
<i>(2) Capitation Grant on Operations</i>					
Personnel Emoluments	1,383,200	-	1,383,200	1,376,335	99.5%
Repairs And Maintenance	-	-	-	-	-
Local Transport / Travelling	-	-	-	-	-
Electricity And Water	-	-	-	-	-
Medical	-	-	-	-	-
Administration Costs	-	-	-	-	-
Activity	-	-	-	-	-
Gratuity	-	-	-	-	-
	-	-	-	-	-
<i>3) FDSE for infrastructure</i>					
Maintenance &Improvement MoE	532,000	-	532,000	467,600	87.9%

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
M&I parents' contribution	-	-	-	-	-
Economic Stimulus Programs	-	-	-	-	-
Transition Infrastructure Grants	3,300,000	-	3,300,000	1,000,000	33.3%
Administration Block	-	-	-	-	-
(4) Fees Charged on Parents					
Personnel Emoluments	-	-	-	-	-
Repairs And Maintenance	-	-	-	-	-
Local Transport / Travelling	-	-	-	-	-
Electricity And Water	-	-	-	-	-
Medical	-	-	-	-	-
Administration Costs	-	-	-	-	-
Activity	-	-	-	-	-
SMASSE	-	-	-	-	-
Lunch Programme	2,194,500	-	2,194,500	2,919,940	133%
5) Miscellaneous Income					
Loans / Borrowing	-	-	-	-	-
Rent income	-	-	-	-	-
Income From Farming Activities	-	-	-	-	-
Insurance Compensation	-	-	-	-	-
Income From Posho Mill	-	-	-	-	-
Income From Bus Hire	-	-	-	-	-
Fee For Hire of Ground and Equipment	-	-	-	-	-

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
Interest Income	-	-	-	-	-
Income From Any Other Investment	-	-	-	-	-
Total Income	7,960,852	-	7,960,852	6,140,479	77%
(6) Expenditure For Tuition					
Textbooks	-	-	-	-	-
Reference Materials	-	-	-	-	-
Exercise Books	-	-	-	-	-
Laboratory Equipment	-	-	-	-	-
Internal Exams	-	-	-	-	-
Teaching / Learning Materials	551,152	-	551,152	557,655	101 %
Chalks	-	-	-	-	-
Exams And Assessment	-	-	-	-	-
Teachers Guides	-	-	-	-	-
Administration Costs	-	-	-	-	-
Bank Charges	-	-	-	-	-
(7) Expenditure For Operations					
Personnel Emoluments	1,383,200	-	1,383,200	2,698,798	195%
Repairs, Maintenance & Improvements	-	-	-	-	-
Local Transport / Travelling	-	-	-	-	-
Electricity, Water and Conservancy	-	-	-	-	-
Medical	-	-	-	-	-
Administration Costs	-	-	-	-	-

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Activity Expenses	-	-	-	-	-
Gratuity	-	-	-	-	-
SMASSE	-	-	-	-	-
<i>(8) Expenditure For infrastructure</i>					
Construction of classrooms	-	-	-	-	-
Maintenance and Improvement expe	3,832,000	-	3,832,000	702,463	18%
Construction of dining	-	-	-	-	-
Purchase of furniture	-	-	-	-	-
Purchase of equipment	-	-	-	-	-
Purchase of machinery	-	-	-	-	-
<i>(9) Expenditure For school fund/lunch/boarding</i>					
Personnel Emoluments	-	-	-	-	-
Repairs, Maintenance and Improvements	-	-	-	-	-
Local Transport / Travelling	-	-	-	-	-
Electricity, Water and Conservancy	-	-	-	-	-
Medical Expenses	-	-	-	-	-
Administration Costs	-	-	-	-	-
Activity	-	-	-	-	-
Gratuity	-	-	-	-	-
Lunch Programme	2,194,500	-	2,194,500	3,035,082	138%

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Boarding Equipment and Stores	-	-	-	-	-
Expenditure For Income Generating Activity	-	-	-	-	-
Insurance Costs	-	-	-	-	-
Other Expenses On Investments	-	-	-	-	-
Rent Expenses	-	-	-	-	-
Bank Charges	-	-	-	-	-
Loan Interest Repayment	-	-	-	-	-
Loan Principal Repayment	-	-	-	-	-
Acquisition Of Assets	-	-	-	-	-
Totals	7,960,852	-	7,960,852	6,993,998	88%

- i. The school has only received 77% of the total income from 1st July 2023 to 30th June 2024
- ii. The school has only utilized 88% of the amount received from 1st July 2023 to 30th June 2024

10. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

Cash and cash equivalents comprise cash 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 2024.

11. Notes To the Financial Statements

1 Government Grants for Tuition

Description	2023-2024	2022-2023
	Kshs	Kshs
Reference Materials	-	-
Exercise Books	-	-
Laboratory Equipment	-	-
Internal Exams	-	-
Teaching / Learning Materials	376,604	402,649
Transfer from Operations A/c	-	-
Transfer from School Fund A/c	-	-
Total	376,604	402,649

2 Government Grants for Operations

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	-	-
Repairs And Maintenance	-	-
Local Transport / Travelling	-	-
Electricity And Water	-	-
Other voteheads	1,376,335	2,180,613
Administration Costs	-	-
Activity	-	-
Transfer from Infrastructure A/c	-	-
Total	1,376,335	2,180,613

3 Government Grants for infrastructure

Description	2023-2024	2022-2023
	Kshs	Kshs
Maintenance & Improvement	1,467,600	588,000
Transition infrastructure grants	-	-
Administration Block	-	-
Economic stimulus grants	-	-
Adm costs	-	-
Total	1,467,600	588,000

4 School Fund Income - Parents Contribution/Fees

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel emoluments	643,965	-
Repairs and maintenance	-	-
Local transport / travelling	-	-
Electricity and water	-	-
Medical	-	-
Administration costs	10,700	-
Activity	-	-
Lunch programme	1,462,285	3,420,555
PA Levies*	-	-
Others (specify)	-	-
Total	2,116,950	3,420,555
Adjustment for cashflow		
Statement of receipt and payment	2,116,950	3,420,555
less:receivables paid during the year	(289,485)	(167,735)
Add:receivables for the year	194,175	405,510
cashflow	2,919,940	3,658,330

5 Tuition

Description	2023-2024	2022-2023
	Kshs	Kshs
Exercise Books & Stationeries	-	-
Textbooks	-	-
Reference materials	-	-
Laboratory Equipment	-	-
Teaching / Learning Materials	287,585	334,790
Internal Exams	-	-
Teachers Guides	-	-
Bank Charges	-	-
Others (specify)	-	-
Total	287,585	334,790
Adjustment for cashflow		
Tuition as per receipt and payment	287,585	334,790

*KIHEO SECONDARY SCHOOL***Annual Report and Financial Statements For the year ended 30th June 2024**

Add:creditors paid over the year	270,070	335,000
cashflow	557,655	669,790

6 Operations

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	213,660	-
Other voteheads	-	-
Administration Cost	751,960	757,840
Repairs And Maintenance & Improvements	-	-
Local Transport / Travelling	1,100	2,730
Electricity And Water	-	3,000
Transfer to Tuition a/c	-	-
Activity Expenses	225,320	296,080
Insurance Cost	35,653	36,232
Transfer to Infrastructure A/c	1,467,600	-
Bank charges	3,505	6,430
Total	2,698,798	1,102,312
Operations as per receipt and payment	-	1,102,312
Add:creditors paid	-	190,000
cashflow	2,698,798	1,292,312

7.Infrastructure

Description	2023-2024	2022-2023
	Kshs	Kshs
Construction of classrooms	-	-
Construction of laboratory	-	-
Construction of dormitory	-	-
Purchase of furniture	-	-
Purchase of equipment	-	-
Transfer to Operations A/c	-	-
Bank Charges	4,403	1,620
Maintenance and improvement funds	698,060	456,960
Total	702,463	458,580

8.Boarding And School Fund

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	1,083,500	1,294,300
Service Gratuity	-	-
Repairs And Maintenance & Improvements	27,965	54,160
Local Transport / Travelling	34,990	46,690
Electricity And Water	33,780	14,000
Medical Expenses	-	-
Administration Costs	716,265	614,595
Lunch Programme	907,500	1,391,240
Bank Charges	8,840	10,330
Expenses On Income Generating Activities	-	-
Transfer to Tuition A/c	-	-
Tuition (ses)	39,565	11,085
Insurance Cost (<i>Life Property</i>)	-	-
Farm	4,900	11,300
Activity Expenses	53,185	58,370
Acquisition Of Assets	-	-
PA expenses	-	-
Others (specify)	-	-
Total	2,910,490	3,506,070

9. Bank Accounts

Account Name & Currency	Status	Bank Account Number	2023-2024	2022-2023
	Active/Dormant		Kshs	Kshs
Tuition Account			22,935	1,789
Operations Account			252,292	1,011,155
School Fund Account/Boarding			17,797	15,737
Savings Account			-	-
Parent Association Development Account			-	-
Income Generating Activities Account			-	-
Infrastructural Account			202,799	1,661
Total			495,823	1,030,342

10. Cash In Hand

Description	2023-2024	2022-2023
	Kshs	Kshs
School Fund A/c	-	69,000
Total	-	69,000

11a. Accounts Receivable

Description	2023-2024	2022-2023
	Kshs	Kshs
Fees Arrears	844,736	920,957
Other Non-Fees Receivables	-	-
Salary Advances (list/schedule attached)	-	-
Imprest (list/schedule attached)	-	-
Rent arrears (list/schedule attached)	-	-
Total	844,736	920,957

KIHEO SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2024****11 b) Ageing Analysis of Accounts Receivable**

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	2023-2024	% of the total	2022-2023	% of the total
Less than 1 year	194,175	33.7 %	405,510	60.4%
Between 1- 2 years	595,465	66.3 %	189,955	28.3%
Between 2-3 years	344,581	%	493,227	11.3%
Over 3 years	-	%	-	%
Total	1,134,221	100 %	1,088,692	100 %
Less:paid over the year	(289,485)		(167,735)	
Total receivables	844,736		920,957	

12a.Accounts Payable

Description	2023-2024	2022-2023
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	1,446,123	1,492,276
Prepaid Fees	-	-
Retention Monies	-	-
Unpaid salaries and statutory deductions	-	-
Caution money	-	-
Other Non-Creditors	-	-
Total	1,446,123	1,492,276

12b. Ageing Analysis of Accounts Payable

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	2023-2024	% of the total	2022-2023	% of the total
Less than 1 year	593,697	38.3 %	798,850	46.7 %
Between 1- 2 years	798,850	51.5 %	535,140	28.4 %
Between 2-3 years	693,426	10.3 %	703,286	24.9 %
Over 3 years	-	%	-	%
Total	2,085,973	100 %	2,037,276	100 %
Less:paid over the year	(751,850)		(545,000)	
Total payables	1,446,123		1,492,276	

13.Fund Balance Brought Forward

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank Balances	1,030,342	73,797
Cash Balances	69,000	24,000
Short Term Investments	-	-
Receivables	920,987	794,897
Payables	(1,492,276)	(1,238,426)
Total	528,053	(327,012)

KIHEO SECONDARY SCHOOL

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

Other important disclosure notes

14. Biological assets

Description	Numbers	2023-2024	2022-2023
		Quantity	Quantity
Cattle		-	-
Goats		-	-
Trees		25	20
Coffee Or Tea Plantation		-	-
Poultry		-	-
Ram		1	1
Sheep		4	2
Total		30	23

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

Other important disclosure notes

15. Stock/ Inventory

Description	2023-2024	2022-2023
	Kshs	Kshs
Food stuffs	20,200	60,500
Lab consumables	62,125	45,300
Farm produce	-	-
Medication	-	-
Construction Materials	125,850	27,000
Others (specify)	-	-
	208,175	132,800

16. Progress On Follow Up of Auditor Recommendations

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



Sign and Date 14/04/2026
Principal

KIHEO SECONDARY SCHOOL

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

17. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2023-2024	Outstanding Balance 2022-2023	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1.						
2.						
Sub-Total						
School expenses						
1. SALARY ARREARS(BOM –T/NON-T)	225,370	2020	-	225,370		
2.ADMIN(STEPHEN KIMANI)	205,000	2023	-	205,000		
4.BEATRICE NJENGA(WORKSHOP)	85,500	2022	-	85,500		
Sub-Total	515,870			515,870		
Operation a/c Expenses						
1.STEPHEN KIMANI(WORKSHOP)	290,500	2022	112,000	178,500		
2.ESTHER KIGWA(WORKSHOP)	20,000	2024	-	20,000		
3.SALARIES(BOM T/NON-T STAFF	108,280	2024		108,280		
Sub-Total	418,780		112,000	306,780		
Supply Of Goods						

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Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2023-2024	Outstanding Balance 2022-2023	Comments
1. RUSADIV GENERAL AGENCIES	348,079	2020	-	348,079		
2. QWEST GENERAL MERCHANTS	153,049	2022	68,083	54,986		
3. GENERAL SCI-SCOPE SUPPLY HOUSE	582,627	2022	416,287	166,340		
4. OASIS OF HOPE	17,500	2023	-	17,500		
5. SAMUEL IRUNGU	-	-	-	-		
Sub-Total	1,101,255		484,370	586,905		
Supply Of Services						
6. ZERAKI ANALYTIC	18,568	2023	9,000	9,568		
7. LITEMORE LIMITED	27,580	2022	27,580	NIL		
8. KABUTECH GEN SALES & SUPPLIES	44,000	2022	44,000	NIL		
9. AJR TECHNOLOGY LIMITED	42,900	2022	42,900	NIL		
10. WORLDNET ENTERPRISES	17,000	2022	17,000	NIL		
11. JETLINK EDUCATIONAL ENT.	42,000	2023	15,000	27,000		
Sub-Total	192,048		155,480	36,568		
Grand Total	2,197,973		751,850	1,446,123		

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Quantity) 1 st July 2023	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2024
Land	1(3.34Ha)			
Buildings And Structures	8			
Motor Vehicles	-			
Office Equipment, Furniture and Fittings	55			
Textbooks	3,215			
ICT Equipment	2			
Tools And Apparatus	3,850			
Other Machinery and Equipment	-			
Heritage And Cultural Assets	3			
Intangible Assets- Soft Ware	1			
Total	7,135			