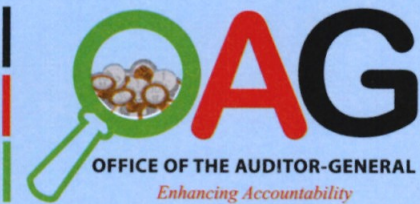


REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY
PAPERS LAID

REPORT 01 JUN 2026

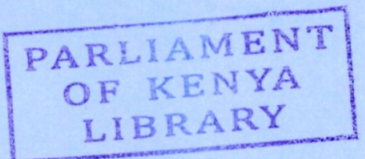
DAY: Wed

TABLED BY: Hon. Owen Yaa
Deputy Majority Leader

OF

OF THE TABLE:

THE AUDITOR-GENERAL



ON

KIHEO
SECONDARY SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2022

NYANDARUA COUNTY





KIHEO SECONDARY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2022

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

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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, 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 180 number of students as at 30th June 2022. It has 1 stream and 10 teachers of which 3 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

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

Ref:	Name of Board Member	Designation	Date of appointment
1	Dr. Joseph Kamau	Chairman	12/3/2022
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	Fr- in – Charge(igwamiti)	Member	12/5/2022
14	Mr. Cleophas Kiragu	Member	12/5/2022
15	Miss Beth Njeri	Member	12/5/2022
16	Mr. John Guarua	Member	12/5/2022
17	Mr. Denis oyiengo	Member	12/5/2022

The function of the School Board of Management include:

- 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 pupils' discipline and make reports to the CEB
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB
- Administer and manage the resources of the School
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule para 21 and 23 of the Basic Education Act, 2013.

(c) Committees of the Board

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

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

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

(d) School operation Management

For the financial year ended 30th June 2022 the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	Mr. Stephen Kimani	337099
2	Deputy Principal	Mr. Cleophas Kiragu	336596

3	School Bursar	Miss Mary Njeri	-

(d) Schools contacts

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

(e) School Bankers

The following school operated 5 number of bank accounts in the following bank: (Ensure all accounts including CDF accounts are included)

- | | | | |
|----|--------------------|---------------|-------------------|
| 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 |
| 2. | MPESA Pay Bill No. | None | |

(f) Independent Auditors

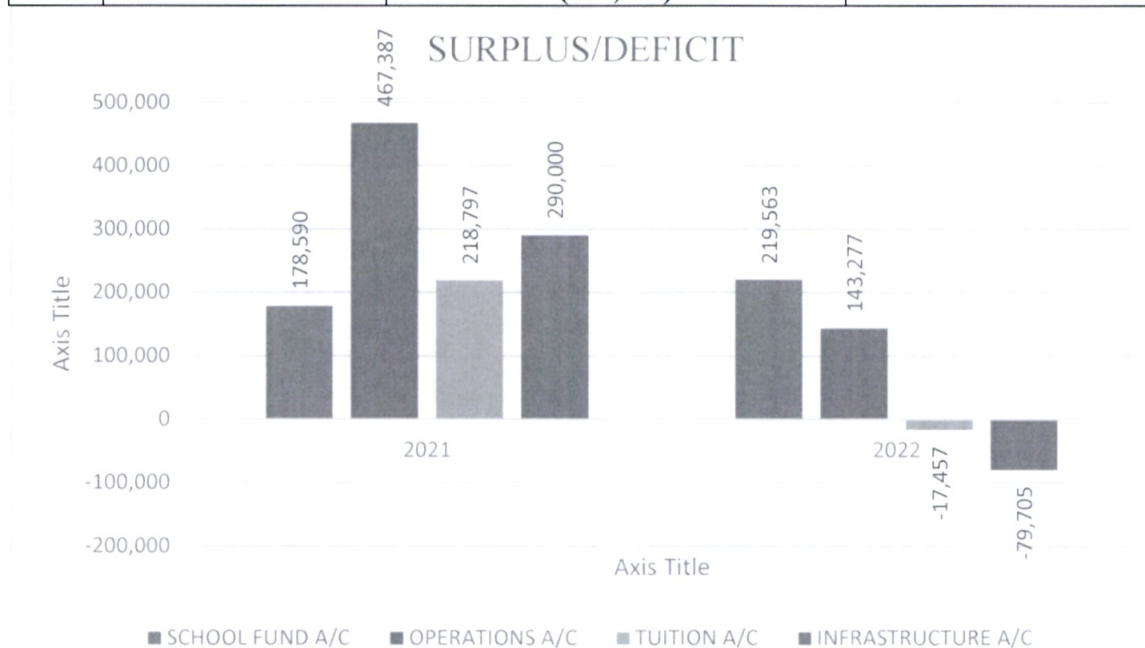
Office of the Auditor General
 Anniversary Towers, University Way
 P.O. Box 30084
 GPO 00100
 Nairobi, Kenya

II. Summary Report Of Performance Of The School

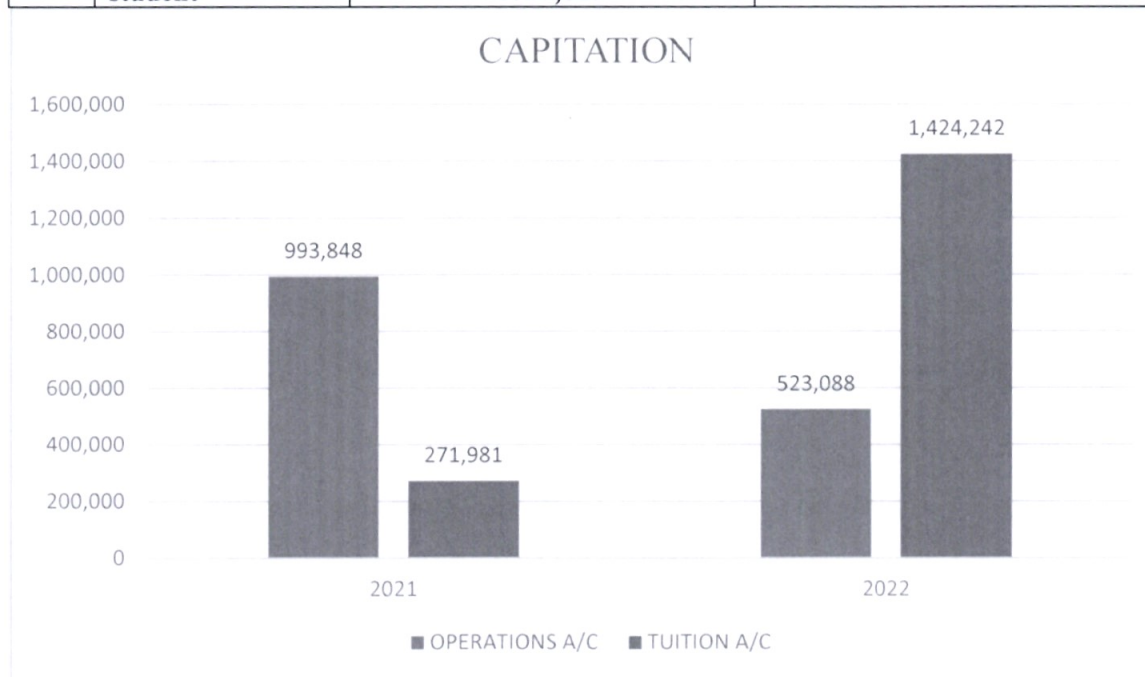
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) Financial performance:

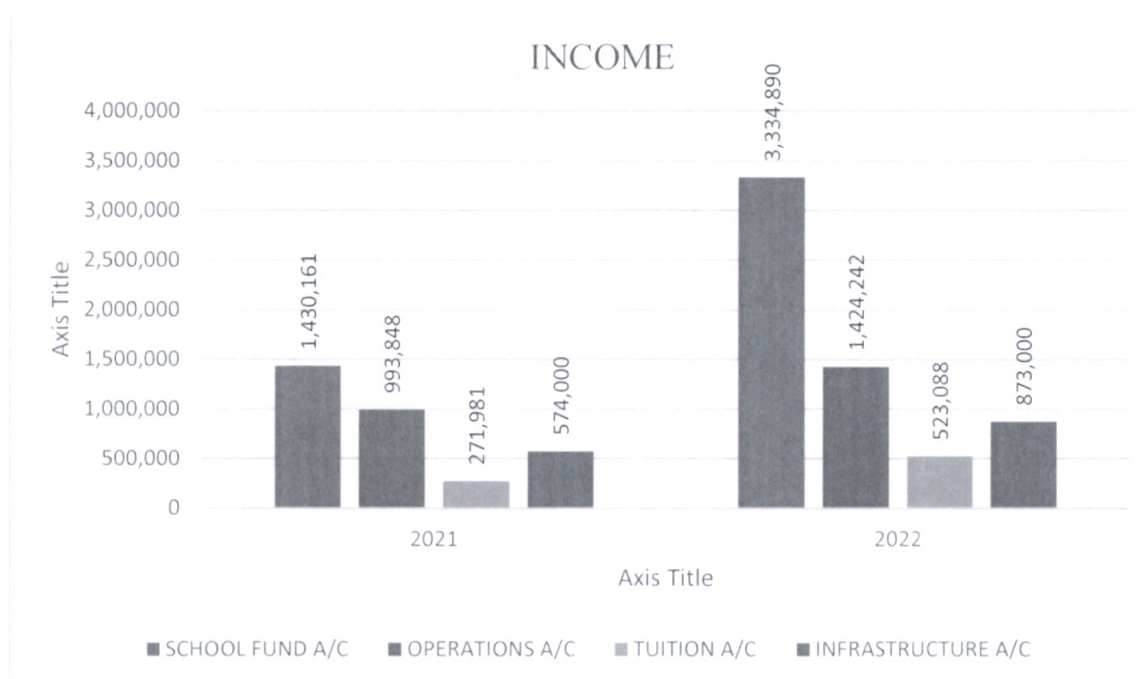
SURPLUS/DEFICIT FOR THE YEAR AND A COMPARISON OF THE SAME FOR THE LAST SIX MONTH PERIOD			
SNO	ACCOUNTS	2022	2021
		Kshs	Kshs
1	School Fund Account	219,563	178,590
2	Operations Account	143,277	467,387
3	Tuition Account	(17,457)	218,797
4	Infrastructure Account	(79,705)	290,000
	TOTAL	265,678	1,154,774
	Increase/Decrease	(889,096)	



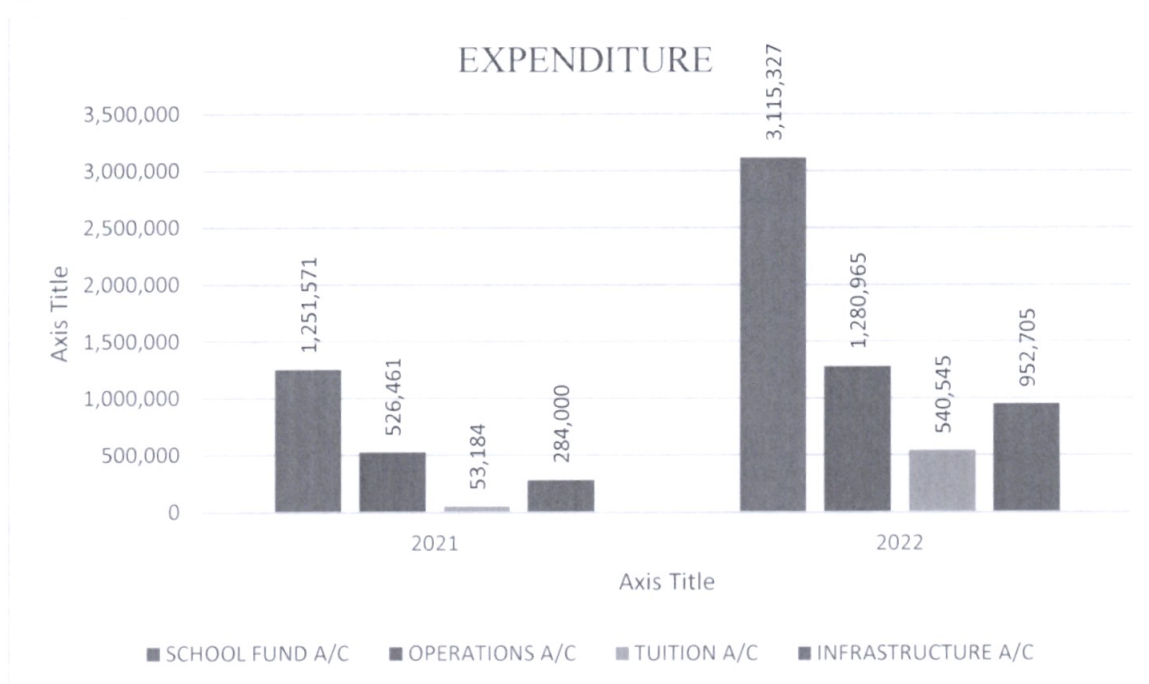
CAPITATION GRANTS FROM THE MINISTRY OF EDUCATION FOR THE LAST SIX MONTHS			
SNO	ACCOUNTS	2022	2021
		KSHS	KSHS
1	Operations Account	523,088	993,848
2	Tuition Account	1,424,242	271,981
	Total	1,947,330	1,265,829
	Increase/Decrease	681,501	
	No of Students	180	180
	Ratio of Capitation per student	1:10,819	



OVERVIEW OF GROWTH IN INCOME OF THE SCHOOL			
SNO	ACCOUNTS	2022	2021
		Kshs	Kshs
1	School Fund Account	3,334,890	1,430,161
2	Operations Account	1,424,242	993,848
3	Tuition Account	523,088	271,981
4	Infrastructure Account	873,000	574,000
	Total	6,155,220	3,269,990
	Increase/Decrease	2,885,230	-



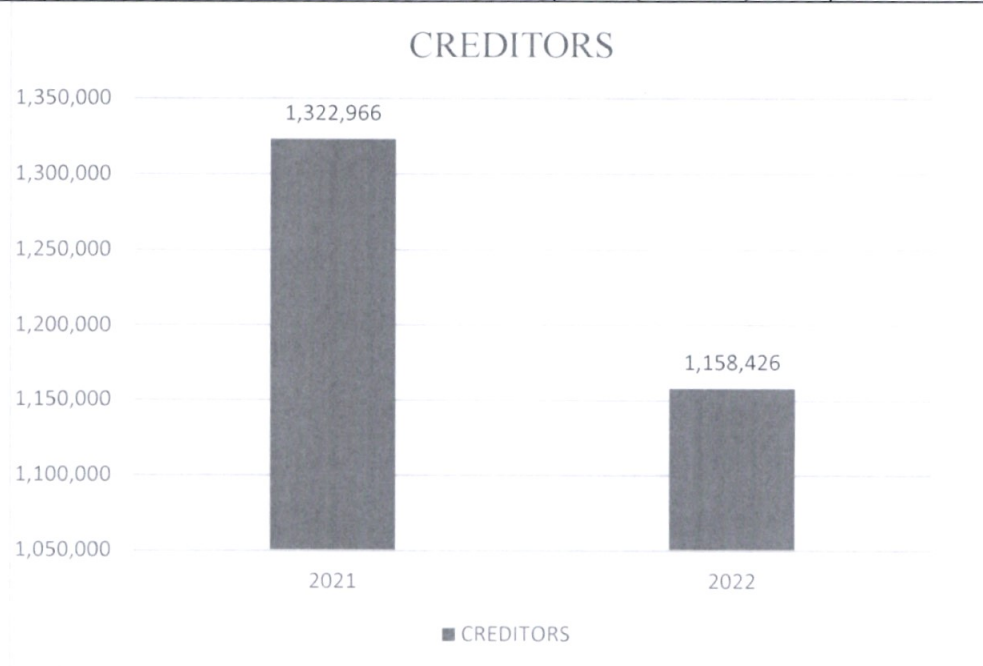
OVERVIEW OF GROWTH IN EXPENDITURE OF THE SCHOOL			
SNO	ACCOUNTS	2022	2021
		Kshs	Kshs
1	School Fund Account	3,115,327	1,251,571
2	Operations Account	1,280,965	526,461
3	Tuition Account	540,545	53,184
4	Infrastructure Account	952,705	284,000
	Total	5,889,542	2,115,216
	Increase/Decrease	3,774,326	-



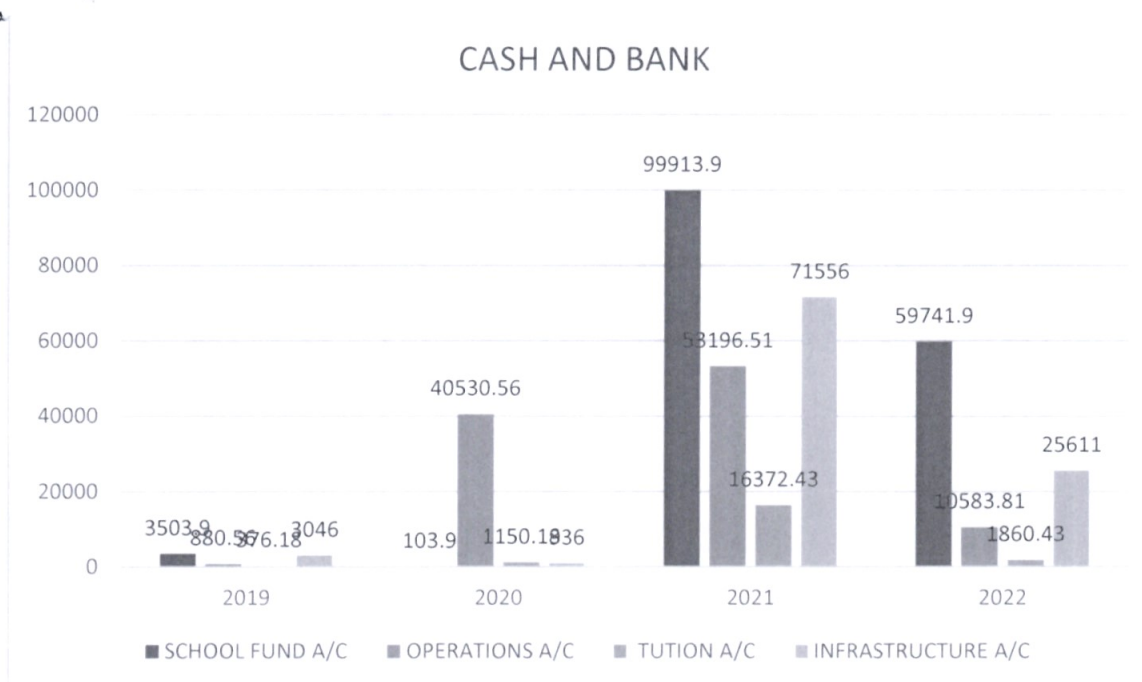
MOVEMENT OF DEBTORS OF THE SCHOOL			
SNO	ACCOUNTS	2022	2021
1	I,II,III,IV	KSHS	KSHS
a	Debtors	794,897	570,977
	Total	794,897	570,977
	Increase/Decrease	223,920	-



MOVEMENT OF CREDITORS OF THE SCHOOL			
SN O	ACCOUNTS	2022	2021
1	All Accounts(Tuition,operations,School fund & Infrastructure.	KSHS	KSHS
a	Creditors	1,158,426	1,322,966
	Total	1,158,426	1,322,966
	Increase/Decrease	(164,540)	-



MOVEMENT OF CASH AND BANK BALANCES					
SNO	ACCOUNTS	2022	2021	2020	2019
		KSHS	KSHS	KSHS	KSHS
1	School Fund Account	59,742	99,914	104	3,504
2	Operations Account	10,584	53,197	40,531	881
3	Tuition Account	1,860	16,372	1,150	376
4	Infrastructure Account	25,611	71,556	936	3,046
	Total	97,797	241,039	42,721	7,807
	Increase/Decrease	(143,242)	198,318.	34,914	(29,696)



Between the month of July 2021 and June 2022, 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: 18. We have a shortage of 3 teachers from the given CBE.

b) Mean score in the 2019,2020 and 2021 KCSE:

YEAR	ENROLMENT	MEAN	TRANSITION	TRANSITION (%)	SCHOOL TARGET	COMMENTS
2021	42	2.405	42	100	3.450	Negative deviation of 0.512 in the mean grade.
2020	37	2.917	36	97.0	3.50	Negative deviation of 0.401 in the mean grade.
2019	23	3.318	22	97.0	3.00	Positive deviation of 0.611 in the mean grade.

c) Number of Candidates in the 2019,2020 and 2021 KCSE:

YEAR	2022	2021	2020	2019
KCSE CANDI DATES	34	42	37	23

d) Capacity of the school:

NO.OF STUDENT	DORMITORIES	DINING HALL	LABORATORIES	TOILETS
180	Day school	None	None	8

*Summary Report of the Performance of the School (Continued)***e) Development projects carried out by the school:**

Sno.	Project	Year	Status	Amount	Fund Source
3.	Construction of 2 Classrooms	2020-2022	completed	2,600,000	Maintenance & Improvement from G.O.K


.....**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 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 be 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, 2022, and of the school's financial position as at that date.



.....
Name: MARGARET CICHIN

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 NJERI

Designation: Bursar/ Finance Officer

Date: 14/4/2026

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KIHEO SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 – 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 18 to 35, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of

cash flows and statement of budgeted versus actual amounts for the year then ended and a summary of significant accounting policies and other 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, 2022 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 provided for audit revealed variances between the amounts reported in the financial statements and 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.
			Kshs.
Payments for Tuition	620,545	950,685	(330,140)
Payments for Infrastructure	952,705	1,288,145	(335,440)
Boarding and School fund Payments	3,115,327	3,150,327	(35,000)
Accounts Receivables	794,897	722,642	72,255

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

2. Inaccuracies in Cash and Cash Equivalents Balance

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.116,517 as disclosed in Note 9 and Note 10 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.504,600 which was not disclosed in the financial statements. Further, receipts and payments amounting to Kshs.504,300 and Kshs.360 respectively relating to this account were not disclosed in the financial statements resulting to an understatement of revenue and expenditure by the same amounts.

In the circumstances, the accuracy of the cash and cash equivalents balance of Kshs.116,517 could not be confirmed.

3. Unsupported Accounts Payables

The statement of financial assets and financial liabilities reflect payables balance of Kshs.1,238,426 as disclosed in Note 12 to the financial statements. However, supporting documents such as invoices, payment vouchers, delivery notes, and contracts were not provided for audit.

In the circumstances, the accuracy, existence and completeness of payables balance of Kshs.1,238,426 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.

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

The Management is responsible for the Other Information set out on pages 4 to 16 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 payments and receipts reflects payments for operation amount of Kshs.1,280,965 as disclosed in Note 6 to the financial statements. The payments include an amount of Kshs.1,082,200 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.1,082,200 could not be confirmed.

2. Irregular Transfer of Funds to Catholic Schools Principals Association

The statement of payments and receipts reflects payments for operation amount of Kshs.1,280,965 as disclosed in Note 6 to the financial statements. Included in the expenditure is an amount of Kshs.118,140 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.

3. Long Outstanding Payables

The statement of financial assets and financial liabilities reflects accounts payables balance of Kshs.1,238,426 as disclosed in Note 12 to the financial statements. However, the balance includes trade payables amounting to Kshs.703,286 which had been outstanding for more than two (2) 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 financial assets and financial liabilities reflects accounts receivable balance of Kshs.794,897 in respect of fees arrears as disclosed in Note 11 to the financial statements. The receivables include a balance of Kshs.322,210 which had been outstanding for more than two (2) years. However, ageing analysis of the receivables and 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

19 May, 2026

KIHEO SECONDARY SCHOOL

Annual Reports and Financial Statements For the year ended 30th June 2022

V.Statement Of Receipts And Payments Period To 30th June 2022

Description Of Vote Head	Note	2021-2022	2021-2021
		Kshs	Kshs
Receipts			
Capitation grants for tuition	1	523,088	271,981
Capitation grants for operations	2	1,424,242	993,848
School fund income- parents' contributions	3	3,334,890	1,430,161
School fund income- other receipts	-	-	-
Infrastructure Income	4	873,000	574,000
Total Receipts		6,155,220	3,269,990
Payments			
Payments for tuition	5	620,545	53,184
Payments for operations	6	1,280,965	526,461
Boarding and school fund payments	7	3,115,327	1,251,571
Payments for infrastucture	8	952,705	284,000
Total Payments		5,969,542	2,115,216
Surplus/Deficit		185,678	1,154,774

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

.....

Name: MARGARET CICHWA

Chair BOM

Date: 14/4/2026

.....

Name: STEPHEN KUMANI
School Principal/ Secretary to
BOM

Date: 14/04/2026

.....

Name: MARY NJERI

Bursar/ Finance Officer

Date: 14/4/2026

VI. Statement Of Financial Assets And Financial Liabilities As At 30th June 2022

Description	Note	2021-2022	2021-2021
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	9	73,797	211,599
Cash balances	10	42,720	27,700
Short term investment		-	-
Total cash and cash equivalent		116,517	239,299
Account's receivables	11	794,897	570,977
Total financial assets		911,414	810,276
Financial liabilities			
Accounts payables	12	1,238,426	1,322,966
Net financial assets		(327,012)	(512,690)
Represented by			
Accumulated fund b/fwd	13	(512,690)	(1,667,464)
Surplus/deficit for the year		185,678	1,154,774
Net financial position		(327,012)	(512,690)

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

.....
 Name: MAGDALENE 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

VII.Statement of Cash Flows for The Period Ended 30th June 2022

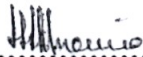
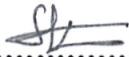
Description	Notes	2021-2022	2021-2021
		Kshs	Kshs
Operating activities			
Receipts			
Capitation grants for tuition	1	581,663	213,406
Capitation grants for operations	2	1,654,912	763,178
School fund income- parents contributions/ fees	3	3,276,805	1,493,651
School fund income- other receipts	-	-	-
Infrastructure Income	4	873,000	574,000
Total receipts		6,386,380	3,044,235
Payments			
Payments for tuition	5	620,545	298,184
Payments for operations	6	1,280,965	582,937
Boarding and school fund payments	7	3,316,207	1,388,556
Payment for Infrastructure	8	1,291,505	577,860
Total payments		6,509,222	2,847,537
Net cash flow from operating activities		(122,842)	196,698
Cashflow from investing activities			
Proceeds from sale of assets		-	-
Acquisition of assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash flows from investing activities		(122,842)	196,698
Cashflow from borrowing activities			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
Net cash flow from financing activities		-	-
Net increase in cash and cash equivalents		(122,842)	196,698
Cash and cash equivalent at beginning of the year		239,299	42,601
Cash and cash equivalent at end of the year		116,517	239,299

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

KIHEO SECONDARY SCHOOL

Annual Reports and Financial Statements For the year ended 30th June 2022

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

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

VIII.Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2022

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 %
	Kshs	Kshs			Kshs	Kshs
Receipts						
(1) Capitation Grant on Tuition						
Textbooks And Reference Materials	-	-	-	-	-	-
Exercise Books	-	-	-	-	-	-
Laboratory Equipment	-	-	-	-	-	-
Internal Exams	-	-	-	-	-	-
Teaching / Learning Materials	745,920	-	745,920	581,663	164,257	77.98%
Chalks	-	-	-	-	-	-
Exams And Assessment	-	-	-	-	-	-
Teachers Guides	-	-	-	-	-	-
(2) Capitation Grant on Operations						
Personnel Emoluments	1,692,000	-	1,692,000	1,654,912	37,088	98.00%
Repairs And Maintenance	900,000	-	900,000	873,000	27,000	97.00%
Local Transport / Travelling	-	-	-	-	-	-
Electricity And Water	-	-	-	-	-	-
Medical	-	-	-	-	-	-
Administration Costs	-	-	-	-	-	-
Activity	-	-	-	-	-	-
Gratuity	-	-	-	-	-	-
Smasse	-	-	-	-	-	-

KIHEO SECONDARY SCHOOL
Annual Reports and Financial Statements For the year ended 30th June 2022

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 %
	Kshs	Kshs			Kshs	Kshs
(3) Fees Charged on Parents						
Personnel Emoluments	-	-	-	-	-	-
Repairs And Maintenance	-	-	-	-	-	-
Local Transport / Travelling	-	-	-	-	-	-
Electricity And Water	-	-	-	-	-	-
Medical	-	-	-	-	-	-
Administration Costs	-	-	-	-	-	-
Activity	-	-	-	-	-	-
Smasse	-	-	-	-	-	-
Lunch programme	2,160,000	-	2,160,000	3,276,805	(1,116,805)	152.00%
Other Income						
Rent Income	-	-	-	-	-	-
Income From Farming Activities	-	-	-	-	-	-
Insurance Compensation	-	-	-	-	-	-
Income From Posho Mill	-	-	-	-	-	-
Income From Bus Hire	-	-	-	-	-	-
Fee For Hire of Ground And Equipment	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-
Income From Any Other Investment	-	-	-	-	-	-
Total Income	5,497,920		5,497,920	6,138,390	(640,470)	111.65%
(1) Expenditure For Tuition						
Textbooks And Reference Materials	-	-	-	-	-	-
Exercise Books	-	-	-	-	-	-

KIHEO SECONDARY SCHOOL
Annual Reports and Financial Statements For the year ended 30th June 2022

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 %
	Kshs	Kshs			Kshs	Kshs
Laboratory Equipment	-	-	-	-	-	-
Internal Exams	-	-	-	-	-	-
Teaching / Learning Materials	745,920	-	745,920	620,545	125,375	83%
Chalks	-	-	-	-	-	-
Exams And Assessment	-	-	-	-	-	-
Teachers Guides	-	-	-	-	-	-
Administration Costs	-	-	-	-	-	-
Bank Charges	-	-	-	-	-	-
(2) Expenditure For Operations						
Personnel Emoluments	1,692,000	-	1,692,000	1,633,965	58,035	96.57%
Repairs, Maintenance & Improvements	900,000	-	900,000	1,291,505	(391,505)	143.50%
Local Transport / Travelling	-	-	-	-	-	-
Electricity, Water and Conservancy	-	-	-	-	-	-
Medical	-	-	-	-	-	-
Administration Costs	-	-	-	-	-	-
Activity Expenses	-	-	-	-	-	-
Gratuity	-	-	-	-	-	-
Smasse	-	-	-	-	-	-
(3) Expenditure For School Fund						
Personnel Emoluments	-	-	-	-	-	-
Repairs, Maintenance and Improvements	-	-	-	-	-	-

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 %
	Kshs	Kshs			Kshs	Kshs
Local Transport / Travelling	-	-	-	-	-	-
Electricity, Water and Conservancy	-	-	-	-	-	-
Medical Expenses	-	-	-	-	-	-
Administration Costs	-	-	-	-	-	-
Activity	-	-	-	-	-	-
Gratuity	-	-	-	-	-	-
Lunch Programme	2,160,000	-	2,160,000	3,139,327	(979,327)	145.34%
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	5,497,920	-	5,497,920	6,685,342	(1,187,422)	122%

- i. The school has only received 111.65% of the total income from 1st July 2021 to 30th June 2022
- ii. The school has only utilized 122% of the amount received from 1st July 2021 to 30th June 2022

V. 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.

Significant Accounting Policies (Continued)**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. This is in recognition of the government practice where the imprest payments are recognized as expenditure when fully accounted for by the imprest or AIE holders. 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 fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements. Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years.

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 2022.

VI. Notes To The Financial Statements**1 Capitation Grant for Tuition**

Description	2021-2022	2021-2021
	Kshs	Kshs
Textbooks And Reference Materials	-	-
Exercise Books	-	-
Laboratory Equipment	-	-
Internal Exams		-
Teaching / Learning Materials	523,088	271,981
Chalks	-	-
Exams And Assessment	-	-
Teaching guides	-	-
Total	523,088	271,981
Adjustment for cashflow		
Tuition as per statement of receipt and payment	523,088	271,981
Less/add:Income for the year	58,575	(58,575)
Total	581,663	213,406

2 Capitation Grant for Operations

Description	2021-2022	2021-2021
	Kshs	Kshs
Personnel Emoluments		
Repairs And Maintenance		
Local Transport / Travelling	-	-
Electricity And Water	-	-
Other voteheads	1,424,242	993,848
Administration Costs		
Activity	-	-
Total	1,424,242	993,848
Adjustment for cash flow		
Operations account as per receipt and payment	1,424,242	993,848
Less/Add:income for the year	230,670	(230,670)
cashflow	1,654,912	763,178

3 Parents Contribution/Fees - School Fund Account

Description	2021-2022	2021-2021
	Kshs	Kshs
Personnel emoluments	-	-
Lunch Programme	3,334,890	1,406,876
Local transport / travelling	-	-
Electricity and water	-	-
Medical	-	-
Administration costs	-	23,285
Activity	-	-
Total	3,334,890	1,430,161
Adjustment for cashflow		
Statement of receipt and payment	3,334,890	1,430,161
Less:receivable paid	(189,955)	(110,160)
Add:prepaid/receivables paid	131,870	173,650
Total	3,276,805	1,493,651

4.Government grants for infrastructure

Description	2021-2022	2021-2021
	Kshs	Kshs
Maintenance and improvement funds	-	-
Repair and maintenance	873,000	574,000
Insurance	-	-
Local transport / travelling	-	-
Electricity and water	-	-
Medical	-	-
Administration costs	-	-
Activity	-	-
Total	873,000	574,000

5. Payments For Tuition

Description	2021-2022	2021-2021
	Kshs	Kshs
Textbooks And Reference Materials	-	-
Exercise Books	-	-
Laboratory Equipment	-	-
Internal Exams	-	-
Teaching / Learning Materials	620,545	51,384
Chalks	-	-
Exams And Assessment	-	-
Teachers Guides	-	-
Administration Costs	-	-
Bank Charges	-	1,800
Total	620,545	53,184
Adjustment for cash flow		
Tuition payment as per receipt and payment	620,545	53,184
Add: creditors paid over the year	-	245,000
cashflow	620,545	298,184

6. Payments For Operations

Description	2021-2022	2021-2021
	Kshs	Kshs
Personnel Emoluments	3,000	7,870
Service Gratuity	-	-
Administration Cost	1,021,105	414,425
Repairs And Maintenance & Improvements	450	15,074
Local Transport / Travelling	4,900	4,000
Electricity And Water	9,000	1,000
Medical	20,000	63,732
Activity Expenses	217,890	15,200
Smasse	-	-
Insurance Cost	-	-
Transfer from Operations a/c	-	-
Infrastructure a/c	-	-
Transfer to Infrastructure a/c	-	-
Bank Charges	4,620	5,160
Acquisition Of Assets	-	-

Total	1,280,965	526,461
Adjustment for cash flow		
Operations as per receipt and payment	1,280,965	526,461
Add: payables paid	-	56,476
cash flow	1,280,965	582,937

7.Boarding and School Fund Payments

Description	2021-2022	2021-2021
	Kshs	Kshs
Personnel Emoluments	1,176,030	424,870
Service Gratuity	-	-
Repairs And Maintenance & Improvements	48,080	21,185
Local Transport / Travelling	40,500	23,650
Electricity And Water	-	-
Medical Expenses	16,232	-
Administration Costs	783,620	323,070
Lunch Programme	981,145	369,421
Activity	30,000	74,845
Farm	30,480	12,430
Transfer to Tuition a/c	-	-
Bank Charges	9,240	2,100
Expenses On Income Generating Activities	-	-
Fee On Boarding Equipment and Stores	-	-
Rent Expenses	-	-
Insurance Cost (<i>Life Property</i>)	-	-
Loan Principal Repayment	-	-
Loan Interest Repayment	-	-
Acquisition Of Assets	-	-
Total	3,115,327	1,251,571
Adjustment for cashflow		
Statement of Receipt and payment	3,115,327	1,251,571
Payables paid during the year	200,880	136,985
Cashflow	3,316,207	1,388,556

8.Payment for Infrastructure

Description	2021-2022	2021-2021
	Kshs	Kshs
Maintenance and improvement funds	-	-
Repair and maintenance	952,705	284,000
Insurance	-	-
Local transport / travelling	-	-
Electricity and water	-	-
Medical	-	-
Administration costs	-	-
Activity	-	-
Total	952,705	284,000
Adjustment for cash flow		
Infrastructure as per receipt and payment	952,705	284,000
Add: payables paid	338,800	293,860
cashflow	1,291,505	577,860

9.Bank Accounts

Name Of Bank, Account No. & Currency	Bank Account Number	2021-2022	2021-2021
		Kshs	Kshs
Tuition Account		1,860	16,372
Operations Account		10,584	53,197
School Fund Account/Boarding		59,742	99,914
Savings Account		-	-
Parent Association Development Account		-	-
Income Generating Activities Account		-	-
Infrastructural Account		1,611	42,116
Total		73,797	211,599

10.Cash in Hand

Description	2021-2022	2021-2021
	Kshs	Kshs
Tuition Account	-	-
Operation Account	-	-
School Fund account	18,720	3,000
Infrastructure Account	24,000	24,700
Total	42,720	27,700

11.Accounts Receivable

Description	2021-2022	2021-2021
	Kshs	Kshs
Fees Arrears	794,897	281,732
Other Non-Fees Receivables(capitation)	-	289,245
Salary Advances	-	-
Imprest	-	-
Total	794,897	570,977

Aging Analysis

Description	2021-2022	2021-2021
	Kshs	Kshs
Fees Arrears For Current Year	189,955	110,160
Fees Arrears For The Previous Year	570,977	171,572
Fees Arrears For Prior Periods (Over Two Years)	322,210	-
Total	794,897	281,732

12.Accounts Payable

Description	2021-2022	2021-2021
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	1,238,426	1,322,966
Other non-creditors(sfa)	-	-
Prepaid Fees	-	-
Retention Monies	-	-
Total	1,238,426	1,322,966

Description	2021-2022	2021-2021
	Kshs	Kshs
Trade Creditors for Current Year	535,140	-
Trade Creditors for The Previous Year	-	1,322,966
Trade Creditors for Prior Periods (Over Two Years)	703,286	-
Total	1,238,426	1,322,966

13.Fund Balance Brought Forward

Description	2021-2022	2021-2021
	Kshs	Kshs
Bank Balances	211,599	42,601
Cash Balances	27,700	-
Short Term Investments	-	-
Receivables	794,897	345,222
Payables	(1,238,426)	(2,055,287)
Total	(512,690)	(1,667,464)

14.Biological assets

Description	Numbers	2021-2022	2021-2021
		Number	Number
Cattle		1	1
Goats		-	-
Sheep		3	4
Ram		1	1
Trees		22	22
Coffee Or Tea Plantation		-	-
Poultry		-	-
Total		27	28

15.Stock/ Inventory

Description	2021-2022	2021-2021
	Kshs	Kshs
a) Inventory		
Stock/ inventory at beginning of the year	28,730	40,120
Stock/ inventory purchased during the year	800,400	580,610
Stock/ inventory issued during the year	758,220	592,000
Balance at end of the year	70,910	28,730

4 Progress On Follow Up Of Auditor Recommendations

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

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



Sign and Date 14/4/2026 .
Principal

KIHEO SECONDARY SCHOOL
Annual Reports and Financial Statements For the year ended 30th June 2022

Annex 1 - Analysis Of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2022-1	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1. KAJA SUPPLIERS ENTERPRISE	376,520	2020	376,520	NIL		
2.	-	-	-			
3.						
Sub-Total	376,520		376,520	-		
Supply Of Goods						
4. RUSADIV GEN AGENCY	348,079	-	-	348,079		
5. GENERAL SCI-SCOPE SUPPLY HOUSE	360,140	2022	-	360,140		
6. HYPERLINK ENTERPRISES	50,000	2022	-	50,000		
Sub-Total	758,219		-	758,219		
Supply Of Services						
7. STEPHEN WACHIRA	52,460	2020	32,460	20,000		
8. WORLDNET ENTERPRISES	131,377	2019	80,000	51,377		
9.	-	-	-	-		
Sub-Total	183,837		112,460	71,377		
administration						
BEATRICE NJENGA(WORKSHOP)	85,500	2020	-	85,500		
STEPHEN KIMANI(WORKSHOP)	125,000	2022	-	125,000		
BOM TEACHING STAFF	142,700	2020	-	142,700		

KIHEO SECONDARY SCHOOL
Annual Reports and Financial Statements For the year ended 30th June 2022

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2022-1	Comments
STEPHEN KIMANI(WORKSHOP)	125,000	2022	-	125,000		
BOM TEACHING STAFF	142,700	2020	-	142,700		
BOM NON-TEACHING STAFF	186,330	2020	130,700	55,630		
Sub-total	539,530		130,700	408,830		
Grand Total	1,858,106		619,680	1,238,426		

KIHEO SECONDARY SCHOOL
Annual Reports and Financial Statements For the year ended 30th June 2022

Annex 2 – Summary Of Fixed Assets Register

Asset Class	Item no.	Location	Historical Cost b/f (Kshs) 1 st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2022
Land 1	1(3.34Ha)					
Land 2	-					
Buildings And Structures	10					
Motor Vehicles	-					
Office Equipment, Furniture And Fittings	25					
ICT Equipment, And Other ICT Assets	2					
Tools And Apparatus	3224					
Textbooks	3050					
Other Machinery And Equipment	-					
Heritage And Cultural Assets	2					
Intangible Assets- Soft Ware	1					
Total	6315					