

REPUBLIC OF KENYA



*Enhancing Accountability*

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 26 FEB 2025

DAY.  
wed

**REPORT**

TABLED  
BY:

Hon. Samuel  
Chepkonga, MP

CLERK-AT  
THE-TABLE:

Mr. Mudo

**OF**

**THE AUDITOR-GENERAL**

**ON**

**SHIMBA HILLS SECONDARY SCHOOL**

**FOR THE YEAR ENDED  
30 JUNE, 2023**

**KWALE COUNTY**



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**SHIMBAHILLS SECONDARY SCHOOL**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>TH</sup> JUNE 2023**

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

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**1. Acronyms and Glossary of Terms**

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

**2. Key School Information and Management****(a) Background information**

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

The school was registered in June 2023 under registration number 02S30000093 and is currently categorized as a Extra County (*National, Extra County, County and Sub County*) public school established, owned or operated by the Government.

The school is a boarding school and had 802 number of students as at 30<sup>th</sup> June 2023. It has 20 streams and 39 teachers of which 18 teachers are employed by the School Board of Management.

**(b) School Board of Management - Board Members**

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

Ref:	Name of Board Member	Designation	Date of appointment
1	Mr Mwalim Mrafi	Chairman	Sept 2022
2	Mr Salim Kitauro	Secretary - Principal	Sept 2022
3	Mr Hamisi Dzilla	Member	Sept 2022
4	Mr Moses Aumba	Member	Sept 2022
5	Rev Anthony Wanjohi	Member	Sept 2022
6	Mdm Mwanarusi Hamisi	Member	Sept 2022
7	Mr Pius Mwangela	Member	Sept 2022
8	Mr Teddy Tsaka	Member	Sept 2022
9.	Mr Mohammed Mwishee	Member PA Chair	Sept 2022
10	Mr Abednego Kyalo	Member – Rep CEB	Sept 2022
11	Mdm Ruth Mutiso	Member Rep Teachers	Sept 2022
12	Mdm Francisca Mwikali	Member - Sponsor	Sept 2022
13	Mr Mohammed Nyembwe	Member- Sponser	Sept 2022
14	Mr Juma Naaman	Member- Sponser	Sept 2022
15	Mr Michael Wambua	Member - Community	Sept 2022
16	Mdm Agness Mwaka	Member Special Needs	Sept 2022
17	Mr Noor Abubakar	Rep Students	Sept 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, 2013.
- Ensure and assure the provision of proper and adequate facilities for the School.
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School.
- Determine cases of pupils' discipline and make reports to the CEB.
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB.
- Administer and manage the resources of the School.
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule para 21 and 23 of the Basic Education Act, 2013.

**(c) Committees of the Board**

Ref.	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1.Mwalimu Mrafi 2.Salim Kitauro 3.Ruth Mutiso 4Hamisi Dzila 5Francisca Mwikali	Chairman Secretary/Principal Member Member Member	2
2	Audit Committee	1 Nywembwe Salim 2Micheal Wambua 3Francisca Mwikali 4Moses Akumba	Chair Member Member Member	1
3	Finance,procurement and general purposes Committee	1Nywembwe Salim 2Micheal Wambua 3Francisca Mwikali 4Moses Aumba	Chair Member Member Member	1
4	Academic Committee	1Abednego Kyalo 2Salim Kitauro 3Ruth Mutiso 4Mwanarusi Mohammed 5Mohammed Mwishee	Chair Secretary/Principal Member Member Member	2
5	Development Committee	1Teddy Tsaka 2Hamisi Dzila	Chair Member	2

**SHIMBAHILLS SECONDARY SCHOOL****Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

		3Agnes Mwaka 4Pius Mwongela	Member Member	
6	Discipline and welfare Committee	1Anthony Wanjohi 2Juma Naaman Ruth Mutiso	Chair Member Member	3
7	Adhoc Committee (if any during the year)			

**(d) School operation Management**

For the financial year ended 30<sup>th</sup> June 2023 the School day-to-day management was under the following persons:

Ref:	Designation	Name	Identification
1	Principal	SALIM KITAURO	TSC No.337406
2	Deputy Principal	RUTH MUTISO	TSC No.381934
3	School Bursar	JOB MWADIME	ICPAK No.
4	Other (specify)		

**(e) Schools contacts**

Post Office Box: 1727-80400 UKUNDA

Telephone: 0722674465

E-mail: shimbahillshighschool@yahoo.com/shimbahillssecondaryschool@gmail.com

Website: -

Facebook:

Twitter:

**(f) School Bankers**

Provide details of the school bankers.

- 1.Name of Bank: KCB BANK  
Branch UKUNDA  
Postal Address. BOX 150-80400 UKUNDA  
Account Number:1109259360
2. Name of Bank: KCB BANK  
Branch UKUNDA  
Postal Address BOX 150-80400 UKUNDA  
Account Number: 1109258577
- 3.Name of Bank: KCB BANK  
Branch UKUNDA  
Postal Address BOX 150-80400 UKUNDA  
Account Number :1109255314
- 4.Name of Bank KCB BANK  
Branch UKUNDA  
Postal Address BOX 150-80400 UKUNDA  
Account Number :1116075032
- 5.Name of Bank EQUITY BANK  
Branch UKUNDA  
Account Number: 0440263362871

**(g) Independent Auditors**

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

**3. Summary Report of Performance of The School**

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

**a) Financial performance:****SURPLUS /DEFICIT FOR THE LAST 3 YEARS**

YEAR	SURPLUS	DEFICIT
2021	127,857	-
2021-2022	-	(527,346)
2022-2023	-	(2179,643)

**CAPITATION GRANTS FROM MINISTRY OF EDUCATION FOR THE LAST 3 YEARS**

YEAR	CAPITATION		TOTAL
	TUITION	OPERATION	
2021	1,306,860	8,735,506	10,042,366
2021-2022	3,147,293	13,728,291	16,875,584
2022-2023	1,792,332	7,732,699	9,525,031

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

YEAR	BOARDING/PARENTS
2021	28,633,090
2021-2022	66,009,425
2022-2023	48,057,181

**GROWTH IN EXPENDITURE OF THE SCHOOL**

YEAR	INCOME	EXPENDITURE
2021	38,675,456	38,847,599
2021-2022	82,885,009	83,412,356
2022-2023	57,582,213	59,761,857

**MOVEMENT OF DEBTORS/CREDITORS OVER LAST 3 YEARS**

YEAR	DEBTORS	CREDITORS
2021	6,259,341	1,993,178
2021-2022	6,006,135	5,609,318
2022-2023	7,720,001	8,022,477

**b) Teacher Student ratio:**

NO OF STUDENTS	CURRENT NO OF TEACHERS	SHORTFALL
802	21	19

**c) Mean score in the 2020-2022 KCSE:****MEANSORE FOR KCSE OVER LAST 3 YEARS**

YEAR	NUMBEROF CANDIDATES	SCHOOL MEANGRADE	STUDENTS TRANSITIONED TO HIGHER LEARNING	COMMENT
2020	172	4.45 (D+)	16	IMPROVE
2021	234	3.64 (D+)	9	DROP
2022	197	4.238 (D+)	5	IMPROVE

**d) Number of Candidates in the 2021-2023 KCSE:****NUMBER OF CANDIDATES FOR KCSE OVER 3 YEARS**

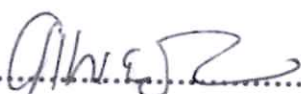
YEAR	NO OF STUDENTS
2021	234
2022	197
2023	184

**e) Capacity of the school:**

FACILITY	NUMBER	NUMBER OF STUDENTS
Classrooms	20	802
Computer Lab	1	802
Science Lab	3	802
Library	1	802
Dining Hall	2	802
Kitchen	2	802
Administration Block	1	802
Dormitories	12	802
Toilet	40	802

**SHIMBAHILLS SECONDARY SCHOOL****Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023****f) Development projects carried out by the school:**

Project Name	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
2 Classroom	MOE	Half Complete upto roof level	1.4M	400,000.00	One year
Renovation of Teachers house	Parents/Fees	Half complete upto roof level	900,000	380,000	One year
HOD Office	Parents/fees	Half complete upto roof level	1M	640,000	One 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 be keep all proper books and records of accounts of the income, expenditure and assets of the institution.

The Board of Management of (*SHIMBA HILLS 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).

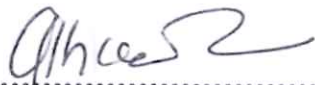
The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30<sup>th</sup> June, 2023, and of the school's financial position as at that date.



.....  
**Name: MWALIMU MRAFI**

**Designation:** Chairman, School Board of Management

**Date:** 26/6/2024



.....  
**Name: SALIM KITAURO**

**Designation:** School Principal & Secretary to Board of Management

**Date:** 26/6/2024



.....  
**Name: JOB MWADIME**

**Designation:** Bursar/ Finance Officer

**Date:** 26/6/2024

# REPUBLIC OF KENYA



*Enhancing Accountability*

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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 SHIMBA HILLS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2023 - KWALE COUNTY

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### PREAMBLE

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

- A. Report on the 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 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 Government achieves value for money and that such funds are applied for the intended purpose.
- 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, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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 Shimba Hills Secondary School – Kwale County set out on pages 1 to 24, which comprise of the statement of assets and liabilities as at 30 June, 2023, and the statement of receipts and payments, statement of

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Shimba Hills Secondary School – Kwale County as at 30 June, 2023, 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 Public Finance Management Act, 2012 and the Basic Education Act, 2013.

## **Basis for Qualified Opinion**

### **1. Inaccuracies in the Financial Statements**

The statement of cash flows reflects net decrease in cash and cash equivalents and cash and cash equivalent at the beginning of the year balances of Kshs.2,179,643 and Kshs.2,569,043 against amounts of Kshs.1,384,445 and Kshs.1,773,815 respectively, reflected in the statement of assets and liabilities. The variances of Kshs.795,198 and Kshs.795,228 were not explained or supported.

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

### **2. Unreconciled Capitation Grants**

The statement of receipts and payments reflects capitation grants for operations amount of Kshs.7,732,699 as disclosed in Notes 2 to the financial statements. Review of the National Education Management Information System (NEMIS) capitation disbursements made to the School against the amount received by the School bank account revealed that the School received an amount of Kshs.7,732,699 against the NEMIS amount of Kshs.7,802,399 resulting to a variance of Kshs.69,700 which was not reconciled.

In the circumstances, the accuracy and completeness of capitation grants for operation of Kshs.7,732,699 could not be confirmed.

### **3. Unsupported Cash and Cash Equivalents Balance**

The statement of assets and liabilities and as disclosed in Note 10 and Note 11 to the financial statements reflects cash and cash equivalents balance of Kshs.389,370. Review of the bank statements provided during the audit, revealed that Management withdrew cash totalling Kshs.911,000 and the withdrawals lacked any documentation to support the purpose or justify the necessity of cash transactions.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.389,370 could not be confirmed.

#### **4. Accuracy of Student Enrollment Data**

Examination of documents provided for audit revealed variances between the data in the County Director of Education (CDE), National Education Management Information System (NEMIS) and School records relating to the enrolment of students. NEMIS reported a total number of six ninety-seven (697) students while the records from the County Director of Education reflected eight hundred and two (802) students which was similar to the enrolment records provided by the School, resulting to variance of one hundred and five (105) students. Further, the School had students who were not registered in NEMIS due to lack of birth certificates or as a result of duplicate birth certificate numbers while students who had attained over 18 years were not in the NEMIS system.

In the circumstances, underfunding of the School may have affected service delivery to the students.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Shimba Hills Secondary School Management in accordance with ISSAI 130 on 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. There were no key audit matters to report in the year under review.

### **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

#### **Conclusion**

As required by Article 229(6) of the Constitution, based on the procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in 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. Long Outstanding Accounts Payable**

The statement of assets and liabilities and as disclosed in Note 14 to the financial statements reflects payables balance of Kshs.14,317,474. However, included in the balance are trade payables balance of Kshs.685,679 which had been outstanding for

more than two (2) years. This was contrary to Section 53(8) of the Public Procurement and Asset Disposal Act, 2015 which states that 'an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contracts are reflected in approved budget estimates.

In the circumstances, the School Management was in breach of the law and there is risk loss of public funds through litigations, interests and penalties.

### **2. Failure to Prepare School Improvement Plan**

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

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

### **3. Lack of Procurement Plan**

The statement of receipts and payments reflects amounts of Kshs.57,582,213 and Kshs.59,761,857 in respect of total receipts and payments respectively. However, during the year Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that 'a procuring entity prepare a procurement plan for each financial year as part of the annual budget preparation process'.

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

### **4. Transfer of Funds to Kenya Secondary Schools Heads Association (KESSHA)**

During the audit it was noted that the School transferred co-curricular funds totalling Kshs.650,000 to Kenya Secondary School Heads Association a private entity that is not subject to the Public Finance Management Act, 2012 or any other public finance regulations. The funds were vired from Government Operation Capitation grants received by the School per student. KESSHA is a welfare organization that draws its membership from school Principals only.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.650,000 could not be confirmed.

The audit was conducted in accordance with ISSAI 4000. The standard requires 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 are in compliance, 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 matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### Basis for Conclusion

#### 1. Lack of Approved ICT Policy

Review of the School ICT environment revealed that there was no formal approved ICT policy in place, and similarly the School does not have a data security and disaster recovery plan in place. Further, Management did not provide an ICT organization structure for audit review.

In the circumstances, the security and reliability of the School's data and the management information system could not be confirmed.

#### 2. Lack of Internal Audit and Audit Committee Functions

During the year under review, the School had not constituted an audit committee and an internal audit unit as required by Regulation 166(1) and (2) of the Public Finance Management (National Government), Regulation, 2015 which states that, the internal audit unit of a National Government entity to assess effectiveness of the School through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury.

In the circumstances, the School did not benefit from the oversight role and advice from the audit committee and the internal audit function.

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 control, 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 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 control 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 control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or 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 are in compliance 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**

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. 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 and weakness 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 addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, 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 accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in

accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit

report. However, future events or conditions may cause the School to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the School to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

24 September, 2024


**SHIMBAHILLS SECONDARY SCHOOL**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

**6. Statement Of Receipts and Payments For the Year Ended 30<sup>th</sup> June 2023**

SHIMBAHILLS SECONDARY SCHOOL Annual Report and Financial Statements For the year ended 30 <sup>th</sup> June 2023	Note	FY 2023 Kshs	FY 2022 Kshs
<b>Receipts</b>			
Government grants for tuition	1	1,792,332	3,147,293
Government grants for operations	2	7,732,699	13,28,291
Government Grants for infrastructure	3	-	-
School fund income- parents' contributions	4	47,840,722	65,983,425
Miscellaneous incomes	5	216,459	26,000
<b>Total Receipts</b>		<b>57,582,213</b>	<b>82,885,009</b>
<b>Payments</b>			
Tuition	6	1,835,596	3,323,436
Operations	7	9,667,275	14,446,491
Infrastructure	8	-	-
Boarding and school fund	9	48,258,986	65,642,429
<b>Total Payments</b>		<b>59,761,857</b>	<b>83,412,356</b>
<b>Surplus/Deficit</b>		<b>(2,179,643)</b>	<b>(527,346)</b>

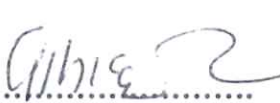
The school financial statements were approved on 27/Sept 2023 and signed by:

.....  


Name:

Chair BOM

Date: 26/6/2024

.....  


Name:

School Principal/ Secretary to BOM

Date: 26/6/2024

.....  


Name:

Bursar/ Finance Officer

Date: 26/6/2024

**SHIMBAHILLS SECONDARY SCHOOL**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

**7. Statement of Assets and Liabilities As At 30<sup>th</sup> June 2023**

	Note	FY 2023	FY 2022
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash and cash equivalents</b>			
Bank balances	10	388,087	1,773,352
Cash balances	11	1,283	462
Short term investments	12	-	-
<b>Total cash and cash equivalent</b>		<b>389,370</b>	<b>1,773,815</b>
Account's receivables	13	58,771,902	48,305,014
<b>Total financial assets</b>		<b>59,161,272</b>	<b>50,078,829</b>
<b>Financial liabilities</b>			
Accounts payables	14	14,317,474	6,294,997
<b>Net financial assets</b>		<b>44,843,797</b>	<b>43,783,832</b>
<b>Represented by</b>			
Accumulated fund b/fwd	15	47,023,441	44,311,178
<b>Surplus/deficit for the year</b>		<b>(2,179,643)</b>	<b>(527,346)</b>
<b>Net financial position</b>		<b>44,843,798</b>	<b>43,783,832</b>

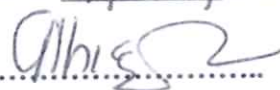
The school's financial statements were approved on 27/Sept/2023 and signed by:

.....  


Name:

Chair BOM

Date: 26/6/2024

.....  


Name:

School Principal/ Secretary to BOM

Date: 26/6/2024

.....  


Name:

Bursar/ Finance Officer

Date: 26/6/2024

8. Statement of Cash Flows for the Year Ended 30<sup>th</sup> June 2023

Description	Note	FY 2023	FY2022
		Kshs	Kshs
<b>Cash from Operating Activities</b>			
<b>Receipts</b>			
Government grants for tuition		1,792,332	3,147,293
Government grants for operations		7,732,699	13,728,291
Government grants for infrastructure		-	-
School fund income- parents contributions/ fees		47,840,722	65,983,425
Other income		216,459	26,000
<b>Total receipts</b>		<b>57,582,213</b>	<b>82,885,009</b>
<b>Payments</b>			
Cash outflows for tuition		1,835,596	3,323,436
Cash outflows for operations		9,667,275	14,446,491
Cash outflows Boarding/lunch and school fund payments		48,258,986	65,642,429
<b>Total payments</b>		<b>59,761,857</b>	<b>83,412,356</b>
<b>Net cash inflow/outflow from operating activities</b>		<b>(2,179,643)</b>	<b>(527,346)</b>
<b>Cash flow from investing activities</b>			
Acquisition of assets		-	(-)
Proceeds from sale of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	(-)
<b>Net cash inflow/outflows from investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flow from Financing activities</b>			
Proceeds from borrowings/ loans	18	-	-
Repayment of principal borrowings		-	(-)
<b>Net cash inflow/outflow from financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/decrease in cash and cash equivalents</b>		<b>(2,179,643)</b>	<b>(527,346)</b>
Cash and cash equivalent at beginning of the FY		2,569,043	2301161
<b>Cash and cash equivalent at end of the FY</b>		<b>389,370</b>	<b>1,773,815</b>

Note: Cash and Cash Equivalent is the summation of Note 10, 11 and 12.

(The above presentation of cash flow statement uses the direct method of cash flow presentation which is encouraged under IPSAS. Schools should therefore adopt the direct method of cashflow as recommended by PSASB).

**SHIMBAHILLS SECONDARY SCHOOL**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

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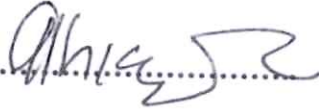
The school's financial statements were approved on 27/Sept 2023 and signed by:



Name:

Chair BOM

Date: 26/6/2024



Name:

School Principal/ Secretary to  
BOM

Date: 26/6/2024



Name:

Bursar/ Finance Officer

Date: 26/6/2024

9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30<sup>th</sup> June 2023

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	261,872	-	261,872	163,950	62%
Exercise Books	1,406,423	-	1,406,423	412,404	29%
Laboratory Equipment	756,787	-	756,787	427,250	56%
Internal Exams	271,482	-	271,482	426,225	156%
Teaching / Learning Materials	582,366	-	582,366	250,650	43%
Exams And Assessment	-	-	-	-	-
<i>(2) Capitation Grant on Operations</i>					
Personnel Emoluments	5,525,750	-	5,525,750	2,074,677	37%
Repairs And Maintenance	5,525,750	-	5,525,750	-	0%
Local Transport / Travelling	1,326,180	-	1,326,180	905,005	68%
Electricity And Water	2,210,300	-	2,210,300	927,565	41%
Medical	2,210,300	-	2,210,300	139,900	6%
Administration Costs	1,326,180	-	1,326,180	742,140	56%
Activity	1,657,725	-	1,657,725	366,412	22%
Gratuity	-	-	-	-	-
	-	-	-	-	-
<i>3) FDSE for infrastructure</i>					
Maintenance & Improvement MoE	-	-	-	-	-
M&I parents' contribution	-	-	-	-	-
Economic Stimulus Programs	-	-	-	-	-
Transition Infrastructure Grants	-	-	-	-	-
Administration Block	-	-	-	-	-
<i>(4) Fees Charged on Parents</i>					
Personnel Emoluments	4,607,995	-	4,607,995	2,650,293	57%

**SHIMBAHILLS SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Repairs And Maintenance	2,210,300	-	2,210,300	1,756,342	79%
Local Transport / Travelling	2,210,300	-	2,210,300	1,481,943	67%
Electricity And Water	3,868,025	-	3,868,025	3,013,382	77%
Medical	-	-	-	-	-
Administration Costs	2,210,300	-	2210300	1,643,130	74%
Activity	552,575	-	552,575	475,439	86%
SMASSE	-	-	-	-	-
Fee On Boarding Equipment and Stores	22,900,630	-	22,900,630	18,614,989	81%
<b>5) Miscellenous Income</b>					
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	-	-	-	-	-
Interest Income	-	-	-	-	-
Income From Any Other Investment	-	-	-	-	-
<b>Total Income</b>					
<b>(6) Expenditure For Tuition</b>					
Textbooks	1,406,423	-	1,406,423	-	0%
Reference Materials	261,872	-	261,872	-	0%
Exercise Books	1406423	-	1,406,423	156,500	11%
Laboratory Equipment	756787	-	756787	-	0%
Internal Exams	271,482	-	271,482	215,100	79%
Teaching / Learning Materials	582,366	-	582,366	160,000	27%
Chalks	114,839	-	114,839	-	0%
Exams And Assessment	-	-	-	-	-
Teachers Guides	-	-	-	-	-

**SHIMBAHILLS SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023

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
Administration Costs	-	-	-	-	-
Bank Charges	-	-	-	-	-
<b>(7) Expenditure For Operations</b>					
Personnel Emoluments	5,525,750	-	5,525,750	3,603,824	65%
Repairs, Maintenance & Improvements	5,525,750	-	5,525,750	-	0%
Local Transport / Travelling	1,326,180	-	1,326,180	316,154	24%
Electricity, Water and Conservancy	2,210,300	-	2,210,300	863,261	39%
Medical	2,210,300	-	2,210,300	-	0%
Administration Costs	1326180	-	1326180	580,535	43%
Activity Expenses	1,657,725	-	1,657,725	1,644,335	99%
Gratuity	-	-	-	-	-
SMASSE	221,030	-	221,030	-	0%
<b>(8) Expenditure For infrastructure</b>					
Construction of classrooms	-	-	-	-	-
Construction of LAB	-	-	-	-	-
Construction of DORMS	-	-	-	-	-
Purchase of furniture	-	-	-	-	-
Purchase of equipment	-	-	-	-	-
Purchase of machinery	-	-	-	-	-
<b>(9) Expenditure For school fund/lunch/boarding</b>					
Personnel Emoluments	4,607,995	-	4,607,995	5,212,777	113%
Repairs, Maintenance and Improvements	2,210,300	-	2,210,300	-	0%
Local Transport / Travelling	2,210,300	-	2,210,300	1,872,140	84%
Electricity, Water and Conservancy	3,868,025	-	3,868,025	1,078,706	28%
Medical Expenses	-	-	-	-	-
Administration Costs	2,210,300	-	2,210,300	1,708,598	77%

**SHIMBAHILLS SECONDARY SCHOOL****Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

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	552,575	-	552,575	2,067,483	347%
Gratuity	-	-	-	-	-
Lunch Programme	-	-	-	-	-
Boarding Equipment and Stores	22,900,630	-	22,900,630	19,401,916	84%
Expenditure For Income Generating Activity	-	-	-	-	-
Insurance Costs	-	-	-	-	-
Other Expenses On Investments	-	-	-	-	-
Rent Expenses	-	-	-	-	-
Bank Charges	-	-	-	-	-
Loan Interest Repayment	-	-	-	-	-
Loan Principal Repayment	-	-	-	-	-
Acquisition Of Assets	-	-	-	-	-
<b>Totals</b>	<b>124,984,772</b>	<b>-</b>	<b>124,984,772</b>	<b>74,685,025</b>	<b>60%</b>

[Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization above 100%]

- i. PE 113% Due to increase of no of bom teachers payments for salaries
- ii. Activity 374% Due on increase on fuel prices making transport expences to go high and most of the school teams went upto regional level. Increase on purchase of games equipment

**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 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*. 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 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 fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Payables also include expenditure incurred for the purchase of goods, works and services that has 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 30<sup>th</sup> June 2023.

## 11. Notes To The Financial Statements

## 1 Government Grants for Tuition

Description	FY 2023	FY 2022
	Kshs	Kshs
Reference Materials	163,950	180,465
Exercise Books	412,404	948,900
Laboratory Equipment	427,250	873,570
Internal Exams	426,225	604,625
Chalk	111,852	213,675
Teaching / Learning Materials	250,650	326,058
Others (specify)*	-	-
<b>Total</b>	<b>1,792,332</b>	<b>3,147,293.60</b>

## 2 Government Grants for Operations

Description	FY 2023	FY 2022
	Kshs	Kshs
Personnel Emoluments	2,074,677	4,301,246
Repairs And Maintenance	-	-
Local Transport / Travelling	905,005	1,521,962
Electricity And Water	927,565	1,397,275
M&i	2,577,000	4,966,250
Medical	139,900	190,200
Administration Costs	742,140	1,351,357
Activity	366,412	-
Other Vote Heads (specify)*	-	-
<b>Total</b>	<b>7,732,699</b>	<b>13,728,291</b>

## 3 Government Grants for infrastructure

Description	FY 2023	FY 2022
	Kshs	Kshs
Maintenance & Improvement	-	-
Transition infrastructure grants	-	-
Administration Block	-	-
Economic stimulus grants	-	-
Other (specify)(NGCDF and County govt.	-	-

**SHIMBAHILLS SECONDARY SCHOOL****Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023****4 School Fund Income - Parents Contribution/Fees**

Description	FY 2023	FY 2022
	Kshs	Kshs
Personnel emoluments	2,650,293	4,190,900
Repairs and maintenance	1,756,342	2,245,791
Local transport / travelling	1,481,943	2,213,236
Electricity and water	3,013,382	3,766,904
Medical	-	-
Administration costs	1,643,130	2,193,458
Activity	475,439	480,460
Fee on Boarding Equipment and stores	18,614,989	28,530,327
Prepayment	2,609,684	3,324,618
Arrears	3,750,287	979,587
Bursary	7,388,225	13,559,069
Operational acc	570,000	570,000
Union	5,586	5,575
Nhif	203,400	189,800
Nssf	355,922	89,600
Equity	3,230,000	3,472,000
Salary advance	92,100	167,100
PA Levies*	-	-
Others (specify)	-	-
<b>Total</b>	<b>47,840,722</b>	<b>65,983,425</b>

**5 Miscellaneous Incomes**

Description	FY 2023	FY 2022
	Kshs	Kshs
Rent Income	196,459	-
Income From Farming Activities	-	-
Insurance Compensation	-	-
Income From Posho Mill	-	-
Income From Bus Hire	-	-
Fee For Hire of Ground and Equipment	-	-
Income From Grants and Donations*	-	-
Tender	20,000	26,000
Dividends Income	-	-

**SHIMBAHILLS SECONDARY SCHOOL**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

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Loans/Borrowings*	-	-
Other Income ( <i>specify</i> )*	-	-
<b>Total</b>	<b>216,459</b>	<b>26,000</b>

## Notes to the Financial Statements (continued)

## 6 Tuition

Description	FY 2023	FY 2022
	Kshs	Kshs
Exercise Books	156,500	674,820
Textbooks	-	-
Reference materials	-	-
Laboratory Equipment	-	359,153
Teaching / Learning Materials	160,000	212,100
Internal exam	215,100	1,128,000
Exams And Assessment	-	-
Creditors	1,300,000	941,027
Teachers Guides	-	-
Bank Charges	3,996	3,436
Others (specify)	-	-
<b>Total</b>	<b>1,835,596</b>	<b>3,323,436</b>

## 7 Operations

Description	FY 2023	FY 2022
	Kshs	Kshs
Personnel Emoluments	3,603,824	5,250,868
Service Gratuity	-	-
Administration Cost	5,803,535	1,328,470
Repairs And Maintenance & Improvements	-	972,480
Local Transport / Travelling	316,154	1,034,460
Electricity And Water	863,261	2,129,421
Medical	-	-
Activity Expenses	1,644,335	648,604
Infrastructure	400,000	1,445,000
Creditor	1,145,487	280,420
School fund	570,000	1,070,000
Nhif	139,200	170,100
Nssf	400,528	106,400
Union	3,951	5,268
Insurance Cost	-	-
Others (specify)	-	-
<b>Total</b>	<b>9,667,275</b>	<b>14,446,491</b>

## Notes to the Financial Statements (continued)

## 8 Infrastructure

Description	FY 2023	FY 2022
	Kshs	Kshs
Construction of classrooms	-	-
Construction of laboratory	-	-
Construction of dormitory	-	-
Purchase of furniture	-	-
Purchase of equipment	-	-
Purchase of apparatus	-	-
Drilling of boreholes	-	-
Others (specify)	-	-
<b>Total</b>	-	-

## 9 Boarding And School Fund

Description	FY 2023	FY 2022
	Kshs	Kshs
Personnel Emoluments	5,212,777	5,438,751
Service Gratuity	-	189,760
Repairs And Maintenance & Improvements	-	224,650
Local Transport / Travelling	1,872,140	2,127,650
Electricity And Water	1,078,706	2,296,000
Medical Expenses	-	-
Administration Costs	1,708,598	2,409,333
Creditors	1,444,875	615,417
Prepayments	3,287,748	4,017,474
Operational acc	1,323,000	202,200
Fees refund	167,083	546,841
Bursary	7,388,225	13,559,069
Nssf	456,314	81,200
Nhif	269,150	189,800
Imprest	3,000	
Kese exam	4900	
Salary advance	64,100	333,700
Equity bank	2,502,957	3,615,958
Union	6,014	5,136

**SHIMBAHILLS SECONDARY SCHOOL****Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023**

Lunch Programme	-	-
Activity	2,067,483	370,726
Expenses On Income Generating Activities**	-	-
Fee On Boarding Equipment and Stores	19,401,916	29,398,264
Rent Expenses	-	-
Insurance Cost ( <i>Life Property</i> )	-	-
Loan Principal Repayment	-	-
Loan Interest Repayment	-	-
Acquisition Of Assets	-	-
PA expenses	-	-
Others (specify)	-	-
<b>Total</b>	<b>48,258,986</b>	<b>65,642,429</b>

**SHIMBAHILLS SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2023

## Notes to the Financial Statements (continued)

## 10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	FY 2023	FY 2022
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	1109255314	75,039	118,303
Operations Account	Active	1109258577	15,721	13,175
School Fund Account/Boarding	Active	1109259360	65,882	285,972
Savings Account		-	-	-
Boarding -equity	Active	0440263362871	191,489	449,783
Income Generating Activities Account			-	-
Infrastructural Account	Active	1116075032	39,954	906,118
<b>Total</b>			<b>388,087</b>	<b>1,773,352</b>

## 11 Cash In Hand

Description	FY 2023	FY 2022
	Kshs	Kshs
Notes and Coins	1,283	462
<b>Total</b>	<b>1,283</b>	<b>462</b>

## 12 Short Term Investments

Description	FY 2023	FY 2022
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit accounts	-	-
Other Investments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## Notes to the Financial Statements (continued)

## 13 Accounts Receivable

Description	FY 2023		FY 2022	
	Kshs		Kshs	
Fees Arrears	58,771,902		48,305,014	
<b>Other Non-Fees Receivables</b>				
Salary Advances (list/schedule attached)	-		-	
Imprest (list/schedule attached)	-		-	
Rent arrears (list/schedule attached)	-		-	
<b>Total</b>	<b>58,771,902</b>		<b>48,305,014</b>	

## 13 b Ageing Analysis of Accounts Receivable

Description	FY 2023		FY 2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	7,720,001	%	6,006,135	%
Between 1- 2 years	6,006,135	%	6,259,341	%
Between 2-3 years	-	%	-	%
Over 3 years	45,045,766	%	36,039,538	%
<b>Total (should tie to note 13 a)</b>	<b>58,771,902</b>	<b>%</b>	<b>48,305,014</b>	<b>%</b>

## 14 Accounts Payable

Description	FY 2023		FY 2022	
	Kshs		Kshs	
Trade Creditors (See Ageing Below and Appendix 1)	14,317,474		6,294,997	
Prepaid Fees	-		-	
Retention Monies	-		-	
Unpaid salaries and statutory deductions	-		-	
Caution money	-		-	
Other payables ( <i>specify</i> )	-		-	
<b>Total</b>	<b>14,317,474</b>		<b>6,294,997</b>	

## Notes to the Financial Statements (continued)

## 14a. Ageing Analysis of Accounts Payable

Description	FY 2023		FY 2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	8,022,477	%	5,609,318	%
Between 1- 2 years	5,609,318	%	685,679	%
Between 2-3 years	-	%	-	%
Over 3 years	685,679	%	-	%
<b>Total (should tie to note 14)</b>	<b>14,317,474</b>	<b>%</b>	<b>6,294,997</b>	<b>%</b>

## 15 Fund Balance Brought Forward

Description	FY 2023		FY 2022	
	Kshs		Kshs	
Bank Balances	388,087		1,773,352	
Cash Balances	1,283		462	
Short Term Investments	-		-	
Receivables	58,771,902		51,544,623	
Payables	(14,317,474)		(6,294,997)	
<b>Total</b>	<b>44,843,797</b>		<b>47,023,441</b>	

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

**16 Non-current Liabilities Summary**

Description	FY 2023	FY 2022
	Kshs	Kshs
Bank Loans	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Others (specify)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**17 Biological assets**

Description	Numbers	FY 2023	FY 2022
		Kshs	Kshs
Cattle		-	-
Goats		-	-
Trees		-	-
Coffee Or Tea Plantation		-	-
Poultry		-	-
Others (specify)		-	-
<b>Total</b>		<b>-</b>	<b>-</b>

**18 Borrowings**

Description	Kshs	Kshs
Borrowings at beginning of the year	-	-
Borrowings during the year	-	-
Repayments during the year	(-)	(-)
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>

**SHIMBAHILLS SECONDARY SCHOOL**

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**Other important disclosure notes**

**19 Stock/ Inventory**

Description	FY 2023	FY 2022
	Kshs	Kshs
Food stuffs	-	-
Lab consumables	-	-
Farm produce	-	-
Medication	-	-
Construction Materials	-	-
Others (specify)	-	-
	-	-

**20 Progress On Follow Up Of Auditor Recommendations**

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

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



Sign and Date 26/6/2024  
Principal

**SHIMBAHILLS SECONDARY SCHOOL**

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**12. Annexes**

**Annex I - Analysis of Pending Accounts Payable**

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance FY 2023	Outstanding Balance FY 2022	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Construction Of Buildings</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Supply Of Goods</b>						
4.						
5.						
<b>Sub-Total</b>						
<b>Supply Of Services</b>						
6.						
7.						
8.						
<b>Sub-Total</b>						
<b>Grand Total</b>						

**Annex 2 – Summary of Fixed Assets Register**

Asset Class	Historical Cost b/f (Kshs) 1 <sup>st</sup> July 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 <sup>th</sup> June 20
Land				
Buildings And Structures				
Motor Vehicles				
Office Equipment, Furniture And Fittings				

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Asset Class	Historical Cost b/f (Kshs) 1 <sup>st</sup> July 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 <sup>th</sup> June 20
Textbooks				
ICT Equipment				
Tools And Apparatus				
Other Machinery And Equipment				
Heritage And Cultural Assets				
Intangible Assets- Soft Ware				
<b>Total</b>				

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<b>SHIMBAHILLS SECONDARY SCHOOL</b>			
<b>TRIAL BALANCE AS AT 30TH JUNE 2023</b>			
		<b>DR</b>	<b>CR</b>
<b>Cash and Cash equivalents</b>			
	Bank Balances	388,087.25	
	Cash Balances	1,283.18	
	Short term investments	-	
	Receivables	58,771,902.00	
<b>Payments</b>			
	Payments for Tuition	1,835,596.00	
	Payments for operations	9,667,275.00	
	Boarding and school fund payments	48,258,986.00	
<b>Receipts</b>			
	Capitation grants for tuition		1,792,332.25
	Capitation grants for operations		7,732,699.85
	School Fund Income- Parents' Contributions		47,840,722.00
	School Fund Income- Other receipts		216,459.40
	Proceeds from borrowings		
	Prior Year Adjustment		
	<b>Fund Balance b/f</b>		45,249,627.00
	<b>Balance B/f</b>		
	Bank		1,773,352.00
	Cash		462.00
	Payables		14,317,474.45
	<b>TOTAL</b>	<b>118,923,129.43</b>	<b>118,923,129.85</b>