


REPUBLIC OF KENYA



Enhancing Accountability

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 26 FEB 2025	DAY: Wed
TABLED BY:	Hon. Samuel Chepkonga, MP
CLERK-AT THE-TABLE:	M. Mado

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REPORT

OF

THE AUDITOR-GENERAL

ON

SHIMBA HILLS SECONDARY SCHOOL

**FOR THE YEAR ENDED
30 JUNE, 2022**

KWALE COUNTY



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY
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SHIMBAHILLS 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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1. Acronyms and Glossary of Terms

Provide a list of all applicable acronyms and glossary of terms e.g.

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

[Customise the details in this section to suit your School]

(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 897 number of students as at 30th June 2022. It has 20 streams and 40 teachers of which 19 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:

Sl. No.	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 Mwongela	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

(Provide the names of the various committees of the Board established by the Board and the names of the committee members):

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 Meetings
2	Audit Committee	1 Nywembwe Salim 2Micheal Wambua 3Francisca Mwikali 4Moses Akumba	Chair Member Member Member	1 Meeting
3	Finance,procurement and general purposes Committee	1Nywembwe Salim 2Micheal Wambua 3Francisca Mwikali 4Moses Aumba	Chair Member Member Member	1 Meeting
4	Academic Committee	1Abednego Kyalo 2Salim Kitauro 3Ruth Mutiso 4Mwanarusi Mohammed	Chair Secretary/Principal Member Member	3 Meeting

SHIMBAHILLS SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2022**

		5Mohammed Mwishee	Member	
5	Development Committee	1Teddy Tsaka 2Hamisi Dzila 3Agnes Mwaka 4Pius Mwangela	Chair Member Member Member	2 Meetings
6	Discipline and welfare Committee	1Anthony Wanjohi 2Juma Naaman Ruth Mutiso	Chair Member Member	3Meetings
7	Adhoc Committee (if any during the year)			

(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	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
2020	134,227	-
2021	127,857	
2021-2022	-	(527,346)

CAPITATION GRANTS FROM MINISTRY OF EDUCATION FOR THE LAST 3 YEARS

YEAR	CAPITATION		TOTAL
	TUITION	OPERATION	
2020	1,455,166	1,061,900	2,517,066
2021	1,306,860	8,735,506	10,042,366
2021-2022	3,147,293	13,728,291	16,875,584

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

YEAR	BOARDING/PARENTS
2020	12,035,721
2021	28,633,090
2021-2022	66,009,425

GROWTH IN EXPENDITURE OF THE SCHOOL

YEAR	INCOME	EXPENDITURE
2020	24,110,787	23,976,560
2021	38,675,456	38,547,599
2021-2022	82,885,009	83,412,356

MOVEMENT OF DEBTORS/CREDITORS OVER LAST 3 YEARS

YEAR	DEBTORS	CREDITORS
2020	9,500,858	2,708,683
2021	6,259,341	1,993,178
2021-2022	6,006,135	5,609,318

b) Teacher Student ratio:

NO OF STUDENTS	CURRENT NO OF TEACHERS	SHORTFALL
897	21	19

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

YEAR	NUMBER OF CANDIDATES	SCHOOL MEAN GRADE	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 2020-2022 KCSE:**NUMBER OF CANDIDATES FOR KCSE OVER 3 YEARS**

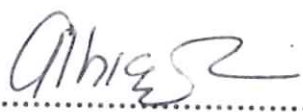
YEAR	NO OF STUDENTS
2020	197
2021	234
2022	195

e) Capacity of the school:

FACILITY	NUMBER	NUMBER OF STUDENTS
Classrooms	20	897
Computer Lab	1	897
Science Lab	3	897
Library	1	897
Dinning Hall	2	897
Kitchen	2	897
Administration Block	1	897
Dormitories	12	897
Toilet	40	897

f) Development projects carried out by the school:

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-



.....
School Principal

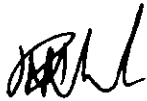
4. Statement of School Management Responsibility

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 30th June, 2022, 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

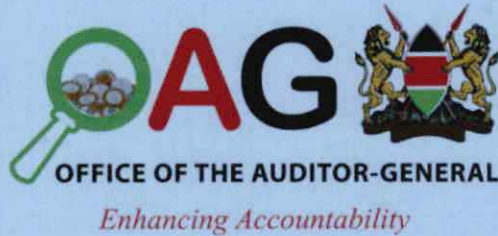


.....
Name: JOB MWADIME

Designation: Bursar/ Finance Officer

Date: 26/6/2024

REPUBLIC OF KENYA



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 SHIMBA HILLS SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 - KWALE COUNTY

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 25, which comprise of the statement of assets and liabilities as at 30 June, 2022, 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, 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 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 equivalents balance at the beginning of the year, amounts of Kshs.527,346 and Kshs.2,301,161 against amounts of an increase of Kshs.1,240,290 and Kshs.533,525 respectively, reflected in the statement of assets and liabilities. Further, the statement of receipts and payments reflects expenditure on infrastructure totalling Kshs.14,446,491 which as disclosed in Note 7 to the financial statements includes an amount of Kshs.1,070,000 in respect to school fund. No explanation or documentation was provided in support of what the school fund expenditure relates to.

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

2. Long Outstanding Receivables

The statement of assets and liabilities reflects accounts receivables totalling Kshs.48,305,014 as disclosed in Note 13 to the financial statements which are attributed to fee arrears. However, the School Management provided detailed schedules amounting to Kshs.6,259,341 and Kshs.6,006,135 for the years ending 30 June, 2021 and 30 June, 2022 respectively totalling Kshs.12,265,476. Further, the supporting documentation provided for the outstanding receivables totalling Kshs.36,039,538 which pertains to prior years did not contain vital details which include dates and names of the debtors. In addition, it was observed that the School had accumulated fee arrears of Kshs.36,039,538 for more than three (3) years, and Management had not outlined any strategies for the collection of the long-outstanding receivables.

In the circumstances, the accuracy, completeness and full recoverability of the outstanding receivables balance of Kshs.48,305,014 could not be confirmed.

3. Accuracy of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition and operations amounts of Kshs.3,147,293 and Kshs.13,728,291 as disclosed in Note 1 and

Note 2 to the financial statements. However, review of the NEMIS capitation disbursements made to the School revealed amounts of Kshs.2,802,588 and Kshs.12,370,833 respectively, which was similar to what had been received by the School. The inconsistencies were not explained or supported.

In the circumstances, the accuracy and completeness of capitation grants for tuition and operation of Kshs.3,147,293 and Kshs.13,728,291 respectively could not be confirmed.

4. Unauthorized Transport Allowances

During the year under audit, it was established that a member of staff received travel and transport allowance for various activities amounting to Kshs.352,900. However, documents provided during the audit lacked imprest warrants and proof of travel to validate attendance of capacity-building conferences. It was also noted that the School did not maintain an imprest register.

In the circumstances, the authenticity and completeness of allowances totalling Kshs.352,900 could not be confirmed.

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.

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.74,765,168 and Kshs.82,885,009 respectively, resulting to an over-funding of Kshs.8,119,841 or 11% of the budget. However, the School spent a balance of Kshs.83,412,356 against actual receipts of Kshs.82,885,009, resulting to an over-utilization of Kshs.527,347 of actual receipts which was not explained or supported.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. 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. Late Submission of Financial Statements to the Auditor-General

During the year under review, the School Management did not submit the financial statements to the Auditor-General by the statutory date of 30 September, 2022. This was contrary to the Ministry of Education circular Ref.MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which stated that the schools financial statements should be ready by 30 September, 2022 in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of financial statements.

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

2. Non-Competitive Procurement

During the audit, it was observed that a significant portion of contracts for the supply of books and stationery, as well as lab equipment, were awarded to two local suppliers where one supplied exercise books amounting to Kshs.1,758,000, while the other supplied chemicals totalling Kshs.690,000. These amounts represented more than half of the allocated budget, despite the presence of other prequalified suppliers capable of supplying the items. The lack of fair and equitable rotation among suppliers on the prequalified list indicates weaknesses in ensuring diversity and competition in procurement practices.

Further, there was no professional opinion and the procurement plan indicated the method of procurement as request for quotation (RFQ), however, there was no evidence of requests sent to suppliers provided for audit. In addition, there was no evidence that at least three quotations were obtained prior to evaluation.

In the circumstances, the transparency and fairness of the procurement process could not be confirmed and Management was in breach of the law.

3. 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.

4. Lack of Procurement Plan

The statement of receipts and payments reflects amounts of Kshs.82,885,009 and Kshs.83,412,325 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.

5. Use of Cash to Procure Goods, Works and Services

The statement of receipts and payments reflects receipts and payments totalling Kshs.82,885,009 and Kshs.83,412,356 respectively. However, it was noted that the School Management used cash totalling Kshs.1,431,950 to purchase goods and services instead of procuring using the low value procurement method as guided by Section 108 of the Public Procurement and Asset Disposal Act, 2015.

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

6. Transfer of Funds to Kenya Secondary Schools Heads Association

During the audit, it was noted that the School transferred co-curricular funds totalling Kshs.450,804 to Kenya Secondary Schools Heads Association (KESSHA) 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, the authenticity of Kshs.450,804 transferred to KESSHA account 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. Non-Compliance with Board Composition Requirements

Review of the financial statements revealed that the Board was not fully constituted, since the School only has three persons elected to represent parents of the pupils or local community representatives contrary to the Basic Education Act, 2013 requirement of six persons. It was further noted that the School had four representatives of the sponsors instead of the three as stipulated in the Act.

In the circumstances, there was risk of failure to optimize decision making and ineffective oversight of Management.

2. Lack of Internal Audit Function and Audit Committee

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) Regulations, 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

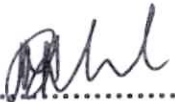
Nairobi

18 September, 2024

SHIMBAHILLS SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2022****6. Statement Of Receipts and Payments For the Year Ended 30th June 2022**

SHIMBAHILLS SECONDARY SCHOOL Annual Report ended on		Notes	FY 2021-2022 Kshs	FY 2022 Kshs
Receipts				
Government grants for tuition		1	3,147,293	1,306,860
Government grants for operations		2	13,728,291	8,735,506
Government Grants for infrastructure		3	-	-
School fund income- parents' contributions		4	65983425	28,633,090
Miscellaneous incomes		5	26000	-
Total Receipts			82,885,009	38,675,456
Payments				
Tuition		6	3,323,436	1,030,984
Operations		7	14,446,491	8,848,458
Infrastructure		8	-	-
Boarding and school fund		9	65,642,429	28,668,157
Total Payments			83,412,356	38,547,599
Surplus/Deficit			(527,347)	127,857

The school financial statements were approved on 17 OCT 2022 and signed by:


.....

Name: MWALIMU MRAFI

Chair BOM

Date: 26/6/2024


.....

Name: SALIM KITAURO
School Principal/ Secretary to
BOM

Date: 26/6/2024


.....

Name: JOB MWADIME

Bursar/ Finance Officer

Date: 26/6/2024

SHIMBAHILLS SECONDARY SCHOOLAnnual Report and Financial Statements For the year ended 30th June 2022**7. Statement of Assets and Liabilities As At 30th June 2022**

SHIMBAHILLS SECONDARY SCHOOL Annual Report and Financial Statements	Note	FY2021-2022	FY 2021
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	1,773,353	495,775
Cash balances	11	462	37,750
Short term investments	12	-	-
Total cash and cash equivalent		<u>1,773,815</u>	<u>533,525</u>
Account's receivables	13	48,305,014	46,300,196
Total financial assets		50,078,829	46,833,721
Financial liabilities			
Accounts payables	14	6,294,997	1,993,178.
Net financial assets		43,783,832	44,840,543
Represented by			
Accumulated fund b/fwd	15	44,311,178.	44,712,686
Surplus/deficit for the year		(527,346)	127,857
Net financial position		43,783,832	44,840,543

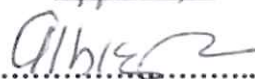
The school's financial statements were approved on 17/007 2022 and signed by:



Name: MWAHIMU MRAFI

Chair BOM

Date: 26/6/2024


Name: SALIM KISAURO
School Principal/ Secretary to
BOM

Date: 26/6/2024



Name: JOB MWANDIME

Bursar/ Finance Officer

Date: 26/6/2024

8. Statement of Cash Flows for the Year Ended 30th June 2022

Description	Note	FY 2021-2022 Kshs	FY 2021 Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition		3,147,293	1,306,860
Government grants for operations		13,728,291	8,735,506
Government grants for infrastructure		-	-
School fund income- parents contributions/ fees		65,983,425	28,624,090
Other income		26,000	9,000
Total receipts		82,885,009	38,675,456
Payments			
Cash outflows for tuition		3,323,436	1,030,984
Cash outflows for operations		14,446,491	8,848,458
Cash outflows Boarding/lunch and school fund payments		65,642,429	28,668,157
Total payments		83,412,356	38,547,599
Net cash inflow/outflow from operating activities		(527,346)	127,857
Cash flow from investing activities			
Acquisition of assets		-	-
Proceeds from sale of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash inflow/outflows from investing activities		-	-
Cash flow from Financing activities			
Proceeds from borrowings/ loans	18	-	-
Repayment of principal borrowings		-	-
Net cash inflow/outflow from financing activities		-	-
Net increase/decrease in cash and cash equivalents		(527,346)	127,857
Cash and cash equivalent at beginning of the FY		2,301,161	405,668
Cash and cash equivalent at end of the FY		1,773,815	533,525

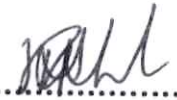
Note: Cash and Cash Equivalent is the summation of Note 10, 11 and 12.

(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 30th June 2022

The school's financial statements were approved on 17/06/2022 and signed by:


.....

Name: **MWALIMU MRAFI**

Chair BOM

Date: 26/6/2024


.....

Name: **SALIM KITAURO**

School Principal/ Secretary to BOM

Date: 26/6/2024


.....

Name: **JOB MWADIME**

Bursar/ Finance Officer

Date: 26/6/2024

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

SHIMBAHILLS SECONDARY SCHOOL Receipt/Expenses/Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
Statement Of Income and Expenditure	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
(1) Capitation Grant on Tuition					
Reference Materials	252973	-	252,973	180,465	71%
Exercise Books	1144252	-	1,144,252	948,900	82%
Laboratory Equipment	731169	-	731,169	873,570	119%
Internal Exams	262580	-	262,580	604,625	230%
Teaching / Learning Materials	562519	-	562,519	326,058	57%
Exams And Assessment	-	-	-	-	-
(2) Capitation Grant on Operations					
Personnel Emoluments	5337000	-	5337,000	4,301,246	80%
Repairs And Maintenance	5337000	-	5337,000	4,996,250	93%
Local Transport / Travelling	1280880	-	1,280,880	1,521,962	118%
Electricity And Water	1280880	-	1,280,880	1,397,275	109%
Medical	2134800	-	2,134,800	190,200	8%
Administration Costs	1280880	-	1,280,880	1351,357	105%
Activity	1601100	-	1,601,100	-	-
Gratuity	-	-	-	-	-
	-	-	-	-	-
3) FDSE for infrastructure					
Maintenance & Improvement MoE	-	-	-	-	-
M&I parents' contribution	-	-	-	-	-
Economic Stimulus Programs	-	-	-	-	-
Transition Infrastructure Grants	-	-	-	-	-
Administration Block	-	-	-	-	-
(4) Fees Charged on Parents					
Personnel Emoluments	4655298	-	4,655,298	4,190,900	90%

SHIMBAHILLS SECONDARY SCHOOL

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

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	2600400	-	2,600,400	2,245,791	86%
Local Transport / Travelling	2600400	-	2,600,400	2,213,236	85%
Electricity And Water	6370980	-	6,370,980	3,766,904	59%
Medical	-	-	-	-	-
Administration Costs	3250500	-	3,250,500	2,193,458	67%
Activity	325050	-	325,050	480,460	147%
SMASSE	-	-	-	-	-
Fee On Boarding Equipment and Stores	33756507	-	33,756,507	28,530,327	84%
5) Miscellenous Income					
Loans / Borrowing	-	-	-	-	-
Rent income	-	-	-	-	-
Income From Farming Activities	-	-	-	-	-
Insurance Compensation	-	-	-	-	-
Income From Posho Mill	-	-	-	-	-
Income From Bus Hire	-	-	-	-	-
Fee For Hire of Ground and Equipment	-	-	-	-	-
Interest Income	-	-	-	-	-
Income From Any Other Investment	-	-	-	-	-
Total Income					
(6) Expenditure For Tuition					
Textbooks	1,358,800	-	1,358,800	-	-
Reference Materials	252,973	-	252,973	-	-
Exercise Books	1,144,252	-	1,144,252	674,820	58%
Laboratory Equipment	731,169	-	731,169	359,153	49%
Internal Exams	262,580	-	262,580	1,128,000	429%
Teaching / Learning Materials	562,519	-	562,519	212,100	37%
Chalks	111,009	-	111,009	4,900	4%
Exams And Assessment	-	-	-	-	-
Teachers Guides	-	-	-	-	-

SHIMBAHILLS SECONDARY SCHOOL

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

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	-	-	-	3,436	-
(7) Expenditure For Operations					
Personnel Emoluments	5,337,000	-	5,337,000	5,220,868	97%
Repairs, Maintenance & Improvements	5,337,000	-	5,337,000	972,480	18%
Local Transport / Travelling	1,280,880	-	1,280,880	1,034,460	80%
Electricity, Water and Conservancy	1280880	-	1,280,880	2,129,421	166%
Medical	2,134,800	-	2134800	-	-
Administration Costs	1,280,880	-	1,280,880	1,328,470	103%
Activity Expenses	1,601,100	-	1,601,100	648,604	40%
Gratuity	-	-	-	-	-
SMASSE	213,480	-	213,480	-	-
(8) Expenditure For infrastructure					
Construction of classrooms	-	-	-	-	-
Construction of LAB	-	-	-	-	-
Construction of DORMS	-	-	-	-	-
Purchase of furniture	-	-	-	-	-
Purchase of equipment	-	-	-	-	-
Purchase of machinery	-	-	-	-	-
(9) Expenditure For school fund/lunch/boarding					
Personnel Emoluments	4,655,298	-	4,655,298	543,8751	116%
Repairs, Maintenance and Improvements	2,600,400	-	2,600,400	224,650	8%
Local Transport / Travelling	2,600,400	-	2,600,400	2,127,650	81%
Electricity, Water and Conservancy	6,370,980	-	6,370,980	2,296,000	36%
Medical Expenses	-	-	-	-	-

SHIMBAHILLS SECONDARY SCHOOL

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

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	3,250,500	-	3,250,500	2,409,333	74%
Activity	325,050	-	325,050	370,726	114%
Gratuity	-	-	-	-	-
Lunch Programme	-	-	-	-	-
Boarding Equipment and Stores	33,756,507	-	33,756,507	29,398,264	116%
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	151,213,625	-	151,213,625	116,295,070	76%

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

- i. On expenditure part the votehead of internal exams there was overutilization of 429% this was due to increase in prices of photocopying papers and cartridges caused by inflation leading to increase in expenditure.
-Teachers were giving students more exams and a lot of revisionwork was done thus a lot of photocopying papers were needed hence leading to increase in expenditure.
- ii The vote head of personal emoluments there was overutilization of 116% we had employed BOM Teachers so we had to pay them hence increasing the expenditure .

iii The vote head of boarding equipment and stores there was over utilization of 116% ,This was caused by increase in prices of foodstuff due to inflation leading to increase in expenditure.

Iv The votehead of activity there was overutilization of 114% this was due to inflation in price of petroleum leading to increase of transport of students during games activities,Also the were different teams which qualified to counties and regionals thus leading to increase in expenditure.

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 30th June 2022.

11. Notes To The Financial Statements

1 Government Grants for Tuition

Description	FY 2022	FY 2021
	Kshs	Kshs
Reference Materials	180,465	123,166
Exercise Books	948,900	399,704
Laboratory Equipment	873,570	277,554
Internal Exams	604,625	283,053
Teaching / Learning Materials	326,058	119,911
Chalk	213,675	103,471
Others (specify)*	-	-
Total	3,147,293	1,306,860

**Include others as per MOE circulars*

2 Government Grants for Operations

Description	FY 2022	FY 2021
	Kshs	Kshs
Personnel Emoluments	4,301,246	2,515,257
Repairs And Maintenance		115,000
Local Transport / Travelling	1,521,962	702,724
Electricity And Water	1,397,275	702,724
Medical	190,200	174,300
Administration Costs	1,351,357	562,249
M&I	4,966,250	3,963,249
Activity	-	-
Other Vote Heads (specify)*	-	-
Total	13,728,291	8,735,506

**Include others as per MOE circulars*

3 Government Grants for infrastructure

Description	FY 2022	FY 2021
	Kshs	Kshs
Maintenance & Improvement	-	-
Transition infrastructure grants	-	-
Administration Block	-	-
Economic stimulus grants	-	-

SHIMBAHILLS SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2022**

Description	FY 2022	FY 2021
	Kshs	Kshs
Other (specify)(NGCDF and County govt.	-	-
Total	-	-

4 School Fund Income - Parents Contribution/Fees

Description	FY 2022	FY 2021
	Kshs	Kshs
Personnel emoluments	4,190,900	995,856
Repairs and maintenance	2,245,791	622,136
Local transport / travelling	2213236	625,767
Electricity and water	3,766,904	1,432,518
Arrears	979,587	3,372,485
Administration costs	2,193,458	750,458
Prepayment	3,324,618	3,136,137
Operation	570,000	1,235,000
Activity	480,460	95,903
Union	5,575	3,007
Nssf	89,600	43,600
Nhif	189,800	51,950
Bursary	13,559,069	6,443,115
Equity	3,472,000	980,000
Imprest	5,000	-
Salary advance	167,100	30,700
Fee on Boarding Equipment and stores	28,530,327	8,805,458
PA Levies*	-	-
Others (specify)	-	-
Total	65,983,425	28,624,090

5 Miscellaneous Incomes

Description	FY 2022	FY 2021
	Kshs	Kshs
Rent Income	-	-
Income From Farming Activities	-	-
Tender	26,000	9,000
Insurance Compensation	-	-

SHIMBAHILLS SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2022**

Income From Posho Mill	-	-
Income From Bus Hire	-	-
Fee For Hire of Ground and Equipment	-	-
Income From Grants and Donations*	-	-
Interest Income	-	-
Dividends Income	-	-
Loans/Borrowings*	-	-
Other Income (<i>specify</i>)*	-	-
Total	26,000	9,000

Notes to the Financial Statements (continued)

6 Tuition

Description	FY2022	FY 2021
	Kshs	Kshs
Exercise Books	674,820	380,000
Textbooks	-	-
Reference materials	-	-
Laboratory Equipment	359,153	-
Teaching / Learning Materials	212,100	90,000
Internal exam	1,128,000	-
Teachers Guides	-	-
Bank Charges	3,436	984
Chalk	4,900	-
Others (specify)	-	-
Creditors	941,027	560,000
Total	3,323,436	1,030,984

7 Operations

Description	FY2022	FY 2021
	Kshs	Kshs
Personnel Emoluments	5,250,868	2,073,345
Service Gratuity	-	-
Administration Cost	1,328,470	772,666
Repairs And Maintenance & Improvements	972,480	980,000
Local Transport / Travelling	1,034,460	333,900
Electricity And Water	2,129,421	1,748,759
M&i	-	534,550
Medical	-	45,023
Activity Expenses	648,604	242,500
Creditors	280,420	303,220
Advance	5,000	-
School fund	1,070,000	1,682,450
Insurance Cost	xxx	-
Nhif	170,100	82,650
Nssf	106,400	47200
Union	5268	2,195

SHIMBAHILLS SECONDARY SCHOOL

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

Infrastructure	1,445,000	-
Creditors 2020		303,220
Others (specify)	-	-
Total	14,446,491	8,848,458

Notes to the Financial Statements (continued)

8 Infrastructure

Description	FY2022	FY 2021
	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)	-	-
Total	-	-

9 Boarding And School Fund

Description	FY2022	FY 2021
	Kshs	Kshs
Personnel Emoluments	5,438,751	1,968,533
Service Gratuity	189,760	-
Tender	-	22,000
Repairs And Maintenance & Improvements	224,650	726,150
Local Transport / Travelling	2,127,650	983,074
Electricity And Water	2,296,000	557,869
Medical Expenses	-	-
Administration Costs	2,409,333	828,619
Activity	370,726	12,000
Caution money	500	500
Bus expences	20,000	-
Sundry creditor	615,417	1,635,406
Prepayment	4,017,474	4,945,786
Fee refund	546,841	238,011
Operational acc	202,200	250,000
Union	5,136	3,007
Bursary	13,559,069	6,443,115
Nssf	81,200	43,600
Salary Advance	333,700	74,200
Nhif	189,800	51,950

SHIMBAHILLS SECONDARY SCHOOL

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

Equity bank	3,615,958	847,624
Expenses On Income Generating Activities**	-	-
Fee On Boarding Equipment and Stores	29,398,264	9,036,713
Rent Expenses	-	-
Insurance Cost (<i>Life Property</i>)	-	-
Loan Principal Repayment	-	-
Loan Interest Repayment	-	-
Acquisition Of Assets	-	-
PA expenses	-	-
Others (specify)	-	-
Total	65,642,429	28,668,157

SHIMBAHILLS SECONDARY SCHOOLAnnual Report and Financial Statements For the year ended 30th June 2022**Notes to the Financial Statements (continued)****10 Bank Accounts**

Account Name & Currency	Status	Bank Account Number	FY2022	FY 2021
			Kshs	Kshs
Tuition Account	Active	1109255314	118,303	294,445
Operations Account	Active	1109525877	13,175	151,492
School Fund Account/Boarding	Active	1109259360	285,972	47,505
Equity bank account	Active	0440263362871	449,783	-
Infrastructure account	Active	1116075032	9,06,119	2,331
Income Generating Activities Account	-	-	-	-
Infrastructural Account	-	-	-	-
Total	-	-	1,773,352	495,773

11 Cash In Hand

Description	FY 2022	FY 2021
	Kshs	Kshs
Tuition account	-	-
Operational account	85	37,750
School fund	377	-
Total	462	37,750

12 Short Term Investments

Description	FY 2022	FY 2021
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit accounts	-	-
Other Investments	-	-
Total	-	-

SHIMBAHILLS SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2022****Notes to the Financial Statements (continued)****13 Accounts Receivable**

Description	FY 2022	FY 2021
	Kshs	Kshs
Fees Arrears	48,305,014	46,300,196
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)	-	-
Imprest (list/schedule attached)	-	-
Rent arrears (list/schedule attached)	-	-
Total	48,305,014	46,300,196

13 b Ageing Analysis of Accounts Receivable

Description	FY 2022		FY 2021	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	6,006,135	12.4%	6,259,341	13.5%
Between 1- 2 years	6,259,341	12.9%	9,500,858	20.5%
Between 2-3 years	-	-	-	-
Over 3 years	36,039,538	74.6%	30,539,997	65.9%
Total (should tie to note 13 a)	48,305,014	100%	46,300,196	100%

14 Accounts Payable

Description	FY 2022	FY 2021
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	6,294,997	1,993,178
Prepaid Fees	-	-
Retention Monies	-	-
Unpaid salaries and statutory deductions	-	-
Caution money	-	-
Other payables (<i>specify</i>)	-	-
Total	6,294,997	1,993,178

SHIMBAHILLS SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2022****Notes to the Financial Statements (continued)****14a. Ageing Analysis of Accounts Payable**

Description	FY 2022		FY 2021	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	5,609,318	89.1%	1,993,178	79.0%
Between 1- 2 years	685,679	10.8%	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (should tie to note 14)	6,294,997	100%	1993178	100%

15 Fund Balance Brought Forward

Description	FY 2022	FY 2021
	Kshs	Kshs
Bank Balances	1,773,353	495,775
Cash Balances	462	37,750
Short Term Investments	-	-
Receivables	48,305,014	46,300,196
Payables	(6,294,997)	(1,993,178)
Total	43,783,832	44,840,543

Other important disclosure notes

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

16 Non-current Liabilities Summary

Description	FY 2022		FY 2021	
		Kshs		Kshs
Bank Loans		-		-
Outstanding Leases		-		-
Hire Purchase		-		-
Gratuity And Leave Provision		-		-
Others (specify)		-		-
Total		-		-

17 Biological assets

Description	Numbers	FY 2022		FY 2021	
			Kshs		Kshs
Cattle			-		-
Goats			-		-
Trees			-		-
Coffee Or Tea Plantation			-		-
Poultry			-		-
Others (specify)			-		-
Total			-		-

18 Borrowings

Description	Kshs	Kshs
Borrowings at beginning of the year	-	-
Borrowings during the year	-	-
Repayments during the year	(-)	(-)
Balance at the end of the year	-	-

SHIMBAHILLS SECONDARY SCHOOL

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

Other important disclosure notes

19 Stock/ Inventory

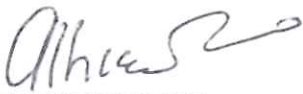
Description	FY 2022	FY 2021
	Kshs	Kshs
Food stuffs	-	-
Lab consumables	-	-
Farm produce	-	-
Medication	-	-
Construction Materials	-	-
Others (specify)	-	-
	-	-

(Stock to be measured at lower of cost and net realisable value. Net realisable value is the difference between selling costs less costs to sell)

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.	Issues / 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
Annual Report and Financial Statements For the year ended 30th June 2022

12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstand ing Balance FY 2021-2022	Outstand ing Balance FY 2021-	Comments
	A	b	C	d-a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1.						
2.						
3.						
Sub-Total						
Supply Of Goods						
4.						
5.						
Sub-Total						
Supply Of Services						
6.						
7.						
8.						
Sub-Total						
Grand Total						

Annex 2 – Summary of Fixed Assets Register

	Historical Cost b/f (Kshs) 1 st July 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 21
Land				
Buildings And Structures				
Motor Vehicles				

SHIMBAHILLS SECONDARY SCHOOL**Annual Report and Financial Statements For the year ended 30th June 2022**

SHIMBAHILLS SECONDARY SCHOOL Asset Category and Description	Historical Cost b/f (Kshs) 1st July 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost e/f (Kshs) 30th June 21
Office Equipment, Furniture And Fittings				
Textbooks				
ICT Equipment				
Tools And Apparatus				
Other Machinery And Equipment				
Heritage And Cultural Assets				
Intangible Assets- Soft Ware				
Total				

SHIMBAHILLS SECONDARY SCHOOL
Annual Report and Financial Statements For the year ended 30th June 2022

SHIMBAHILLS SECONDARY SCHOOL		DR	CR
TRIAL BALANCE AS AT 30TH JUNE 2022			
Cash and Cash equivalents			
	Bank Balances	1,773,352.95	
	Cash Balances	462.18	
	Short term investments	-	
	Receivables	48,305,014.77	
Payments			
	Payments for Tuition	3,323,436.00	
	Payments for operations	14,446,491.00	
	Boarding and school fund payments	65,642,429.00	
Receipts	Capitation grants for tuition		3,147,293.60
	Capitation grants for operations		13,728,291.30
	School Fund Income- Parents' Contributions		65,983,425.00
	School Fund Income- Other receipts		26,000.00
	Proceeds from borrowings		
Prior Year Adjustment			43,777,655.00
Fund Balance b/f			495,773.00
Balance B/f	Bank		37,750.00
	Cash		6,294,997.00
Payables			
TOTAL		133,491,185.90	133,491,184.90