

REPUBLIC OF KENYA



*Enhancing Accountability*

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**REPORT**

DATE: 26 FEB 2025

DAY:  
Wed

TABLED  
BY:  
OF  
CLERK-AT  
THE-TABLE:

Hon. Samuel  
Chepkonga, MP  
M. mado

**THE AUDITOR-GENERAL**

**ON**

**SHIMBA HILLS SECONDARY SCHOOL**

**FOR THE SIX (6) MONTHS' PERIOD ENDED  
30 JUNE, 2021**

**KWALE COUNTY**



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**SHIMBAHILLS SECONDARY SCHOOL**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>TH</sup> JUNE 2021**

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

**SHIMBAHILLS SECONDARY SCHOOL**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2021**

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**SHIMBAHILLS SECONDARY SCHOOL**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2021**

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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

**SHIMBAHILLS SECONDARY SCHOOL**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2021**

**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 978 number of students as at 30<sup>th</sup> June 2021 It has 20 streams and 46 teachers of which 25 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	Designation	Date of appointment
1	Mdm Zena challa	Chairlady/sponsor	Sept 2019
2	Mr Salim Kitauro	Secretary - Principal	Sept 2019
3	Mr Pius mwongela	V/ chair / community	Sept 2019
4	Mr George mokaya	Member / special	Sept 2019
5	Mr Abednego shadrack	Member / comunity	Sept 2019
6	Rev Anthony wanjohi	Member/ comunity	Sept 2019
7	Mr Juma naaman	Member/special	Sept 2019
8	Mr Josiah kilei	Member/ Rep CEB	Sept 2019
9.	Mr Kassim shee	Member / sponsor	Sept 2019
10	Mr Wilfred kioko	Member/ sponsor	Sept 2019
11	Mdm Ruth Mutiso	Member Rep Teachers	Sept 2019
12	Mdm Patricia nguku	Member - Sponsor	Sept 2019
13	Mdm Mary githaiga	Member- Special needs	Sept 2019
14	Mr Abdulrahman ramadhan	Student representative	Sept 2019

**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.

**SHIMBAHILLS SECONDARY SCHOOL**  
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**(c) Committees of the Board**

Ref	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
<b>Committees of the Board</b>				
1	Executive Committee	1.Zena challa 2.Salim Kitauro 3.Ruth Mutiso 4Pius mwongela 5 Wilfred kiko 6Kibibi hamisi	Chairlady Secretary/Principal Member Member/v/chair Member Member	<b>2 Meeting</b>
2	Audit Committee	1 Patricia nguku 2Salim kitauro 3Wilfred kioko 4Kasyoki jeremiah 5George mokaya	Chair secretary Member Member Member	1 Meeting
3	Finance,procurement and general purposes Committee	1Patricia nguku 2Salim kitauro 3Wifred kioko 4Kasyoki jeremiah 5George mokaya	Chair Secretary Member Member Member	1 Meeting
4	Academic Committee	1Shee kassim 2Salim Kitauro 3Abednego shadrack 4Kibibi hamisi 5Mary githaiga	Chair Secretary/Principal Member Member Member	3 Meeting
5	Development Committee	1George mokaya 2Zena challa 3Pius mwongela 4RevAnthony wanjohi	Chair Member Member Member	2 Meeting
6	Discipline and welfare Committee	1Anthony Wanjohi 2Juma Naaman 3Ruth Mutiso 4Mary githaiga 5Kibibi hamisi	Chair Member Member Member Member	2Meeting
7	Adhoc Committee (if any during the year)			

**SHIMBAHILLS SECONDARY SCHOOL**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2021**

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**(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

**SHIMBAHILLS SECONDARY SCHOOL**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2021**

**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
2019	-	
2020	134,227	-
2021	127,857	-

CAPITATION GRANTS FROM MINISTRY OF EDUCATION FOR THE LAST 3 YEARS

YEAR	CAPITATION		TOTAL
	TUITION	OPERATION	
2019			
2020	1,455,166	10,619,900	12,075,066
2021	1,306,860	8,735,506	10,042,366

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

YEAR	BOARDING/PARENTS
2019	
2020	12,035,721
2021	38,675,456

GROWTH IN EXPENDITURE OF THE SCHOOL

YEAR	INCOME	EXPENDITURE
2019		
2020	24,110,787	23,976,560
2021	38,675,456	38,547,599

MOVEMENT OF DEBTORS/CREDITORS OVER LAST 3 YEARS

YEAR	DEBTORS	CREDITORS
2019		
2020	9,500,858	2,708,683
2021-2022	6,259,341	1,993,178

**b) Teacher Student ratio:**

NO OF STUDENTS	CURRENT NO OF TEACHERS	SHORTFALL
978	21	25

**c) Mean score in the 2020-2022 KCSE:**

MEANS CORE FOR KCSE OVER LAST 3 YEARS

YEAR	NUMBER OF CANDIDATES	SCHOOL MEAN GRADE	STUDENTS TRANSITIONED TO HIGHER LEARNING	COMMENT
2019	171	3.65	11	IMPROVE
2020	172	4.45 (D+)	16	IMPROVE
2021	234	3.64 (D+)	9	DROP

**d) Number of Candidates in the 2021-2023 KCSE:**

NUMBER OF CANDIDATES FOR KCSE OVER 3 YEARS

YEAR	NO OF STUDENTS
2019	171
2020	197
2021	234

**SHIMBAHILLS SECONDARY SCHOOL**  
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**e) Capacity of the school:**

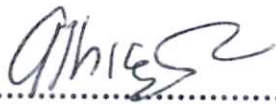
FACILITY	NUMBER	NUMBER OF STUDENTS
Classrooms	20	978
Computer Lab	1	978
Science Lab	3	978
Library	1	978
Dinning Hall	2	978
Kitchen	2	978
Administration Block	1	978
Dormitories	12	978
Toilet	40	978

**SHIMBAHILLS SECONDARY SCHOOL**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2021**

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**f) Development projects carried out by the school:**

Annual Report	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Biology lab	FDSE/MI	Complete	2M	2M	Complete



.....  
**School Principal**

**SHIMBAHILLS SECONDARY SCHOOL**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2021**

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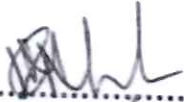
**4. Statement of School Management Responsibility**

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, 2021, 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



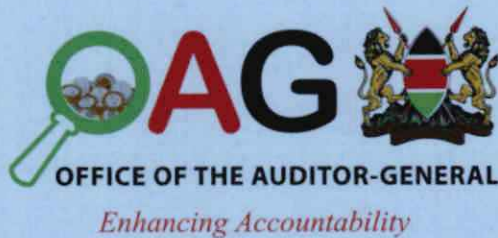
.....  
**Name: JOB MWADIME**

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Shimba Hills Secondary School – Kwale County as at 30 June, 2021, 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 Basic Education Act, 2013.

### **Basis for Qualified Opinion**

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

The financial statements reflects comparative balances for the year 2020 which were not supported. Further, the statement of cash flows reflects net increase in cash and cash equivalents and cash and cash equivalents at the beginning of the year balances of Kshs.127,857 and Kshs.405,668 against amounts of Kshs.470,881 and Kshs.62,644 respectively, reflected in the statement of assets and liabilities.

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

#### **2. Unsupported and Long Outstanding Receivable**

The statement of assets and liabilities reflects accounts receivables totalling Kshs.46,300,196 as disclosed in Note 13 to the financial statements which were attributed to fee arrears. However, the School Management provided detailed schedules amounting to Kshs.6,259,341 resulting to unsupported receivables totalling Kshs.40,040,855, which pertains to previous years. Further, it was observed that the School had accumulated fee arrears of Kshs.30,539,997 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.46,300,196 could not be confirmed.

#### **3. Irregular Cash Withdrawals**

The statement of receipts and payments reflects total receipts and payments amounts of Kshs.38,675,456 and Kshs.38,547,599 respectively. However, review of sampled documents provided during the audit, revealed that Management withdrew cash totalling

Kshs.165,000. The withdrawals lacked supporting documentation to justify the purpose and necessity of the cash transactions.

In the circumstances, it was not possible to ascertain whether withdrawals totalling Kshs.165,000 were a proper charge to public funds.

#### **4. Undisclosed Revenue**

The statement of receipts and payments reflects receipts totalling Kshs.38,675,456. It was noted that during the year under review, the School had leased part of its land to a local company to install their network mast and review of the receipt vouchers revealed that the School had received income from the agreement amounting to Kshs.197,993. However, the revenue was not disclosed in the financial statements.

In the circumstances, the accuracy and completeness of the total receipts of Kshs.38,675,456 could not be confirmed.

#### **5. Inaccuracies in Capitation Grants**

The statement of receipts and payments reflects capitation grants for tuition and operations amounts of Kshs.1,306,860 and Kshs.8,735,506 as disclosed in Note 1 and Note 2 to the financial statements. However, review of the National Education Management Information System (NEMIS) capitation disbursements made to the School revealed amounts of Kshs.1,652,631 and Kshs.14,358,814 while the School receipted Kshs.1,652,631 and Kshs.14,353,841 respectively. The inconsistencies were not explained or supported.

In the circumstances, the accuracy and completeness of capitation grants for tuition and operations of Kshs.1,306,860 and Kshs.8,735,506 could not be confirmed.

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

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.533,525 as disclosed in Note 10 and Note 11 to the financial statements. However, the bank balances were not supported by cashbooks, bank certificates and bank reconciliation statements.

In the circumstances, the accuracy, completeness and existence of bank balances totalling Kshs.533,525 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.149,965,834 and Kshs.38,675,456 respectively, resulting to an under-funding of Kshs.111,290,378 or 74% of the budget. However, the School spent a balance of Kshs.38,547,599 against actual receipts of Kshs.38,675,456, resulting to an under-utilization of Kshs.127,857 of actual receipts.

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.

#### **1. Late Submission of Financial Statements for Audit**

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, 2021. 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, 2021 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. Procurement Irregularities in Acquisition of an Analytics Tool**

Analysis of documents provided during the year under audit revealed that the School acquired an analytics tool, to aid in reporting of students' exam assessment tests and exams. The tool was purchased from a local contractor at a cost of Kshs.260,500.

However, the procurement documents were not provided for audit. Further, documentation or evidence to support the basis that the analytics tool was exclusively available from a local supplier hence use of single source selection was not provided.

In the circumstances, the occurrence, completeness and legality of the expenditure totalling Kshs.260,500 could not be confirmed.

### 3. Transfer of Funds to Kenya Secondary Schools Heads Association

During the audit it was noted that the School transferred co-curricular funds totalling Kshs.350,000 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, value for money transferred to KESSHA amounting to Kshs.350,000 could not be confirmed.

### 4. Failure to Transfer Infrastructure Funds from the Operations Bank Account

In the year under review, the School received operations capitation grants of Kshs.14,353,814, out of which Kshs.4,761,500 was supposed to be transferred to the infrastructure account. However, only Kshs.3,400,000 was transferred resulting in a variance of Kshs.1,361,500 as detailed below:

Date Credited to Operation Bank Account	Operation Capitation Received (Kshs)	Total Infrastructure Funds (Kshs.)	Actual Amount Transferred to Infrastructure Account (Kshs.)	Date Transferred (Kshs.)	Variance (Kshs.)
09/10/2020	3,970,850	533,000	700,000	18/01/2021	167,000
19/05/2021	167,625	22,500	200,000	10/05/2021	177,500
06/01/2021	3,947,953	2,324,000	700,000	18/01/2021	1,624,000
28/04/2021	3,137,470	1,396,500	900,000	09/11/2021	496,500
07/07/2021	2,714,916	485,500	900,000	09/11/2021	414,500
	415,000				
	<b>14,353,814</b>	<b>4,761,500</b>	<b>3,400,000</b>		<b>1,361,500</b>

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

### 5. Lack of Procurement Plan

The statement of receipts and payments reflects amounts of Kshs.38,675,456 and Kshs.38,547,599 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.

## **6. 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.

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 comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

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**

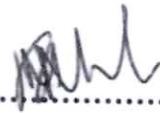
**12 September, 2024**

**SHIMBAHILLS SECONDARY SCHOOL**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2021**

**6. Statement Of Receipts and Payments For the Year Ended 30<sup>th</sup> June 2021**

Description Of Vote Head	Note	FY2021	FY 2020
Annual Report and Financial Statements		Kshs	Kshs
<b>Receipts</b>			
Government grants for tuition	1	1,306,860	1,455,166
Government grants for operations	2	8,735,506	10,619,900
Government Grants for infrastructure	3	-	-
School fund income- parents' contributions	4	28,624,090	-
Miscellaneous incomes	5	9,000	12,035,721
<b>Total Receipts</b>		<b>38,675,456</b>	<b>24,110,787</b>
<b>Payments</b>			
Tuition	6	1,030,984	124,906
Operations	7	8,848,458	12,063,187
Infrastructure	8	-	-
Boarding and school fund	9	28,668,157	11,788,467
<b>Total Payments</b>		<b>38,547,599</b>	<b>23,976,560</b>
<b>Surplus/Deficit</b>		<b>127,857</b>	<b>134,227</b>

The school financial statements were approved on 17/10/2021 2021 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

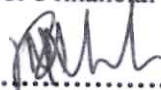
Date: 26/6/2024

**SHIMBAHILLS SECONDARY SCHOOL**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2021**

**7. Statement of Assets and Liabilities As At 30<sup>th</sup> June 2021**

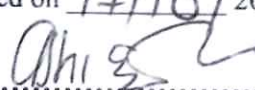
Description	Annual Report and Financial Statements	Note	FY 2021	FY 2020
			Kshs	Kshs
<b>Financial Assets</b>				
<b>Cash and cash equivalents</b>				
Bank balances		10	495,775	62,615
Cash balances		11	37,750	29
Short term investments		12	-	-
<b>Total cash and cash equivalent</b>			<b>533,525</b>	<b>62,644</b>
Account's receivables		13	46,300,196	44,833,671
<b>Total financial assets</b>			<b>46,833,721</b>	<b>44,896,315</b>
<b>Financial liabilities</b>				
Accounts payables		14	1,993,178	2,708,683
<b>Net financial assets</b>			<b>44,840,543</b>	<b>42,187,632</b>
<b>Represented by</b>				
Accumulated fund b/fwd		15	44,712,686	42,053,405
Surplus/deficit for the year			127,857	134,227
<b>Net financial position</b>			<b>44,840,543</b>	<b>42,187,632</b>

The school's financial statements were approved on 17/10/2021 and signed by:


  
 Name: MWALIMU MRAFIKI

Chair BOM

Date: 26/6/2024

  
 Name: SALIM KITURO  
 School Principal/ Secretary to BOM

Date: 26/6/2024

  
 Name: JOB MWADIME  
 Bursar/ Finance Officer

Date: 26/6/2024

**SHIMBAHILLS SECONDARY SCHOOL**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2021**

**8. Statement of Cash Flows for the Year Ended 30<sup>th</sup> June 2021**

Description	Note	FY 2021 Kshs	FY 2020 Kshs
<b>Cash from Operating Activities</b>			
<b>Receipts</b>			
Government grants for tuition		1,306,860	1,455,166
Government grants for operations		8,735,506	10,619,900
Government grants for infrastructure		-	-
School fund income- parents contributions/ fees		28,624,090	-
Other income		9,000	12,035,721
<b>Total receipts</b>		<b>38,675,456</b>	<b>24,110,787</b>
<b>Payments</b>			
Cash outflows for tuition		1,030,984	124,906
Cash outflows for operations		8,848,458	12,063,187
Cash outflows Boarding/lunch and school fund payments		28,668,157	11,788,467
<b>Total payments</b>		<b>(38,547,599)</b>	<b>(23,976,560)</b>
<b>Net cash inflow/outflow from operating activities</b>		<b>127,857</b>	<b>134,227</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	<b>18</b>	-	-
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>127,857</b>	<b>134,227</b>
Cash and cash equivalent at beginning of the FY		405,668	-
<b>Cash and cash equivalent at end of the FY</b>		<b>533,525</b>	<b>134,227</b>


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

**SHIMBAHILLS SECONDARY SCHOOL**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2021**

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*(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).*

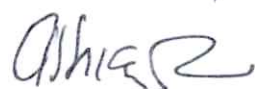
The school's financial statements were approved on 17/10/ 2021 and signed by:

.....  


Name: MWALIMU MRAFIKI

Chair BOM

Date: 26/6/2024

.....  


Name: SAHM KITAURO  
School Principal/ Secretary to

BOM

Date: 26/6/2024

.....  


Name: JOB MWADIME

Bursar/ Finance Officer

Date: 26/6/2024

**SHIMBAHILLS SECONDARY SCHOOL**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2021**

**9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30<sup>th</sup> June 2021**

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
Annual Report and Financial Statements For the year ended 30 <sup>th</sup> June 2021	Kshs	Kshs	Kshs	Kshs	e=d/c %
<b>Receipts</b>					
<b>(1) Capitation Grant on Tuition</b>					
Reference Materials	252,973	-	252,973	123166	48%
Exercise Books	1,144,252	-	1,144,252	399704	34%
Laboratory Equipment	731,169	-	731,169	277,554	37%
Chalk	111,009	-	111,009	103,471	9%
Internal Exams	262,580	-	262,580	283,053	107%
Teaching / Learning Materials	562,519	-	562,519	119,911	21%
Exams And Assessment	-	-	-	-	-
<b>(2) Capitation Grant on Operations</b>					
Personnel Emoluments	5,337,000	-	5,337,000	2,515,257	47%
Repairs And Maintenance	-	-	-	115,000	%
Local Transport / Travelling	1,280,880	-	1,280,880	702,724	54%
Electricity And Water	1,280,880	-	1,280,880	702,724	54%
Medical	2,134,800	-	2,134,800	174,300	8%
SMASSE					
Administration Costs	1,280,880	-	1,280,880	562,249	43%
M&i	5,337,000		5,337,000	3,963,249	74%
Activity	1,601,100	-	1,601,100	-	-
Gratuity	-	-	-	-	-
<b>3) FDSE for infrastructure</b>					
Maintenance &Improvement MoE		-	-	-	-
M&I parents' contribution	-	-	-	-	-

**SHIMBAHILLS SECONDARY SCHOOL**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2021**

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
Economic Stimulus Programs	-	-	-	-	-
Transition Infrastructure Grants	-	-	-	-	-
Administration Block	-	-	-	-	-
<b>(4) Fees Charged on Parents</b>					
Personnel Emoluments	4,655,298	-	4,655,298	995,856	21%
Repairs And Maintenance	2,600,400	-	2,600,400	622,136	23%
Local Transport / Travelling	2,600,400	-	2,600,400	625,767	24%
Electricity And Water	6,370,980	-	6,370,980	1,432,518	22%
Medical	-	-	-	-	-
Administration Costs	3,250,500	-	3,250,500	750,458	23%
Activity	325,050	-	325,050	95,903	29%
SMASSE	-	-	-	-	-
Fee On Boarding Equipment and Stores	33,756,507	-	33,756,507	8,805,458	26%
<b>5) Miscellenous Income</b>					
Loans / Borrowing	-	-	-	-	-
Rent income	-	-	-	-	-
Income From Farming Activities	-	-	-	-	-
Insurance Compensation	-	-	-	-	-
Tender	-	-	-	9,000	-
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	-	-	-	-	-
Reference Materials	252,973	-	252,973		0%
Exercise Books	1,144,252	-	1144252	380000	33%

**SHIMBAHILLS SECONDARY SCHOOL**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2021**

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
Laboratory Equipment	731,169	-	731,169	-	0%
Internal Exams	262,580	-	262,580	-	0%
Teaching / Learning Materials	562,519	-	562,519	90,000	15%
Chalks	111,009	-	111,009	-	0%
Exams And Assessment	-	-	-	-	-
Teachers Guides	-	-	-	-	-
Administration Costs	-	-	-	-	-
Bank Charges	-	-	-	984	-
Sundry creditor				560,000	-
<b>(7) Expenditure For Operations</b>					
Personnel Emoluments	5,337,000	-	5,337,000	2,073,345	38%
Repairs, Maintenance & Improvements	5,337,000	-	5,337,000	980,000	18%
Local Transport / Travelling	1,280,880	-	1,280,880	333,900	26%
Electricity, Water and Conservancy	1,280,880	-	1,280,880	1,748,759	136%
Medical	2,134,800	-	2,134,800	45,023	2%
Administration Costs	1,280,880	-	1,280,880	772,666	60%
Activity Expenses	1,601,100	-	1,601,100	242,500	15%
Gratuity	-	-	-	-	-
SMASSE	213,480	-	213,480	-	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>					

**SHIMBAHILLS SECONDARY SCHOOL**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2021**

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
Personnel Emoluments	4,655,298	-	4,655,298	1,998,533	42%
Repairs, Maintenance and Improvements	2,600,400	-	2600400	726,150	27%
Local Transport / Travelling	2,600,400	-	2,600,400	983,074	37%
Electricity, Water and Conservancy	6,370,980	-	6370,980	557,869	8%
Medical Expenses	-	-	-	-	-
Administration Costs	3,250,500	-	3,250,500	828,619	25%
Activity	325,050	-	325,050	12,000	3%
Gratuity	-	-	-	-	-
Lunch Programme	-	-	-	-	x
Boarding Equipment and Stores	33,756,507	-	33,756,507	9,036,713	267%
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>149,965,834</b>	<b>-</b>	<b>149,965,834</b>	<b>44,749,593</b>	<b>29%</b>

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

- i. On expenditure in the vote head of Boarding Equipment and stores there was over utilization of 267% this was caused by inflation hence leading to increase in prices of foodstuff increment in expenditure.
- ii. On expenditure in the votehead of electricity water and conservancy there was overutilization of 136 % this was because we did major overhaul of the water piping system hence 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

*SHIMBAHILLS SECONDARY SCHOOL*  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2021**

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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 2021.

**SHIMBAHILLS SECONDARY SCHOOL**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2021**

**11. Notes To The Financial Statements**

**1 Government Grants for Tuition**

Description Notes To The Financial Statements	FY 2021	FY 2020
	Kshs	Kshs
Reference Materials	123,166	-
Exercise Books	399,704	-
Laboratory Equipment	277,554	-
Internal Exams	283,053	-
Teaching / Learning Materials	119,911	1,455,166
Chalk	103,471	-
Others (specify)*	-	-
<b>Total</b>	<b>1,306,860</b>	<b>1,455,166</b>

**2 Government Grants for Operations**

Description	FY 2021	FY 2020
	Kshs	Kshs
Personnel Emoluments	2,515,257	-
Repairs And Maintenance	115,000	-
Local Transport / Travelling	702,724	-
Electricity And Water	702,724	-
Grant	-	6,967,900
M&I	3,963,249	3,652,000
Medical	174,300	-
Administration Costs	562,250	-
Activity	-	-
Other Vote Heads (specify)*	-	-
<b>Total</b>	<b>8,735,506</b>	<b>10,619,900</b>

**3 Government Grants for infrastructure**

Other Vote Heads (specify) Description	FY 2021	FY 2020
	Kshs	Kshs
Maintenance & Improvement	-	-
Transition infrastructure grants	-	-
Administration Block	-	-
Economic stimulus grants	-	-

**SHIMBAHILLS SECONDARY SCHOOL**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2021**

Description	FY 2021	FY 2020
	Kshs	Kshs
Other (specify)(NGCDF and County govt.	-	-
<b>Total</b>	-	

**4 School Fund Income - Parents Contribution/Fees**

Other (specify)(NGCDF and County govt.)	FY 2021	FY 2020
	Kshs	Kshs
Personnel emoluments	995,856	1,960,788
Repairs and maintenance	622,136	783,000
Local transport / travelling	625,767	761,849
Electricity and water	1,432,518	905,230
Medical	-	508,950
Administration costs	750,458	851,904
Activity	95,903	-
Fee on Boarding Equipment and stores	8,805,458	6,264,000
Operational acc	1,235,000	
Nssf	43,600	
Nhif	51,950	
Bursary	6,443,115	
Union	3,007	
Salary advance	30,700	
Equity	980,000	
Prepayment	3,136,137	
Arrears	3,372,485	
PA Levies*	-	-
Others (specify)	-	-
<b>Total</b>	<b>28,624,090</b>	<b>12,035,721</b>

**5 Miscellaneous Incomes**

Description	FY 2021	FY 2020
	Kshs	Kshs
Rent Income	-	-
Income From Farming Activities	-	-
Tender	9,000	-
Insurance Compensation	-	-
Income From Posho Mill	-	-

**SHIMBAHILLS SECONDARY SCHOOL**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2021**

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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> )*	-	-
<b>Total</b>	<b>9,000</b>	-

**SHIMBAHILLS SECONDARY SCHOOL**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2021**

**Notes to the Financial Statements (continued)**

**6 Tuition**

Description	FY 2021	FY 2020
Notes to the Financial Statements (continued)	Kshs	Kshs
Exercise Books	380,000	-
Textbooks	-	-
Reference materials	-	-
Laboratory Equipment	-	-
Teaching / Learning Materials	90,000	124,906
Exams And Assessment	-	-
Teachers Guides	-	-
Bank Charges	984	-
Creditors	560,000	-
Others (specify)	-	-
<b>Total</b>	<b>1,030,984</b>	<b>124,906</b>

**7 Operations**

Description	FY 2021	FY 2020
Notes to the Financial Statements (continued)	Kshs	Kshs
Personnel Emoluments	2,073,345	-
Service Gratuity	-	-
Administration Cost	772,666	-
Repairs And Maintenance & Improvements	980,000	-
Local Transport / Travelling	333,900	-
Electricity And Water	1,748,759	-
Medical	45,023	-
Activity Expenses	242,500	-
Grant	-	8,411,187
M&I	534,550	3,652,000
Nhif	82,650	-
Nssf	47,200	-
Union	2,195	-
Creditors	303,220	-
Transfer school fund	1,682,450	-
Others (specify)	-	-
<b>Total</b>	<b>8,848,458</b>	<b>12,063,187</b>

**SHIMBAHILLS SECONDARY SCHOOL**  
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**Notes to the Financial Statements (continued)**

**8 Infrastructure**

Description	FY 2021	FY 2020
	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 2021	FY 2020
	Kshs	Kshs
Personnel Emoluments	1,968,533	-
Service Gratuity	-	-
Repairs And Maintenance & Improvements	726,150	1,049,490
Local Transport / Travelling	983,074	814,236
Electricity And Water	557,869	1,463,258
Medical Expenses	-	7,200
Administration Costs	828,619	1,048,286
Activity	12,000	-
Caution money	500	-
Creditors	1635,406	
Fees refund	238,011	
Tender	22,000	
Salary advance	74,200	
Bursary	6,443,115	
Prepayment	4,945,786	
Operational acc	250,000	
Union	3,007	
Nhif	51,950	
Nssf	43,600	
Equity bank	847,624	

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Expenses On Income Generating Activities**	-	-
Fee On Boarding Equipment and Stores	9,036,713	5,009,215
Rent Expenses	-	-
Insurance Cost ( <i>Life Property</i> )	-	-
Loan Principal Repayment	-	-
Loan Interest Repayment	-	-
Acquisition Of Assets	-	-
Lunch programme	-	2,396,782
Others (specify)	-	-
<b>Total</b>	<b>28,668,157</b>	<b>11,788,467</b>

**SHIMBAHILLS SECONDARY SCHOOL**  
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**Notes to the Financial Statements (continued)**

**10 Bank Accounts**

Account Name & Currency	Status	Bank Account Number	FY 2021	FY 2020
Notes to the Financial Statements (continued)			Kshs	Kshs
Tuition Account	Active	1109255314	294,446.	18,696
Operations Account	Active	1109258577	151,492.	15,159
School Fund Account/Boarding	Active	1109259360	47,506	11,356
Savings Account			-	-
Parent Association Development Account			-	-
Income Generating Activities Account			-	-
Infrastructural Account	Active	1116075032	2,331	17,404
<b>Total</b>			<b>495,775</b>	<b>62,615</b>

**11 Cash In Hand**

Description	FY 2021	FY 2020
	Kshs	Kshs
Notes and Coins	37,750	29
<b>Total</b>	<b>37,750</b>	<b>29</b>

**12 Short Term Investments**

Description	FY 2021	FY 2020
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit accounts	-	-
Other Investments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**SHIMBAHILLS SECONDARY SCHOOL**  
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**Notes to the Financial Statements (continued)**

**13 Accounts Receivable**

Description	FY 2021		FY 2020	
	Kshs		Kshs	
Fees Arrears	46,300,196		44,833,671	
<b>Other Non-Fees Receivables</b>				
Salary Advances (list/schedule attached)	-		-	
Imprest (list/schedule attached)	-		-	
Rent arrears (list/schedule attached)	-		-	
<b>Total</b>	<b>46,300,196</b>		<b>44,833,671</b>	

**13 b Ageing Analysis of Accounts Receivable**

Description	FY 2021		FY 2020	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	6,259,341	13.5%	9,500,858	21.2%
Between 1- 2 years	9500858	20.6%	702,397	15.6%
Between 2-3 years	-	%	-	%
Over 3 years	30,539,997	65.9%	28,333,416	63.2%
<b>Total (should tie to note 13 a)</b>	<b>46,300,196</b>	<b>100%</b>	<b>44,836,671</b>	<b>100%</b>

**14 Accounts Payable**

Description	FY 2021		FY 2020	
	Kshs		Kshs	
Trade Creditors (See Ageing Below and Appendix 1)	1,993,178		2,708,683	
Prepaid Fees	-		-	
Retention Monies	-		-	
Unpaid salaries and statutory deductions	-		-	
Caution money	-		-	
Other payables ( <i>specify</i> )	-		-	
<b>Total</b>	<b>1,993,178</b>		<b>2,708,683</b>	

**SHIMBAHILLS SECONDARY SCHOOL**  
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**Notes to the Financial Statements (continued)**

**14a. Ageing Analysis of Accounts Payable**

Description	FY 2021		FY 2020	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	1,993,178	100%	2,708,683	100%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total (should tie to note 14)</b>	<b>199,378</b>	<b>100%</b>	<b>2,708,683</b>	<b>100%</b>

**15 Fund Balance Brought Forward**

Description	FY 2021	FY 2020
	Kshs	Kshs
Bank Balances	495,775	62,615
Cash Balances	37,750	29
Short Term Investments	-	-
Receivables	46,300,196	44,699,444
Payables	(1,993,178)	(2,708,683)
<b>Total</b>	<b>44,840,543</b>	<b>42,053,405</b>

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**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 of non-current liabilities	FY 2021	FY 2020
	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 of biological assets	Numbers	FY 2021	FY 2020
		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**

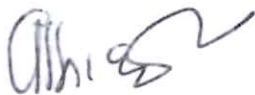
**19 Stock/ Inventory**

Description	FY 2021	FY 2020
	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.	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 / Nature Of Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance FY 2021	Outstanding Balance FY 2020	Comments
Annex I - Analysis of Pending Accounts Payable						
	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**

Sub-Total	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs)
Grand Total	1 <sup>st</sup> July 2020	(Kshs)	(Kshs)	30 <sup>th</sup> June 21
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 2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost e/f (Kshs) 30 <sup>th</sup> June 21
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 2021</b>			
		<b>DR</b>	<b>CR</b>
<b>Cash and Cash equivalents</b>			
	Bank Balances	495,775	
	Cash Balances	37,750	
	Short term investments	-	
	Receivables	46,300,196	
<b>Payments</b>			
	Payments for Tuition	1,030,984	
	Payments for operation	8,848,458	
	Boarding and school fu	28,668,157	
<b>Receipts</b>			
	Capitation grants for tuition		1,306,860
	Capitation grants for operations		8,735,506
	School Fund Income- Parents' Contributions		28,624,090
	School Fund Income- Other receipts		9,000
	Proceeds from borrowings		
Prior Year Adjustment			
	<b>Fund Balance b/f</b>		44,650,042
	<b>Balance B/f</b>		
	Cah		29
	Bank		62,615
	Payables	-	1,993,178
<b>TOTAL</b>		<b>85,381,320</b>	<b>85,381,320</b>