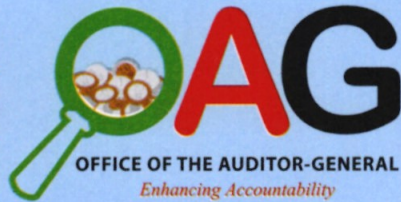


REPUBLIC OF KENYA



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 01 JULY 2026	DAY: WEDNESDAY
TABLED BY:	HON. OWEN BAYA, M.P.
CLERK-AT THE-TABLE:	CHRISTINE NDIRITU

REPORT

OF

THE AUDITOR-GENERAL

PARLIAMENT
OF KENYA
LIBRARY

ON

DADAAB SECONDARY SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2021

GARISSA COUNTY



11 APR 2021

**DADAAB SECONDARY SCHOOL
PUBLIC SECONDARY SCHOOL**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE PERIOD ENDED
30TH JUNE 2021**

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

DADAAB SECONDARY SCHOOL

Reports and Financial Statements For the period ended 30th June 2021

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I. Key School Information And Management**(a) Background information**

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

The school was registered in 21/7/2005 under registration number GP/A/3395/05 and is currently categorized as a County public school established, owned or operated by the Government.

The school is a day & boarding school and had 418 number of students as at 30th June 2021. It has 9 streams and 23 teachers of which 6 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

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

Ref:	Name of Board Member	Designation	Date of appointment
1	Suleiman Ahmed	Chairman	1st October 2020
2	Omar Bagas	Secretary- Principal	1st October 2020
3	Ramla Dahir Sheikh	Member	1st October 2020
4	Falhadho Ali	Member	1st October 2020
5	Halima Abdikadir	Member	1st October 2020
6	Mohamed Mahat	Member	1st October 2020
7	Osman Abdullahi	Member	1st October 2020
8	Adan Adow Ahmed	Member – Rep CEB	1st October 2020
9	Zeitun Abdi Osman	Member Rep Teachers	1st October 2020
10	Zamzam Said	3 Members - Sponsor	1st October 2020
11	Ali Yussuf Rage	Member - Community	1st October 2020
12		MemberSpecial Needs	
		Rep Students	

Key School Information and Management (Continued)**The function of the School Board of Management include:**

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013
- Ensure and assure the provision of proper and adequate facilities for the School
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School.
- Determine cases of pupils' discipline and make reports to the CEB
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB
- Administer and manage the resources of the School
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule para 21 and 23 of the Basic Education Act, 2013.

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	Halima Abdikadir		3/3
2	Audit Committee	Zeitun Osman		3/3
3	Finance, procurement and general purposes Committee	Osman Abdi		3/3
4	Academic Committee	Ali Yussuf Rage		3/3
5	Development Committee	Aden Adow		3/3
6	Discipline and welfare Committee	Halima Abdi		3/3
7	Adhoc Committee (if any during the year)			

(d) School operation Management

For the financial year ended 30th June 2021 the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	Omar Bagas	376135
2	Deputy Principal	Abdullahi Gure..	763069
3	School Bursar	Paul Galma	N/A

(e) Schools contacts

Post Office Box: P.O.BOX 67, 70103
Telephone: +254721789101
E-mail: dadaabsecondary@gmail.com
Website:
Facebook:
Twitter:

(f) School Bankers

The following school operated 4 number of bank accounts in the following banks:

1. Name of Bank: Equity
Branch: Dadaab
Account Number: 1360299302332 -Boarding
2. Name of Bank: Equity
Branch: Dadaab
Account Number: 1360278723677 - Infrastructure
3. Name of Bank: Equity
Branch: Dadaab
Account Number: 1360283853171 -Tuition
4. Name of Bank: Equity
Branch: Dadaab
Account Number: 1360283853125 -Operation

(g) Independent Auditors

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

II. Summary Report Of Performance Of The School

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

a) Financial performance:

Surplus/ deficit for the year and a comparison of the same for the last three years

YEAR	2020-2021	2019-2020
SURPLUS/DEFICIT	1,102,893.25	3,803,183.00

- *Capitation grants from the Ministry of Education for the last three years*

YEAR	2020-2021	2019-2020
No. of students	418	455
Operation	3,713,927	5,881,525
Tuition	592,848	928,097

- *Ratio of capitation grant per student over the last three years*

YEAR	2020-2021	2019-2020
No of Students	418	455
Ratio	1.10303	1.14,966

- *A three-year overview of growth of other income(s) earned by the school. NIL*

-

- *A three-year overview of growth in expenditure of the school*

YEAR	2020-2021	2019-2020
Boarding Account	3,456,241	3,976,085
Operation Account	3,611,843	6,782,123
Tuition Account	512,538	930,681

DADAAB SECONDARY SCHOOL**Reports and Financial Statements For the period ended 30th June 2021**

- *Movement of debtors and creditors of the school over the last three years*

YEAR	2020-2021	2019-2020
DEBTORS	30,938,684	26,218,404
CREDITORS	-	-

- *Movement of cash and bank balances over the last three years*

YEAR	2020-2021	2019-2020
CASH	8906	8906
BANK	1,752,489	359,132

b) Teacher Student ratio:

- ✓ *Teacher to student ratio -1:22*
- ✓ *TSC Teachers - 22*
- ✓ *BOM -2*

c) Mean score in the 2021 KCSE:

<i>Year</i>	<i>No. of students</i>	<i>Mean score</i>	<i>Remarks</i>
2019			<i>Improvement</i>
2020	54	5.52 (c plain)	<i>improvement</i>
2021	66	5.40 (c-)	<i>improvement</i>

d) Number of Candidates in the 2021 KCSE:

<i>Year</i>	<i>No. of candidates sitting for KCSE</i>
2019	
2020	54
2021	66

DADAAB SECONDARY SCHOOL**Reports and Financial Statements For the period ended 30th June 2021**

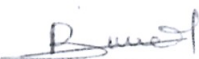
e) Capacity of the school:

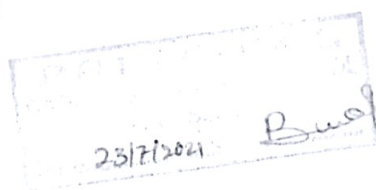
<i>Year</i>	<i>No. of Students</i>	<i>No. of Dorms</i>	<i>No. of DH</i>	<i>No. of Labs</i>	<i>No. of Toilets</i>
<i>2020</i>	<i>455</i>	<i>8</i>	<i>1</i>	<i>2</i>	<i>18</i>
<i>2021</i>	<i>418</i>	<i>8</i>	<i>1</i>	<i>2</i>	<i>18</i>

DADAAB SECONDARY SCHOOL**Reports and Financial Statements For the period ended 30th June 2021**

f) Development projects carried out by the school.

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Renovation of 6 no of classrooms & a kitchen	RMI	Completed	937,000	937,000	1 month


.....

School Principal

III. Statement Of School Management Responsibility

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board (PSASB) of Kenya from time to time.

Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to keep all proper books and records of accounts of the income, expenditure and assets of the institution.

The Board of Management of *Dadaab 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).

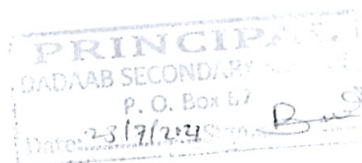
The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2021, and of the school's financial position as at that date.

.....
.....

Name: *Suleiman Ahmed*

Designation: Chairman, School Board of Management

Date: *23/7/21*



.....
.....

Name: *Omar Baga*

Designation: School Principal & Secretary to Board of Management

Date: *23/7/21*

.....
.....

Name: *Paul Galma*

Designation: Bursar/ Finance Officer

Date: *23/7/21*



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 DADAAB SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2021 - GARISSA COUNTY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Dadaab Secondary School set out on pages 1 to 17, 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 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 Dadaab Secondary School 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 Basic Education Act, 2013 and the Public Finance Management Act, 2012

Basis for Qualified Opinion

1. Inaccuracies in the Statement of Budgeted Versus Actual Amounts

The statement of cash flows reflects total actual receipts and payments of Kshs.13,429,076 and Kshs.12,028,622 respectively. However, the statement of budgeted versus actual amounts reflects total actual receipts and payments of Kshs.7,849,003 and Kshs.7,507,834 respectively, resulting in variances of Kshs.5,580,073 and Kshs.4,250,788 in receipts and payments respectively.

In the circumstances, the accuracy of the amounts reflected in the statement of budgeted versus actual amounts could not be confirmed.

2. Unsupported Accounts Receivables

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.22,117,660 as disclosed in Note 11 to the financial statements. However, movement schedule reconciling the opening balance to the closing balance was not provided for audit review. Review of records provided for audit revealed Kshs.16,345,760 of the balance had been outstanding for more than one (1) year, and included amounts due from former students who had already left the School. In addition, there was no age analysis and policy on the impairment of long outstanding fees arrears casting doubt on full recoverability of the accounts receivables balance.

In the circumstance, the accuracy and recoverability of receivables amounting to Kshs.22,117,660 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Dadaab Secondary School Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

1. Budgetary Control and Performance

The statement of budget versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.9,760,023 and Kshs.7,849,003 respectively, resulting in under funding of Kshs.1,911,020 or 20% of the budget. However, the

School spent an amount of Kshs.7,507,834 against actual receipts of Kshs.7,849,003 resulting in under-utilization of Kshs.341,169 or 4% of the actual receipts.

The under-funding affected implementation of the planned activities and may have adversely impacted on the operations of the School.

2. Unaudited Opening Balances

I draw your attention to the opening balances for the 2020/2021 financial year. The opening balances as at 1 July, 2020 were based on unaudited balances. Consequently, I was unable to obtain sufficient and appropriate audit evidence regarding the accuracy and completeness of the opening balances. My audit procedures were, therefore, limited to the current period transactions and balances.

My opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Information

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

In connection with my audit on the School's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements

Management presented the annual report and financial statements covering six (6) months from January, 2021 to June, 2021, contrary to PSASB guidelines on implementation of IPSAS by secondary schools in Kenya, dated 20 August, 2021, which required the first financial statements after adoption of IPSAS to be presented for eighteen (18) months from 1 January, 2020 to 30 June, 2021. Further, no disclosure was made on change of financial statements from calendar year to Government fiscal year or lack of comparability due to longer period covered by the current period.

In the circumstances, the financial statements did not comply with the Public Sector Accounting Standards Board guideline.

2. Late Submission of Financial Statements for Audit

The financial statements for the year ended 30 June, 2021 were submitted to the Auditor-General on 13 January, 2026 instead of the statutory deadline of 30 September, 2021. This was contrary to Section 81 of Public Finance Management Act, 2012 which requires financial statements to be submitted to the Auditor-General within three (3) months after the end of each financial year.

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

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

The statement of receipts and payments reflects operations payments of Kshs.8,063,605 as disclosed in Note 6 to the financial statements. Included in the expenditure is an amount of Kshs.100,000 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from school Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.100,000 could not be confirmed.

4. Capitation Under-Disbursement from Ministry of Education

The statement of receipts and payments reflects capitation grants for tuition and operations amount of Kshs.592,848 and Kshs.8,161,927 respectively as disclosed in Note 1 and Note 2 to the financial statements. During the financial year under review, the approved capitation rate per student was Kshs.22,244 which, based on recorded student enrollment, should have translated to total capitation funding of Kshs.10,121,020. However, the School received a total of Kshs.8,754,775 while Kshs.628,901 was retained by the Ministry for Strengthening of Mathematics and Sciences in Secondary Schools (SMASSE) and other co-curricular activities resulting in an under-funding of Kshs.737,344.

In the circumstances, the under-disbursements may have affected service delivery to the students.

5. Failure to Prepare School Improvement Plan

During the year under review, the School did not have an approved School Improvement Plan. This was contrary to the requirement of the Ministry of Education Operation Manual for Utilization of Learner Capitation Grant and Other School Funds, 2020 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 guideline.

6. Lack of a Procurement Plan

The statement of receipts and payments reflects amounts of Kshs.13,509,076 and Kshs.12,406,183 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.

7. Lack of a Functional Procurement Unit

The School did not have an established procurement function managed by qualified procurement professional. This was contrary to Regulation 33(1) and (2) of the Public Procurement and Asset Disposal Regulations, 2020 which provides that a procuring entity shall establish a procurement function in accordance with Section 47 of the Act and that the procurement function shall be handled by the procurement professionals whose qualification and experience are recognized in Kenya.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of 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 governance were not effective.

Basis for Conclusion

1. Lack of Internal Audit Unit and Audit Committee

During the year under review, the School did not have an Internal Audit Unit and an Audit Committee. This was contrary to Section 73(1)(a) of the Public Finance Management Act, 2012, which provides that every National Government entity shall ensure that it has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board. Further, Regulation 174(1) of the Public Finance Management (National Government) Regulations, 2015, requires each National Government entity to establish an Audit Committee.

In the circumstances, the existence of an effective oversight mechanism could not be confirmed.

2. Weaknesses in Management of Assets

Annex 2 to the financial statements reflects summary of fixed assets register with undisclosed balances which includes land. However, land ownership documents were not provided for audit. In addition, the fixed assets register maintained was not updated and did not include details of the assets and their values. Further, assets at were not tagged for easy of identification.

In the circumstances, the existence of effective measures in the management of assets could not be confirmed.

3. Lack of Approved Policy for Management of Textbooks

The School did not have an approved policy, processes, or procedures for the management of textbooks. The School relies on a manual textbook inventory system, which is poorly maintained and incomplete. As a result, it was not possible to accurately determine the number of textbooks held and their current status.

In the circumstance, the effectiveness of the Schools' text books management system could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls as Management

determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the school's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

08 April, 2026

DADAAB SECONDARY SCHOOL

Reports and Financial Statements For the period ended 30th June 2021

V. Statement Of Receipts And Payments Period To 30th June 2021

Description Of Vote Head	Note	2020-2021	2019-2020
		Kshs	Kshs
Receipts			
Capitation grants for tuition	1	592,848.00	928,097.00
Capitation grants for operations	2	8,161,927.00	5,881,525.00
School fund income- parents' contributions	3	4,754,301.00	8,682,450.00
School fund income- other receipts	4	-	-
Total Receipts		13,509,076.00	15,492,072.00
Payments			
Payments for tuition	5	512,538.00	930,681.00
Payments for operations	6	8,063,605.00	6,782,123.00
Boarding and school fund payments	7	3,830,040.00	3,976,085.00
Total Payments		12,406,183.00	11,688,889.00
Surplus/Deficit		1,102,893.00	3,803,183.00

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

.....

Name: *Sekimani Alimani*

Chair BOM

Date: *23/7/21*

.....

Name: *Charles Bwalya*
School Principal/ Secretary to
BOM

Date: *23/7/21*

.....

Name: *Paul Galina*

Bursar/ Finance Officer

Date: *23/7/21*

DADAAB SECONDARY SCHOOL

Reports and Financial Statements For the period ended 30th June 2021

VI. Statement Of Financial Assets And Financial Liabilities As At 30th June 2021

Description	Note	2020-2021	2019-2020
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	8	1,752,489.00	359,132.00
Cash balances	9	8,906.00	1,809.00
Short term investment	10	-	-
Total cash and cash equivalent		1,761,395.00	360,941.00
Account's receivables	11	22,117,660.00	26,218,404.00
Total financial assets		23,879,055.00	26,579,345.00
Financial liabilities			
Accounts payables	12	-	-
Net financial assets		23,879,055.00	26,579,345.00
Represented by			
Accumulated fund b/fwd	13	22,776,162.00	22,776,162.00
Surplus/deficit for the year		1,102,893.00	3,803,183.00
Net financial position		23,879,055.00	26,579,345.00

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

.....

Name: Edheman Ahmed
Chair BOM

Date: 23/7/21

.....

Name: Osman Raga
School Principal/ Secretary to
BOM

Date: 23/7/21

.....

Name: Paul Galma
Bursar/ Finance Officer

Date: 23/7/21

23/7/21 Bari

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DADAAB SECONDARY SCHOOLReports and Financial Statements For the period ended 30th June 2021**VII. Statement of CashFlow for The Period Ended 30th June 2021**

Description	Notes	2020-2021	2019-2020
		Kshs	Kshs
Operating activities			
Receipts			
Capitation grants for tuition	1	592,848.00	928,097.00
Capitation grants for operations	2	8,161,927.00	5,881,525.00
School fund income- parents contributions/ fees	3	4,674,301.00	5,204,705.00
School fund income- other receipts	4	-	-
Total receipts		13,429,076.00	12,014,327.00
Payments			
Payments for tuition	5	512,538.00	930,681.00
Payments for operations	6	7,122,843.00	4,372,339.00
Boarding and school fund payments	7	3,456,241.00	5,058,785.00
Total payments		11,091,622.00	10,361,805.00
Net cash flow from operating activities		2,337,454.00	1,652,522.00
Cashflow from investing activities			
Proceeds from sale of assets			
Renovation of 6 no of classrooms & a kitchen		(937,000.00)	(2,409,784.00)
Proceeds from investments			
Purchase of investments			
Net cash flows from investing activities		(937,000.00)	(2,409,784.00)
Cashflow from borrowing activities			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
Net cash flow from financing activities			
Net increase in cash and cash equivalents		1,400,454.00	(757,262.00)
Cash and cash equivalent at beginning of the year		360,941.00	1,118,203.00
Cash and cash equivalent at end of the year		1,761,395.00	360,941.00

DADAAB SECONDARY SCHOOL
Reports and Financial Statements For the period ended 30th June 2021

VIII. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th 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
Receipts					
(1) Capitation Grant on Tuition					
Teaching / Learning Materials	887,760	(443,880)	443,880	592,395	133%
(2) Capitation Grant on Operations					
Repairs And Maintenance	3,076,296	(1,538,148)	1,538,148	908,000	59%
Activity	516,600	(258,300)	258,300	-	-
Other Voter Heads	4,459,380	(2,229,690)	2,229,690	2,805,927	125%
Medical					
(3) Fees Charged on Parents					
Repairs And Maintenance	730,250	(365,125)	365,125	1,182,501	324%
Fees on Boarding Equipment and Stores	6,424,370	(3,212,185)	3,212,185	731,730	23%
Other Voteheads	3,425,390	(1,712,695)	1,712,695	1,578,450	92%
Activity	451,890	(225,890)	225,890	50,000	22%
4) Miscellenous Income					
Interest Income					
Income From Any Other					
Total Income	19,520,046	(9,760,023)	9,760,023	7,849,003	80%
(5) Expenditure For Tuition					
Teaching / Learning Materials	887,760	(443,880)	443,880	511,990	115%
Bank Charges	-	-	-	-	-

DADAAB SECONDARY SCHOOL**Reports and Financial Statements For the period ended 30th 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
(6) Expenditure For Operations					
Repairs And Maintenance	3,076,296	(1,538,148)	1,538,148	908,000	59%
Activity	516,600	(258,300)	258,300	-	-
Other Voter Heads	4,459,380	(2,229,690)	2,229,690	2,673,063	120%
Medical	-	-	-	-	-
Bank Charges	-	-	-	-	-
(7) Expenditure For school fund/lunch/boarding					
Repairs And Maintenance	730,250	(365,125)	365,125	362,465	99%
Fees on Boarding Equipment and Stores	6,424,370	(3,212,185)	3,212,185	1,704,350	53%
Other Voteheads	3,425,390	(1,712,695)	1,712,695	1,347,966	78%
Activity	451,890	(225,890)	225,890	-	-
Totals	19,520,046	(9,760,023)	9,760,023	7,507,834	77%

IX. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

The *school* recognises all receipts from the various sources when the event occurs, and the related cash has actually been received by the *school*. In addition, the *school* recognises all expenses when the event occurs, and the related cash has actually been paid out by the *school*.

3. In-kind contributions

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

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various financial institutions at the end of the financial year.

Significant Accounting Policies (Continued)

5. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as expenditure when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements. Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years.

7. Non-current assets

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the school fixed asset register a summary of which is provided as a memorandum to these financial statements.

8. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *school's* budget was approved by the School Board of Management. A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

9. Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2021.

DADAAB SECONDARY SCHOOL**Reports and Financial Statements For the period ended 30th June 2021****X. Notes To The Financial Statements****1 Capitation Grant for Tuition**

Description	2020-2021	2019-2020
	Kshs	Kshs
Textbooks And Reference Materials	-	-
Exercise Books	-	-
Laboratory Equipment	-	-
Internal Exams	-	-
Teaching / Learning Materials	592,395.00	921,755.00
Exams And Assessment	-	-
Direct Credit	453.00	6,342.00
Total	592,848.00	928,097.00

2 Capitation Grant for Operations & Infrastructure account

Description	2020-2021	2019-2020
	Kshs	Kshs
Boarding Account	-	-
Repairs And Maintenance	5,853,692.00	2,450,000.00
BOM Teachers		240,000.00
Medical		179,600.00
Other voteheads	2,278,235.00	2,812,725.00
Activity	30,000.00	199,200.00
Total	8,161,927.00	5,881,525.00

3 Parents Contribution/Fees - School Fund Account

Description	2020-2021	2019-2020
	Kshs	Kshs
Lunch Account		
Repairs and maintenance	114,800.00	53,550.00
Other Voteheads	428,000.00	330,155.00
Electricity and water	-	-
Medical	-	-
Fees on Boarding Equipment and Stores	4,211,501.00	8,292,030.00
Activity	-	6,715.00
Total	4,754,301.00	8,682,450.00

DADAAB SECONDARY SCHOOL**Reports and Financial Statements For the period ended 30th June 2021****Notes To The Financial Statements (Continued)****4 Other Receipts – School Fund Account**

Description	2020-2021	2019-2020
	Kshs	Kshs
Fee On Boarding Equipment and Stores	-	-
Rent Income	-	-
Income From Farming Activities	-	-
Insurance Compensation	-	-
Income From Posho Mill	-	-
Income From Bus Hire	-	-
Fee For Hire of Ground and Equipment	-	-
Income From Grants and Donations*	-	-
Interest Income	-	-
Dividends Income	-	-
Total	-	-

5 Payments For Tuition

Description	2020-2021	2019-2020
	Kshs	Kshs
Textbooks And Reference Materials	-	-
Exercise Books	-	-
Laboratory Equipment	-	-
Internal Exams	-	-
Teaching / Learning Materials	511,990.00	929,130.00
Chalks	-	-
Sundry credit	-	-
Teachers Guides	-	-
Administration Costs	-	-
Bank Charges	548.00	1,551.00
Total	512,538.00	930,681.00

DADAAB SECONDARY SCHOOL**Reports and Financial Statements For the period ended 30th June 2021****Notes To The Financial Statements (Continued)****6 Payments For Operations And Infrastructure**

Description	2020-2021	2019-2020
	Kshs	Kshs
Administration Cost	-	-
Other voteheads	2,348,425.00	3,751,646.00
Repairs And Maintenance & Improvements		-
BOM Teachers		240,000.00
Local Transport / Travelling	-	-
Medical	24,000.00	178,400.00
Renovation of 6 no of classrooms & a kitchen	5,589,400.00	2,409,784.00
Activity	100,000.00	199,200.00
Insurance Cost	-	-
Bank Charges	1,780.00	3,093.00
Acquisition Of Assets	-	-
Total	8,063,605.00	6,782,123.00

DADAAB SECONDARY SCHOOL**Reports and Financial Statements For the period ended 30th June 2021****Notes To The Financial Statements (Continued)****7 Boarding And School Fund Payments**

Description	2020-2021	2019-2020
	Kshs	Kshs
Personnel Emoluments	-	-
Service Gratuity	-	-
Repairs And Maintenance & Improvements	941,165.00	53,435.00
Local Transport / Travelling	-	-
Electricity And Water	-	-
Activity	-	6,715.00
Other voteheads	1,054,065.00	323,175.00
Lunch Programme	-	-
Medical Expende	39,000.00	-
Expenses On Income Generating Activities	-	-
Fee On Boarding Equipment and Stores	1,793,350.00	3,586,870.00
Sundry credit	-	-
PTA Development	-	-
Loan Principal Repayment	-	-
Bank charges	2,460.00	5,890.00
Acquisition Of Assets	-	-
Total	3,830,040.00	3,976,085.00

DADAAB SECONDARY SCHOOL**Reports and Financial Statements For the period ended 30th June 2021****Notes To The Financial Statements (Continued)****8 Bank Accounts**

Name Of Bank, Account No. & Currency	Bank Account Number	2020-2021	2019-2020
		Kshs	Kshs
Tuition Account		83,698.00	3,388.00
Operations Account		291,439.00	164,057.00
School Fund Account/Boarding		1,362,486.00	147,761.00
Savings Account		-	-
Parent Association Development Account		-	-
Income Generating Activities Account		-	-
Infrastructural Account		14,866.00	43,926.00
Total		1,752,489.00	359,132.00

9 Cash In Hand

Description	2020-2021	2019-2020
	Kshs	Kshs
Tuition Account	-	-
Operation Account	5,406.00	1,644.00
School Fund account	3,500.00	165.00
Total	8,906.00	1,809.00

10 Short Term Investments

Description	2020-2021	2019-2020
	Kshs	Kshs
Cooperative Shares	-	-
Treasury Bills	-	-
Fixed Deposit	-	-
Equity Stock	-	-
Other Investments	-	-
Total	-	-

DADAAB SECONDARY SCHOOL**Reports and Financial Statements For the period ended 30th June 2021****Notes To The Financial Statements (Continued)****11 Accounts Receivable**

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees Arrears	22,117,660.00	26,218,404.00
Other Non-Fees Receivables	-	-
Salary Advances	-	-
Imprest	-	-
Total	22,117,660.00	26,218,404.00

Description	2020-2021	2019-2020
	Kshs	Kshs
Fees Arrears For Current Year	5,771,900.00	5,258,100.00
Fees Arrears For The Previous Year	4,206,480.00	7,121,420.00
Fees Arrears For Prior Periods (Over Two Years)	12,139,280.00	13,838,884.00
Total	22,117,660.00	26,218,404.00

12 Accounts Payable

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)		-
Prepaid Fees		
Retention Monies		
Total	-	-

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade Creditors for Current Year		-
Trade Creditors for The Previous Year		
Trade Creditors for Prior Periods (Over Two Years)		
Total	-	-

DADAAB SECONDARY SCHOOL**Reports and Financial Statements For the period ended 30th June 2021****Notes To The Financial Statements (Continued)****13 Fund Balance Brought Forward**

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank Balances	359,132.00	1,117,658.00
Cash Balances	1,809.00	545.00
Short Term Investments	-	-
Receivables	26,218,404.00	22,740,659.00
Payables	-	(1,082,700.00)
Total	26,579,345.00	22,776,162.00

DADAAB SECONDARY SCHOOL**Reports and Financial Statements For the period ended 30th June 2021****Other important disclosure notes**

IPSAS 1 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.

14 Non-current Liabilities Summary

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank Loan(S)	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Total	-	-

15 Biological assets

Description	Numbers	2020-2021	2019-2020
		Kshs	Kshs
Cattle		-	-
Goats		-	-
Trees		-	-
Coffee Or Tea Plantation		-	-
Poultry		-	-
Total		-	-

16 Borrowings

Description	2020-2021	2019-2020
	Kshs	Kshs
a) Borrowings		
Borrowing at beginning of the year	-	-
Borrowings during the year	-	-
Repayments of during the year	(-)	(-)
Balance at end of the year	-	-

DADAAB SECONDARY SCHOOL**Reports and Financial Statements For the period ended 30th June 2021****Other important disclosure notes****17 Stock/ Inventory**

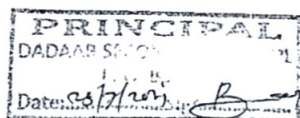
Description	2020-2021	2019-2020
	Kshs	Kshs
b) Inventory		
Stock/ inventory at beginning of the year	-	-
Stock/ inventory purchased during the year	-	-
Stock/ inventory issued during the year	(-)	(-)
Balance at end of the year	-	-

DADAAB SECONDARY SCHOOL**Reports and Financial Statements For the period ended 30th June 2021****18 Progress On Follow Up Of Auditor Recommendations**

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

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


Sign and Date
Principal



DADAAB SECONDARY SCHOOL
Reports and Financial Statements For the period ended 30th June 2021

Annex 1 - Analysis Of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstandin g Balance 2020	Outstandin g Balance 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.						
6.						
Sub-Total						
Supply Of Services						
7.						
8.						
9.						
Sub-Total						
Grand Total						

DADAAB SECONDARY SCHOOL
Reports and Financial Statements For the period ended 30th June 2021

Annex 2 – Summary Of Fixed Assets Register

Asset Class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2021
Land 1						
Land 2						
Buildings And Structures						
Motor Vehicles						
Office Equipment, Furniture And Fittings						
ICT Equipment, And Other ICT Assets						
Tools And Apparatus						
Textbooks						
Other Machinery And Equipment						
Heritage And Cultural Assets						
Intangible Assets- Soft Ware						
Total						

(The school should ensure that a detailed fixed assets register is maintained).