

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

REPORT

DATE: 09 JUN 2026

DAY.
Tuesday

TABLED
BY:

Hon. Naomi Wago

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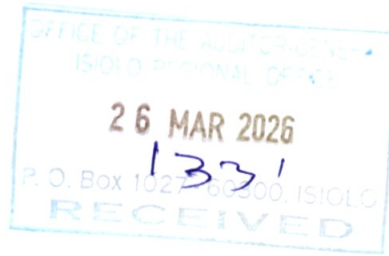
THE AUDITOR-GENERAL

ON

**DADACHABASA MIXED DAY
SECONDARY SCHOOL**

**FOR THE YEAR ENDED
30 JUNE, 2024**

ISIOLO COUNTY



Dadachabasa Mixed Day Secondary School

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2024

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

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1. Acronyms and Definition of Key Terms

A. Acronyms.

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
TSC	Teachers Service Commission
SMASSE	Strengthening of Mathematics and Science in Secondary Education

B. Definition of Key Terms

Comparative Year- Means the prior period.

(This list is an indication of the common acronyms and abbreviations; the Entity should include all from the annual report and financial statements prepared)

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 Isiolo County, Cherab Sub-County.

The school was registered in January, 2020 under registration number 11S30000183 and is currently categorized as a Sub County public school established, owned or operated by the Government.

The school is a day school and had 140 number of students as at 30th June 2024. It has Single streams and 8 teachers of which 1 teacher is 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	Jattani Abdi Adan	Chairman	29-8-2022.
2	Nur Guyo Sora	Secretary - Principal	29-8-2022
3	Salad Ali Duba	Member	29-8-2022
4	Kherai Sora Roba	Member	29-8-2022
5	Hawo Wako Bukicha	Member	29-8-2022
6	Abdikarim Hussein Wako	Member	29-8-2022
7	Abdikadir Wario Dida	Member	29-8-2022
8	Hassan Koto Shune	Member – Rep CEB	29-8-2022
9	Salad Funan Bulungo	Member Rep Teachers	29-8-2022
10	Ibrahim Bashir Ibrahim	3 Members - Sponsor	29-8-2022
11	Salad Godana Boru		29-8-2022
12	Diba Dabaso Matoye		29-8-2022
13	Diramu Golo Ali	Member - Community	29-8-2022
14	Ali Halkano Gababa	Member Special Needs	29-8-2022
15	Roba Abdinasir Sersera	Rep Students	29-8-2022

The functions of the School Board of Management are to:

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

(c) Committees of the Board

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

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1. Jattani Abdi Adan 2. Nur Guyo Sora 3. Kherai Sora Roba 4. Salad Ali Duba	Chairman Secretary Member Member	3 out of 03 3 out of 03 3 out of 03 3 out of 03
2	Audit Committee	1. Hassan Koto Shune 2. Nur Guyo Sora 3. Diramu Golo Ali 4. Jattani Abdi Adan		1/1
3	Finance, procurement and general purposes Committee	1. Abdikarim H 2. Nur G. Sora 3. Ibrahim Bashir 4. Diramu Gollo		1/1
4	Academic Committee	1. Abdikadir Wario 2. Nur G. Sora 3. Kherai Sora 4. Abdikarim H		1/1
5	Development Committee			
6	Discipline and welfare Committee	1. Salad Bulungo 2. Nur G. Sora 3. Salad Ali 4. Hawo Wako		1/1
7	Adhoc Committee (if any during the year)			

(d) School operation Management

For the financial year ended 30th June, 2024 the School's day-to-day management was under the following persons:

Ref:	Designation	Name	Identification
1	Principal	Nur Guyo Sora	536232
2	Deputy Principal	Salad Funan Bulungo	510777
3	School Bursar		ICPAK No.
4	Other (specify)		

(e) Schools contacts

Post Office Box: 56-60300, Isiolo.
Telephone: +254708751112
E-mail: dadachabasaschool2020@gmail.com
Website:

(f) School Bankers

1. Tuition Account:

Name of Bank: Consolidated Bank
Branch: Isiolo Branch
Account No: 10111203000206

2. Operatin Account:

Name of Bank: Consolidated Bank
Branch: Isiolo Branch
Account No: 10111203000205

3. Meals Account:

Name of Bank: Consolidated Bank
Branch: Isiolo Branch
Account No: 10111203000203

4. Infrastructue Account:

Name of Bank: Consolidated Bank
Branch: Isiolo Branch
Account No: 10111203000309

(g) Independent Auditors

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

3. Summary Report of Performance of The School

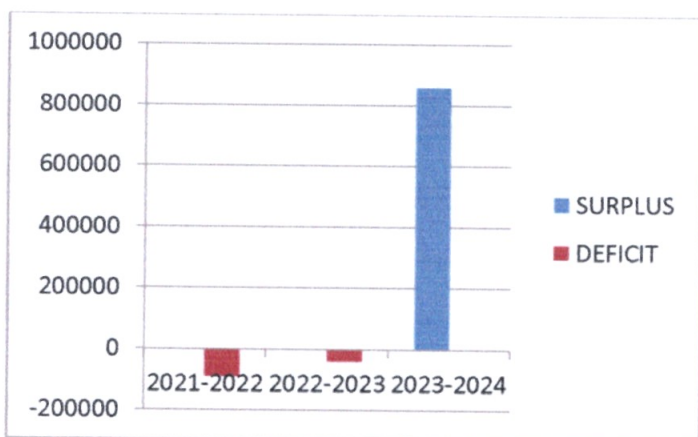
The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) Financial performance:

(Under this section, the following information should be given:

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

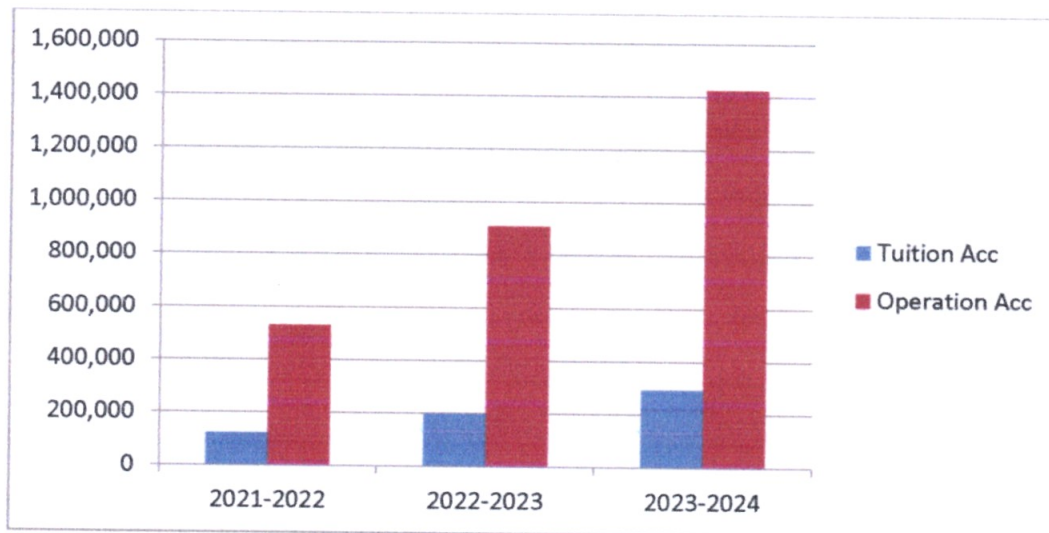
	KSHS
2021 -2022	-89,907
2022 -2023	-39,911
2023 -2024	859,275



The increase in surplus during the year 2023/2024 was as a result of increase in enrolment and more grants received from the ministry of education in both tuition and operation accounts as well as NG-CDF Isiolo North Constituency and other bursaries awarded to the students in form of fees compared to the previous year.

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

	2021 - 2022	2022-2023	2023-2024
Tuition Account	124,246	199,981	294,944
Operation Account	529,206	909,217	1,426,523

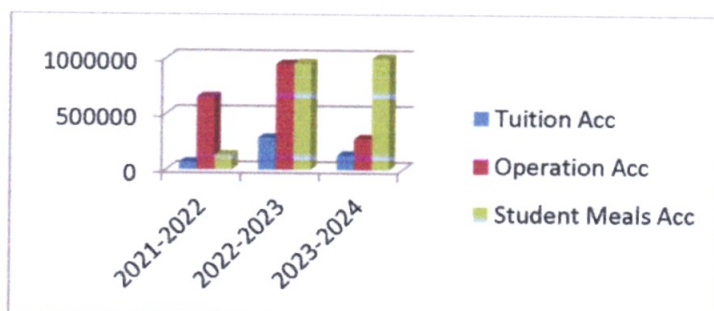


A three-year overview of growth of other income(s) earned by the school.

	2021 - 2022	2022-2023	2023-2024
Tuition Account	124,246	199,981	294,944
Operation Account	529,206	909,217	1,426,523
Other Income – Student Meals Account	228,000	253,000	1,219,083

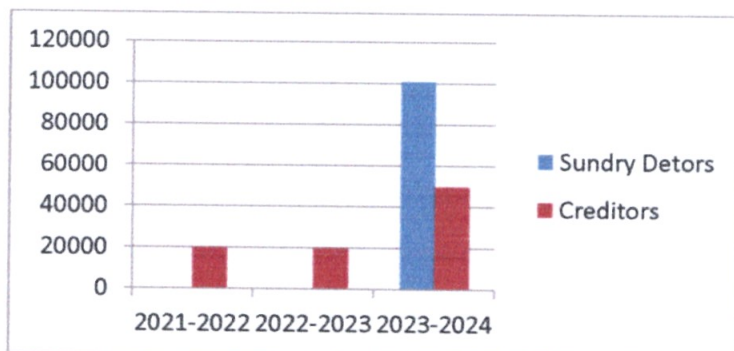
A three-year overview of growth in expenditure of the school

	2021 - 2022	2022-2023	2023-2024
Tuition Account	66,440	285,600	130,080
Operation Account	652,440	946,598	954,780
Other Income – Student Meals Account	252,480	277,033	999,280



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

	2021 - 2022	2022-2023	2023-2024
Sundry Debtors			100,917
Creditors	20,000	20,000	50,000



b) Teacher Student ratio:

- i. **2023/2024:** $140/8 = 1:18$
- ii. Only one teacher was recruited and posted to school by **TSC** within the year **2023/2024**
- iii. There were no teacher transfer and retires within the year.
- iv. One teacher was employed by the school board of management within the year.
- v. Teachers present in the school per subject contributions

- a) Maths/Biology - 1
- b) Maths/Chemistry - 1
- c) Maths/Physics - 1
- d) Eng/Lit - 1
- e) Kiswahili/CRE - 1
- f) History/IRE - 1
- g) History/ Business Studies - 1

c) Mean score in the 2023 KCSE:

- The school registered its first candidates for the KCSE in 2023.
- 30 students were registered and two students made it to university with mean grade of C+ each.
- The school registered a mean of C- of 4.5 points which is a good performance for the start despite the extreme hardships and challenges encountered over the years.
- There were no comparisons for the three years since this is the school first time to register for KCSE exams.

d) Number of Candidates in the 2023 KCSE:

- The school register its first candidates for the KCSE in 2023.
- The candidates registered for the 2023 KSCE were 30 students, comprising of 20 boys and 10 girls.

e) Capacity of the school:

- The school enrollment stands at 140 students as at 30th June, 2024.
- The school has 3 complete permanent classes, 1 science laboratory and an administration block but 2 incomplete class funded by NG-CDF Isiolo North Constituency.
- The school has 5 pit latrines, 2 for girls, 2 for boys and 1 for teachers.
- The school has no Dormitory, Dinning Hall, Foodstore, no fence since the school has inadequate fund.
- The school has one 10,000 ltrs water tank for water storage funded by the caritas organization.
- The school is situated in worst remote part of the sub county which is prone to several challenges such as insecurity and severe water shortage.

f) Development projects carried out by the school:

- During the year 2023/2024 the school constructed 2 pit latrines which are complete.
 - The school also purchased the following during the year 2023/2024.
- Two big sufurias for students since the number of student had increased.
 - A 4-drawer metallic cabinet for safe keeping of important and accountable documents such as KCSE certificates, and result slips.
 - 4 office tables and chairs for the teacher in the staffroom.

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
Construction of 2 pit lateines	Infrastructure fund	Complete	150,220	150,220	Completed


 School Principal



4. Statement of School Management Responsibility

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

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

The Board of Management of Dadachabasa Mixed Day 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).

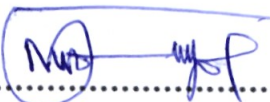
The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2024, and of the school's financial position as at that date.



.....
Name: Jattani Abdi Adan

Designation: Chairman, School Board of Management

Date: 26/3/2026



.....
Name: Nur Guyo Sora

Designation: School Principal & Secretary to Board of Management

Date: 26/3/2026





.....
Name: Hassan Koto Shone

Designation: Bursar/ Finance Officer

Date:

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 DADACHABASA MIXED DAY SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2024 - ISIOLO 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 Dadachabasa Mixed Day Secondary School set out on pages 1 to 21, which comprise of the statement of assets

and liabilities as at 30 June, 2024 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 Dadachabasa Mixed Day Secondary School as at 30 June, 2024 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. Unsupported School Fund Income – Parents’ Contributions

The statement of receipts and payments reflects school fund income from parents’ contributions amounting to Kshs.1,320,000. However, Note 4 to the financial statements and the supporting ledger reflect an amount of Kshs.1,219,000, resulting in an unexplained variance of Kshs.101,000. Further, the reported income was not supported by receipt vouchers or a detailed ledger capturing key particulars such as NEMIS numbers, student names, transaction descriptions, amounts received, gender, and class/stream.

In the circumstances, the accuracy and completeness of School Fund income – parents’ contributions amounting to Kshs.1,320,000 could not be confirmed.

2. Unsupported Accounts Receivables

The statement of assets and liabilities and Note 13 to the financial statements reflect accounts receivables balance of Kshs.100,917. However, the supporting schedules, detailed ageing analysis and issued invoices were not provided for audit review. Further, there was no policy on the impairment of long outstanding fees arrears casting doubt on fair statement and full recoverability of the accounts receivables balance.

In the circumstances, the accuracy, completeness, and recoverability of the accounts receivables balance of Kshs.100,917 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Dadachabasa Mixed Day 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

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual amounts on a comparable basis of Kshs.4,005,640 and Kshs.3,281,877 respectively, resulting in an under-funding of Kshs.723,763 or 18% of the budget. However, the School spent an amount of Kshs.3,866,350 against actual receipts amounting to Kshs.3,281,877 resulting in an under-utilization of Kshs.584,473 or 18% of actual receipts.

The under-funding and under-utilization 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 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

Management is responsible for the Other Information set out on page iii to x, which comprise of Key Entity Information and Management, The Board of Management, the Summary Report of Performance of the School and the 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. Failure to Transfer Infrastructure Funds from the Operations Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.1,426,523 from the Ministry of Education credited in the operations bank account as disclosed in Note 2 to the financial statements. Included in the amount is Kshs.464,800 in respect of infrastructure grants which were to be transferred to the infrastructure bank account for maintenance and improvement of the school's facilities. However, only Kshs.238,800 was transferred to the infrastructure account, leaving a balance of Kshs.226,000 as at 30 June, 2024. This was contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

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

2. Unbalanced Budget

The statement of budgeted versus actual amount reflects final budgeted receipts and expenditure of Kshs.4,005,640 and Kshs.3,836,350 respectively resulting to a deficit of Kshs.169,290. However, no explanation was given why the School Board approved the unbalanced budget contrary to Regulation 33(c) of the Public Finance Management (National Government) Regulations, 2015 which requires the budget to be balanced.

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

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

The statement of receipts and payments reflects an amount Kshs.999,280 with respect to boarding and school fund payments as disclosed in Note 9 to the financial statements. Included in the expenditure is an amount of Kshs.30,000 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.30,000 could not be confirmed.

4. Under-Funding of Capitation Grants

The statement of receipts and payments reflects capitation grants for tuition, capitation grants for operations and infrastructure grants amounts of Kshs.294,944, Kshs.1,426,523

and Kshs.238,800, respectively as disclosed in Note 1, Note 2 and Note 3 to the financial statements totalling Kshs.1,960,268 received for 140 students as per National Education Management Information System (NEMIS) records. Based on the approved capitation rate of Kshs.22,245 per learner, the expected capitation funding for 140 learners should have amounted to Kshs.3,114,300 resulting in an underfunding of Kshs.1,154,033.

In the circumstances, under-funding of the School may have affected service delivery to the students.

5. Failure to Register with the Office of the Data Protection Commissioner

The School has not registered with the Office of the Data Protection Commissioner (ODPC) as a data controller and data processor. This was contrary to Regulation 4(1) of the Data Protection (Registration of Data Controllers and Data Processors) Regulations, 2021 which provides that entities collecting, storing, or processing personal data are required to apply for registration with the Data Commissioner prior to commencing or continuing such activities.

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

6. Non-Compliance with Gender Representation Requirements

During the period under review, the School had seven (7) teachers from the Teachers Service Commission and one (1) Board of Management teaching staff. However, analysis of the gender composition revealed that all eight (8) teaching staff, representing 100%, were of male gender. This was contrary to Article 27(8) of the Constitution of Kenya, 2010, which requires that not more than two-thirds of members of elective or appointive bodies be of the same gender.

In the circumstances, compliance with gender representation requirements could not be confirmed.

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 Land Ownership Documents

Annex 2 to the financial statements reflects a summary fixed assets register balance of Kshs.10,593,000. However, physical inspection and review of available records established that the School occupies a 43-hectare parcel of land for which no title deed or ownership documentation was provided for audit verification.

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

2. Non-Distribution of Textbooks by the Ministry of Education

During the year under review, the School did not receive textbooks from the Ministry of Education. Consequently, the School relied on borrowed textbooks from neighboring institutions. Further review of correspondence between the School and the Isiolo County Director of Education confirmed that Management had made repeated follow-ups with the Ministry regarding the non-supply of textbooks.

In the circumstances, the implementation of Free Day Secondary Education (FDSE) program and the competency-based curriculum 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

15 May, 2026

6. Statement Of Receipts and Payments for the Year Ended 30th June 2024

Description Of Vote Head	Note	2023-2024	2022-2023
		Kshs	Kshs
Receipts			
Government grants for tuition	1	294,944	199,981
Government grants for operations	2	1,426,523	909,217
Government Grants for infrastructure	3	238,800	105,000
School fund income- parents' contributions	4	1,320,000	253,000
Miscellaneous incomes	5	1,609	2,103
Total Receipts		3,281,877	1,469,301
Payments			
Tuition	6	130,080	285,600
Operations	7	954,780	946,580
Infrastructure	8	338,461	-
Boarding and school fund	9	999,280	277,033
Total Payments		2,422,601	1,509,213
Surplus/deficit		859,275	(39,911)

The school financial statements were approved on _____ 2024 and signed by:

.....
Jattani

Name: Jattani Abdi Adan

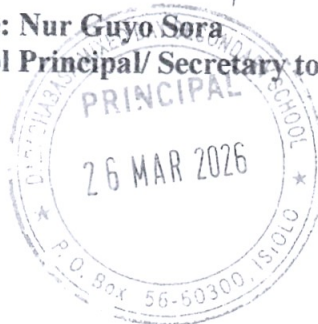
Chairman BOM

Date: 26/3/2026

.....
Nur Guyo Sora

Name: Nur Guyo Sora
School Principal/ Secretary to
BOM

Date:



.....
HASSAN KOTO

Name: SHUNE
Bursar/ Finance Officer

Date: 26-03-2026

7. Statement of Assets and Liabilities As At 30th June 2024.

Description	Note	Insert Current FY	Insert Comparative FY
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	888,897	130,538
Cash balances	11		
Short term investments	12		
Total cash and cash equivalent		888,897	130,538
Account's receivables	13	100,917	
Total financial assets (a)		989,814	130,538
Financial liabilities			
Accounts payables	14	50,000	50,000
Total Financial Liabilities (b)			
Net financial assets (a-b)		939,814	80,538
Represented by			
Accumulated fund b/fwd	15	80,538	120,450
Surplus/deficit for the year		859,275	(39,911)
Net Assets		939,814	80,538

The school's financial statements were approved on _____ 2024 and signed by:


.....

Name: Jattani Abdi Adan

Chair BOM

Date: 26/3/2026


.....

Name: Nur Guyo Sora
School Principal/ Secretary to BOM

Date:




.....

Name: SHUNE

Bursar/ Finance Officer

Date: 26-03-2026

8. Statement of Cash Flows for the Year Ended 30th June 2024


Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition	1	294,944	199,981
Government grants for operations	2	1,426,523	909,217
Government grants for infrastructure	3	238,800	105,000
School fund income- parents contributions/ fees	4	1,219,083	253,000
Other income-interest earned	5	1,609	2,103
Total receipts		3,180,960	1,469,301
Payments			
Cash outflows for tuition	6	130,080	285,600
Cash outflows for operations	7	954,789	946,580
Infrastructure	8	338,461	-
Cash outflows Boarding/lunch and school fund payments	9	999,289	247,033
Total payments		2,422,601	1,479,213
Net cash inflow/outflow from operating activities		758,358	(9,911)
Cash flow from investing activities			
Acquisition of assets			
Proceeds from sale of Assets			
Proceeds from investments			
Purchase of investments			
Net cash inflow/outflows from investing activities			
Cash flow from Financing activities			
Proceeds from borrowings/ loans	18		
Repayment of principal borrowings			
Net cash inflow/outflow from financing activities			
Net increase/decrease in cash and cash equivalents		758,358	(9,911)
Cash and cash equivalent at beginning of the FY		130,538	140,450
Cash and cash equivalent at end of the FY		888,897	130,539


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

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


Dadachabasa Mixed Day Secondary School
Annual Report and Financial Statements For the year ended 30th June 2024.

The school's financial statements were approved on _____ 2024 and signed by:


.....
Name: Jattani Abdi Adan
Chair BOM
Date: 26/3/2026


.....
Name: Nur Guyo Sora
School Principal/ Secretary to BOM
Date:




.....
Name: SHANE
Bursar/ Finance Officer
Date: 26-03-2026

9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2024

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
<i>(1) Capitation Grant on Tuition</i>					
Reference Materials					
Exercise Books					
Laboratory Equipment					
Internal Exams					
Teaching / Learning Materials	527,120	-	527,120	294,944	56
Exams And Assessment					
<i>(2) Capitation Grant on Operations</i>					
Personnel Emoluments	633,050	-	633,050	231,088	36
Repairs And Maintenance	317,460	-	317,460	586,900	184
Local Transport / Travelling	201,630	-	201,630	138,095	68
Electricity And Water	236,610	-	236,610	94,400	39
Medical/Insurance	219,890	-	219,890	102,075	46
Administration Costs	172,920	-	172,920	157,168	90
Activity	138,160	-	138,160	116,796	84
Gratuity					

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
3) FDSE for infrastructure					
Maintenance & Improvement MoE	238,800	-	238,800	238,800	100
M&I parents' contribution					
Economic Stimulus Programs					
Transition Infrastructure Grants					
Administration Block					
(4) Fees Charged on Parents					
Personnel Emoluments					
Repairs And Maintenance					
Local Transport / Travelling					
Electricity And Water					
Medical					
Administration Costs					
Activity					
SMASSE					
Fees on Students Meals	1,320,000	-	1,320,000	1,219,083	92
5) Miscellaneous Income					
Loans / Borrowing					
Interest earned	-	-	-	1,609	-
Income From Farming Activities					
Insurance Compensation					
Income From Posho Mill					

Dadahabasa Mixed Day Secondary School
 Annual Report and Financial Statements For the year ended 30th June 2024.

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
Income From Bus Hire					
Fee For Hire of Ground and Equipment					
Interest Income					
Income From Any Other Investment					
Total Income	4,005,640	-	4,005,640	3,281,877	82
<i>(6) Expenditure For Tuition</i>					
Textbooks					
Reference Materials					
Exercise Books					
Laboratory Equipment					
Internal Exams					
Teaching / Learning Materials	527,120	-	527,120	130,080	24
Chalks					
Exams And Assessment					
Teachers Guides					
Administration Costs					
Bank Charges					
<i>(7) Expenditure For Operations</i>					
Personnel Emoluments	633,050	-	633,050	183,000	29
Repairs, Maintenance & Improvements	317,460	-	317,460	238,800	75
Local Transport / Travelling	201,630	-	201,630	220,000	109

Dadachabasa Mixed Day Secondary School
Annual Report and Financial Statements For the year ended 30th June 2024.

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
Electricity, Water and Conservancy	236,610	-	236,610	74,500	32
Medical					
Administration Costs	172,920	-	172,920	141,000	81
Activity Expenses	138,160	-	138,160	97,000	70
Bank Charges	600	-	600	480	80
SMASSE					
(8) Expenditure For infrastructure					
Construction of classrooms					
Construction of LAB					
Construction of DORMS					
Purchase of furniture					
Purchase of equipment	238,800	-	238,800	338,461	141
Purchase of machinery					
(9) Expenditure For school fund/lunch/boarding					
Personnel Emoluments				158,000	
Repairs, Maintenance and Improvements					
Local Transport / Travelling				147,000	
Electricity, Water and Conservancy				35,000	
Medical Expenses					

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Administration Costs				179,200	
Activity				108,850	
Gratuity					
Lunch Programme	1,320,000	-	1,320,000	264,730	20
Boarding Equipment and Stores					
Expenditure For Income Generating Activity					
KSSHA				30,000	
Other Expenses On Investments					
Rent Expenses					
Bank Charges					
Creditor payment		(50,000)	(50,000)	(50,000)	100
Loan Principal Repayment					
Acquisition Of Assets					
Totals	3,786,350	(50,000)	3,836,350	3,866,350	100

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

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 various sources when the event occurs, and the related cash has been received by the *school*. In addition, the *school* recognises all expenses when the event occurs, and the related cash has 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 an insignificant risk of changes in value. Bank account balances include amounts held at various financial institutions at the end of the financial year.

5. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. Accounts receivables also include school fees billed to parents for services rendered but not paid. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. Accounts Payable

For the purposes of these financial statements, deposits, and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending the fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Payables also include expenditures incurred for the purchase of goods, works and services that have been rendered and not settled. This is an enhancement to the cash accounting policy adopted for public secondary schools. Other liabilities are disclosed in the financial statements.

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2024.

11. Notes To the Financial Statements

1 Government Grants for Tuition

Description	2023-2024	2022-2023
	Kshs	Kshs
Reference Materials		
Exercise Books		
Laboratory Equipment		
Internal Exams		
Teaching / Learning Materials	294,944	199,981
Others (specify) *		
Total	294,944	199,981

*Include others as per MOE circulars

2 Government Grants for Operations

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	231,088	
Repairs And Maintenance	586,900	
Local Transport / Travelling	138,095	
Electricity And Water	94,400	
Medical-insurance	102,075	
Administration Costs	157,168	
Activity	116,796	
Other Vote Heads (specify)*		
Total	1,426,523	909,217

*Include others as per MOE circulars

3 Government Grants for infrastructure

Description	2023-2024	2022-2022
	Kshs	Kshs
Maintenance & Improvement	238,800	105,000
Transition infrastructure grants		
Administration Block		
Economic stimulus grants		
Other (specify)(NGCDF and County govt.		
Total	238,800	105,000

4 School Fund Income - Parents Contribution/Fees

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel emoluments		
Repairs and maintenance		
Local transport / travelling		
Electricity and water		
Medical		
Administration costs		
Activity		
Fee on lunch programme	1,219,083	253,000
PA Levies*		
Others (specify)		
Total	1,219,083	253,000

**Includes all levies charged by the school outside the fees structure but by mutual agreement with the parents.*

5 Miscellaneous Incomes

Description	2023-2024	2022-2023
	Kshs	Kshs
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	1,609	103
Dividends Income		
Loans/Borrowings*		
Other Income-Cash deposit		2000
Total	1,609	2,103.

(Include an explanation on the kind and source of grants/ donations received by the school.)

**Ensure proper authorization from MOE before obtaining loans/borrowings.*

**Indicate what other income relates to including income arising from writebacks if any.*

6 Tuition

Description	2023-2024	2022-2023
	Kshs	Kshs
Stationery	39,600	11,400
Textbooks	8,000	-
Administration Costs	-	18,600
Laboratory Equipment	67,000	200,000
Teaching / Learning Materials		
Exams And Assessment	15,000	27,000
Teachers Guides		
Bank Charges	480	600
Others- LT\$T	-	28,000
Total	130,080	285,600

7 Operations

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	183,000	250,000
Tuition expenses	-	16,200
Administration Cost	141,000	81,700
Repairs And Maintenance & Improvements	238,800	21,200
Local Transport / Travelling	220,000	365,100
Electricity And Water	74,500	12,800
Lunch programme	-	72,600
Activity Expenses	97,000	13,000
KSSHA	-	8,500
Infrastructure	-	105,000
Bank Charges	480	480
Total	954,780	946,589

8 Infrastructure

Description	2023-2024	2022-2023
	Kshs	Kshs
Construction of classrooms		
Construction of laboratory		
Construction of dormitory		
Purchase of furniture		
Purchase of equipment	338,461	-
Purchase of apparatus		
Drilling of boreholes		
Others (specify)		
Total	338,461	-

9 Boarding And School Fund

Description	2023-2024	2022-2023
	Kshs	Kshs
Personnel Emoluments	158,000	72,000
Service Gratuity		
Repairs And Maintenance & Improvements	26,500	-
Local Transport / Travelling	147,000	42,000
Electricity And Water	35,000	4000
Tuition Expenses	-	62,000
Administration Costs	179,200	5000
Lunch Programme	264,730	35,535
Bank Charges	-	33
Expenses On Income Generating Activities**		
Fee On Boarding Equipment and Stores		
Activity	108,850	-
KSSHA	30,000	21,000
Loan Principal Repayment		
Loan Interest Repayment		
Acquisition Of Assets		
PA expenses		
Others- Creditor payment	50,000	35,465
Total	999,280	277,033

(Expenses on income generating activities** should include all costs relating to the school earnings on miscellaneous receipts as recorded in note 5. These costs should include farm maintenance, posho mill maintenance, ground maintenance and costs incurred during hire of school bus among others).

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2023-2024	2022-2023
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	10111203000206	178,192	13,328
Operations Account	Active	10111203000205	477,364	5,621
School Fund Account	Active	10111203000203	225,505	5,502
Savings Account				
Parent Association Development Account				
Income Generating Activities Account				
Infrastructural Account	Active	10111203000640	8,035	106,087
Total			888,897	130,538

11 Cash In Hand

Description	2023-2024	2022-2023
	Kshs	Kshs
Notes and Coins		
Total		

12 Short Term Investments

Description	2023-2024	2022-2023
	Kshs	Kshs
Cooperative Shares		
Treasury Bills		
Fixed Deposit accounts		
Other Investments		
Total		

13 Accounts Receivable

Description	2023-2024	2022-2023
	Kshs	Kshs
Fees Arrears	100,917	-
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)		
Imprest (list/schedule attached)		
Rent arrears (list/schedule attached)		
Total	100,917	-

13 b) Ageing Analysis of Accounts Receivable

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	100,917		-	
Between 1- 2 years			-	
Between 2-3 years			-	
Over 3 years			-	
Total (should tie to note 13 a)	100,917		-	

14 Accounts Payable

Description	2023-2024	2022-2023
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	50,000	50,000
Prepaid Fees		
Retention Monies		
Unpaid salaries and statutory deductions		
Caution money		
Other payables (<i>specify</i>)		
Total	50,000	50,000

14a. Ageing Analysis of Accounts Payable

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	50,000		50,000	
Between 1- 2 years				
Between 2-3 years				
Over 3 years				
Total (should tie to note 14)	50,000		50,000	

15 Fund Balance Brought Forward

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank Balances	888,897	130,538
Cash Balances		
Short Term Investments		
Receivables	100,917	-
Payables	50,000	50,000
Total	939,814	80,538

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	2023-2024	2022-2023
	Kshs	Kshs
Bank Loans		
Outstanding Leases		
Hire Purchase		
Gratuity And Leave Provision		
Others (specify)		
Total		

17 Biological assets

Description	Numbers	2023-2024	2022-2023
		Kshs	Kshs
Cattle			
Goats			
Trees			
Coffee Or Tea Plantation			
Poultry			
Others (specify)			
Total			

18 Borrowings

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

Other important disclosure notes

19 Stock/ Inventory

Description	2023-2024	2022-2022
	Kshs	Kshs
Food stuffs		
Lab consumables		
Farm produce		
Medication		
Construction Materials		
Stock/inventory purchased during the year	164,880	-
Stock/inventory issued during the year	164,880	-
Balance at the end of the year	NIL	NIL

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

20 Progress On Follow Up of Auditor Recommendations

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

Ref No.	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



12. Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Comparative FY	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings						
1.						
2.						
3.						
Sub-Total						
Supply Of Goods						
4. Four Silver transporters				50,000	50,000	
5.						
Sub-Total						
Supply Of Services						
6.						
7.						
8.						
Sub-Total				50,000	50,000	
Grand Total				50,000	50,000	

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1st July 2023	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2024
Land	2,000,000			2,000,000
Buildings And Structures	7,600,000			7,600,000
Motor Vehicles				
Office Equipment, Furniture and Fittings	420,000	36,000		456,000
Textbooks				
ICT Equipment	200,000			200,000
Tools And Apparatus	200,000	67,000		267,000
Other Machinery and Equipment	70,000			70,000
Heritage And Cultural Assets				
Intangible Assets- Soft Ware				
Total	10,490,000	103,000		10,593,000

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