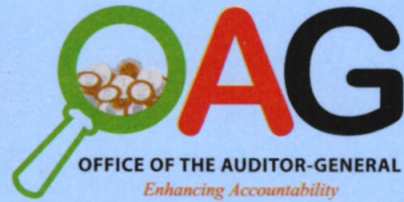


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Enhancing Accountability

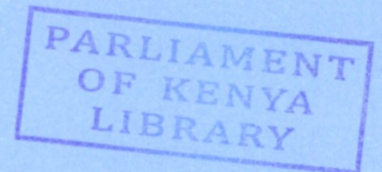
REPORT

OF

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 25 JUN 2026	DAY: Thur
TABLED BY:	Hon. Owen Baya, MP Dep Leader Majority Party
CLERK-AT THE-TABLE:	M. Chuma

THE AUDITOR-GENERAL

ON



KISAJU DIPAK SECONDARY SCHOOL

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

KAJIADO COUNTY



KISAJU DIPAK SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th June 2021**

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

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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 Kajiado County, Isinya Sub-County

The school was registered in 15/12/2015 under registration number **34S3000031** and is currently categorized as a County public school established, owned or operated by the Government.

The school is a boarding school and had 136 number of students as at 30th June 2021. It has 1 streams and 8 teachers of which 2 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	Nasuka Seina Jackson	Chairman	29/6/2018
2	Agneter Omusula	Secretary - Principal	29/6/2018
3	Jennifer sambayon	Member	29/6/2018
4	Noel Tayiai	Member	29/6/2018
5	Mohamed Sempele	Member	29/6/2018
6	Magdaline Mokinyo	Member	29/6/2018
7	Daniel Parsoi	Member	29/6/2018
8	John Kipain	Member – Rep CEB	29/6/2018
9	Enock Osugo	Member Rep Teachers	29/6/2018
10	Dipak Premchand Shah Everline Ntayia John Keboi	3 Members - Sponsor	29/6/2018
11	Daphine Naserian	Member - Community	29/6/2018
12	Daniel Parsoi	MemberSpecial Needs	29/6/2018
13	Peter Kakaya	Rep Students	29/6/2018

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.

Kisaju Dipak Secondary School

Annual Report and Financial Statements For the six month ended 30th June 2021

(c) Committees of the Board

Ref	Name of Committee	Names of Members	Designation	Number of meeting attended during the year
1	Executive Committee			
		Noel Tayiai	Member	6 out of 7
		Nasuka Jackson	Member	6 out of 7
		Omusula Agneter	Pricipal	6 out of 7
		Everline Ntayia	Member	7 out of 7
2	Audit Committee	Rachael Kihika	Member	6 out of 7
3	Finance,procurement and general purposes Committee			
		Noel Tayiai	Member	3 out of 3
		Nasuka Jackson	Member	3 out of 3
		Daniel Parsoi	Member	3 out of 3
		Omusula Agneter	Pricipal	3 out of 3
4	Academic Committee	Daniel Parsoi	Member	
5	Development Committee			
		Noel Tayiai	Member	3 out of 3
		Nasuka Jackson	Member	3 out of 3
		Daniel Parsoi	Member	3 out of 3
		Omusula Agneter	Pricipal	3 out of 3
	Audit Committee			
		Nasuka Jackson	Member	3 out of 3
		Daniel Parsoi	Member	3 out of 3
		Noel Tayiai	Member	3 out of 3
		Omusula Agneter	Pricipal	3 out of 3

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	Omusula Agneter	291688
2	Deputy Principal	Maina Mary	387634
3	School Bursar		

Kisaju Dipak Secondary School
Annual Report and Financial Statements For the six month ended 30th June 2021

KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

(d) Schools contacts

Post Office Box: P.O BOX 983-00242
Telephone:
E-mail: Kisajudipaksecondary@gmail.com
Website: NA
Facebook: NA
Twitter: NA

(e) School Bankers

The following school operated 4 number of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: KCB BANK
Branch: KITENGELA
Account Number: 1285760387
2. Name of Bank: CO-OPERATIVE
Branch: KITENGELA
Account Number: 01139288508000
3. MPESA Pay Bill No. 522123 attached to KCB bank account

(Ensure all bank accounts operated by the school are disclosed and that all Pay Bill Numbers are also disclosed)

(f) Independent Auditors

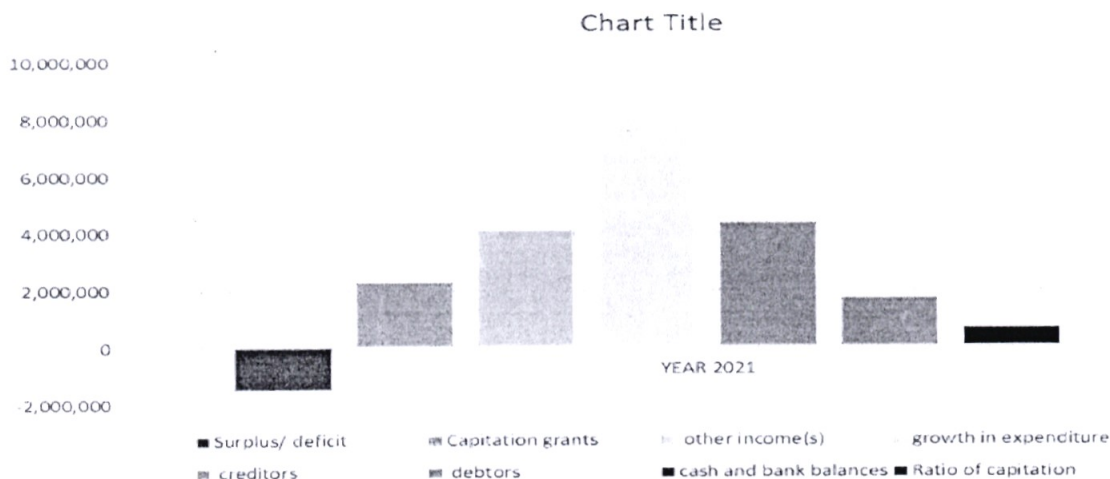
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

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:

Financial performance:	YEAR 2021
Surplus/ deficit	-1,496,725
Capitation grants from the Ministry of Education	2,263,179
A three-year overview of growth of other income(s)	4,104,675
A three-year overview of growth in expenditure	7,864,579
movement of creditors	4,331,107
Movement of debtors of the school	1,707,379
Movement of cash and bank balances	651,263
Ratio of capitation grant per student	1:16,641



b) Teacher Student ratio:

S/no	Description	Number
1	Teachers employed by TSC	13
2	Teachers employed by Bom	3
3	Total number of students	247
4	Teacher to student ratio	1:13
5	Teachers recruited & posted within the year	0
6	Teachers transferred/retired during the year	0

Kisaju Dipak Secondary School**Annual Report and Financial Statements For the six month ended 30th June 2021****c) The mean score in the 2024 KCSE:**

	2024	2023	2022
Mean Score	2.04	2.75	2.28

d) Number of Candidates in the 2024 KCSE:

	2021
No of students who sat the exams	68
No of students transitioned to institutions of higher learning	2

e) The capacity of the school: 136

<i>Facilities</i>	No.
kitchen-	1
Laboratory	1
Dormitory	1
Toilets	16 doors
Dining hall	1
classrooms	11

Kisaju Dipak Secondary School

Annual Report and Financial Statements For the six month ended 30th June 2021

**f) DEVELOPMENT PROJECTS CARRIED OUT BY THE SCHOOL FOR THE LAST
THREE YEARS**

Projects	Source of funds	Status	Initial Cost (Kshs)	Amount Spent (Kshs)	Expected completion time
No project					

PRINCIPAL
KISAJU DIPAK SEC. SCHOOL
P. O. Box 983 00242, KITENGELA

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 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 **Kisaju Dipak 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: Nasuka Seina Jackson
Designation: Chairman, School Board of Management
PRINCIPAL 31/3/26

KISAJU DIPAK SEC. SCHOOL
P. O. Box 983-00242, KITENGELA

..... 
Name: Omusula Agnete
Designation: School Principal & Secretary to Board of Management
Date: 31/3/26

..... 
Name: Alex Raria
Designation: Bursar/ Finance Officer
Date: 31/3/26

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 KISAJU DIPAK SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2021 - KAJIADO 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 Kisaju Dipak Secondary School set out on pages 10 to 26, which comprise of the statement of financial assets and

financial 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 six (6) months period then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kisaju Dipak Secondary School as at 30 June, 2021 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in Financial Statements

Review of the financial statements revealed misstatements as follows;

- i. The statement of financial assets and financial liabilities reflects negative fund balance brought forward of Kshs.475,740 as disclosed in Note 12 to the financial statements which could not be confirmed since cashbooks for financial year 2020 were not provided for audit review. Further, the statement reflects positive accumulated fund balance b/fwd and deficit for the year of Kshs.475,740 and Kshs.1,496,725, respectively instead of negative balances;
- ii. The statement of cash flows reflects net increase in cash and cash equivalents balance of Kshs.538,187, while the re-casted amount is negative balance of Kshs.4,120,452, resulting in an unexplained variance of Kshs.4,658,639;
- iii. The statement of budgeted versus actual amounts reflects budgeted receipts amount of Kshs.50,000 in respect of both internal exams and teaching/learning materials and Kshs.500,00 in respect of electricity and water, instead of Kshs.50,000 and Kshs.500,000 respectively. Further, the statement reflects personnel emoluments (expenditure for operations) actual on a comparable basis balance of Kshs.427,000 while the actual amounts as per Note 6 to the financial statements is Kshs.677,126, resulting in unexplained variance of Kshs.250,126;
- iv. The statement of receipts and payments reflects school fund income- parents' contributions and boarding and school fund payments amounts of Kshs.2,017,955 and Kshs.5,858,560 as disclosed in Notes 3 and 7 to the financial statements respectively. However, the amounts include accounts receivable and payable balances of Kshs.692,905 and Kshs.2,727,817, respectively which have not been treated as movement of accounts payable in the statement of financial assets and financial liabilities;
- v. Note 1 to the financial statements reflects capitation grant for tuition amount of Kshs.212,545. However, the re-casted amount is Kshs.188,951, resulting in an unexplained variance of Kshs.23,594;

- vi. Comparison between the financial statements and supporting ledgers revealed an unexplained variance as detailed below;

Components	Financial Statements Amount (Kshs)	Ledger Amount (Kshs)	Variance (Kshs)
School Fund Income - Parents Contributions	2,017,955	2,548,855	(530,900)
Payments for Operation	1,794,236	1,404,710	389,526
Accounts Receivable	1,707,379	692,905	1,014,474
Accounts Payable	4,331,107	-	4,331,107
Note 1-Capitation for Tuition			
Internal exams	24,712	21,712	3,000
Chalks	10,624	10,672	(48)

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

2. Non-Recognition of Accrued Income – Parents’ Contributions

The statement of receipts and payments reflects school fund income parents’ contribution and other receipts amounts of Kshs.2,017,955 and Kshs.2,086,720 all totalling Kshs.4,104,675 as disclosed in Notes 3 and 4 to the financial statements respectively. Review of the supporting schedules and records provided revealed that the School failed to apply the accrual principle of accounting in recognition of the income reported for the period and instead, reported the income on cash basis. This was contrary to the matching concept and IPSAS accrual principle which requires recognition of income regardless of when cash is received.

In the circumstances, the existence, accuracy and completeness of the school fund income parents’ contribution and other receipts amounting to Kshs.4,104,675 could not be confirmed.

3. Inaccuracies in Cash and Cash Equivalents Balance

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.651,263 as disclosed in Notes 8 and 9 to the financial statements. Included in the balance are three (3) bank accounts with account balances of Kshs.1,791.65, Kshs.251,928 and Kshs.277,281. However, the following anomalies were noted;

- i. No board of survey report confirming the cashbook balances for all the bank accounts was not provided for audit review;
- ii. Review of the cash and cash equivalents documents for the three(3) bank accounts revealed the following anomalies;
 - Monthly bank reconciliations for all the accounts were not provided for audit;
 - Cashbooks for all the accounts were not reviewed and approved by signing at the end of the financial period by a senior official;

- Cashbooks for all the three (3) accounts were maintained from January, 2021 to June, 2021 hence confirming the opening balances was difficult;
- Certificate of bank balances for all the accounts were not provided for audit;
- Some entries in the cashbook were made in pencil instead of a permanent ink;
- Cancellation of entries in the cashbook using a pen.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.651,263 could not be confirmed.

4. Unsupported Accounts Receivable Balance

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.1,707,379 as disclosed in Note 10 to the financial statements. However, the supporting schedules, detailed aging analysis and students listing indicating individual student balances were not provided for audit.

In the circumstances, the existence, accuracy, completeness and full recoverability of the outstanding accounts receivable balance of Kshs.1,707,379 could not be confirmed.

5. Unsupported Accounts Payable Balance

The statement of financial assets and financial liabilities reflects accounts payable balance of Kshs.4,331,107 as disclosed in Note 11 to the financial statements. However, invoices, LPOs/LSOs, delivery notes, goods received notes to support the accounts payable were not provided for audit review.

In the circumstances, the accuracy, existence and completeness of accounts payable balance of Kshs.4,331,107 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kisaju Dipak 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.

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 of my report, I have determined that there are no other key audit matters to communicate in my report.

Other Information

The School Management is responsible for Other Information set out on pages 2 to 8 which comprise of Key School Information and Management, the Summary Report of

Performance of the School and 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. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

The statement of receipts and payments reflects payments for operations amount of Kshs.1,794,236 as disclosed in Note 6 to the financial statements. Included in the expenditure is an amount of Kshs.96,500 transferred to 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, the value for money transferred to KESSHA amounting to Kshs.96,500 could not be confirmed.

2. Failure To Prepare School Improvement Plan

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

In the circumstances, Management was in breach of the operational guidelines.

3. Non-Compliance with Law on Ethnic Composition

Analysis of the staff list and payroll provided for audit review revealed that the School Management did not comply with the National Cohesion and Integration Act, 2008 as pertains to public entities having a diverse representation of staff since one ethnic community constituted 50% of the total workforce of ten (10) employees.

Further, out of the ten (10) staff, none represented persons living with disabilities, contrary to the requirement of Section 13 of Persons with Disabilities Act, 2003.

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.

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

The financial statements presented for audit did not include all the information provided in the format prescribed and published by the Public Sector Accounting Standards Board as follows;

- i. The statement of budgeted versus actual amounts is not paginated;
- ii. Review of the financial statements revealed that the reporting period was indicated as "Annual Report and Financial Statements for the Year Ended 30 June 2021", contrary to Paragraph 5.3 of the guideline on the implementation of International Public Sector Accounting Standards (IPSAS) for Public Secondary Schools in Kenya, dated 20 August 2021, which recommend that the reporting period presented be for an eighteen (18) month.
- iii. The statement of budgeted versus actual amounts pages were not paginated.

In the circumstances, Management did not comply with the PSASB guideline.

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. Long Outstanding Accounts Receivable Balance

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.1,707,379 as disclosed in Note 10 to the financial statements. Included in the balance are accounts receivable balance of Kshs.1,014,474 or 59% which had been outstanding for more than one (1) year. Further, there was no age analysis and policy on the impairment of long outstanding fees arrears casting doubt on full recoverability of the accounts receivable balance. The existence of effective mechanisms for debt management could not be confirmed.

In the circumstances, the existence of effective mechanisms for debt management could not be confirmed.

2. Lack of Controls in Management of Textbooks

During the year under review, the Ministry of Education distributed textbooks to public secondary schools through Kenya Institute of Curriculum Development (KICD). Examination of records revealed that the School did not maintain a receipt and issue register for all the text books received from the Ministry of Education and those issued to students. Further, textbook inventory analysis showing the text books received from the Ministry, text books issued to the students, number of books collected, number of books not returned and balance in stock was not provided for audit review. In addition, Management did not disclose measures and policy which have been put in place for recovery and management of all the lost textbooks and to eliminate/reduce loss of textbooks.

In the circumstances, it was not possible to confirm existence of effective internal controls in relation to management of text books.

3. Unsupported Appointment of School Board of Management

During the year under review, records on School Board of Management such as appointment letters, minutes of the meetings and attendance registers were not availed for audit review.

In the circumstances, strategic oversight that is required for the School to achieve its strategic objectives could not be confirmed.

4. Weaknesses in Management of Assets

Annex 2 to the financial statements reflects summary of fixed assets balance of Kshs.40,740,000 which includes a parcel of land with historical costs balance of Kshs.20,000,000. However, land ownership documents were not provided for audit.

In the circumstances, the ownership of the asset 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 Management and Board of Management

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.

The Board of Management is 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

04 May, 2026

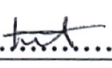
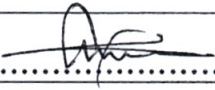
Kisaju Dipak Secondary School

Annual Report and Financial Statements For the six month ended 30th June 2021

V. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30TH JUNE 2021

DESCRIPTION OF VOTE HEAD	Note	2020-2021 Kshs	2019-2020 Kshs
RECEIPTS			
Capitation grants for tuition	1	212,545	-
Capitation grants for operations	2	2,050,634	-
School Fund Income- Parents' Contributions	3	2,017,955	-
School Fund Income- Other receipts	4	2,086,720	-
TOTAL RECEIPTS		6,367,854	
PAYMENTS			
Payments for Tuition	5	211,783	-
Payments for operations	6	1,794,236	-
Boarding and school fund payments	7	5,858,560	-
TOTAL PAYMENTS		7,864,579	-
SURPLUS/DEFICIT		(1,496,725)	-

The school financial statements were approved on 31/3/ 2026 and signed by:

		
Name: Nasuka Seina Jackson	Name: Agneter Omusula	Name: Alex Raria
Chair BOM	School Principal/ Secretary to BOM	Bursar/ Finance Officer
Date: 31/3/26	Date: 31/3/2026	Date: 31/3/26

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VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30TH JUNE 2021

	Note	2020-2021 KShs	2019-2020 KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	531,875	-
Cash Balances	9	119,388	-
Total Cash and cash equivalent		651,263	-
Account's receivables	10	1,707,379	-
TOTAL FINANCIAL ASSETS		2,358,642	-
FINANCIAL LIABILITIES			
Accounts Payables	11	4,331,107	-
NET FINANCIAL ASSETS		(1,972,465)	-
REPRESENTED BY			
Accumulated Fund b/fwd	12	475,740	-
Surplus/Deficit for the year		1,496,725	-
NET FINANCIAL POSSITION		(1,972,465)	-

The School's financial statements were approved on 31/3/2026 and signed by:

..... <u>ktb</u>	 <u>Agneter Omusula</u>	 <u>Alex Raria</u>
Name: Nasuka Seina Jackson	Name: Agneter Omusula	Name: Alex Raria
Chair BOM	School Principal/ Secretary to BOM	Bursar/ Finance Officer
Date: <u>31/3/26</u>	Date: <u>31/3/26</u>	Date: <u>31/3/26</u>

Kisaju Dipak Secondary School

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VII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH JUNE 2021

		2020-2021 Kshs	2019-2020 Kshs
Receipts for operating income			
Capitation grants for tuition	1	212,545	-
Capitation grants for operations	2	2,050,635	-
School fund income- Parents contributions/ fees	3	2,017,955	-
School fund income- other receipts	4	2,086,720	-
Total receipts		6,367,855	-
Payments			
Payments for Tuition		211,783	-
Payments for operations		1,794,236	-
Boarding and school fund payments		5,858,560	-
Total payments		7,864,579	-
Net cash flow from operating activities		(1,496,725)	-
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		-	-
Acquisition of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash flows from Investing Activities		-	-
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
Net cash flow from financing activities		-	-
ADJUSTMENTS			
Increase/Decrease in Accounts Receivable		1,707,379	-
Increase/Decrease in Accounts Payable		(4,331,107)	-
NET INCREASE IN CASH AND CASH EQUIVALENTS		538,187	-
Cash and cash equivalent at BEGINNING of the year		113,076	-
Cash and cash equivalent at END of the year		651,263	-

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	Budget Utilization Difference	% of Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Exercise books	150,000	-	150,000	55,796	94,204	37 %
Laboratory equipment	150,000	-	150,000	97,796	52,204	65 %
Internal exams	50,0000	-	50,0000	24,712	25,288	49%
Teaching / learning materials	50,0000	-	50,0000	23,618	26,382	47%
Chalks	20,000	-	20,000	10,624	9,376	53%
contingency	200	-	200	49	151	25%
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	800,000	-	800,000	443,881.60	356,118	55%
Repairs and maintenance	900,000	-	900,000	633,768.00	266,232	70%
Local transport / travelling	250,000	-	250,000	144,475.00	105,525	58%
Electricity and water	300,000	-	300,000	177,017.00	122,983	59%
Medical	50,000	-	50,000	20,683.00	29,317	41%
Administration costs	180,000	-	180,000	144,505.00	35,495	80%
Activity	150,000	-	150,000	110,305.00	39,695	74%
Infrastructure	400,000	-	400,000	376,000.00	24,000	94%
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	700,000	-	700,000	527,800	172,200	75%
Repairs and maintenance	300,000	-	300,000	163,900	136,100	55%
Local transport / travelling	150,000	-	150,000	75,000	75,000	50%
Electricity and water	500,000	-	500,000	394,300	105,700	79%
Accounts Receivables	700,000	-	700,000	692,905	7,095	99%

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Receipt/expense Item	Original Budget	Adjustments	Total Budget	Actual or Comparable Exs	Budget Utilization Difference	% of Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Administration costs	200,000	-	200,000	164,050	35,950	82%
Fee on Boarding Equipment and Stores	2,200,000	-	2,200,000	2,086,720	113,280	95%
TOTAL INCOME	9,100,200	-	9,100,200	6,367,905	2,418,526	
(1) EXPENDITURE FOR TUITION						
Exercise books	200,000	-	200,000	103,200	96,800	52%
Teaching / learning materials	100,000	-	100,000	61,925	38,075	62%
Chalks	20,000	-	20,000	1,875	18,125	9 %
contingencies	1,000	-	1,000	606	394	61%
Administration costs	120,000	-	120,000	44,177	75,823	37%
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	600,000	-	600,000	427,000	133,000	71%
Repairs, maintenance & improvements	400,000	-	400,000	227,095	172,905	57%
Local transport / travelling	100,000	-	100,000	53,200	56,800	53%
Electricity, water and conservancy	160,000	-	160,000	100,810	59,190	63%
Medical	10,000	-	10,000	2,100	7,900	21%
Administration costs	250,000	-	250,000	144,505	105,495	58%
Activity Expenses	20,000	-	20,000	7,500	12,500	38%
Lab & equipment	90,000	-	90,000	79,900	10,100	89%
Infrastructure	376,000	-	376,000	376,000	0	100%
contingencies	200	-	200	126	74	63%
(3) EXPENDITURE FOR SCHOOL FUND						
Personnel emoluments	960,000	-	960,000	694,000	266,000	72%
Repairs, maintenance and improvements	580,000	-	580,000	476,750	103,250	82%
Local transport / travelling	100,000	-	100,000	79,220	20,780	79%
Electricity, water and conservancy	150,000	-	150,000	96,960	53,040	65%

Kisaju Dipak Secondary School

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Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	Kshs	Kshs			Kshs	%
Medical Expenses	5,000	-	5,000	1,450	3,550	29%
Administration costs	500,000	-	500,000	352,635	147,365	71%
Boarding Equipment and Stores	1,600,000	-	1,600,000	1,429,728	170,272	89%
TOTALS	6,342,200		6,342,200	4,760,762	1,551,438	

- i. Fees not paid in full
- ii. The ministry of education did not remit all the FDSE funds to the school

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.

X. NOTES TO THE FINANCIAL STATEMENTS**1 CAPITATION GRANT FOR TUITION**

	2020-2021	2019-2020
	Kshs	Kshs
Exercise books	55,746	-
Laboratory equipment	97,796	-
Internal exams	24,712	-
Teaching / learning materials	23,618	-
Chalks	10,624	-
Contingency	49	-
Total	212,545	-

2 CAPITATION GRANT FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	443,881	-
Repairs and maintenance	633,768	-
Local transport / travelling	144,475	-
Electricity and water	177,017	-
Medical	20,683	-
Administration costs	144,505	-
Activity	110,305	-
Infrastructure	376,000	-
Total	2,050,635	-

3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	527,800	-
Repairs and maintenance	163,900	-
Local transport / travelling	75,000	-
Electricity and water	394,300	-
Accounts Receivables	692,905	-
Administration costs	164,050	-
Total	2,017,955	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
Fee on Boarding Equipment and Stores	2,086,720	0.00
Total	2,086,720	0.00

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

5 PAYMENTS FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
Exercise books	103,200	-
Teaching / learning materials	61,925	-
Chalks	1,875	-
Contingencies	606	-
Insurance	44,177	-
Total	211,783	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 PAYMENTS FOR OPERATIONS AND INFRASTRUCTURE

	2020-2021	2019-2020
	KShs	KShs
Personnel emoluments	677,126	-
Administration Cost	144,505	-
Repairs and maintenance & improvements	227,095	-
Local transport / travelling	53,200	-
Electricity and water	100,810	-
Medical	2,100	-
Activity Expenses	7,500	-
Lab & Equipment	79,900	-
Infrastructure	376,000	-
Contingencies	126,000	-
TOTAL	1,794,236	-

7 BOARDING AND SCHOOL FUND PAYMENTS

	2020-2021	2019-2020
	KShs	KShs
Personnel emoluments	694,000	-
Repairs and maintenance & Improvements	476,750	-
Local transport / travelling	72,220	-
Electricity and water	96,960	-
Medical Expenses	8,450	-
Administration costs	352,635	-
Fee on Boarding Equipment and Stores	1,429,728	-
Accounts payable	2,727,817	-
TOTAL	5,858,560	-

Expenses on income generating activities** should include all costs relating to the school earnings on other receipts as recorded in note 4. These costs should include farm maintenance, posho mill maintenance, ground maintenance and costs incurred during hire of school bus among others.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 BANK ACCOUNTS

Name of Bank Account No. & currency	Bank Account Number	2020-2021 Kshs
Tuition Account	1183090218	1,792
Operations Account	1183090129	251,929
School Fund Account/Boarding	1285760387	277,281
Total		531,875

9 CASH IN HAND

Description	2020-2021 Kshs	2019-2020 Kshs
Operation Account	6,603	0.00
School Fund account	112,785	0.00
Total	119,388	0.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10 ACCOUNTS RECEIVABLE

Description	2020-2021 Kshs	2019-2020 Kshs
Fees arrears	1,707,379	0
Other non-fees receivables	0	0
Salary advances	0	0
Imprest	0	0
Total	1,707,379	0

[Include an ageing of the fees / non fees arrears below]

Description	2020-2021 Kshs	2019-2020 Kshs
Fees arrears for current year	692,905	0
Fees arrears for the previous year	462,747	0
Fees arrears for prior periods (over two years)	551,727	0
Total	1,707,379	0

11 ACCOUNTS PAYABLE

Description	2020-2021 Kshs	2019-2020 Kshs
Trade creditors (See ageing below and appendix 1)	4,331,107	0
Prepaid fees	0	0
Retention monies	0	0
Total	4,331,107	0

[Include an ageing of the creditor's arrears below]

Description	2020-2021 Kshs	2019-2020 Kshs
Trade creditors for current year	2,727,817	0
Trade creditors for the previous year	546,000	0
Trade creditors for prior periods (over two years)	1,057,290	0
Total	4,331,107	0

NOTES TO THE FINANCIAL STATEMENTS

12 FUND BALANCE BROUGHT FORWARD

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank balances	109,632	0
Cash balances	3,444	0
Receivables	1,014,474	0
Payables	(1,603,290.00)	0
Total	(475,740)	0

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.

13 Biological assets

Description	Number	2020-2021	2019-2020
		KShs	KShs
Trees	165	65	100
Total	165	65.00	100

Other important disclosure notes

14 Stock/ Inventory

Description	2020-2021	2019-2020
	KShs	KShs
a) Borrowings		
Stock/ inventory at beginning of the year	67,000	0
Stock/ inventory purchased during the year	5,500,000	0
Stock/ inventory issued during the year	5,550,000	0
Balance at end of the year	17,000	0

15 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)

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2021-P	Comments
	KShs	KShs	KShs	KShs	KShs	
Construction of buildings						
1. ASHTAM ENGINEERING	130,000			130,000		
2. ENVIRONMENTA AND BUILDING	100,000			100,000		
3. QUARIS WELDING	150,000			150,000		
4. NDIRANGU HARDWARE	200,000			200,000		
Sub-Total	580,000			580,000		
Supply of goods						
5. SEMA SUPPLIES	71,000			71,000		
6. KISAJU STORES	440,000			440,000		
7. KWEBACK ENTERPRISES	431,000			431,000		
8. MAJIKO FIREWOOD	150,000			150,000		
9. BONUS ARTS	200,000			200,000		
10. FACIAL STORES	350,000			350,000		
11. F & C STATIONERS	175,817			175,817		
12. MELAMI HARDWARE	210,000			210,000		
13. DEMA ENERGY	120,000			120,000		
Sub-Total	2,727,817			2,727,817		
Grand Total						

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ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost (KShs) 30 th June 2020	Withdrawal during the year (KShs)	Disposals during the year (KShs)	Historical Cost (KShs) 30 th June 2021
Land	10 Hectors		20,000,000	-	-	20,000,000
Buildings and structures	12 classes		12,000,000			12,000,000
	1 dinning hall		5,000,000			5,000,000
Office equipment, furniture and fittings	181 students beds		1,810,000			1,810,000
	3 printers		150,000			150,000
	290 lockers and chair		1,450,000			1,450,000
ICT Equipment, and Other ICT Assets	2 computers & 4 printing machines		200,000			200,000
	2 television sets		50,000			50,000
Textbooks	1,847 text books					
Intangible assets- soft ware	2		80,000			80,000
Total						

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