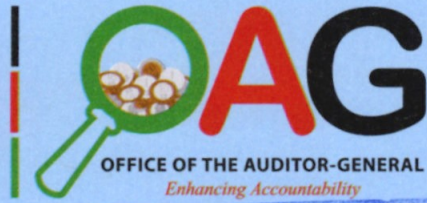


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 09 JUN 2026

DAY.

Tuesday

REPORT

TABLED
BY:

Hon. Nawi Wago

OF

CLERK AT
THE TABLE:

Mcham

PARLIAMENT
OF KENYA
LIBRARY

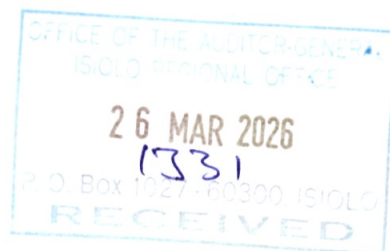
THE AUDITOR-GENERAL

ON

DADACHABASA MIXED DAY
SECONDARY SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2023

ISIOLO COUNTY



Dadachabasa Mixed Day Secondary School

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2023

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

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1. Acronyms and Glossary of Terms

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

BOM	Board of Management
CEB	County Education Board
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
FY	Financial Year
FDSE	Free Day Secondary Education

2. Key School Information and Management

(a) Background information

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

The school was registered in January, 2020 under registration number 11S30001183 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 105 number of students as at 30th June 2023. It has 1 stream and 5 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	Jattani Adan Abdi	Chairman	7/9/2022
2	Chief Shana Kashane Ali	Secretary - Principal	7/9/2022
3	Nur Guyo Sora	Member	7/9/2022
4	Kherai Sora Roba	Member	7/9/2022
5	Hawo Guyo Bukicha	Member	7/9/2022
6	Abdikarim Hussein Wako	Member	7/9/2022
7	Salad Ali Duba	Member	7/9/2022
8	Diramu Golo	Member – Rep CEB	7/9/2022
9	Diba Dabaso Matoye	Member Rep Teachers	7/9/2022
10	Abdirahman Adan Yussuf	3 Members - Sponsor	7/9/2022
11	Ali Halkano Gababa	Member - Community	7/9/2022
12	Salad Godana Boru	Member Special Needs	7/9/2022
13	Ibrahim Bashir Ibrahim	Rep Students	7/9/2022
14	Ture Mohamed	Member	7/9/2022
15	Abdikadir Wario Diba	Member	7/9/2022
16	Jarso Roba Josephat	Member	7/9/2022
17	Hassan Koto Shure	Member	7/9/2022

The functions of the School Board of Management are to:

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

(c) Committees of the Board

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

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1.JATTANI A. ADAN 2.NUR G. SORA 3. KHERAI S. ROBA 4. SALAD A. DUBA	CHAIR SEC MEMBER MEMBER	2/2
2	Audit Committee			
3	Finance,procurement and general purposes Committee			
4	Academic Committee			
5	Development Committee			
6	Discipline and welfare Committee	SALAD ALI NUR SORA ABDIKARIM HUSSEIN	CHAIR SEC MEMBER	
7	Adhoc Committee (if any during the year)			

(d) School operation Management

For the financial year ended 30th June 2023 the School 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		
4	Other (specify)		

(e) Schools contacts

Post Office Box: BOX 56-60300, ISIOLO
 Telephone: 0708751112
 E-mail: dadachabasaschool2020@gmail.com
 Website:
 Facebook:
 Twitter:

(f) School Bankers

The following school operated 3 numbers of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

1. Name of Bank: Consolidated Bank of Kenya
 Branch: Isiolo
 Account Number: 10111203000205
2. Name of Bank: Consolidated Bank of Kenya
 Branch: Isiolo
 Account Number: 10111203000206
3. Consolidated Bank of Kenya, Isiolo Branch, and A/C NO.10111203000203-
 Main/Meals Account.
4. Consolidated Bank of Kenya A/C NO. 10111301000640 - Infrastructure

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

(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

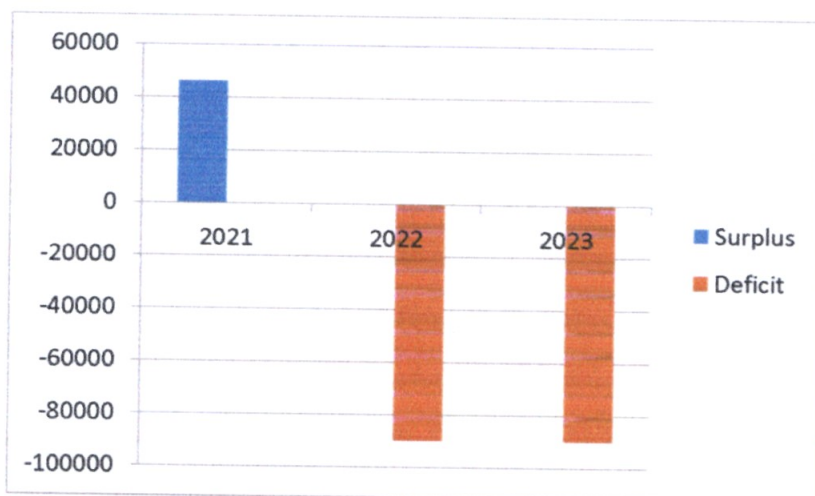
The following is a summary report of the performance of the school against the set performance evaluation criteria:

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*

SURPLUS



FY

2020 – 144,112=00

2021 – 46,245=00

2021-2022 – (89,907=40)

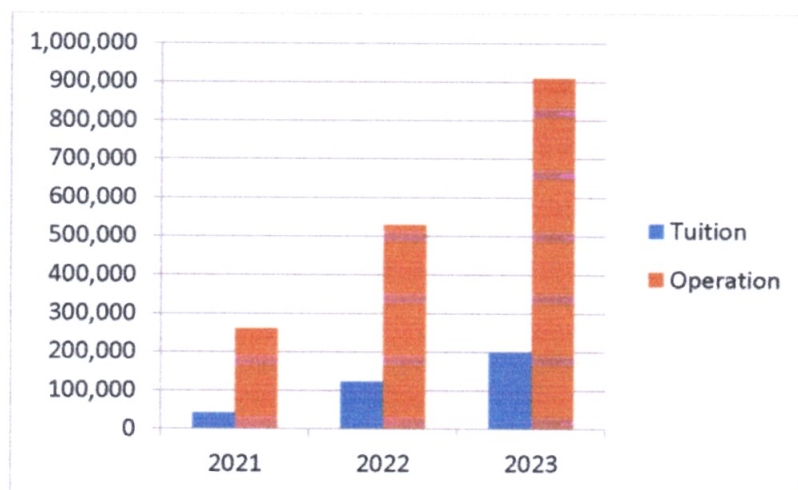
2022-2023 – (89,911=52)

- The increase in surplus during the year was realized as a result of more grants received from the ministry of education in both tuition and operation accounts as well as NG-CDF bursary
- Isiolo north constituency in form of fees compared to the previous year.
- Capitation grants from the Ministry of Education for the last three years.

The capitation grants from the ministry of education for the last three years are as follows.

	2020-2021	2021-2022	2022-2023
Tuition	41,688=00	124,246=40	199,981=75
Operation	261,297=60	529,206=20	909,217=23

For the period between July 2022 – December 2023



- Tuition account stand kshs 199,981 = 75 whereas for the operation account amount kshs 909,217 = 23
- Ratio of capitation grant received per students for the year under review July 2022 – June 2023 is explained as hereunder.

Tuition $199,981.75 \div 105 = 1 : 1904 = 59$

Operation $909,217 \div 23 = 1.8659 = 21$

- The two year overview of growth of other income(s) earned by the school amounting to kshs. 455,746 = 38 is due to increased in enrolment capitation grant in both accounts from ministry covering financial period July 2022 – June 2023.
- A two year overview of growth in expenditure of the school shows an upward trend e.g in 2021 - 2022 shows kshs 971,360 = 40 whereas current shows kshs 1,529,213 = 50
- Movement of debtors and creditors of the school over the last two years were not significant i.e no debtor but only creditor of kshs 50,000 = 00 which is the July 2022 – June 2023 unpaid creditor.
- Movement of cash and bank balances over the last two years i.e in 2021 - 2022 shows kshs 210,357 = 60 whereas for the financial year covering July 2022 – June 2023 shows kshs 140,450 = 20 thus indicating a decrease in cash and cash equivalent available to the school at the end of the respective financial year.

b) Teacher Student ratio:

$1:2023 = 105 / 6 = 1:18$

- Only one teacher was recruited and posted to the school by TSC within the year.
- There were no teachers transferred but the school principal retired.
- One teacher was employed by B.O.M
- Teachers as per subject:-

- a. Maths/Biology – 1
- b. Maths/Chemistry – 1
- c. English/Literature – 1
- d. Kiswahili/CRE – 1
- e. Mathematics/Physics – 1

c) Mean score in the 2023 KCSE:

- The school was started in 2020 and currently in form four.

d) Number of Candidates in the 2023 KCSE:

- There are 30 candidates in 2023 sitting for KCSE.

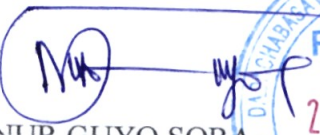
e) Capacity of the school:

- The school enrolled 105 students in the year 2023 i.e Form one – Form four totaling to 105 students in number.
- The school has 3 complete permanent classes, one science laboratory and Administration Block but 2 incomplete classes funded by NG-CDF Isiolo North constituency, 3 toilets; one for teachers, one for boys and one for girls and one water tank.
- The school has no dormitory, Dining Hall, Food store, no fence since the school was started in the year 2020. The school is situated in the worst remote part of the sub county which is prone to insecurity day in and day out.

f) Development projects carried out by the school:

Development projects carried out in the year and ongoing projects including a disclosure of project fund sources in a tabular format.

- The school had a development project of Science laboratory, 2 permanent classrooms and school Administration Block, sponsored by NG-CDF Isiolo North constituency.
- However the two permanent classrooms were incomplete.

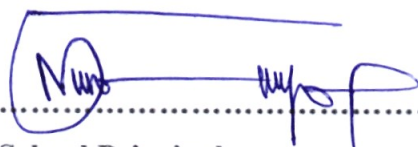
SIGN 
MR. NUR GUYO SORA
SCHOOL PRINCIPAL



g) Development projects carried out by the school:

(Development projects carried out in the year and ongoing projects including a disclosure of project fund sources in a tabular format).

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


 School Principal



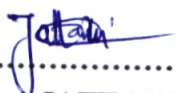
4. Statement of School Management Responsibility

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

Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to 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).

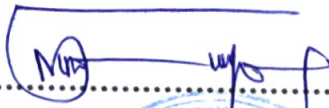
The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2023, and of the school's financial position as at that date.



.....
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:





.....
Name: **SHUNE**

Designation: Bursar/ Finance Officer

Date: 26-06-2026

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, 2023 – 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, 2023 and the statement of receipts and payments, statement

*Report of the Auditor-General on Dadachabasa Mixed Day Secondary School for the year ended 30 June, 2023-
Isiolo County*

of cash flows and the statement of budgeted versus actual amounts, for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Dadachabasa Mixed Day Secondary School as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

1.1 Failure to Provide a Trial balance

The statement of receipts and payments reflects Kshs.1,469,301 and Kshs.1,509,213 as total receipts and payments respectively. In addition, the statement of financial assets and liabilities reflects a balance of Kshs.80,538 in respect of net financial assets. However, the Management did not provide a trial balance to support the balances.

1.2 Variance in Boarding and School Fund Payments

The statement of receipts and payments reflects boarding and school fund payments amounting to Kshs.277,033 as disclosed in Note 9 to the financial statements. However, the supporting ledger for the meals account reflects Kshs.247,053 resulting in an unreconciled variance of Kshs.29,980.

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

2. Unsupported Accounts Payables

The statement of assets and liabilities reflects accounts payables balance of Kshs.50,000 as disclosed in Note 14 to the financial statements. However, detailed ageing analysis and reconciliation showing opening balances, additions, payments, and outstanding amounts were not provided for audit verification.

In the circumstances, the accuracy, existence and completeness of accounts payables balance of Kshs.50,000 could not be confirmed.

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

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 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 amounting to Kshs.909,217 as disclosed in Note 2 to the financial statements from the Ministry of Education credited to the operations bank account. Included in the amount is Kshs.304,000 in respect of infrastructure grants which were to be transferred to the infrastructure account for maintenance and improvement of the school's facilities.

However, only Kshs.105,000 was transferred to infrastructure bank account, leaving a balance of Kshs.199,000 as at 30 June, 2023. 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 Ministry of Education Guidelines.

2. Unbalanced Budget

The statement of budgeted versus actual amounts reflects final budgeted receipts and expenditure of Kshs.1,469,301 and Kshs.1,353,000 respectively resulting to a deficit of Kshs.116,301. 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 of Kshs.946,850 in payments for operations as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.8,500 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.8,500 could not be confirmed.

4. Unconfirmed Student Enrolment Data

The statement of receipts and payments reflects capitation grants for tuition, capitation grants for operations and infrastructure grants amounts of Kshs.199,981, Kshs.909,217 and Kshs.105,000, respectively as disclosed in Note 1, Note 2 and Note 3 to the financial statements totalling Kshs.1,214,198 received for 105 students as per the National Education Management Information System (NEMIS) records. However, based on the approved capitation rate of Kshs.22,245 per learner, the expected capitation funding for 105 learners should have amounted to Kshs.2,335,725 resulting in an underfunding of Kshs.1,121,527.

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

5. 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.10,490,000. However, physical inspection and review of available records established that the School occupies a 43-hectare parcel of land whose ownership documents were not 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 and had been relying on borrowed textbooks from neighbouring schools. Further review of correspondence between the School and the Isiolo County Director of Education indicated that Management had made repeated follow-ups with the Ministry regarding the non-supply of textbooks.

In the circumstances, the implementation of quality 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, SBS
AUDITOR-GENERAL

Nairobi

14 May, 2026

Dadachabasa Mixed Day Secondary School
Annual Report and Financial Statements For the year ended 30th June 2023

6. Statement Of Receipts and Payments For the Year Ended 30th June 2023

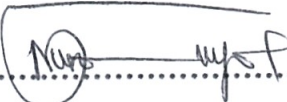
Description Of Vote Head	Note	2022-2023	2021-2022
		Kshs	Kshs
Receipts			
Government grants for tuition	1	199,981	124,246
Government grants for operations	2	909,217	529,206
Government Grants for infrastructure	3	105,000	
School fund income- parents' contributions	4	253,000	228,000
Miscellaneous incomes	5	2,103	
Total Receipts		1,469,301	881,452
Payments			
Tuition	6	285,600	66,440
Operations	7	946,580	652,440
Infrastructure	8		
Boarding and school fund	9	277,033	252,480
Total Payments		1,509,213	971,360
Surplus/Deficit		(39,911)	(89,907)

The school financial statements were approved on _____ 2023 and signed by:

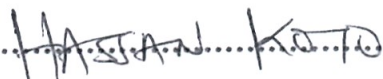

Name: JATTANI ABDI
ADAN

Chair BOM

Date: 26/3/2026


Name: NUR GUYO SORA
School Principal/ Secretary to
BOM

Date:


Name: SHONE
Bursar/ Finance Officer

Date: 26-03-2026

7. Statement of Assets and Liabilities As At 30th June 2023

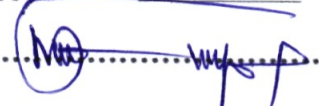
Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	130,538	140,450
Cash balances	11		
Short term investments	12		
Total cash and cash equivalent		<u>130,538</u>	<u>140,450</u>
Account's receivables	13		
Total financial assets		130,538	140,450
Financial liabilities			
Accounts payables	14	50,000	20,000
Net financial assets		80,538	120,450
Represented by			
Accumulated fund b/fwd	15	120,450	210,357
Surplus/deficit for the year		(39,911)	(89,907)
Net financial position		80,538	120,450

The school financial statements were approved on _____ 2023 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

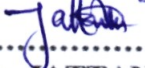
8. Statement of Cash Flows for the Year Ended 30th June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition		199,981	124,246
Government grants for operations		909,217	529,206
Government grants for infrastructure		105,000	
School fund income- parents contributions/ fees		253,000	228,000
Other income	Cash Deposit	2,000	
	Interest Earned	103	
Total receipts		1,469,301	881,452
Payments			
Cash outflows for tuition		285,600	66,440
Cash outflows for operations		946,580	652,440
Cash outflows Boarding/lunch and school fund payments		247,033	252,480
Total payments		1,479,213	971,360
Net cash inflow/outflow from operating activities		(9,911)	(89,907)
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			
Repayment of principal borrowings			
Net cash inflow/outflow from financing activities			
Net increase/decrease in cash and cash equivalents		(9,911)	(89,907)
Cash and cash equivalent at beginning of the FY		140,450	230,357
Cash and cash equivalent at end of the FY		130,538	140,450

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

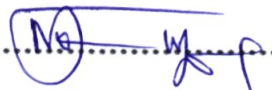
(The above presentation of cash flow statement uses the direct method of cash flow presentation which is encouraged under IPSAS. Schools should therefore adopt the direct method of cashflow as recommended by PSASB).

The school financial statements were approved on _____ 2023 and signed by:


.....
Name: JATTANI ABDI
ADAN

Chair BOM

Date: 26/3/2026


.....
Name: NUR GUYO SORA
School Principal/ Secretary to
BOM

Date:


.....
Name: SHARON KOTO
Bursar/ Finance Officer

Date: 26-03-2023



9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2023

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	400,000		400,000	199,981	
Exams And Assessment					
<i>(2) Capitation Grant on Operations</i>					
Personnel Emoluments					
Repairs And Maintenance					
Local Transport / Travelling					
Electricity And Water					
Medical					
RMI and other Voteheads PE,LTT,EWC and Adm Cost	700,000		700,000	909,217	
Activity					
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					
Infrastructure		105,000	105,000	105,000	100%
Economic Stimulus Programs					
Transition Infrastructure Grants					
Administration Block					
(4) Fees Charged on Parents					
Personnel Emoluments	24,600		24,600	24,600	100%
Repairs And Maintenance	16,400		16,400	16,400	100%
Local Transport / Travelling	8,200		8,200	8,200	100%
Electricity And Water	12,300		12,300	12,300	100%
Medical					
Administration Costs	12,300		12,300	12,300	100%
Activity	8,200		8,200	8,200	100%
Student Meals	171,000		171,000	171,000	100%
Sub Total	253,000		253,000	253,000	100%
5) Miscellenous Income					
Cash Deposit		2,000	2,000	2,000	100%
Interest - Meals		103	103	103	100%
Income From Farming Activities					
Insurance Compensation					
Income From Posho Mill					

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	1,353,000	147,103	1,469,301	1,469,301	100%
(6) Expenditure For Tuition					
Textbooks					
Reference Materials					
Exercise Books					
Laboratory Equipment					
Internal Exams					
Teaching / Learning Materials	400,000		400,000	285,600	71%
Chalks					
Exams And Assessment					
Teachers Guides					
Administration Costs					
Bank Charges					
(7) Expenditure For Operations					
Personnel Emoluments					
Repairs, Maintenance & Improvements					
Local Transport / Travelling					

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					
Medical					
Administration Costs					
Activity Expenses					
RMI and other Voteheads PE,LTT,EWC and Adm Cost	700,000		700,000	946,580	135%
SMASSE					
(8) Expenditure For infrastructure					
Construction of classrooms					
Construction of LAB					
Construction of DORMS					
Purchase of furniture					
Purchase of equipment					
Purchase of machinery					
(9) Expenditure For school fund/lunch/Students meals					
Personnel Emoluments	24,600		24,600	72,000	
Repairs, Maintenance and Improvements	16,400		16,400		
Local Transport / Travelling	8,200		8,200	42,000	
Electricity, Water and Conservancy	12,300		12,300	4,000	
Tuition Expenses				62,000	

Dadachabasa Mixed Day Secondary School
Annual Report and Financial Statements For the year ended 30th June 2023

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	12,300		12,300	5,000	
Creditors Paid				35,465	
KESSHA – Isiolo County				21,000	
Lunch Programme	171,000		171,000	5,535	
Boarding Equipment and Stores					
Activities	8,200		8,200		
Insurance Costs					
Other Expenses On Investments					
Rent Expenses					
Bank Charges					
Loan Interest Repayment					
Loan Principal Repayment					
Sub total	253,000		253,000	247,033	
Grand Total Expenditure	1,353,000		1,353,000	1,479,213	75%

[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 the various sources when the event occurs, and the related cash has actually been received by the *school*. In addition, the *school* recognises all expenses when the event occurs, and the related cash has actually been paid out by the *school*. Income arising from school fees is recognised when the event occurs whether cash is received or not. Expenditure arising from operations is recognised when the event occurs irrespective of receipt of cash.

3. In-kind contributions

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

4. Cash and cash equivalents

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

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2023.

11. Notes To The Financial Statements**1 Government Grants for Tuition**

Description	2022-2023	2021-2022
	Kshs	Kshs
Reference Materials		
Exercise Books		
Laboratory Equipment		
Internal Exams		
Teaching / Learning Materials	199,981	124,246
Others (specify)*		
Total	199,981	124,246

**Include others as per MOE circulars*

2 Government Grants for Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments		
Repairs And Maintenance		
Local Transport / Travelling		
Electricity And Water		
RMI and other Voteheads PE,LTT,EWC and Adm Cost	909,217	529,206
Administration Costs		
Activity		
Other Vote Heads (specify)*		
Total	909,217	529,206

**Include others as per MOE circulars*

3 Government Grants for infrastructure

Description	2022-2023	2021-2022
	Kshs	Kshs
Maintenance & Improvement		
Transition infrastructure grants		
Infrastructure	105,000	
Economic stimulus grants		
Other (specify)(NGCDF and County govt.		
Total	105,000	

4 School Fund Income - Parents Contribution/Fees

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel emoluments	24,600	45,600
Repairs and maintenance	16,400	11,400
Local transport / travelling	8,200	22,800
Electricity and water	12,300	22,800
Student's Meals	171,000	91,200
Administration costs	12,300	22,800
Activity	8,200	11,400
Fee on Boarding Equipment and stores		
PA Levies*		
Others (specify)		
Total	253,000	228,000

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

5 Miscellaneous Incomes – Other Receipts

Description	2022-2023	2021-2022
	Kshs	Kshs
Operation-Cash Deposit	2,000	
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 – Student's Meals	103	
Dividends Income		
Loans/Borrowings*		
Other Income (specify) *		
Total	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.

Notes to the Financial Statements (continued)

6 Tuition

Description	2022-2023	2021-2022
	Kshs	Kshs
Exercise Books		
Textbooks		
Reference materials	11,400	
Laboratory Equipment	200,000	
Teaching / Learning Materials		65,600
Exams And Assessment	27,000	
Administration Costs	18,600	
Bank Charges	600	840
Local Transport and Travelling	28,000	
Total	285,600	66,440

7 Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	250,000	270,000
Tuition Expenses	16,200	
Administration Cost	81,700	54,060
Repairs And Maintenance & Improvements	21,200	
Local Transport / Travelling	365,100	82,450
Electricity And Water	12,800	19,800
Student Meals	72,600	224,930
Activity Expenses	13,000	
KESSHA – National Registration	8,500	
Bank Charges	480	1,200
Infrastructure	105,000	
Total	946,580	652,440

Notes to the Financial Statements (continued)

8 Infrastructure

Description	2022-2023	2021-2022
	Kshs	Kshs
Construction of classrooms		
Construction of laboratory		
Construction of dormitory		
Purchase of furniture		
Purchase of equipment		
Purchase of apparatus		
Drilling of boreholes		
Others (specify)		
Total		

9 School Fund

Description	2022-2023	2021-2022
	Kshs	Kshs
Personnel Emoluments	72,000	30,000
Student's Meals	35,535	149,650
Repairs And Maintenance & Improvements		
Local Transport / Travelling	42,000	44,890
Electricity And Water	4,000	5,000
Tuition Expenses	62,000	
Administration Costs	5,000	22,460
Creditor Paid	35,465	
Bank Charges	33	480
Expenses On Income Generating Activities**		
Fee On Boarding Equipment and Stores		
KESSHA	21,000	
Insurance Cost (Life Property)		
Loan Principal Repayment		
Loan Interest Repayment		
Acquisition Of Assets		
PA expenses		
Others (specify)		
Total	277,033	252,480

(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).

Notes to the Financial Statements (continued)

10 Bank Accounts

Account Name & Currency	Status	Bank Account Number	2022-2023	2021-2022
	Active/Dormant		Kshs	Kshs
Tuition Account-Consolidated		10111203000206	13,328	98,946
Operations Account - Consolidated		10111203000205	5,621	40,983
School Fund Account/Student Meals		10111203000203	5,502	
Savings Account				
Parent Association Development Account				
Income Generating Activities Account				
Infrastructural Account		10111301000640	106,087	
Total			130,538	140,450

11 Cash In Hand

Description	2022-2023	2021-2022
	Kshs	Kshs
Notes and Coins		
Total		

12 Short Term Investments

Description	2022-2023	2021-2022
	Kshs	Kshs
Cooperative Shares		
Treasury Bills		
Fixed Deposit accounts		
Other Investments		
Total		

Notes to the Financial Statements (continued)

13 Accounts Receivable

Description	2022-2023	2021-2022
	Kshs	Kshs
Fees Arrears		
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)		
Imprest (list/schedule attached)		
Rent arrears (list/schedule attached)		
Total		

13 b Ageing Analysis of Accounts Receivable

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year		%		%
Between 1- 2 years		%		%
Between 2-3 years		%		%
Over 3 years		%		%
Total (should tie to note 13 a)		%		%

14 Accounts Payable

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	50,000	20,000
Prepaid Fees		
Retention Monies		
Unpaid salaries and statutory deductions		
Caution money		
Other payables (<i>specify</i>)		
Total	50,000	20,000

Notes to the Financial Statements (continued)

14a. Ageing Analysis of Accounts Payable

Description	2022-2023		2021-2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	50,000	%	20,000	%
Between 1- 2 years		%		%
Between 2-3 years		%		%
Over 3 years		%		%
Total (should tie to note 14)	50,000	%	20,000	%

15 Fund Balance Brought Forward

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank Balances	130,538	140,450
Cash Balances		
Short Term Investments		
Receivables		
Payables	(50,000)	(20,000)
Total	80,538	120,450

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	2022-2023	2021-2022
	Kshs	Kshs
Bank Loans		
Outstanding Leases		
Hire Purchase		
Gratuity And Leave Provision		
Others (specify)		
Total		

17 Biological assets

Description	Numbers	2022-2023	2021-2022
		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	2022-2023	2021-2022
	Kshs	Kshs
Food stuffs	Not Available	Not Available
Lab consumables		
Farm produce		
Medication		
Construction Materials		
Others (specify)		

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

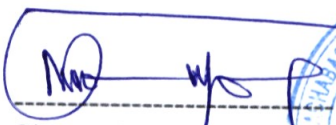
Dadachabasa Mixed Day Secondary School
Annual Report and Financial Statements For the year ended 30th June 2023

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



Dadachabasa Mixed Day Secondary School
Annual Report and Financial Statements For the year ended 30th June 2023

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 Transporter				50,000	20,000	
5.						
Sub-Total						
Supply Of Services						
6.						
7.						
8.						
Sub-Total						
Grand Total				50,000	20,000	

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 st July 20XX	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 20XX
Land 2020	2,000,000			2,000,000
Buildings And Structures 2021	7,600,000			7,600,000
Motor Vehicles				
Office Equipment, Furniture And Fittings 2021	420,000			420,000
Textbooks				
ICT Equipment 2022		200,000		200,000
Tools And Apparatus 2023		200,000		200,000
Other Machinery And Equipment 2023		70,000		70,000
Heritage And Cultural Assets				
Intangible Assets- Soft Ware				
Total	10,020,000	470,000		10,490,000

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