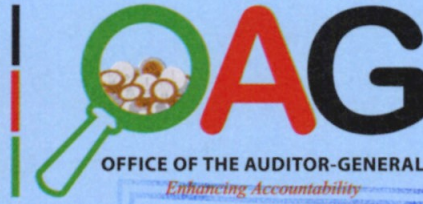



REPUBLIC OF KENYA



 <b>THE NATIONAL ASSEMBLY PAPERS LAID</b>	
DATE: 09 JUN 2026	DAY. Tuesday
TABLED BY: Hon. Naomi Wago	
CLERK-AT THE-TABLE: Mchaw.	

PARLIAMENT  
OF KENYA  
LIBRARY

**REPORT**

**OF**

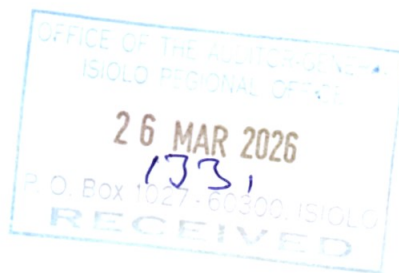
**THE AUDITOR-GENERAL**

**ON**

**DADACHABASA MIXED DAY  
SECONDARY SCHOOL**

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

**ISILO COUNTY**



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**Dadachabasa Mixed Day Secondary School**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30<sup>th</sup> June 2021**

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

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## II. 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, MERTI 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 48 number of students as at 30<sup>th</sup> June 2021. It has 1 streams 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	Abdikadir Wario	Chairman	13/01/2020
2	Stephen G. Godana	Secretary - Principal	13/01/2020
3	Salad Ali	Member	13/01/2020
4	Abdikarim Hussein	Member	13/01/2020
5	Kherai Sora Roba	Member	13/01/2020
6	Hawo Bukicha	Member	13/01/2020
7	Diramu Gollo	Member	13/01/2020
8	Nura Guyo Sora	Member – Rep CEB	23/01/2021
9	John B Galgalo	Member Rep Teachers	13/01/2020

## KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

### The function of the School Board of Management include:

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

### (c) Committees of the Board

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	ADAN SHARIFF STEPHEN GODANA KHERAI SORA SALAD ALI	CHAIR SEC 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 NURA SORA ABDIKARIM HUSSEIN	CHAIR SEC MEMBER	1/1
7	Adhoc Committee (if any during the year)			

### (a) School operation Management

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

Ref:	Designation	Name	TSC Number
1	Principal	STEPHEN G.GODANA	211346
2	Deputy Principal	NURA SORA GUYO	536232
3	School Bursar		

## KEY SCHOOL INFORMATION AND MANAGEMENT (Continued)

### (b) Schools contacts

Post Office Box: BOX 56-60300, ISIOLO  
Telephone: 0716350248  
E-mail: gboru465@gmail.com  
Website:  
Facebook:  
Twitter:

### (c) School Bankers

The following school operated 3 number 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 Student's Meal

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

### (d) Independent Auditors

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

### III. SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL

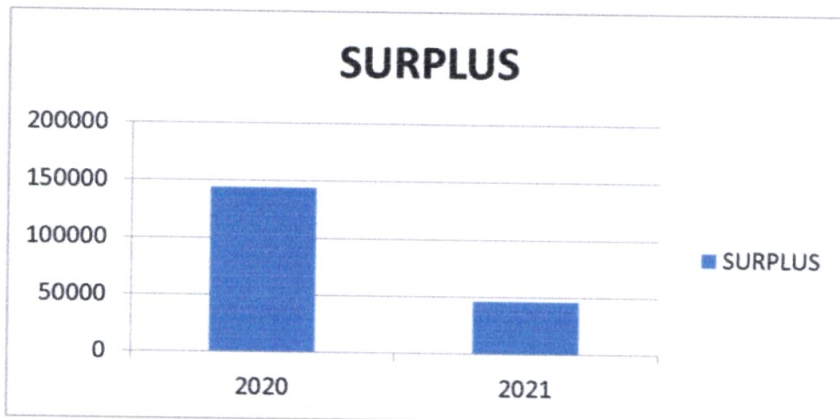
The following is a summary report of the performance of the school against the set performance evaluation criteria:

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



Year	Surplus
2020	144,112.=
2021	46,245.=

The decrease in surplus during the year was realised as a result failure to receive CDF-Bursary from the Isiolo North Constituency in 2021 for lunch meal programme/students meals fees during the financial period covering January to June 2021 due to covid-19 restriction.

Capitation grant from Ministry of Education for the last two years since the school was established in 2020.

#### OPERATION

Date	Amount (Ksh)
11/01/2021	108,721.60
26/03/2021	49,726.44
03/05/2021	58,053.56
03/06/2021	44,736.00
<b>TOTAL</b>	<b>261,297.60</b>

#### TUITION

Date	Amount (Ksh)
11/01/2021	11,040.00
25/03/2021	19,240.00
03/06/2021	11,408.00
<b>TOTAL</b>	<b>41,688.00</b>

- Ratio of capitation grant per student over the last two years. In 2020, the school had not received F.D.S.E grant from the Ministry of Education since it was started the same year.
- The ratio of capitation grant per student for the period covering Jan-June 2021 is explained as hereunder.

$$\text{TUITION} - \frac{\text{Ksh.41,688}}{48} = 1:868.5$$

$$\text{OPERATION} - \frac{\text{Ksh.261,297.60}}{48} = 1:5,443.7$$

- The two year overview of growth of other income(s) earned by the school is not applicable to the school.
- A two overview of growth in expenditure of the school an upward trend. E.g. in 2020 ksh 136,750 whereas in 2021 covering the financial period of January to June 2021 shows ksh. 256,740.00
- Movement of debtors and creditors of the school over the last two years were not significant.
- Movement of cash and bank balances over the last two years i.e. in 2020 shows ksh 144,112.00 whereas for the period covering the January to June 2021 shows 190,357.60 thus indicating an increase in cash equivalent available to the school at the end of the respective financial period.

b) Teacher students' ratio

$$1. \quad 2020 : \frac{32}{1} = 1:32$$

$$2. \quad 2021: \frac{48}{4} = 1:12 \text{ for teachers}$$

$$\frac{2021}{48} = 1:8 \text{ including two B.O.M teachers}$$

As indicated in b) 2, the school has a shortage of 5 TSC teachers instead of the recommended 9 teachers.

No. of teachers recruited

a) 2020 - No of teacher recruited and posted within the year. Also no teacher was transferred from the school during the year [2020].

b) 2021 - During the year 2021, TSC employed 3 teachers for the school as shown above i.e.

Math/Chemistry teachers - 1

Math/Bio teacher - 1

Kiswahili/C.R.E - 1

B.O.M Employed 2 teachers to assist the students during the year 2021 i.e. I.R.E/History and Business each 1 teacher.

- c) Mean score in the 2020 and 2021 - the school is not K.C.S.E examinable school since it is only form one and form two stream.
- d) Number of candidates in the 2021 K.C.S.E

The school has only form one and two, hence no candidate that sat for K.C.S.E exams.

e) Capacity of the school

The school enrolled 48 students in the year 2021 i.e. form one, form two and form three totaling to 48. The school has two permanent classes funded by C.D.F Isiolo North, 3 toilets – one for boys, 1 for girl and one teachers. No dining hall, no dormitories, laboratories, no administration block, staffroom, food store, has a make shift kitchen, no fence, no water tanks and gutters. No fence since the school is new and situated in the worst remote part of the sub-county.

**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*

**Sign**

**School Principal**



#### IV. 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 be 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 30<sup>th</sup> June, 2021, and of the school's financial position as at that date.

**Name:** Jattani Abdi Adan  
**Designation:** Chairman, School Board of Management.

**Sign:**



**Date:**

26/3/2026

**Name:** Nur Guyo Sora.  
**Designation:** School Principal & Secretary to Board of Management

**Sign:**



**Date:**



**Name:** HASSAN KOTO  
**Designation:** Bursar/ Finance Officer

**Sign:**

STUNE

**Date:**

26-03-2026

# 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 SIX (6) MONTHS PERIOD ENDED 30 JUNE, 2021- ISIOLO COUNTY

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### 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 18, which comprise of the statement of assets and liabilities as at 30 June, 2021 and the statement of receipts and payments, statement

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*Report of the Auditor-General on Dadachabasa Mixed Day Secondary School for the six (6) months period ended 30 June, 2021 - Isiolo County*

of cash flows and statement of budgeted and actual amounts, for the six-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 effects of the matter 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, 2021 and of its financial performance and its cash flows for the six-months period 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**

#### **Unsupported Capitation Grants for Operations**

The statement of receipts and payments reflects capitation grants for operations of Kshs.261,297 as disclosed in Note 2 to the financial statements. However, the amount was not supported with a detailed ledger containing the National Education Management Information System (NEMIS) student numbers, names, transaction descriptions, gender and the class details.

In the circumstances, the accuracy and completeness of capitation grants for operations of Kshs.261,297 could not be confirmed.

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actuals on a comparable basis of Kshs.533,856 and Kshs.302,986 respectively resulting in underfunding of Kshs.230,871 equivalent to 43% of the budget. However, the School spent an amount of Kshs.255,960 against actual receipts amounting to Kshs.302,986 resulting in an under-utilization of Kshs.47,026 or 16% of the actual receipts.

The under-funding and under-utilization affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

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*Report of the Auditor-General on Dadachabasa Mixed Day Secondary School for the six (6) months period ended 30 June, 2021 - Isiolo County*

## **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 effects of the matter 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 Matter**

### **Unaudited Comparative Balances**

I draw attention to the fact that prior to the 2020/2021 financial year, Public Secondary Schools in Kenya did not prepare financial statements for audit. Consequently, the Public Sector Accounting Standards Board prescribed 30 June, 2021 as the first time adoption of the International Public Sector Accounting Standards (IPSAS) – Cash Basis of Accounting by Public Secondary Schools.

The financial statements for the six (6) months period ended 30 June, 2021 include comparative information. However, the comparative figures were based on unaudited figures. My audit procedures were, therefore, limited to the extent that comparative information does not contain misstatements that materially affect the current period's financial statements. Accordingly, I do not express an opinion or any form of assurance on the comparative information. My audit opinion on the current period financial statements is not modified in respect of this matter.

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

The financial statements for the year under review were submitted for audit on 5 March, 2026 instead of the statutory deadline of 30 September, 2021. This was contrary to Section 81(4) of the Public Finance Management Act, 2012 which states that not later than three (3) months after the end of each financial year, the accounting officer for the entity shall submit the entity's financial statements to the Auditor-General and a copy of the statement to the Controller of Budget and the National Treasury.

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

### **2. Unbalanced Budget**

The statement of budgeted versus actual amount reflects final budgeted receipts and expenditure of Kshs.533,856 and Kshs.353,600 respectively resulting to a surplus of Kshs.180,256. 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. Failure to Transfer Infrastructure Funds from the Operations Bank Account**

The statement of receipts and payments reflects operations grants amount of Kshs.261,297 from the Ministry of Education credited in the operations bank account as disclosed in Note 2 to the financial statements. Included in the amount is Kshs.144,000 in respect of infrastructure grants which were not transferred to the infrastructure bank account for maintenance and improvement of the school's facilities as at 30 June, 2021. 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.

### **4. Unconfirmed Student Enrolment Data**

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amount of Kshs.41,688 and Kshs.261,297, respectively as disclosed in Notes 1 and Note 2 to the financial statements totalling Kshs.302,985. Comparison of data from National Education Management and information System (NEMIS) with School's records revealed that during the six-months period ended 30 June, 2021, NEMIS reflected thirty two (32) students while School's records had forty eight (48) students, resulting in an underfunding of the school by an amount of

Kshs.1,067,760. This was contrary to the Ministry of Education Circular MOE.HQS/3/13/3 dated 16 June, 2021 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

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. Weaknesses in Asset Management**

Annex 2 to the financial statements reflects a summary fixed assets register balance of Kshs.9,665,050 which includes land with a balance of Kshs.2,000,000. However, land ownership documents were not provided for audit.

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**

Review of correspondences revealed that the School had not received textbooks from the Ministry of Education since the year 2020. The School had been relying on borrowed textbooks from neighboring schools. Further, review of correspondence between the School and the Isiolo County Director of Education confirmed that Management had made repeated follow-ups with the Ministry regarding the non-supply of textbooks.

In the circumstances, the implementation of 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, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**12 May, 2026**

Dadachabasa Mixed Day Secondary School  
 Reports and Financial Statements For the year ended 30<sup>th</sup> June 2021

VI. STATEMENT OF RECEIPTS AND PAYMENTS PERIOD TO 30<sup>TH</sup> JUNE 2021

DESCRIPTION OF VOTE HEAD	Note	2020-2021	2019-2020
		Kshs	Kshs
<b>RECEIPTS</b>			
Capitation grants for tuition	1	41,688	37
Capitation grants for operations	2	261,297	119,080
School Fund Income- Parents' Contributions	3		160,000
School Fund Income- Other receipts	4		1,750
Proceeds from borrowings			
<b>PAYMENTS</b>			
Payments for Tuition	5	580	1,750
Payments for operations	6	256,160	
Boarding and school fund payments	7		155,000
<b>TOTAL PAYMENTS</b>		256,740	136,750
<b>SURPLUS/DEFICIT</b>		46,245	144,122

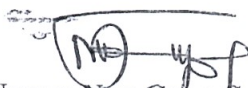
The school financial statements were approved on \_\_\_\_\_ 2021 and signed by:



Name: Jattani Abdi Adan

Chairman BOM

Date: 26/3/2023



Name: Nur Guyo Sora.

Principal/ Secretary to BO

Date:





Name: Hassan Koro

Bursar/ Finance Officer

Date 26-03-2026

**VII. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30<sup>TH</sup> JUNE 2021**

	Note	2020-2021	2019-2020
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	8	210,357	144,112
Cash Balances	9		
Short term Investment	10		
<b>Total Cash and cash equivalent</b>		<b><u>210,357</u></b>	<b><u>144,112</u></b>
Account's receivables	11		
<b>TOTAL FINANCIAL ASSETS</b>		<b>210,357</b>	<b>144,112</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payables	12	20,000	
<b>NET FINANCIAL ASSETS</b>		<b>190,357</b>	<b>144,112</b>
<b>REPRESENTED BY</b>			
Accumulated Fund b/fwd	13	144,112	144,112
Surplus/Deficit for the year		46,245	
<b>NET FINANCIAL POSSITION</b>		<b>190,357</b>	<b>144,112</b>

The school financial statements were approved on \_\_\_\_\_ 2021 and signed by:

Sign: 

Name: Jattani Abdi Adan.

ChairMan BOM

Date: 26/3/2026

Sign: 

Name: Nur Guyo Sora.

Principal/ Secretary BOM

Date:



Sign: 

Name: Hassan

Bursar/ Finance Officer

Date: 26-03-2026

**VIII. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2021**

		2020-2021	2019-2020
		Kshs	Kshs
<b>Receipts for operating income</b>			
Capitation grants for tuition	1	41,688	32
Capitation grants for operations	2	261,297	119,080
School fund income- Parents contributions/ fees	3		160,000
School fund income- other receipts	4		1,750
<b>Total receipts</b>		<b>302,985</b>	<b>280,862</b>
<b>Payments</b>			
Payments for Tuition	5	580	1,750
Payments for operations	6	256,160	
Boarding and school fund payments	7		135,000
<b>Total payments</b>		<b>256,740</b>	<b>136,750</b>
<b>Net cash flow from operating activities</b>		<b>46,245</b>	<b>144,112</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets			
Acquisition of Assets			
Proceeds from investments			
Purchase of investments			
<b>Net cash flows from Investing Activities</b>			
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
<b>Net cash flow from financing activities</b>			
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>46,245</b>	<b>144,112</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>		<b>144,112</b>	
<b>Cash and cash equivalent at END of the year</b>		<b>190,357</b>	<b>144,112</b>

*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.*

**IX. STATEMENT OF BUDGETED VERSUS ACTUAL AMOUNTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

Receipt/expenses Item	Original Budget a K.shs	Adjustments b K.shs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d K.shs	% of Utilization f=d/c % K.shs
<b>RECEIPTS</b>						
<b>(1) CAPITATION GRANT ON TUITION</b>						
Textbooks and reference materials						
Exercise books						
Laboratory equipment						
Internal exams						
Teaching / learning materials	115,008		115,008	41,688		
Chalks						
Exams and assessment						
Teachers guides						
<b>(2) CAPITATION GRANT ON OPERATIONS</b>						
Personnel emoluments						
Repairs and maintenance						
Local transport / travelling						
Electricity and water						
RMI and other vote heads:PE,EWC,LTT and Adm Cost	418,848		418,848	261,297		
Administration costs						
Activity						
Sub Total	418,848		418,848	261,297		

Receipts/expenses Item	Original Budget a Kshs	Adjustments b Kshs	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d Kshs	% of Utilization f=d/c % Kshs
SMASSE						
<b>(3) FEES CHARGED ON PARENTS</b>						
Personnel emoluments						
Repairs and maintenance						
Local transport / travelling						
Electricity and water						
Medical						
Administration costs						
Activity						
SMASSE						
Fee on Boarding Equipment and Stores						
<b>OTHER INCOME</b>						
Rent income						
Income from farming activities						
Insurance compensation						
Income from Posho mill						
Income from Bus Hire						
Fee for hire of ground and equipment						
Interest income						
Income from any other investment						
<b>TOTAL INCOME</b>	533,856		533,856	302,985		
<b>(1) EXPENDITURE FOR TUITION</b>						
Textbooks and reference materials						

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Exercise books						
Laboratory equipment						
Internal exams						
Teaching / learning materials						
Chalks						
Exams and assessment						
Teachers guides						
Administration costs						
Bank Charges	600		600	600		
<b>(2) EXPENDITURE FOR OPERATIONS</b>						
Personnel emoluments	86,000		86,000	66,000		
Repairs, maintenance & improvements	4,000		4,000	2,000		
Local transport / travelling	60,000		60,000	8,000		
Electricity, water and conservancy	20,000		20,000	11,500		
Medical	3,000		3,000	2,500		
Administration costs	80,000		80,000	71,080		
Student's Meals	100,000		100,000	94,280		
Bank Charges	600		600	600		
Sub Total	353,600		353,600	255,960		
<b>(3) EXPENDITURE FOR SCHOOL FUND</b>						
Personnel emoluments						
Repairs, maintenance and improvements						

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Local transport / travelling						
Electricity, water and conservancy						
Medical Expenses						
Administration costs						
Activity						
Gratuity						
Lunch programme						
Boarding Equipment and Stores						
Expenditure for Income Generating Activity						
Insurance costs						
Other expenses on investments						
Rent Expenses						
Bank Charges						
Loan Interest Repayment						
Loan Principal Repayment						
Acquisition of Assets						
<b>GRAND TOTAL Expenditure</b>	<b>353,600</b>		<b>353,600</b>	<b>255,960</b>		

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

## **X. 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 30<sup>th</sup> June 2021

## XI. NOTES TO THE FINANCIAL STATEMENTS

### 1 CAPITATION GRANT FOR TUITION

	2020-2021	2019-2020
	Kshs	Kshs
Textbooks and reference materials		
Exercise books		
Laboratory equipment		
Internal exams		
Teaching / learning materials	41,688	32
Chalks		
Exams and assessment		
Teachers guides		
<b>Total</b>	<b>41,688</b>	<b>32</b>

### 2 CAPITATION GRANT FOR OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments		
Repairs and maintenance		
RMI and other vote heads:PE,EWC,LTT and Adm Cost	261,297	119,080
Electricity and water		
Medical		
Administration costs		
Activity		
<b>Total</b>	<b>261,297</b>	<b>119,080</b>

### 3 PARENTS CONTRIBUTION/FEES - SCHOOL FUND ACCOUNT

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments		19,200
Repairs and maintenance		12,800
Local transport / travelling		6,400
Electricity and water		9,600
Student's Meals		96,000
Administration costs		9,600
Activity		6,400
<b>Total</b>		<b>160,000</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT**

	2020-2021	2019-2020
	Kshs	Kshs
Fee on Boarding Equipment and Stores		
Rent income		
Income from farming activities		
Insurance compensation		
Income from Posho mill		
Other Receipt - Tuition		1,750
Fee for hire of ground and equipment		
Income from grants and donations*		
Interest income		
Dividends income		
<b>Total</b>		<b>1,750</b>

(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
Textbooks and reference materials		
Exercise books		
Laboratory equipment		
Internal exams		
Teaching / learning materials		
Chalks		
Exams and assessment		
Teachers guides		
Administration Costs		
Bank Charges	580	1,750
<b>Total</b>	<b>580</b>	<b>1,750</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**6 PAYMENTS FOR OPERATIONS**

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments	66,000	
Service Gratuity		
Administration Cost	71,280	
Repairs and maintenance & improvements	2,000	
Local transport / travelling	8,000	
Electricity and water	11,500	
Medical	2,500	
Activity Expenses	94,280	
SMASSE		
Insurance Cost		
Bank Charges	600	
Acquisition of Assets		
<b>TOTAL</b>	<b>256,160</b>	

**7 SCHOOL FUND PAYMENTS**

	2020-2021	2019-2020
	Kshs	Kshs
Personnel emoluments		
Service Gratuity		
Repairs and maintenance & Improvements		
Local transport / travelling		51,000
Electricity and water		31,000
Medical Expenses		
Administration costs		44,850
Lunch Programme		8,150
Bank Charges		
Expenses on Income Generating Activities		
Fee on Boarding Equipment and Stores		
Rent Expenses		
Insurance Cost (Life Property)		
Loan Principal repayment		
Loan Interest repayment		
Acquisition of Assets		
<b>TOTAL</b>		<b>135,000</b>

*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	2019-2020
		Kshs	Kshs
Tuition Account- Consolidated	10111203000206	41,140	32
Operations Account - Consolidated	10111203000205	144,217	119,080
School Fund Account/Student Meals	10111203000203	25,000	25,000
Savings Account			
Parent Association Development Account			
Income generating activities Account			
Infrastructural Account			
<b>Total</b>		<b>210,357</b>	<b>144,112</b>

### 9 CASH IN HAND

Description	2020-2021	2019-2020
	Kshs	Kshs
Tuition Account		
Operation Account		
School Fund account		
<b>Total</b>		

### 10 SHORT TERM INVESTMENTS

Description	2020-2021	2019-2020
	Kshs	Kshs
Cooperative shares		
Treasury Bills		
Fixed deposit		
Equity stock		
Other investments		
<b>Total</b>		

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**11 ACCOUNTS RECEIVABLE**

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Fees arrears		
Other non-fees receivables		
Salary advances		
Imprest		
<b>Total</b>		

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

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Fees arrears for current year		
Fees arrears for the previous year		
Fees arrears for prior periods (over two years)		
<b>Total</b>		

**12 ACCOUNTS PAYABLE**

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Trade creditors (See ageing below and appendix 1)	20,000	
Prepaid fees		
Retention monies		
<b>Total</b>	<b>20,000</b>	

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

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Trade creditors for current year	20,000	
Trade creditors for the previous year		
Trade creditors for prior periods (over two years)		
<b>Total</b>	<b>20,000</b>	

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 FUND BALANCE BROUGHT FORWARD

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank balances	210,357	144,112
Cash balances		
Short Term Investments		
Receivables		
Payables	(20,000)	
<b>Total</b>	<b>190,357</b>	<b>144,112</b>

### Other important disclosure notes

IPSAS 1 encourages an entity to disclose accrual related information in relation to an entity's assets and liabilities. The notes outlined below are disclosure notes in relation to the school's non- financial assets and liabilities.

#### 14 Non-current Liabilities Summary

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank loan(s)		
Outstanding Leases		
Hire purchase		
Gratuity and leave provision		
<b>Total</b>		

#### 15 Biological assets

Description	Numbers	2020-2021	2019-2020
		Kshs	Kshs
Cattle			
Goats			
Trees			
Coffee or tea plantation			
Poultry			
<b>Total</b>			

#### 16 Borrowings

Description	2020-2021	2019-2020
	KShs	KShs
<b>a) Borrowings</b>		
Borrowing at beginning of the year		
Borrowings during the year		
Repayments of during the year		
<b>Balance at end of the year</b>		

**Other important disclosure notes**

**17 Stock/ Inventory**

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>KShs</b>	<b>KShs</b>
<b>b) Borrowings</b>		
Stock/ inventory at beginning of the year	Not Available	Not Available
Stock/ inventory purchased during the year		
Stock/ inventory issued during the year		
<b>Balance at end of the year</b>	<b>Nil</b>	<b>Nil</b>

## 18 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

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

**XII. 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 2020	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Construction of buildings</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Supply of goods</b>						
4.						
5.						
6.						
<b>Sub-Total</b>						
<b>Supply of services</b>						
7. P.E Staff Salaries				20,000	-	
8.						
9.						
<b>Sub-Total</b>				20,000	-	
<b>Grand Total</b>				20,000	-	

### XIII. ANNEX 2 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 <sup>st</sup> July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 <sup>th</sup> June 2021
Land 1	2021	Dadachabasa	2,000,000			2,000,000
Land 2						
Buildings and structures	2021	Dadachabasa	7,600,000			7,600,000
Motor vehicles			18,000			18,000
Office equipment, furniture and fittings	2021					
ICT Equipment, and Other ICT Assets						
Tools and apparatus	2020		1,000			1,000
Textbooks	2021		46,050			46,050
Other Machinery and Equipment						
Heritage and cultural assets						
Intangible assets- soft ware						
<b>Total</b>			<b>9,665,050</b>			<b>9,665,050</b>

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