

REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 09 JUN 2026

DAY.

Tuesday

REPORT

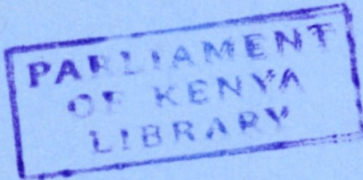
TABLED
BY:

Hon. Naomi Wago

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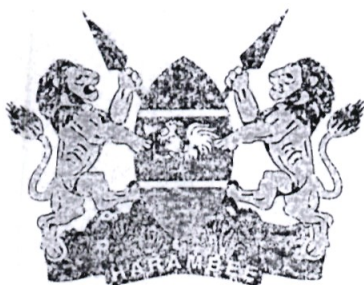
THE AUDITOR-GENERAL

ON

NAMWELA SECONDARY SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2024

BUNGOMA COUNTY



NAMWELA SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2024**

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

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1. Acronyms and Definition of Key Terms

A. Acronyms.

BOM	Board of Management
CEB	County Education Board
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
FY	Financial Year
FDSE	Free Day Secondary Education
TSC	Teachers Service Commission
SMASSE	Strengthening of Mathematics and Science in Secondary Education

B. Definition of Key Terms

Comparative Year- Means the prior period.

2. Key School Information and Management

[Customise the details in this section to suit your School]

(a) Background information

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is in Bungoma County, Bungoma-West Sub-County and Namwela zone.

The school was registered in 1965 under registration number **39530000007** and is currently categorized as a County public school established, owned or operated by the Government.

The school is a boarding school and had 850 number of students as at 30th June 2024. It has Eleven streams and thirty teachers of which ten 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	Eng. Richard Sitati	Chairman	23/5/2022
2	Mr. Stephen Mutaki	Secretary - Principal	19/4/2023
3	Mdm Joan Nyongesa	P.A Member	23/5/2022
4	Mrs. Florence Kwaka	Member	23/5/2022
5	Mr. Dennis kulabusia	Member	23/5/2022
6	Mdm. Nancy Wafula	Member	23/5/2022
7	Mdm. Audrey Matere	Member	23/5/2022
8	Dr. Patrick Koi	Member – Rep CEB	23/5/2022
9	Mr. Shadrack Sifuna	Member Rep Teachers	8/5/2023
10	Mr. Caleb Simiyu	Member- sponsor	23/5/2022
11	Mdm. Juliet Wasike	Member - sponsor	23/5/2022
12	Mdm. Mary Mumelo	Member - sponsor	23/5/2022
13	Mr. Gelas Wamayengo	Member-Community	23/5/2022
14	Mr. Peter Changalwa	Member Special Needs	23/5/2022
15	Mr. John Sande	Rep Students	23/5/2022

The functions of the School Board of Management are to:

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

(c) Committees of the Board

Ref.	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	1.Eng.Richard Sitati 2.Mr.Stephen Mutaki 3.Mdm.Joan Nyongesa 4.Mdm.Juliet Wasike 5.Mdm.Mary Mumelo 6.Dr.Patrick Koi	BOM CHAIR PRINCIPAL P.A CHAIR MEMBER MEMBER MEMBER	3 out 3
2	Audit Committee	1.Mdm.Florence Kwaka 2. Mr.Dennis Kulabusia 3.Mdm.Joan Nyongesa 4.Mr.Caleb Kishombe 5.Mr. Stephen Mutaki	Chairperson Secretary	0
3	Finance,procurement and general purposes Committee	1.Mdm. Florence Kwaka 2.Mr.Dennis Kulabusia 3.Mdm.Joan Nyongesa 4.Mr.Caleb Kishombe 5.Mr.Stephen Mutaki		0

NAMWELA SECONDAERY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2024

4	Academic Committee	1.Dr.Audrey Matere 2.Mdm.Nancy Wafula 3.Mr.Dennis kilabusia 4..Mdm.Joan Nyongesa 5.Mr.shadrack Nyongesa 6.Mr.Godfrey Wanyonyi	Chairperson Secretary	0
5	Development Committee	1.Eng.Richard Sitati 2.Mr.Stephen Mutaki 3.Mr.Shadrack Nyongesa 4.Mr.Gellas Wamayengo 5.Mdm.Joan Nyongesa	Secretary Chairperson	3
6	Discipline and welfare Committee	1.Mr. Patrick Koi 2.Mdm.Joan Nyongesa 3.Godfrey Wanyonyi 4.Mdm.Mary Mumelo 5.Mr. Stephen Mutaki	chairpeson Secretary	1
7	Adhoc Committee (if any during the year)			0

(d) School operation Management

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

Ref:	Designation	Name	Identification
1	Principal	STEPHEN MUTAKI	TSC No.323302
2	Deputy Principal -1	SIFUNA WEKESA	TSC No.272155
3	Deputy Principal -2	NYONGESA STEPHEN	TSC NO. 419121
4	School Bursar	EVERLYNE WANAMBISI	22928095

(e) Schools contacts

Post Office Box: P.O BOX 48, CHWELE
 Telephone: 0722290033
 E-mail: NAMWELABOYS2017@GMAIL.COM
 Website:
 Facebook:
 Twitter:

(f) School Bankers

Provide details of the school bankers.

Name of Bank: Co-operative
 Branch: Bungoma
 Postal Address.

Name of Bank: KCB
 Branch: Bungoma
 Postal Address.

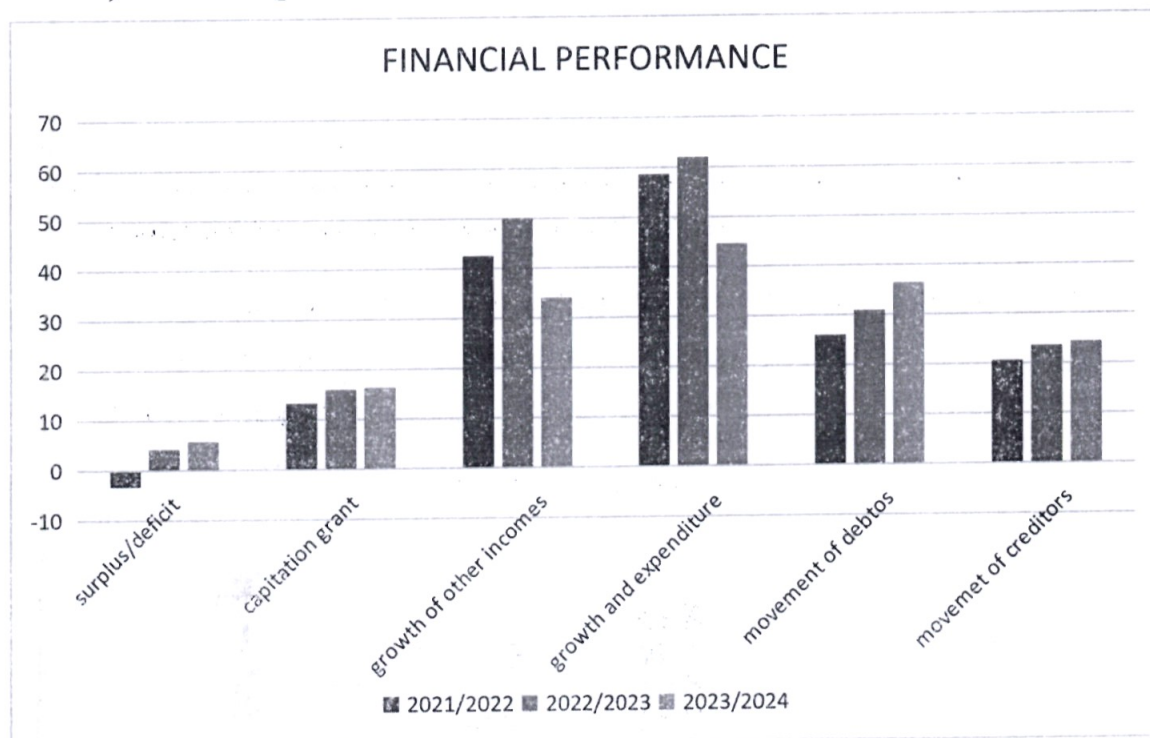
(g) Independent Auditors

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:



b) Teacher Student ratio:

Teacher student ratio 1:29

TSC teachers -20

B.O.M teachers -10

Teachers transferred out during the year -5

Teachers transferred in during the year - 6

No.	Subject	No. of teachers	deficit
1	English /literature	4	1
2.	Chemistry/ mathematics	2	2
3.	Biology/ Agriculture	3	-
4.	Biology/Chemistry	1	2
5.	History/Geography	1	2
6.	Geography/Business	2	1

7.	History/CRE	1	2
8.	Mathematics/ Computer	1	1
9.	Kiswahili/History	1	2
10.	Chemistry/Physics	1	1
11.	Geography/CRE	1	1
12	Mathematics/Kiswahili	1	2
13	Physics/Mathematics	0	2

c) The mean score in the 2023 KCSE:

YEAR	KCSE MEAN SCORE	UNIVERSITY ENTRY	COMMENT
2023	4.739 C-	57	Drop in performance caused by students unrest in school
2022	5.1689	51	An improvement by +0.228
2021	4.9409	63	Decline in performance by -0.4395
2020	5.3804	51	

d) Number of Candidates in the 2023 KCSE:

YEAR	NO. of candidates
2023	306
2022	229
2021	237
202	163

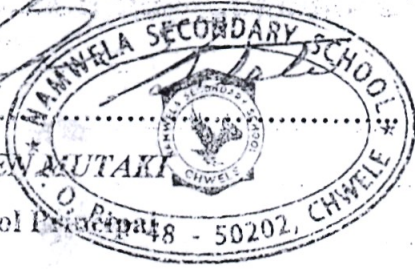
e) The capacity of the school:

The school has a student to facility ratio of:

- 42 students per classroom
- Dormitory ratio 40 students per dormitory and a dormitory hosts 60 students
- With 850 students the school has a small dining hall that cannot accommodate all students
- 36 students per toilet which is above the minimum standard of latrine to the ratio of 30

f) Development projects carried out by the school:

Year	Source of Funds	Status	Amount (Kshs)	Amount Spent (Kshs)	Balance (Kshs)
None					



STEPHEN MUTAKI
 School Principal - 50202, CHWELE

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 *NAMWELA SECONDARY SCHOOL* accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

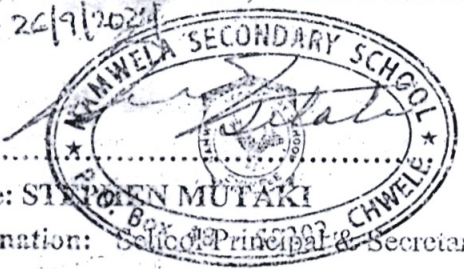
The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2024 and of the school's financial position as at that date.



Name: RICHARD SITATI

Designation: Chairman, School Board of Management

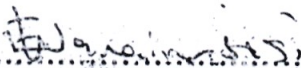
Date: 24/7/2024



Name: STEPHEN MUTAKI

Designation: School Principal & Secretary to Board of Management

Date:



Name: EVERLYNE WANAMBISI

Designation: Bursar/Finance Officer

Date:

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

Particulars	2023/2024	2022/2023
Receipts		
Government grants for tuition	1	2,487,523.40
Government grants for operations	2	13,230,400.40
Government Grants for infrastructure	3	1,648,800.00
School fund income- parents' contributions	4	26,495,116.60
Miscellaneous incomes	5	2,536,289.00
Total Receipts		46,398,128.80
Payments		
Tuition	6	2,126,760.00
Operations	7	11,188,114.00
Infrastructure	8	500,230.00
Boarding and school fund	9	32,167,685.15
Total Payments		45,982,789.15
Surplus/Deficit		415,339.65

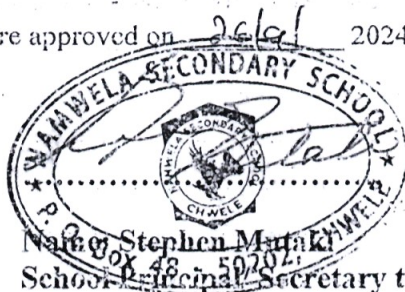
The school financial statements were approved on 26/9/2024 and signed by:



Name: Richard Sitati

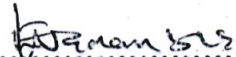
Chair BOM

Date: 26/9/24



Name: Stephen Mutaki
School Principal/Secretary to BOM

Date: 26/9/2024



Name: Everlyne Wanambisi

Bursar/ Finance Officer

Date: 26/9/2024

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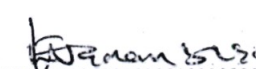
Chair EOM

Date: 26/9/24



Name: Stephen Mwangi
School Principal/Secretary to BOM

Date: 26/9/2024



Name: Everlyne Wanambisi

Bursar/ Finance Officer

Date: 26/9/2024

7. Statement of Assets and Liabilities as at 30th June 2024

	Note	2023/2024	2022/2023
		KShs	KShs
Financial Assets			
Cash and cash equivalents			
Bank balances	10	2,587,450.47	2,172,538.82
Cash balances	11	1,528.00	2,900.00
Short term investments	12	0.00	0.00
Total cash and cash equivalent		2,588,978.47	2,175,438.82
Account's receivables	13	33,523,965.00	27,507,220.00
Total financial assets (a)		36,112,943.47	29,682,658.82
Financial liabilities			
Accounts payables	14	(20,027,209.00)	(17,919,589.00)
Total Financial Labilities (b)		(20,027,209.00)	(17,919,589.00)
Net financial assets (a-b)		16,085,734.47	(11,763,069.82)
Represented by			
Accumulated fund b/fwd	15	2,173,638.82	196,143.17
Surplus for the year		415,339.65	1,979,295.65
Net Assets		2,588,978.47	2,175,438.82

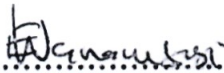
The school's financial statements were approved on 26/9/ 2024 and signed by:


Name: Richard Sitati

Chair BOM

Date: 26/9/2024


Name: Stephen Mutaki
School Principal/ Secretary to BOM
Date: 26/9/2024


Name: Everlyne Wanambisi

Bursar/ Finance Officer

Date: 26/9/2024

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: 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 NAMWELA SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2024 - BUNGOMA 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 Namwela Secondary School - Bungoma County set out on pages xii to xiii and 1 to 21, which comprise of the

statement of assets and liabilities as at 30 June, 2024 and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts, for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Namwela Secondary School - Bungoma County as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracy of Financial Statements

1.1. The Statement of Assets and Liabilities

The statement of assets and liabilities reflects net financial assets balance Kshs.16,085,734. However, the statement reflects net assets balance of Kshs.2,588,978, resulting to unexplained variance of Kshs.13,496,756.

In the circumstances, the accuracy and completeness of the statement of assets and liabilities could not be confirmed.

1.2. The Statement of Cash Flows

The statement of cash flows reflects cash and cash equivalents at the beginning of the year amounting to Kshs.1,929,539. However, the statement reflects comparative cash and cash equivalents at the end of the year ended 30 June, 2023 balance of Kshs.2,175,439, resulting to unexplained variance Kshs.245,900.

In the circumstances, the accuracy and completeness of cash and cash equivalents at the beginning of the year amounting to Kshs.1,929,539 could not be confirmed.

1.3. The Statement of Budgeted Versus Actual Amounts

The statement of budgeted versus actual amounts reflects actual total receipts amounting to Kshs.40,617,341 and actual total expenditure amounting to Kshs.38,477,663. However, the statement of cash flows reflects total receipts of Kshs.46,398,128 and total payments of Kshs.45,982,789, resulting to unexplained variances of Kshs.5,780,787 and Kshs.7,505,126, respectively.

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

1.4. Inaccuracy of Comparative Balances

The statement of assets and liabilities reflects accounts payables opening balance of Kshs.17,919,589. However, audited financial statements for the year ended 30 June, 2023 reflects a balance of Kshs.18,313,064, resulting to unexplained variance of Kshs.393,475.

Further, Note 5 to the financial statements reflects a comparative amount of Kshs.3,731,863 for miscellaneous income which differ with the re-casted amount of Kshs.2,531,827 by unexplained variance of Kshs.1,200,036. Additionally, Note 7 to the financial statements reflects a comparative amount of Kshs.16,001,044 for operations expenditure which differ with the re-casted amount of Kshs.16,030,588 by unexplained variance of Kshs.29,544.

In the circumstances, the accuracy and completeness of the respective comparative balances could not be confirmed.

2. Long Outstanding Accounts Receivables

The statement of assets and liabilities reflects accounts receivables balance of Kshs.33,523,965 as disclosed in Note 13 to the financial statements, which includes fees arrears balance of Kshs.32,712,439. The balance includes fees arrears amounting to Kshs.24,204,277 that had been outstanding for a period of more than one (1) year without clear strategy to ensure recovery of the same. Additionally, there was no policy on the impairment of long outstanding accounts receivables casting doubt on the fair statement of accounts receivables balance.

In the circumstances, the accuracy, completeness and recoverability of accounts receivables balance of Kshs.33,523,965 could not be confirmed.

3. Unconfirmed Accounts Payables Balance

The statement of assets and liabilities reflects accounts payables balance of Kshs.20,027,209 as disclosed in Note 14 to the financial statements. However, Annex 1 to the financial statements in respect of analysis of pending accounts payables reflects a balance of Kshs.6,040,960 resulting to unexplained variance of Kshs.13,986,249. Further, Note 14b to the financial statements in respect to ageing analysis of accounts payables reflects accounts payables balance of Kshs.18,206,594, resulting to unexplained variance of Kshs.1,820,615.

In the circumstances, the accuracy and completeness accounts payables balance of Kshs.20,027,209 could not be confirmed.

4. Unconfirmed Government Grants for Operations

The statement of receipts and payments reflects Government grants for operations amounting to Kshs.13,230,400 as disclosed in Note 2 to the financial statements. However, verification of the bank statements revealed that the actual amount received in respect of Government grants for operations was Kshs.12,144,213, resulting to unexplained variance of Kshs.1,086,187.

In the circumstances, the accuracy and completeness of the Government grants for operations amounting to Kshs.13,230,400 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects revenue final budget and actual on comparable basis amounts of Kshs.66,979,770 and Kshs.40,617,341 respectively, resulting to an under-funding of Kshs.26,362,428 or 39% of the budget.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Lack of Approved Procurement Plan

Audit review revealed that Management did not prepare an annual procurement plan as part of the annual budget preparation process in accordance with Regulation 40(1) of the Public Procurement and Asset Disposal Regulations, 2020 which states that a procuring entity shall prepare a procurement plan for each financial year as part of the annual budget preparation process.

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

2. Lack of a Functional Procurement Unit

Audit review revealed that the School did not have an established procurement function managed by qualified procurement professional and procurement activities were undertaken by individuals lacking the requisite qualifications contrary to Regulation 33 (1) and (2) of the Public Procurement and Asset Disposal Regulations, 2020 which states that a procuring entity shall establish a procurement function to be handled by procurement professionals whose qualification and experience are recognized in Kenya.

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

3. Lack of Staff Ethnic Diversity

Analysis of the staff list provided for audit revealed that the School had forty-two (42) employees both in teaching and non-teaching who are serving under the terms of the School's Board of Management. The audit analysis revealed that thirty-nine (39) or 93% of the staff of the School were from the dominant ethnic community. This is contrary to Section 7(2) of the National Cohesion and Integration Act, 2008, which states that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and no public establishment shall have more than one third of its staff from the same ethnic community.

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

4. Over-Funding of Government Grants

The statement of receipts and payments reflects Government grants for tuition and Government grants for operations amounts of Kshs.2,487,523 and Kshs.13,230,400 respectively, as disclosed in Notes 1 and Note 2 to the financial statements.

Review of documents provided for audit revealed that the National Education Management Information System (NEMIS) indicated a total of one thousand and eighty four (1,084) students, one thousand and seventy nine (1,079) students and eight hundred and fifty two (852) students in September 2023, January, 2024 and June, 2024 respectively, while the school records provided for audit indicated a total of eight hundred and thirty two (832) students, five hundred and seventy eight (578) students and five hundred and seventy three (573) respectively, during the same periods. This results to unexplained variances of two hundred and fifty-two (252) students, five hundred and one (501) students and two hundred and seventy-nine (279) students, respectively. As a result of the variances, the School was over-funded by an amount of Kshs.1,143,655.

In the circumstances, the over-funding of the School may have affected service delivery to the public in other schools.

5. Lack of Imprest Register

During the year under review, Management did not maintain an imprest register detailing the name of applicant, amount applied, due date, date of surrender and any outstanding balances in accordance with Regulation 93(4)(b) and (c) of the Public Finance Management (National Government) Regulations 2015 which states that before issuing temporary imprests, the Accounting Officer shall ensure that the applicant has no outstanding imprests and that the applicant has been recorded in the imprest register including the amount applied for.

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

6. Long Outstanding Accounts Payables

The statement of financial assets and liabilities and Note 14 to the financial statements reflect accounts payables balance of Kshs.20,027,209. However, the balance includes trade payables amounting to Kshs.12,165,634 which had been outstanding for more one (1) year. This was contrary to Regulation 42 (1) (a) of the Public Finance Management (National Government) Regulations, 2015 which states that debt service payments shall be a first charge on the Consolidated Fund and the Accounting Officer shall ensure this is done to the extent possible that the Government does not default on debt obligations.

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

7. Irregular Utilization of Infrastructure Funds

The statement of receipts and payments reflects Government grants for infrastructure amounting to Kshs.1,648,800 as disclosed in Note 3 to the financial statements. Verification of the bank statements revealed that Management transferred a total of Kshs.2,923,795 from the infrastructure fund account to the School fund account and subsequently utilized the funds on recurrent expenditure. 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 within fifteen (15) days upon receipt of the funds in the operations account.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of Internal Audit Function and Audit Committee

During the year under review, the School had not constituted an audit committee and an internal audit unit in accordance with Section 73 (1) of the Public Finance Management

Act, 2012 which states that every National Government entity shall ensure that it complies with this Act and has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board.

In the circumstances, the School's oversight mechanisms were ineffective.

2. Weaknesses in Inventory Management

Note 19 to the financial statements under other important disclosures reflects stock/inventory balance of Kshs.1,096,202. However, the schedule provided for audit review does not indicate the composition or breakdown of various stock/inventory balances held by the School as at 30 June, 2024.

In the circumstances, the effectiveness of internal controls on inventory Management 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

20 April, 2026

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

Description	Note	2023/2024 Kshs	2022/2023 Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition		2,487,523.40	2,976,352.00
Government grants for operations		13,230,400.40	15,979,553.65
Government grants for infrastructure		1,648,800.00	5,010,000.00
School fund income- parents contributions/ fees		26,495,116.00	39,759,901.00
Other income		2,536,289.00	3,731,863.00
Total receipts		46,398,128.80	67,457,669.65
Payments			
Cash outflows for tuition		2,126,760.00	2,833,680.00
Cash outflows for operations		11,188,114.00	16,001,044.00
Cash outflows Boarding/lunch and school fund payments		500,230.00	43,182,275.00
		32,167,685.15	3,611,375.00
Total payments		45,982,789.15	65,478,374.00
Net cash inflow/outflow from operating activities		415,339.65	1,979,295.65
Cash flow from investing activities			
Acquisition of assets		0	0.00
Proceeds from sale of Assets		0.00	0.00
Proceeds from investments		0.00	0.00
Ministry infrastructure fund			0.00
Purchase of investments		0.00	0.00
Net cash inflow/outflows from investing activities		0	0.00
Cash flow from Financing activities			
Proceeds from borrowings/ loans		0.00	0.00
Repayment of principal borrowings		0.00	0.00
Net cash inflow/outflow from financing activities		0.00	0.00
Net increase/decrease in cash and cash equivalents		415,339.65	1,979,295.65
Cash and cash equivalent at beginning of the FY		1,929,538.62	196,143.17
Cash and cash equivalent at end of the FY		2,588,978.47	2,175,438.82

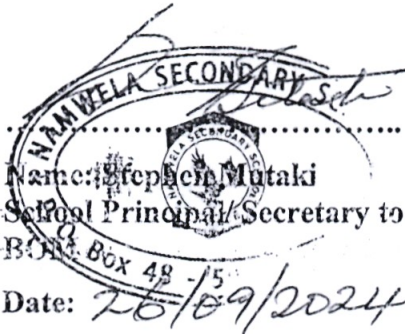
The school's financial statements were approved on 26/9/ 2024 and signed by:



Name: Richard Sitati

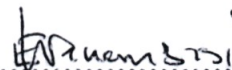
Chair BOM

Date: 26/9/2024



Name: Stephen Mutaki
School Principal/Secretary to

BOM Box 48 - 5
Date: 26/09/2024



Name: Everlyne Wanambisi

Bursar/ Finance Officer

Date: 26/9/2024

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

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
(1) Capitation Grant on Tuition					
Reference Materials	0.00	0.00	0.00	0.00	0.00
Exercise Books	1567800.00	0.00	1567800.00	91634.00	5.84
Laboratory Equipment	1044900.00	0.00	1044900.00	1083843.80	103.73
Internal Exams	1044900.00	0.00	1044900.00	735982.60	70.44
Teaching / Learning Materials	522000.00	0.00	522000.00	576063.00	110.36
Exams And Assessment	0.00	0.00	0.00	0.00	0.00
(2) Capitation Grant on Operations					
Personnel Emoluments	3600000.00	0.00	3600000.00	3686345.00	102.40
Repairs And Maintenance	5400000.00	0.00	5400000.00	3297800.00	61.07
Local Transport / Travelling	1467000.00	0.00	1467000.00	1144755.00	78.03
Electricity And Water	1476000.00	0.00	1476000.00	1120428.00	75.91
Medical	900000.00	0.00	900000.00	1041975.00	115.78
Administration Costs	1467000.00	0.00	1467000.00	1144755.00	78.03
Activity	1350000.00	0.00	1350000.00	708155.00	52.46
Gratuity	0.00	0.00	0.00	0.00	0.00

			0.00		
3) FDSE for infrastructure					
Maintenance &Improvement MOE	5400000.00	0.00	5400000.00	1648800.00	30.53
M&I parents' contribution	0.00	0.00	0.00	0.00	0.00
Economic Stimulus Programs	0.00	0.00	0.00	0.00	0.00
Transition Infrastructure Grants	0.00	0.00	0.00	0.00	0.00
Administration Block	0.00	0.00	0.00	0.00	0.00
(4) Fees Charged on Parents					
Personnel Emoluments	4500000.00	0.00	4500000.00	2421704.00	53.82
Repairs And Maintenance	1800000.00	0.00	1800000.00	1050413.00	58.36
Local Transport / Travelling	2700000.00	0.00	2700000.00	1614098.00	59.78
Electricity And Water	2610000.00	0.00	2610000.00	1709297.00	65.49
Medical	0.00	0.00	0.00	600.00	0.00
Administration Costs	1800000.00	0.00	1800000.00	1245096.00	69.17
Activity	225000.00	0.00	225000.00	142777.00	63.46
SMASSE	0.00	0.00	0.00	0.00	0.00
Fee On Boarding Equipment and Stores	22365000.00	0.00	22365000.00	12243553.00	54.74
PA project	4500000.00	0.00	4500000.00	2732612.00	60.72
5) Miscellaneous Income					
Loans / Borrowing	500000.00	0.00	500000.00	500000.00	100.00
Rent income	0.00	0.00	0.00	0.00	0.00
Income From Farming Activities	0.00	0.00	0.00	171115.00	0.00
Insurance Compensation	0.00	0.00	0.00	0.00	0.00
Income From Posho Mill	0.00	0.00	0.00	0.00	0.00

NAMWELA SECONDAERY SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2024

Income From Bus Hire	522530.00	0.00	522530.00	287900.00	55.10
Fee For Hire of Ground and Equipment	0.00	0.00	0.00	0.00	0.00
Interest Income	0.00	0.00	0.00	0.00	0.00
Income From Any Other Investment	0.00	0.00	0.00	0.00	0.00
other income generating activity	217640.00	0.00	217640.00	217640.00	100.00
Total Income	66979770.00	0.00	66979770.00	40617341.40	60.64
(6) Expenditure For Tuition					
Textbooks	0.00	0.00	0.00	0.00	0.00
Reference Materials	0.00	0.00	0.00	0.00	0.00
Exercise Books	1567800.00	0.00	1567800.00	390000.00	24.88
Laboratory Equipment	1044900.00	0.00	1044900.00	0.00	0.00
Internal Exams	1044900.00	0.00	1044900.00	663000.00	63.45
Teaching / Learning Materials	522000.00	0.00	522000.00	79800.00	15.29
Chalks	0.00	0.00	0.00	0.00	0.00
Exams And Assessment	0.00	0.00	0.00	0.00	0.00
Teachers Guides	0.00	0.00	0.00	0.00	0.00
Administration Costs	0.00	0.00	0.00	0.00	0.00
Bank Charges	3960.00	0.00	3960.00	3960.00	100.00
(7) Expenditure For Operations					
Personnel Emoluments	3600000.00	0.00	3600000.00	4202802.00	116.74
Repairs, Maintenance & Improvements	5400000.00	0.00	5400000.00	1819405.00	33.69
Local Transport / Travelling	1467000.00	0.00	1467000.00	909500.00	62.00
Electricity, Water and Conservancy	1476000.00	0.00	1476000.00	776150.00	52.58
Medical	900000.00	0.00	900000.00	5750.00	0.64

Administration Costs	1467000.00	0.00	1467000.00	1144755.40	78.03
Activity Expenses	1350000.00	0.00	1350000.00	548850.00	40.66
Gratuity	0.00	0.00	0.00	0.00	0.00
SMASSE	0.00	0.00	0.00	0.00	0.00
(8) Expenditure For infrastructure					
Construction of classrooms	5400000.00	0.00	5400000.00	300000.00	5.56
(9) Expenditure For school fund/lunch/boarding	0.00	0.00	0.00	0.00	0.00
Personnel Emoluments	4500000.00	0.00	4500000.00	2766217.00	61.47
Repairs, Maintenance and Improvements	1800000.00	0.00	1800000.00	2112354.00	117.35
Local Transport / Travelling	2700000.00	0.00	2700000.00	2572935.00	95.29
Electricity, Water and Conservancy	2610000.00	0.00	2610000.00	1203414.00	46.11
Medical Expenses	600.00	0.00	600.00	49850.00	8308.33
Administration Costs	1800000.00	0.00	1800000.00	2467680.00	137.09
Activity	225000.00	0.00	225000.00	1867792.00	830.13
Gratuity	63420.00	0.00	63420.00	0.00	0.00
Lunch Programme	0.00	0.00	0.00	0.00	0.00
Boarding Equipment and Stores	22365000.00	0.00	22365000.00	13370700.00	59.78
Expenditure For Income Generating Activity	171115.00	0.00	171115.00	215145.00	125.73
Insurance Costs	0.00	0.00	0.00	0.00	0.00

Other Expenses on Investments	0.00	0.00	0.00	0.00	0.00
Rent Expenses	0.00	0.00	0.00	0.00	0.00
Bank Charges	6004.15	0.00	6004.15	6004.15	100.00
Loan Interest Repayment	30000.00	0.00	30000.00	30000.00	100.00
Loan Principal Repayment	500000.00	0.00	500000.00	500000.00	100.00
Acquisition Of Assets	0.00	0.00	0.00	0.00	0.00
PA project	4500000.00	0.00	4500000.00	471600.00	10.48
Totals	66514699.15	0.00	66514699.15	38477663.55	57.85

(i) Underutilization on capitation grant is caused by failure of government to release full capitation while on contribution from parents, underutilization is caused by poor fees payment.

(ii) Overutilization came about due to fluctuation of prices on commodities

9. Significant Accounting Policies

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of receipts and payments

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

5. Accounts Receivable

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

6. Accounts Payable

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

7. Non-current assets

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

8. Budget

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

9. Comparative figures

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

10. Subsequent events

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

10. Notes to the Financial Statements

1 Government Grants for Tuition

Description	2023/2024	2022/2023
	Kshs	Kshs
Exercise Books	91,634.00	1,260,343.00
Laboratory Equipment	1,083,843.80	630,171.75
Internal Exams	735,982.60	315,086.50
Teaching / Learning Materials	576,063.00	770,750.75
Total	2,487,523.40	2,976,352.00

2 Government Grants for Operations

Description	2023/2024	2022/2023
	Kshs	Kshs
Personnel Emoluments	3,686,345.00	4,892,399.65
Repairs And Maintenance	3,297,800.00	0
Local Transport / Travelling	1,144,755.00	553,081.00
Electricity And Water	1,120,428.00	1,447,899.20
Medical & Insurance	1,041,975.00	92,400.00
Administration Costs	1,144,755.40	1,646,268.80
Activity	708,155.00	356,400.00
Statutory deductions	646,952.00	771,950.00
Salary advance	106,500.00	101,100.00
Namwela sacco	26,771.00	77,099.00
Union dues		39,035.00
Elimu sacco	305,964.00	425,212.00
School fund		540,000.00
Maintenance and improvement		4,090,000.00
		941,000.00
Total	13,230,400.40	15,979,553.00

3 Government Grants for infrastructure

Description	2023/2024	2022/2023
	Kshs	Kshs
Maintenance & Improvement	1,648,800.00	4,090,000.00
Operation a/c		920,000.00
Transition infrastructure grants	0.00	0.00
Administration Block	0.00	0.00
Economic stimulus grants	0.00	0.00
Other (specify)(NGCDF and County govt.	0.00	0.00
Total	1,648,800.00	5,010,000.00

4 School Fund Income - Parents Contribution/Fees

Description	2023/2024	2022/2023
	Kshs	Kshs
Personnel emoluments	2,421,704.00	7,149,882.00
Repairs and maintenance	1,050,413.00	1,667,148.00
Local transport / travelling	1,614,098.00	2,546,063.00
Electricity and water	1,709,297.00	3,324,362.00
Medical	600.00	0
Administration costs	1,245,096.00	2,259,589.00
Activity	142,777.00	247,944.00
Fee on Boarding Equipment and stores	12,243,553.00	15,928,780.00
PA project	2,732,612.00	27,500.00
R.M I fines	0.00	864,000.00
KCSE 2022	0.00	33,000.00
KCSE 2021/2020	0.00	43,900.00
KCSE 2022/2023	29,600.00	311,400.00
KCSE 2024	172,000.00	0.00
Fees arrears	3,133,366.00	4,005,980.00
prepayment	0	1,350,353.00
Total	26,495,116.00	39,759,901.00

5 Miscellaneous Incomes

Description	2023/2024 Kshs	2022/2023 Kshs
Scrap Material Income	104,700.00	0.00
Income From Farming Activities	171,115.00	15,360.00
Income From Bus Hire	287,900.00	291,000.00
School canteen	0.00	560,495.00
Empty jericans Income	6,760.00	19,600.00
Water Income	31,180.00	97,200.00
Bus Insurance	0.00	31,000.00
Miscelenous	925,518.00	239,350.00
Statutory	90,725.00	165,453.00
Prepaid fees	779,847.00	-
Salary advance	18,000.00	39,500.00
Elimu sacco	39,632.00	81,913.00
Namwela sacco	5,912.00	17,297.00
Savings a/c	75,000.00	705,000.00
Union dues	-	8,659.00
Operation A/c	-	260,000.00
Total	2,536,289.00	3,731,863.00

Donations were received from Area member of parliament and B.O.M CHAIR to support school volley team to process documents that were to enable the team represent EAST AFRICA at Serribia
Miscellaneous were borrowed from school welfare group.