

REPUBLIC OF KENYA



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability



THE NATIONAL ASSEMBLY  
PAPERS LAID

REPORT

DATE: 09 JUN 2026

DAY.

Tuesday

TABLED  
BY:

Hon. Naomi Wago

CLERK-AT  
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PARLIAMENT  
OF KENYA  
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THE AUDITOR-GENERAL

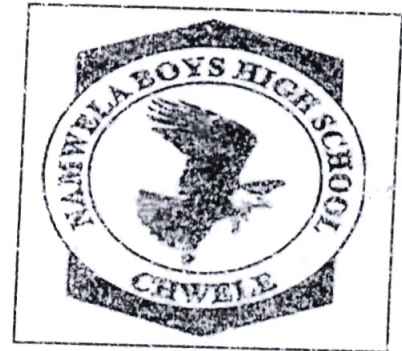
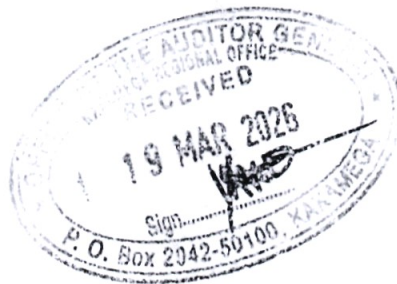
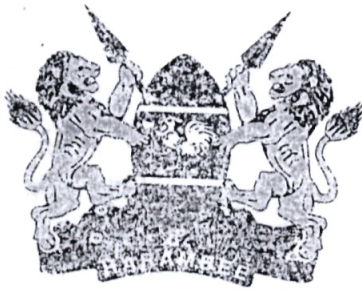
ON

NAMWELA SECONDARY SCHOOL

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

BUNGOMA COUNTY





**NAMWELA 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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**NAMWELA SECONDARY SCHOOL  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

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FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021

## 1. 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 Bungoma County, Bungoma West Sub County.

The school was registered in 20/01/2015 Under registration number 39530000007 and is currently categorized as a county public school established, owned and operated by the Government.

The school is a boarding school and had 895 number of student as at 30<sup>th</sup> June 2021. It has 4 streams and 33 teachers of which 16 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 <sup>rd</sup> April 2019 |
| 2   | Mr. Simon Nyongesa Watamba               | Secretary            | 23 <sup>rd</sup> April 2019 |
| 3   | Sellah Wanyonyi                          | Member               | 23 <sup>rd</sup> April 2019 |
| 4   | Jane Soita                               | Member               | 23 <sup>rd</sup> April 2019 |
| 5   | Wasike Juliet                            | Member               | 23 <sup>rd</sup> April 2019 |
| 6   | Mary Wasike                              | Member               | 23 <sup>rd</sup> April 2019 |
| 7   | Geilas Wamanyenga                        | Member               | 23 <sup>rd</sup> April 2019 |
| 8   | Bramwel Matete                           | Member-Rep CEB       | 23 <sup>rd</sup> April 2019 |
| 9   | Benedict Wafula Wanyonyi                 | Member Rep Teachers  | 23 <sup>rd</sup> April 2019 |
| 10  | Sara Masolo, Audrey Matere, Caleb Simiyu | 3 members-sponsor    | 23 <sup>rd</sup> April 2019 |
| 11  | Robert Silikhe Simiyu                    | Member-community     | 23 <sup>rd</sup> April 2019 |
| 12  | Peter Changalwa                          | Member special needs | 23 <sup>rd</sup> April 2019 |
| 13  | Peres Simiyu                             | Rep students         | 23 <sup>rd</sup> April 2019 |



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The function of the school board of management include:

- Promote the best interests of the school and ensure its development
- Promote quality education for a;; pupils in accordance with 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 rule 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   | Name of member                                                                                                      | designation                                         | Number of meetings attended during the year |
|-----|---------------------|---------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|---------------------------------------------|
| 1   | Executive Committee | A) Eng. Richard Sitati<br>B) Mr.Simon Watamba<br>C) Mr.Erastus Muresia<br>D)Dr. Audrey Matere<br>E) Mdm.Sara Masolo | Chairman<br>Secretary<br>Member<br>Member<br>Member | 2                                           |

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|   |                                                     |                                                                                                                                |                                                        |   |
|---|-----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|---|
| 2 | Audit Committee                                     | A) Dr. Robert S. Simiyu<br>B) Mrs Jane Soita<br>C) Mr. Petr Changalwa<br>D)<br>E)                                              | Chairperson<br>Secretary<br>Member                     | 2 |
| 3 | Finance, Procurement And General Purposes Committee | A) Mr. Bramwel Matete<br>B) Mrs Juliet Wasike<br>C) Mr. Caleb Kishombe<br>D)<br>E)                                             | Chairman<br>Secretary<br>Member                        | 1 |
| 4 | Academic Committee                                  | A) Dr. Audrey Matere<br>B) Mr Ibrahim Mapesa<br>C) Mrs. Sella Wanyonyi<br>D) Mr. Erastus Muresia<br>E) Mr. Clement Mukubwa     | Chairperson<br>Secretary<br>Member<br>Member<br>Member | 2 |
| 5 | Development Committee                               | A) Mr. Gellas Wamanyengo<br>B) Mr. Mukubwa Clement<br>C) Mr. Simon Watamba<br>D) Eng. Richard Sitati<br>E) Mrs. Sella Wanyonyi | Chairman<br>Secretary<br>Member<br>Member<br>Member    | 5 |
| 6 | Discipline And Welfare Committee                    | A) Mr. Erastus Muresia<br>B) Mr. Mukubwa Clement<br>C) Mr. Caleb Kishombe<br>D) Mr. Peter Changalwa<br>E) Mrs Sara Masolo      | Chairman<br>Secretary<br>Member<br>Member<br>Member    | 1 |
| 7 | Adhoc Committee                                     | A) Mr. Caleb Kishombe<br>B) Mdm. Rose Wekesa<br>C) Mr. Erastus Muresia<br>D)<br>E)                                             | Chairman<br>Secretary<br>Member                        | 1 |



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**d) 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     | SIMON WATAMBA      | 251132     |
| 2   | D/Principal   | CLEMENT MUKUKBWA   | 351008     |
| 3   | School Bursar | EVERLYNE WANAMBISI | NAC/188087 |

**e) School contacts**

Post office Box: 48-50202 chwele

Telephone:.....

E-mail: [namwelaboys2017@gmail.com](mailto:namwelaboys2017@gmail.com)

Website:.....

Facebook:.....

Twitter:.....

**f) School Bankers**

The following school operated 8 number of bank accounts in the following banks:

1. Name of bank: CO-OPERATIVE BANK

Branch: BUNGOMA

Account number: 01139049931300

2. Name of bank: CO-OPERATIVE BANK

Branch: BUNGOMA

Account number: 01139049931301

3. Name of bank: CO-OPERATIVE BANK

Branch: BUNGOMA

Account number: 01139049931302



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4. Name of bank: CO-OPERATIVE BANK

Branch: BUNGOMA

Account number:01141049931300

5. Name of bank: KCB BANK

Branch: BUNGOMA

Account number:1106248775

6. Name of bank: KCB BANK

Branch: BUNGOMA

Account number: 1105398153

7. Name of bank: KCB BANK

Branch: BUNGOMA

Account number: 1260936235

8. Name of bank: KCB BANK

Branch: BUNGOMA

Account number: 1106190483

9. MPESA Pay Bill No 522123 attached to KCB bank account 52284k

g) Independent auditors

Office of the auditor general

Anniversary towers, university way

p.o box 30084

GPO 00100

Nairobi, Kenya.

g) Independent auditors

Office of the auditor general

Anniversary towers, university way

p.o box 30084

GPO 00100

Nairobi, Kenya.

**NAMWELA SECONDARY SCHOOL  
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**II) SUMMARY REPORT OF PERFORMANCE OF THE SCHOOL**

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

**a) Financial performance:**

**b) Teacher student ratio**

1:26

**c) Mean score in the 2020 KCSE**

5.3804 C-

**d) Number of candidates in the 2020 KCSE**

163

**e. Capacity of the school**

1500 students



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f. Development projects carried out by the school

- Completing of tuition block
- Construction of new dormitory with four wings.
- Repair of dormitory roofs

Sign:

School principal: Mr. George Kisaka

III. STATEMENT OF SCHOOL MANAGEMENT RESPONSIBILITY

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 standard (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: Eng. Ricard Sitati

Designation: chairman, School Board of Management

Sign:

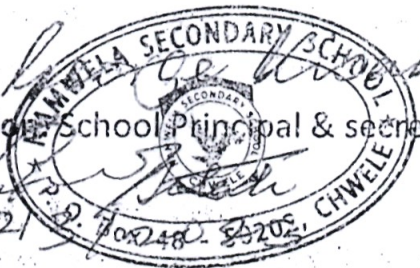
Date: 12/03/2023

Name:

Designation: School Principal & secretary to Board of management

Sign:

Date: 12/03/2023



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Name: *Everlyni Wamisi*

Designation: Bursar/Finance Officer

Sign: *Wamisi*

Date: *2/3/2023*



# 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 SIX (6) MONTHS PERIOD ENDED 30 JUNE, 2021 - 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 12 to 30, which comprise of the statement of

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*Report of the Auditor-General on Namwela Secondary School for the Six (6) months period ended 30 June, 2021 - Bungoma County*



financial assets and financial liabilities as at 30 June, 2021 and the statement of receipts and payments, statement of cash flows and statement of budgeted versus actual amounts, for the 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, 2021 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Cash Basis and comply with the Basic Education Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Inaccuracy of the Statement of Financial Assets and Financial Liabilities**

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.11,324,368 as disclosed in Note 11 to the financial statements. The balance includes fees arrears amounting to Kshs.11,302,418 comprising of Kshs.9,747,545 for fees accrued in the current year and Kshs.1,554,873 for fees accrued in the prior periods. Further the statement reflects accounts payables balance of Kshs.7,860,246 as disclosed in Note 12 to the financial statements, which includes Kshs.4,590,947 for payables accrued in the current year and Kshs.1,953,383 accrued in the prior years.

However, review of the statement of receipts and payments and the statement of cash flows indicate that all earned income was actually received and all incurred expenditure was actually paid for during the year under review, and therefore nothing was accruable.

In addition, the statement reflects net financial assets balance of Kshs.4,900,931 which differs with the net financial position balance of Kshs.1,436,809. The resultant variance of Kshs.3,464,122 has not explained or reconciled.

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

#### **2. Unconfirmed School Fund Income -Other Receipts**

The statement of receipts and payments reflects school fund income -other receipts amounting to Kshs.11,538,183 while the supporting schedules provided for audit reflect Kshs.16,109,353, resulting to unexplained variance of Kshs.4,571,170.



In the circumstances, the accuracy and completeness of school fund income -other receipts amount of Kshs.11,538,183 could not be confirmed.

### **3. Long Outstanding Accounts Receivables**

The statement of financial assets and financial liabilities reflects accounts receivables balance of Kshs.11,324,368 as disclosed in Note 11 to the financial statements, which includes fees arrears balance of Kshs.11,302,418. The balance further includes debts amounting to Kshs.1,554,873 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.11,324,368 could not be confirmed.

### **4. Unconfirmed Accounts Payables Balance**

The statement of financial assets and financial liabilities reflects accounts payables balance of Kshs.7,860,246 as disclosed in Note 12 to the financial statements. However, Annex 1 to the financial statements in respect of analysis of pending accounts payables reflects a balance of Kshs.4,590,947 resulting to unexplained variance of Kshs.3,269,299. Further, ageing analysis under Note 12 to the financial statements reflect total accounts payables of Kshs.6,544,330, resulting to unexplained variance of Kshs.1,315,916.

In the circumstances, the accuracy and completeness accounts payables balance of Kshs.7,860,246 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 final receipts budget and actual on a comparable basis of Kshs.26,675,200 and Kshs.19,231,585 respectively, resulting in an under-funding of Kshs.7,443,615 or 28% of the budget. Similarly, the School spent an amount of Kshs16,743,410 against actual receipts amounting to



Kshs.19,231,585, resulting in an under-utilization of Kshs.2,488,175 or 13% of actual receipts.

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

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Matter**

### **Unaudited Opening Balances**

I draw your attention to the opening balances for the 2020/2021 financial year. The opening balances as at 1 July, 2020 were based on unaudited figures. Consequently, I was unable to obtain sufficient and appropriate audit evidence regarding the accuracy and completeness of the opening balances. My audit procedures were, therefore, limited to the current period transactions and balances.

My opinion is not modified in respect of this matter.

### **Other Information**

The Management is responsible for the Other Information set out on page 3 to 10 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 circumstance, 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 circumstance, 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 thirty-four (34) employees both in teaching and non-teaching who are serving under the terms of the Board of Management. The analysis revealed that thirty-one (31) or 91% 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. Under-Funding of Capitation Grants**

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations amounts of Kshs.855,496 and Kshs.3,542,945 respectively as disclosed in Notes 1 and Note 2 to the financial statements. However, during the financial year under review, the Ministry of Education, in disbursement of capital grants used total number of students in the National Education Management Information System (NEMIS) in September, 2020 and March, 2021 which was six hundred and fifty two (652) and six hundred and fifty nine (659) respectively, while the school had actual number of eight hundred and thirty two (832) and nine hundred and six (906) students in the same period respectively, in accordance with the enrolment records provided by the School which include class attendance registers and examinations analysis records. As a result of the variances in student numbers, the school was under-funded by an amount of Kshs.4,235,477.

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

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

During the year under review, Management submitted the financial statements to the Auditor-General for audit on 2 March, 2023 instead of the statutory deadline of 30 September, 2021 contrary to the Ministry of Education Circular Ref. MOE/DSAS/FIN/17/1/17 dated 19 August, 2021 which directed that the school's financial statements should be ready by 30 September, 2021

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

#### **6. 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.

#### **7. Long Outstanding Payables**

The statement of assets and liabilities and Note 12 to the financial statements reflect accounts payables balance of Kshs.7,860,246. However, the balance includes trade payables amounting to Kshs.1,953,383 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.

#### **8. Non-Compliance with Transition Guidelines on Reporting Periods and Disclosures**

Review of the financial statements for the period ended 30 June, 2021 revealed that Management presented financial statements for six (6) months period from 1 January, 2021 to 30 June, 2021. This was contrary to Part 5.3 of the Guidelines on Implementation of International Public Sector Accounting Standards (IPSAS) by Public Secondary Schools in Kenya, issued by the Public Sector Accounting Standards Board, which directed that the first period of reporting under the new accounting framework was 30 June, 2021 and to facilitate preparation of the financial statements, Schools were expected to prepare financial statements for 18 months from 1st January 2020 to 30th June 2021.

Additionally, Management did not disclose in the financial statements that the financial statements were prepared for a shorter period of six (6) months instead of twelve (12) months. This was contrary to Section 5.3 of the Guidelines which directed that Schools should disclose in the financial statements that the financial statements cover a longer period of 18 months and a disclosure should also be made that the reason for preparing financial statements for a longer period is the adoption of IPSAS for schools and the change from implementing the government fiscal year instead of a calendar year for schools.

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 effects of the matter 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**

### **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.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of the Management and those charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.



Those charged with governance are responsible for overseeing the School's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.

  
**FCPA Nancy Gathungu, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**15 April, 2026**

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*Report of the Auditor-General on Namwela Secondary School for the Six (6) months period ended 30 June, 2021 - Bungoma County*



NAMWELA SECONDARY SCHOOL  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021

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

| DESCRIPTION OF VOTE HEAD                  | Note | 2021                 |
|-------------------------------------------|------|----------------------|
|                                           |      | Kshs                 |
| <b>RECEIPTS</b>                           |      |                      |
| Capitation grants for tuition             | 1    | 855,496.00           |
| Capitation grants for operations          | 2    | 3,542,944.60         |
| School fund income-parents' contributions | 3    | 4,268,926.00         |
| School fund income other receipts         | 4    | 11,538,183.00        |
| <b>TOTAL RECEIPTS</b>                     |      | <b>20,205,549.00</b> |
| <b>PAYMENTS</b>                           |      |                      |
| Payments for tuition                      | 5    | 671,310.00           |
| Payments for operations                   | 6    | 3,405,568.00         |
| Boarding and school fund payments         | 7    | 14,931,716.40        |
| <b>TOTAL PAYMENTS</b>                     |      | <b>19,008,594.40</b> |
| <b>SURPLUS/DEFICIT</b>                    |      | <b>1,196,954.60</b>  |

The school financial statements were approved on 2/3/2023 and signed by:

Sign: 

Name: Reusvel Sitatu

Chair BOM

Date: 2/3/2023



Sign: 

Name: George M. M. M.

School Principal  
Secretary to BOM

Date: 2/3/2023

Sign: Banambisi

Name: Emdyan  
banambisi

Bursar/  
Finance Officer

Date: 2/3/2023

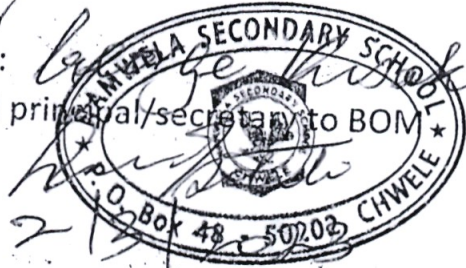
NAMWELA SECONDARY SCHOOL  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021

Name: *[Signature]*

school principal/secretary to BOM

Sign: *[Signature]*

Date: *2/3/2023*



Name: *Eradyini Wananambi*  
Bursar/Finance officer

Sign: *[Signature]*

Date: *2/3/2023*



NAMWELA SECONDARY SCHOOL  
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**VI. STATEMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS AT 30<sup>TH</sup> JUNE 2021**

|                                       | Note | 2021                 |
|---------------------------------------|------|----------------------|
|                                       |      | kshs                 |
| <b>FINANCIAL ASSETS</b>               |      |                      |
| Cash and cash equivalents             |      |                      |
| Bank balances                         | 8    | 1,232,181.77         |
| Cash balances                         | 9    | 204,627.00           |
| Short term investments                | 10   |                      |
| <b>Total cash and cash equivalent</b> |      | <b>1,436,808.77</b>  |
| Account's receivables                 | 11   | 11,324,368.00        |
| <b>TOTAL FINANCIAL ASSETS</b>         |      | <b>12,761,176.77</b> |
| <b>FINANCIAL LIABILITIES</b>          |      |                      |
| Accounts payables                     | 12   | (7,860,246.00)       |
| <b>NET FINANCIAL ASSETS</b>           |      | <b>4,900,930.77</b>  |
| <b>REPRESENTED BY</b>                 |      |                      |
| Accumulated fund b/forward            | 13   | 239,854.17           |
| Surplus/deficit for the year          |      | 1,196,954.60         |
| <b>NET FINANCIAL POSITION</b>         |      | <b>1,436,808.77</b>  |

The school's financial statement were approved on .....2/3/2023.....and signed by:

Name: Richard Sidiati

Chairman BOM

Sign: [Signature]

Date: dd/mm/yy 23/2023

NAMWELA SECONDARY SCHOOL  
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**VII.STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2021**

|                                                           |   | 2021                 |
|-----------------------------------------------------------|---|----------------------|
|                                                           |   | kshs                 |
| <b>Receipts for operating income</b>                      |   |                      |
| Capitation grants for tuition                             | 1 | 855,496.00           |
| Capitation grants for operations                          | 2 | 3,542,944.60         |
| School fund income –parents contributions/fees            | 3 | 4,268,926.00         |
| School fund income-other receipts                         | 4 | 11,538,183.00        |
| <b>Total receipts</b>                                     |   | <b>20,205,549.60</b> |
| <b>payments</b>                                           |   |                      |
| Payments for tuition                                      | 5 | 671,310.00           |
| Payments for operations                                   | 6 | 3,405,568.00         |
| Boarding and school fund payments                         | 7 | 14,931,716.93        |
| <b>Total payments</b>                                     |   | <b>19,008,594.93</b> |
| <b>Net cash flow from operating activities</b>            |   | <b>1,196,954.07</b>  |
| <b>Adjusted for;</b>                                      |   |                      |
| Decrease/(increase) in accounts receivables               |   |                      |
| Increase/(decrease) in accounts payables                  |   |                      |
|                                                           |   |                      |
| <b>CASHFLOW FROM INVESTING ACTIVITIES</b>                 |   |                      |
| Proceeds from sale of assets                              |   | -                    |
| Acquisition of assets                                     |   | -                    |
| Proceeds from investments                                 |   | -                    |
| Purchase of investments                                   |   | -                    |
| <b>Net cash flow from investing activities</b>            |   | <b>-</b>             |
| <b>CASHFLOW FROM BORROWING ACTIVITIES</b>                 |   |                      |
| Proceeds from borrowing/loans                             |   | -                    |
| Repayment of principal borrowings                         |   | -                    |
| <b>Net cash flow from financing activities</b>            |   | <b>-</b>             |
| <b>Net increase/decrease in cash and cash equivalents</b> |   |                      |
| <b>Cash and cash equivalent at beginning of the year</b>  |   | <b>239,854.17</b>    |
| <b>Cash and cash equivalent at end of the year</b>        |   | <b>1,436,808.77</b>  |



NAMWELA SECONDARY SCHOOL  
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FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021

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

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

| <i>Receipts/expenses item</i>           | <i>Original budget</i> | <i>adjustment</i> | <i>Final budget</i> | <i>Actual on comparable basis</i> | <i>Budget utilization difference</i> | <i>% of utilization</i> |
|-----------------------------------------|------------------------|-------------------|---------------------|-----------------------------------|--------------------------------------|-------------------------|
| <b>RECEIPTS</b>                         |                        |                   |                     |                                   |                                      |                         |
| <b>1)CAPITATION GRANT ON TUITION</b>    |                        |                   |                     |                                   |                                      |                         |
| Tuition                                 | 3715200.00             | 1857600.00        | 1857600.00          | 855496.00                         | 1,002,104.00                         | 46.05                   |
| <b>TOTALS</b>                           | 3715200.00             | 1857600.00        | 1857600.00          | 855496.00                         | 1,002,104.00                         | 46.05                   |
| <b>2)CAPITATION GRANT ON OPERATIONS</b> |                        |                   |                     |                                   |                                      |                         |
| Personal emoluments                     | 3200000.00             | 1600000.00        | 1600000.00          | 2,220,008.00                      | (422,008.00)                         | 126                     |
| Maintenance & improvement               | 4800000.00             | 2400000.00        | 2400000.00          | 2,291,000.00                      | 109,000.00                           | 95.46                   |
| Local transport/travel                  | 1200000.00             | 600000.00         | 600000.00           | 318,214.60                        | 281,785.40                           | 53.04                   |
| Electricity & water                     | 800000.00              | 400000.00         | 400000.00           | 335,344.00                        | 64,656.00                            | 83.84                   |
| medical                                 | 1600000.00             | 800000.00         | 800000.00           | 0.00                              |                                      |                         |
| Administration costs                    | 1120000.00             | 560000.00         | 560000.00           | 867,378.00                        | (307,378.00)                         | 154.89                  |
| activity                                | 1200000.00             | 600000.00         | 600000.00           | 0.00                              |                                      |                         |
| <b>3) FEES CHARGED ON PARENTS</b>       |                        |                   |                     |                                   |                                      |                         |
| Personnel emoluments                    | 3,200,000.00           | 1,600,000.00      | 1,600,000.00        | 1,061,904.00                      | 538,096.00                           | 66.37%                  |
| Repairs and maintenance                 | 1,600,000.00           | 800,000.00        | 800,000.00          | 561,652.00                        | 238,348.00                           | 70.20%                  |
| Local transport/travel                  | 2,400,000.00           | 1,200,000.00      | 1,200,000.00        | 619,673.00                        | 580,327.00                           | 51.64%                  |
| Electricity & water                     | 2,720,000.00           | 1,360,000.00      | 1,360,000.00        | 800,429.00                        | 559,571.00                           | 58.86%                  |
| Administration costs                    | 2,000,000.00           | 1,000,000.00      | 1,000,000.00        | 626,683.00                        | 373,317.00                           | 62.67%                  |
| Activity                                | 200,000.00             | 100,000.00        | 100,000.00          | 22,697.00                         | 77,303.00                            | 22.70%                  |
| Fee on boarding equipment and stores    | 19,880,000.00          | 9,940,000.00      | 9,940,000.00        | 8,113,825.00                      | 1,826,175.00                         | 81.63%                  |

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**IX. SIGNIFICANT ACCOUNTING POLICIES**

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

**1) Statement of compliance and basis operation**

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 functional and reporting currency

**2) Recognition of receipts and payments**

The school recognizes all receipts from the various sources when the event occurs and related cash has actually been received by the school. In addition, the school recognizes 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



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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 amount held at various financial institutions at the end of the financial year.

**5) Accounts receivable**

For the purpose of these financial statements, imprest and advances to authorized 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 purpose 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

NAMWELA SECONDARY SCHOOL  
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|                                      |                 |                 |                 |                     |                     |               |
|--------------------------------------|-----------------|-----------------|-----------------|---------------------|---------------------|---------------|
| <b>TOTAL INCOME</b>                  | <b>53350400</b> | <b>26675200</b> | <b>26675200</b> | <b>19231585</b>     | <b>5,923,400.40</b> | <b>73.75</b>  |
| <b>1)EXPENDITURE FOR TUITION</b>     |                 |                 |                 |                     |                     |               |
| Textbooks and reference materials    |                 |                 |                 |                     |                     |               |
| Exercise books                       | 1,857,600.00    | 928,800.00      | 928,800.00      | 0                   | 928,800.00          | 0             |
| Laboratory equipment                 | 309,600.00      | 154,800.00      | 154,800.00      | 0                   | 154,800.00          | 0             |
| Internal exams                       | 309,600.00      | 154,800.00      | 154,800.00      | 49,500.00           | 105,300.00          | 31.98         |
| Teaching/learning materials          | 309,600.00      | 154,800.00      | 154,800.00      | 125,000.00          | 29,800.00           | 80.75         |
| chalks                               | 309,600.00      | 154,800.00      | 154,800.00      | 0                   | 154,800.00          | 0             |
| Exams and assessment                 | 309,600.00      | 154,800.00      | 154,800.00      | 0                   | 154,800.00          | 0             |
| Teachers guides                      | 309,600.00      | 154,800.00      | 154,800.00      | 0                   | 154,800.00          | 0             |
| Administration costs                 | 309,600.00      | 154,800.00      | 154,800.00      | 0                   | 154,800.00          | 0             |
| Bank charges                         | 309,600.00      | -               |                 |                     |                     |               |
|                                      |                 |                 |                 |                     |                     |               |
| <b>EXPENDITURE FOR OPEARATION</b>    |                 |                 |                 |                     |                     |               |
| Personal emoluments                  | 3200000.00      | 1600000.00      | 1600000.00      | <b>1,296,778.00</b> | <b>303,222.00</b>   | <b>81.05</b>  |
| Maintenance & improvement            | 4800000.00      | 2400000.00      | 2400000.00      | <b>2,291,000.00</b> | <b>109,000.00</b>   | <b>95.46</b>  |
| Local transport/travel               | 1200000.00      | 600000.00       | 600000.00       | <b>138,340.00</b>   | <b>461,660.00</b>   | <b>23.06</b>  |
| Electricity & water                  | 800000.00       | 400000.00       | 400000.00       | <b>259,350.00</b>   | <b>140,650.00</b>   | <b>64.84</b>  |
| medical                              | 1600000.00      | 800000.00       | 800000.00       | <b>159,435.00</b>   | <b>640,000.00</b>   | <b>19.93</b>  |
| Administration costs                 | 1120000.00      | 560000.00       | 560000.00       | <b>1,298,385.00</b> | <b>(738,385)</b>    | <b>231.85</b> |
| activity                             | 1200000.00      | 600000.00       | 600000.00       | <b>0</b>            | <b>600,000.00</b>   | <b>0</b>      |
| <b>2)EXPENDITURE FOR SCHOOL FUND</b> |                 |                 |                 |                     |                     |               |
| Personnel emoluments                 | 3,200,000.00    | 1,600,000.00    | 1,600,000.00    | 1,486,029.00        | 113,971.00          | 30.38         |



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|                                     |                      |                      |                      |                 |                     |        |
|-------------------------------------|----------------------|----------------------|----------------------|-----------------|---------------------|--------|
| Repair, maintenance and improvement | 1,600,000.00         | 800,000.00           | 800,000.00           | 878,241.00      | (78,241.00)         | 109.78 |
| Local transport/travel              | 2,400,000.00         | 1,200,000.00         | 1,200,000.00         | 814,177.00      | 385,823.00          | 67.85  |
| Electricity, water and conservancy  | 2,720,000.00         | 1,350,000.00         | 1,360,000.00         | 539,970.00      | 820,030.00          | 39.70  |
| Administration costs                | 2,000,000.00         | 1,000,000.00         | 1,000,000.00         | 772,830.00      | 227,170.00          | 77.28  |
| Activity                            | 200,000.00           | 100,000.00           | 100,000.00           | 14,200.00       | 85,800.00           | 14.20  |
| Lunch programme                     |                      |                      |                      |                 |                     |        |
| Boarding equipment and stores       | 19,880,000.00        | 9,940,000.00         | 9,940,000.00         | 6,620,175.00    | 3,319,825.00        | 66.60  |
| <b>TOTALS</b>                       | <b>50,254,400.00</b> | <b>24,972,400.00</b> | <b>24,972,400.00</b> | <b>16743410</b> | <b>8,228,425.00</b> |        |

- i. over utilization was due to some emerging issue that needed urgent attention
- ii. under utilization was caused by under collection of fees and under funding by the government

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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 disposal 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 statement for the year ended 30<sup>th</sup> June 20XX.



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**X. NOTES TO THE FINANCIAL STATEMENTS**

**1. CAPITATION GRANT FOR TUITION**

|                             | <b>2021(6 MONTHS)</b> |
|-----------------------------|-----------------------|
|                             | <b>Kshs</b>           |
| Exercise books              | 427,748.00            |
| Laboratory equipment        | 213,874.00            |
| Internal exams              | 106,937.00            |
| Teaching/learning materials | 53,469.00             |
| chalks                      | 53,468.00             |
| <b>Total</b>                | <b>855,496.00</b>     |

**2. CAPITATION GRANT FOR OPERATION**

|                            | <b>2021</b>         |
|----------------------------|---------------------|
|                            | <b>kshs</b>         |
| Personnel emoluments       | 2,022,008.00        |
| Local transport/travelling | 318,214.60          |
| Electricity and water      | 335,344.00          |
| Administration costs       | 867,378.00          |
| <b>Total</b>               | <b>3,542,944.60</b> |

**3. PARENTS COTRIBUTION/FEES-SCHOOL FUND ACCOUNT**

|                        | <b>2021</b>         |
|------------------------|---------------------|
|                        | <b>Kshs.</b>        |
| Personnel emolument    | 1,061,904.00        |
| Repair and maintenance | 561,652.00          |
| Local travel/transport | 619,673.00          |
| Electricity and water  | 800,429.00          |
| Administration costs   | 626,683.00          |
| Activity               | 22,697.00           |
| Fees arrears           | 575,888.00          |
| <b>Total</b>           | <b>4,268,926.00</b> |

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**4. OTHER RECEIPTS-SCHOOL FUND ACCOUNT**

|                                     | <b>2021</b>          |
|-------------------------------------|----------------------|
|                                     | <b>Kshs.</b>         |
| Fee on boarding equipment and store | 8,113,825.00         |
| KCSE                                | 18,200.00            |
| Income from bus hire                | 205,000.00           |
| Savings a/c                         | 866,158.00           |
| Infrastructure                      | 2,291,000.00         |
| Miscelenous                         | 44,000.00            |
| <b>Total</b>                        | <b>11,538,183.00</b> |

**5. PAYMENTS FOR TUITION**

|                             | <b>2021</b>       |
|-----------------------------|-------------------|
|                             | <b>Kshs.</b>      |
| Internal exams              | 49,500.00         |
| Teaching/learning materials | 125,000.00        |
| Bank charges                | 1,560.00          |
| Sundry creditors            | 495,250.00        |
| <b>Total</b>                | <b>671,310.00</b> |

**6. PAYMENT FOR OPERATIONS**

|                             | <b>2021</b>         |
|-----------------------------|---------------------|
|                             | <b>Kshs.</b>        |
| Personnel emolument         | 1,296,778.00        |
| Administration cost         | 1,298,385.00        |
| Local transport /travelling | 138,340.00          |
| Electricity and water       | 259,350.00          |
| Medical and Insurance       | 159,435.00          |
| Bank charges                | 2280.00             |
| Bus maintenance             | 11,000.00           |
| Sundry creditors            | 240,000.00          |
| <b>TOTAL</b>                | <b>3,405,568.00</b> |





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**7. BOARDING AND SCHOOL FUND PAYMENTS**

|                                      | 2021                 |
|--------------------------------------|----------------------|
|                                      | Kshs.                |
| Personnel emolument                  | 1,486,029.00         |
| Repair, maintenance & improvement    | 878,241.00           |
| Local transport/travelling           | 814,177.00           |
| Electricity and water                | 539,970.00           |
| Medical expenses                     | 22,650.00            |
| Bus maintenance                      | 216,600.00           |
| Administration costs                 | 772,830.00           |
| Infrastructure                       | 1,851,030.00         |
| Activity                             | 14,200.00            |
| Bank charges                         | 7,238.00             |
| Fee on boarding equipment and stores | 6,620,175.00         |
| Savings                              | 300,000.00           |
| Miscellaneous                        | 21,505.00            |
| Sundry creditors                     | 1,387,071.40         |
| <b>Total</b>                         | <b>14,931,716.40</b> |

**8. BANK ACCOUNTS**

| ACCOUNT TYPE                 | Status  | Bank account number |              | 2021                |
|------------------------------|---------|---------------------|--------------|---------------------|
|                              |         |                     | Ksh.         | kshs                |
| Tuition account              | Active  | 011039049931300     |              | 190,857.67          |
| Operation account            | Active  | 011039049931301     |              | 121,000.90          |
| School fund account/boarding | Active  | 1106248775          |              | 446,593.20          |
| Infrastructure account       | Active  | 1260936236          |              | 473,730.00          |
| Okoa Namwela Account         | Dormant | 011039049931302     | 69,881.51    |                     |
| Savings account              | Active  | 1105398153          | 332,015.95   |                     |
| CDF                          | Active  | 01141049931300      | 1,897,046.50 |                     |
| <b>Total</b>                 |         |                     |              | <b>1,232,181.77</b> |



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- Mpesa Paybill is linked to School fund account/boarding Business no. 522123, Account no. 52284K
- CDF Account is managed by CDF office
- Okoa Namwela Account remained un operational after the friends of Namwela stopped to contribute towards the project.
- Savings account is a school account but doesn't stand on its own. The little school fee that is deposited, its finally transferred to the main school fund account

**9. CASH IN HAND**

| Description         | 2021              |
|---------------------|-------------------|
|                     | kshs              |
| Tuition account     | 0.00              |
| Operation Account   | 151,536.00        |
| School fund account | 53,091.00         |
| <b>Total</b>        | <b>204,627.00</b> |

**10. OTHER INVESTMENTS**

| Description        | 2021 |
|--------------------|------|
|                    | Kshs |
| Cooperative shares | 0.00 |
| Treasury bills     | 0.00 |
| Fixed deposit      | 0.00 |
| Equity stock       | 0.00 |
| Other investment   | 0.00 |
| <b>Total</b>       |      |

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**11.ACCOUNTS RECEIVABLE**

| Description     | 2021                 |
|-----------------|----------------------|
|                 | kshs                 |
| Fees arrears    | 11,302,418.00        |
| Salary advances | 4,500.00             |
| Namwela Sacco   | 12,450.00            |
| Imprest         | 5,000.00             |
| <b>Total</b>    | <b>11,324,368.00</b> |

**AGEING OF THE FEES ARREARS**

| Description                                        | 2021                 |
|----------------------------------------------------|----------------------|
|                                                    | kshs                 |
| Fees arrears for current year                      | 9,747,545.00         |
| Fees arrears for the previous year                 | 1,177,133.00         |
| Fees arrears for prior periods<br>(over two years) | 377,740.00           |
| <b>Total</b>                                       | <b>11,302,418.00</b> |



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**12. ACCOUNT PAYABLE**

| Description     | 2021                |
|-----------------|---------------------|
|                 | Kshs.               |
| Trade creditors | 6,544,330.00        |
| Prepaid fees    | 1,246,364.00        |
| NHIF            | 15,300.00           |
| Unions dues     | 3,001.00            |
| NSSF            | 50,751.00           |
| <b>Total</b>    | <b>7,860,246.00</b> |

**AGEING OF THE CREDITORS DESCRIPTION**

| description                                      | 2021                |
|--------------------------------------------------|---------------------|
|                                                  | kshs                |
| Trade creditors for current year                 | 4,590,947.00        |
| Trade creditors for the previous year            | 1,465,035.00        |
| Trade creditors for prior periods (over 2 years) | 488,348.00          |
| <b>TOTAL</b>                                     | <b>6,544,330.00</b> |

**13. FUND BALANCE BROUGHT FORWARD**

| Description            | 2021              |
|------------------------|-------------------|
|                        | kshs              |
| Bank balance           | 239,113.17        |
| Cash balance           | 741.00            |
| Short term investments | 0.00              |
| Receivables            |                   |
| Payables               |                   |
| <b>Total</b>           | <b>239,854.17</b> |

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**Other important disclosure**

**14. Non-current liabilities summary**

| Description                  | 2021 |
|------------------------------|------|
|                              | kshs |
| Bank loan (s)                | 0    |
| Outstanding leases           | 0    |
| Hire purchase                | 0    |
| Gratuity and leave provision | 0    |
| <b>Total</b>                 |      |

**15. Biological assets**

| Description           | Numbers | 2021       |
|-----------------------|---------|------------|
|                       |         | kshs       |
| Cattle                | 5       | 150,000.00 |
| Goats                 | 0       | 0          |
| Sheep                 | 0       | 0          |
| Trees                 | 680     | 340,000.00 |
| Coffee/tea plantation |         | 0          |
| Poultry               |         | 0          |

**16. Borrowing**

| Description                           | 2021 |
|---------------------------------------|------|
|                                       | kshs |
| <b>a) Borrowings</b>                  |      |
| Borrowing at beginning of the year    | 0    |
| Borrowings during the year            | 0    |
| Repayment of during the year          | 0    |
| <b>Balance at the end of the year</b> |      |



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**17. Stock /inventory**

| <b>description</b>                        | <b>2021</b>         |
|-------------------------------------------|---------------------|
|                                           | <b>kshs</b>         |
| <b>b) borrowings</b>                      |                     |
| stock/inventory at beginning of the year  | 1,051,660.00        |
| Stock/inventory purchased during the year | 13,641,996.00       |
| Stock /inventory issued during the year   | 12,103,796.00       |
| <b>Balance at end of the year</b>         | <b>2,584,860.00</b> |

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**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.

| Ref.No | Issue/observation from auditor | Management comments | Status: resolved/not Resolved | Time frame: |
|--------|--------------------------------|---------------------|-------------------------------|-------------|
| 1      | No progress was done           |                     |                               |             |



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**ANNEX 1- ANALYSIS OF PENDING ACCOUNTS PAYABLE**

| Supplier of goods or services    | Original amount      | Date contracted      | Amount paid to date | Outstanding balance 2021 |
|----------------------------------|----------------------|----------------------|---------------------|--------------------------|
|                                  | a                    | b                    | c                   | d=a-c                    |
|                                  | kshs                 | kshs                 | kshs                | kshs                     |
| <b>Construction of buildings</b> |                      |                      |                     |                          |
| 1.Marge Designs Kenya LTD        |                      |                      |                     |                          |
| • Material cost                  | 61,266,710.00        |                      |                     |                          |
| • Labour cost                    | 11,371,101.00        | 23/7/2018            | 9,511,555.00        | 1,859,546.00             |
| <b>Sub-Total</b>                 | <b>72,637,811.00</b> |                      |                     |                          |
| <b>Supply of goods</b>           |                      |                      |                     |                          |
| Pamimi stores ltd                | BES                  | Boarding goods       |                     | 105,620.00               |
| Daniel nalianya                  | BES                  | Maize                |                     | 106,800.00               |
| Kaiga aggrey                     | BES                  | Maize                |                     | 108,000.00               |
| Justus wanyonyi                  | BES                  | Maize                |                     | 111,700.00               |
| Beatrice Wanjala                 | BES                  | Maize                |                     | 107,211.00               |
| Ivone maresha                    | BES                  | Maize                |                     | 107,211.00               |
| Mary L. Molenje                  | BES                  | Maize                |                     | 148,000.00               |
| Sammy Mandasaba                  | BES                  | Firewood             |                     | 106,800.00               |
| Moses Biketi Barasa              | BES                  | Meat                 |                     | 178,930.00               |
| Nyongesa Wilfred khisa           | BES                  | Maize                |                     | 148,000.00               |
| John nalianya                    | BES                  | Maize                |                     | 146,800.00               |
| Peter s. walubengo               | BES                  | Maize                |                     | 148,000.00               |
| Samuel njunukha                  | BES                  | Maize                |                     | 147,999.00               |
| Robai Mucuma Wekesa              | BES                  | Maize                |                     | 15,000.00                |
| Esther Wanyama                   | BES                  | Maize                |                     | 28,000.00                |
| Peak lab                         | Lab equipments       | Laboratory tables    |                     | 8,000.00                 |
| Bungoma mamu agencies            | E W&C                | Electrical materials |                     | 84,890.00                |
| Celmax Agencies                  | Activity             | Games equipment      |                     | 45,700.00                |

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|                                      |                              |                               |  |                     |
|--------------------------------------|------------------------------|-------------------------------|--|---------------------|
| Pambro investment                    | E W&C                        | Disinfectant                  |  | 42,500.00           |
| Naconce agency                       | Admin cost                   | Stationery                    |  | 122,000.00          |
| Mas lab supplies                     | Lab Chemicals<br>& Equipment | Lab chemicals<br>& equipments |  | 196,740.00          |
| Naconce Agency                       | Exercise books               | Exercise books                |  | 285,000.00          |
| Stella Chilande Saisi                | Exercise books               | Exercise books                |  | 46,000.00           |
| Peribancy enterprise                 | Exercise books               | Exercise books                |  | 79,200.00           |
| Chrimula Enterprises                 | Exercise books               | Exercise books                |  | 86,000.00           |
| <b>Sub-total</b>                     |                              |                               |  | <b>2,710,101.00</b> |
| <b>Supply of services</b>            |                              |                               |  |                     |
| Friends Chwele Mission<br>Dispensary |                              |                               |  | 21,300.00           |
| <b>Sub-total</b>                     |                              |                               |  | <b>21,300.00</b>    |
| <b>Grand total</b>                   |                              |                               |  | <b>4,590,947.00</b> |



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ANNEX 2-SUMMARY OF FIXED ASSETS REGISTER

| Asset class                           | Date purchased                 | location | Historical cost b/f (kshs) 1 <sup>st</sup> July 20XX | Additions during the year (kshs) | Disposals during the year( Kshs) |
|---------------------------------------|--------------------------------|----------|------------------------------------------------------|----------------------------------|----------------------------------|
| Land 1                                | 1965                           | Namwela  |                                                      |                                  |                                  |
| Land 2                                | 2003,2016                      | Namwela  | 1acre,1acre                                          | 180,000.00,<br>300,000.00        |                                  |
| Buildings & structure                 |                                |          |                                                      |                                  |                                  |
| Motor vehicles                        | KAT 448X-2005<br>KCK 737U-2017 |          | 7,500,000.00<br>7,500,000.00                         |                                  |                                  |
| Office equipment, furniture & fitting |                                |          |                                                      |                                  |                                  |
| ICT equipment, and other ICT Assets   |                                |          |                                                      |                                  |                                  |