

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 14 JUN 2025

DAY.  
Anastacia

TABLED  
BY:

Hon. Silvanus Orodia  
(Majority Party Whip)

CLERK-AT  
THE-TABLE:

Anastacia

**THE AUDITOR-GENERAL**

**ON**

**NAIVASHA HIGH SCHOOL**

**FOR THE YEAR ENDED  
30 JUNE, 2024**

**NAKURU COUNTY**



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**Naivasha High School**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE 2024**

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

**Naivasha High School**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

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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**

**(a) Background information**

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

The school was registered in 3<sup>rd</sup> August 2017 under registration number 32S30000140 and is currently categorized as an Extra County public school established, owned and operated by the Government.

The school is a boarding school and had 774 number of students as at 30<sup>th</sup> June 2024. It has 4 streams and 36 teachers of which 7 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.	Linda A. Odhiambo	Chairman	23 <sup>RD</sup> MAY 2022
2.	Peter M Kimani	Secretary - Principal	
3.	Esther Ngigi	Member	
4.	Stephen Mwanzia	Member	
5.	Lucy W. Njuguna	Member	
6.	Christine Njurai	Member	
7.	Jeremiah Kalai	Member – Rep CEB	
8.	Faith Gachanja	Member Rep Teachers	
9.	James Njogu	Members - Sponsor	
10.	Patrick P. Kaburu		
11.	Benjamin Mwaura		
12.	John Mwaura	Member - Community	
13.	Naomi Wambuya	Member - Special Needs	
14.	Amos Mwaura	Rep Students	

**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	a) Linda A. Odhiambo b) Peter M. Kimani c) James Njogu d) Ann Gakii e) Peter P. Kaburu	B.O.M Chair B.O.M Secretary B.O.M Vice Chair P.A Chair B.O.M Member	4/4
2.	Audit, Finance and Procurement	a) Esther Ngigi b) Christine Njurai c) Peter M. Kimani d) Peter P. Kaburu e) Laban Mbugua	Chair Secretary Member Member Bursar	1/1
3.	Academic Committee	a) Stephen Mwanzia b) Peter M Kimani c) Benjamin Mwaura d) Faith Gachanja e) Dan K. Ngugi	Chair Member Member Member D.O.S	1/1
4.	Development Committee	a) Benjamin Mwaura b) George Chege c) Peter M Kimani d) Linda Odhiambo e) Peter Kaburu f) Nancy Mutai	Chairman Secretary Member Member Member SCDE	2/2
5.	Discipline and Welfare Committee	a) Stephen Mwanzia b) Peter M Kimani c) James Njogu d) Faith Gachanja e) Naomi Wambuya f) George Chege	Chair Member Member Member Member D/ Principal	0
6.	Gudance & Counseling Committee	a) Stephen Mwanzia b) Lucy Njuguna c) Christine Njurai d) Benjamin Mwaura e) Catherine Kanyori	Member Member Member Member Teacher In-Charge	0

## Naivasha High School

### Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024

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#### (d) School operation Management

For the financial year ended 30<sup>th</sup> June 2024 the school day-to-day management was under the following persons:

Ref:	Designation	Name	Identification
1	Principal	PETER MWAMBI KIMANI	TSC No.322706
2	Deputy Principal	GEORGE WAGOCO CHEGE	TSC No.416815
3	School Bursar	LABAN CHEGE MBUGUA	ID No. 21699911
4	Other (specify)		

#### (e) Schools contacts

Post Office Box: 385-20117 Naivasha  
Telephone: 0713803398  
E-mail: naivashahigh@gmail.com  
Website: XXXXXXXXX  
Facebook: XXXXXXXXX  
Twitter: XXXXXXXXX

#### (f) School Bankers

The school operated 6 number of bank accounts in the following banks:

1. Name of Bank: Co-operative (School Fund)  
Branch: Naivasha  
Account Number: 01129115972000
2. Name of Bank: Kenya Commercial Bank (Operation)  
Branch: Naivasha  
Account Number: 1105232964
3. Name of Bank: Kenya Commercial Bank (Tuition)  
Branch: Naivasha  
Account Number: 1105231488
4. Name of Bank: Co-operative (Infrastructure)  
Branch: Naivasha  
Account Number: 01139115972000
5. Name of Bank: Co-operative (Development)  
Branch: Naivasha  
Account Number: 01129115972001
6. Name of Bank: ABSA (Savings)  
Branch: Naivasha  
Account Number: 2027446267
7. MPESA Pay Bill No. 400222 attached to 01129115972000 bank account

**(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:**

**i) Surplus/ deficit for the year and a comparison of the same for the last three years**

	2023/2024	2022/2023	2021/2022
Surplus/Deficit	1,360,351.10	(13,928,835.15)	(7,488,587.40)

**ii) Capitation grants from the Ministry of Education for the last three years**

Account	2023/2024	2022/2023	2021/2022
Tuition	2,317,243.00	1,952,882.75	2,514,988.40
Operation	8,768,216.20	5,718,393.45	10,957,118.20
Infrastructure	3,360,200.00	2,868,000.00	-
<b>Total</b>	<b>14,445,659.20</b>	<b>11,921,549.81</b>	<b>13,472,106.60</b>

**iii) A three-year overview of growth of other income(s) earned by the school.**

	2023/2024	2022/2023	2021/2022
School Fund	40,207,907.25	34,537,563.00	43,549,851.00

**iv) A three-year overview of growth in expenditure of the school**

	2023/2024	2022/2023	2021/2022
Tuition	2,677,731.50	3,466,958.75	3,205,908.00
Operation	5,315,030.00	5,975,846.00	14,125,043.00
Infrastructure	4,116,058.00	3,800,090.00	-
School Fund	41,184,395.85	45,762,779.60	47,244,594.00
<b>Total</b>	<b>53,293,215.35</b>	<b>60,387,947.96</b>	<b>64,575,545.00</b>

**v) Movement of debtors and creditors of the school over the last three years**

	2023/2024	2022/2023	2021/2022
Debtors	6,830,978.15	5,485,474.15	5,502,710.65
Creditors	21,985,788.50	18,823,393.00	5,833,070.00

**b) Teacher Student ratio:**

1. Teachers employed by TSC = 26
2. Teachers employed by BOM = 7
3. Teacher: Student ratio = 1:20
4. Teachers transferred (received)= 1
5. Teachers transferred (exited)= 4
6. Teachers recruited = 0

**c) Mean score in the 2021-2023 KCSE:**

YEAR	ENTRY	GRADES													MEAN SCORE
		A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E	X	
2023	127	0	0	0	4	10	7	30	26	28	12	6	3	1	5.063
2022	108	0	0	0	5	11	14	17	29	22	8	2	0	0	5.50
2021	192	0	1	0	1	4	12	20	34	53	43	22	1	1	4.251

**d) Number of Candidates in the 2021- 2023 KCSE:**

Year	No. Students
2023	127
2022	108
2021	192

**e) Capacity of the school:**

Year	No. Students	Dorm	Dining	Labs	Toilet
2023/2024	774	6	1	3	57

**Naivasha High School**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

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**f) Development projects carried out by the school:**

<b>Projects</b>	<b>Source of funds</b>	<b>Status</b>	<b>Initial Cost (Kshs)</b>	<b>Amount Spent (Kshs)</b>	<b>Expected completion time</b>
Dorm Construction	Ministry of Education	Ground Floor Completed	10,147,938.00	8,257,320.00	Completed

.....  
School Principal

**PRINCIPAL**  
NAIVASHA HIGH SCHOOL  
P. O. Box 385-20117  
NAIVASHA

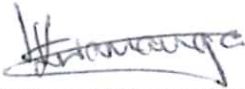
**4. Statement of School Management Responsibility**

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

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



.....  
**Name: Linda Odhiambo**

**Designation:** Chairman, School Board of Management

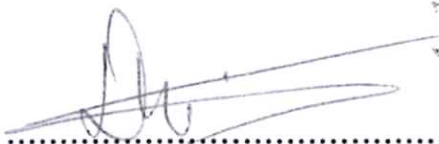
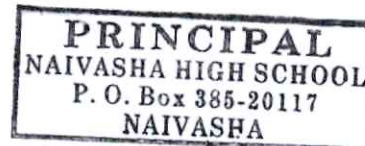
**Date:** 27/09/2024



.....  
**Name: Peter Kimani**

**Designation:** School Principal & Secretary to Board of Management

**Date:** 27/09/2024



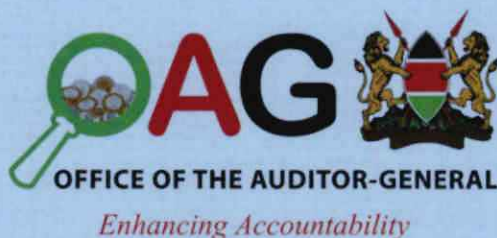
.....  
**Name: Laban Mbugua**

**Designation:** Bursar/ Finance Officer

**Date:** 27/09/2024

# REPUBLIC OF KENYA

Phone: +254-(20) 3214000  
Email: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



HEADQUARTERS  
Anniversary Towers  
Monrovia Street  
P.O Box 30084-00100  
NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON NAIVASHA HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2024 – NAKURU COUNTY

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### PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure that 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 Naivasha High School set out on pages 1 to 24, 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 the statement of

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Naivasha High School 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 Education Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Over-statement of Government Grants Amount**

The statement of receipts and payments reflects amounts of Kshs.2,317,243, Kshs.8,768,216 and Kshs.3,360,200 in respect of Government grants for tuition, operations and infrastructure respectively all totalling Kshs.14,445,659. However, review of records revealed that the latter balance was overstated by an amount of Kshs.1,443,625 which represented irregular transfers from the school fund account to the various grants' accounts. Management did not provide an explanation for the anomalies observed.

In the circumstances, the accuracy and completeness of the Government grants amounting to Kshs.14,445,659 not be confirmed.

#### **2. Unsupported Tuition Payments**

The statement of financial performance reflects tuition expenses amounting to Kshs.2,677,731 as disclosed in Note 6 to the financial statements. Review of the supporting schedule revealed that the balance includes an unreconciled amount of Kshs.904,600 in respect of creditors which could not be attributed to any individual vote head. Further, tuition payments totalling Kshs.901,670 were not supported with ledgers, detailed schedules and requisition forms.

In the circumstances, the accuracy, completeness and occurrence of tuition payments amounting to Kshs.1,806,270 could not be confirmed.

#### **3. Variances and Misclassification of Operations Expenditure**

The statement of financial performance reflects operations expenses amounting to Kshs.5,315,030 as disclosed in Note 7 to the financial statements. Included in the amount are creditors payments totalling Kshs.1,015,580 which was not recognized or described in the accounting policy under recognition of receipts and payments. Further, included in the amount of Kshs.5,315,030 is a misclassified payment of Kshs.1,576,440 in relation to the construction of CBC classrooms which should have been charged under the infrastructure expenses.

In addition, there were variances observed between the financial statements and the cash book transactions for various expenditure items in the operations payments as detailed in the table below;

Payment for Operations	Amount as per Financial Statements Kshs	Amount as per Cash Book Kshs.	Variance Kshs.
Administration Costs	157,384	60,093	97,291
Local Transport / Travelling	84,950	2,650	82,300
CBC Classrooms	1,603,620	1,576,440	27,180

Management has not provided an explanation for the variances observed.

In the circumstances, the accuracy and completeness of the operations payments amounting to Kshs.5,315,030 could not be confirmed.

#### **4. Unsupported Accounts Receivables Balance**

The statement of assets and liabilities reflects accounts receivables balance of Kshs.6,830,978 as disclosed in Note 12 to the financial statements. The amount includes a balance of Kshs.4,342,994 which represents receivables which have been outstanding for more than one (1) year and which were not supported with any documentary evidence.

In the circumstances, the accuracy, completeness and recoverability of the accounts receivables balance of Kshs.4,342,994 could not be confirmed.

#### **5. Failure to Disclose Material Uncertainty Related to Sustainability of Services**

The statement of assets and liabilities reflects financial liabilities balance of Kshs.21,985,788 which exceeds the financial assets balance of Kshs.10,763,360 resulting to a negative working capital of Kshs.11,222,428. The School is therefore, technically insolvent and its ability to continue to sustain its services is dependent upon support from the Government and its creditors. However, this material uncertainty has not been disclosed in the financial statements.

Further, the statement of assets and liabilities reflects a negative net assets position of Kshs.11,222,428 which is indicative of material uncertainty related to the sustainability of services of the School.

In the circumstances, the School may not meet its short-term financial obligations as and when they fall due.

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

## **Emphasis of Matter**

### **Budgetary Control and Performance**

The statement of budgeted versus actual amounts reflects budgeted revenue and actual on comparable amounts of Kshs.44,811,670 and Kshs.54,653,566 respectively resulting to an over collection of Kshs.9,841,896 or 22% of the budget. Further, the statement reflects that the School spent an amount of Kshs.53,293,215 against the actual receipts of Kshs.54,653,566 resulting in an under absorption of Kshs.1,360,351 or 2% of the budget.

The under absorption affected the planned activities of the School and may have negatively impacted on service delivery to the public.

Further, the statement reflects total revenue budget of Kshs.44,811,670 against total expenditure budget of Kshs.77,838,244 resulting to a variance of Kshs.33,026,574. Management did not provide an explanation for the unbalanced budget contrary to the Regulation 33 (c) of the Public Finance Management (National Government) Regulations, 2015.

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 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**

#### **1. Unresolved Prior Year Matters**

In the audit report of the previous year, some issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management has not indicated how the issues raised have been resolved or otherwise in the progress on follow up of auditor's recommendations section in the financial statements. No explanation has been provided for this unsatisfactory situation.

#### **2. Accuracy of Student Enrolment Data**

Review of documents provided for audit revealed that there were discrepancies between the data in the County Director of Education (CDE) records, National Education Management Information System (NEMIS) and the School records relating to the enrolment of students.

During the financial year 2023/2024, the NEMIS reported a total number of 744 students while the records from the physical class registers indicated a total number of 790 students resulting in an unexplained variance of forty-six students.

In the circumstances, the School may be underfunded due to low number of students recorded in NEMIS system in comparison to the actual number of students in the register and in school.

### **Other Information**

The Management is responsible for the other information set out on page iii to xi 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. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association (KESSHA)**

The statement of receipts and payments reflects boarding and school fund payments amounting to Kshs.41,184,396 as disclosed in Note 9 to the financial statements. Included in the expenditure is an amount of Kshs.943,808 which was transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only and is not defined in the Government funding system. Therefore, there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, the value for money for the funds transferred to KESSHA amounting to Kshs.943,808 could not be confirmed.

## **2. Lack of Procurement Plan**

Review of records revealed that the School had a final budget which comprised of projected income of Kshs.44,811,670 and projected expenditure amount of Kshs.77,838,244 for the financial year 2023/2024. However, the School did not have in place an approved procurement plan. This is contrary to 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 regulations.

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(s) of the matter(s) 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 Ownership Documents and Valuation of Assets**

As previously reported, annex 2 to the financial statements reflects summary of fixed assets register with Nil balance in respect of fixed assets which includes land measuring approximately 7.45 hectares. The land ownership documents and valuation report were not provided for audit. Further, the school owns several buildings including twenty (20) classes, six (6) laboratories, one (1) library, one (1) office block, one (1) kitchen and dining hall, eight (8) dormitories, one (1) bakery, two (2) garages, one (1) dispensary, ten (10) toilets and six (6) staff quarters which have not been valued. In addition, the school owns a motor vehicle Isuzu MVR 123 bus (KAT 423X), office equipment, ICT/Computer equipment, furniture, plant and machinery and intangible assets which have not been valued.

In the circumstances, effectiveness of internal controls in relation to asset management and the ownership and safe custody of the fixed assets could not be confirmed.

## **2. Effectiveness in Management of Textbooks**

Review of records revealed that the School did not receive any textbooks or set books during the year under review. Further, review of the library management at the School revealed that Management does not conduct regular stock take of the School's books with the last stock take was done in May, 2024. Further, the School did not provide a record of lost books, the name of the people responsible, recovered books and the available methods for recovering lost books. This is contrary to Regulation 140 of the Public Finance Management (National Government) Regulations, 2015 which require an Accounting Officer to be responsible for the proper custody, care and use of government inventories under their control.

In the circumstances, the effectiveness of internal controls in relation to management of textbooks at the School could not be confirmed.

## **3. Weak Information Communication Technology (ICT) Controls**

Review of the Information Communication Technology (ICT) environment revealed that the School did not have an ICT policy and a steering committee that would assist in advancing Information Technology (IT) issues and subsequent implementation. The school has three (3) IT systems for managing financial transactions, handling students' data, examination analysis and reporting and student check-in system for in-and-out movement of the students. An audit of the financial system revealed that the enterprise resource planning (ERP) system could not accurately post transactions into their respective classes of accounts, create ledgers and generate various financial reports.

In addition, review of the system for handling students' data revealed that there were two users in the system including the vendor and the teacher in-charge. The vendor was assigned a super user rights or administrator while the teacher in-charge had ordinary user rights which could only allow for the upload of student's name from an Excel worksheet, review and generate academic reports, as well as sending short messaging service (SMS) to parents and editing of student marks. Due to lack of exclusive rights by the user, the vendor has to be in school whenever there is a new admission of students which is charged at Kshs.100 per student, leading to accumulation of a substantial amount of money incurred as an admission fees.

Further, the management did not provide for audit verification the procurement file of acquiring the three (3) ICT systems and the Service Level Agreement between the School and the vendors despite the school incurring annual update fees of Kshs.4,700 for the students' data software and Kshs.27,500 annual maintenance fees for the school financial management system. There were no formal contract agreements that explain the terms of operations and the functionalities of the three (3) systems and there are no user manuals to guide their users on how to operate two (2) of the systems.

In the circumstances, the effectiveness of the internal controls in relation to the ICT environment and the value for money for the funds spent on the three (3) systems could not be confirmed.

#### **4. Lack of Risk Management Policy and Risk Register**

During the year under review, the school did not have a risk management policy and risk register. This is contrary to Regulation 165(1) of the Public Finance Management (National Government) Regulations, 2015 which requires that the Accounting Officer ensure that the National Government entity develops risk management strategies, which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations.

In the circumstances, Management may not be able to identify risky areas within the school including ranking of the risks, hence leading to their inability to preempt and prevent the occurrences of disasters or hazards within the school.

#### **5. Ineffective Human Resource Management Practices**

Review of personnel records showed that the school does not have a human resource policy in place, an approved salary structure and an approved scheme of service for its staff. Further, the School does not have an approved staff establishment that defines job categories by profession, qualifications and experience, career progression and conditions of progression. In the absence of the scheme of service, it was not possible to ascertain how recruitments, promotion and rewards of staff were determined. This has the effect of creating unfair human resource practices and affecting employee's morale negatively.

In addition, there is no database or physical file containing all personal information for the staff. The payrolls do not include personal numbers, date of employment, date of retirement and job grade of the employees.

In the circumstances, the effectiveness of internal controls in relation to human resource management and the regularity of personnel emoluments could not be confirmed.

#### **Responsibilities of Management and the Board of Management**

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

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or to cease operations.

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

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

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

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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for 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 IFPP 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**

**29 May, 2025**


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*Report of the Auditor-General on Naivasha High School for the year ended 30 June, 2024- Nakuru County*


6. Statement of Receipts and Payments for the Year Ended 30<sup>th</sup> June 2024

Description Of Vote Head	Note	2023-2024	2022-2023
		Kshs	Kshs
<b>Receipts</b>			
Government Grants for Tuition	1	2,317,243	1,952,883
Government Grants for Operations	2	8,768,216	5,718,393
Government Grants for Infrastructure	3	3,360,200	2,868,000
School Fund Income- Parents' Contributions	4	39,634,357	34,434,563
Miscellaneous Incomes	5	573,550	103,000
<b>Total Receipts</b>		<b>54,653,566</b>	<b>45,076,839</b>
<b>Payments</b>			
Tuition	6	2,677,732	3,466,959
Operations	7	5,315,030	5,975,846
Infrastructure	8	4,116,058	3,800,090
Boarding and school fund	9	41,184,396	45,762,780
<b>Total Payments</b>		<b>53,293,215</b>	<b>59,005,674</b>
<b>Surplus/Deficit</b>		<b>1,360,351.10</b>	<b>(13,928,835.15)</b>

The school financial statements were approved on 27/09/2024 and signed by:

  
 Name: Linda Odhiambo  
 Chair BOM  
 Date: 27/09/2024

  
 Name: Peter Kimani  
 Principal/ Secretary BOM  
 Date: 27/09/2024

  
 Name: Laban Mbugua  
 Bursar/ Finance Officer  
 Date: 27/09/2024

**PRINCIPAL**  
 NAIVASHA HIGH SCHOOL  
 P. O. Box 385-20117  
 NAIVASHA

**Naivasha High School**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

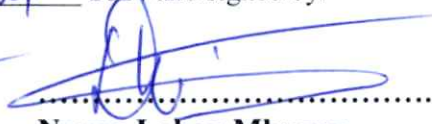
**7. Statement of Assets and Liabilities as at 30<sup>th</sup> June 2024**

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	10	3,780,822.00	666,046.00
Cash Balances	11	151,560.00	89,094.00
<b>Total Cash and Cash Equivalent</b>		<b>3,932,382.00</b>	<b>755,140.00</b>
Account's Receivables	13	6,830,978.00	5,485,474.00
<b>Total Financial Assets (a)</b>		<b>10,763,360.00</b>	<b>6,240,614.00</b>
<b>Financial Liabilities</b>			
Accounts Payables	14	21,985,788.00	18,823,393.00
<b>Total Financial Liabilities (b)</b>		<b>21,985,788.00</b>	<b>18,823,393.00</b>
<b>Net Financial Assets (a-b)</b>		<b>(11,222,428.00)</b>	<b>(12,582,779.00)</b>
<b>Represented By</b>			
Accumulated Fund B/Fwd	15	(12,582,779.00)	1,346,055.00
Surplus/Deficit for The Year		1,360,351.00	(13,928,835.00)
<b>Net Assets</b>		<b>(11,222,428.00)</b>	<b>(12,582,779.00)</b>

The school's financial statements were approved on 29/09/2024 2024 and signed by:

  
 Name: Linda Odhiambo  
 Chair BOM  
 Date: 27/09/2024

  
 Name: Peter Kimani  
 Principal/ Secretary BOM  
 Date: 27/09/2024

  
 Name: Laban Mbugua  
 Bursar/ Finance Officer  
 Date: 27/09/2024

**PRINCIPAL**  
**NAIVASHA HIGH SCHOOL**  
 P. O. Box 385-20117  
 NAIVASHA

**Naivasha High School**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

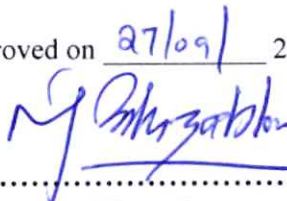
**8. Statement of Cash Flows for the Year Ended 30<sup>th</sup> June 2024**

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
<b>Cash from Operating Activities</b>			
<b>Receipts</b>			
Government Grants for Tuition		2,317,243.00	1,952,883.00
Government Grants for Operations		8,768,216.00	5,718,393.00
Government Grants for Infrastructure		3,360,200.00	2,868,000.00
School Fund Income- Parents Contributions/ Fees		38,840,954.00	34,365,185.00
Other Income		507,050.00	103,000.00
<b>Total receipts</b>		<b>53,793,663.00</b>	<b>45,007,461.00</b>
<b>Payments</b>			
Cash Outflows for Tuition		1,776,062.00	2,157,369.00
Cash Outflows for Operations		6,123,839.00	5,766,436.00
Cash Outflows Boarding/Lunch and School Fund		39,360,820.00	34,841,312.00
<b>Total payments</b>		<b>47,260,720.00</b>	<b>42,765,116.00</b>
<b>Net Cash Inflow/Outflow from Operating Activities</b>		<b>6,532,943.00</b>	<b>2,242,344.35</b>
<b>Cash Flow from Investing Activities</b>			
Acquisition of Assets		(3,355,700.00)	(2,669,830.00)
<b>Net Cash Inflow/Outflows from Investing Activities</b>		<b>(3,355,700.00)</b>	<b>(2,669,830.00)</b>
<b>Cash Flow from Financing Activities</b>			
<b>Net Cash Inflow/Outflow from Financing Activities</b>		<b>xxx/(xxx)</b>	<b>xxx/(xxx)</b>
<b>Net Increase/Decrease in Cash and Cash Equivalents</b>		<b>3,177,243.00</b>	<b>(427,486.00)</b>
Cash and Cash Equivalent at the Beginning of the FY		755,140.00	1,182,625.00
<b>Cash and Cash Equivalent at the End of the FY</b>		<b>3,932,382.00</b>	<b>755,140.00</b>

The school's financial statements were approved on 27/09/ 2024 and signed by:



Name: Linda Odhiambo  
Chair BOM  
Date: 27/09/2024



Name: Peter Kimani  
Principal/ Secretary BOM  
Date: 27/09/2024



Name: Laban Mbugua  
Bursar/ Finance Officer  
Date: 27/09/2024



**Naivasha High School**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

**9. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30<sup>th</sup> 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
<b>Receipts</b>					
<b>(1) Capitation Grant on Tuition</b>					
Teaching / Learning Materials	316,800.00	0.00	316,800.00	319,116.00	100.73%
Exercise Books	921,600.00	0.00	921,600.00	1,034,622.00	112.26%
Laboratory Equipment	414,000.00	0.00	414,000.00	429,430.00	103.73%
Chalks	35,280.00	0.00	35,280.00	44,258.00	125.45%
Reference/ Library Materials	144,000.00	0.00	144,000.00	134,615.00	93.48%
Exams and Assessment	122,400.00	0.00	122,400.00	241,319.00	197.16%
Internal Exams	57,600.00	0.00	57,600.00	109,883.00	190.77%
Bank Charges	4,000.00	0.00	4,000.00	4,000.00	100.00%
<b>Sub-totals</b>	<b>2,015,680.00</b>	<b>0.00</b>	<b>2,015,680.00</b>	<b>2,317,243.00</b>	<b>114.96%</b>
<b>(2) Capitation Grant on Operations</b>					
Maintenance & Improvements	0.00	0.00	0.00	851,400.00	0.00%
Personal Emoluments	4,766,400.00	0.00	4,766,400.00	3,415,686.70	71.66%
Electricity, Water & Conservancy	752,400.00	0.00	752,400.00	692,478.00	92.04%
Administration Costs	752,400.00	0.00	752,400.00	539,182.50	71.66%
Local Travel & Transport	496,800.00	0.00	496,800.00	356,513.00	71.76%
Medical & Insurance	468,000.00	0.00	468,000.00	658,144.00	140.63%
Activity Fee	640,800.00	0.00	640,800.00	651,192.00	101.62%
CBC Classrooms	1,576,440.00	0.00	1,576,440.00	1,603,620.00	101.72%
<b>Sub totals</b>	<b>9,453,240.00</b>	<b>0.00</b>	<b>9,453,240.00</b>	<b>8,768,216.20</b>	<b>92.75%</b>

Naiyasha High School  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> 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
<b>3) FDSE for infrastructure</b>					
Maintenance & Improvement MoE	3,600,000.00	0.00	3,600,000.00	3,360,200.00	93.34%
<b>Sub totals</b>	<b>3,600,000.00</b>	<b>0.00</b>	<b>3,600,000.00</b>	<b>3,360,200.00</b>	<b>93.34%</b>
<b>(4) Fees Charged on Parents</b>					
Boarding, Equipment & Stores	18,277,200.00	0.00	18,277,200.00	24,957,167.75	136.55%
Personal Emoluments	3,744,000.00	0.00	3,744,000.00	6,292,016.50	168.06%
Electricity Water & Conservancy	2,250,000.00	0.00	2,250,000.00	2,395,580.00	106.47%
Administrative Costs	2,250,000.00	0.00	2,250,000.00	2,370,271.00	105.35%
Maintenance & Improvement	1,440,000.00	0.00	1,440,000.00	1,383,024.00	96.04%
Local Travel & Transport	1,044,000.00	0.00	1,044,000.00	1,148,747.00	110.03%
Activity	180,000.00	0.00	180,000.00	186,772.00	103.76%
Uniform	0.00	0.00	0.00	406,965.00	0.00%
Student ID	0.00	0.00	0.00	82,500.00	0.00%
Tender & Quotation	0.00	0.00	0.00	44,000.00	0.00%
Woodlot Establishment	0.00	0.00	0.00	361,314.00	0.00%
P.A Project	0.00	0.00	0.00	6,000.00	0.00%
<b>Sub totals</b>	<b>29,185,200.00</b>	<b>0.00</b>	<b>29,185,200.00</b>	<b>39,634,357.25</b>	<b>135.80%</b>
<b>5) Miscellaneous Income</b>					
Rent income	114,000.00	0.00	114,000.00	130,000.00	114.04%
Income From Bus Hire	375,000.00	0.00	375,000.00	375,000.00	100.00%
Fee For Hire of Ground and Equipment	68,550.00	0.00	68,550.00	68,550.00	100.00%

**Naivasha High School**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> 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
<b>Sub total</b>	<b>557,550.00</b>	<b>0.00</b>	<b>557,550.00</b>	<b>573,550.00</b>	<b>102.87%</b>
<b>Total Income</b>	<b>44,811,670.00</b>	<b>0.00</b>	<b>44,811,670.00</b>	<b>54,653,566.45</b>	<b>121.96%</b>
<b>(6) Expenditure For Tuition</b>					
Teaching / Learning Materials	213,600.00	0.00	213,600.00	247,690.00	115.96%
Exercise Books	3,673,080.00	0.00	3,673,080.00	764,730.00	20.82%
Laboratory Equipment	1,655,750.00	0.00	1,655,750.00	466,575.00	28.18%
Chalks	559,000.00	0.00	559,000.00	53,800.00	9.62%
Reference/ Library Materials	737,211.00	0.00	737,211.00	109,620.00	14.87%
Exams and Assessment	624,755.00	0.00	624,755.00	671,880.00	107.54%
Internal Exams	299,884.00	0.00	299,884.00	357,260.00	119.13%
Bank charges	6,176.50	0.00	6,176.50	6,176.50	100.00%
<b>Sub total</b>	<b>7,769,456.50</b>	<b>0.00</b>	<b>7,769,456.50</b>	<b>2,677,731.50</b>	<b>34.46%</b>
<b>(7) Expenditure For Operations</b>					
Personal Emoluments	4,891,705.00	0.00	4,891,705.00	2,742,937.00	56.07%
Electricity, Water & Conservancy	1,142,938.00	0.00	1,142,938.00	446,156.00	39.04%
Administration Costs	1,466,087.00	0.00	1,466,087.00	157,402.00	10.74%
Local Travel & Transport	1,076,202.00	0.00	1,076,202.00	84,950.00	7.89%
Medical & Insurance	362,270.00	0.00	362,270.00	225,016.50	62.11%
Activity Fee	1,091,538.00	0.00	1,091,538.00	50,000.00	4.58%
CBC Classrooms	1,576,440.00	0.00	1,576,440.00	1,603,620.00	100.00%
Bank charges	4,966.50	0.00	4,966.50	4,966.50	100.00%

Naiyasha High School  
Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	a+b	d	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Sub total</b>	<b>11,612,146.50</b>	<b>0.00</b>	<b>11,612,146.50</b>	<b>5,315,030.00</b>	<b>45.77%</b>
<b>(8) Expenditure For infrastructure</b>					
Construction of DORMS	3,600,000.00	0.00	3,600,000.00	4,115,938.00	114.33%
Bank Charges	120.00	0	120.00	120.00	100.00%
<b>Sub total</b>	<b>3,600,000.00</b>	<b>0.00</b>	<b>3,600,000.00</b>	<b>4,116,058.00</b>	<b>114.33%</b>
<b>(9) Expenditure For school fund</b>					
Boarding, Equipment & Stores	40,567,949.00	0.00	40,567,949.00	24,798,402.00	61.13%
Personal Emoluments	3,472,609.00	0.00	3,472,609.00	6,140,551.50	176.83%
Electricity Water & Conservancy	3,089,690.00	0.00	3,089,690.00	2,271,327.80	73.51%
Administrative Costs	3,963,253.00	0.00	3,963,253.00	1,732,164.00	43.71%
Maintenance & Improvement	1,411,200.00	0.00	1,411,200.00	350,370.00	24.83%
Local Travel & Transport	2,045,208.00	0.00	2,045,208.00	3,403,623.00	166.42%
Activity	306,612.00	0.00	306,612.00	1,054,217.00	343.83%
Uniform	0.00	0.00	0.00	326,161.00	0.00%
Bank charges	0.00	0.00	0.00	44,011.55	0.00%
Student ID	0.00	0.00	0.00	33,900.00	0.00%
Woodlot Establishment	0.00	0.00	0.00	360,353.00	0.00%
Damages	0.00	0.00	0.00	380,915.00	0.00%
Expenses on Income Generating Activities **	0.00	0.00	0.00	288,400.00	0.00%
<b>Sub total</b>	<b>54,856,521.00</b>	<b>0.00</b>	<b>54,856,521.00</b>	<b>41,184,395.85</b>	<b>75.08%</b>
<b>Total Expenditure</b>	<b>77,838,244.00</b>	<b>0.00</b>	<b>77,838,244.00</b>	<b>53,293,215.35</b>	<b>68.47%</b>

**Naivasha High School**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

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- i. Underutilization is brought about by incorporation of unpaid debts of last financial year in the current budget but no increase in revenue.
- ii. Overutilization of most of vote head is due to majorly due to prepayment in school fund since financial year starts in part of second which most of school fees is cleared.

## 10. Significant Accounting Policies

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

### 1. Statement of compliance and basis of preparation

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

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

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

### 2. Recognition of receipts and payments

The school recognises all receipts from 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 30<sup>th</sup> June 2024.

## 11. Notes To the Financial Statements

## 1 Government Grants for Tuition

Description	2023-2024	2022-2023
	Kshs	Kshs
Teaching / Learning Materials	319,116.00	308,672.39
Exercise Books	1,034,622.00	895,385.73
Laboratory Equipment	429,430.00	400,567.33
Chalks	44,258.00	34,873.35
Reference/ Library Materials	134,615.00	139,020.21
Exams and Assessment	241,319.00	117,813.10
Internal Exams	109,883.00	56,550.64
Bank Charges	4,000.00	-
<b>Total</b>	<b>2,317,243.00</b>	<b>1,952,882.75</b>

## 2 Government Grants for Operations

Description	2023-2024	2022-2023
	Kshs	Kshs
Maintenance & Improvements	851,400.00	-
Personal Emoluments	3,415,686.70	3,313,194.73
Electricity, Water & Conservancy	692,478.00	833,945.59
Administration Costs	539,182.50	659,574.14
Local Travel & Transport	356,513.00	364,916.99
Medical & Insurance	658,144.00	143,200.00
Activity Fee	651,192.00	403,562.00
CBC Classrooms	1,603,620.00	-
<b>Total</b>	<b>8,768,216.20</b>	<b>5,718,393.45</b>

## 3 Government Grants for infrastructure

Description	2023-2024	2022-2023
	Kshs	Kshs
Maintenance & Improvement	3,360,200.00	2,868,000.00
<b>Total</b>	<b>3,360,200.00</b>	<b>2,868,000.00</b>

**Naivasha High School****Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024****4 School Fund Income - Parents Contribution/Fees**

Description	2023-2024	2022-2023
	Kshs	Kshs
Boarding, Equipment & Stores	24,957,167.75	19,881,694.50
Personal Emoluments	6,292,016.50	3,861,825.50
Electricity Water & Conservancy	2,395,580.00	2,526,198.00
Administrative Costs	2,370,271.00	2,321,195.00
Maintenance & Improvement	1,383,024.00	1,526,192.00
Local Travel & Transport	1,148,747.00	897,219.00
Activity	186,772.00	277,769.00
Uniform	406,965.00	1,603,454.00
Student ID	82,500.00	313,365.00
Tender & Quotation	44,000.00	1,174,186.00
Woodlot Establishment	361,314.00	51,465.00
P.A Project	6,000.00	-
<b>Total</b>	<b>39,634,357.25</b>	<b>34,434,563.00</b>

**5 Miscellaneous Incomes**

Description	2023-2024	2022-2023
	Kshs	Kshs
Rent Income	130,000.00	103,000.00
Income From Bus Hire	375,000.00	-
Fee For Hire of Ground and Equipment	68,550.00	-
<b>Total</b>	<b>573,550.00</b>	<b>103,000.00</b>

**6 Tuition**

Description	2023-2024	2022-2023
	Kshs	Kshs
Teaching / Learning Materials	247,690.00	128,333.75
Exercise Books	764,730.00	654,500.00
Laboratory Equipment	466,575.00	1,491,580.00
Chalks	53,800.00	21,660.00
Reference/ Library Materials	109,620.00	20,770.00
Exams and Assessment	671,880.00	623,635.00
Internal Exams	357,260.00	526,000.00
Bank charges	6,176.50	480.00
<b>Total</b>	<b>2,677,731.50</b>	<b>3,466,958.75</b>

**7 Operations**

Description	2023-2024	2022-2023
	Kshs	Kshs
Personal Emoluments	2,742,937.00	2,154,470.00
Electricity, Water & Conservancy	446,156.00	989,824.00
Administration Costs	157,384.00	1,538,606.00
Local Travel & Transport	84,950.00	660,560.00
Medical & Insurance	225,016.50	509,350.00
Activity Fee	50,000.00	121,346.00
CBC Classrooms	1,603,620.00	1,690.00
Bank charges	4,966.50	-
<b>Total</b>	<b>5,315,030.00</b>	<b>5,975,846.00</b>

**8 Infrastructure**

Description	2023-2024	2022-2023
	Kshs	Kshs
Construction of Dormitory	4,115,938.00	3,800,090.00
Bank Charges	120.00	-
<b>Total</b>	<b>4,116,058.00</b>	<b>3,800,090.00</b>

**Naivasha High School**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

**9 Boarding and School Fund**

Description	2023-2024	2022-2023
	Kshs	Kshs
Boarding, Equipment & Stores	24,798,402.00	27,969,174.00
Personal Emoluments	6,140,551.50	5,858,467.00
Electricity Water & Conservancy	2,271,327.80	1,735,612.00
Administrative Costs	1,732,164.00	3,217,963.00
Maintenance & Improvement	350,370.00	6,150.00
Local Travel & Transport	3,403,623.00	4,677,979.00
Activity	1,054,217.00	371,245.00
Uniform	326,161.00	705,846.00
Bank charges	44,011.55	3,000.00
Student ID	33,900.00	1,174,186.00
Woodlot Establishment	360,353.00	43,157.60
Damages	380,915.00	-
Expenses on Income Generating Activities **	288,400.00	-
<b>Total</b>	<b>41,184,395.85</b>	<b>45,762,779.60</b>

**10 Bank Accounts**

Account Name & Currency	Status	Bank Account Number	2023-2024	2022-2023
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	1105231488	581,025.75	39,844.25
Operations Account	Active	1105232964	2,655,511.30	11,134.10
School Fund Account/Boarding	Active	01129115972000	(664,232.00)	(220,206.20)
Savings Account	Active	2027446267	450,310.10	84,620.40
Parent Association Development Account	Active	01129115972001	28,163.00	25,109.00
Infrastructural Account	Active	01139115972000	730,044.00	725,544.00
<b>Total</b>			<b>3,780,822.15</b>	<b>666,045.55</b>

**11 Cash In Hand**

Description	2023-2024	2022-2023
	Kshs	Kshs
Notes and Coins	151,560.00	89,094.00
<b>Total</b>	<b>151,560.00</b>	<b>89,094.00</b>

## 12 Accounts Receivable

Description	2023-2024	2022-2023
	Kshs	Kshs
Fees Arrears	6,764,478.15	5,485,474.15
<b>Other Non-Fees Receivables</b>		
Salary Advances (list/schedule attached)	-	-
Imprest (list/schedule attached)	-	-
Rent arrears (list/schedule attached)	66,500.00	-
<b>Total</b>	<b>6,830,978.15</b>	<b>5,485,474.15</b>

## 12 a) Ageing Analysis of Accounts Receivable

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	2,421,484.50	30.09%	1,320,855.50	24.08%
Between 1- 2 years	178,375.00	2.87%	9,995.00	0.18%
Between 2-3 years	9,995.00	0.16%	206,775.00	3.77%
Over 3 years	4,154,623.65	66.87%	3,947,848.65	71.97%
<b>Total (should tie to note 13 a)</b>	<b>6,764,478.15</b>	<b>100.00%</b>	<b>5,485,474.15</b>	<b>100.00%</b>

**Naivasha High School**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

**13 Accounts Payable**

Description	2023-2024	2022-2023
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	19,426,398.00	16,939,977.00
Prepaid Fees	1,499,851.50	1,014,251.00
Retention Monies	1,059,539.00	869,165.00
<b>Total</b>	<b>21,985,788.50</b>	<b>18,823,393.00</b>

**13a. Ageing Analysis of Accounts Payable**

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	12,654,999.00	65%	16,637,497.00	98%
Between 1- 2 years	6,771,399.00	35%	302,480.00	2%
Between 2-3 years	-	0%	-	0%
Over 3 years	-	0%	-	0%
<b>Total (should tie to note 14)</b>	<b>19,426,398.00</b>	<b>100%</b>	<b>16,939,977.00</b>	<b>100%</b>

**14 Fund Balance Brought Forward**

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank Balances	666,045.55	1,163,868.20
Cash Balances	89,094.00	18,757.00
Receivables	5,485,474.15	5,502,710.65
Payables	18,823,393.00	5,339,280.00
<b>Total</b>	<b>(12,582,779.30)</b>	<b>1,346,055.85</b>

**Other important disclosure notes**

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

**Other important disclosure notes****15 Stock/ Inventory**

Description	2023-2024	2022-2023
	Kshs	Kshs
Food stuffs	634,847.50	632,450.00
Lab consumables	1,064,531.00	1,098,324.10
Stationaries	174,026.00	820,898.00
	<b>1,873,404.50</b>	<b>2,551,672.10</b>

**Naivasha High School**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

**16 Progress on Follow Up of Auditor Recommendations**

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

<b>Ref No.</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
	Late Submission of Financial Statements	Previously Submitted to County School Audit Only	Resolved	
	Inaccuracies in the Financial Statements	The difference between financial statements and general Ledger is caused by incorporating fee arrears and prepayments in receipts that is not in general ledger and also incorporating creditor for the financial year on debit side of general ledger. We have amended the financial statements for comparative figures.	Resolved	
	Use of Cash to Procure Goods, Works and Services	School only procures directly for goods or services that were tendered for but bids never received. We are going to be getting quotation to make it competitive. All goods received in school are entered in stores ledgers	Not fully resolved	In course of the financial year 2024/2025
	Personnel Emoluments	School management will contract professional services to come up human resource policy that will address the issue. The personnel cost can be verified in the payrolls of the year under review.	Not Resolved	
	Transfer of Funds to Kenya Secondary Schools Heads Association (KESSHA)	These are funds paid to above named entity to allow the students participate in co-curricular activities and it's normally requested by the chairperson KESSHA through the Ministry of Education.		
	Budgets and Procurement Plans	Overutilization in expenditure is due to increase in most of item's price in course of financial year and		

**Naivasha High School**  
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Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		including outstanding debts at the end of the year in expenditure. Overutilization in income is mostly due to majorly due to prepayment in school fund since financial year starts in part of second which most of school fees is cleared		
	Irregular initiation of the procurement process	The school management will implement procurement procedures and regulations in the subsequent years.	Partially Resolved	In subsequent financial year
	Accounts Payables	The retention of Kshs. 538,535 was brought forward from previous year but there is a retention of Kshs. 330,630 for current year that was derived from public works payment certificates.	Resolved	
	Lack of Fixed Asset Register and Asset Tagging Register	The school has been maintaining permanent ledger to register all school assets. For this financial year has develop a fixed asset register. On tagging of assets only students' furniture is tagged but the management is in process of tagging all other movable assets.	Partially resolved	
	Lack of Asset Ownership Documents	The school is under the process of acquiring title deed for the school.	Not resolved	
	Frequency of Board meetings and Board Committees to be held in a year	The management has put to place the all committees of board of management and are functional.	Resolved	

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 Sign and Date  
 Principal




**Naivasha High School**  
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**12. Annexes**  
**Annex I - Analysis of Pending Accounts Payable**

Supplier Of Goods or Services	Original Amount a Kshs	Date Contracted b Kshs	Amount Paid To-Date c Kshs	Outstanding Balance 2023/2024 d=a-c Kshs	Outstanding Balance 2022/2023 Kshs	Comments
<b>Construction Of Buildings</b>						
1. Fraintech Building & Construction Ltd	447,445.00	14 <sup>th</sup> July 2020	402,700.00	44,745.00		Retention Money for Comp Lab Construction
2. Fraintech Building & Construction Ltd	10,147,938.00	12 <sup>th</sup> April 2022	8,257,320.00	1,890,618.00		Retention Money for Dorm Construction.
<b>Sub-Total</b>	<b>10,595,383.00</b>		<b>8,660,020.00</b>	<b>1,935,363.00</b>	<b>869,165.00</b>	
<b>Goods</b>						
3. DPL Festive Ltd	956,545.00	April 23-Jan 2024	475,000.00	481,545.00	384,405.00	Bread
4. Mayfair Holdings Ltd	909,150.00	Jul 23- Oct 2023	505,550.00	403,600.00	0.00	Bread
5. Brenda Waigumo	2,850,220.00	Jan 23 – Jun 2024	767,170.00	2,083,050.00	383,600.00	Cabbages
6. Joseph Ng'ang'a Ngugi	2,778,000.00	Dec 22- Jun 2024	1,222,450.00	1,555,550.00	0.00	Beef
7. Salome Njeri	1,727,745.00	Feb 23-Jun 2024	744,020.00	983,725.00	0.00	Milk
8. Jane Wanjiku	549,420.00	Jul 23-Jun 2024	129,145.00	420,275.00	0.00	Onions, Tomatoes & Fruits
9. Mary Njeri Mungai	157,500.00	Feb 23- Jun 2024	142,500.00	15,000.00	0.00	Wimbi Flour
10. Michael K Wanderi	2,830,400.00	Dec22- Oct 2023	1,116,500.00	1,713,900.00	324,650.00	Supply Maize, Beans & Lentils
11. Dopur Welders & Electrical Eng.	801,920.00	Jan 23- Jun 2024	183,000.00	618,920.00	270,770.00	Repair of Furniture
12. Fraintech Building & Construction Ltd	2,002,830.00	Jul 22 –May 2023	400,000.00	1,602,830.00	1,602,830.00	Repairs
13. Beethoven Karimi	440,000.00	Jan & Jun 2023	122,000.00	318,000.00	318,000.00	Firewood

**Naivasha High School**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2023/2024	Outstanding Balance 2022/2023	Comments
14. David Macharia	675,000.00	Jul 23- Jun2024	207,000.00	468,000.00	0.00	Firewood
15. Ricklynex Commercial Agencies	797,450.00	May 23- Jul 2023	344,400.00	453,050.00	241,650.00	Wholesale items
16. Giltech Fabricators Ltd	245,000.00	Sept 2023	90,000.00	155,000.00	155,000.00	Heavy-Duty Tea Urns
17. Bestech Africa Supplies	397,000.00	May 2023	115,000.00	282,000.00	282,000.00	Repair Energy Saving Jikos
18. Mastkia Enterprises	630,000.00	April-Jun 2023	213,000.00	417,000.00	417,000.00	Maize
19. Genesis Glassmart Hardware	306,934.00	Feb 23- Mar 2024	0.00	306,934.00	233,420.00	Hardware Materials
20. Naivas Ltd	798,826.00	Jul-Sept 2023	566,376.00	232,450.00	0.00	Wholesale Items.
21. Panther School Supplies Ltd	1,062,000.00	Jan 2024	682,000.00	380,000.00	0.00	Maize
22. John Gathige Ndung'u	163,000.00	May 2024	81,500.00	81,500.00	0.00	Beans
23. Joyce Wanjiru Njuguna	23,400.00	May 2024	0.00	23,400.00	0.00	Tea
24. Abu Yazeed Agencies	411,320.00	Jun 2024	0.00	411,320.00	0.00	Wholesale Items
25. Lexin Suppliers & Services	1,864,120.00	Nov 22- Jun 2024	798,250.00	1,065,870.00	244,150.00	Stationaries & Repair of Comp
26. Maxlog Enterprises Ltd	26,850.00	Jan 2024	0.00	26,850.00	0.00	Dairies
27. Mimosa Office & School Supplies	776,020.00	Feb 23- Jun 2024	442,300.00	333,720.00	0.00	Stationaries
28. Joseph Maina Kigo	190,410.00	Nov 22–Jun 2024	180,060.00	10,350.00	0.00	Newspapers
29. Joflam Investments	1,167,686.00	Jan – May 2023	359,665.00	808,021.00	808,021.00	Uniform
30. Roselink General Traders	1,121,810.00	Dec22-Sept 2023	413,700.00	708,110.00	268,250.00	Stationaries
31. Elica Suppliers	6,240.00	May 2024	0.00	6,240.00	0.00	Stationaries
32. Wagon Investments Ltd	1,173,080.00	Nov22–Mar 2024	415,500.00	757,580.00	340,250.00	Lab Equipment & Apparatus
33. Berinet Enterprises Ltd	163,000.00	Jul 2023	45,000.00	118,000.00	0.00	Teaching Aids

**Naivasha High School**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

Supplier Of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2023/2024	Outstanding Balance 2022/2023	Comments
34. Highmark Services	37,000.00	Feb 2024	0.00	37,000.00	0.00	KCSE 2023 Marking Scheme
35. The Marking Scheme Series Writers	22,900.00	Mar 2024	0.00	22,900.00	0.00	Reference Materials
36. Passmark Services	20,000.00	Apr 2024	0.00	20,000.00	0.00	Consolidated Pre-Mocks
<b>Sub-Total</b>	<b>28,082,776.00</b>		<b>10,761,086.00</b>	<b>17,321,690.00</b>	<b>6,273,996.00</b>	
<b>Services</b>						
37. Stephen Macharia	270,200.00	Apr 23- Jun 2024	242,200.00	28,000.00	0.00	Power Saw Services
38. Victor Omondi Angugo	407,200.00	Apr 23- May 2024	216,200.00	191,000.00	0.00	Grains Drying and Winnowing
39. Simon Maina Njuguna	129,000.00	May 23- Jun 2024	120,000.00	9,000.00	0.00	Plumbing Services
40. Majestic Engineers	937,040.00	Dec22 & Apr 2024	306,000.00	631,040.00	355,330.00	Fire Extinguishers Servicing
41. Naivasha Water & Sanitation Ltd	122,073.00	Feb 2023	0.00	122,073.00	122,073.00	Sewerage Bills
42. Smart School Technologies	55,000.00	Jan 23 & Feb 2024	0.00	55,000.00	20,000.00	Biometric Kit Maintenance
43. Rentokil Initial (K) Ltd	63,744.00	Jun 23- Jun 2024	53,353.00	10,391.00	0.00	Washrooms Service
44. Framaha Enterprises	331,210.00	Mar 23- May 2024	248,910.00	82,300.00	0.00	School Bus Servicing
45. Transformative Thinking Centre	45,000.00	May 2024	0.00	45,000.00	0.00	Mentorship Program
46. Henry Muchiri	27,900.00	Jun 2024	0.00	27,900.00	0.00	Renovation of Staff Quarters
47. Commissioner of V. A. T	27,180.00	July 2023	0.00	27,180.00	0.00	VAT
<b>Sub-Total</b>	<b>2,415,547.00</b>		<b>1,186,663.00</b>	<b>1,228,884.00</b>	<b>497,403.00</b>	
<b>Grand Total</b>	<b>41,093,706.00</b>		<b>20,607,769.00</b>	<b>20,485,937.00</b>	<b>7,640,594.00</b>	

**Naivasha High School**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

**Annex 2 – Summary of Fixed Assets Register**

Asset class	Number	Date purchased	Location	Historical Cost b/f (Kshs) 1 <sup>st</sup> July 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 <sup>th</sup> June 2023
Land	7.45Ha		Naivasha High Sch				
Buildings and structures- Classrooms	16		Naivasha High Sch				
- Offices	10						
-Laboratory	6						
-Halls	2						
-Dormitories	7						
-Staff Houses	6						
-Libraries	1						
-Dispensary	1						
-Kitchen	1						
Motor vehicles KAT 413X	1		Naivasha High Sch				
Office equipment, furniture and fittings			Naivasha High Sch				
- Lockers	743						
- Chairs	756						
- Tables	94						
- Benches	68						
- Stools	152						
ICT Equipment, and Other ICT Assets			Naivasha High Sch				
- Desktops	65						
- Printers	11						
- Laptops	1						
- Photocopy Machines	1						
- Projectors	1						
Tools and Apparatus	12,270		Naivasha High Sch				
Textbooks	8646		Naivasha High Sch				

**Naivasha High School**

**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

Asset class	Number	Date purchased	Location	Historical Cost b/f (Kshs) 1 <sup>st</sup> July 2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 <sup>th</sup> June 2023
Other Machinery and Equipment	<b>10</b>						
- Water Dispensers	1						
- Vegetable Choppers	2						
- Tea Urns	20						
- Crates	8						
- Boilers	39						
- Fire Extinguishers	1		Naivasha High Sch				
- Mower	1						
- Posho Mill	1						
- Generator	3						
- Wheelbarrows							
- Gas Cylinders	8						
- Fridges	3						
- Sewing Machines	10						
Heritage and cultural assets							
Intangible Assets- soft ware	3		Naivasha High Sch				
<b>Total</b>							

**Naivasha High School**  
**Annual Report and Financial Statements For the year ended 30<sup>th</sup> June 2024**

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**Annex 3 Rent Arrears**

<b>S/No.</b>	<b>Name</b>	<b>Amount</b>
<b>1.</b>	<b>Peter M. Kimani</b>	<b>2,000.00</b>
<b>2.</b>	<b>George W Chege</b>	<b>24,000.00</b>
<b>3.</b>	<b>James N. Ngugi</b>	<b>16,500.00</b>
<b>4.</b>	<b>John K. Gichora</b>	<b>12,000.00</b>
<b>5.</b>	<b>David N. Kirachu</b>	<b>12,000.00</b>
	<b>TOTAL</b>	<b>66,500.00</b>