

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY
PAPERS LAID

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CLERK-AT-THE-TABLE: Gertrude Chebet

REPORT



OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
KENYA SCOUTS ASSOCIATION

FOR THE YEAR ENDED
30 JUNE 2018





THE KENYA SCOUTS ASSOCIATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE, 2018**

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

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KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The Kenya Scouts Association is an educational, voluntary, and non-political movement for young people open to all without distinction of origin, race, creed, tribe and gender. It is an Education for peace, national and international cohesion and development through young people.

Kenya Scouts Association was established by an Act of Parliament Cap 219 of the Laws of Kenya and is the largest youth organization in Kenya catering for young people between the ages 6-26 years with a membership of over 1000,000 scouts and 40,000 adult leaders in 2015. It is a registered member of the World Organization of Scout Movement (WOSM) whose headquarters is based in Malaysia and Geneva.

The Kenya Scouts Association, since its inception in 1910 has grown to a dynamic Youth Movement in Kenya today and continues to mould and impact the lives of the young people in Kenya. It has maintained, improved and upgraded relevant structures and infrastructure so as to facilitate quality scouting.

The Association aims at developing the youth at their formative ages so that they become responsible citizens through physical, social, intellectual and spiritual development.

Kenya Scouts Association is the only National Scout Organisation in Kenya with its membership of (over 1000,000 boys and girls and 40,000 Adult Leaders) being part of the global youth movement with over 40 million members worldwide.

(b) Principal Activities

The principal activity of the Association is to contribute to the educational development of young people by promoting their intellectual, physical, social, emotional and spiritual wellbeing, equipping them with knowledge, positive attitudes and skills useful to themselves and their communities through a value based on the scout law and promise. The Association also sells uniforms to scouts countrywide.

(c) Key Management

The Association's day to day management is under the following key organs;

- i. The Kenya Scouts Council
- ii. The National Scouts Board
- iii. The National Secretariat

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2018 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	National Executive Commissioner	Moses Ochieng Danda
2.	Head of Finance	Caroline Muema

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3.	Head of Procurement	Dorcas Mwangi
4.	Head of Internal Audit	Gladys Njigo
5.	Head of Programmes	Zachariah Munayi
6.	Head of Training	Peter Mwema
7.	Head of Projects & Partnerships	Patrick Wambua
8.	Head of Security & Special Programme	Musa Mukagwa
9.	Head of Communications & IT	Risper Omala
10.	Head of Scouts Shop	Fred Mosaisi

(e) Fiduciary Oversight Arrangements

Name of the Committee	Members
Executive Committee	<ol style="list-style-type: none"> 1. Lydia Kiburu (Chair) 2. Patrick Ngenga – Treasurer 3. Moses Danda – Secretary 4. Agnes Gatere - Member 5. Rosemary Imbayi – Member
Board Finance Committee	<ol style="list-style-type: none"> 1. Patrick Ngenga - Chair 2. Anne Musalia - Member 3. Agnes Gatere - Member 4. Ole Nanyokie – Member 5. Ruth Mutisya - Member 6. Caroline Muema – Secretary
Board Audit and Risk Committee	<ol style="list-style-type: none"> 1. Francis Kooli - Chair 2. Wilson Outa - Member 3. Col. Joyce Sitienei - Member 4. Caleb Otuoma - Member 5. Gladys Njigo - Secretary
Board Shop and Centres Committee	<ol style="list-style-type: none"> 1. Wilson Outa - Chair 2. Desmond Chepkwony -Member 3. Anthony Gitonga - Member 4. Rosemary Imbayi - Member 5. Fred Mosaisi – Secretary
Technical Committee	<ol style="list-style-type: none"> 1. Anthony Gitonga – Chair 2. Eric Masaba - Member 3. Anne Musalia - Member 4. Francis Kooli - Member 5. David Ole Nanyokie - Member 6. Zachariah Munayi - Secretary 7. Peter Mwema – Secretary

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(f) Entity Headquarters

P.O Box 41422,
Rowallan Scouts Camp,
Jamhuri Park, Kibera Drive,
Nairobi, Kenya

(g) Entity Contacts

Telephone: (254) 2020819
Email: info@kenyascouts.org
Website: <http://kenyascouts.org/>

(h) Entity Bankers

- 1) Equity Bank Ltd.
P. O. Box 75104 - 00200
NAIROBI
- 2) Kenya Commercial Bank Ltd
P. O. Box 46950
NAIROBI
- 3) I&M Bank
P. O. Box 30238
NAIROBI
- 4) Barclays Bank
P. O. Box 30120 - 00100
NAIROBI





(i) Independent Auditors

Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya






(j) Principal Legal Adviser

Wilson Rading Outa
P.O Box 389-00200
Nairobi





THE BOARD OF DIRECTORS

	Photo	Name/Title	Profile
1.		Victor Radido Chief Commissioner	DOB: 1982 University Graduate Speciality: IT Length of service: 3 Months
2.		Ms Lydia Kiburu Deputy Chief Commissioner/ Chairman, Strategic Planning & Management	DOB: 1969 University Graduate Speciality: Communications Length of Service: 6 Years
3.		Mr Patrick Ngenga National Treasurer	DOB: 1968 University Graduate Speciality: Accountant Length of Service: 3 Years
6.		Mr Moses Ochieng Danda National Executive Commissioner	DOB: 1965 University Graduate Speciality: Education Administration Length of service: 4 Years


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7.		Mr. Eric Masaba Member	DOB: 1991 Diploma Speciality: Information & Technology Length of service: 1 Year
8.		Mr. Maurice Odindo Member, Community Development Commissioner	DOB: 1962 University Graduate Speciality: Education Length of service: 1 Year
9.		Rosemary Imbayi Member, Gender & Children Welfare Commissioner	DOB: 1960 Diploma Speciality: Education Length of service: 1 Year
10.		Mr. Anthony Gitonga Member, International Commissioner	DOB: 1988 University Graduate Speciality: Communications Length of Service: 1 Year
11.		Mr. Caleb Musa Member, Special Needs Commissioner	DOB: 1958 Masters Speciality: Religious Studies Length of service: 1 Year

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12.		Mr. Wilson Rading Outa Member, Legal Adviser	DOB:1982 Master's Degree Speciality: Law Length of Service: 1 Year
13.		Agnes Gatere Member	DOB: 1963 Masters Speciality: Strategic Management Length of service: 3 Months
14.		Col. J.C Sitienei Member	DOB: University Graduate Speciality: Education Length of service: 3 Months
15.	New Member	Desmond Chepkwony Member	DOB: 1993 Level of Ed: Diploma Speciality: General Agriculture Length of service: 2 Months
16.		Anne Musalia Member	DOB: 1962 Level of Ed: Masters Speciality: Education Length of service:

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17.		Francis Kooli Member	DOB: Level of Ed Speciality: Length of service: 1 Year
18.	New Member	David Ole Nanyokie	DOB: 1964 Level of Ed: Diploma Speciality: Education Length of Service: 3 Months

MANAGEMENT TEAM

1. Moses Ochieng Danda – National Executive Commissioner University Graduate, Specialized in Education	Oversees the operations of the Secretariat as a whole
2. Caroline Muema – Finance and Administration Officer Bachelor of Commerce(Finance), and a CPAK	In charge of finance and administration of the Association
3. Gladys Njigo – Internal Audit Masters of Science (Finance), BCoM (Finance) and a CPAK	In charge of Internal Audit
4. Peter Mwema – HoD Training Bachelor of Arts Education	In charge of Training
5. Zachariah Munayi – HoD Programmes Degree-Gender, Women and Development Studies	In charge of Scouting programmes
6. Risper Omala – HoD Communication and IT Degree- Communications & Marketing	In charge of Communication and IT
7. Musa Mukagwa – HoD Special Programs Diploma-Religious Studies	In charge of Security and Special programmes
8. Fred Mosaisi – Shops Manager Bachelor of Commerce(Finance)	In charge of Scouts Shops
9. Dorcas Mwangi – Procurement Officer Bachelor of Commerce-HRM	In charge of Procurement

CHAIRMAN'S STATEMENT

I welcome you to the 2018 session of the Kenya Scout Council Annual General Meeting. It is already one year since this mantle was passed to me by my brother Hon. Francis Ole Kaparo. I am very glad that we have all made it back here to review the performance of our Movement for the past one year, and make decisions that will govern the Movement for the next one year. An annual general meeting is the opportunity for stakeholders to congregate and take account of the milestones so far made in the past one year and sometimes even further back into the significant past. As I stand here today I am very confident because I know great achievements have been made and the Association is in a good place both in terms of its programmes, finances and its global standing among its peers in the world movement.

During my one year stint I have interacted with the members of the National Scout Board, members of Secretariat, some national trainers including those from other countries of Africa, and most importantly with the Scouts both at the Rowallan camp and in Nyeri during the Founder's Day celebrations. I have also been able to inspect our facilities at Embu Centre, Rowallan Camp and Baden Powel Memorial Park in Nyeri.

I have developed a deep understanding of the Movement and the organization. I have witnessed how Scouting as an educational opportunity for young people has attracted many young Kenyans in schools and other institutions who really enjoy the game of Scouting but most importantly is how being Scouts has impacted positively on their lives and of those around them. I recognize the sizeable number of adults, mostly teachers, who are willing to volunteer to support the Scouts enjoy the experience of scouting. These two must complement each other very well to make Scouting impactful.

As an Organization, Kenya Scout Association has enhanced its governance through strengthening its structures, policies and procedures. Though it is not affiliated to any government ministry it is classified by the government as a semi-autonomous government agency hence the audit by the Office of the Auditor General and Treasury.

Therefore, dear delegates, as adults who are privileged to belong to the highest decision-making organ of the Association we must clearly understand these two facets of the Association so that we are able to play our roles effectively. As members of the Kenya Scouts Council, we are to receive reports by the National Scout Board on how they have managed the Association on our behalf. Last year we joined an Association that had made great strides both in management of its programs and its finances. We joined an Association that had received many continental and global awards for its achievements in management of scouting generally. We joined an Association that had hit a world record by attaining a very high score of 90.2% from SGS, a global NGO that audits the governance and management of Non-Governmental Organizations. SGS had been contracted by the World Organization of the Scout Movement through an initiative called GSAT (Global Support Assessment Tool). It gave us a confirmation that we are observing best practices in the management of the Association.

I am enumerating these to demonstrate to you that the Association has set the standards so high that our biggest challenge going forward will be to maintain those standards and then strive to move them even higher. My question to you, therefore is: have you endeavored to maintain the said standards back at your localities where you are entrusted with leadership of the Movement? I am glad the Association has completed and revised its 2013-2017 Strategic Plan and has already gone ahead to prepare another one to cover the years 2018-2020. It is always good to take audit of where we have come from so that we plan more efficiently our next steps. Remember, however,

that strategic plans only make sense when they are lifted off the paper and implemented. On paper, they are just statements of intent. We must all, therefore, join hands to implement it once it is disseminated and its implementation rolled out.

As Kenya Scout Council we need to create a strong Scout brand. This is not a brand of colors and taglines, but a brand of character. When I was young my mother always told me to run like a Scout, eat like a Scout, walk like a Scout, and basically to do everything like a Scout. I grew up to believe that all the good things were done by Scouts. I still believe that Scouting as a brand stands for discipline, orderliness, honesty, Godliness, speed, and usefulness. We need to continue upholding these values.

Note that these are the soft skills that will help you to achieve your objectives. We as leaders need to ensure we build these values as aspects of the Scout brand. We will therefore have no problem attracting strategic partners with who we can deliver the mandate of the Association.

Let me recognize the Government through the Ministry of Education for the role it has played in supporting the Association. It has not only funded KSA through grant-in-aid but has also supported the Association by giving it access to the young people who are mostly in the educational institutions. The Teachers' Service Commission has been a great partner of the Association as some of the senior staff at the HQ are seconded from the TSC. I also wish to recognize all other partners including KDF, NCIC, NACADA, Equity Bank, KFCB among others who have continually worked with the Kenya Scouts Association. I am glad that the MOE, KDF and TSC have actually nominated senior officers to the National Scout Board.

For us who remain we must ensure that we elect a progressive individual who will fit well in the shoes of the out-going Chief Commissioner. It is my prayer that we will conduct a very peaceful and transparent election that will give us the best candidate from among the six contenders. And for the candidates, please note that you are joining existing structures and systems. You are not coming in to create your own systems that suit your needs. You are like the pilot of a large plane. The plane already has its systems both electronic, electric and mechanical. A pilot cannot change them. What will show your expertise is how well you will make use of the systems to take KSA to the next level swiftly, safely and still guarantee comfort for your passengers. The honor is for you delegates to choose the type of candidate I am describing.

God bless you all.

PROF. JACOB T. KAIMENYI, EGH
CHIEF SCOUT

REPORT OF THE CHIEF EXECUTIVE OFFICER

It is about two years since we promulgated a new Kenya Scouts Association Constitution and had the assumption to office of an 80% new group of leaders both at Board and at the county level. We have witnessed a lot of activities particularly targeting young people and I am convinced that we have lived our mandate. You may remember last year I cautioned that three years is a very short time and if one does not begin to work in earnest then not much will have been achieved by the end of their term of office. We only have two years to go now so we all need to ask ourselves what we have done in the past one year.

This is a session of the Annual Kenya Scouts Council meeting in which I am supposed to particularly report the progress of the Association in the last one year. However, this will be a report with a difference because we just came to the end of our Strategic Plan 2013-2017 and I would wish to highlight, in my report, our performance in regard to that strategic plan as a precursor to unveiling the new Strategic Plan 2018-2020. I will divide my report into a few broad areas of focus:

Youth Program and Training

We all know that whatever else we do in this Association, Youth Program and Training remain our core business. All other activities and intervention are only meant to provide means and support for proper delivery of the two. It must never be lost on us that Scouting is an educational Movement for young people supported by adults.

In the last 5 years of the Strategy we had planned to raise both the quantity and the quality of both the youth program aspects and those of adult training. In the Youth Program we had planned to register 4 million Scouts whom we were to take through a quality dynamic, need based Youth Program, expose them internationally through international Jamborees and other gatherings and the exchange programs and ensure they attain the highest badges.

Many activities were organized and implemented by you and we had various levels of achievements in all that was planned (see detailed SP report matrix). It is important to particularly note that we did not register 4 million Scouts but reached over 1.4 million which represented 35% achievement score. The impact of this is:

- More young people in Kenya are now consuming the Youth Program;
- We have achieved global recognitions from WOSM
- There is increased interest from partners in working with KSA
- There has been marked rise in sale of Scout uniform, proceeds from which support the KSA budget.

In adult training we had intended to reduce the ratio of Scout Leaders to Scouts from 1:150 to 1:32. However, we only managed to bring it down to 1:74 which is an achievement level of about 50%. The import of this is that the quality of youth program implementation has improved. This was particularly exemplified by a social impact survey that was carried out in May 2017 that found Scouting to be most impactful on the development of the young persons in Kenya. That is exactly what Scouting meant to do: impact positively on the lives of the young people.

Governance

With the promulgation of the new KSA constitution the Association has continued to grapple with challenges of devolution. Through various committees it has managed to have decisions made and actioned to move the Association forward. Management of the conduct of adults was improved by the formation of Ethics Committee and later the Adult Resources Committee. We now have a predictable way in which adults who come into Scouting are selected, processed, on-boarded,

reassigned, and exited. The POR and other attendant policies have been revised to regulate the conduct thereof of all adults in Scouting.

Institutional Sustainability

Some of the key pillars in the 2013-2017 Strategic Plan were focused on ensuring institutional sustainability. The focus areas were development of camps and sites, ensuring all KSA property is secured and forging partnerships with institutions that have shared objectives with the Association.

Over the five years, improvements were made in Embu Centre, Kilifi Centre, Siaya Centre and Rowallan Camp. Rowallan and Kilifi were secured with a perimeter wall and chain link respectively. The Ngong Scout Centre was also fenced and a gate erected. More investment on KSA facilities has been slowed down majorly by lack of land ownership documents. Most challenging has been Miritini Centre.

Plans are still underway to develop physical infrastructure in Bungoma, Embu, Nyeri, Busia, Machakos, Uasin Gishu, Kilifi and Miritini.

In the area of forging strategic partnerships the Association may not have raised direct money from them but had its youth program enriched by working with institutions such as Equity Bank, NBK, NCIC, NACADA, Kenya Film Classification Board, Communications Authority of Kenya, Kenya Defence Forces, among others.

I also wish to recognize a special category of partners with whom we have worked very closely:

- Kenya Girl Guides Association
- World Scout Bureau – Africa Support Centre

We also remain very indebted for the support we have received from the Ministry of Education and the Teachers' Service Commission. In the last five years the MOE gave an annual grant in aid to KSA of Ksh 77.5 million. TSC on the other hand seconded three officers to serve at the KSA HQ as senior staff. This has ensured that pedagogy is maintained in the development of learning materials and preparing educational programs for the young people.

Human Resource

An institution cannot go very far if it does not have a strong Secretariat. In the last five years, the National Executive Committee, later, the National Scout Board has endeavoured to build a strong and professional secretariat that has supported it to achieve its mandate. It is my conviction that as we move on as an Association we must put in place mechanism to develop a well-trained, motivated and result driven Secretariat. In this case the Board will be left to perform its role of giving strategic direction and policy while the secretariat implements the strategy.

Awards and Recognitions

I will not be fair to Board members and the rest of the delegates if I do not enumerate the continental and global awards that the Association has achieved in the last five years. We all deserve to have bragging rights because of these achievements:

- SGS/GSAT accreditation in 2016.
- Achieving position one in Africa and 6th globally in regard to size of Scout memberships
- Position one on an NSO that has registered 'Absolute Growth' within three years. This recognition was received during the World Scout Conference in Azerbaijan in 2017.
- Position one 'An NSO that has achieved highest increase of young people' within three years. This was also awarded during the World Scout Conference in Azerbaijan in 2017.
- A continental award for the NSO that has achieved 'Best Growth and Development' in the Africa region. This was presented during the 2018 Africa Scout Day in Harare, Zimbabwe.

We all need to be proud of ourselves for making it possible for the Association to achieve all these recognitions within a period of five years.

Strategic Plan 2018-2020

Having learnt critical lessons during the implementation of the 2013-2017 Strategic Plan the National Scout Board charted a progress plan for the next three years in a document called 'Strategic Plan 2018-2020'.

This is a well-researched plan that is leaner, taking a shorter period of only 3 years and is aligned to the SDGs, Vision 2030 and the WOSM triennial plan.

It has only 5 key focus areas (see detailed document)

- Innovating Scouting
- Social and Environmental Impact
- Communications and Relations
- Governance
- Institutional Sustainability

The general strategic objectives of this SP were:

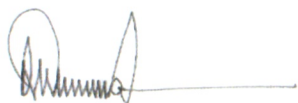
- Recruit Scouts, provide them with a good program and sufficient trained leaders to guide them;
- Ensure what the Scouts do are impactful in the communities they come from;
- Be able to effectively tell the story of scouting internally and externally.
- Ensure the Association is well managed as is provided for by the Constitution and other laws of the land.
- Be able to sustain itself and build even a bigger resource base.

This plan, at the very inception, was shared with all members of the Scout Council for input. It is now complete and ready for dissemination and implementation. The Board will roll out a plan for dissemination in April.

Conclusion

Let me conclude by recognizing the role all of you delegates have played in your various capacities to build this Association to where it is now. I want to give special thanks to the National Scout Board for running the Association on behalf of the Kenya Scout Council. I also want to recognize the fact that we now have the Teacher' Service Commission, the Kenya Defence Force, the Judiciary, National Police Service as part of our Board.

I also want to recognize the critical role played by the Executive Committee of the National Scout Board chaired by Ms Lydiah Kiburu that has worked very closely with the Secretariat to ensure Board decisions are implemented. Alongside the EXCOM is the Secretariat that has exhibited high levels of professionalism to support the volunteers in achieving the mandate of the Association. Congratulations to all of you in the Board, the Committee and the Secretariat.
BRAVO!



Victor Radido
Chief Commissioner

CORPORATE GOVERNANCE STATEMENT

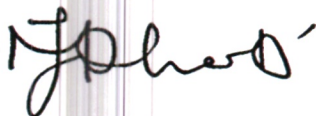
The Kenya Scouts Association is committed to implementing good corporate governance principles and adhere to integrity, high ethical values and professionalism in all its activities. As at 30th June 2017, the National Scout Board (hereafter referred to as the Board) was made of 18 members comprising the Chief Commissioner as the Chairman, the Deputy Chief Commissioner, the National Treasurer, the Legal Affairs Commissioner, the National Executive Commissioner (Chief Executive) as the Secretary and eighteen (13) other members: four (4) of whom are elected by the teams (Youth Programme, Training, Administration, and County Youth Leaders), Six appointed for their special professional skills. And four (3) co-opted from Ministry of Education, Teachers' Service Commission, and Kenya Defence Forces.

Prior to the promulgation of the new KSA Constitution towards the end of the 2nd quarter of the financial year on 6th Dec 2018 the Board (then called the National Executive Committee) had nine (10) committees that exercise delegated responsibilities, namely: Audit & Risk Management, Finance, Youth Program, Adult Training, Resource Mobilization, Camps and Sites, Security & Special Programs, Corporate Communications & ICT, Ethics & Quality Assurance, and finally Strategic Planning and Management (which includes Human Resource).

The National Board's skills and collective experience engenders healthy oversight over Management. The division of responsibilities between the Chairman and the Chief Executive is clearly established and adhered to.

The Board members are provided with necessary resources to undertake their duties. Appropriate induction is offered to all Board members on appointment and on an on-going basis. The terms of reference for each of the Board's committees are available.

Board and Committee papers are supplied to members on time, in appropriate form and quality to facilitate effective deliberations and all the Board members have access to relevant information through the office of the Chief Executive.



Moses Ochieng Danda
National Executive Commissioner

MANAGEMENT DISCUSSION AND ANALYSIS

During the year under review, the Association initiated and facilitated risk management through the recruitment of an internal Auditor who is also the secretary to the Audit and Risk Committee. One of the committee's responsibilities is to review risk management strategies in order to ensure compliance and continuity. The Association's exposure to risk, its objective, process and methods for managing the risk have been consistently applied in all quarters of the year unless otherwise stated

(a) Liquidity Risk

Liquidity risk is the risk that the Association will not have sufficient financial resources to meet its obligations when they fall due or will have no funds at its disposal. This risk can arise from mismatches in the timing of cash flows from revenue and capital/ operational outflows, assets and liabilities according to their maturity profiles and can occur where cash flow streams have been inconsistent.

During the year under review, this risk was well managed as the Association was able to meet all its obligations when they fell due.

(b) Credit risk

The Association is exposed to credit risk which is the risk that a creditor will not be able to pay the full amount of debts when they fall due.

Credit risks mainly arises from BP-Shop receivables. Receivables from exchange activities increased in the year under review by Kshs. 5,287,880 compared to the previous year.

Management of Credit risks

The Association has a well-established credit control procedures that monitor activities on customer accounts and allow for remedial action should the customer fail to comply with the payment terms.

These procedures include:

- Follow up of the customers by telephone or in-person
- Negotiation for mutually accepted payment arrangements terms
- Withdrawal of credit facilities
- Writing of debt demand letters to debtors

Legal action for those who fail to pay

c) Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Association's processes, personnel, technology and infrastructure and from external factors other than credit, market and liquidity risks such as legal and regulatory requirements and generally acceptable standards of corporate behavior.

Some of the key risks the Association has identified in its operations are

- (a) The sustainability of the Association in the event the grant in aid is withdrawn.
- (b) Encroachment of organizations land of 25.55 hectares valued at kshs 78,956,800 by squatters and land grabbers

Operational risks are documented in the risk management policy and are managed by the Audit and risk committee established to spearhead and coordinate risk management activities.

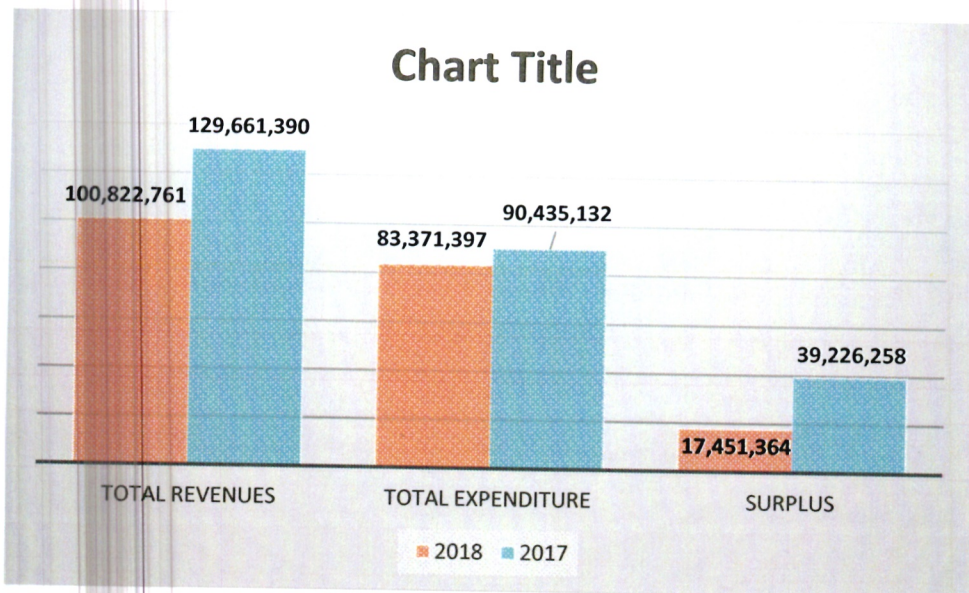
The measures taken include proactively identifying, analyzing and mitigating risks in all areas of the Association.

Material arrears in statutory/financial obligations

During the year under review the Association does not have any material arrears, in statutory, loan defaults, pending bills, tax default, and pension obligations.

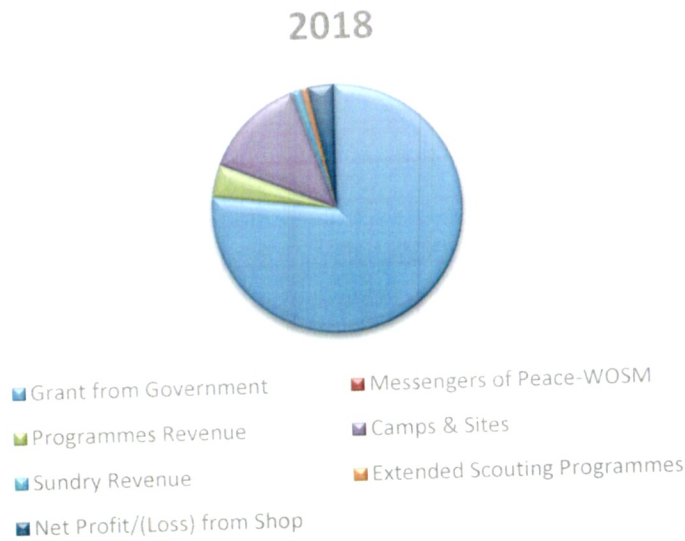
Statement of Financial Performance Analysis

Total Revenues stood at Kshs. 100,822,761 which represents a significant drop of 22% from the previous period which stood at Kshs.129, 661,390. This is majorly attributed to the serious drop in net profit from the BP shop. In addition, the previous year had an additional Kshs. 19,375,000 that had not been received in the period 2015/2016. Below is a bar graph that compares Total Revenues, Total expenditure and surplus for the two periods.

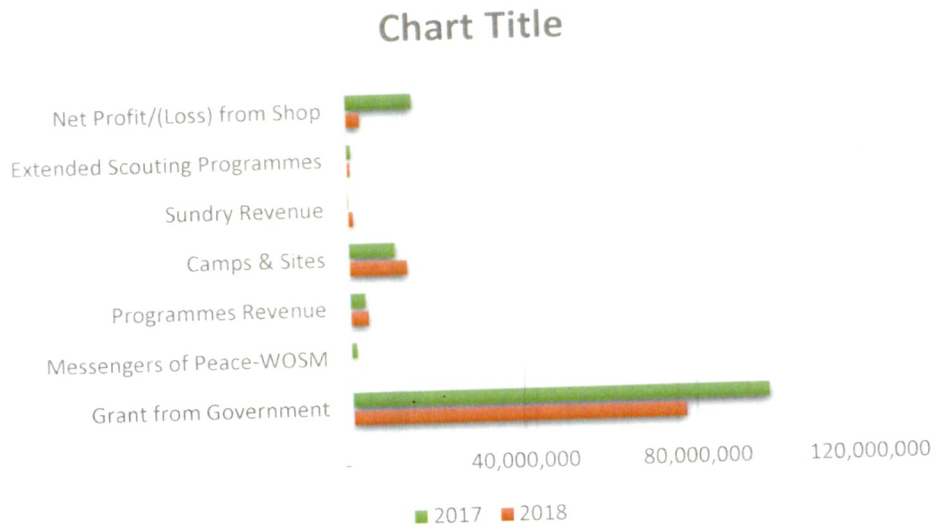


From the above graph, the difference in performance for the two periods is clear.

The below pie chart shows the revenues for 2018



From the above pie chart it's clear that the Association still depends greatly on the grant in Aid from the government. From the Association's main income generating activities, Camps and sites performed better than the Scouts Shop. For more details on how the revenues changed over the two period see below graph;



The Association needs to employ measures to maintain steady growth rates in all its revenue streams to enhance sustainability.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

This report is about how the KSA takes account of its economic, social and environmental impact in the way it operates as a Movement. By demonstrating our commitment to community social development we aim to align our activities, purpose, and strategy with the needs of our members, whilst embedding such responsible and ethical principles into everything we do.

The elements of this report cover our approach in dealing with our members and the local community principles in an effort to support reducing our energy, transport, water use and other business usage to reduce our carbon footprint and environmental impact.

Environment

Protection on the environment in which we live and operate is part of Kenya Scouts Association's values and principles and we consider it to be sound business practice. Care for the environment is one of our key responsibilities and an important part of the way we work.

During 2016/17, the Association was committed to:

- Complying with all relevant environmental legislation, regulations and approved codes of practice.
- Continued to work with the Government in planting over 50 million trees countrywide.
- Protecting the environment by striving to prevent and minimize our contribution to pollution of land, air and water.
- Managing and disposing of all waste in a responsible manner.
- Providing training for staff so that we all work in accordance within an environmentally aware culture.
- Regularly communicating our environmental performance to our employees and other significant stakeholders.
- Developing our management processes to ensure that environmental factors are considered during planning and implementation.

The National Secretariat will ensure that the Association reduces the environmental impact on the Association by:

- Sourcing and buying locally to save fuel costs wherever possible.
- Ensuring all lights and equipment is switched off when not required.
- Ensuring that water is used efficiently.
- Using scrap paper for drafts and notes
- Printing in mono and double sided wherever possible.
- Sourcing recycled materials wherever possible.

Local Community

The National Scout Board will also ensure that our work with the local community involves:

- Working with and supporting local charities
- Encouraging volunteer work in community activities.

During year 2016/17, a number of initiatives were undertaken within the local community including support in Community projects within Kibera Slums, and allowing the use of the Rowallan Scout playing fields to be used as training grounds by two soccer teams from the same slums.

Responsibility to Stakeholders

The National Executive Committee also ensures that we deal responsibly, openly and fairly with members and potential members by:

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For the year ended June 30, 2018

- Being open and honest about our activities
- We listen to our members to help us improve the Scouting activities.

The operational and ultimate responsibility for the commitment to our community social development lies with the National Scout Board. Every employee of the Association is expected to give their full co-operation to the above principles in their activities at work.



Moses Ochieng Danda
National Executive Commissioner

REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2018 which show the state of the entity's affairs.

Principal activities

The principal activities of the entity continue to be to contribute to the educational development of young people by promoting their intellectual, physical, social, emotional and spiritual wellbeing, equipping them with knowledge, positive attitudes and skills useful to themselves and their communities through a value based on the scout law and promise. The Association also sells uniforms to scouts countrywide.

Results

The results of the entity for the year ended June 30, 2018 are set out on page 1 to 68

Directors

The members of the Board of Directors who served during the year are shown on page vi to viii. During the year 3 directors retired/ resigned and Victor Radido was elected as the new Chief Commissioner with effect from 31st March 2018.

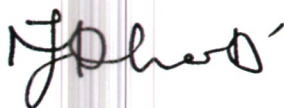
Dividends/Surplus remission

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The entity did not make any surplus during the year as the surplus was not as a result of funds received from the government but generated from its various income generating activities and hence no remittance to the Consolidated Fund.

Auditors

The Auditor General is responsible for the statutory audit of the Association in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of the Association for the year/period ended June 30, 2018 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



Moses Ochieng Danda
National Executive Commissioner
Nairobi.
Date: 12.09.2018

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and (*section 14 of the State Corporations Act*), require the Directors to prepare financial statements in respect of *the Association*, which give a true and fair view of the state of affairs of the *Association* at the end of the financial year/period and the operating results of the *Association* for that year/period. The Directors are also required to ensure that the *Association* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *entity*. The Directors are also responsible for safeguarding the assets of the *Association*.

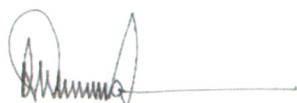
The Directors are responsible for the preparation and presentation of the *entity's* financial statements, which give a true and fair view of the state of affairs of the *entity* for and as at the end of the financial year (period) ended on June 30, 2017. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *entity*; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the *entity*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the *Association's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the State Corporations Act). The Directors are of the opinion that the *Association's* financial statements give a true and fair view of the state of *entity's* transactions during the financial year ended June 30, 2017, and of the *entity's* financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the *entity's* financial statements as well as the adequacy of the systems of internal financial control.

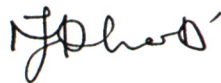
Nothing has come to the attention of the Directors to indicate that the *entity* will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

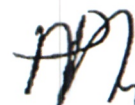
The Association's financial statements were approved by the Board on 25th August 2018 and signed on its behalf by:



Director
Chief Commissioner



Director
National Executive Commissioner



Director
National Treasurer

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
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Website: www.kenao.go.ke

P.O. Box 30084-00100
NAIROBI



OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON KENYA SCOUTS ASSOCIATION FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kenya Scouts Association set out on pages 3 to 40, which comprise the statement of financial position as at 30 June 2018, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and 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 Kenya Scouts Association as at 30 June 2018, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Act of parliament Cap 219 of the Laws of Kenya.

Basis for Qualified Opinion

1.0 Property, Plant and Equipment

1.1 Parcels of Land Without Title Deeds

As reported in the previous year, property plant and equipment balance of Kshs.1,816,961,140 as at 30 June 2018 includes land valued at Kshs.1,663,800,000 as disclosed in note 34 to the financial statements. Included in the figure of Kshs.1,663,800,000 are 14 parcels of land with book values totaling Kshs.78,956,800 located in Nyeri, Muranga, Kiambu, Machakos, Uasin Gishu, Bungoma, Busia, Siaya, Mombasa and Kilifi Counties which do not have title deeds. The particulars of the land parcels and their corresponding values are as tabulated below:

	Land Parcel	Hectares	Location	Value (Kshs.)	Condition
1	Bungoma Scouts Centre	2.08	Bungoma County	3,500,000	Unfenced
2	Busia Camp site	0.41	Busia County	600,000	Fenced
3	Kiambu Kamuchege	1.21	Kiambu	1,200,000	Undeveloped and unfenced
4	Kiambu Scouts Association	0.13	Kiambu County	56,800	Undeveloped and unfenced
5	Kiambu Scouts Center	0.09	Kiambu County	15,000,000	Yet to be determined
6	Kilifi Campsite	0.81	Kilifi County	3,000,000	Developed and fenced
7	Machakos Camp site	4.05	Machakos County	5,000,000	Developed and fenced
8	Miritini Scouts Site	6.31	Mombasa County	24,800,000	Unfenced and Encroached on
9	Muranga Scouts Center	0.30	Muranga County	3,900,000	Fenced
10	Baden Powell Memorial Park and Cemetery	0.75	Nyeri County	14,800,000	Developed and fenced
11	Nyeri Scouts Center	0.32	Nyeri County	3,000,000	Developed but not fenced
12	Kaiyaba Campsite Mathira West	0.21	Nyeri County	1,500,000	Developed and fenced
13	Siaya Scouts Center	0.81	Siaya County	1,000,000	Developed and fenced
14	Uasin Gishu Scouts Center	8.07	Uasin Gishu County	1,600,000	Fenced
	Total	25.55		78,956,800	

Consequently, these parcels of land are at risk of encroachment by squatters and land grabbers.

1.2 Parcels of Land Omitted from the Financial Statements

Further as previously reported the property plant and equipment balance of Kshs.1,663,800,000 excludes undetermined value of twelve (12) parcels of land owned by the Association located in Bungoma, Kericho, Kisumu, Kwale, Laikipia, Machakos, Meru, Nakuru and Nyeri counties as tabulated below. The acreage for some of the parcels is yet to be established.

Land Omitted from the Financial Statements

	Land Parcel	Hectares	Location/ County	Condition
1	Tulienge Scouts Centre	2.83	Bungoma	Unfenced
2	Nyandhiwa Campsite	Undetermined	Homa Bay	Encroached
3	Kipkelion	Undetermined	Kipkelion	Unfenced
4	Kisumu	1.50	Kisumu	Fenced
5	Kwale	Undetermined	Kwale	Unfenced
6	Nanyuki Scouts Center	Undetermined	Laikipia	Unfenced
7	Kyuso Scouts Office	0.25	Machakos	Unfenced
8	Kuami Campsite	40.47	Meru	Unfenced
9	Hyrax Hill Campsite	Undetermined	Nakuru	Unfenced
10	Honi Scouts Campsite	Undetermined	Nyeri	Unfenced
11	Kabiruini Campsite	10.00	Nyeri	Unfenced
12	Nyeri International Scouts Conference Centre	2.09	Nyeri	

Although the management is aware of the above anomaly, no evidence of any steps being taken to value the land was available for audit review. In the circumstances it has not been possible to confirm the accuracy, validity and completeness of property, plant and equipment balance of Kshs.1,816,961,140

2.0 Cash and Cash equivalent

The statement of financial position reflects cash and cash equivalent balance of Kshs.128,063,193 as at 30 June 2018 which includes bank balances totaling Kshs.1,453,443 at Barclays Bank of Kenya and whose certificates of cash balance and bank reconciliation statements as at 30 June 2018 were not available for audit review.

Consequently, the validity and completeness of cash and cash equivalent balance of Kshs.128,063,193 as at 30 June 2018 could not be ascertained.

3.0 Statement of Cash Flows

The statement of cash flows for the year ended 30 June 2018 could not be confirmed as the net increase in cash and cash equivalents of Kshs.39,979,015 differs with the recomputed net increase figure of Kshs.52,743,277 giving an unexplained /unreconciled variance of Kshs.12,764,262. The management has not provided any explanation for the variance. It has therefore not been possible to confirm the accuracy and completeness of the statement of cash flows and the cash and cash equivalent balance for the year ended 30 June 2018.

4.0 Net Profit from Shop

The Statement of Financial Performance reflects Kshs.5,931,860 being net profit from shop as at 30th June 2018. This represents a 62% drop from the previous year's net profit from

shop of Kshs.15,580,875. The Association has explained that the loss was from theft of closing stock. In the circumstances it has not been possible to confirm the accuracy, validity and completeness of net profit from shop figure of Kshs.5,931,860 for the year ended 30 June 2018. Further there is need for the management to re-think on instituting a forensic audit given the status of these financial statement to unearth if any fraudulent activities perpetuated by officers.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Kenya Scouts Association in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, 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.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Qualified Opinion 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.

The audit was conducted in accordance with ISSAI 4000. The standard requires 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 are in compliance, 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, GOVERNANCE AND RISK MANAGEMENT SYSTEMS

Conclusion

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

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and 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 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 (Accrual Basis) and for maintaining effective internal control 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 control, risk management and governance.

In preparing the financial statements, management is responsible for assessing the ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Service or to cease operations, or have no realistic alternative but to do so.

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 are in compliance 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 financial reporting process, reviewing the effectiveness of how the entity 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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. 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 and weakness 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 addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, 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 accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control 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 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

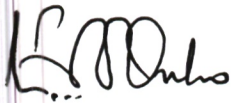
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern . If I conclude that a material uncertainty exists, I

am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Association to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Association to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

09 April 2019

The Kenya Scouts Association
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For the year ended June 30, 2018

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2017-2018	2016-2017
		Kshs	Kshs
Revenue from non-exchange transactions			
Grant from Government	6	77,500,000	96,875,000
Messengers of Peace – WOSM	7	-	1,381,051
Programmes Revenues	8	4,398,933	3,681,978
Training Revenue	9	852,500	-
		82,751,433	101,938,032
Revenue from exchange transactions			
Camps & Sites	10	10,906,609	10,848,939
Sundry Revenue	11	1,284,000	288,000
Extended Scouting Programmes	13	837,596	1,120,608
Net Profit/(Loss) from Shop	12	5,931,860	15,580,875
Total revenue		101,711,498	129,776,454
Expenses			
Programme Expenses	14	13,994,037	9,083,274
Training Expenses	15	4,825,780	3,192,934
Committee & Meetings	17	9,079,661	7,681,800
County Scouts Support	37	1,390,044	895,070
International Events	18	1,914,053	3,470,290
Salaries and Staff Benefits	19	21,932,305	25,566,266
Establishment/ Secretariat	20	8,443,778	18,282,187
Communication & Corporate Affairs	21	2,543,426	2,049,561
Ethics & Awards	22	117,600	5,041,407
Rent & Rates	23	-	2,613,189
Headquarters Expenses for Camps & Sites	24	3,754,996	560,685
Messengers of Peace -WOSM	25	-	760,615
Security & Special Programmes Expenses	26	900,646	-
Projects & Partnerships expenses	27	745,280	-
Camp & Sites Expenses	28	9,133,119	-
Depreciation & Amortization Expense	16	5,433,681	6,910,461
Total expenses		84,208,406	94,762,525
Other gains/(losses)			
Gain on sale of assets	24	-	(4,327,393)
Gain on foreign exchange transactions		-	-
Surplus before tax		17,503,092	39,341,322
Taxation		-	-
Surplus/(deficit) for the period/year		17,503,092	39,341,322
Remission to National Treasury		-	-
Net Surplus for the year		17,503,092	39,341,322

The notes set out on pages 10 to 42 form an integral part of these Financial Statements

The Kenya Scouts Association
Annual Reports and Financial Statements
For the year ended June 30, 2018

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Notes	2017-2018	2016-2017
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	29	128,063,193	92,583,101
Receivables from exchange transactions	30	9,232,052	2,849,921
Receivables from non-exchange transactions	31	585,695	576,301
Inventories	32	10,936,347	22,569,613
County Scouts Support	37	2,893,836	1,503,792
Non-current assets			
Property, plant and equipment	34	1,816,961,140	1,819,765,396
Intangible assets	35	1,763,398	281,997
Total assets		1,970,435,661	1,940,130,121
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	36	16,754,428	2,996,954
Non Expended Grant	38	19,375,000	19,375,000
Total liabilities		36,129,428	22,371,954
Net assets			
General Fund		925,408,132	909,734,623
Revaluation Reserve		1,006,753,186	1,006,753,186
Restricted Fund		2,144,915	1,270,358
Total net assets and liabilities		1,970,435,661	1,940,130,121

The Financial Statements set out on pages 3 to 48 were signed on behalf of the Board of Directors by:

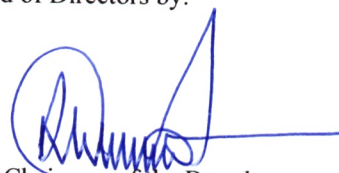


National Executive Commissioner
 Name: Moses O. Danda

Date: 12.09.2018



Head of Finance
 Name: Caroline Muema
 ICPAK Member Number: 10943
 Date: 12.09.2018



Chairman of the Board
 Name: Victor Radido

Date: 12.09.2018

The Kenya Scouts Association
Annual Reports and Financial Statements
For the year ended June 30, 2018

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2018

	Restricted Fund	Revaluation reserve	Fair value adjustment reserve	General Fund	Proposed dividends	Capital/ Development Grants/Fund	Total
At July 1, 2016	1,189,892	6,156,501		871,363,097			878,709,490
Revaluation gain	-	1,001,581,995	-	-	-	-	1,001,581,995
Transfer of excess depreciation on revaluation	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	39,341,322	-	-	39,341,322
Net Movement during the period	80,466	-	-	-	-	-	80,466
Prior Year Adjustment		(985,310)	-	(969,796)	-	-	-
At June 30, 2017	1,270,358	1,006,753,186	-	909,734,623	-	-	1,917,758,167
At July 1, 2017	1,279,358	1,006,753,186	-	909,734,623	-	-	1,917,758,167
Revaluation gain	-	-	-	-	-	-	-
Transfer of excess depreciation on revaluation	-	-	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	17,503,092	-	-	17,503,092
Net Movement during the period	874,557	-	-	-	-	-	874,557
Prior Year Adjustment				(1,829,583)			(1,829,583)
At June 30, 2018	2,144,915	1,006,753,186	-	925,408,132	-	-	1,934,306,233

Note:

- For items that are not common in the financial statements, the entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
- Prior year adjustment should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances need to be done.

The Kenya Scouts Association
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For the year ended June 30, 2018

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

		2017-2018	2016-2017
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Messengers of Peace- WOSM	7	-	1,381,051
Programme Receipts	8	4,398,933	3,681,978
Training Revenue	9	852,500	70,180
Camps & Sites	10	10,906,609	10,848,939
Extended Scouting Programmes	13	2,863,150	2,151,650
Government grants	6	77,500,000	96,875,000
Sundry Revenue	11	1,284,000	288,000
Sale of Scouts Uniforms	12	54,197,948	55,304,668
Cash received from Restricted Fund		1,932,136	1,098,700
Increase in Receivables from Exchange Transactions		6,382,131	9,353,204
Increase/ Decrease in Receivables from Non exchange transactions		(9,394)	(528,665)
Increase/Decrease in Inventories		11,663,265	(2,349,147)
Increase in Payables & Accruals		13,418,203	1,882,510
Decrease in other payables		(104,239)	(2,422,518)
Total Receipts		185,285,242	177,565,370
Payments			
Programme Payments	14	13,994,037	9,083,274
Cost of Materials- ESP	13	1,876,860	1,000,242
Other Expenditure- ESP	13	148,694	30,800
Training Expenses	15	4,825,780	3,192,934
Messengers of Peace- WOSM	25	-	760,615
Committee & Meetings	17	9,079,661	7,681,800
County Scouts Support	37	1,390,044	895,070
International Events	18	1,914,053	3,470,290
Salaries & Staff Benefits	19	21,932,305	25,566,266
Establishment Costs	20	8,443,778	18,282,187
Communication & Corporate Affairs	21	2,543,426	2,049,561
Ethics and Awards	22	117,600	5,041,407
Rent and Rates	23	-	2,613,189
Headquarters expenses for camps & sites	24	3,754,996	560,685
Shop Purchases	12	36,127,310	41,997,784
Shop operating expenses	12	505,512	789,606
Cash Payment from restricted fund		831,102	1,018,234
Security & Special Programmes	26	900,646	-
Projects and partnerships expenses	27	745,280	-
Camps & sites expenses	28	9,133,119	-
Total Payments		118,264,203	124,033,944

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Net cash flows from operating activities		54,256,777	55,531,426
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(2,544,827)	(9,318,435)
Purchase of Intangible Asset		(1,566,000)	
Net cash flows used in investing activities		(4,110,827)	(9,318,435)
Cash flows from financing activities			
Unexpended Grant			19,375,000
Accrued Expenses		(10,166,935)	
Net cash flows used in financing activities		-	19,375,000
Net increase/(decrease) in cash and cash equivalents		39,979,015	65,071,612
Cash and cash equivalents at 1 JULY	26	92,583,101	27,511,490
Cash and cash equivalents at 30 JUNE	26	128,063,193	92,583,102

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STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 30 JUNE 2018

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference
	2017-2018	2017-2018	2017-2018	2017-2018	2017-2018
	Kshs	Kshs	Kshs	Kshs	Kshs
Programme Revenue	18,500,000	-	18,500,000	4,398,933	14,101,067
Training & Development	2,274,000	-	2,274,000	852,500	1,421,500
Projects & Partnerships	22,000,000	-	22,000,000	-	22,000,000
Ethics & Awards	-	-	-	-	-
Camps & Sites	17,910,000	-	17,910,000	10,906,609	7,003,391
County Activities support	10,000,000	-	10,000,000	-	10,000,000
BP Shop Gross Income	30,000,000	-	30,000,000	5,931,860	24,068,140
Grant from Government	77,500,000	-	77,500,000	77,500,000	-
Rental Income-ARO	420,000	-	420,000	420,000	
BP House Rent	900,000	-	900,000	864,000	36,000
Extension Scouting Programmes	-		-	837,596	
Total Revenue	179,504,000		179,504,000	101,711,498	77,792,502
Expenses					
Programme Expenses	26,640,000	-	26,640,000	13,994,037	12,645,963
Training Expenses	15,258,744	-	15,258,744	4,825,780	10,432,964

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Projects & Partnerships expenses	2,565,000	-	2,565,000	745,280	1,819,720
Standards, Quality Assurance and Awards Department	3,000,000	-	3,000,000	117,600	2,882,400
Security & Special Programmes	7,316,000	-	7,316,000	900,646	6,415,354
Camps & Sites	42,182,470	-	42,182,470	9,133,119	33,049,351
Secretariat & Operational Costs	41,305,000	-	41,305,000	30,376,083	10,928,917
Committees and Meetings	5,480,000	-	5,480,000	9,079,661	3,599,661
Communications & Corporate Affairs	10,141,000	-	10,141,000	2,543,426	7,597,574
County Scouts Support	10,000,000	-	10,000,000	1,390,044	8,609,956
BP Land Rates	1,600,000	-	1,600,000	-	1,600,000
BP Shop Expenses	2,698,500	-	2,698,500	-	2,698,500
Headquarters expenses for camps and Sites	-	-	-	3,754,996	3,754,996
Depreciation and Amortization	-	-	-	5,433,681	5,433,681
International Events	4,600,000	-	4,600,000	1,914,053	2,685,947
Total expenditure	172,786,714		172,786,714	84,208,406	88,578,308
Contingency 4%	6,717,284	-	6,717,284		
Surplus for the period	-		-	17,503,092	

Budget notes

1. Provide explanation of differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14
2. Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)
3. Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis (budget is cash basis, statement of financial performance is accrual) provide a reconciliation.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Kenya Scouts Association is established by and derives its authority and accountability from Cap 219 Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to contribute to the educational development of young people by promoting their intellectual, physical, social, emotional and spiritual wellbeing, equipping them with knowledge, positive attitudes and skills useful to themselves and their communities through a value based on the scout law and promise. The Association also sells uniforms to scouts countrywide.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *entity's* accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 32 (a)

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *entity*.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. ADOPTION OF NEW AND REVISED STANDARDS

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2018

Standard	Impact
IPSAS 39: Employee Benefits	<p>Applicable: 1st January 2018</p> <p>The objective to issue IPSAS 39 was to create convergence to changes in IAS 19 Employee benefits. The IPSASB needed to create convergence of IPSAS 25 to the amendments done to IAS 19. The main objective is to ensure accurate information relating to pension liabilities arising from the defined benefit scheme by doing away with the corridor approach.</p> <p>This has not been applicable to the Association as pension is yet to be implemented</p>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 ADOPTION OF NEW AND REVISED STANDARDS (Continued)

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2017

Standard	Effective date and impact:
IPSAS 40: Public Sector Combinations	<p>Applicable: 1st January 2019: The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only) Business combinations and combinations arising from non-exchange transactions which are covered purely under Public Sector combinations as amalgamations.</p> <p>This is not applicable to the Association as it has not been combined with any other entity</p>

iii. Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2018.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

The entity recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions

Rendering of services

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Budget information

The original budget for FY 2017-2018 was approved by the National Assembly on. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of Kshs.4 million on the 2017-2018 budget following the governing body's approval.

The Association's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under note 39 of these financial statements.

a) Taxes

Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 30-year period.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use.

d) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

e) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful life of the intangible assets is assessed as either finite or indefinite.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method
- Finished goods and work in progress: cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

j) Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

The Entity does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contingent assets

The Entity does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

k) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. The Association currently maintains three reserves; General Reserve, Revaluation Reserve and Restricted funds

Changes in accounting policies and estimates

The Association recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

l) Employee benefits

Retirement benefit plans

The Association currently does not provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

n) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

o) Related parties

The Association regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Association, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

p) Service concession arrangements

The Association analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Association recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Association also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

q) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

r) Comparative figures

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

s) 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 June 30, 2018.

5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Association's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. State all judgements, estimates and assumptions made

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Association based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Entity
 - The nature of the asset, its susceptibility and adaptability to changes in technology and processes
 - The nature of the processes in which the asset is deployed
 - Availability of funding to replace the asset
 - Changes in the market in relation to the asset
 - Depreciation rates are as follows;
- | | |
|----------------------------------|-------|
| Building | 2.5% |
| Motor Vehicles | 25% |
| Computers | 30% |
| Furniture, Fixtures and Fittings | 12.5% |
| Equipment and Machinery | 12.5% |
| Amortisation | 30% |

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It is important to note that assets are depreciated on a reducing balance method. Assets are not depreciated in the year of acquisition.

6 GRANT FROM THE GOVERNMENT

Description	2017-2018	2016-2017
	KShs	KShs
Government Grant	77,500,000	96,875,000
Total	77,500,000	96,875,000

This is a grant received from the government.

7 PARTNER'S CONTRIBUTION

Description	2017-2018	2016-2017
	KShs	KShs
Messengers of Peace-WOSM	-	1,381,051
Total	-	1,381,051

This is an activity funded by World Organization of Scouting Movement to promote peace. This year, the Association did not receive the funding

8 PROGRAMMES REVENUE

Description	2017-2018	2016-2017
	Kshs	Kshs
Youth Program Certificates	720,430	837,210
Competition fees	1,425,380	303,000
Founderee & Centenary	1,717,850	510,000
Registration	535,273	1,961,588
Total	4,398,933	3,681,798

This is revenues raised from mentioned activities and events for programme departments

9 TRAINING REVENUE

Description	2017-2018	2016-2017
	KShs	KShs
Wood badge & ALT Receipts	612,600	-
Training Certificates	239,900	-
Total	852,500	-

This is revenues raised from mentioned activities and events for training departments

10 CAMPS & SITES REVENUES

Description	2017-2018	2016-2017
	KShs	KShs
Embu	7,505,382	7,404,171
Kilifi Camp	-	20,000
Rowallan Camp	3,163,252	3,312,670
Machakos Camp	-	111,400
Nyeri Camp	237,975	698
Total	10,906,609	10,848,939

These are revenues collected from various camps for picnics, camping, and hire of ground for events in all the above camps.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 SUNDRY REVENUES

Description	2017-2018	2016-2017
	KShs	KShs
BP House rent	1,284,000	288,000
Total	1,284,000	288,000

This is rental income earned from BP House and Africa Regional Office. There is one tenant and the Scouts Shop

12 NET PROFIT FROM SCOUTS SHOP

Description	2017-2018	2016-2017
	KShs	KShs
Sales of Scouts Uniforms & Camping Gears	54,197,948	55,304,668
Cost of Sales		
Opening Stock	22,569,613	19,506,016
Add: Purchases	36,127,310	41,997,784
Less: Closing Stock	(10,936,347)	(22,569,613)
Gross Profit	6,437,372	16,370,481
Less: Operating Expenses	(505,512)	(789,606)
Net Profit/(Loss)	5,931,860	15,580,875

This is income from sale of scouting merchandise during the year. This includes scouts uniforms and camping gears

13 EXTENDED SCOUTING PROGRAMMES(ESP)

Description	2017-2018	2016-2017
	KShs	KShs
Sales	2,863,150	2,151,650
Cost of sales: Materials	(1,876,860)	(1,000,242)
Expenses: Operating costs	(148,694)	(30,800)
Net Profit	837,596	1,120,608

This is revenue from the production department that tailors all scarfs that are sold as part of the scouts uniforms. Operating costs include production staff wages and repair costs of the machines.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

14 PROGRAMME EXPENSES

Description	2017-2018	2016-2017
	KShs	KShs
Certificates	2,659,020	776,500
Competitions	4,676,305	2,386,823
Founderee	1,460,120	690,800
Jamboree	244,000	347,867
National Youth Forum	252,875	427,004
Work Camp & Service Week	349,500	280,180
ESP Camp	174,820	121,200
Workshops and Conferences	-	3,509,700
National Day Celebrations	51,600	86,000
Gifts & Donations	-	457,200
Data Entry	73,857	-
Program Material Review	228,500	
Patrol Leader Training	1,417,240	
Brass Band	1,907,700	
IUC Moot	498,500	
Total	13,994,037	9,083,274

15 TRAINING EXPENSES

Description	2017-2018	2016-2017
	KShs	KShs
Woodbadge Training	1,172,780	1,872,734
Training for trainers	1,259,800	1,320,200
Finance for non-finance managers training	343,200	-
Induction	2,050,000	-
Total	4,825,780	3,192,934

16 DEPRECIATION AND AMORTIZATION EXPENSE

Description	2017-2018	2016-2017
	KShs	KShs
Property, plant and equipment	5,349,082	6,064,469
Intangible assets	84,599	845,992
Investment property carried at cost	-	-
Total	5,433,681	6,910,461

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17 COMMITTEES & MEETINGS

Description	2017-2018	2016-2017
	KShs	KShs
Annual General Meeting	2,101,960	1,835,500
Special General Meeting	-	1,551,850
Management & Strategy Planning	393,400	514,500
National Scouts Board	2,235,104	1,245,000
Programme Committee	151,600	332,710
Taskforce Committee	120,500	683,642
Camps & Sites	-	218,520
Embu Centre	-	18,000
Consultative Meetings	-	258,808
National Youth Committee	-	165,920
Training Committee	136,200	167,200
Adult Resources Committee	941,249	31,650
County Forum	2,131,848	574,500
Ethics Committee Meeting	-	72,300
Projects & Partnerships	-	11,700
Audit & Risk Committee	47,550	
Executive Committee	435,750	
County Youth Rep Meeting	300,100	
Finance Committee Meeting	18,200	
Scouts Shop Meeting	24,600	
Technical Committee Meeting	41,600	
County Committee Meeting	-	
Total	9,079,661	7,681,800

18 INTERNATIONAL EVENTS

Description	2017-2018	2016-2017
	KShs	KShs
International Events	1,914,053	3,470,290
Total	1,914,053	3,470,290

19 SALARIES & STAFF BENEFITS

Description	2017-2018	2016-2017
	KShs	KShs
Salaries & wages	17,175,490	18,450,749
Gratuity Payments	-	2,163,630
Medical Expenses	3,478,314	3,336,160
Staff Welfare	1,114,951	1,415,727
Other Staff Expenses	163,550	200,000
Total	21,932,305	25,566,266

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

20 ESTABLISHMENT/SECRETARIAT EXPENSES

Description	2017-2018	2016-2017
	KShs	KShs
Transport	-	249,601
Communication costs	551,500	691,262
Postage & Courier	412,658	405,592
Office Stationery	446,034	284,164
Printing & Reproduction	199,602	881,412
Subscription fees to WOSM	520,500	522,500
Utilities	1,265,976	2,582,052
Bank & Mpesa Charges	82,136	298,131
Audit costs	-	958,981
Professional Fees	377,250	1,080,853
Repairs & Maintenance	919,059	2,860,225
Vehicle Expenses	1,372,366	1,306,661
Cleaning & Sanitation	147,825	161,882
Hotel Expenses	800,250	3,905,541
Chief Scout/ Commissioner	320,000	271,800
Embu County Share from the Centre	-	395,426
Insurance	548,938	306,394
Retreat	-	700,000
Land Documentation costs	94,282	143,400
Monitoring & Evaluation	373,500	-
Benevolent Expenses	-	-
Asset Tagging	11,902	-
Total	8,443,778	18,282,187

21 COMMUNICATION & CORPORATE AFFAIRS

Description	2017-2018	2016-2017
	KShs	KShs
Advertisement	285,360	105,335
ASK Show	321,000	125,000
Software/ICT	118,200	871,222
Website Maintenance	242,000	264,000
Documentary	-	27,000
Annual Financial Report	-	177,750
Signage	250,000	33,060
Internet	676,686	446,194
Bulk SMS	60,080	-
Printing & Production	359,500	-
IT Maintenance	114,500	-
IEC Materials	12,000	
ERP Training	34,100	
Event Coverage	70,000	
Total	2,543,426	2,049,561

NOTES TO THE FINANCIAL STATEMENTS (Continued)

22 ETHICS & AWARDS COSTS

Description	2017-2018	2016-2017
	KShs	KShs
Patron's day and Awards	-	1,480,000
Elections & Inductions	117,600	3,561,407
Total	117,600	5,041,407

23 RENTS AND RATES

Description	2017-2018	2016-2017
	KShs	KShs
Land Rates	-	2,613,189
Total	-	2,613,189

24 HEADQUARTERS EXPENSES FOR CAMPS & SITES

Description	2017-2018	2016-2017
	KShs	KShs
Siaya Classroom	-	500,000
Kilifi Support	74,000	60,685
Machakos Scouts Centre	1,139,900	-
Busia Fence	38,750	-
Kakamega Shop Repairs	739,075	-
Rowallan Camp	204,400	-
BP Shop	1,558,871	-
Total	3,754,996	560,685

25 MESSENGERS OF PEACE-WOSM

Description	2017-2018	2016-2017
	KShs	KShs
Messengers of Peace	-	760,615
Total	-	760,615

26 SECURITY & SPECIAL PROGRAMS

Description	2017-2018	2016-2017
	KShs	KShs
Capacity Building	123,190	-
Safety & Security	687,156	-
Twinning Activities & Work Camp	90,300	-
Total	900,646	-

27 PROJECTS & PARTNERSHIPS EXPENSES

Description	2017-2018	2016-2017
	KShs	KShs
Tailoring	745,280	-
Total	745,280	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

28 CAMPS & SITES EXPENSES

Description	2017-2018	2016-2017
	KShs	KShs
Embu Centre	6,426,104	-
Rowallan Camp	2,291,278	
Nyeri Centre	415,737	
Total	9,133,119	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

29 CASH AND CASH EQUIVALENTS

Description	2017-2018	2016-2017
	KShs	KShs
Current account	90,186,394	70,985,360
Others(Specify)		
Cash in Transit		
Safaricom –Mpesa	37,876,799	21,597,741
Total cash and cash equivalents	128,063,193	70,985,360

(The amount should agree with the closing and opening balances as included in the statement of cash flows)

29 (a). DETAILED ANALYSIS OF THE CASH AND CASH EQUIVALENTS

Financial institution	Account number	2017-2018	2016-2017
		KShs	KShs
a) Current account			
Barclays Bank	0821086558	512,699	524,536
Equity Bank Operations	1170299559323	(4,771,639)	2,787,809
Equity Bank Main	1510260829573	66,186,240	47,325,795
I & M Bank	00200081541201	949,480	573,416
KCB US Dollar	1112620192	217,136	250,612
KCB Moot I	1108788971	467,504	252,969
Centre & Camps Accounts			
Embu Centre, Equity Bank	1510262146188	2,149,057	2,968,244
Kilifi Centre, Equity Bank	1510262196329	4,054	4,054
Machakos Centre, Equity Bank	1510262146295	-2,441	34,936
Rowallan Camp, Equity Bank	1510262213835	5,973,223	3,810,167
Siaya Centre, Equity Bank	1510262146312	31,700	31,700
Nyeri Centre, Equity Bank	1510262146255	221,583	301,858
Miritini Centre, Equity Bank	1510263534201	1,680,882	1,680,882
USD Account Equity	1510263534342	48,503	48,900
Shop Accounts			
Barclays Bank	0821086582	940,744	940,744
Equity Bank	1510260829601	13,815,356	7,670,478
Equity Agency	0240260966845	5,496	17,486
Equity Agency	0242260966777	115,410	115,410
County Scouts Accounts			
Equity Bank Moi Ave.	0470299631441	8,312	892,452
Equity Bank Digo Rd.	X0460260829332	23,090	16,900
Equity Bank Ukunda	0440299855857	145,550	1,030
Equity Bank Kilifi	X1060260558291	1,893	2,488
Equity Bank Hola	1210261728682	73,974	-353
Equity Bank Voi	X0790199841491	135,692	85,692
Equity Bank Marsabit	1010263753429	-486	-486
Equity Bank Meru	X0140299676919	390	950

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Equity Bank Embu	X0190260582809	104,064	275,414
Equity Bank Mwingi	X0590299807418	177,568	178
Equity Bank Machakos	X0600299440683	113,052	-186
Equity Bank Makueni	X0670260526282	5,411	5,411
Equity Bank Nyeri	X0110299412126	476	139,215
Equity Bank Kerugoya	X0100261501981	2,425	90
Equity Bank Kenol	0890299866034	230	5
Equity Bank Kiambu	X0640299879876	1,220	21,605
Equity Bank Tharaka Nithi	0210260531258	486	-246
Equity Bank Lodwar	X0990299794598	65,165	5,955
Equity Bank Kitale	X0330299803872	48,968	-445
Equity Bank Eldoret	X1090299732441	51,663	1,093
Equity Bank Marakwet	1530262518517	135	135
Equity Bank Nandi	X0490160498135	174	-57
Equity Bank Laikipia	X0270299893639	51,478	1,478
Equity Bank Kenyatta Ave.	X0310299799759	54,661	4,771
Equity Bank Kilgoris	X1230260686584	-66	760
Equity Bank Kajiado	0470299821797	453	978
Equity Bank Kericho	X0280260575592	945	1,690
Equity Bank Bomet	X1220260596882	97,283	53
Equity Bank Kakamega	X0500199795563	9,942	182
Equity Bank Bungoma	0480299890183	73,887	133
Equity Bank Busia	X0780299736496	1,073	1,230
Equity Bank Siaya	X0970299806239	1,275	44,595
Equity Bank Kisumu	X0290299600596	96,547	902
Equity Bank Homa Bay	X0980299806473	1,198	225
Equity Bank Migori	1160299798021	986	1,883
Equity Bank Kisii	X0510299806612	41,041	4,420
Equity Bank Nyamira	0520161101153	-360	-360
Equity Bank Nyahururu	X0160299855276	5,161	-326
Equity Bank Kapenguria	X1070299789412	99,728	268
Equity Bank Eldama Ravin	X1310299841416	-343	-256
Equity Bank Mbale	X0960199833363	15,185	1,905
Equity Bank Wajir	1030276350845	16,085	471
Equity Bank Garissa	0580293219628	86	
Equity Bank Samburu	1100274807485	560	
Equity Bank Isiolo	0410164363979	114,431	
b) Others(specify)			
Cash in transit			
Cash in hand			132,599
M pesa		37,876,799	21,597,741
Sub- total			
Grand total		128,063,193	92,583,101

NOTES TO THE FINANCIAL STATEMENTS (Continued)

30 RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2017-2018	2016-2017
	KShs	KShs
Current receivables		
BP Shop Debtors	6,653,585	2,649,921
Receivables from Bosco Sombe	200,000	200,000
Prepaid Insurance- APA Insurance	1,730,684	-
BP House Rent	647,784	-
Total	9,232,052	2,849,921

31 RECEIVABLES FROM NON-EXCHANGE CONTRACTS

Description	2017-2018	2016-2017
	KShs	KShs
Staff Salary Advances	585,695	576,301
Total	585,695	576,301

32 INVENTORIES

Description	2017-2018	2016-2017
	KShs	KShs
Rowallan Main Store	7,730,681	16,534,815
Tailoring Unit	1,209,100	2,160,590
BP Shop	1,996,566	3,874,208
Total	10,936,347	22,569,613

33 RESTRICTED FUNDS

Details	Balance as at 1.07.2017	Transfers	Payments	Balance as at 31.06.2018
BBK ESP A/C 0821086558	515,378	-	2,679	512,699
I & M Bank A/C 0020008154120	253,550	695,930	-	949,480
KCB Dollar A/C 1112620192	250,366	-	-	250,366
KCB Moot A/C 1108788971	252,968	1,236,206	1,021,670	467,504
KCB Moya A/C 1112039279	(1,904)	-	-	(1,904)
	1,270,358	1,932,136	1,057,579	2,144,915

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

34 PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Capital Work in progress	Total
Cost	„Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
At 1 July 2016	687,756,800	132,996,250	5,746,500	4,918,390	1,187,700	906,310	8,184,170	848,510,608
Additions	-		4,990,000	85,000	1,077,185	-	3,166,250	9,318,435
Disposals	-		-	-	-	-	-	-
Transfers/adjustments	-		-	(985,310)	-	-	-	-
Revaluation Gain/Loss	976,043,200	25,203,750						
At 30th June 2017	1,663,800,000	158,200,000	10,736,500	4,018,080	2,264,885	906,310	11,350,420	1,851,276,195
Additions			-	618,000	224,415	1,702,412	-	2,544,827
Disposals								
At 30th June 2018	1,663,800,000	158,200,000	10,736,500	4,636,080	2,489,300	2,608,722	11,350,420	1,853,821,022
Depreciation and impairment								
At 1 July 2016		(18,621,417)	(2,745,387)	(1,985,516)	(4,087,709)	(2,333,694)	(-)	(29,773,724)
Depreciation		(3,489,465)	(1,997,778)	(254,070)	(323,156)	(-)	(-)	(6,064,469)
Impairment		-	-	-	(2,900,009)	(1,427,384)	-	(4,327,393)
At 30 June 2017		22,110,882	4,743,165	2,239,586	1,510,856	906,310	-	31,510,800
Depreciation		(3,402,228)	(1,498,334)	(222,312)	(226,209)	(-)	(-)	(5,349,082)
Disposals	-		-	-	-	-	-	-
Transfer/adjustment	-		-	-	-	-	-	-
At 30th June 2018		25,513,110	6,241,499	2,461,898	1,737,065	906,310	-	36,859,882
Net book values								
At 30th June 2018	1,663,800,000	132,686,890	4,495,001	2,174,182	752,235	1,702,412	11,350,420	1,816,961,140
At 30th June 2017	1,663,800,000	136,089,118	5,993,335	1,778,494	754,029	-	11,350,420	1,819,765,396
<i>[Include brief description of WIP as a footer]</i>								

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

35 INTANGIBLE ASSETS-SOFTWARE

ERP System	2017/2018	2016/2017	2015/2016	2014/2015
	KSHS	KSHS	KSHS	KSHS
Cost at the beginning of the period	2,819,973	2,819,973	2,819,973	2,819,973
Additions	1,566,000	-	-	-
Cost at period end	4,385,973	2,819,973	2,819,973	2,819,973
Accumulated Amortisation	2,537,976	1,691,984	845,992	
Charge for the year	84,599	845,992	845,992	845,992
NBV at period end	1,763,398	281,997	1,127,989	1,973,981

36 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2017-2018	2016-2017
	KShs	KShs
PCEA Jitegemee Press	-	59,400
Nairobi Water Company	-	35,818
June 2018 Salaries	1,566,979	
County Scouts grant	8,609,956	
Gundie Auto Services	35,010	
KK Security	37,660	
G4S Kenya Ltd	74,705	
Soloh Worldwide Inter Enterprises	220,000	
Tambour Tech Ltd	225,110	
Capital One Technology	145,000	
Rowallan Scouts Shop	1,118,766	
Office of Auditor General	565,000	565,000
Kenya Revenue Authority	-	104,239
Shop Accounts Payables		
Jomack Crafts	2,294,730	117,640
Ankar Textile	-	427,054
Muasons Enterprises	-	91,000
Equator Apparels Ltd	-	20,400
Trendy Link Ltd	-	458,068
Mt. Kenya Sardine	310,100	209,860
Joska Metal Works	1,075,000	247,000
Embu Scouts Centre Payables		
Mellabe Ent	50,280	20,710
Mary Mueni	-	22,100
Lorna Wanjiru	-	12,000
Samuel Munene	5,200	3,900
BP Scouts Shop		417,287
Bertha Supplies	136,500	50,750

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Rens Enterprises	58,420	46,455
Jatomy Enterprises	87,472	63,952
Dimospa Security	13,000	2,157
Harriet Nyaga	-	3,800
Orange Telkom	-	12,064
NHIF	-	6,300
Edith Njura	26,040	-
Graceland Dairy	10,800	-
Della Terror Ventures	23,500	-
Best Eastern	9,200	-
Vipcom Investments	66,000	-
Office of the Auditor General	565,000	
Total trade and other payables	16,754,428	2,996,954

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37 COUNTY GRANT

County Grant Support			
	Opening Balance -1st July 2017	Supported During the year	Closing Balance
Name	Kshs	Kshs	Kshs
Baringo County	15,131	-	15,131
Bomet County	-	-	-
Bungoma County	-	73,574	73,574
Busia County	55,188	121,043	176,231
Embu County	-	-	-
Garisa County	110,500	13,895	124,395
Homa Bay County	-	39,273	39,273
Isiolo County	20,000	14,541	34,541
Kajiado County	124,260	38,000	162,260
Kakamega County	-	310,000	310,000
Kericho County	100,000	-	100,000
Kiambu County	-	-	-
Kilifi County	7,400	57,510	64,910
Kirinyiga County	136,170	-	136,170
Kisii County	59,032	47,611	106,643
Kisumu County	-	146,700	146,700
Kitui County	43,055	10,000	53,055
Kwale County	-	20,700	20,700
Laikipia County	-	-	-
Machakos County	-	13,500	13,500
Makueni County	38,600	-	38,600

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Marakwet County	-	-	-
Marsabit County	-	-	-
Meru County	-	-	-
Migori County	-	45,253	45,253
Mombasa County	15,075	36,960	52,035
Muranga County	-	-	-
Nairobi County	-	279,300	279,300
Nakuru County	-	-	-
Nandi County	-	-	-
Narok County	111,600	-	111,600
Nyamira County	108,750	-	108,750
Nyandarua County	41,353	55,000	96,353
Nyeri County	129,102	-	129,102
Siaya County	17,830	-	17,830
Taita Taveta County	95,221	-	95,221
Tana River County	-	23,814	23,814
Tharaka Nithi County	53,585	-	53,585
Trans - Nzoia County	-	-	-
Turkana County	41,500	9,430	50,930
Uasin Gishu County	60,440	-	60,440
Vihiga County	70,000	33,940	103,940
West Pokot County	50,000	-	50,000
	1,503,792	1,390,044	2,893,836

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

38 NON EXPENDED GRANT

Description	2017-2018	2016-2017
	KShs	KShs
Non expended Grant	19,375,000	19,375,000
Total	19,375,000	19,375,000

39 RELATED PARTY BALANCES

Nature of related party relationships

Entities and other parties related to the entity include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

Government of Kenya

The Government of Kenya is the principal shareholder of the *entity*, holding 100% of the *entity's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

- i) The National Government;
- ii) The Parent Ministry;

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

40 RELATED PARTY BALANCE (Continued)

Government of Kenya (Continued)

- iii) Key management;
- iv) Board of directors;

	2018	2017
	Kshs	Kshs
Transactions with related parties		
a) Sales to related parties		
Sales of goods to xxx	-	-
Sales of services xxx	-	-
Total	-	-
b) Grants from the Government		
Grants from National Govt	77,500,000	96,875,000
Grants from County Government	-	-
Donations in kind	-	-
Total	77,500,000	96,875,000
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for xxx employees	-	-
Payments for goods and services for xxx	-	-
Total	-	-
d) Key management compensation		
Directors' emoluments	-	-
Compensation to the CEO	-	-
Compensation to key management	-	-
Total	77,500,000	96,875,000

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

41 SEGMENT INFORMATION

The Association has the following camps and centres

- a. Rowallan Camp
- b. Embu Scouts Centre
- c. Siaya Camp
- d. Machakos Camp
- e. Kilifi Camp

The revenues and expenses from this centres have been included in the report.

42 CAPITAL COMMITMENTS

Capital commitments	2017-2018	2016-2017
	Kshs	Kshs
Authorised for	12,000,000	6,000,000
Authorised and contracted for	3,000,000	2,000,000
Total	15,000,000	8,000,000

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised by the board but at the end of the year had not been contracted or those already contracted for and ongoing)

43 EVENTS AFTER THE REPORTING PERIOD

There were no material adjusting and non- adjusting events after the reporting period.

44 ULTIMATE AND HOLDING ENTITY

The entity is a Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

45 CURRENCY

The financial statements are presented in Kenya Shillings (Kshs).

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APPENDIX 1: 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. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.1	Parcels of land without title Deeds	Have a taskforce constituted to pursue land documentation	Moses Danda NEC	Not Resolved	In 3 Years
1.2	Parcels of land omitted from financial statements	The Taskforce in collaboration with county scouts commissioners to pursue land documentation	Moses Danda NEC	Not Resolved	In 2 Years
2	Statement of Cash flows	This will be rechecked to ascertain where the challenge is and have it corrected.	Caroline Muema	Not Resolved	1 Year

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.

(Chief Commissioner)
Chairman of the Board

Date:12.09.2018

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APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY

Projects

Projects implemented by the State Corporation/ SAGA Funded by development partners

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1						
2						

The Association did not have any funded projects during the year under review

Status of Projects completion

(Summarise the status of project completion at the end of each quarter, ie total costs incurred, stage which the project is etc)

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1							
2							
3							

The Association did not have any funded projects during the year under review

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APPENDIX III: INTER-ENTITY TRANSFERS

ENTITY NAME:				
Break down of Transfers from the State Department of Ministry of Education				
FY 17/18				
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			-	
		-	-	
		-	-	
		Total	-	
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			-	
		Total	-	
c.	Direct Payments			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	Quarter 1	18/09/2017	19,375,000	2017/2018
	Quarter 2	08/12/2017	19,375,000	2017/2018
	Quarter 3	23/03/2018	19,375,000	2017/2018
	Quarter 4	09/05/2018	19,375,000	2017/2018
		Total	77,500,000	
d.	Donor Receipts			
		<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>	<u>Indicate the FY to which the amounts relate</u>
			-	
			-	
			-	
		Total	-	

The above amounts have been communicated to and reconciled with the parent Ministry

Finance Officer
The Kenya Scouts Association

Head of Accounting Unit
Ministry

Sign -----

Sign-----