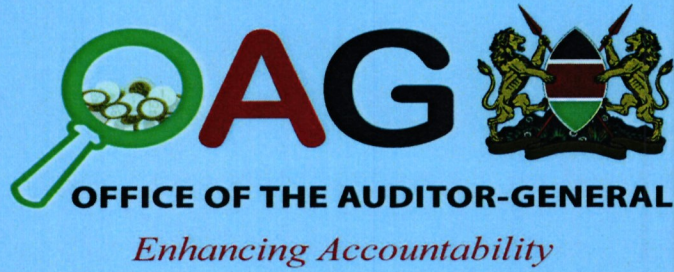
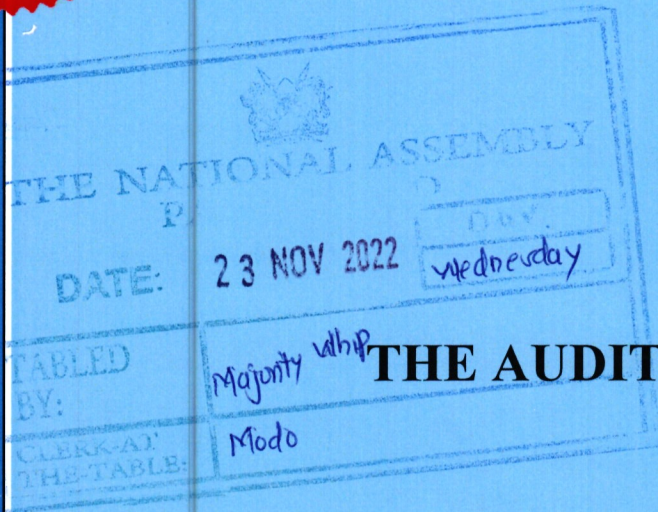
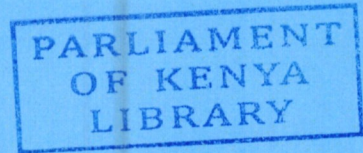


REPUBLIC OF KENYA



# REPORT



OF

**THE AUDITOR-GENERAL**

ON

**THE KENYA SCOUTS ASSOCIATION**

**FOR THE YEAR ENDED  
30 JUNE, 2021**



**THE KENYA SCOUTS ASSOCIATION**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDING  
30<sup>TH</sup> JUNE, 2021**

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

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**1. KEY ASSOCIATION 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.

**Vision**

Creating a Better World.

**Mission**

Educating young people to play a constructive role in society.

**Purpose**

To contribute to the development of young people in achieving their full physical, intellectual, emotional, spiritual and social potentials, and character formation; equipping them with knowledge skills and positive attitudes useful to themselves and their local, national and international communities.

**Core Values of the Organization**

Our Strength lies in the fundamental Principles of Scouting found in the Scout promise and law:

**(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

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**KEY ASSOCIATION INFORMATION AND MANAGEMENT (Continued)**

**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2021 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	National Executive Commissioner	Moses Jonathan Ochieng
3.	Head of Procurement	Brian Koech
4.	Head of Internal Audit	Gladys Njigo
5.	Head of Programmes	Daisy Achieng
6.	Head of Training	Peter Mwema
7.	Head of Projects & Partnerships	Patrick Wambua
9.	Head of Communications & IT	Risper Omala
10.	Head of Scouts Shop	Fred Mosaisi

**(e) Fiduciary Oversight Arrangements**

Name of the Committee	Members
Board Executive Committee	<ol style="list-style-type: none"> <li>1. Lydia Kiburu (Chair)</li> <li>2. Antony Gitonga - Member</li> <li>3. Moses Jonathan Ochieng - Secretary</li> <li>4. Agnes Gatere - Member</li> <li>5. David Ole Nanyokie - Member</li> </ol>
Board Finance Committee	<ol style="list-style-type: none"> <li>1. Antony Gitonga - Chair</li> <li>2. CPA Lennox Jalango - Member</li> <li>3. Desmond Chepkwony - Member</li> <li>4. Maurice Odindo - Member</li> <li>5. Joyce Jowi-Ag. Secretary</li> </ol>
Board Audit and Risk Committee	<ol style="list-style-type: none"> <li>1. Wilson Outa - Chair</li> <li>2. Ruth Mutisya - Member</li> <li>3. Caleb Otuoma - Member</li> <li>4. Gladys Njigo - Secretary</li> <li>5. CPA Samuel Oyombra - Member</li> </ol>
Board Camps and Centres Committee	<ol style="list-style-type: none"> <li>1. Maurice Odindo - Chair</li> <li>2. George Wagaya - Member</li> <li>3. Joyce Kwmboka-Member</li> <li>4. Desmond Chepkwony-Member</li> <li>5. Youth Programme team nominee</li> <li>6. Doris Muchiri - Secretary</li> </ol>
Board Technical Committee	<ol style="list-style-type: none"> <li>1. Anthony Gitonga - Chair</li> <li>2. George Wagaya - Member</li> <li>3. Youth Programme team nominee</li> <li>4. David Ole Nanyokie - Member</li> <li>5. Peter Mwema/Daisy Achieng - Joint Secretaries</li> </ol>

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**KEY ASSOCIATION INFORMATION AND MANAGEMENT (Continued)**

- (f) **Association Headquarters**  
P.O Box 41422-00100  
Rowallan Scouts Camp,  
Jamhuri Park, Kibera Drive,  
Nairobi, Kenya
- (g) **Association Contacts**  
Telephone: (254) 2020819  
Email: [info@kenyascouts.org](mailto:info@kenyascouts.org)  
Website: <http://kenyascouts.org/>
- (h) **Association 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) ABSA  
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




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**2. THE BOARD OF DIRECTORS/COUNCIL**









**NATIONAL SCOUT BOARD**

	Photo, Name and Title	Profile
1.	 <b>Victor Owuor Radido</b> Chief Commissioner Board Chairman	DOB: 1982 Level of Ed.: University Degree Speciality: IT Entrepreneur, Kisumu County Length of service: 4 Years
2.	 <b>Ms Lydia Kiburu</b> Deputy Chief Commissioner Chairman, Board Executive committee	DOB: 1969 Level of Ed.: University Degree Speciality: Communications Managing Director, Digital Communications, Equity Bank Ltd Length of Service: 7 Years
3.	 <b>Mr Moses Jonathan Ochieng</b> National Executive Commissioner Board Secretary	DOB: 1965 Level of Ed.: University Degree Speciality: Education Administration Length of service: 7 Years
4.	 <b>Mr. Maurice Odindo</b> Member	DOB: 1962 Level of Ed.: University Degree Speciality: Education School Head Teacher, TSC Length of service: 5 Years
5.	 <b>Mr. Anthony Gitonga</b> Member, International Commissioner, Ag. National Treasurer/Chair, Finance Committee	DOB: 1988 Level of Ed.: University Degree Speciality: Communications Senior Communications practitioner, Bayer EA. Length of Service: 5 Years
6.	 <b>Mr. Caleb Musa</b> Member	DOB: 1958 Masters Speciality: Religious Studies Curriculum Support Officer, Teachers' Service Commission, Kakamega County. Length of service: 4 Years
7.	 <b>Mr. Wilson Rading Outa</b> Member, Legal Adviser	DOB: 1982 Master's Degree Speciality: Law Judicial Officer, Milimani Law Courts Length of Service: 5 Years
8.	 <b>Agnes Gatere</b> Member	DOB: 1963 Level of Ed.: Masters Speciality: Strategic Management Deputy Director Administration, Teachers Service Commission HQ Length of service: 4 Year
9.	 <b>Anne Musalia</b> Member	DOB: 1962 Level of Ed: Masters Speciality: Education Director, Special Needs Education, State department of Early Learning & Basic Education, Ministry of Education. Length of service: 4 Years

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10.		David Ole Nanyokie Member	DOB: 1964 Level of Ed: Diploma Speciality: Education Serving teacher, TSC Length of Service: 4 Years
11.		George Wagaya Member	DOB: 1981 Level of Ed: University Degree Speciality: Theology Clergy, Salvation Army, Western Kenya Length of Service: 1 year
12.		Joyce Kwamboka Member	DOB: Level of Ed: Speciality: Length of Service: 1 year

**3. MANAGEMENT TEAM**

	Moses Jonathan Ochieng - National Executive Commissioner University Graduate, Specialized in Education	Oversees the management of the Secretariat as a whole
	Peter Mwema - HoD Training Bachelor of Arts Education	In charge of Adult in Scouting
	Gladys Njigo - Internal Auditor Masters of Science (Finance ), BCoM (Finance) and CPAK	In charge of Internal Audit
	Irene Musyoka-Human Resource Officer	In charge of Internal Audit
	Risper Omala - HoD Communication and IT Degree- Communications & Marketing	In charge of Communication and IT
	Fred Mosaisi - Shops Manager Bachelor of Commerce (Finance)	In charge of Scouts Shops
	Patrick Wambua - HoD Resource Mobilization and Projects	In charge of Resource Mobilisation, Projects and Partnerships
	Daisy Achieng-HoD Youth Programme	In charge of Youth programme

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**4. CHAIRMAN'S STATEMENT**

It is always a time of great joy for me when I stand to give a report to the Kenya Scouts Council regarding the progress of our great Association. It is usually a joyous moment because I am comforted by the fact that I have been blessed with a team that works tirelessly and passionately to grow the Association from strength to strength. It is also a great moment for me because this is that one opportunity in the year that I get to meet all the people who cause the work to be done across the country – our dear members of the county executive committee, so that we can converse about nothing else but the future of the Association and therefore that of the Kenyan child.

The theme this year is *"Scouting Promoting Innovation and Technology"*

We have never known how much it is critical to be innovative, creative, resilient, and innovative and how importantly we should embrace technology until COVID-19 rudely set in to remind us. That is why we set a theme that will remind us that whatever we do this year we must be innovative and must embrace technology in all ways that it will support us to achieve our aims and objectives. We want to rely on technology for membership growth, in how we enable our Scouts to access the scout program materials, in the training of our adult leadership, in financial prudent management, in general institutional governance and in communication.

In 2018 we launched a triennial plan whose success was to be evaluated by the extent at which we:

- a. Managed sustainable membership growth for both Scouts and adults in scouting.
- b. Increased accessibility of the youth programme to the Scouts.
- c. Accurately portrayed the Association's profile as the country's leading youth movement in what it does and why, as reflected in its shared values.
- d. Addressed the SDGs and Kenya Vision 2030 and to what extent we related to the WOSM triennial plan.
- e. Scouting impacted in the community by addressing socio-cultural and environmental issues in the community.

My report will therefore be highlights of our success in implementing this plan in regard to the five key focus areas. The details of the same are in the score card that is in the next part of the annual report.

**Governance**

To effectively serve our mandate we endeavoured to put in place a sustainable and effective good governance and management system that reflects best practices. Our constitution marks out the decision making organs i.e. the Kenya Scout Council, the National Scout Board, the Secretariat and the devolved units led by County Executive Committees. The success of the Association greatly depends on the extent at which these organs play their role effectively and efficiently. The national Scout Board constituted other Board committees with delegated powers so that it can perform most efficiently. These were:

- a. Board Executive Committee
- b. Board Finance Committee
- c. Board Audit and Risk Committee
- d. Board Technical Committee
- e. Board Camps and Sites Committee

**Social and Environmental Impact**

Scouting becomes relevant only to the extent at which it impacts the communities. I want to report that the Association has continued to engage with the community in various activities that are of significance to them. The Scouts all over the country have always ensured they conserve the environment through tree planting. Responding to a directive by the Patron, H.E the President of the Republic of Kenya the Scouts embarked on massive growing and nurturing of tree seedlings for distribution to the rest of the community who have places to plant the trees. Over 2 million seedlings were grown and distributed in Kilifi, Kajiado, Homa Bay, Siaya, Bungoma, Machakos, busia, and Elgeyo Marakwet.

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**CHAIRMAN'S STATEMENT** *(continued)*

**Institutional Sustainability**

The GoK Grant in Aid continues to be the largest and most reliable resource for the sustainability of the Association. We must do all that we can to ensure we reach a point of self-reliance. I want to report that we have a lot of parcels of land that has not been monetized. We are still looking for ownership Documents for most of these parcels and the government is supporting us on this endeavour. I also want to report that as an organization we have an asset base valued at over KSH 1.8 billion. Most of this is in fixed assets.

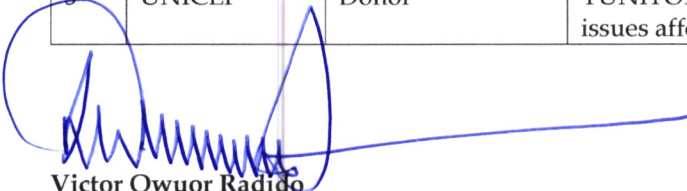
**Communication and External Relations**

In this focus area, the Association purposed to deliver a communications strategy framework that provides clear, informative and engaging two way communications which are planned and effectively link together the Association's key messages to enable dialogue that promotes shared values and the unity of the Movement. This framework aimed at ensuring that the Association's key messages reach all relevant stakeholders and foster their commitment to the Movement.

**Project and Partnership**

In an effort to access expert support in the enrichment of the Scout programs and also financial support the Association has forged significant partnerships with various national and international organizations and individuals. The table below illustrates the organizations and the areas we have agreed to partner:

S No.	Name of Partner/Donor	Nature of Engagement with KSA (Activity)	Area of Partnership/Funded Project
1	SIDA/VI Agroforestry	Donor funding	Agroforestry project in Busia, Elgeyo and Marakwet counties
2	WWF Kenya	Donor funding	Growing and nurturing tree seedlings in Kilifi scouts centre
3	John Neysmith Support	Donor funding	<ul style="list-style-type: none"> <li>• Conducted Special needs Training for 21 Scout leaders from schools with ESP scouts</li> <li>• Inaugurated of agribusiness project in Machakos Scouts Centre</li> <li>• 300 copies of scouts sectional hand books ( Chipukizi, Mwamba and Jasiri) translated into Braille</li> <li>• Purchased 1 knitting machine and 3 sewing machines for Kisii Vocational and Rehabilitation Centre</li> </ul>
4	Elewa Ltd	Partnership	Supported the establishment E- training platform for adults in scouting. PTC rolled out.
5	UNICEF	Donor	YUNITOK Project: to amplify the voices of young people on issues affecting them.

  
**Victor Owuor Radido**  
**Chief Commissioner**

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**5. REPORT OF THE CHIEF EXECUTIVE OFFICER**

2020/2021 has been a challenging year for the Association due to the prevailing COVID-19 situation in the world. This affected all areas of our operations in different ways. However, we innovated various ways to deliver on our Strategic Plan as highlighted in the Chief Commissioner's report.

The Association is committed to implementing good corporate governance principles and adheres to integrity, high ethical values and professionalism in all its activities. As at 30<sup>th</sup> June 2021, the National Scout Board (hereafter referred to as the Board) was made of 14 members comprising the Chief Commissioner as the Chairman, the Deputy Chief Commissioner, the Acting National Treasurer, the Legal Affairs Commissioner, the National Executive Commissioner (Chief Executive) as the Secretary and ten (10) other members: three (3) of whom are elected by the teams (Training, Administration, and County Youth Leaders), four (4) appointed for their special professional skills. And three (3) co-opted from Ministry of Education, Teachers' Service Commission, and Kenya Defence Forces.

The National Scout Board skills and collective experience engenders healthy oversight over Management. The division of responsibilities between the Chairman (Chief Commissioner) and the Chief Executive (National Executive Commissioner) 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 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 National Executive Commissioner.

KSA continues to take 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.

In the previous year we executed various strategies and approaches as highlighted in this report when 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 2020/21 FY, the Association was committed to:

6. Complying with all relevant environmental legislation, regulations and approved codes of practice.
7. Continued to work with the Government in its reforestation effort by planting over 2 million tree seedlings and giving the same to the members of the community to replant in their respective properties.
8. Protecting the environment by striving to prevent and minimize our contribution to pollution of land, air and water.

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**REPORT OF THE CHIEF EXECUTIVE OFFICER (*Continued*)**

9. Managing and disposing of all waste in a responsible manner.
10. Providing training for staff so that we all work in accordance within an environmentally aware culture.
11. Regularly communicating our environmental performance to our employees and other significant stakeholders.
12. Developing our management processes to ensure that environmental factors are considered during planning and implementation.

The National Secretariat also ensured that the Association reduced the environmental impact on the Association by:

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

**Local Community**

The National Scout Board also ensured that our work with the local community involved:

- a. Working with and supporting local charities
- b. Encouraging volunteer work in community activities
- c. Supporting communities with initiatives to reduce spread of COVID 19.

During year 2020/21, a number of initiatives were undertaken within the local community including support in community projects within Kibra 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. The Association also installed 10 water reservoirs (tanks) within the Kibra slums to support the hand washing as a way of fighting corona virus.

**Responsibility to Stakeholders**

The National Scout Board also ensured that we dealt responsibly, openly and fairly with members and potential members by:

- a. Being open and honest about our activities
- b. 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.

**Revenue and Expenses**

Revenues for the year 2021 were Kshs 102,859,297 compared to Kshs. 124,093,950 in year 2020 representing 17% decline. The expenditure rose to Kshs.135, 135,879 compare to Kshs. 150,909,445 for the previous year representing 12% decrease.

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**REPORT OF THE CHIEF EXECUTIVE OFFICER (*Continued*)**

**Revenue**

Government grant still remains the main source of revenue for the association as shown below. That said, it is important to note that over reliance on a single income source is a risk to the Association and as such the National Scouts Board, working closely with the Secretariat, needs work on ways to diversify the Association's income streams to ensure sustainability.

There was a general decline in revenue due to closure of learning institutions in February 2020 whom are our major clients. This was orchestrated by the outbreak of Covid-19 pandemic that hit the country. Shops, Camps and centres were greatly affected since there were forced to close for the better part of quarter 3 and 4.

**Expenditure**

The increased in programme expenditure from Kshs. 18,950,855 to Kshs. 19,321,032 to was due youth empowerment project for instance solar project in Nyeri, Yunitok project.

**Future Plans**

The association is expected to perform well although the COVID-19 Pandemic has and might continue to slow down the operations. Our clients who are majorly institutions have been facing quite some challenges as they try to adopt to the new normal. Global economies are struggling and given this situation is unprecedented, no one can say with certainty what the future holds.

The association has put in place various mitigation factors to address these challenging and so:

1. Introduction of annual registration by all scouts, leaders and units.
2. Development and improvement of camp and centres to make them self-reliant.
3. Opening of new shops especially in areas where there is need.
4. Engage more partners who are willing to support scouting programmes.



**Moses Jonathan Ochieng**  
**National Executive Commissioner**

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**6. STATEMENT OF THE KENYA SCOUTS ASSOCIATION'S PERFORMANCE AGAINST  
PREDETERMINED OBJECTIVES FOR YEAR 2020/2021**

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the national government Association's performance against predetermined objectives.

The effectiveness of the Association in the next 3 years will be evaluated on the extent to which it:

- i. Manages sustainable membership growth for both Scouts and adults in scouting.
- ii. Increases accessibility of the youth programme to the Scouts.
- iii. Builds the capacity of its adult leaders to facilitate the design, delivery and implementation of the youth programme.
- iv. Develops a diverse resource base with adequate financial system for its sustainability.
- v. Accurately portrays its profile as the country's leading youth movement in what it does and why, as reflected in its shared values.
- vi. Strengthens the effectiveness of all structures at the Association.
- vii. Increases the level of participation in all decision-making processes by young people at all levels.
- viii. It forms partnerships and alliances with organizations of a similar nature with similar interests and principles.
- ix. Addresses the SDGs and Kenya Vision 2030 and relates to the WOSM triennial plan.
- x. It impacts in the community by addressing socio-cultural and environmental issues in the community

**KEY FOCUS AREAS OF THE STRATEGY**

In line with the WOSM triennial strategic plan 2018-2023 the KSA 2021-2023 will adopt five key focus areas for the delivery of its youth programme. These are Innovating Scouting, Social and Environmental Impact, Communications and Relations, Governance and Institutional Sustainability.

These five focus areas will enable KSA prepare our young people and the Association for a strong future, deliver our youth programme, face up to the challenges of growth retention and working smarter and positively impact on our communities.

FOCUS AREA	PRIORITY	SECTION	OBJECTIVE	DETAILS	ACHIEVEMENT
1. Innovating Scouting	1. Education Method	Youth Programme	Review & Dissemination of Youth programme	Reviewing the youth programme & Disseminating the revised youth programme in at least 20 counties	Review workshop done. Youth programme handbooks in place
			Production of Youth (scouts) programme materials	Improving access to youth programme materials to both scouts and scout leaders	Materials produced and printed
			Improving access to youth programme materials	Transcribing into Braille and production of Easy to read sectional handbooks for blind and visually impaired scouts	Materials produced and printed
		Adults in Scouting	Undertaking capacity building on governance of County executives	Induction, records, report writing, management and safe from harm trainings	Fully achieved

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			Accessibility of Training materials & Tools	Producing and making accessible training materials and tools for all levels of training adults in KSA	Scouts can access youth programme materials through these links. <a href="https://www.scouting.org">https://www.scouting.org</a> <a href="https://scoutingmagazine.org">https://scoutingmagazine.org</a> Hard copies of sectional handbooks available at the Scout Shop
2. Events	Camps and centres	Increase participation and improve quality of our events at all levels		Ensure all KSA Events are done in a safe and secure environment	To be undertaken in the remaining period 2021/2023 Strategic plan period
	Communications & IT	Increased visibility of events in various platforms		Engage media firm(s) for coverage of KSA events	Fully achieved
	Youth Programme	International and national events participation		Ensure the Association is represented in at least 5 international and 15 local events annually	Fully Achieved
3. Youth Engagement	Youth Programme	Youth Engagement policy		Reviewing and disseminating the youth engagement policy.	Fully Achieved
		Youth Training		Training of at least 300 rovers on life skills, entrepreneurship, solar energy, leadership, project management, financial literacy and business management.  Training at least 1,000 scouts on Alternative dispute resolution as peer mediators  Conduct 1 job/career fairs annually- 900 scouts	To engage more partners during the SP period
4. Membership Growth	Youth Programme and	Recruitment Drive for Scouts		Undertaking a recruitment drive for scouts- 1.9 m to be recruited	Need for an RRI Engaging MOE
	Adults in Scouting	Database for scouts and Scout leaders		Creating an effective and efficient database for both scouts and adults in scouting	Development of database ongoing

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				Scouts Census	Conducting a scouts census in partnership with Ministry of Education and Teachers Service Commission amongst others	Not fully achieved Impact of Covid 19
2. Social Impact	1. Community Development	Youth Programme and	Community service and peace building		Engage at least 5,000 scouts to undertake at least 3 community service activities annually and undertake 2 peace caravans	Scheduled for 2022 Not achieved Impact of Covid 19,
			Enhancing interactive dialogue and amplifying the voices of young people		Undertake U report activities and social impact survey	Fully Achieved.
			Forging strategic partnerships		Forging at least 5 strategic partnerships with other stakeholders on emerging issues	Fully Achieved.
	2. Reaching Out	Youth Programme and	Provision of program and materials support		Providing program and material support (e.g) uniforms) to at least 20 special needs units	Fully Achieved.
		Adults in Scouting	Supporting ITC/PTC/Wood badge Trainings		Supporting ITC/PTC/Wood badge trainings for at least 60 scout leaders from special units in marginalized areas	Scheduled for 2022 Not achieved Impact of Covid 19,
			Social impact survey		Conduct 1 social impact survey of ESP in scouting.	Fully Achieved.
	3. Environmental Conservation	Youth Programme and	Tree growing activities		Undertaking tree growing activities (tree nurseries) in at least 40 counties to achieve a target of at least 30 million trees by 2023	<b>Poor Reporting from Grassroots</b>
		Adults in Scouting	Participating in environmental conservation		Actively participating in environmental conservation activities being undertaken by other stakeholders including and not limited to county governments, Ministry of Education and the Ministry of environment and Natural Resources	Scheduled for 2022 Not achieved Impact of Covid 19,
	4. Community Health	Youth Programme and	Impact knowledge and skills on healthy living		Actively collaborating with partners in impacting knowledge and skills on healthy living by adopting	<b>Fully Achieved</b>

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				healthy lifestyle styles during scouting events	
		Adults in Scouting	Youth empowerment	Engaging at least 300 youth in agribusiness and other IGAs/innovations	<b>Fully Achieved</b>
	1. Internal Communications		Internal communication systems	Enhance internal communication systems to promote clear, concise, concrete, correct, coherent, complete and courteous messaging	<b>Fully Achieved</b>
	2. Stakeholder Relations		Increase media presence	Engagement of a media agency to enhance value of scouting	<b>Fully Achieved</b>
	3. Strategic Engagements		Develop partnerships with National and International organizations	To identify, develop and maintain mutually beneficial partnerships and relationships with 3 key national & international organizations; to either attract support for Scouting and/or create positive change through advocacy.	
			Scout Leaders Capacity Building on strategic Engagements	To offer educational and training opportunities to build the capacities of Scout leaders in 47 counties in the field of Strategic Engagements	
4. Governance	1. Association Structure and Systems		2021-2023 Strategy	We have a new strategy for 2021-2023 ready for approval by the National Scout Board	
			Human resource policies	Review human resource policies	
5. Finances & Resources	1. Resource Mobilization		Kenya Scout Foundation	By 2023, the Kenya Scout Foundation is established	
			Kenya Scout Shop as semi-autonomous Association	By 2023 to establish the Kenya Scout shops as a semi-autonomous Association for resource mobilization. Set up new shop outlets	
	Financial Management	Approved revised financial guidelines	Review financial guidelines	Review financial guidelines	Approved revised financial guidelines

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	Infrastructure/ Asset Management		Securing KSA land parcels	By 2023, secure title deeds for at least 50% of KSA land parcels	Process ongoing
			Develop and implement infrastructure development and maintenance plans	Develop plans and Undertake infrastructural developments in Rowallan, Embu, Nyeri, Kilifi, Siaya	Process ongoing

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**7. CORPORATE GOVERNANCE STATEMENT**

The Kenya Scouts Association is committed to implementing good corporate governance principles and adheres to integrity, high ethical values and professionalism in all its activities. As at 30<sup>th</sup> June 2021, the National Scout Board (hereafter referred to as the Board) was made of 14 members comprising the Chief Commissioner as the Chairman, the Deputy Chief Commissioner, the Acting National Treasurer, the Legal Affairs Commissioner, the National Executive Commissioner (Chief Executive) as the Secretary and eleven (10) other members: three (3) of whom are elected by the teams (Training, Administration, and County Youth Leaders), four (4) appointed for their special professional skills. And three (3) co-opted from Ministry of Education, Teachers' Service Commission, and Kenya Defence Forces.

The board operated with five committees that had delegated responsibilities:

1. *The Board Executive Committee*
2. *The Board Technical Committee*
3. *The Camps and Sites Committee*
4. *The Board Audit and Risk Committee*
5. *The Board Finance Committee*

The National Scout Board skills and collective experience engenders healthy oversight over Management. The division of responsibilities between the Chairman (Chief Commissioner) and the Chief Executive (National Executive Commissioner) 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 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 National Executive Commissioner



**Moses Jonathan Ochieng**  
**National Executive Commissioner**

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**8. MANAGEMENT DISCUSSION AND ANALYSIS**

**(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.

**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

**Material arrears in statutory/financial obligations**

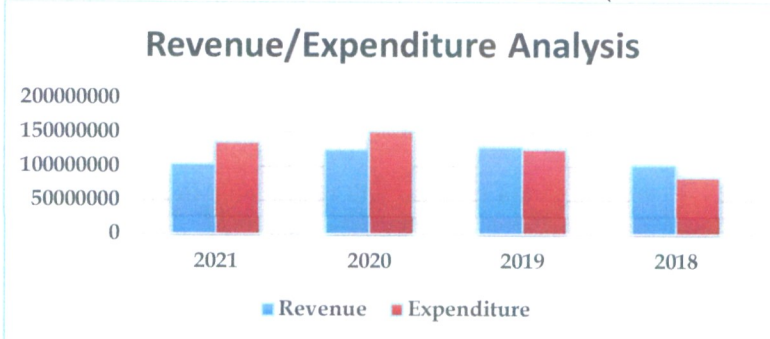
During the year under review the Association did not have any material arrears, in statutory, loan defaults, pending bills, tax default, and pension obligations.

**Statement of Financial Performance Analysis**

Total Revenues stood at Kshs. 102,859,297 which represents a marginal decrease of 17% from the previous period which stood at Kshs. 124,093,950. This is majorly attributed the decrease in net profit from the BP shop. The health restriction occasioned by COVID 19 also affected the performance of the Scout centers which also form significant revenue streams for the Association. Below is a bar graph that compares Total Revenues and Total expenditure for the two periods.

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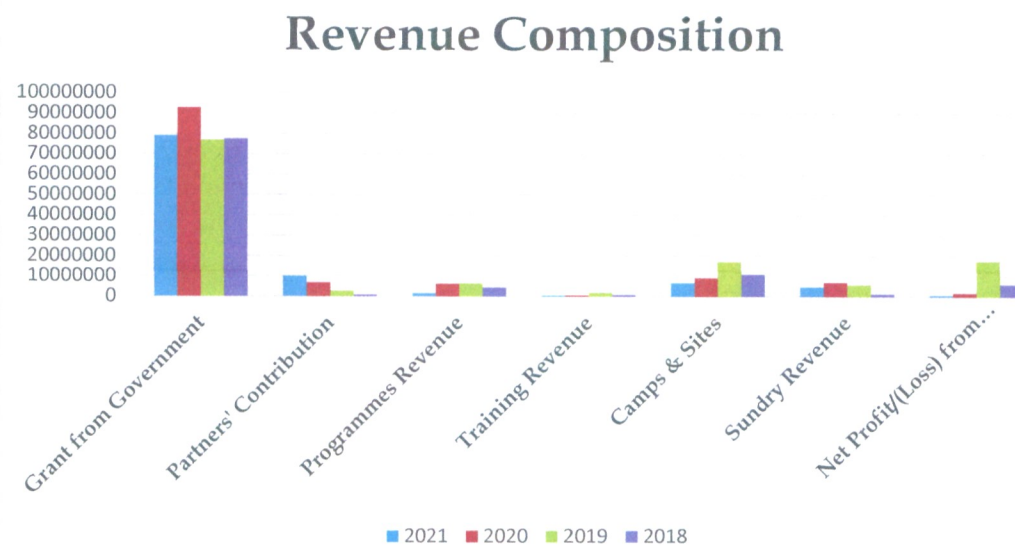
**MANAGEMENT DISCUSSION AND ANALYSIS (continued)**



From the above graph, the difference in performance for the two periods is clear. The below pie chart shows the revenues composition for year 2021



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 are Camps and sites and Scouts Shop. The Scouts shop performed slightly better than Camps and sites in terms of revenue. 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.

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**9. ENVIRONMENT AND 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 2020/21 FY, the Association was committed to:

13. Complying with all relevant environmental legislation, regulations and approved codes of practice.
14. Continued to work with the Government in its reforestation effort by planting over 1 million tree seedlings and giving the same to the members of the community to replant in their respective properties.
15. Managing and disposing of all waste particularly of the plastic nature in a responsible manner.
16. Developing our management processes to ensure that environmental factors are considered during planning and implementation.

The National Secretariat also ensured that the Association reduced the environmental impact on the Association by:

- g. Sourcing and buying locally to save fuel costs wherever possible.
- h. Using scrap paper for drafts and notes
- i. Printing in mono and double sided wherever possible.
- j. Sourcing recycled materials wherever possible.

**Local Community**

The National Scout Board also ensured that our work with the local community involved:

- d. Working with and supporting local charities
- e. Encouraging volunteer work in community activities
- f. Supporting communities with initiatives to reduce spread of COVID 19.

During year 2020/21, a number of initiatives were undertaken within the local community including support in community projects within Kibra 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. The Association also installed 10 water reservoirs (tanks) within the Kibra slums to support the hand washing as a way of fighting corona virus.

**Responsibility to Stakeholders**

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

- c. Being open and honest about our activities
- d. 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.

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**10. REPORT OF THE DIRECTORS**

The Directors submit their report together with the audited financial statements for the year ended June 30, 2021 which show the state of the Association's affairs.

**i. Principal activities**

The principal activities of the Association 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.

**ii. Results**

The results of the Association for the year ended June 30, 2021 are set out on page 1 to 23

**iii. Directors**

The members of the Board of Directors who served during the year are shown above

**iv. 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 Association 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.

**v. 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 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



**Moses Jonathan Ochieng  
National Executive Commissioner**

Nairobi.

Date: 24.08.2022

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**11. 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 that 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 association. The Directors are also responsible for safeguarding the assets of the association.

The Directors are responsible for the preparation and presentation of the association's financial statements, which give a true and fair view of the state of affairs of the association for and as at the end of the financial year (period) ended on June 30, 2021. 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 Association; (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 association (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

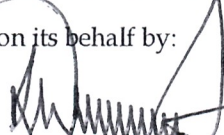
The Directors accept responsibility for the association's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required 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 association's transactions during the financial year ended June 30, 2021, and of the association's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the association, which have been relied upon in the preparation of the association'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 association 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 25<sup>th</sup> Sept 2021 and signed

on its behalf by:

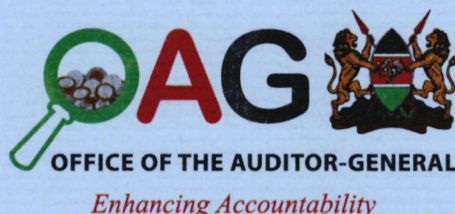
  
**Victor Owuor Radido**  
Chief Commissioner

  
**Antony Gitonga Maina**  
Ag. National Treasurer

  
**Moses Jonathan Ochieng**  
National Executive Commissioner

# REPUBLIC OF KENYA

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

## **REPORT OF THE AUDITOR-GENERAL ON THE KENYA SCOUTS ASSOCIATION FOR THE YEAR ENDED 30 JUNE, 2021**

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### **PREAMBLE**

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of the Kenya Scouts Association set out on pages 1 to 29, which comprise of the statement of financial position as at

30 June, 2021, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Kenya Scouts Association as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **Unsupported Property, Plant and Equipment**

As reported in the previous year, the statement of financial position reflects property, plant and equipment balance of Kshs.1,826,181,215 which as disclosed in Note 20 to the financial statements, includes land valued at Kshs.1,669,446,042. Included in the balance are fourteen (14) parcels of land with book values totalling Kshs.78,956,800 located in Nyeri, Muranga, Kiambu, Machakos, Uasin Gishu, Bungoma, Busia, Siaya, Mombasa and Kilifi Counties which did not have title deeds. Ownership status of the parcels of land is not known and the parcels of land are at a risk of encroachment by informal settlers and private developers.

Further, the balance excludes undetermined value of twelve (12) parcels of land owned by the Association located in Bungoma, Kericho, Homa Bay, Kisumu, Kwale, Laikipia, Machakos, Meru, Nakuru and Nyeri Counties.

In the circumstances, the accuracy, completeness and ownership of property, plant and equipment balance of Kshs.1,826,181,215 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Scouts Association Management in accordance with ISSAI 130 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. There were no key audit matters to report in the year under review.

## **Other Matter**

### **1. Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects total revenue budget of Kshs.117,950,000 on comparable basis against an actual revenue of Kshs.102,859,297 resulting in an under collection of Kshs.15,090,703 or 13% of the budget. Similarly, the Association recorded an actual expenditure of Kshs.135,135,879 against an approved budget of Kshs.147,034,039 resulting to an under-expenditure of Kshs.11,898,159 or 8% of the budget.

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

### **2. Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board.

## **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, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

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, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

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

## **Basis for Conclusion**

### **Audit Committee**

During the year under review, the Association's Audit Committee met only once contrary to Section 179(1) of the Public Finance Management (National Government) Regulations which states that the audit committee shall meet at least once in every three months.

In the circumstances, the existence of an effective governance mechanism could not be confirmed.

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

### **Responsibilities of 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 controls, risk management and overall governance.

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements 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 Association's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall 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 overall 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 Association's 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 applicable 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 to sustain its services. 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 to sustain its services.
- 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.

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

**Nairobi**

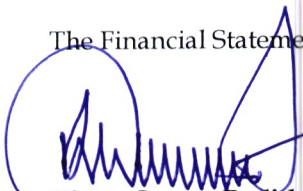
**09 September, 2022**


**The Kenya Scouts Association**  
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**13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 30 JUNE 2021**

	Notes	2021 KSHS	2020 KSHS
<b>Revenue from Non - Exchange transactions</b>			
Transfers from Other Government Entities	5	79,119,000	92,812,500
Donations	6	10,021,941	6,832,823
		<u>89,140,941</u>	<u>99,645,323</u>
<b>Revenue from exchange transactions</b>			
Property Taxes Revenue	7	50,000	5,192,275
Sale of Goods	8	3,617,709	9,746,211
Rental Revenue from Facilities and Equipment	9	6,520,015	9,126,415
Other Income	10	3,530,633	383,725
		<u>13,718,357</u>	<u>24,448,626</u>
<b>Total Revenue</b>		<u>102,859,297</u>	<u>124,093,950</u>
<b>Expenses</b>			
Use of Goods and Services	11	78,497,802	92,528,476
Employee Cost	12	42,430,893	43,179,622
Board/Council Expenses	13	7,975,201	8,142,781
Depreciation and Amortization	20	6,231,984	7,058,536
		<u>135,135,879</u>	<u>150,909,415</u>
<b>Total Expenses</b>		<u>135,135,879</u>	<u>150,909,415</u>
<b>Surplus for the period</b>		<u>(32,276,582)</u>	<u>(26,815,466)</u>

The Financial Statements set out on pages 1 to 29 were signed on behalf of the Board of Directors by:

  
**Victor Owuor Radido**  
**Chief Commissioner**

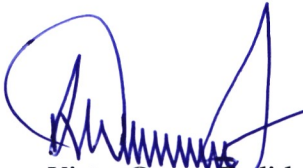
  
**Antony Gitonga Maina**  
**Ag. National Treasurer**


  
**Moses Jonathan Ochieng**  
**National Executive Commissioner**

**The Kenya Scouts Association  
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**14. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021**

	Notes	2021 KSH	2020 KSH
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash & cash equivalents	14	29,997,492	57,004,764
Receivables from Exchange Transaction	15	12,377,988	14,855,852
Receivables from Non- Exchange Transaction	16	2,668,114	3,681,524
Inventories	17	54,536,741	38,729,430
		<u>99,580,334</u>	<u>114,271,570</u>
<b>Non - Current Assets</b>			
Property, plant & equipment	20	1,826,181,215	1,829,966,091
Intangible Assets	21	537,138	767,340
<b>TOTAL ASSETS</b>		<u>1,926,298,688</u>	<u>1,945,005,001</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables and Accruals	19	18,690,441	11,613,500
		<u>18,690,441</u>	<u>11,613,500</u>
<b>NET ASSETS</b>		<u>1,907,608,246</u>	<u>1,933,391,501</u>
<b>FUNDS</b>			
General Fund		891,440,356	923,716,938
Revaluation Reserve		1,006,753,186	1,006,753,186
Restricted Fund		9,414,705	2,921,378
		<u>1,907,608,246</u>	<u>1,933,391,502</u>

  
Victor Owuor Radido  
Chief Commissioner

  
Antony Gitonga Maina  
Ag. National Treasurer

  
Moses Jonathan Ochieng  
National Executive Commissioner

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**15. STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2021**

	General Fund KSHS	Restricted Fund KSHS	Revaluation Reserve KSHS	Total KSHS
Balance as at 01.07.2017	909,734,623	1,270,358	1,006,753,186	1,917,758,167
Surplus for the period	17,503,092			17,503,092
Net movement during the period		874,557		874,557
Transfers to/from accumulated surplus				
Prior year adjustment	(1,829,583)			
<b>Balance as at 30.06.2018</b>	<b>925,408,132</b>	<b>2,144,915</b>	<b>1,006,753,186</b>	<b>1,934,306,233</b>
Balance as at 01.07.2018	925,408,132	2,144,915	1,006,753,186	1,934,306,233
Surplus for the period	2,902,654			2,902,654
Net Movement during the year		2,472,599		2,472,599
Prior year adjustment	22,221,647			
<b>Balance as at 30.06.2019</b>	<b>950,532,433</b>	<b>4,617,514</b>	<b>1,006,753,186</b>	<b>1,961,903,133</b>
Balance as at 30.06.2019	950,532,433	4,617,514	1,006,753,186	1,961,903,133
Surplus for the period	(26,815,495)	-	-	(26,815,495)
Net Movement during the year	-	(1,696,136)	-	(1,696,136)
Prior year adjustment				
<b>Balance as at 30.06.2020</b>	<b>923,716,938</b>	<b>2,921,378</b>	<b>1,006,753,186</b>	<b>1,933,391,502</b>
Surplus for the period	(32,276,582)			(32,276,582)
Net Movement during the year	-	6,493,327		6,493,327
Prior year adjustment				
<b>Balance as at 30.06.2021</b>	<b>891,440,356</b>	<b>9,414,705</b>	<b>1,006,753,186</b>	<b>1,907,464,119</b>

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**16. STATEMENT OF CASH FLOW FOR THE YEAR 30 JUNE 2021**

		<b>2021</b>	<b>2020</b>
Cash Flows from Operating Activities	Notes	Kshs	Kshs
Net Surplus/(Deficit)		(32,276,582)	(26,815,466)
<b>Adjustment on non-cash income and expenditure</b>			
Depreciation on plant and equipment	20	6,231,984	7,058,536
<b>Changes in working capital</b>			
Account Receivable (Increase)/Decrease	15&16	3,491,275	(12,853,948)
Inventory (Increase)/Decrease	17	(15,807,311)	(28,494,820)
Account Payables Increase/(Decrease)		7,076,941	9,125,301
<b>Net Cash From Operating Activities</b>		<u>(31,283,693)</u>	<u>(51,980,397)</u>
 <b>Cash Flows From Investing Activities</b>			
Purchase of Property, Plant & Equipment	20	(1,764,240)	(12,528,607)
Increase in Intangible Assets			
<b>Net Cash From Investing Activities</b>		<u>(1,764,240)</u>	<u>(12,528,607)</u>
 <b>Cash Flows from financing activities</b>			
Increase in Restricted funds		6,349,199	4,125,801
<b>Net cash used in financing activities</b>		<u>6,349,199</u>	<u>4,125,801</u>
 Net Increase in cash and cash equivalents		(27,007,272)	(60,383,203)
 Cash & cash equivalents at beginning of the period		57,004,763	117,387,966
<b>Cash &amp; cash equivalents at end of the period</b>		<u>29,997,491</u>	<u>57,004,763</u>

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**17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR 30 JUNE 2021**

	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Performance Difference	% of utilization
	a	b	c=(a+b)	d	e=(c-d)	f=d/c
<b>Revenue from Non - Exchange transactions</b>						
Transfers from Other Government Entities	92,000,000	-	92,000,000	79,119,000	12,881,000	14%
Donations	6,000,000	5,000,000	11,000,000	10,021,941	978,059	9%
	<b>98,000,000</b>	<b>5,000,000</b>	<b>103,000,000</b>	<b>89,140,941</b>	<b>13,859,059</b>	
<b>Revenue from exchange transactions</b>						
Rental Revenue from Facilities and Equipment	21,975,000	(14,725,000)	7,250,000	6,520,015	729,985	10%
Sale of Goods	35,510,000	(31,760,000)	3,750,000	3,617,709	132,291	4%
Property Taxes Revenue	500,000	(450,000)	50,000	50,000	0	0%
Other Income	1,200,000	2,700,000	3,900,000	3,530,633	369,367	9%
	<b>59,185,000</b>	<b>(44,235,000)</b>	<b>14,950,000</b>	<b>13,718,357</b>	<b>1,231,643</b>	
<b>Total Revenue</b>	<b>157,185,000</b>	<b>(39,235,000)</b>	<b>117,950,000</b>	<b>102,859,297</b>	<b>15,090,703</b>	
<b>Expenses</b>						
Use of Goods and Services	193,370,031	(99,880,000)	93,490,031	78,497,802	14,992,229	16%
Board/Council Expenses	15,140,000	(7,860,000)	7,280,000	7,975,201	(695,201)	(10)%
Employee Cost	51,764,008	(5,500,000)	46,264,008	42,430,893	3,833,115	8%
Depreciation: Property, Plant & Equipment's			-	6,231,984	(6,231,984)	0%
<b>Total Expenses</b>	<b>260,274,039</b>	<b>(113,240,000)</b>	<b>147,034,039</b>	<b>135,135,879</b>	<b>11,898,159</b>	
			-			
<b>Surplus for the period</b>				<b>(32,276,582)</b>		

**Budget Notes**

1. Grant from government reduced in the first 3 quarters
2. Co-curriculum activities suspended by the MOE thus affecting scouting activities.
3. Restricted movement and gatherings affected trainings
4. Youth activities sponsored by donors boosted youth empowerment activities
5. Cost for hosting Annual general meetings for counties went up due to travel restrictions imposed by the government.

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**18. NOTES TO THE FINANCIAL STATEMENTS**

**i) General Information**

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.

**ii) 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 *association'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 5 of these financial statements

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

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.

**NOTES TO THE FINANCIAL STATEMENTS**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- a) Revenue recognition
  - i) Revenue from non-exchange transactions

**Fees, taxes and fines**

The association 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 Association 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 Association 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.

**Rendering of services**

The association 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 Association.

**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.

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**NOTES TO THE FINANCIAL STATEMENTS**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**ii) Revenue from Exchange Transactions**

**Dividends**

Dividends or similar distributions must be recognized when the shareholder's or the association's right to receive payments is established.

**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.

**b) Budget information**

The original budget for FY 2020-2021 was approved by the National Scouts Board. 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 association upon receiving the respective approvals in order to conclude the final budget.

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 page 1 of these financial statements.

**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.

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**NOTES TO THE FINANCIAL STATEMENTS**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 Association 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.

**Depreciation**

Property, plant and equipment are initially recorded at cost/valuation. Depreciation is calculated on reducing balance basis to write down the cost of each asset to its residual value over its predetermined useful life. The annual depreciation rates in use are as shown below:

Land	Nil
Building	2.5%
Motor vehicle	25%
Computers	30%
Furniture & Fittings	12.5%
Equipment & Machinery	12.5%
Amortization	30%
Work in Progress	Nil

**e) Leases**

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Association. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Association also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Association will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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**NOTES TO THE FINANCIAL STATEMENTS**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Association. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

**f) 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.

**g) Research and development costs**

The Association expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Association can demonstrate:

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale
- ii) Its intention to complete and its ability to use or sell the asset
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset
- v) The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

**h) Financial instruments**

**a) Financial assets**

**Initial recognition and measurement**

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Association determines the classification of its financial assets at initial recognition.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

**NOTES TO THE FINANCIAL STATEMENTS**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Held-to-maturity.**

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Association has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

**Impairment of financial assets**

The Association assesses at each reporting date whether there is objective evidence that a financial asset or an Association of financial assets is impaired. A financial asset or an Association of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the Association of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- i) The debtors or an Association of debtors are experiencing significant financial difficulty.
- ii) Default or delinquency in interest or principal payments
- iii) The probability that debtors will enter bankruptcy or other financial reorganization.
- iv) Observable data indicates a measurable decrease in estimated future cash flows (e.g., changes in arrears or economic conditions that correlate with defaults)

**b) Financial liabilities**

**Initial recognition and measurement**

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Association determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

**Loans and borrowing**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process. Amortized cost is calculated by

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**NOTES TO THE FINANCIAL STATEMENTS**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

**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:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour 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 Association.

**j) Provisions**

Provisions are recognized when the Association 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 association 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.

**k) Contingent liabilities**

The association 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.

**l) Contingent assets**

The Association 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

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**NOTES TO THE FINANCIAL STATEMENTS**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

future events not wholly within the control of the Association 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.

**m) Nature and purpose of reserves**

The Association creates and maintains reserves in terms of specific requirements.

**n) 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.

**o) Related parties**

The Association regards a related party as a person or an Association 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 various commercial banks at the end of the financial year

**Comparative figures**

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

**r) 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, 2021.

**4. 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.

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**NOTES TO THE FINANCIAL STATEMENTS**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 Association. 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 Association.
- 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

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5 Transfers from Other Government Entities	2021	2020
Unconditional Grants	KSHS	KSHS
Transfer during the year	79,119,000	92,812,500
<b>Total Unconditional Grants</b>	<b>79,119,000</b>	<b>92,812,500</b>
<b>6 Donations</b>		
WOSM	3,130,885	1,365,681
WWF-K	-	450,500
Vi Agroforestry	3,496,656	3,756,000
Others	-	1,260,643
UNICEF	3,394,400	-
<b>Total Donations</b>	<b>10,021,941</b>	<b>6,832,823</b>
<b>7 Property Taxes Revenue</b>		
Commercial	50,000	5,192,275
<b>Total-Property Taxes Revenue</b>	<b>50,000</b>	<b>5,192,275</b>
<b>8 Sale of Goods</b>		
Registration and Certificates	1,464,146	6,091,888
Woodbage Receipts & ALT Fees	413,278	533,280
County Support -Training fee from counties	1,042,008	1,410,990
	<b>2,919,432</b>	<b>8,036,158</b>
<b>Gross Revenue from Shop</b>		
Sales of Scouts Uniforms & Camping gears	35,300,966	53,273,314
Cost of Sales		
Opening Stock	38,738,305	10,234,609
Add : Purchases	45,992,473	74,048,726
Less: Closing Stock	(54,536,741)	(38,738,305)
	<b>30,194,038</b>	<b>45,545,030</b>
Gross Profit	<b>5,106,928</b>	<b>7,728,284</b>
Less Operating Expenses	(4,408,651)	(6,018,231)
Net Profit/(Loss) from Shop Operations	<b>698,277</b>	<b>1,710,053</b>
<b>Total Sale of Goods</b>	<b>3,617,709</b>	<b>9,746,211</b>

This is revenue from sale of scout uniform, payment of membership registration and sale of certificates from trainings

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**9. Rental Revenue from Facilities and Equipment**

	2021	2020
	KSHS	KSHS
Embu	4,868,721	4,960,465
Kilifi Camp	70,100	7,900
Rowallan Camp	1,095,734	3,244,555
Machakos	45,800	94,100
Nyeri	264,530	615,280
Siaya Camp	175,130	204,115
<b>Total Rental</b>	<b>6,520,015</b>	<b>9,126,415</b>

This is revenue from hire of grounds, rooms and camping

**10 Other Income**

Staff Loan Interest	30,477	183,725
Foreign Exchange Gain	3,656	-
Other Sundries	3,496,500	200,000
<b>Total Other Income</b>	<b>3,530,633</b>	<b>383,725</b>

The revenue includes interest on staff advances and last expense paid after demise of employee

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**11 Use of Goods and Services**

	<b>2021</b>	<b>2020</b>
	<b>KSHS</b>	<b>KSHS</b>
<b>Administrative Costs</b>		
Communication Cost	764,000	883,000
Postage & Courier	928,307	1,049,366
Office Stationery	178,534	351,924
Printing and Production	410,677	1,106,672
Subscription Fees	2,576,474	2,306,701
Utilities	1,519,359	1,649,886
Insurance	351,605	-
Bank and Mpesa Charges	226,175	336,304
Audit Cost	2,198,700	425,000
Professional Fees	777,885	3,353,731
Repairs and Maintenance	6,075,656	6,714,624
Vehicle Expenses	3,301,864	3,223,558
Cleaning & sanitation	371,194	190,660
Restaurant Expenses	1,060,633	3,271,668
Chief Scout/Commissioner	146,102	50,000
Land Documentation	1,347,470	59,500
Rent & Rates	7,265,813	-
Legal Fees	612,362	1,075,587
Local Travel	1,997,114	1,518,238
Recruitment	-	114,840
Centres Visits	233,600	316,822
<b>Communication &amp; Corp Affairs</b>		
Advertisement	211,096	946,126
Internet	1,481,087	1,111,231
Office Telephone	37,734	402,050
Website Replacement/ Maintenance	1,184,500	763,000
Newspapers and Magazines	28,200	27,380
Events , Media & Publicity	2,576,100	369,000
Documentary	202,000	1,240,750
Publications	1,068,660	970,930
ERP Support	744,520	1,289,040
IT Maintenance	398,729	149,050
<b>Headquarters expenses: For Camps &amp; Sites</b>		
Siaya Scouts Centre	-	747,145
Kilifi Support	-	358,335
Machakos scouts centre	-	477,179
Busia Centre	-	162,050
Kayaba Scouts Camp	-	435,913
Murang'a Camp	-	28,517
Other Costs	-	588,700

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	<b>2021</b>	<b>2020</b>
	<b>KSHS</b>	<b>KSHS</b>
Safety and Security	5,557,336	5,308,714
Investiture	458,640	6,500
KSA Events and National Days Celebrations	582,200	4,666,180
Projects	-	3,763,237
Consultative meetings	287,213	-
M&E	529,000	-
Tailoring	1,266,743	780,336
<b>Youth Programmes Expenses</b>		
Certificates	853,900	1,667,600
Competition		5,905,800
Founderee	1,140,200	1,541,050
Jamboree		128,410
National Youth Forum		995,398
Africa Rover Moot	720,655	-
Jota Joti	71,000	52,500
Data Entry	4,350	107,180
Rapid Response Initiative (RRI)	-	2,776,200
Humanitarian Programme	7,809,498	5,602,817
Youth Empowerment	8,674,433	-
PLC	47,000	-
Zonals Planning	-	173,900
<b>Adult in Scouting Expenses</b>		
Woodbadge	672,900	1,775,870
Training of Trainers	991,950	90,500
County Coordinators	593,100	870,000
Elections and Induction	179,400	3,955,000
ALT Training	-	900,600
Specialized Training	553,100	-
Capacity Building	2,841,702	-
County Scouts activities cost	3,382,832	2,716,660
Foreign travel, subsistence and other traveling cost	1,004,500	10,679,547
<b>Total Use of Goods and Services</b>	<b>78,497,802</b>	<b>92,528,476</b>

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**12 Employee Cost**

	<b>2021</b>	<b>2020</b>
	<b>KSHS</b>	<b>KSHS</b>
Salaries & Wages	28,007,388	32,818,401
Medical Expenses	4,114,733	3,293,171
Staff Welfare	1,435,324	2,341,343
Group Life Insurance	647,116	475,436
Benevolent Fund	3,499,556	156,100
Pension	4,085,738	4,033,795
Gratuity	46,038	-
Staff Other Expenses	595,000	61,376
	<u><b>42,430,893</b></u>	<u><b>43,179,622</b></u>

**13 Board/Council Expenses**

Annual general Meeting	40,000	-
National Scouts Board	1,870,170	2,925,850
Programme Committee	-	3,000
Task Force and Adhoc Meetings	1,533,149	2,013,942
Shops, Camps and Sites Meetings	182,450	665,889
Training committee	347,500	90,150
National Admin	1,953,265	769,900
Audit & Risk Committee	55,050	-
Executive Committee	1,534,217	687,950
Finance Committee Meeting	206,100	71,000
Technical Committee Meeting	87,300	54,050
Disciplinary Meeting	-	-
Adults in Scouting Meeting	166,000	861,050
	<u><b>7,975,201</b></u>	<u><b>8,142,781</b></u>

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**14. Cash and Cash Equivalents**

	<b>2021</b>	<b>2020</b>
	<b>KSHS</b>	<b>KSHS</b>
Current Account	21,010,375	36,618,422
Staff Advance	2,476,663	2,922,896
Others (Paybill)	6,510,454	17,500,023
<b>Total Cash and Cash Equivalents</b>	<b>29,997,492</b>	<b>57,041,341</b>

**14 (a) Detailed Analysis of the Cash and Cash Equivalents**

<b>(a) Current Account</b>	<b>2021</b>	<b>2020</b>
<b>Operating and Project Accounts</b>	<b>KSHS</b>	<b>KSHS</b>
Barclays Bank - A/C No. 0821086574	(79,776)	36,576
Barclays Bank - A/C No. 0821086558	-	478,989
Equity Bank Operations - A/C No. 1170299559323	(755,565)	3,044,168
Equity Bank Main - A/C No.1510260829573	59,011	19,672,817
I & M Bank - A/C No. 00200081541201	4,280,334	4,747,208
KCB US Dollar - A/C No. 1112620192	263,282	259,626
Equity Bank Vi Agroforestry- A/C No. 1170278994585	519,670	545,434
<b>Centre &amp; Camps Accounts</b>		
Embu Centre, Equity Bank - A/C No. 1510262146188	1,747,943	552,981
Kilifi Centre, Equity Bank - A/C No. 1510262196329	77,235	76,714
Machakos Centre, Equity Bank - A/C No. 1510262146295	23,728	96,978
Rowallan Camp, Equity Bank - A/C No. 1510262213835	3,472,988	4,196,270
Siaya Centre, Equity Bank - A/C No. 1510262146312	357,606	334,095
Nyeri Centre, Equity Bank - A/C No. 1510262146255	40,301	450,432
Miritini Centre, Equity Bank - A/C No. 1510263534201	1,730,642	1,730,642
USD Account Equity-A/C No. 1510263534342	64,114	60,813
<b>Shop Accounts</b>		
Barclays Bank - A/C No, 0821086582	1,012,206	1,012,206
Equity Bank - A/C No. 1510260829601	7,132,847	(1,361,923)
Equity Agency - A/C No. 0240260966845	4,496	4,496
Equity Agency- A/C No. 0242260966777	111,010	111,010
<b>County Scouts Accounts</b>		
Equity Bank -KSA Nairobi- A/C No. 0470299631441	5,872	992
Equity Bank - KSA Mombasa- A/C No. 0460260829332	35,740	740
Equity Bank- KSA Kwale- A/C No. 0440299855857	8,915	8,915
Equity Bank Kilifi- A/C No. 1060260558291	248	448
Equity Bank - KSA Tana River- A/C No. 1210261728682	25,274	274
Equity Bank Taita Taveta- A/C No. 0790199841491	72,662	42,662
Equity Bank Marsabit- A/C No. 1010263753429	143	143
Equity Bank Meru-A/C No. 0140299676919	77,985	22,985
Equity Bank Embu-A/C No. 0190260582809	43,529	8,529

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	<b>2021</b>	<b>2020</b>
	<b>KSHS</b>	<b>KSHS</b>
Equity Bank Machakos- A/C No. 0600299440683	2,602	2,722
Equity Bank Makueni- A/C No. 0670260526282	81	401
Equity Bank Nyeri- A/C No. 0110299412126	1,011	496
Equity Bank Kirinyaga- A/C No. 0100261501981	1,165	1,285
Equity Bank - KSA Muranga- A/C No. 0890299866034	190	1,310
Equity Bank Kiambu- A/C No. 0640299879876	18,235	13,355
Equity Bank Tharaka Nithi- A/C No. 0210260531258	35,186	186
Equity Bank - KSA Turkana- A/C No. 0990299794598	25,540	115,165
Equity Bank - KSA Trans Nzoia- A/C No. 0330299803872	1,568	9,048
Equity Bank - KSA Uasin Gishu- A/C No. 1090299732441	698	938
Equity Bank Elgeyo Marakwet- A/C No. 1530262518517	40,235	40,535
Equity Bank Nandi- A/C No. 0490160498135	34	54
Equity Bank Laikipia-A/C No. 0270299893639	54,928	35,798
Equity Bank -KSA Nakuru- A/C No. 0310299799759	341	70,941
Equity Bank - KSA Narok- A/C No. 1230260686584	286	646
Equity Bank Kajiado- A/C No. 0470299821797	38,753	3,753
Equity Bank Kericho- A/C No. 0280260575592	(76)	745
Equity Bank Bomet- A/C No. 1220260596882	6,163	1,283
Equity Bank Kakamega- A/C No. 0500199795563	4,662	4,902
Equity Bank Bungoma- A/C No. 0480299890183	70,017	17
Equity Bank Busia- A/C No. 0780299736496	1,303	1,723
Equity Bank Siaya- A/C No. 0970299806239	255	555
Equity Bank Kisumu- A/C No. 0290299600596	60,845	51,205
Equity Bank Homa Bay- A/C No. 0980299806473	45,156	156
Equity Bank Migori- A/C No. 1160299798021	60,386	386
Equity Bank Kisii- A/C No. 0510299806612	60,001	1
Equity Bank Nyamira-A/C No. 0520161101153	36,884	2,064
Equity Bank Nyandarua-A/C No. 0160299855276	761	381
Equity Bank - KSA West Pokot-A/C No. 1070299789412	4,376	6,188
Equity Bank Baringo- A/C No. 1310299841416	49,644	49,644
Equity Bank Vihiga- A/C No. 0960199833363	5,195	555
Equity Bank Wajir-A/C No. 1030276350845	3,845	3,845
Equity Bank Garissa-A/C No. 0580293219628	966	966
Equity Bank Samburu-A/C No. 1100274807485	440	440
Equity Bank Isiolo- A/C No. 0410164363979	45,011	11
	<b>21,010,375</b>	<b>36,618,422</b>

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	2021	2020
	KSHS	KSHS
<b>(b) Staff Advance</b>		
KCB Moot 1 - A/C No. 1108788971	2,476,663	2,922,896
	<u>2,476,663</u>	<u>2,922,896</u>
<b>(c) Others</b>		
Safaricom Pay bill - 963350	6,510,454	17,500,023
	<u>6,510,454</u>	<u>17,500,023</u>
<b>Grand Total- Cash and Cash Equivalents</b>	<u>29,997,492</u>	<u>57,004,764</u>
<b>15 Receivables from Exchange Transaction</b>		
BP Shop Debtors	1,666,291	7,937,892
Receivable from Bosco Sombe	190,000	190,000
Prepayments	5,612,795	3,053,515
Embu Debtors	-	159,000
BP House Rent	4,908,902	3,515,445
	<u>12,377,988</u>	<u>14,855,852</u>
<b>16 Receivables from Non- Exchange Transaction</b>		
Staff Loans	2,668,114	3,681,524
	<u>2,668,114</u>	<u>3,681,524</u>
<b>17 Inventories</b>		
Rowallan	949,266	597,817
Kisumu	890,915	1,087,183
Kakamega	1,126,172	815,895
Embu	686,136	1,485,392
Nakuru	984,135	1,126,724
Main store	40,370,856	27,440,448
Nyeri	1,405,460	1,644,405
Eldoret	1,161,241	-
Mombasa	3,934,600	-
BP Shop	3,027,959	4,531,566
<b>Total inventories at the lower of cost and net realizable value</b>	<u>54,536,741</u>	<u>38,729,430</u>

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**18 Restricted Funds**

Details	As at 01.07.2020	Transfers KSHS	Payments KSHS	As at 30.06.2021 KSHS
Barclays ESP A/C No - 0821086558	481,263		481,263	-
I & M CRS - A/C No - 00200081541201	4,747,208	5,982,856	6,449,735	4,280,329
KCB Dollar A/C No - 1112620192	259,626	3,656		263,282
Equity Bank Vi Agroforestry Miritini Centre, Equity Bank - A/C No. 1510263534201	545,434 -	3,545,881 1,730,642	3,571,654 -	519,661 1,730,642
KCB MOOT 1 A/C No - 1108788971	2,743,014	2,512,393	2,778,744	2,476,663
	<b>8,776,545</b>	<b>13,775,428</b>	<b>13,281,396</b>	<b>9,270,577</b>

**19 Payables and Accruals**

Details of Creditors	2021 KSHS	2020 KSHS
Creditors	18,690,441	11,613,500
<b>Total Payables</b>	<b>18,690,441</b>	<b>11,613,500</b>

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20 Fixed Assets									
	Land	Buildings	Motor vehicles	Computers	Furniture, Fixtures & Fittings	Equipment	Work in Progress	Total	
Cost/Valuation	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs		Kshs	
As at 30/06/2017	1,663,800,000	158,200,000	10,736,500	2,264,885	4,018,080	906,310	11,350,420	1,851,276,195	
Additions	-	-	-	224,415	618,000	1,702,412	-	2,544,827	
As at 30/06/2018	1,663,800,000	158,200,000	10,736,500	2,489,300	4,636,080	2,608,722	11,350,420	1,853,821,022	
Additions	2,024,709	13,272,204	669,120	394,849	568,840	1,249,433	-	18,179,155	
As at 30/06/2019	1,665,824,709	171,472,204	11,405,620	2,884,149	5,204,920	3,858,155	11,350,420	1,872,000,177	
Additions	3,621,333	2,516,938	-	2,451,592	852,624	3,086,120	-	12,528,607	
As at 30/06/2020	1,669,446,042	173,989,142	11,405,620	5,335,741	6,057,544	6,944,275	11,350,420	1,884,528,784	
Additions				1,146,240	618,000			1,764,240	
As at 30/06/2021	1,669,446,042	173,989,142	11,405,620	6,481,981	6,675,544	6,944,275	11,350,420	1,886,293,024	
Depreciation and Impairment									
As at 30/06/2017		25,513,110	6,241,499	1,737,065	2,461,898	906,310	-	36,859,882	
Disposals	-	-	-	-	-	-	-	-	
Charge for the year		3,317,172	1,123,750	225,671	271,773	212,801	-	5,151,167	
As at 30/06/2018		28,830,282	7,365,249	1,962,735	2,733,671	1,119,112	-	42,011,049	
Disposals	-	-	-	-	-	-	-	-	
Charge for the year		3,566,048	1,010,093	115,177	308,906	821,713	-	5,821,937	
As at 30/06/2019	-	32,396,330	8,375,342	2,077,912	3,042,577	1,940,825	-	47,832,986	

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20. Fixed Assets														
	Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
	Charge for the year	3,539,820	757,570	977,349	376,871	625,431	-	-	6,729,707					
	As at 30/06/2020	35,936,151	9,132,911	3,055,261	3,419,448	2,566,256	-	-	54,562,693					
	Disposals	-	-	-	-	-	-	-	-					
	Charge for the year	3,451,325	568,177	1,028,016	407,012	547,252	-	-	6,001,782					
	As at 30/06/2021	39,387,475	9,701,089	4,083,277	3,826,460	3,113,508	-	-	60,111,809					
	Net Book Value													
	As at 30/06/2021	1,669,446,042	1,704,531	2,398,704	2,849,084	3,830,767	11,350,420	11,350,420	1,826,181,215					
	As at 30/06/2020	1,669,446,042	2,272,709	2,280,480	2,638,096	4,378,019	11,350,420	11,350,420	1,829,966,091					
	As at 30/06/2019	1,665,824,709	142,641,922	4,040,371	921,414	2,471,249	2,739,043	11,350,420	1,829,989,128					
	As at 30/06/2018	1,663,800,000	132,686,890	4,495,001	752,235	2,174,182	1,702,412	11,350,420	1,816,961,140					

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INTANGIBLE ASSETS-ERP System		2021/2020	2019/2020	2018/2019	2017/2018	2016/2017				
Cost	KSHS	4,385,973	4,385,973	2,819,973	2,819,973	2,819,973				
30th June 2018		4,385,973	4,385,973		2,819,973	2,819,973				
Additions		-	-	1,566,000	1,566,000	-				
Cost As at 30/06/2018		4,385,973	4,385,973	4,385,973	4,385,973	2,819,973				
Amortization										
Accumulated Amortization		3,618,633	3,289,773	2,622,575	2,537,976	1,691,984				
Charge for the year		230,202	328,860	667,198	84,599	845,992				
30th June		3,848,835	3,618,633	3,289,773	2,622,575	2,537,976				
Net Book Value		537,138	767,340	1,096,200	1,763,398	281,997				

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**22. Employee Benefit Obligations**

The Association also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The association's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at KShs. 1,080 per employee per month. Other than NSSF the Association also has a defined contribution scheme operated by UAP OLD MUTUAL Pension Fund. Employees contribute 3% while employers contribute 7% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

**23. Cash generated from operations**

	<b>2021</b>	<b>2020</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Net Surplus/(Deficit)</b>	(32,276,582)	(26,815,465)
<b>Adjustment on non-cash income and expenditure</b>		
Depreciation on plant and equipment	6,231,984	7,058,536
<b>Working Capital adjustments</b>		
Account Receivable (Increase)/Decrease	3,491,275	(12,853,948)
Inventory (Increase)/Decrease	(15,807,311)	(28,494,820)
Account Payables Increase/(Decrease)	7,076,941	9,125,301
County Support	-	-
<b>Net Cash From Operating Activities</b>	<b>(31,283,693)</b>	<b>(51,980,395)</b>

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**24. Financial risk management**

The association's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The association's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The association does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The Association's financial risk management objectives and policies are detailed below:

**i) Credit risk**

The association has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the association's management based on prior experience and their assessment of the current economic environment.

**ii) Capital Risk Management**

The objective of the association's capital risk management is to safeguard the Board's ability to continue as a going concern. The association capital structure comprises of the following funds:

	2020-2021	2019-2020
	Kshs.	Kshs.
General Fund	891,440,356	923,753,369
Revaluation Reserve	1,006,753,186	1,006,753,186
Restricted Fund	9,414,705	2,921,378
<b>Total funds</b>	<b>1,907,608,247</b>	<b>1,933,427,933</b>
Total borrowings	-	-
Less: cash and bank balances	(29,997,492)	(57,004,765)
Net debt/(excess cash and cash equivalents)	1,877,610,755	1,876,423,168
<b>Gearing</b>	<b>0.97%</b>	<b>0.97%</b>

**25. RELATED PARTY BALANCES**

**Nature of related party relationships**

Entities and other parties related to the Association 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 association, holding 100% of the association's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Association, both domestic and external. Other related parties include:

- i) The National Government;
- ii) The Parent Ministry;
- iii) Key management;
- iv) Board of directors;

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Transactions with related parties	2021	2020
	Kshs	Kshs
a) Sales to related parties		
b) Grants from the Government		
Grants from National Govt	79,119,000	92,812,500
Grants from County Government	-	-
Donations in kind	-	-
<b>Total</b>	<b>79,119,000</b>	<b>92,812,500</b>
c) Expenses incurred on behalf of related party		
d) Key management compensation		
<b>Total</b>	<b>79,119,000</b>	<b>92,812,500</b>

**26. 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
- f. Kayaba Camp
- g. Busia Camp
- h. Nyeri Camp
- i. Busia Camp

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

**27. EVENTS AFTER THE REPORTING PERIOD**

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

**28. ULTIMATE AND HOLDING ASSOCIATION**

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

**30. CURRENCY**

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

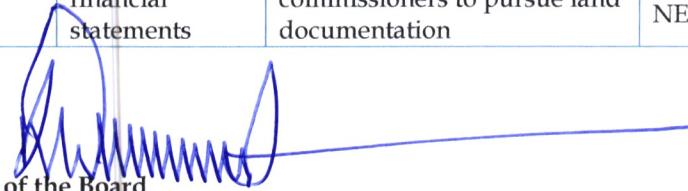
**APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

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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
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Chairman of the Board  
Date:12.09.2021

**APPENDIX II: INTER-ASSOCIATION TRANSFERS**

ASSOCIATION NAME: The Kenya Scouts Association				
Break down of Transfers from the State Department of Ministry of Education				
FY 20/21				
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
a.	Recurrent Grants	-	-	
b.	Development Grants	-	-	
c.	Direct Payments			
	Quarter 1	11/08/2020	19,647,000	2020/2021
	Quarter 2	05/11/2020	19,647,000	2020/2021
	Quarter 3	10/02/2021	19,647,000	2020/2021
	Quarter 4	12/05/2021	20,178,000	2020/2021
		<b>Total</b>	<b>79,119,000</b>	
d.	Donor Receipts			

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

Finance Officer  
The Kenya Scouts Association

Sign -----