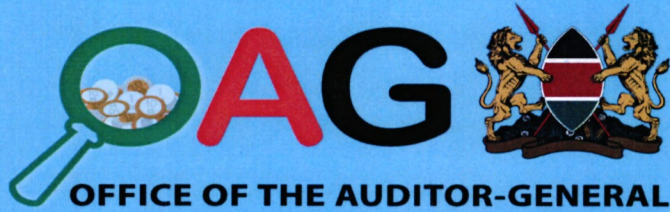


REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 14 JUN 2023	DAY: WED
TABLED BY:	LDM: HON. KIMANI ICHUNGWATH, MP
CLERK-AT-TABLE:	ESTHER NGWYO

PARLIAMENT  
OF KENYA  
LIBRARY

**THE AUDITOR-GENERAL**

**ON**

**NATIONAL YOUTH SERVICE**

**FOR THE YEAR ENDED  
30 JUNE, 2022**



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# **NATIONAL YOUTH SERVICE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30<sup>TH</sup> JUNE 2022**

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**NATIONAL YOUTH SERVICE**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2022.**

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**1. KEY SERVICE INFORMATION AND MANAGEMENT**

**a. Background information**

The National Youth Service (NYS) was established in 1964 under Cap 208 of the Laws of Kenya and operated as Department in various Government Ministries until 2018 when the National Youth Service Act, 2018 was enacted transforming the Service into a body corporate (*NYS Act, 2018 section 5*). The Cabinet Secretary for Public Service, Gender, Senior Citizens and Special programs, who is responsible for the general policy and strategic direction, represents NYS at the cabinet level.

The Service has twenty-two (22) Field Units/Stations and seventeen (17) Technical and Vocational Training Institutes spread across the country.

The Field Units include:

1. Nairobi Holding Unit (NHU)
2. Mechanical and Transport Branch (MTB)
3. NYS Engineering Institute (NYS EI)
4. Textile and Garment Technology Institute (TGTI)
5. NYS Vocational Training Institute (NYS VTI)
6. NYS College, Gilgil
7. NYS Technical Training Institute, Naivasha
8. Turbo Field Unit
9. Tumaini Field Unit
10. Kisumu Field Unit
11. Kiriimun Field Unit
12. Lambwe Field Unit
13. Kerio Valley Field Unit
14. Yatta Field Unit
15. Athi River Field Unit
16. Mavoloni Field Unit
17. Garissa-Mbalambala Field Unit
18. Tana Basin Road Project
19. NYS Technical College, Mombasa
20. Hindi Development Unit

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21. Witu Field Unit
22. Mwatate Field Unit.

The Field Units are headed by Commanding Officers (COs) while the Technical and Vocational Training Institutes hosted within the field units are headed by College Principals.

The total number of service men and women during the period under review was **44,888** undertaking paramilitary training, national service programs and vocational training. The total personnel during the same period were **2,309** comprising **1,831** uniformed and **478** civilian officers. A total of **54** Officers retired from the Service, comprising **26** uniformed and **28** civilian Officers.

**b. Principal Activities**

**i. Mandate**

NYS has been mandated to undertake the following activities (*NYS Act, 2018 section 7*): paramilitary training of its members; national service programs; technical and vocational training, professional and personal development programs and activities for its members; enterprise and commercial activities; leadership development programs and activities for its members; cross-cultural activities for integration of its members; and assist the Kenya Defence Forces (KDF), the National Police Service (NPS) and other public authorities during emergencies, disasters, war or insurrection, or in execution of the mandates of the public authorities as the Council may determine.

**ii. Vision**

The Service, therefore, envisions itself as a centre of excellence in transforming, training and empowering Kenyan youths.

**iii. Mission**

The mission of the Service is to develop disciplined and empowered youths and instil members and staff of the Service with patriotism, loyalty, integrity and commitment to duty and service for effective participation in national development.

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**c. Key Management**

The day-to-day management of the National Youth Service is under the Director General who is also the Chief Executive Officer/Accounting Officer of the Service in accordance with section 17 of the NYS Act, 2018.

The Director-General is assisted by a team of senior managers including Deputy Director Generals (DDGs), Directors and Heads of Departments (HODs).

**d. Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2022 and who had direct fiduciary responsibility were:

No.	Designation	Name
1	Director-General / Chief Executive Officer	Matilda P. Sakwa (Ms.), EBS
2	Deputy Director-General, Corporate Services	Mr. James K. Tembur, MBS
3	Deputy Director-General, Paramilitary Training and National Service	Mr. James Mmata
4	Director, Finance and Accounts	Mr. Francis N. Ndegwa
5	Director, Human Resource Management & Development	Mr. Henry Obanyi
6	Director, Human Resource Management & Development	Mr. Maxwell Okoth Zange
7	Director, Technical and Vocational Training	Mr. Peter Maina King'ori
8	Director, Supply Chain Management Services	Mr. James Kairu
9	Director, Strategy and Planning	Ms. Jacklyn Makanda
10	Director, Internal Audit	Ms. Maggy N. Munyasya
11	Director, Commercial Enterprises and Marketing	Mr. Daniel K. Kipchumba
12	Head of Accounts	Mr. Elias Macharia
13	Head, Information and Communication Technology	Abdulkadir Jarso Waqo

**e. Fiduciary Oversight Arrangements**

NYS has the following fiduciary oversight arrangements in place:

- i. Senior Management and HODs Committee;
- ii. Budget Implementation Committee;
- iii. Human Resource Management and Advisory Committee; and
- iv. Corruption Prevention and Complaints Committee.

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**f. Service Headquarters**

**National Youth Service Headquarters**

Off Thika Super Highway, Ruaraka

P. O. Box 30397 – 00100

**NAIROBI, KENYA**

**g. Service Contacts**

Tel: +254 20 8563521

Fax: +254 20 8561489

Email: [Director.General@nys.go.ke](mailto:Director.General@nys.go.ke)

Website: [www.nys@go.ke](http://www.nys@go.ke)

**h. Service Bankers**

(a) Central Bank of Kenya

Haile Selassie Avenue

P. O. Box 60000 - 00200

**NAIROBI, KENYA**

(b) Kenya Commercial Bank

Moi Avenue

P. O. Box 48400 – 00100

**NAIROBI, KENYA**

(c) National Bank of Kenya

Harambee Avenue

P.O. Box 72866 – 00200

**NAIROBI, KENYA**

(d) Cooperative Bank of Kenya

Upper Hill

P. O. Box 48231 – 00100

**NAIROBI, KENYA**

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**i. Independent Auditors**

Auditor-General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084 - 00100

**NAIROBI, KENYA**

**j. Principal Legal Adviser**

The Attorney General

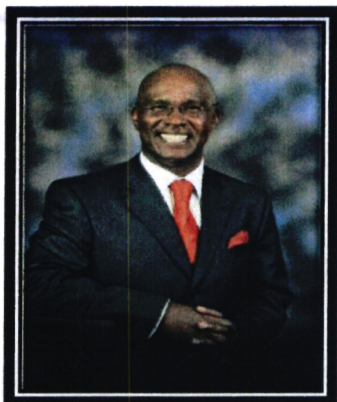
State Law Office and Department of Justice

Harambee Avenue

P.O. Box 40112 - 00200

**NAIROBI, KENYA**

## **2. THE BOARD OF DIRECTORS**



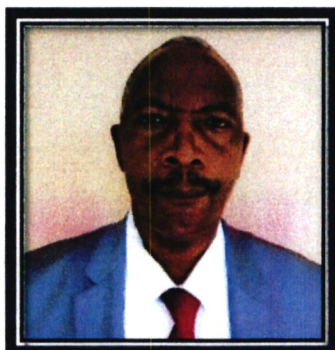
**Lt Gen (Rtd) Njuki Mwaniki, MGH, CBS, OGW, ndc (K) - Chairman  
(Re-Appointed on 7<sup>th</sup> February 2022)**

An ardent infantry retired military Three-Star-General, Njuki Mwaniki holds a Masters of Arts in War in the Modern World (Distinction) from The King's College, London. He holds a Diploma in International Studies from the University of Nairobi, Diploma in Military strategy from the National Defence University, Beijing and a Certificate in Scriptualizing from Harvard University Divinity School. He brings on board a wealth of experience in Management and Leadership of disciplined services spanning over 40 years.



**Matilda P. Sakwa (Ms.), EBS – Director General/Chief Executive Officer/Secretary (Appointed on 1<sup>st</sup> June 2019)**

Ms. Sakwa holds a Masters Degree in Development Studies from the International Institute of Social Studies at The Hague, The Netherlands and a Bachelor of Arts Degree from the University of Nairobi. She is an accomplished public servant with over thirty (30) years of diligent Service in the Public Service. She was a key player in setting up project delivery teams in a number of line ministries under the social pillar of the Vision 2030. She was a member of the inaugural team that conceptualized and established structures for the National Aids Control Council in Kenya and a member of the National Steering Committee that developed the National Action Plan on UNSCR 1325 on Women, Peace and Security.



**Mr. Elijah K. Wachira – Independent Member (App. on January 13, 2020)**

Mr. Wachira holds an MBA in Management Information Systems and a BSc in Meteorology from the University of Nairobi and a Postgraduate Diploma in Systems Analysis and Design from Edinburgh Napier University. He is the Managing Consultant of Peak Line Consultants Limited, Nairobi. He has a wide exposure and experience in Training and Capacity Building;

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Performance Management Systems; and Strategic Management. Mr. Wachira has hands-on experience in corporate governance of State-owned Enterprises (GOEs) through successful formulation and implementation of corporate policies, strategy and performance management systems at the Kenya School of Government.



Mr. Ali Sahal Idris – Independent Member (Re-appointed on 7<sup>th</sup> February 2022)

Mr. Idris holds a Master of Business Administration Degree from United States International University-Africa (USIU) and a Bachelor of Commerce in Finance from the University of Nairobi. He is also an alumnus of the Harvard University Kennedy School Executive Education Program and a Fellow of the Association of Chartered Certified Accountants in UK (FCCA). He is a Finance and Management Consultant with over 15 years' experience in finance and business management. He has worked with PricewaterhouseCoopers (PwC) in Kenya, Hass Petroleum Group, Dahabshiil Bank (renamed East Africa Bank) and Dahabshiil FZCO based in Dubai, UAE. Mr. Idris is a finance and business management advisor to a number of companies and sits on the boards of various private companies.



Dr. Nkatha Linda Gichuyia – Independent Member (Re-appointed on 7<sup>th</sup> February 2022)

Dr. Nkatha holds a PhD in Architecture and an MPhil in Environmental Design, both from the University of Cambridge in the UK. She is currently a Lecturer at the Architecture and Building Science Department of the University of Nairobi. Recently, was got appointed as a visiting assistant professor to the University College Dublin's School of Architecture, Planning and Environmental policy for a period of 3 years beginning 1<sup>st</sup> September 2020. Dr. Nkatha is deeply involved as well in drawing both National Government and International Policy Frameworks, in her other various capacities as a knowledge broker, Gates Cambridge Scholar, practicing Architect, and as an independent researcher and urban development consultant.

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**Ms. Christine Achieng Odera – Independent Member (appointed on 7<sup>th</sup> February 2022)**

Ms. Odera holds an Executive Masters in Development Policy and Practice (DPP) and a Bachelors of Arts in International Relations (Peace and Conflict Studies). She is the Program Manager, School for International Training (SIT) and the current Pan-Commonwealth Coordinator/Commonwealth Youth Peace Ambassador (CYPAN). She has over 7-year wealth of experience in youth advocacy and policy development and programs.



**Mr. Richard Kakunga Wambua – Independent Member (Appointed on 7<sup>th</sup> February 2022)**

Mr. Wambua holds a Bachelors of Arts in International Relations. He served as European Development Days Young Leader, CEO of MeForest Initiative, and a former Board Director at the Youth Agenda and a current Advisory Board Member of the Youth Sounding Board (Royal Danish Embassy to Kenya). He has a wealth of experience in advocacy for climate change mitigation innovations as well as youth and women empowerment. From his role as Ambassador, brings a lot of experience on youth and women empowerment in multilateral affairs in the Council and Service.



**Ms. Anita Jerotich Chepseba – Alternate Member, the Attorney General**

Ms. Chepseba has over 15-year experience in legal practice, including over 10 years in Public Service. She holds a Bachelor of Laws Degree (LLB) from Moi University and a Diploma in Law from Kenya School of Law.

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**Dr. Florence N. Muinde – Alternate Member, PS, Public Service.**

Dr. Muinde holds PhD in Information Systems from the Victoria University of Wellington, New Zealand and a Masters and Bachelors in Education. She has served in various capacities in the Public Service for over thirty-one (31) years, as an educationist; Deputy Director of Programs in the Civil Service Reforms Programme; Director, Youth Development; Director, Management Consultancy Service in charge of the Public Service Delivery Innovation and is currently the Director, Human Resource Development, State Department for Public Service. She is an active member of the following professional associations: Institute of Human Resource management (IHRM (K)); Kenya Institute of Management (KIM); Kenya Association of Public Administration Management (KAPAM); Association of Africa Public Administration (AAPAM) and the Globethics Advisory Board.



**Mr. Michael Jasper Obonyo - Alternate Member, PS, National Treasury.**

Mr. Obonyo holds a Masters of Arts in Communication studies (UoN, 2011) and brings on board a wealth of professional experience in public communications spanning over 27 years. He is currently the Head, Public Communications at the Pensions Department, National Treasury.



**Brig. Bernard Kiprotich Jerry Korir - Alternate Member, CDF**

Brig. Korir holds a Bachelors of Commerce and two Diplomas in Defence and Security Studies as well as Strategic Studies. He is a career military Officer with over 32 years of experience in military command, staffing and training. He served in peace and security operations with the UNPROFOR in the former Yugoslavia and in MONUC DRC. He is the current Chief of Training Development, Establishment and Equipment Tables in the Kenya Defence Forces.

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Mr. Thomas Edward Sakah - Alternate Member, PS, Interior

Mr. Sakah holds a Master's Degree in Business Administration (Strategic Management) and Bachelor of Arts in Public Administration and Philosophy. He brings on the Board a wealth of over 30 years' experience in public administration.

**NATIONAL YOUTH SERVICE  
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**3. MANAGEMENT TEAM**



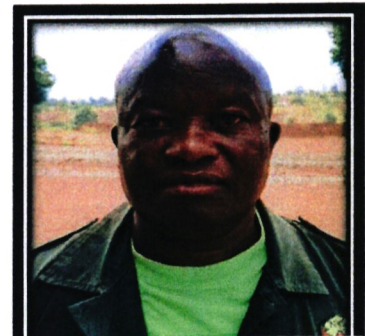
**Matilda P. Sakwa (Ms.), EBS  
Director-General/CEO  
MA. (Development Studies)**



**Mr. James K. Tembur, MBS  
DDG, CS&C  
MSc. Entrepreneurship**



**Jacklyn Makanda  
Director, Strategy and Planning  
MA. (GD&E, PP&M)**



**James Mmata  
Director, Operations  
MA. International Studies**



**CPA. Maggy N. Munyasya  
Director, Internal Audit  
MSc. (G&SB), ICPAK & IIA**



**James Kairu  
Head: SCM  
MBA. (Strategic Mgmt.), KISM**



**Peter Maina King'ori  
Director, Vocational Training  
MSc. MIS**

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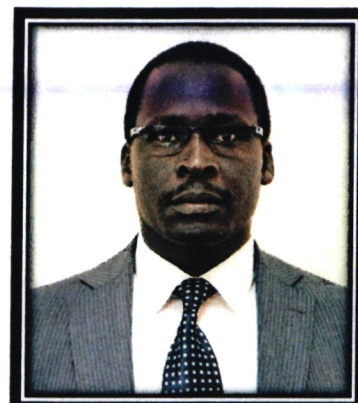
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**Henry O. Obanyi**  
**Director, HRM&D**  
**MA. HRM, IHRM**



**CPA. Elias Kimani Macharia**  
**Head of Accounts**  
**MBA (Finance)**



**CPA. Daniel Kipchumba Kendagor**  
**Director, Commercial Enterprises**  
**MBA (Finance)**



**CPA. Francis Ngigi Ndegwa**  
**Director, Finance and Accounts**  
**MBA Fin. & Accounts**

**NATIONAL YOUTH SERVICE**  
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**4. CHAIRMAN'S STATEMENT**

The Government established the National Youth Service (NYS) as a State Corporation following the enactment of the NYS Act, 2018. Section 7 of the Act outlines the mandate of the Service, which I am pleased to report that the NYS Annual Report and Financial Statements for the year ended June 30, 2022 has adequately presented.

During the year under review the Council commenced the mid-term review of the Service's Strategic Plan (2019-2024) and established critical structures including 5 Regional Treasuries delinking the finance and accounts activities of the Service from Sub-County Treasuries and procured an Enterprise Resource Planning (ERP) system. These were all aimed at enhancing logistical and operational efficiency and accountability.

Additionally, I wish to congratulate the inaugural Council Members who concluded their term in February, 2022. They presided over the establishment of major transition policies, strategies, procedures, structures, organs and systems of the Service which are fundamental to a strong future and critical to achievement of the mandate of NYS as envisaged in the Act, 2018. I also this opportunity to welcome new members to the second Council and to congratulate the continuing ones for their reappointment. The second Council has settled with speed and take up the mantle from where the 1st Council left. Am hopeful that with focus and commitment we will propel the Service to a brighter future.

On behalf of the Council, I wish to report that despite the post Covid-19 global pandemic challenges, the Service performed fairly well in terms of programs implementation and financial performance.

I am grateful to the Government for continued support to the Service. The NYS Strategic Plan, 2019 – 2024 is quite ambitious on various policy, infrastructure development, commercial investments of the Service (section 7, 1 (d)) and human resource matters. The National Youth Service remain committed to achieving its strategic targets.

I applaud the Council members, Management and staff of the Service for their commitment and exemplary work. I am also grateful for the support of our partners and collaborators whose contributions were an important addition to the success of the Service.

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Going forward, therefore, I am confident that the Service has the potential to discharge its mandate more effectively.

LT GEN (RTD) NJUKI MWANIKI  
CHAIRMAN, NYS COUNCIL

**NATIONAL YOUTH SERVICE**  
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**5. REPORT OF THE CHIEF EXECUTIVE OFFICER**

This is the third (3<sup>rd</sup>) Annual Report and Financial Statements since the establishment of the National Youth Service (NYS) as a State Corporation.

Management remains appreciative of the financial support received from Government of **Kshs 10,300,226,673** in recurrent and development grants. In addition to this, the Service realized an AIA of **Kshs 834,829,719**. This year, the Service posted a fair financial performance attributed to strict adherence to financial procedures, enhanced partnerships and the introduction of effective cost-reduction measures. The Service posted a pending bill of **Kshs 694,768,425.85 (6.25%)** and paid **Kshs 1.0 Billion** worth of historical pending bills.

The key operational achievements during the reporting period included: 10,829 youth recruited against a target of 7,500; 17,047 youth trained in paramilitary skills against a target of 15,000; 100% implementation of Presidential Directives; 7,120 youth enrolled into technical training; 34,049 youth undertook technical and vocational training; 1950 NYS graduates placed on jobs; 5 enterprise activities supported with seed capital and commissioned; a Sub-Unit launched in Ugunja, Siaya County; employed 45 new Officers; promoted 22 Officers and capacity built 741 Officers and established critical infrastructure including: 5 regional treasuries operationalized, an Enterprise Resource Planning (ERP) system procured and operationalized and upgrading of sewer line for NYS TTI – Naivasha among others.

Lastly, the Service has invested heavily in building a strong culture of unity of purpose and commitment to the mission and ideals of the Service through development of a framework for management and leadership competencies and capacity building of its members.

**JAMES K. TEMBUR MBS**

**Ag. DIRECTOR GENERAL/CHIEF EXECUTIVE OFFICER**

**NATIONAL YOUTH SERVICE**  
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**6. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES**  
**FOR FY 2021/22**

The National Youth Service Strategic Objectives delineated in its Strategic Plan for 2019/20 -2023/24 are implemented through five (5) Programs/Strategic Result Areas namely;

1. Paramilitary Training & Service Regimentation
2. National Service & Youth Re socialization
3. Technical and Vocational Training
4. Enterprise Development
5. Strengthening Strategic Operations.

Performance targets and indicators in the NYS Annual Work Plan (AWP) and Performance Contract (PC) are derived from these Programs/Strategic Result Areas. Achievements of performance targets of the Service are therefore tied to the PC and resource availability. Assessment of the performance of NYS is done on a daily, weekly, monthly and quarterly basis. The Service achieved its performance targets for the FY 2021/2022 as indicated in the table 1 below:

**Table 1: NYS PC Performance during FY 2021/2022**

Strategic Result Area	Objective	Activities	Key Performance Indicators	Target (FY 2021/2022)	Achievements	Remarks
1. Paramilitary Training and Service Regimentation	To enlist and train 10,000 youth in Paramilitary Skills	Enlist youth into NYS	No. of youth enlisted	7,500	10,839	NYS is required to recruit 30,000 youth annually. This number was downscaled due underfunding.
		Train youth in Paramilitary Skills	No. of youth trained	15,000	17,047	17,346 youth recruited in June 2021 and January 2022. This comprised of 12,600 males and 4,746 females. However, 299 recruits exited the training on various grounds leaving 17,047 youth
2. National Service and Youth Re-socialization	To engage Service men and women (SM/W) in national service programs	Deploy SM/W to serve the nation on tasks of national importance	No. of youth engaged in national service programs	15,000	14,595	Comprising of two cohorts of 7,361 SM/W and 7,234 SM/W to provide service to the nation on tasks of national importance including but not limited to food production, security services and other disaster and emergency response activities and construction and rehabilitation of national infrastructure.
	To increase food productivity to contribute to the food and nutrition security	Produce food to contribute to the county's food and nutrition security	Tonnes of food produced	2,160	1,953.542	Low productivity was occasioned by: i. Overreliance on rain fed agriculture, unfavourable weather conditions and crop diseases ii. Inadequate funding for specialized farm inputs, machinery and installation of irrigation infrastructure for large scale farming.
	To increase cotton productivity to contribute to the	Produce cotton to contribute to the county's manufacturing sector	Tonnes of cotton produced	50	8.07	

**NATIONAL YOUTH SERVICE**  
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Strategic Result Area	Objective	Activities	Key Performance Indicators	Target (FY 2021/2022)	Achievements	Remarks
	manufacturing agenda					
	To implement Presidential Directives	Implement all Presidential directives issued to the Service	Implementation of Presidential Directives	100%	100%	<ul style="list-style-type: none"> <li>i. Rehabilitation of Nakuru- Kisumu and Gilgill-Nyahururu railway lines where a total of 101 Servicemen had been deployed. The project was completed;</li> <li>ii. Provision of supervisory services in the National Hygiene “Kazi Mtaani” Programme in various counties across the country. The project was completed.</li> <li>iii. Undertook an assessment of the boda-boda riders training programme in the three (3) pilot counties of Machakos, Kiambu and Kajiado to inform rolling out the training in other counties</li> <li>iv. Conducted tests for a total of 860 boda-boda riders consisting of 355 in Kajiado, 400 in Machakos and 105 in Kiambu.</li> <li>v. A total of four hundred and ninety-six (496) riders were trained in Kirinyaga County and were issued with provisional driving licences (PDL) awaiting test booking.</li> <li>vi. The Service further trained 7,282 riders in different counties across the country.</li> </ul>

**NATIONAL YOUTH SERVICE  
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Strategic Result Area	Objective	Activities	Key Performance Indicators	Target (FY 2021/2022)	Achievements	Remarks
3. Vocational Training	i. To enrol and train SM/W in Technical and Vocational skills	a) Enrol SM/W in to undertake technical and vocational training b) Train SM/W in technical and vocational skills	No. of SM/W enrolled	7,500	7,120	vii. This programme has been largely affected by high dropout rate and non-payment particularly by the sponsor institutions like County Governments. viii. Planted 28,579 tree seedlings in various Field Units to contribute towards accelerated attainment of 10% national tree cover. The SM/W were enrolled in various specialized courses
	ii. To identify and develop	c) Profile SM/W with and develop talent	No. of SM/W trained	34,367	34,049	i. Projection for the FY was 34,367 trainees in our institutions, KMTC and TVET institutions under MoE. ii. During the year, the Service enrolled a total of 7,120 SM/W into various specialised courses iii. Trained 25,741 SM/W in technical and vocational training. Out of this, 13,877 SM/W were in NYS training institutions, 11,628 SM/W in MoE institutions and 236 SM/W in KMTC. iv. 8,308 completed training and released to the labour market. The participation was distributed as tabulated below:
			No. of SM/W with talents	1,500	2,899	

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	SM/W with talent	profiled and developed		Talent Area	No. (SM/W)	Remarks
				NYS Sports Championships and Talent Activities	2,443	2 Championships held during the FY
				AK National Cross-Country trials	12	-
				Soft Ball Senior Men World Cup Qualifiers	6	5 joined the Kenya Team for World Cup Qualifiers
				Nakuru Country Women League	22	-
				KETISA 1st Term athletics rugby men and women football	88	-
				Drama	96	-
				AK National Athletics Championship	40	-
				Soft Ball Final Series	30	-
				Universities and Colleges Football League	132	-

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**For the year ended June 30, 2022.**

Strategic Result Area	Objective	Activities	Key Performance Indicators	Target (FY 2021/2022)	Achievements	Remarks																
						<table border="1"> <tr> <td>Nairobi Basketball Association League</td> <td>30</td> <td>-</td> </tr> <tr> <td><b>Total No.</b></td> <td><b>2,899</b></td> <td></td> </tr> </table>	Nairobi Basketball Association League	30	-	<b>Total No.</b>	<b>2,899</b>											
Nairobi Basketball Association League	30	-																				
<b>Total No.</b>	<b>2,899</b>																					
	To place SM/W and NYS graduates on jobs	Create and seek job opportunities for SM/W and NYS graduates in public and private agencies in Kenya and abroad	No. of youth placed on jobs	250	1,950	<p>The SM/W secured employment as follows:</p> <table border="1"> <tr> <th>Employing Org.</th> <th>No. Engaged</th> </tr> <tr> <td>National Youth Service</td> <td>765</td> </tr> <tr> <td>Kenya Defence Forces</td> <td>558</td> </tr> <tr> <td>Kenya Airports Authority</td> <td>200</td> </tr> <tr> <td>Kenya Prisons Service</td> <td>87</td> </tr> <tr> <td>Private Sector</td> <td>8</td> </tr> <tr> <td>TGTI</td> <td>332</td> </tr> <tr> <td><b>Total SM/W Employed</b></td> <td><b>1950</b></td> </tr> </table>	Employing Org.	No. Engaged	National Youth Service	765	Kenya Defence Forces	558	Kenya Airports Authority	200	Kenya Prisons Service	87	Private Sector	8	TGTI	332	<b>Total SM/W Employed</b>	<b>1950</b>
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4. Enterprise Development	To commercialize production activities for sustainability of the Service	Undertake commercial and enterprise activities for revenue generation	No. of commercial and enterprise activities undertaken	6	8	<p>i. The projects include:</p> <ul style="list-style-type: none"> <li>a) Certified potato seeds production;</li> <li>b) Garment production and laundry services;</li> <li>c) Bakery production;</li> <li>d) Mineral water processing and bottling;</li> <li>e) Vehicle, Machinery and Equipment hire;</li> </ul> <p>ii. The Service developed one (1) commercialization master plan and two (2) concepts/proposals for commercialization of identified business ideas.</p>																
	To undertake Research and	a) Identify research, technology and	No. of research and innovation	100%	100%	<p>i. Identified KIRDI, KeNIA and JKUAT for collaboration in capacity building, research,</p>																

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Strategic Result Area	Objective	Activities	Key Performance Indicators	Target (FY 2021/2022)	Achievements	Remarks
5. Strengthening Strategic Operations	Innovation in NYS	<p>innovation areas and scope relevant to NYS;</p> <p>b) Identify areas for collaboration;</p> <p>c) Train an officer on Research, Technology Innovation &amp; Technology Transfer &amp; Commercialization;</p> <p>d) Develop a research proposal on NYS programs.</p>				<p>technology, innovation and modern agricultural production;</p> <p>ii. In collaboration with KeNIA, trained two (2) officers on designing effective intellectual policies for academic and research institutions, and technology transfer and commercialization of Intellectual Property;</p> <p>iii. Initiated documentation of research activities in the Service in an effort to identify research, technology and innovation areas and commenced development of a concept paper on Impact Evaluation of NYS Programs and Projects</p>
	To collaborate with stakeholders for furtherance of NYS functions	Enter into collaborations and partnerships on NYS programs and projects	No. of collaborations and partnerships	3	4	<p>i. ICT Authority: - for ICT internet and connectivity services to the Government Common Core Network (GCCN);</p> <p>ii. County Government of Laikipia: - for the proposed improvement of county roads in towns and small urban centres in Laikipia County – DoIDol Smart Town;</p>

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Strategic Result Area	Objective	Activities	Key Performance Indicators	Target (FY 2021/2022)	Achievements	Remarks														
						iii. County Governments of Kisumu, Kakamega and Kiambu on provision of medical services to NYS SM/W; and iv. Nyandarua County Government for provision of firefighting services.														
	To strengthen institutional reforms in NYS	a) Develop, review and implement policies, legal documents, strategies, system and regulations	Policy, strategy, system and regulations developed and reviewed	100%	100%	The Service solicited and incorporated staff comments and inputs for Amendment of the NYS Act, 2018 and developed the final draft of the Provisions for the Amendment; Undertook Mid Term Review of the NYS Strategic Plan FY 2019/2020-2023/2024; 3 Policies and Procedures manuals finalized; 3 Policies developed; 7 Regulations approved and gazetted for implementation; one new policy draft developed; NYS SM/W Tracking System Developed and Implemented														
		b) Recruit, train and promote officers in an effort to fill skill gaps identified	No. of officers recruited, trained and promoted	Recruitment 44 positions and 500 for promotions and training	i. 45 Officers recruited ii. 22 Officers were promoted iii. 741 Officers Trained and	i. The recruitments were done as follows: <table border="1"> <thead> <tr> <th>Post</th> <th>No. Recruited</th> </tr> </thead> <tbody> <tr> <td>Accountants</td> <td>5</td> </tr> <tr> <td>Internal Auditors</td> <td>6</td> </tr> <tr> <td>Lecturers</td> <td>15</td> </tr> <tr> <td>Economists</td> <td>2</td> </tr> <tr> <td>Legal Officers</td> <td>2</td> </tr> <tr> <td>Livestock Production Officers</td> <td>2</td> </tr> </tbody> </table>	Post	No. Recruited	Accountants	5	Internal Auditors	6	Lecturers	15	Economists	2	Legal Officers	2	Livestock Production Officers	2
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Strategic Result Area	Objective	Activities	Key Performance Indicators	Target (FY 2021/2022)	Achievements	Remarks																																
					capacity built in various skills	<table border="1"> <tr> <td>Animal Health Officers</td> <td>3</td> </tr> <tr> <td>Nurses</td> <td>4</td> </tr> <tr> <td>Inspector Roads/Building</td> <td>2</td> </tr> <tr> <td>Senior Inspectors Mechanical/Automotive</td> <td>3</td> </tr> <tr> <td>Director Human Resource Management and Administration</td> <td>1</td> </tr> <tr> <td><b>Total No. of Officers Recruited</b></td> <td><b>45</b></td> </tr> </table> <p>ii. The service undertook promotions as follows:</p> <table border="1"> <tr> <td><b>Post</b></td> <td><b>No. Prom.</b></td> </tr> <tr> <td>Deputy Director General</td> <td>1</td> </tr> <tr> <td>Deputy Directors</td> <td>3</td> </tr> <tr> <td>Senior Assistant Director</td> <td>10</td> </tr> <tr> <td>Chief Inspector</td> <td>2</td> </tr> <tr> <td>Inspector</td> <td>2</td> </tr> <tr> <td>Supply Chain Management Assistant II</td> <td>1</td> </tr> <tr> <td>Cleaning Supervisor I</td> <td>2</td> </tr> <tr> <td>Plant Operator I</td> <td>1</td> </tr> <tr> <td><b>Total No. of Officers Promoted</b></td> <td><b>22</b></td> </tr> </table> <p>iii. Staff trained and development was undertaken as follows:</p>	Animal Health Officers	3	Nurses	4	Inspector Roads/Building	2	Senior Inspectors Mechanical/Automotive	3	Director Human Resource Management and Administration	1	<b>Total No. of Officers Recruited</b>	<b>45</b>	<b>Post</b>	<b>No. Prom.</b>	Deputy Director General	1	Deputy Directors	3	Senior Assistant Director	10	Chief Inspector	2	Inspector	2	Supply Chain Management Assistant II	1	Cleaning Supervisor I	2	Plant Operator I	1	<b>Total No. of Officers Promoted</b>	<b>22</b>
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Strategic Result Area	Objective	Activities	Key Performance Indicators	Target (FY 2021/2022)	Achievements	Remarks																				
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	To Implement Capital Projects	a) Rehabilitation and upgrading of the sewer line at NYS TTI Naivasha c) Acquire and implement an ERP System	Completion status (%)	2	2	<p>i. Sewer line at NYS TTI Naivasha is currently 95% complete with landscaping and construction drainage system on-going.</p> <p>ii. Construction of the four (4) ponds was completed with intake works on-going.</p> <p>iii. Finance and Accounts, Procurement and HR modules of the ERP were rolled out.</p>																				

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Strategic Result Area	Objective	Activities	Key Performance Indicators	Target (FY 2021/2022)	Achievements	Remarks
						iv. ERP Phase II Connectivity: survey and BQ completed; NHU, MTB, TGTI, VTI, NYSEL, NYS College Gilgil and Naivasha TTI, LAN connectivity completed.  iv. ERP Phase III Survey: survey and BQ done and completed.

## 7. CORPORATE GOVERNANCE STATEMENT

The Council is responsible for policy formulation, strategic oversight and supervision of the Service and is accountable to stakeholders thus ensuring that NYS complies with the law and the highest standards of best practice on corporate governance and quality of service delivery.

The Council has delegated authority to the CEO to conduct the day-to-day business of the Service.

The Council, nonetheless, retains the responsibility for establishing and ensuring overall policy direction, internal controls, operational and compliance issues, as well as implementing the strategies for the success of the Service.

### Council Business

During the period under review, the NYS Council comprised of 13 members (two members were replaced mid-way), thus:

S/No.	Name	Position	Remarks
1.	Lt. Gen (Rtd) Njuki Mwaniki, MGH, CBS, OGW, ndc (K)	Chairman	1 <sup>st</sup> term expired on 7 <sup>th</sup> Feb. 2022 and re-appointed on 13 <sup>th</sup> May, 2022
2.	Mr. Adhan Nuri Berhe	Independent Member	Exited on 7 <sup>th</sup> Feb. 2022
3.	Mr. Ali Sahal Idris	Independent Member	Serving 2 <sup>nd</sup> Term, re-appointed on 7 <sup>th</sup> Feb. 2022
4.	Dr. Nkatha Linda Gichuyia	Independent Member	Serving 2 <sup>nd</sup> Term, re-appointed on 7 <sup>th</sup> Feb. 2022
5.	Mr. Elijah Kimotho Wachira	Independent Member	Still serving 1 <sup>st</sup> Term
6.	Mr. Vincent Ochieng Ombaka	Independent Member	Exited on 7 <sup>th</sup> Feb. 2022
7.	Maj Gen Fatuma Ahmed	Alternate Member, CDF	Exited in September, 2021
8.	Ms. Anita J. Chepseba	Alternate Member, AG	Still serving
9.	Mr. Moffat Kangi	Alternate Member, Interior	Exited in September, 2021
10.	Dr. Florence Muinde	Alternate Member, P/S	Still serving
11.	Mr. Benson Mugambi	Alternate Member, Youth	Exited on 1 <sup>st</sup> Dec. 2021 on retirement.
12.	Mr. Arthur Chege Nduati	Alternate Member, TNT	Exited in September, 2021 on transfer
13.	Mr. Richard Kakunga Wambua	Independent Member	Appointed on 7 <sup>th</sup> February, 2022
14.	Ms. Christine Achieng Odera	Independent Member	Appointed on 7 <sup>th</sup> February, 2022
15.	Brig. Bernard J. Korir	Alternate Member, CDF	Appointed on 28 <sup>th</sup> September, 2021
16.	Thomas Edward Saka	Alternate Member, Interior	Appointed on 28 <sup>th</sup> October, 2021
17.	Mongo Chimwaga	Alternate Member, Youth	Appointed on 15 <sup>th</sup> March, 2022 and exited on transfer in June, 2022
18.	Matilda P Sakwa (Ms.), EBS	Director-General /CEO/Sec.	Still serving

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The board charter and the code of ethics and conduct for the board were in place and all new Directors of the Board inducted and trained on governance matters.

The Board members were paid sitting allowances for all Full Council and Council Committee meetings attended as well as daily subsistence allowances for activities attended. The Chairman was further paid a monthly honorarium and airtime as per the Guidelines on terms and conditions of service for Chairpersons, Directors and CEOs for State Corporations.

During the period under review, the Council held six (6) meetings, including a meeting for its self-evaluation. There was no conflict of interest registered during all the meetings.

Table 2 below summarizes Members' attendance of board meetings during the reporting period:

**Table 2: Summary of members' attendance of NYS Full Board Meetings held during FY 2021/2022**

S/No.	Board member	Position	27 <sup>th</sup> July 2021	24 <sup>th</sup> Aug. 2021	14 <sup>th</sup> Sept. 2021	14 <sup>th</sup> Dec. 2021	30 <sup>th</sup> March, 2022	13 <sup>th</sup> April, 2022	Att. Rate (%)
1.	Lt Gen (Rtd) Njuki Mwaniki	Chairman	P	0	P	P	N/A	N/A	75
2.	Elijah K. Wachira	Independent Member	P	P	P	P	P	P	100
3.	Ali Sahal Idris	Independent Member	P	P	P	P	P	P	100
4.	Dr. Nkatha Linda Gichuyia	Independent Member	P	P	P	P	P	P	100
5.	Adhan Berhe	Independent Member	P	P	P	P	N/A	N/A	100
6.	Vincent Ombaka	Independent Member	P	P	P	P	N/A	N/A	100
7.	Arthur Nduati		0	P	P	N/A	N/A	N/A	67
8.	Richard Kakunga Wambua	Independent Member	N/A	N/A	N/A	N/A	P	P	100
9.	Christine Achieng Odera	Independent Member	N/A	N/A	N/A	N/A	P	P	100
10.	Maj Gen Fatuma Ahmed	Alternate Member	P	0	P	N/A	N/A	N/A	67
11.	Moffat Kangi	Alternate Member	P	0	0	N/A	N/A	N/A	33

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S/No.	Board member	Position	27 <sup>th</sup> July 2021	24 <sup>th</sup> Aug. 2021	14 <sup>th</sup> Sept. 2021	14 <sup>th</sup> Dec. 2021	30 <sup>th</sup> March, 2022	13 <sup>th</sup> April, 2022	Att. Rate (%)
12.	Brig. Bernard Korir	Alternate Member	N/A	N/A	N/A	0	0	P	33
13.	Anita J. Chepseba	Alternate Member	0	P	0	P	0	P	50
14.	Benson Ndiira Mugambi	Alternate Member	P	P	P	N/A	N/A	N/A	100
15.	Thomas Edward Saka	Alternate Member	N/A	N/A	N/A	N/A	P	P	100
16.	Mongo Chimwaga	Alternate Member	N/A	N/A	N/A	N/A	P	0	50
17.	Dr. Florence Muinde	Alternate Member	0	P	P	P	P	0	67
18.	Matilda Sakwa	DG/CEO	P	P	P	P	P	P	100
<b>Rate of Attendance per Meeting (%)</b>			<b>77</b>	<b>77</b>	<b>85</b>	<b>90</b>	<b>82</b>	<b>90</b>	<b>80</b>

**KEY**

<b>P</b>	Present
<b>0</b>	Absent
<b>N/A</b>	Not a member then

**Committees of the Council**

The Council has four (4) committees, which meet regularly under the terms of reference set by the Council.

The Committees include:

- a) Audit and Risk Management Committee;
- b) Finance and Enterprise Development Committee;
- c) Human Resource and Administration Committee; and
- d) Operations, Training and Programs Committee.

In compliance with section nine (9) of the State Corporations Act, Cap 446 and the Code of Governance for State Corporations (Mwongozo) the membership to the NYS Council Committees was rotated effective 15<sup>th</sup> October, 2020.

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The business and members' attendance of the Council Committees during the reporting period were as follow:

**Audit and Risk Management Committee**

The Audit and Risk Management Committee meets four times a year or as necessary. It is responsible for supporting the Council and the CEO in carrying out the oversight responsively by reviewing risk, control, performance and governance processes of the Service.

The Head of NYS Internal Audit Unit is the Secretary to the committee.

During the period under review, the Audit and Risk Management Committee held four (4) meetings, attended as follows:

S/No.	Board member	Position	14 <sup>th</sup> July, 2021	8 <sup>th</sup> Sept. 2021	8 <sup>th</sup> Dec. 2021	7 <sup>th</sup> April, 2022	22 <sup>nd</sup> June, 2022	Member. Att. Rate (%)
1.	Ali Sahal Idris	Chairman	P	P	P	P	P	100
2.	Anita Chepseba	Member	0	P	P	P	P	80
3.	Arthur C. Nduati	Member	P	P	N/A	N/A	N/A	100
4.	Adhan Berhe	Member	P	P	P	N/A	N/A	100
5.	Maj Gen Fatuma Ahmed	Member	0	0	N/A	N/A	N/A	0
6.	Brig. Bernard Korir	Member	N/A	N/A	0	N/A	N/A	0
7.	Richard K. Wambua	Member	N/A	N/A	N/A	P	P	100
<b>Meeting Att. Rate (%)</b>			<b>60</b>	<b>80</b>	<b>75</b>	<b>100</b>	<b>100</b>	<b>69</b>

**KEY**

<b>P</b>	Present
<b>0</b>	Absent
<b>N/A</b>	Not a member then

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**Finance and Enterprise Development Committee**

The Finance and Enterprise Development Committee oversees, determines and advises on all matters relating to the finances, enterprise, assets and liabilities (financial) of the Service.

During the period under review, the Finance and Enterprise Development Committee held four (4) meetings, attended as follows:

S/No.	Board member	Position	23 <sup>rd</sup> July, 2021	31 <sup>st</sup> August, 2021	6 <sup>th</sup> Dec. 2021	11 <sup>th</sup> April, 2022	Mem. Att. Rate (%)
1.	Elijah K. Wachira	Chairman	P	P	P	P	100
2.	Vincent Ombaka	Member	0	P	P	N/A	67
3.	Arthur C. Nduati	Member	0	P	N/A	N/A	50
4.	Dr. Nkatha Gichuyia	Member	P	P	P	N/A	100
5.	Benson Mugambi	Member	P	P	P	N/A	100
6.	Thomas Saka	Member	N/A	N/A	N/A	P	100
7.	Christine A. Odera	Member	N/A	N/A	N/A	P	100
8.	Mongo Chimwaga	Member	N/A	N/A	N/A	P	100
<b>Meeting Att. Rate (%)</b>			<b>60</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>90</b>

**KEY**

<b>P</b>	Present
<b>0</b>	Absent
<b>N/A</b>	Not a member then

**Human Resource and Administration Committee**

The primary responsibility of the Human Resource and Administration Committee is to oversight, review and recommend appropriate and effective human resource policies, strategies, procedures and practices in the Service.

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During the period under review, the Human Resource and Administration Committee held six (6) meetings, attended as follows:

S/No.	Board Member	Position	19th Jul. 2021	17th Aug. 2021	30th Aug. 2021	2nd Sept. 2021	3rd Nov. 2021	9th Dec. 2021	6th Apr. 2022	26th Apr. 2022	28th Jun. 2022	Att. Rate (%)
1.	Vincent Ombaka	Chairman	P	P	P	P	P	P	N/A	N/A	N/A	100
2.	Anita Chepseba	Member	0	P	P	P	0	P	N/A	N/A	N/A	67
3.	Dr. Nkatha Gichuyia	Member/ Chairman	P	P	0	P	P	P	P	P	P	100
4.	Dr. Florence Muinde	Member	P	0	P	P	P	0	P	P	P	78
5.	Moffat Kangi	Member	0	0	0	0	N/A	N/A	N/A	N/A	N/A	00
6.	Thomas Saka	Member	N/A	N/A	N/A	N/A	N/A	P	N/A	N/A	N/A	100
7.	Mongo Chimwaga	Member	N/A	N/A	N/A	N/A	N/A	N/A	P	N/A	N/A	100
8.	Richard K. Wambua	Member	N/A	N/A	N/A	N/A	N/A	N/A	P	P	P	100
<b>Meeting Att. Rate (%)</b>			<b>67</b>	<b>71</b>	<b>71</b>	<b>80</b>	<b>83</b>	<b>83</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>81</b>

**KEY**

<b>P</b>	Present
<b>-</b>	Absent
<b>N/A</b>	Not a member then

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**Operations, Training and Programs Committee**

The Operations, Training and Programs Committee is responsible for oversight on the core mandate of the National Youth Service (NYS) which is youth empowerment. The committee, therefore, oversees all matters relating to paramilitary training and service regimentation, national service programs and vocational training of the service men and women. The committee oversees formulation and implementation of policies and strategies on all technical programs and projects in the Service. During the period under review, the Operations, Training and Programs Committee held four (4) meetings, attended as follows:

S/No.	Board Member	Position	21 <sup>st</sup> July, 2021	14 <sup>th</sup> Oct. 2021	13 <sup>th</sup> Jan. 2022	8 <sup>th</sup> April, 2022	Member. Att. Rate (%)
1.	Adhan Berhe	Chairman	P	P	P	N/A	100
2.	Maj Gen Fatuma Ahmed	Members	P	N/A	N/A	N/A	100
3.	Ali Sahal Idris	Member	P	P	P	N/A	100
4.	Elijah Wachira	Member	P	P	P	P	100
5.	Benson Mugambi	Member	P	P	N/A	N/A	100
6.	Moffat Kangi	Member	0	0	N/A	N/A	00
7.	Dr. Nkatha Gichuyia	Member	N/A	N/A	N/A	P	100
8.	Thomas Saka	Member	N/A	N/A	P	N/A	100
9.	Brig. Bernard Korir	Member	N/A	N/A	0	P	50
10.	Christine A. Odera	Chairman	N/A	N/A	N/A	P	100
11.	Anita J. Chepseba	Member	N/A	N/A	N/A	P	100
<b>Meeting Att. Rate (%)</b>			<b>83</b>	<b>80</b>	<b>80</b>	<b>100</b>	<b>86</b>

**KEY**

<b>P</b>	Present
<b>0</b>	Absent
<b>N/A</b>	Not a member then

## **8. MANAGEMENT DISCUSSION AND ANALYSIS**

The Service is fast recovering from the effects of Covid -19 global pandemic which greatly disrupted its operations through closures of schools and colleges, constriction of national building programs that led to a budget cut in the previous reporting period.

As part of the post Covid Recovery Plan, the Service set out to complete the infrastructure improvement commenced as part of Covid containment measures in FY 2021/2022 and stepped up efforts towards finalization of the transition process from a Government Department to a body corporate. To this end, 90% of the NYS Training Institutions improvement plan was accomplished, resulting to construction of additional (No.) classrooms, (No.) barracks and construction of oxidation ponds at the NYS Technical Training College – Naivasha. These cost the Service (Kshs.). Efforts towards finalization of the transition process included:

- i. Consultations with the Salaries and Remuneration Commission (SRC) on their approval of implementation of the SCAC approved basic salary structure of the Service which is yet to be finalized;
- ii. Initiation of the review of critical Management Instruments including the Human Resources Instruments of March, 2019. The Service has scheduled the finalization of the review of these critical instruments in the FY 2022/2023.
- iii. Successful recruitment of 45 Officers to take up critical positions in the Service, including one in the position of Director, Human Resources and Administration who left the Service immediately after the closure of the reporting period after he secured greener pastures elsewhere. Efforts to recruit a Corporation Secretary and Legal Services Manager did not bear fruits. The Service intends to recruit in these two (2) critical positions during the FY 2022/2023 period.
- iv. The Service also established the NYS Regional Treasuries to expedite the management of finance, accounts and procurement functions of the Field Units within their jurisdictions. This aimed at ensuring transparency and accountability as well as efficiency in service delivery.
- v. The procurement, installation and operationalization of an Enterprise Resource Planning (ERP) system was also commenced. The process so far has the critical modules of finance and accounts, procurement, human resource management, payroll, paramilitary training, national service and vocational training fully operationalized. Additionally, the NYS servicemen and women tracking system was also developed, launched by H.E the President and fully operationalized during the reporting period. The system tracks recruits enlisted into the Service, service men and women undertaking various training programs and graduates both current and those who left the Service

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long ago. Employers and other stakeholders are able to access the system upon securing permissions from the system administrator.

The Service also undertook the verification and payments of historical pending bills and claims. The 2<sup>nd</sup> Multi-Agency Pending Bills Verification Committee processed claims worth **Kshs. 15,578,137,695.75** out of which **Kshs 5,449,350,316.75** were approved by the Cabinet leaving a balance of **Kshs 10,128,787,377.00** that required further scrutiny. The Service was, therefore, allocated **Kshs 1.0 Billion** during the reporting period towards payment of these pending bills and claims and an additional **Kshs 2.0 Billion** was allocated for payment during FY 2022/2023, leaving a balance of **Kshs 2,449,350,316.75**. A Committee to scrutinize the remaining claims worth **Kshs 10,128,787,377.00** was set up towards the closure of the reporting period. It should therefore be noted that the historical pending bills is a contingent liability for the Service.

In addition to the above stated verified historical pending bills, the claims by N. K Brothers Ltd, incurred by the Service in the 1970s and which were being handled in the Court of Arbitration were approved by the NYS Council for payments upon advice by the Attorney General that the matters be settled out of court upon negotiation to forestall the accruing penalties and interests. A total of **Kshs 100M** out of an estimated claim of **Kshs 1.0 Billion** was therefore paid to the N. K Brother in June, 2022 as part of the March 1, 2022 negotiations.

Finally, the Kenya Revenue Authority conducted an audit on remittances by the Service for the periods FY 2015/2016 to FY 2019/2020 and reported that the Service was in arrears as follows:

<b>Tax Head</b>	<b>Principal</b>	<b>Penalty</b>	<b>Interest</b>	<b>Total Amount</b>
VAT	174,906,732	8,900,724	24,784,576	208,592,032
PAYE	14,521,214	617,166	2,759,031	17,897,410
Withholding VAT	19,978,459	998,923	179,806	21,157,189
Withholding Income Tax	7,926,527	396,326	71,339	8,394,192
<b>Total (Kshs)</b>	<b>217,332,932</b>	<b>10,913,139</b>	<b>27,794,752</b>	<b>256,040,823</b>

Upon discussions it was agreed that the Service should pay **Kshs 20M** of the principal amount by 30th April, 2022 and the rest by 30th September, 2022 so that the Service is considered for a waiver of the penalties and interest upon clearance of the total principal amount of **Kshs 217, 332,932**. The Service, therefore, made the payment of **Kshs 40 Million** as per this agreement during the reporting period. And the rest will be cleared as per the agreement.

## **9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING**

The National Youth Service exists to transform lives by empowering the Kenya youth through paramilitary training in order to instill in them critical national principals and moral values such as discipline, patriotism, national service and selflessness. The service also has a mandate to undertake research, technical and vocational training for the youth and engaging them in programs of national service, which are the focus of our delivery strategy.

Below is an outline of the organization's policies and activities that promote sustainability.

### **i. Sustainability strategy and profile**

The National Youth Service boasts of a number of critical resources that spur the institution into self-reliance as well as contributing to massive national incomes.

The resources include:

- a) A huge human capital of service men and women, a section (1/3) of who at any one time are undertaking the national service – the second phase of the NYS empowerment model;
- b) Massive land resources in the 22 Field Units across the country; and
- c) The plant, machinery and equipment in most of the Service's technical and vocational training colleges and at the mechanical and transport branch – the transport hub of the Service.

Further, the NYS Act, 2018 allows the Service to undertake commercial and enterprise activities [section 7, 1 (d)] to optimize these critical resources.

In the last four years, NYS embarked on putting in place the relevant legislations, structures, policies and strategies to enable attainment of its mandate and sustainability in future. To this end, the Service initiated a legislation establishing the NYS Commercial and Enterprise Fund. The Fund aims at restructuring the NYS Mechanical and Transport Fund to enable undertaking of more commercial and enterprise activities by the Service.

Equally, the Service will be formulating policies and procedure manuals on commercialization and marketing of all its products. Formulation of a stakeholder engagement strategy began in the FY 2021/2022 is still ongoing.

**ii. Employee welfare**

NYS endeavors to comply with the requirements of the Constitution of Kenya, Public Service Act and Regulations, the Human Resource Policies and Procedures Manuals for Public Service, the Public Service Diversity Guidelines, 2016. The Service therefore developed and sought approval from the SCAC of Human Resource Instruments for NYS – including the NYS Human Resource Policies and Procedures Manual, Staff Establishment, Code of Conduct, Career Guidelines and Organization Structure (2019). The review of these instruments commenced during the second half of the current reporting period and is expected to be finalized in the FY 2022/2023.

It is also important to note that there are a number of human resources transition processes that are still pending, including staffing, establishment of a contributory pension scheme, a medical cover and the implementation of the state corporation's basic salaries. Discussions with the relevant authorities are ongoing.

**10. REPORT OF THE DIRECTORS**

The Directors submit their report together with the audited financial statements for the year ended June 30, 2022, which show the state of the Service's affairs.

**i. Principal activities**

The principal activities of the NYS are paramilitary training, technical and vocational training of service men and women, research and innovation, and undertaking of national service programs as well as commercial and enterprise activities.

**ii. Results**

The results of the Service for the year ended June 30, 2022, are set out on page xvii –xxvi.

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**iii. Directors**

The members of the Board of Directors who served during the year are shown on page 19 and 20. During the year the first term of the inaugural NYS Council expired on 7<sup>th</sup> February, 2022 save for one member (Mr. Wachira) whose 1<sup>st</sup> term will expire in January, 2023. The Chairman and two (2) other members (Dr. Nkatha and Mr. Ali Idris) were therefore reappointed to serve a second term on the dates indicated in the table on page 19. Two new members, Mr. Wambua and Ms. Odera, were appointed as independent members representing youth (male and female). There were replacements for alternate members representing State Departments for the National Treasury, Interior and Youth Affairs during the reporting period.

**iv. Surplus remission**

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, ninety per cent of its surplus funds reported in the audited financial statements after the end of each financial year. National Youth Service closed its books with a net balance of **Kshs 732,246,734** and pending bills of **Kshs 462,873,098** which will be paid as first charge during FY 2022/2023 as required by Law.

**v. Auditors**

The Auditor General is responsible for the statutory audit of the National Youth Service in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By order of the Board

Name: *James K. Tembur*, MBS Signature .....

Date .....

Secretary to the Board

 Date *25/4/2023*

## **11. STATEMENT OF DIRECTORS RESPONSIBILITIES**

These Financial Statements have been prepared in accordance to section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act. The Statements give a true and fair view of the state of affairs of the National Youth Service as at June 30, 2022 as well as its operating results for the FY 2021/2022. The Council, throughout the period ensured that the Service kept proper accounting records, which have disclosed with reasonable accuracy the financial position of the National Youth Service. The Service secured its assets.

The Statements here prepared and presented by the Directors of the National Youth Service Council, give a true and fair view of the state of affairs of the Service for and as at the end of the financial year ended on June 30, 2022. In doing this, the Directors put in place adequate financial management arrangements and ensured that these continued to be effective throughout the reporting period. The Directors also ensured proper keeping of accounting records. They disclosed with reasonable accuracy at any time the financial position of the Service. The Directors designed, executed and maintained internal controls relevant to the preparation and fair presentation of the financial statements, and ensured that they are free from material misstatements, whether due to error or fraud; safeguarded the assets of the Service; applied appropriate accounting policies; and made accounting estimates that are reasonable in the circumstances.

The Directors therefore are fully responsible for these Financial Statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with the 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 Service's financial statements give a true and fair view of the state of the transactions of NYS during the financial year ended June 30, 2022, and of the financial position of NYS as at the stated date.

The Directors further confirm the completeness of the accounting records maintained by the NYS, which informed the preparation of these financial statements as well as the adequacy of the systems of internal financial control.

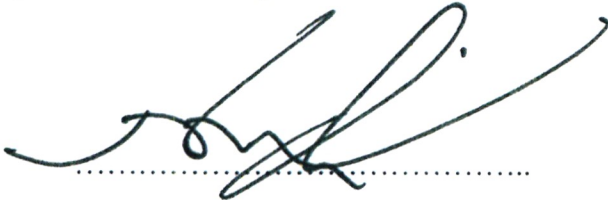
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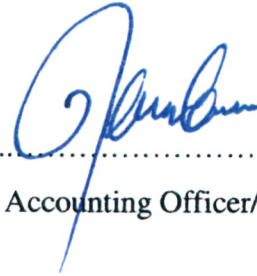
Nothing has come to the attention of the Directors to indicate that the National Youth Service will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

The National Youth Service Council approved these Financial Statements on 2.1/9/2022 and signed on its behalf by:



Chairperson of the Council



Accounting Officer/CEO

# REPUBLIC OF KENYA

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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL YOUTH SERVICE FOR THE YEAR ENDED 30 JUNE, 2022**

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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 the 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 overall 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 National Youth Service set out on pages 1 to 36, which comprise of the statement of financial position as at 30 June, 2022, 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

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*Report of the Auditor-General on National Youth Service for the year ended 30 June, 2022*

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Youth Service as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended in accordance with the International Public Sector Accounting Standards (Accrual Basis) and comply with the National Youth Service Act, 2018 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Unreconciled Variances between the Financial Statements and the General Ledger**

A comparison of the general ledger amounts, and the balances reported in the financial statements revealed variances as follows:

<b>No.</b>	<b>Account Description</b>	<b>Ledger Balance (Kshs.)</b>	<b>Financial Statement Balance (Kshs.)</b>	<b>Variance (Kshs.)</b>
1.	Women Supplies	30,415,490	32,411,030	(1,995,540)
2.	Dressing	24,916,540	54,021,384	(29,104,844)
3.	Supplies for Production	299,421,961	299,615,211	(193,250)
4.	Fungicides/insecticides and Sprays	54,794,410	54,962,910	(168,500)
5.	Veterinarian Services	15,814,855.25	15,261,320	553,535
6.	Education and Library Supplies	55,610,805	73,955,750	(18,344,945)
7.	Contracted Professional Services	215,684,986	1,237,900	(214,447,086)
8.	Tax Arrears	0	52,536,869	52,536,869
9.	Electricity	134,816,639	139,460,062	(4,643,423)
10.	Water	52,178,213	51,004,033	1,174,180
11.	Gas	30,243,458.90	34,844,259	(4,600,800)
12.	Travelling and Accommodation	143,331,159	124,913,201	18,417,958

The variances between the two sets of records have not been explained or reconciled.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

## **2. Unsupported Revenue from Rendering Services**

The statement of financial performance reflects rendering services amounting to Kshs.143,341,313 as further disclosed in Note 2 to the financial statements. The amount includes revenue totalling Kshs.115,322,313 earned from security services. However, the revenue was not supported with ledgers, detailed schedules, or evidence of payment into the bank account.

In the circumstances, the occurrence and completeness of revenue earned from security service of Kshs.115,322,313 could not be confirmed.

## **3. Refundable Deposits and Prepayments from Customers**

The statement of financial position refundable deposits and prepayments from customers amounting to Kshs.1,435,706,729. The amount includes retentions from contractors of Kshs.41,757,564 and other deposits-cohorts: wages, kitchen, and allowances payable to Servicemen/women of Kshs.321,370,062 as disclosed in Note 18 to the financial statements. However, the retentions from contractors of Kshs.41,757,564 was not supported with retention money register, ledgers and aging analysis. Further, the other deposits-cohorts: wages, kitchen, and allowances payable to Servicemen/women of Kshs.321,370,062 are in respect to cohorts that were engaged in the six (6) months Youth Empowerment Programme between September, 2014 and February, 2015. Management did not provide any explanation for the delay in paying the cohorts.

In the circumstances, the accuracy and completeness of the deposits and retention monies balance of Kshs.363,127,626 could not be confirmed.

## **4. Unsupported Payment for Water Utility Bills at NYS College, Gilgil**

The statement of financial performance reflects use of goods and services balance of Kshs.8,616,723,925. The amount includes water expenditure of Kshs.51,004,033 as disclosed in Note 4 to the financial. Included in the water expenditure is Kshs.4,096,211 incurred in respect of payment of water consumed in August, 2021 at NYS College, Gilgil through payment voucher No.402 dated 27/10/2021. However, during the financial year 2020/2021, a payment of Kshs.17,397,654.50 was made to the same company as an advance payment for June, July, and August 2021 the same period thereby resulting to double payment for the utility.

In the circumstances, the regularity and completeness of the utility expenditure of Kshs.4,096,211 could not be confirmed.

## **5. Property, Plant and Equipment**

### **5.1 Unsupported Acquisition of Computers and Related Hardware**

The statement of financial position reflects a property, plant and equipment amounting to Kshs.29,461,080,443 which includes Kshs.18,830,933 in respect to additions/acquisition of computers and as disclosed under Note 15 to the financial statements. However, payment vouchers and related documentation amounting to Kshs.6,218,990 were provided for audit verification leaving a balance of Kshs.12,611,943 which was not supported.

## **5.2 Incomplete Fixed Asset Register**

As previously reported, the Service did not maintain a complete and accurate asset register with information relating to the assets such as type of the asset, date of acquisition, supplier, cost, location, code, current values, remaining useful life, and salvage value. Further, the assets have not been tagged for tracking and identification.

## **5.3 Encroachment of National Youth Service Land**

The Service has approximately 2,247 hectares of land in Yatta, Mavoloni, Athi River, Mombasa Technical Institute and Mwatate among other regions. Physical verification of the land in March, 2023 revealed that the parcels of land have not been fenced and were encroached on. Although Management has initiated the process of demarcation of the respective parcels of land, the process has not been finalized.

Therefore, the Service risks losing the parcels of land due to encroachment by informal settlers.

In the circumstances, the accuracy, completeness and valuation of the property, plant and equipment balance of Kshs.29,461,080,443 as at 30 June, 2022 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Youth Service 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 during the year under review.

### **Other Matter**

#### **1. Unresolved Prior Year Audit Issues**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources. However, the Management has not resolved some of the issues nor provided explanations for the failure to resolve the issues.

#### **2. Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.11,128,796,673 and Kshs.11,085,056,392 resulting to a revenue shortfall of Kshs.43,740,281. The financial statements also reflect a nil balance in respect to transfers from Ministries, Departments and Agencies (MDA's), a decline by a hundred percent (100%) compared with Kshs.211,984,338 reported in the

previous year 2020/2021. However, the shortfall was not explained by way of a note contrary to the guidelines issued by the Public Sector Accounting Standards Board which provides that material variances of 10% with the budget be explained in a note.

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

### Conclusion

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

### Basis for Conclusion

#### 1. Stalled Projects

##### 1.1 Stalled Construction of Housing Units at Vocational Training Institute - Industrial Area

As previously reported, the Service entered a contract for the construction of a 12-unit flat at the Vocational Training Institute-Industrial Area at a contract cost of Kshs.49,105,721. However, the contractor abandoned the site after receiving the first payment of Kshs.7,111,432. Management re-advertised the works and awarded the contract for the completion at a contract cost of Kshs.61,098,319 for fifty-two (52) weeks commencing on 26 November, 2019. A physical inspection conducted in March, 2023 revealed minimal construction carried out, but the project was incomplete and the contractor had abandoned the site after receiving payments of Kshs.23,000,000.

In the circumstances, the Service did not realize value for money on the expenditure of Kshs.30,111,432 spent on the project.

##### 1.2 Supply, Delivery and Installation of High-and Low-level Pressed Steel Water Tanks, Booster Pumps and Tower Works (VTI Industrial Area)

The Service entered a contract for the supply, delivery and install high-and low-level pressed steel, water tanks, booster pumps and tower work for enough water storage at the National Youth Service Vocational Training Institute (VTI) located in the Industrial area, Nairobi at a contract sum of Kshs.11,715,396 on 03 September, 2019.

As previously reported in the financial year 2020/2021, the Service entered into a contract for the supply, deliver and install high-and low-level pressed steel, water tanks, booster pumps and tower works for enough water storage at the National Youth Service Vocational Training Institute (VTI,) located in the Industrial area, Nairobi at a contract sum of Kshs.11,715,396 on 9 July, 2019 and a contract signed on 03 September, 2019 for a period of sixteen (16) weeks ending on 31 October, 2020. The contractor abandoned the site on 23 October, 2020 on the grounds of non-payment of certified works valued at Kshs.5,770,669. Physical inspection in March, 2023, revealed that the work had stalled, and the project was incomplete.

Despite several meetings between the officers from National Youth Service (NYS), Nairobi Region works officers and the contractor to discuss the way forward to complete the project, no progress has been made.

In the circumstances, value for money has not been realized on the project.

### **1.3 Stalled Construction of Four-Storey Classrooms Block and Workshop at NYS Engineering Institute-Ruaraka**

The Service Management entered into a contract for the construction of a four-storey classroom block and workshops at the NYS Engineering Institute in Ruaraka on 13 April, 2011 at a contract sum of Kshs.88,794,355. The project was to take 52 weeks ending on 9 June, 2012. This was later extended by thirty-one (31) weeks to 12 January, 2013. However, as previously reported, the construction stalled in 2017 after the payment of Kshs.81,884,550 equivalent to 92% of the contract sum against 95% of the works certified.

A review of the project in February 2023, revealed that the position has not changed, and the Management did not provide measures being taken to complete the project. The incomplete works include electrical, plumbing and drainage that were originally valued at Kshs.4,778,265 as per the State Department of Public Work's appraisal report dated 5 April, 2022.

In the circumstances, value for money has not been realized eleven (11) years after the construction commenced.

### **1.4 Stalled Construction of Double Span Kitchen, Dining and Barracks at NYS Engineering Institute-Ruaraka**

As previously reported, the Service awarded the contract for the Construction of Double Span Kitchen, Dining and Barracks at NYS Engineering Institute Ruaraka to a construction company in May, 2011 at a contract sum of Kshs.192,000,000. The project commenced on 13 June, 2011 with a contract duration of 80 weeks. The contractor was granted an extension period up to 13 March, 2017. The contractor, however, abandoned the site after receiving payments totalling Kshs.186,248,573, or 90% of the agreed contract sum. A physical inspection of the project in March, 2023, revealed that no construction was ongoing at the site and the contractor had abandoned the site. Further, huge visible cracks on the wall and floor were noted which continue to deteriorate. The Management claimed that the delay in completion was mainly due to delayed payments to the main contractor and sub-contractors. In addition, the Management has not made any efforts to invoke the relevant clause of the contract to surcharge the contractor for the delayed completion.

In the circumstances, value for money has not been realized eleven (11) years after the construction commenced.

## **2. Intangible Assets-Supply, Installation and Commissioning of Enterprise Resource Planning System**

The Service signed a six (6) month contract with a firm on 25 June, 2021 for the supply, installation and commissioning of an Enterprise Resource Planning System (ERP) for the

National Youth Service scheduled to run through 25 December, 2021. The project's scope entails the supply, delivery, installation, training and implementation of the latest version of Microsoft Dynamics ERP System at the point of signing with nine (9) modules and also supplying, installing and configuring fifty (50) concurrent user licenses for the External Resource Planning. The contractual obligations included among others.

- i. That Kshs.17,674,071.23 equivalent to thirty percent (30%) of the contract price would be paid to the contractor upon signing, delivery and approval of the signed contract, producing inception report, project charter and detailed work plan and upon successful delivery of signed functional requirements documents from the user requirements process.
- ii. An amount of Kshs.35,348,142.46 equivalent to sixty percent (60%) of the contract price would be paid upon system design, system development and testing and training of end users and implementation/Go-live; and
- iii. Kshs.5,891,357.08 upon expiry of the warranty period, commissioning, and handover.

The contractor was paid Kshs.17,674,071 equivalent to thirty percent (30%) of the contract price on the presentation of the inception report in March, 2022.

Review of the implementation of the project revealed that on 25 January, 2022, the contractor requested a six (6) months period contract extension that was granted on the same day. On 19 October, 2022, the contract was again extended for a period up to 31 December, 2022. However, the recent and last status report dated 13 December, 2022 by the service, eight (18) days before the expiry of the second extension, revealed that all the twelve (12) modules and local area network together with server architecture had not been officially commissioned in line with provisions of the initial contract.

Further, presentations made by Management revealed that the project is incomplete despite having been executed for three (3) financial years commencing 2021. In addition, no evidence or record was provided to show that Management prepared a multi-year procurement plan in a format set out in the regulations consistent with the medium-term budgetary expenditure framework for projects or contracts that go beyond one year in line with the provisions of Section 53(7) of Public Procurement and Asset Disposal Act, 2015. In the circumstances, the Service may not obtain value for money on the expenditure of Kshs.17,674,071 spent on the incomplete ERP system.

### **3. Proposed Construction of Sewerage Works at NYS Training Institute-Naivasha**

The Service awarded the contract for the construction of sewerage works at NYS Training Institute Naivasha on 25 October, 2021 at a contract sum of KSh.52,626,120. The works commenced on 23 November, 2021 and were expected to be completed within twenty-six (26) weeks by 26 May, 2022. A review of the procurement process and project implementation records however revealed the following anomalies.

#### **i. Performance Security**

According to the notification of award dated 28 September, 2021 for tender No. NYS/Proc/02/2021-2022, the contractor was required to furnish the Service with a

performance security amounting to Kshs.2,631,306 equivalent to five percent (5%) of the contract sum of Kshs.52,626,120. However, the tender security offered by Century Bank dated 21 October covered approximately twenty-four (24) weeks instead of the contract duration of twenty-six (26) weeks. No explanation was provided for the inadequate performance security.

## **ii. Lack of Clarity in Tender Evaluation**

Review of the tender evaluation that the tax obligations compliance for Kenya tenders attached to the tender document from the winning bidder was not indicated as was the case for the other four (4). Further, the financial evaluation disqualified unit rate for bill No.3 (D)-haulage of excavated materials quoted below Kshs.930 by four (4) firms based on the Market Survey that had been done on the same. However, the market survey report was not provided for verification. In addition, the firm awarded had quoted Kshs.1100 which was above the public works estimate rate of Kshs.930 by Kshs.170 or eighteen percent (18%).

## **iii. Failure to Complete Works**

The Service paid a total of Kshs.30,749,940 or fifty-eight (58%) of the contract sum to the contractor on 25 March, 2022 through payment voucher No.003, and certificate No.01 dated 10 February, 2022. However, as of the time of the audit in February, 2023, the contractor had not completed the works and had since abandoned the site due to undisclosed reasons.

In the circumstances, the Service may not obtain value for money on the expenditure of Kshs.30,749,940 spent on the project.

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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

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 control, 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 the Council**

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

In preparing the financial statements, Management is responsible for assessing the Service'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 Service 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.

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

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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1) (a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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


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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the 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 Service'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 Service 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 Service 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 controls 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

16 May, 2023


NATIONAL YOUTH SERVICE  
Annual Report and Financial Statements  
For the year ended June 30, 2022.

13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2021-2022	2020-2021
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from other governments entities	1(a)	10,300,226,673.00	7,393,460,800.00
Transfers from Ministries, Dept & Agencies	1(b)	0.00	211,984,338.00
		<b>10,300,226,673.00</b>	<b>7,605,445,138.00</b>
<b>Revenue from exchange transactions</b>			
Rendering of services	2	143,341,313.00	154,858,574.00
Sale of goods	3	691,488,406.00	240,833,806.00
<b>Total revenue</b>		<b>11,135,056,392.00</b>	<b>8,001,137,519.00</b>
<b>Expenses</b>			
Use of goods and services	4	8,616,723,925.00	7,278,345,162.00
Employee costs	5	1,470,776,549.00	1,253,697,902.00
Board Expenses	6	4,527,400.00	4,317,200.00
Depreciation and amortization expense	7	449,756,273.00	59,593,274.00
Repairs and maintenance	8	598,795,314.00	350,364,105.00
Grants and subsidies	9	0.00	84,605,137.00
Finance Cost	10	52,101.00	21,085.00
<b>Total expenses</b>		<b>11,140,631,562.00</b>	<b>9,031,324,631.00</b>
<b>Other gains/(losses)</b>			
<b>Surplus before tax</b>		<b>-5,575,169.00</b>	<b>-1,030,187,112.00</b>
Taxation	11	0.00	0.00
<b>Surplus/(deficit) for the period/year</b>		<b>-5,575,169.00</b>	<b>-1,030,187,112.00</b>
<b>Net Surplus for the year</b>		<b>-5,575,169.00</b>	<b>-1,030,187,112.00</b>

The Financial Statements set out on pages 1 to 34 were signed on behalf of the Board of Directors


by:

  
.....  
Accounting Officer

Name: James K. Tembur MBS

Ag. Director General/CEO

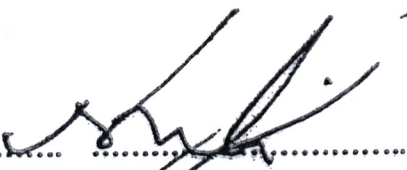
Date: 25/4/2023.....

  
.....  
Head of Accounts

Name: Elias K. Macharia

ICPAK No: 5492

Date: 25/4/2023.....

  
.....  
Chairman of the Board

Name: Lt. Gen (Rtd) Njuki

Mwaniki

Date: 25/4/2023.....

NATIONAL YOUTH SERVICE  
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14 Statement of Financial Position as at 30 June 2022

	Notes	2021-2022	2020-2021
		Kshs	Kshs
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	12	1,798,319,635.00	2,443,527,428.00
Receivables from Exchange Transactions	13	346,393,004.00	23,497,529.00
Inventories	14	1,632,662,847.00	739,115,172.00
<b>Total Current Assets</b>		<b>3,777,375,486.00</b>	<b>3,206,140,129.00</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	15	29,461,080,443.00	429,843,774.00
Intangible Assets	16	67,420,237.00	0.00
<b>Total Non- Current Assets</b>		<b>29,528,500,679.00</b>	<b>429,843,774.00</b>
<b>Total Assets</b>		<b>33,305,876,165.00</b>	<b>3,635,983,902.00</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	17	694,768,426.00	791,733,701.00
Refundable Deposits from Customers	18	1,435,706,729.00	1,564,205,897.00
Taxation		0.00	0.00
<b>Total Current Liabilities</b>		<b>2,130,475,155.00</b>	<b>2,355,939,598.00</b>
<b>Total Liabilities</b>		<b>2,130,475,155.00</b>	<b>2,355,939,598.00</b>
<b>NET ASSETS</b>		<b>31,175,401,010.00</b>	<b>1,280,044,305.00</b>
Reserves		29,901,312,641.00	2,040,460,650.00
Accumulated Surplus		1,024,698,369.00	1,029,806,345.00
Capital Fund		269,390,000.00	269,390,000.00
<b>Total Net Assets and Liabilities</b>		<b>31,175,401,010.00</b>	<b>1,280,044,305.00</b>


The financial statements set out on pages 1 to 34 were signed on behalf of the Board of Directors by:

  
.....  
Accounting Officer

Name: James K. Tembur MBS  
Ag. Director General/CEO  
Date: 25/4/2023.....

  
.....  
Head of Accounts

Name: Elias K. Macharia  
ICPAK No: 5492  
Date: 25/4/2023.....

  
.....  
Chairman of the Board

Name: Lt. Gen (Rtd) Njuki  
Mwaniki

Date: 25/4/2023.....

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**15 Statement of Changes in Net Assets for the year ended 30 June 2022**

	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/Development Grants/Fund	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As at July 1, 2020	0.00	0.00	0.00	2,040,460,650.00	269,390,000.00	2,309,850,650.00
Issued new capital	0.00	0.00	0.00	0.00	0.00	0.00
Revaluation gain	0.00	0.00	0.00	0.00	0.00	0.00
Transfer of excess depreciation on revaluation	0.00	0.00	0.00	0.00	0.00	0.00
Deferred tax on excess depreciation	0.00	0.00	0.00	0.00	0.00	0.00
Fair value adjustment on quoted investments	0.00	0.00	0.00	0.00	0.00	0.00
Surplus/ deficit for the year	0.00	0.00	0.00	-1,030,187,112.00	0.00	-1,030,187,112.00
Capital/development grants received during the year	0.00	0.00	0.00	0.00	0.00	0.00
Transfer of depreciation/amortisation from capital fund to retained earnings	0.00	0.00	0.00	0.00	0.00	0.00
Dividends paid	0.00	0.00	0.00	0.00	0.00	0.00
Interim dividends paid	0.00	0.00	0.00	0.00	0.00	0.00
Proposed final dividends	0.00	0.00	0.00	0.00	0.00	0.00
As at June 30, 2021	0.00	0.00	0.00	1,010,273,538.00	269,390,000.00	1,279,663,538.00

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	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/Development Grants/Fund	Total
Issue of new share capital	0.00	0.00	0.00	0.00	0.00	0.00
Revaluation gain	0.00	29,901,312,641.00	0.00	0.00	0.00	29,901,312,641.00
Transfer of excess depreciation on revaluation	0.00	0.00	0.00	0.00	0.00	0.00
Deferred tax on excess depreciation	0.00	0.00	0.00	0.00	0.00	0.00
Fair value adjustment on quoted investments	0.00	0.00	0.00	0.00	0.00	0.00
Surplus/ deficit for the year	0.00	0.00	0.00	-5,575,169.00	0.00	-5,575,169.00
Capital/development grants received during the year	0.00	0.00	0.00	0.00	0.00	0.00
Transfer of depreciation/amortisation from capital fund to retained earnings	0.00	0.00	0.00	0.00	0.00	0.00
Dividends paid	0.00	0.00	0.00	0.00	0.00	0.00
Interim dividends paid	0.00	0.00	0.00	0.00	0.00	0.00
Proposed final dividends	0.00	0.00	0.00	0.00	0.00	0.00
<b>As at June 30, 2022</b>	<b>0.00</b>	<b>29,901,312,641.00</b>	<b>0.00</b>	<b>1,024,698,369.00</b>	<b>269,390,000.00</b>	<b>31,175,401,010.00</b>

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**16. Statement of Cash Flows for the year ended 30 June 2022**

		<b>2021-2022</b>	<b>2020-2021</b>
	<b>Notes</b>	<b>Kshs</b>	<b>Kshs</b>
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other governments entities		10,300,226,673.00	7,393,460,800.00
Transfer from Other Agencies		0.00	211,984,338.00
Rendering of services		406,551,732.00	121,412,163.00
Sale of goods		120,160,105.00	240,833,806.00
<b>Total receipts</b>		<b>10,826,938,510.00</b>	<b>7,967,691,107.00</b>
<b>Payments</b>			
Use of goods and services		8,438,733,881.00	6,860,889,660.00
Employee costs		1,492,149,196.00	1,253,697,902.00
Board Expenses		4,527,400.00	4,317,200.00
Repairs and maintenance		598,795,314.00	350,364,105.00
Grants and subsidies		0.00	210,629,714.00
<b>Total payments</b>		<b>10,534,205,791.00</b>	<b>8,679,898,581.00</b>
<b>Net cash flows from/(used in) operating activities</b>	19	<b>292,732,719.40</b>	<b>-712,207,474.00</b>
<b>Cash flows from investing activities</b>			
Purchase of PPE and Intangible assets		-405,828,592.00	-182,671,133.00
<b>Net cash flows from/(used in) investing activities</b>		<b>-405,828,592.00</b>	<b>-182,671,133.00</b>
<b>Cash flows from financing activities</b>			
Increase in Refundable Deposits		-128,499,168.00	-13,756,556.00
<b>Net cash flows from financing Activities</b>		<b>-128,499,168.00</b>	<b>-13,756,556.00</b>
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		<b>-151,588,091.00</b>	<b>-908,635,163.00</b>
Cash and cash equivalents at 1 July	11	2,443,527,428.00	3,425,066,950.00
<b>Cash and cash equivalents at 30 June</b>	11	<b>1,798,319,635.00</b>	<b>2,443,527,428.00</b>

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**17. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2022**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	A	b	C=(a+b)	d	e=(d-c)	f=d/c*100
<b>Revenue</b>						
Transfers from Other Governments entities	9,250,226,673.00	1,000,000,000.00	10,250,226,673.00	10,250,226,673.00	0.00	100.00%
Rendering of Services	155,000,000.00	0	155,000,000.00	143,341,313.00	-11,658,687.00	92.48%
Sale of Goods	723,570,000.00	0	723,570,000.00	691,488,406.00	-32,081,594.00	96%
<b>Total Income</b>	<b>10,128,796,673.00</b>	<b>1,000,000,000.00</b>	<b>11,128,796,673.00</b>	<b>11,085,056,392.00</b>	<b>-43,740,281.00</b>	<b>99.61%</b>
<b>Expenses</b>						
Use of Goods and Services	8,780,068,291.00	1,000,000,000.00	9,780,068,291.00	9,619,855,013.00	-160,213,278.48	98.36%
Employee costs	1,348,734,709.00	0	1,348,734,709.00	1,470,776,549.00	122,041,840.00	109%
<b>Total Expenditure</b>	<b>10,128,803,000.00</b>	<b>1,000,000,000.00</b>	<b>11,128,803,000.00</b>	<b>11,090,631,562.00</b>	<b>-38,171,438.00</b>	<b>99.66%</b>
<b>Surplus for the period</b>	<b>-6,327.00</b>	<b>0.00</b>	<b>-6,327.00</b>	<b>-5,575,170.00</b>	<b>-5,568,843.00</b>	
<b>Capital Expenditure</b>	<b>50,000,000.00</b>	<b>0.00</b>	<b>50,000,000.00</b>	<b>50,000,000.00</b>	<b>0.00</b>	<b>100%</b>

*The budget provided for audit did not include a supplementary budget of Kshs 1,000,000,000.00 (1 Billion) some anticipated income from rendering services of Kshs 155,000,000, as well as Development Vote of Kshs 50,000,000*

## **18. Notes to the Financial Statements**

### **1. General Information**

The National Youth Service (NYS) was established as a state corporation following the enactment of the NYS Act, 2018 vide a Kenya Gazette Supplement No. 160 (Acts No. 17). The mandate of the Service include paramilitary training and service regimentation; national service and youth re-socialization; technical and vocational training; commercialization and enterprise development; and research.

### **2. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment. 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 National Youth Service 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 National Youth Service and rounded off to the nearest shilling.

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

### **3. Adoption of New and Revised Standards**

- i. New and amended standards and interpretations in issue effective in the year ended 30 June 2022.*

IPSASB deferred the application date of standards from 1<sup>st</sup> January 2022 owing to Covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1<sup>st</sup> January 2023.

- ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.*

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Standard	Effective date and impact:
<p><b>IPSAS 41:</b> Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2023:</b></p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity’s future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul>
<p><b>IPSAS 42:</b> Social Benefits</p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ol style="list-style-type: none"> <li>(a) The nature of such social benefits provided by the Entity.</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> <li>(c) The impact of such social benefits provided on the Entity’s financial performance, financial position and cash flows.</li> </ol>
<p>Amendments to Other IPSAS resulting from</p>	<p><b>Applicable: 1st January 2023:</b></p> <ol style="list-style-type: none"> <li>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</li> </ol>

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Standard	Effective date and impact:
IPSAS 41, Financial Instruments	<p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
Other improvements to IPSAS	<p><b><i>Applicable 1<sup>st</sup> January 2023</i></b></p> <ul style="list-style-type: none"> <li>• <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i></li> </ul> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> <li>• <i>IPSAS 39: Employee Benefits</i></li> </ul> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> <li>• <b>IPSAS 29: Financial instruments: Recognition and Measurement</b></li> </ul> <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1<sup>st</sup> January 2023.</p>
IPSAS 43	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The Standard requires,</p>

**NATIONAL YOUTH SERVICE**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2022.**

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Standard	Effective date and impact:
Assets Held for Sale and Discontinued Operations	Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:
	Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance

*iii. Early adoption of standards*

The Service did not early – adopt any new or amended standards in year 2021/2022.

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**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 Service 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.

**ii) Revenue from exchange transactions**

**Rendering of services**

The Service 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 Service.

**b) Budget information**

The original budget for FY 2021-2022 was approved by the National Assembly in June 2021. 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 Service upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Service recorded additional appropriations of Kshs. 1,000,000.00 on the 2021-2022 budget following the governing body's approval.

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**Budget information (continued)**

The Service'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 on page 47 of these financial statements.

**c) Taxes**

**Current income tax**

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Service operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists

to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable Service and the same taxation authority.

## **Notes to the Financial Statements (Continued)**

### **Summary of Significant Accounting Policies (Continued)**

#### ***Sales tax***

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

- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- ii) When receivables and payables are stated with the amount of sales tax included  
The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

#### **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 Service recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

#### **e) Intangible assets**

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

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

#### **f) Research and development costs**

The Service expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Service 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.

**g) 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 Service.

**h) Contingent liabilities**

The Service 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.

**i) Contingent assets**

The Service does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events

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not wholly within the control of the Service 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

**Notes to the Financial Statements (Continued)**  
**Summary of Significant Accounting Policies (Continued)**

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.

**j) Changes in accounting policies and estimates**

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

**k) Employee benefits**

The Service is still under transition and it is the process of establishing the employee benefits schemes.

**l) Related parties**

The Service regards a related party as a person or an Entity with the ability to exert control individually or jointly, or to exercise significant influence over the *Service*, or vice versa. Members of key management are regarded as related parties and comprise of 11 Council Member, the Director General/CEO, other the directors and senior managers

**m) Cash and cash equivalents**

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

**n) Comparative figures**

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

**o) 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, 2022.

**5. Significant Judgments and Sources of Estimation Uncertainty**

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

**Notes to the Financial Statements (Continued)**

**1. Transfers from Other Government entities**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>KShs</b>	<b>KShs</b>
<b>Unconditional Grants</b>		
Operational Grant	10,300,226,673.15	7,393,460,800.00
<b>Total Unconditional Grants</b>	<b>10,300,226,673.15</b>	<b>7,393,460,800.00</b>
<b>Total Government Grants And Subsidies</b>	<b>10,300,226,673.15</b>	<b>7,393,460,800.00</b>

**b) Transfers from Ministries, Departments and Agencies (MDAs)**

<b>Name Of The Entity Sending The Grant</b>	<b>Amount recognized to Statement of Financial performance</b>	<b>Amount deferred under deferred income</b>	<b>Amount recognised in capital fund.</b>	<b>Total transfers 2021-22</b>	<b>Prior year 2020-2021</b>
	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>
Kenya Ports Authority	0.00	0.00	0.00	0.00	<b>21,914,197.00</b>
Kenya Railways	0.00	0.00	0.00	0.00	<b>70,457,534.00</b>
Ministry Of Health	0.00	0.00	0.00	0.00	<b>39,027,780.00</b>
FAO	0.00	0.00	0.00	0.00	<b>2,220,500.00</b>
Nyeri County	0.00	0.00	0.00	0.00	<b>165,103.00</b>
Safari com	0.00	0.00	0.00	0.00	<b>253,278.00</b>
Kenya Coast National Polytechnic	0.00	0.00	0.00	0.00	<b>239,800 .00</b>
KPCU	0.00	0.00	0.00	0.00	<b>4,199,250.00</b>
AMREF	0.00	0.00	0.00	0.00	<b>11,132,500.00</b>
EACC	0.00	0.00	0.00	0.00	<b>680,648.00</b>
Post Bank	0.00	0.00	0.00	0.00	<b>600,000.00</b>
National Bank	0.00	0.00	0.00	0.00	<b>100,000.00</b>
Ministry Of Tourism	0.00	0.00	0.00	0.00	<b>1,819,250.00</b>
Ministry Of Agriculture	0.00	0.00	0.00	0.00	<b>57,918,873.00</b>
Adventist Development	0.00	0.00	0.00	0.00	<b>900,000.00</b>

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Makueni General Ltd	0.00	0.00	0.00	0.00	<b>65,624.00</b>
Engineers board of Kenya	0.00	0.00	0.00	0.00	<b>90,000.00</b>
Standard Media Group	0.00	0.00	0.00	0.00	<b>200,000.00</b>
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>211,984,338.00</b>

The Service did not receive any transfers from other Government Agencies during the reporting period having concluded the engagements with the above listed MDAs. No new collaborations were entered into.

**Notes to the Financial Statements (Continued)**

**2. Rendering Of Services**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>KShs</b>	<b>KShs</b>
Security Services	115,322,313.00	114,911,456.00
Training services, Boda-Boda Riders training	0.00	36,594,000.00
Other services	27,992,600.00	0.00
Hire of facilities	26,400.00	3,353,118.00
<b>Total Revenue from The Rendering Of Services</b>	<b>143,341,313.00</b>	<b>154,858,574.00</b>

The amount generated from security services are shared out as follows:

- 📁 40% - Revenue to the Service
- 📁 40% - Allowances to Servicemen/women
- 📁 20% - To Servicemen/women welfare account

**3. Sale of Goods**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Sale of goods</b>		
Sale of Uniform (stitching of uniforms)	474,456,860.00	17,851,289.00
Sale of Agricultural Products	217,031,546.00	222,982,517.00
<b>Total revenue from the sale of goods</b>	<b>691,488,406.00</b>	<b>240,833,806.00</b>

The revenue is generated from stitching services of uniforms for disciplined forces, sale of agricultural products from Field Units' farming activities/projects and mineral water.

**4. Use of Goods and Services**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Electricity	139,460,062.00	94,412,250.00
Water	51,004,033.00	90,186,122.00
Gas	34,844,259.00	43,945,860.00

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<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Communication	20,275,999.00	20,703,181.00
Traveling and Accommodations	124,913,201.10	190,985,682.00
Printing, Advertising & Information Supplies & Services	51,644,206.00	40,264,708.00
Rental of Produced Assets	3,352,747.00	6,463,760.00
Training Expenses	3,079,980,541.00	2,172,459,348.00
Hospitality Supplies and Services	99,445,159.00	71,759,102.00
Veterinarian Supplies and Materials	15,261,320.00	9,156,908.00
Fungicides, Insecticides and Sprays	54,962,910.00	18,424,678.00
Dressing and other Non-Pharmaceutical medical items	54,021,384.02	37,151,805.00
Chemicals and Industrial Gases	42,000.00	0.00
Purchase of Workshop Tools, Spares and Small Equipment	274,259,606.00	73,531,432.00
Agricultural Materials, Supplies and Small Equipment	41,847,679.00	28,736,531.00
Education and Library Supplies	73,955,750.00	20,736,142.00
Purchase/Production of Photographic and Audio-Visual Materials	7,209,181.00	1,336,027.00
Purchase of Police, Prisons, and NYS Small Equipment and Supplies	95,538,165.00	220,735,571.00
Foods and Rations	2,757,557,334.00	2,678,696,697.00
Purchase of Uniforms and Clothing - Staff	4,242,504.00	22,126,284.00
Purchase of Uniforms and Clothing - Trainees	384,801,665.00	380,275,972.00
Purchase of Bedding and Linen	226,700,850.00	82,911,380.00
Supplies for Production	299,615,211.00	201,122,165.00
Purchase of safety gear	2,565,000.00	0.00
Supplies for Women Trainees	32,411,030.00	43,279,500.00
Office and General Supplies and Services	146,278,144.00	131,651,221.00
Fuel, Oil and Lubricants	271,472,130.00	310,270,546.00
Transport cost (Freight, loading/ unloading clearing and shipping charges)	150,000.00	18,720.00
School Exam. & Invigilation Fees	93,438,199.00	21,619,130.00
Medical Expenses	111,822,135.00	85,781,998.00
Contracted guards and cleaning services	2,444,099.00	6,055,094.00
Membership fees, dues and subscription to professional bodies	1,408,565.00	663,895.00
Contracted professional services	1,237,900.00	170,940,443.00
Contracted technical services	5,109,797.00	1,713,100.00

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Description	2021-2022	2020-2021
	Kshs	Kshs
Laundry expenses	914,290.00	229,910.00
Tax arrears	52,536,869.00	0.00
<b>Use of Goods and Services</b>	<b>8,616,723,925.00</b>	<b>7,278,366,247.00</b>

**Notes to the Financial Statements (Continued)**

**5. Employee Costs**

Description	2021-2022	2020-2021
	Kshs	Kshs
Salaries and wages	1,470,776,549.00	1,250,965,813.00
Gratuity – Civil Service	0.00	2,732,089.00
<b>Employee costs</b>	<b>1,470,776,549.00</b>	<b>1,253,697,902.00</b>

**6. Board Expenses**

Description	2021-2022	2020-2021
	Kshs	Kshs
Chairman's Honoraria	1,020,000.00	1,020,000.00
Directors' emoluments	3,507,400.00	3,282,200.00
Other allowances	0.00	15,000.00
<b>Total</b>	<b>4,527,400.00</b>	<b>4,317,200.00</b>

The Service has 12 Council Members who are entitled to Sitting Allowances when they attend to Council business and the Chairman receives a monthly Honorarium and Airtime of Kshs 80,000.00 and Kshs 5,000.00 respectively.

**7. Depreciation and Amortization Expense**

Description	2021-2022	2020-2021
	Kshs	Kshs
Property, plant and equipment	449,756,273.00	59,974,040.00
Intangible assets	0.00	0.00
Investment property carried at cost	0.00	0.00
<b>Total depreciation and amortization</b>	<b>449,756,273.00</b>	<b>59,974,040.00</b>

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The Service has received the valuation report of parcels of land and buildings where the values has been obtained and the depreciation calculated using the approved rates.

**8. Repairs and Maintenance**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Property	0.00	0.00
Plant, Machinery and Equipment	4,458,840.00	250,560.00
Vehicles	289,455,918.00	136,093,530.00
Office Furniture and fittings	422,440.00	282,800.00
Computers and accessories	8,628,670.00	6,765,000.00
<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Maintenance of Building-Residential	2,586,660.00	2,106,535.00
Maintenance of Building- Non-Residential	2,680,890.00	21,961,299.00
Other minor alteration of building and civil works	290,561,895.00	182,904,381.00
<b>Total Repairs and Maintenance</b>	<b>598,795,313.00</b>	<b>350,364,105.00</b>

**9. Grants and Subsidies**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Kenya Ports Authority	0.00	1,937,150.00
Kenya Railways	0.00	10,458,534.00
Ministry of Health	0.00	0.00
FAO	0.00	0.00
Ministry of Agriculture	0.00	57,918,873.00
Nyeri County	0.00	165,103.00
Safari com	0.00	253,278.00
Kenya coast national polytechnic	0.00	239,800.00
AMREF	0.00	11,132,500.00
EACC	0.00	680,648.00
Ministry of Tourism	0.00	1,819,250.00
<b>Total grants and subsidies</b>	<b>0.00</b>	<b>84,605,137.00</b>

The Service did not receive any transfers from other Government Agencies during the reporting period having concluded the engagements with the above listed MDAs. No new collaborations were entered into.

**10. Finance Cost**

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Description	2021-2022	2020-2021
	Kshs	Kshs
Finance Cost	52,101.00	21,085.00
<b>Total Finance Cost</b>	<b>52,101.00</b>	<b>21,085.00</b>

**11. Taxation**

Description	2021-2022	2020-2021
	Kshs	Kshs
Current income tax charge	0.00	0.00
<b>Income tax expense reported in the statement of financial performance</b>	<b>0.00</b>	<b>0.00</b>

**Notes to the Financial Statements (Continued)**

**12. Cash and Cash Equivalents**

Description	2021-2022	2020-2021
	Kshs	Kshs
Current account	682,587,083.00	1,225,429,696.00
On - call deposits	1,114,336,667.00	1,211,422,163.00
Others (Imprests)	1,395,885.00	6,675,569.00
<b>Total Cash And Cash Equivalents</b>	<b>1,798,319,635.00</b>	<b>2,443,527,428.00</b>

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

Financial Institution	Account number	2021-2022	2020-2021
		Kshs	Kshs
<b>a) Current Account</b>			
Central Bank - Recurrent	1000427914	538,338.00	890,457.00
Central Bank - Development	1000427922	214,932,873.00	731,489,950.00
KCB – National Youth Service	1262609798	0.00	35,610,158.00
KCB – Cohort Saving Account	1178058158	147,617,919.00	147,680,984.00
KCB – Cohort Payments	1178056929	371,986.00	371,986.00
NBK – Director General	01001000909300	63,513,716.00	57,707,613.00
NBK – Huduma Cohort Account	01020078734700	109,001,873.00	111,412,993.00
NBK – SM/W Welfare Account	01071227287600	60,739,928.00	53,251,828.00
NBK- Boda-Boda Riders Trai. Acc.	01071000909303	13,457,838.00	3,143,089.00
<b>Sub- Total</b>		<b>610,174,471.00</b>	<b>1,141,559,058.00</b>
<b>b) Field Units Accounts</b>			
KCB – Garissa Mbalambala	1265083452	0.00	840,381.00
KCB – Hindi Development Unit	1265043647	0.00	0.00
KCB – Tana Basin Road Project	1265030243	13,330,029.00	7,266,607.00
KCB – Tumaini Field Unit	1264943083	10,944,588.00	3,196.00

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		2021-2022	2020-2021
Financial Institution	Account number	Kshs	Kshs
KCB – NYSTTI – Naivasha	1265041105	5,104,776.00	3,978,458.00
KCB – NYS College - Gilgil	1264982534	16,616,722.00	69,073.00
KCB – Athi River Field Unit	1264972482	0.00	4,450,256.00
KCB – Mavoloni Field Unit	1264949413	204,050.00	2,494,703.00
KCB – Yatta Field Unit	1264952775	1,055,500.00	3,311,113.00
KCB – Witu Field Unit	1265041091	0.00	1,065.00
KCB – Kerio Valley	1265015481	1,388,659.00	1,172,555.00
KCB – Kirimun Field Unit	1265040257	1,256,925.00	17,267.00
KCB – Mwatate Field Unit	1265326037	84,623.00	43,679.00
KCB – Kisumu Field Unit	1264937482	90,420.00	0.00
KCB – Turbo	1265032637	21,854,023.00	59,742,818.00
CO-OP – NYSTC – Mombasa	1141628706800	18.00	474,993.00
CO-OP – Lambwe Dev. Unit	1141332009500	482,279.00	4,473.00
<b>Sub- Total</b>		<b>72,412,612.00</b>	<b>83,870,638.00</b>
<b>c) Deposits (SM/W Savings)</b>			
Central Bank – Deposit	1000427938	1,114,336,667.00	1,211,422,163.00
<b>Sub- Total</b>		<b>1,114,336,667.00</b>	<b>1,211,422,163.00</b>
<b>d) Others (Imprests)</b>		1,395,885.00	6,675,570.00
<b>Grand Total</b>		<b>1,798,319,635.00</b>	<b>2,443,527,428.00</b>

**13. Receivables from Exchange Transactions**

	2021-2022	2020-2021
Description	Kshs	Kshs
<b>Receivables</b>		
Service, Hire Services of SM/W	23,181,208.00	2,853,000.00
Stitching of Uniform- MI&CNG	284,936,674.00	3,539,279.00
Other (Boda-Boda Programme) - Kiambu County	16,885,500.00	17,105,250.00
Other Debtors & Pre-payments	21,389,622.00	0.00
<b>Total Current Receivables</b>	<b>346,393,004.00</b>	<b>23,497,529.00</b>

**14. Inventories**

	2021-2022	2020-2021
Description	Kshs	Kshs
Consumable stores	642,231,556.70	547,068,791.00
Medical supplies	2,861,740.00	1,158,000.00

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Spare parts and meters	0.00	190,888,381.00
Other stocks ( Biological Items)	987,569,550.00	0.00
<b>Total inventories at the lower of cost and net realizable value</b>	<b>1,632,662,846.70</b>	<b>739,115,172.00</b>

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**15. Property, Plant and Equipment**

Cost	Land		Buildings		Motor vehicles		Furniture and fittings		Computers		Other Assets(Educational Aids Equipment)		Plant and Equipment		Total	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As At 1 July 2020	0.00	229,836,436.00	0.00	17,717,012.00	0.00	0.00	17,717,012.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	247,553,448.00
Additions	0.00	102,789,759.00	0.00	25,244,591.00	0.00	0.00	25,244,591.00	91,500.00	0.00	0.00	114,138,517.00	0.00	0.00	0.00	0.00	242,264,367.00
Disposals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transfers/Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
As At 30 <sup>th</sup> June 2021	0.00	332,626,194.00	0.00	42,961,603.00	0.00	0.00	42,961,603.00	91,500.00	0.00	0.00	114,138,517.00	0.00	0.00	0.00	0.00	489,817,814.00
Additions	0.00	230,032,424.00	0.00	4,533,835.00	0.00	0.00	4,533,835.00	18,830,933.00	0.00	0.00	39,586,374.00	0.00	0.00	0.00	0.00	405,828,591.00
Disposals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transfer/Adjustments	20,204,051,400.00	8,871,112,950.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	29,075,164,350.00
As At 30 <sup>th</sup> June 2022	20,204,051,400.00	9,433,771,569.00	0.00	47,495,438.00	0.00	0.00	47,495,438.00	18,922,433.00	0.00	0.00	153,724,891.00	0.00	0.00	0.00	0.00	29,970,810,756.00
<b>Depreciation And Impairment</b>																
At 1 July 2020																
Depreciation	0.00	13,305,048.00	0.00	8,592,321.00	0.00	0.00	8,592,321.00	30,500.00	0.00	0.00	38,046,172.00	0.00	0.00	0.00	0.00	59,974,041.00
Impairment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transfers/Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
As At 30 June 2021	0.00	13,305,048.00	0.00	8,592,321.00	0.00	0.00	8,592,321.00	30,500.00	0.00	0.00	38,046,172.00	0.00	0.00	0.00	0.00	59,974,041.00
Depreciation	0.00	377,350,863.00	0.00	9,499,088.00	0.00	0.00	9,499,088.00	6,307,478.00	0.00	0.00	51,241,630.00	0.00	0.00	0.00	0.00	449,756,273.00

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Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Other Assets(Educational Aids Equipment)	Plant and Equipment	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Disposals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Impairment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transfer/Adjustment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>As At 30<sup>th</sup> June 2022</b>	<b>0.00</b>	<b>377,350,863.00</b>	<b>0.00</b>	<b>9,499,088.00</b>	<b>6,307,478.00</b>	<b>51,241,630.00</b>	<b>5,357,214.00</b>	<b>449,756,273.00</b>
<b>Net Book Values</b>								
<b>As At 30<sup>th</sup> June 2021</b>	<b>0.00</b>	<b>319,321,147.00</b>	<b>0.00</b>	<b>34,369,282.00</b>	<b>61,000.00</b>	<b>76,092,345.00</b>	<b>0.00</b>	<b>429,843,774.00</b>
<b>As At 30<sup>th</sup> June 2022</b>	<b>20,204,051,400.00</b>	<b>9,043,115,659.00</b>	<b>0.00</b>	<b>29,404,030.00</b>	<b>12,584,456.00</b>	<b>64,437,088.00</b>	<b>107,487,811.00</b>	<b>29,461,080,444.00</b>

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**15 (a) Valuation**

The transfers/ adjustments above relates to the values of relevant assets as reflected in the valuation report on land and buildings owned by the service.

**15 (b) Property, Plant and Equipment at Cost**

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

	<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>NBV</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Land	20,204,051,400.00	0.00	20,204,051,400.00
Buildings	9,433,771,569.00	390,655,911.00	9,043,115,659.00
Plant And Machinery	112,845,025.00	5,357,214.00	107,487,811.00
Motor Vehicles, Including Motorcycles	0.00	0.00	0.00
Computers And Related Equipment	18,922,433.00	6,337,978.00	12,584,456.00
Office Equipment, Furniture, And Fittings	47,495,438.00	18,091,409.00	29,404,030.00
Other Assets(Educational Aids Equipment)	153,724,891.00	89,287,802.00	64,437,089.00
<b>Total</b>	<b>29,858,549,032.00</b>	<b>484,310,218.00</b>	<b>29,461,080,444.00</b>

**16. Intangible Assets**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Cost</b>		
<b>At beginning of the year</b>	0.00	0.00
Additions	67,420,237.00	0.00
<b>At end of the year</b>	<b>67,420,237.00</b>	<b>0.00</b>
Additions–internal development	0.00	0.00
<b>At end of the year</b>	<b>67,420,237.00</b>	<b>0.00</b>
<b>Amortization and impairment</b>		0.00
<b>At beginning of the year</b>	0.00	0.00
Amortization	0.00	0.00
<b>At end of the year</b>	0.00	0.00

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Description	2021-2022	2020-2021
	Kshs	Kshs
Impairment loss	0.00	0.00
<b>At end of the year</b>	<b>0.00</b>	<b>0.00</b>
<b>NBV</b>	<b>67,420,237.00</b>	<b>0.00</b>

The intangible asset represents the Enterprise Resource Planning System (ERP) that has been implemented by the Service to strengthen internal controls systems. It replaced the earlier system of Integrated Information Management System (IFMIS).

Since the system (ERP) was installed in the financial year 2021/2022 and its operations started in the following financial year 2022/2023 no amortization has been done in the financial year 2021/2022.

**17. Trade and Other Payables**

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade payables	642,231,557.00	791,733,701.00
Payments received in advance	0.00	0.00
Employee payables	0.00	0.00
Third-party payments	52,536,869.00	0.00
Current portion of Corporate Tax	0.00	0.00
<b>Total trade and other payables</b>	<b>694,768,426.00</b>	<b>791,733,701.00</b>

These are all the payments that were never paid due to technical hitch and lapse of time. The same will form part of the first charge of financial year 2022/2023.

The **Kshs 52,536,869.15** is part of **Kshs 217,332,932** remittance arrears to KRA on transactions carried out by the Service in the periods FY 2015/16 to FY 2019/20. The arrears were shared between the NYS main account (**Kshs 72,800,760.80**) and the MTB (**Kshs 144,523,171.20**).

**18. Refundable Deposits and Prepayments from Customers**

Description	2021-2022	2020-2021
	Kshs	Kshs
Service Men/Women Savings	1,072,579,103.00	1,169,664,599.00
Retentions from Contractors	41,757,564.00	41,757,564.00
Other Deposits: Cohorts, Wages, Kitchen and Allowances Payable to SM/W	321,370,062.00	352,783,734.00
<b>Total deposits</b>	<b>1,435,706,729.00</b>	<b>1,564,205,897.00</b>

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This are savings owed by SM/W after deduction of **Ksh 600** each per month from the entitlement of **Ksh 2,100** which is refunded upon discharge.

Also, other deposits include savings made by cohorts who were engaged during the Youth Empowerment programme and unpaid allowances to the same cohorts whose details were never traced.

**19. Cash Generated from Operations**

	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Surplus for the year before tax</b>	<b>-5,575,169.00</b>	<b>-1,030,187,112.00</b>
<b>Adjusted for:</b>	0.00	0.00
Depreciation	449,756,273.00	59,974,040.00
<b>Working capital adjustments</b>		
Increase in inventory	-289,801,987.00	6,198,699.00
Increase in receivables	-322,895,475.00	55,498,988.00
Increase in payables	-96,965,275.00	125,203,495.00
Increase in payments received in advance	-21,389,622.00	67,104,416.00
<b>Net cash flow from operating activities</b>	<b>292,732,719.00</b>	<b>-712,207,474.00</b>

**20. Financial Risk Management**

The NYS' overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Service 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 Service's financial risk management objectives and policies are detailed below:

**(i) Credit risk**

The National Youth Service 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.

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Management assesses the credit quality of each customer, considering 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 Service's management based on prior experience and their assessment of the current economic environment.

**(ii) Liquidity risk management**

The National Youth Service manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

**(iii) Market risk**

The Council has put in place an internal audit function and the Audit and Risk Management Committee to assist it in assessing the risk faced by the Service on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls in mitigating market risk.

The NYS Finance Department is in the process of developing detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

**21. Related Party Disclosures**

**Government of Kenya**

The Government of Kenya is the principal shareholder of the *Service*, holding 100% of the *Service's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the *Service*, 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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	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Transactions with related parties</b>		
<b>a) Sales to related parties</b>		
Sales of goods to Clients	691,488,406.00	240,833,806.00
Sales of services to Clients	143,341,313.00	154,858,574.00
<b>Total</b>	<b>834,829,719.00</b>	<b>395,692,380.00</b>
<b>b) Grants /transfers from the government</b>		
Grants from national govt	10,300,226,673.00	7,393,460,800.00
Grants from county government	0.00	0.00
Donations in kind	0.00	0.00
<b>Total</b>	<b>10,300,226,673.00</b>	<b>7,393,460,800.00</b>
<b>c) Expenses incurred on behalf of related party</b>		
Payments of salaries and wages for NYS employees	1,470,776,549.00	1,253,697,902.00
Payments for goods and services for NYS	8,616,776,026.00	7,278,366,246.00
<b>Total</b>	<b>10,087,552,575.00</b>	<b>8,532,064,148.00</b>
<b>d) Key management compensation</b>		
Directors' emoluments	4,527,400.00	4,317,200.00
<b>Total</b>	<b>4,527,400.00</b>	<b>4,317,200.00</b>

## 22. Segment Information

The National Youth Service has its headquarters in Ruaraka, Nairobi and 22 Field Units and 17 technical training schools spread across the Country. The mandate of the Service is youth empowerment through training and national service programs. The current youth enrolment stands at 50,920 servicemen and women. The Units undertake various programs as summarized in the table below.

<b>S/No.</b>	<b>Field Unit</b>	<b>Location (County)</b>	<b>Key Activities</b>
1.	Nairobi Holding Unit (NHU)	Nairobi	<ul style="list-style-type: none"> <li>• Business School (IBS)</li> <li>• Craft Engineering School</li> <li>• Security Services</li> </ul>

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S/No.	Field Unit	Location (County)	Key Activities
2.	NYS Engineering Institute (NYSEI)	Nairobi	<ul style="list-style-type: none"> <li>• Engineering School</li> <li>• Research &amp; Innovation</li> <li>• Security Services</li> </ul>
3.	Vocational Training Institute (VTI)	Nairobi (Industrial Area)	<ul style="list-style-type: none"> <li>• Technical &amp; Vocational Training</li> <li>• Security Services</li> </ul>
4.	Textile and Garment Training Institute (TGTI)	Nairobi	<ul style="list-style-type: none"> <li>• Garment Factory</li> <li>• Technical &amp; Vocational Training</li> <li>• Security Services</li> </ul>
5.	Mechanical Transport Branch (MTB)	Nairobi	<ul style="list-style-type: none"> <li>• Technical &amp; Vocational Training</li> <li>• Fleet Management</li> <li>• Disaster Response Services</li> <li>• Commercial Services (Plant &amp; Equipment Hire, Construction &amp; Water Drilling)</li> </ul>
6.	Yatta	Machakos	<ul style="list-style-type: none"> <li>• Farming (Crop &amp; Livestock)</li> <li>• Technical &amp; Vocational Training</li> <li>• National Duties/projects</li> </ul>
7.	Mavoloni	Machakos	<ul style="list-style-type: none"> <li>• Farming (Horticulture)</li> <li>• National Duties/projects</li> </ul>
8.	Athi River	Machakos	<ul style="list-style-type: none"> <li>• Farming (Horticulture)</li> <li>• National Duties/projects</li> </ul>
9.	Garissa Mbalambala	Garissa	<ul style="list-style-type: none"> <li>• Farming (Rice)</li> <li>• National Duties/projects</li> </ul>
10.	Tana Basin	Tana River	<ul style="list-style-type: none"> <li>• Farming</li> <li>• Technical &amp; Vocational Training</li> <li>• National Duties/projects</li> </ul>
11.	Mwatate	Taita Taveta	<ul style="list-style-type: none"> <li>• Farming (Horticulture)</li> <li>• National Duties/projects</li> </ul>

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S/No.	Field Unit	Location (County)	Key Activities
12.	Mombasa Technical College	Mombasa	<ul style="list-style-type: none"> <li>• Technical &amp; Vocational Training</li> <li>• National Duties/projects</li> </ul>
13.	Hindi	Lamu	<ul style="list-style-type: none"> <li>• Farming</li> <li>• National Duties/projects</li> </ul>
14.	Witu	Lamu	<ul style="list-style-type: none"> <li>• Farming</li> <li>• National Duties/projects</li> </ul>
15.	Technical Training Institute, Naivasha	Nakuru	<ul style="list-style-type: none"> <li>• Technical &amp; Vocational Training</li> <li>• Paramilitary Training</li> <li>• Garment Factory</li> <li>• Farming</li> <li>• National Duties/projects</li> </ul>
16.	NYS College, Gilgil	Nakuru	<ul style="list-style-type: none"> <li>• Paramilitary Training</li> <li>• Staff Training</li> <li>• Enforcement Officers' Training</li> <li>• Technical &amp; Vocational Training</li> <li>• Bakery</li> <li>• National Duties/projects</li> </ul>
17.	Tumaini	Nyandarua	<ul style="list-style-type: none"> <li>• Farming (Horticulture)</li> <li>• Potato Seed Production Project</li> <li>• National Duties/projects</li> </ul>
18.	Kirimun	Laikipia	<ul style="list-style-type: none"> <li>• Farming (Livestock)</li> <li>• Hay Production</li> <li>• National Duties/projects</li> </ul>
19.	Kerio Valley	Elgeyo Marakwet	<ul style="list-style-type: none"> <li>• Technical &amp; Vocational Training</li> <li>• National Duties/projects</li> </ul>
20.	Turbo	Kakamega	<ul style="list-style-type: none"> <li>• Farming</li> <li>• Technical &amp; Vocational Training</li> <li>• Mineral Water Production &amp; Bottling</li> </ul>

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S/No.	Field Unit	Location (County)	Key Activities
			<ul style="list-style-type: none"> <li>• National Duties/projects</li> </ul>
21.	Kisumu	Kisumu	<ul style="list-style-type: none"> <li>• Farming</li> <li>• Technical &amp; Vocational Training</li> <li>• National Duties/projects</li> </ul>
22.	Lambwe	Homa Bay	<ul style="list-style-type: none"> <li>• Farming</li> <li>• National Duties/projects</li> </ul>

### 23. Capital Commitments

Capital Commitments	2021-2022	2020-2021
	Kshs	Kshs
Authorised and Contracted for	50,000,000.00	25,000,000.00
<b>Total</b>	<b>50,000,000.00</b>	<b>25,000,000.00</b>

### 24. 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 Service did not make any surplus during the year (FY 2021-2022) and hence no remittance to the Consolidated Fund.**

### 25. Events after the Reporting Period

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

### 26. Ultimate And Holding Service

The Service is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of Public Service and Gender. Its ultimate parent is the Government of Kenya.

### 27. Currency

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

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**9. Appendix**

**Appendix 1: Implementation Status of Auditor-General's Recommendations**

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

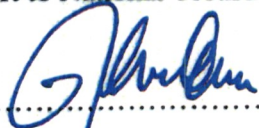
<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe : (Put a date when you expect the issue to be resolved)</b>
<b>Ref. OAG/PSGYA&amp;ICT/NYS/2020-2021(29)</b>	<ul style="list-style-type: none"> <li>Inaccuracy in Land and Buildings balances.</li> </ul>	Valuation of land and buildings is complete and values posted in the financial statements.	Not Resolved	20 <sup>th</sup> May,2023
<b>Ref. OAG/PSGYA&amp;ICT/NYS/2020-2021(29)</b>	<ul style="list-style-type: none"> <li>Incomplete Fixed Assets Register.</li> </ul>	NYS undertook valuation of its assets. Updating of respective assets register is ongoing.	Not Resolved	20 <sup>th</sup> May,2023
<b>Ref. OAG/PSGYA&amp;ICT/NYS/2020-2021(29)</b>	<ul style="list-style-type: none"> <li>Encroachment of NYS land.</li> </ul>	Acquiring of Title deeds of NYS lands and fencing off the same.	Not Resolved	20 <sup>th</sup> May,2023
<b>Ref. OAG/PSGYA&amp;ICT/NYS/2020-2021(29)</b>	<ul style="list-style-type: none"> <li>Non-disclosure of Biological Assets of the Service.</li> </ul>	Valuation of biological assets is partly complete and values obtained from the field units have also been factored in the financial statements.	Not Resolved	20 <sup>th</sup> May,2023
<b>Ref. OAG/PSGYA&amp;ICT/NYS/2020-2021(29)</b>	<ul style="list-style-type: none"> <li>Unsupported Balances for infrastructure and civil works.</li> </ul>	Valuation of land and buildings is complete and values posted in the financial statements	Not Resolved	20 <sup>th</sup> May,2023

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
Ref. OAG/PSGYA&ICT/NYS/2020-2021(29)	<ul style="list-style-type: none"> <li>Delayed refundable deposits by customers</li> </ul>	Refundable Deposits to be processed case by case.	Not Resolved	20 <sup>th</sup> May, 2023

**Guidance Notes:**

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



.....  
 Director General/C.E.O/M. D (enter title of head of Service)

Date

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**Appendix II: Projects implemented by National Youth Service**

Projects implemented by the State Corporation/ SAGA Funded by development partners and/or the Government.

Project title	Project Number	Do nor	Period/ duration	Dono r com mitm ent	Separ ate donor report ing requir ed as per the donor agree ment (Yes/ No)	Consoli dated in these financia l stateme nts (Yes/No )
NYSTTI SEWERAGE TREATMENT POND	NYS/PROC/02/ 2021-2022	N/ A	52 WEEKS	N/A	NO	YES

**Appendix III: Status of Projects completion**

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

Project	Total project Cost	Total expended to date	Compl etion % to date	Budge t	Actua l	Source s of funds
NYSTTI SEWERAGE TREATMEN T POND	Kshs. 52,626,120.00	Kshs 30,749,940 Kshs.15,789,695.50	98%			GOK

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**Appendix IV: Transfers from Other Government Entities**

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized			
					Capital Fund	Deferred Income	Receivables	Total Transfers during the Year
State Department of Public Service	23-Aug-2021	Recurrent	1,541,704,446.00	1,541,704,446.00	0.00	0.00	0.00	1,541,704,446.00
State Department of Public Service	27-Sep-2021	Recurrent	770,852,161.50	770,852,161.50	0.00	0.00	0.00	770,852,161.50
State Department of Public Service	28-Sep-2021	Recurrent	770,852,161.50	770,852,161.50	0.00	0.00	0.00	770,852,161.50
State Department of Public Service	29-Sep-2021	Recurrent	459,646,870.65	459,646,870.65	0.00	0.00	0.00	459,646,870.65
State Department of Public Service	01-Oct-2021	Recurrent	311,205,290.85	311,205,290.85	0.00	0.00	0.00	311,205,290.85
State Department of Public Service	03-Nov-2021	Recurrent	770,852,222.50	770,852,222.50	0.00	0.00	0.00	770,852,222.50

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State Department of Public Service	09-Dec-2021	Recurrent	770,852,253.00	770,852,253.00	0.00	0.00	0.00	0.00	770,852,253.00
State Department of Public Service	04-Jan-2022	Recurrent	770,852,253.00	770,852,253.00	0.00	0.00	0.00	0.00	770,852,253.00
State Department of Public Service	07-Feb-2022	Recurrent	770,852,223.00	770,852,223.00	0.00	0.00	0.00	0.00	770,852,223.00
State Department of Public Service	14-Mar-2022	Recurrent	770,852,223.00	770,852,223.00	0.00	0.00	0.00	0.00	770,852,223.00
State Department of Public Service	21-Apr-2022	Recurrent	770,852,222.45	770,852,222.45	0.00	0.00	0.00	0.00	770,852,222.45
State Department of Public Service	10-May-2022	Recurrent	1,000,000,000.00	1,000,000,000.00	0.00	0.00	0.00	0.00	1,000,000,000.00
State Department of Public Service	30-Jun-2022	Recurrent	770,852,345.70	770,852,345.70	0.00	0.00	0.00	0.00	770,852,345.70
State Department of Public Service	23-Aug-2021	Development	12,500,000.00	12,500,000.00	0.00	0.00	0.00	0.00	12,500,000.00

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State Department of Public Service	25-Nov-2021	Development	12,500,000.00	12,500,000.00	0.00	0.00	0.00	0.00	12,500,000.00
State Department of Public Service	30-Jun-2022	Development	25,000,000.00	25,000,000.00	0.00	0.00	0.00	0.00	25,000,000.00
<b>Total</b>			<b>10,300,226,673.15</b>	<b>10,300,226,673.15</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>10,300,226,673.15</b>