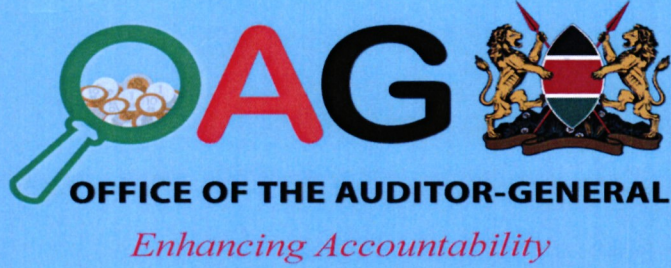


REPUBLIC OF KENYA



REPORT

PARLIAMENT
OF KENYA
LIBRARY

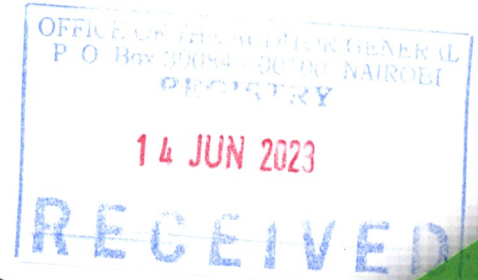
NATIONAL ASSEMBLY	
DATE: 26 JUL 2023	DAY: WED
TABLED BY: OF	Hon Kimani Ichungwaly, MP
CLERK AT THE TABLE:	The leader, majority party
	Miriam Mado

THE AUDITOR-GENERAL

ON

KENYA FOREST SERVICE

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



ANNUAL REPORT & FINANCIAL STATEMENTS

for the financial year ended

JUNE 30, 2022

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



Trees for better lives

FOREST ADMINISTRATIVE BOUNDARIES

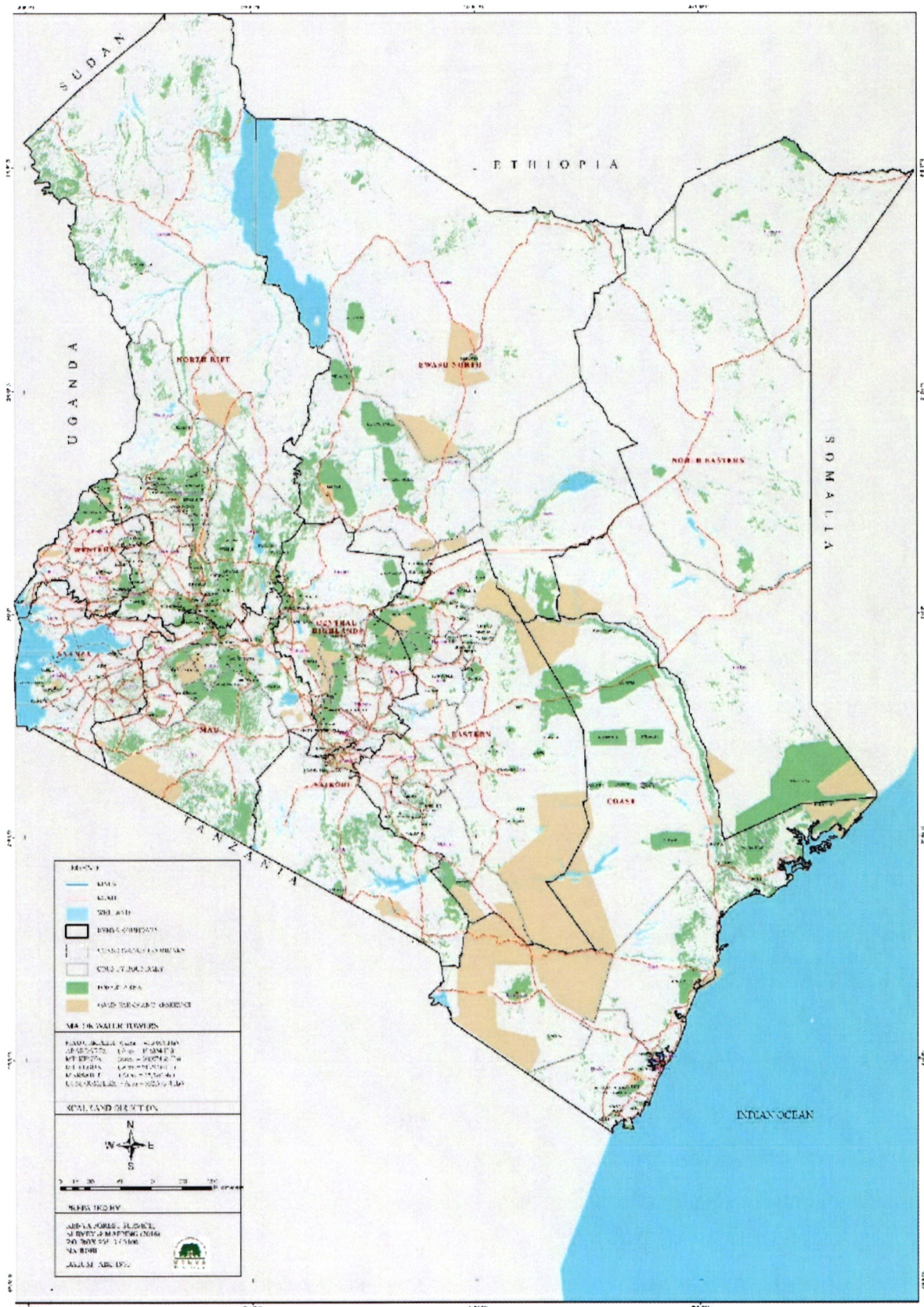


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INTRODUCTION

KEY SERVICE INFORMATION AND MANAGEMENT

Background Information

Kenya Forest Service is a body corporate established under the Forest Conservation and Management Act no. 34 of 2016. The Act which was operationalized on March 31, 2017, gave the Service's mandate as *"to conserve, protect and manage forest resources for environmental integrity and socioeconomic development of the country and for connected purposes"*

The Service is categorised as a schedule 4 national government entity with a national spread stratified into ten (10) forest conservancy areas that are ecologically demarcated, with ecosystem offices in all the 47 counties. These offices are critical in the co-ordination of forest conservation, management and surveillance.

Principal Activities

The Functions of the Service as provided in the act are; -

- i. Conserve, protect and manage all public forests in accordance with the provisions of the Act;
- ii. Prepare and implement management plans for all public forests and, where requested, assist in preparation of management plans for community forests or private forests in consultation with the relevant owners;
- iii. Receive and consider applications for licenses or permits in relation to forest resources or management of forests or any other relevant matter in accordance with the Act;
- iv. Establish and implement benefit sharing arrangements in accordance with the provisions of the Act;
- v. Assist county governments to build capacity in forestry and forest management in the counties;
- vi. In consultation with relevant stakeholders, develop programmes for tourism and for recreational and ceremonial use of public forests;
- vii. Promote forestry education and training;
- viii. Register and maintain a register of all forest management plans prepared for public forests;
- ix. Collaborate with relevant persons and institutions in identifying research needs and applying research findings in relation to forests and forestry;
- x. Manage water catchment areas in relation to soil and water conservation, carbon sequestration and other environmental services in collaboration with relevant stakeholders;
- xi. Prepare a Forest Status Report for the Cabinet Secretary once in every two years; and a Resource Assessment Report for the Cabinet Secretary once in every five years;
- xii. Consider and recommend to the Cabinet Secretary the establishment of public forests on un-alienated public land or any other public land;
- xiii. Consider and recommend to the Cabinet Secretary the determination and alteration of boundaries of public forests;
- xiv. Establish forest conservancy areas for purposes of conservation and management;
- xv. Approve the provision of credit facilities and technical training for community-based forest industries, and the provision of incentives to persons for the sustainable utilization of wood and non-wood forest products;
- xvi. Implement and enforce rules and regulations governing importation, exportation and trade in forest produce.
- xvii. Develop, maintain and regularly update a geographic information system database of all forests in Kenya.

Vision, Mission and Strategic Goal

Vision

“To be an internationally recognized organization of excellence in knowledge based sustainable forest resources development, conservation and management”.

Mission

“Conservation, management, development and sustainable utilisation of forests and allied resources”.

Strategic
Goal

The Kenya Forest Service strategic goal is to conserve, develop and manage forest resources sustainably for the provision of forest goods and services.

**Kenya Forest Service
Annual Report and Financial Statements
For the year ended June 30, 2022**

Core Values

Our core values form the foundation of how we conduct ourselves when carrying out our duties. The Service is guided by the following core values: - **(T, R, E, E, I, S)**

- **Teamwork:** Embrace mutual support, active participation, collective responsibility, open communication, information sharing and mentoring.
- **Results Oriented.** Allocation of resources based on measured performance to maximize effectiveness.
- **Equity:** Fairness, affirmative action and sensitivity
- **Excellence:** Challenge to the highest level of performance, to create the greatest impact.
- **Integrity:** Conduct our daily business on the basis of accountability and transparency, with a zero tolerance for corruption.
- **Scientific principles and professionalism:** Decision making and practice will be based on current scientific knowledge and best practice.

Key Management

Kenya Forest Service day-to-day management is under the following key organs:

- Board of Directors;
- Chief Conservator of Forests (CCF); and
- Senior Management Team

Fiduciary Management

The senior management team led by the Chief Conservator of Forest is entrusted to manage the Service total assets to execute the long-term strategies efficiently and target better outcome through a more effective governance structure. The key management personnel who held office during the financial year ended 30 June 2022 and who had direct fiduciary responsibility were:

No.	Name	Designation
1.	Julius Kamau, EBS	- Chief Conservator of Forests (CCF)*
2.	Alex Lemarkoko	- Ag. Chief Conservator of Forests (CCF)*
3.	Monica Kalenda	- Head - Directorate of Strategy, Partnerships & Resource Mobilization
4.	Peter K. Waweru	- Senior Deputy CCF, KFC
5.	Patrick Kariuki	- Ag. Senior Deputy CCF, Field Operations**
6.	Charity Munyasya	- Deputy CCF, Forest Conservation & Management
7.	Lucy Kiboi	- Manager, Corporate Services
8.	Anastasia Muasya	- Manager, Finance & Accounting***
9.	Juliana Ochieng	- Manager, Human Resources & Admin.
10.	Esther Keige	- Manager, Legal Services
11.	Zipporah Toroitich	- Deputy CCF, Plantation & Enterprises
12.	Anthony Weru	- Ag. Manager, Finance & Accounting***
13.	Anne Muthamia	- Principal Corporate Communication Officer
14.	Victor Kobia	- Principal Supply Chain Officer
15.	Stephen Mugi	- Principal Internal Audit Officer
16.	Stephen Cheboi	- Principal Information, Communication and Technology Officer

*Mr Julius Kamau exited the Service in April 2023 and Mr. Alexander Lemarkoko took over in an acting capacity

**Mr. Patrick Kariuki retired from the Service in December 2021.

***Mrs. Anastasia Muasya took over as Manager Finance & Accounting in May 2023 and Mr. Anthony Karanja stepped down

Fiduciary Oversight Arrangements

The current Board was appointed in March 2023. The Board of Directors has four Committees with specific delegated authorities. These are the

- Audit and Risk Compliance Committee,
- Human Resource and Administration Committee,
- Finance and Resource Mobilization Committee, and
- Technical, Planning, Development and Kenya Forestry College Committee.

i) Audit and Risk Compliance Committee

The Audit and Risk Compliance Committee evaluates and recommends policies on the Service's internal controls and financial propriety as well as risk management, review matters connected with audits and the provision of assurance regarding internal controls.

NO.	NAME	POSITION
1.	Dr. Doris Mutta	Chairperson
2.	Ms. Isabella Kogei	Member
3.	Mr. Peter Leitoro	Member
4.	Mr. Abdallah Komesha	Member

ii) Human Resource and Administration Committee

The main function of the Human Resource and Administration Committee is policy compliance and ensure effective management of human resources and administrative functions.

NO.	NAME	POSITION
1.	Mr. Ahmed Mohamed	Chairperson
2.	Dr. George Muthike	Member
3.	Mr. Zakayo Maina	Member
4.	Mr. Abdallah Komesha	Member
5.	Mr. Kunal Chodhari	Member
6.	Mr. Alexander Lemarkoko	Member

iii) Finance and Resource Mobilization Committee

The Finance and Resource Mobilization Committee evaluates and recommends policies to ensure the financial stability, corporate wellbeing and effective management of the Service's assets as well as recommend financial plans, actively monitor fiscal performance and advise on appropriate standards for assessing business risk.

NO.	NAME	POSITION
1.	Mr. Kunal Chowdhari	Chairperson
2.	Ms. Isabella Kogei	Member
3.	Mr. Peter Leitoro	Member
4.	Mr. Ahmed Mohamed	Member
5.	Mr. Alexander Lemarkoko	Member

iv) Technical, Planning, Development & KFC Committee

**Kenya Forest Service
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The Technical, Planning, Development & KFC Committee is responsible for ensuring; policy compliance, operational and legal compliance, advising the Board on proposed subsidiary legislation, effective management of forests, effective organisational structures for forest conservancy areas as well as approvals of technical policies, strategies and systems. It also handles matters related to the Kenya Forestry College (KFC), Londiani.

NO.	NAME	POSITION
1.	Dr. George Muthike	Chairperson
2.	Dr. Doris Mutta	Member
3.	Mr. Zakayo Maina	Member
4.	Mr. Peter Leitoro	Member
5.	Mr. Alexander Lemarkoko	Member

Headquarters

Kenya Forest Service
P.O. Box 30513 - 00100,
Karura Forest, off Kiambu Road,
Nairobi - Kenya.

Contacts

Telephone: (254) 020 2014663 / 020 2589055

E-mail: info@kenyaforests-service.org, director@kenyaforests-service.org

Website: www.kenyaforests-service.org



@KeForestService



Kenya Forest Service



Kenya Forest Service

**Kenya Forest Service
Annual Report and Financial Statements
For the year ended June 30, 2022**

Bankers

Kenya Commercial Bank
P.O. Box 14959
Tel: +254-20-3747576
Fax: +254-20-3747576
E-mail: info@kcb.co.ke
Website: www.kcb.co.ke

NCBA Bank
P.O. Box 44599-00100, GPO,
Tel: + 254-20-2884444
Fax: + 254-20-2888505
E-mail:
customercare@ncbagroup.com
Website: www.ncbagroup.com

Co-operative Bank of Kenya
P.O. Box 48231-00100,
Tel: +254-20-3276000
Fax: +254-20-219821
E-mail:
customerservice@co-pbank.co.ke
Website: www.co-opbank.co.ke

Equity Bank
P.O. Box 75102-00200-Nairobi
Tel: +254-20-2262000
Fax: +254-20-2737276
E-mail: info@equitybank.co.ke
Website: www.equitybank.co.ke

National Bank of Kenya
P.O. Box 72866-00200 Nairobi
Tel: 020-2828000
Fax: 020-311444/222304
E-Mail:
corporateaffairs@nationalbank.co.ke

Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

Principal Legal Adviser

The Attorney General
State Law Office and Department of Justice
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya



THE BOARD OF DIRECTORS

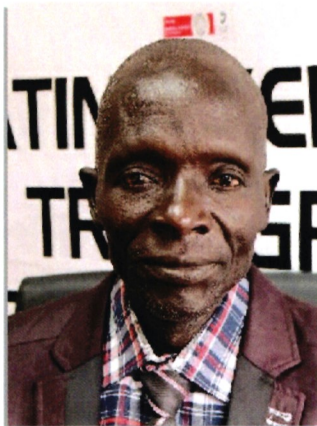


Mr. Peter Kinyua, EBS - Chairman

Born 1963 - 59 years

Mr. Peter Kinyua graduated from Salve Regina University, Rhode Island, USA, in May 1986, with a Bachelor of Arts and Science Degree. He is a coffee trader and has been exporting coffee for over 30 years. He is a member of Kenya Coffee Traders Association of which he was the founder Chairman. He has also been a Director of the Coffee Board of Kenya. Currently he is a coffee Farmer in Juja and a coffee exporter by profession. He is a Director of the Rhino Ark Charitable Trust. He is a former Trustee of the Board of Kenya Wildlife Service and has a passion for conservation. He successfully sourced for substantial funding for conservation through Rhino Ark, a Charitable Trust.

Exited from the Board on 10th March 2023

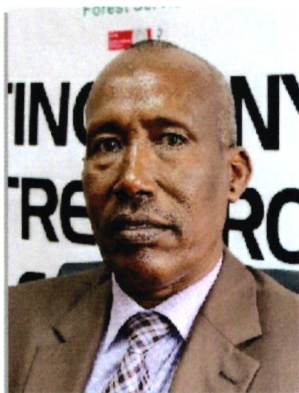


Mr. Peter Wandera - Vice Chairman & Representative of Community Forest Associations (CFA)

Born 1962 - 60 years

Mr. Wandera is an independent Member of the Board representing Community Forest Associations (CFAs). He is the chairman of the Audit Committee. He is the National Chairman of the National Community Forest Associations (NACOFA).

Exited from the Board on 10th March 2023



Mr. Peter Leitoro, OGW - Representative of Principal Secretary, Environment and Forestry

Born 1961 - 61 years

Mr. Leitoro holds a master's in Security Studies and Risk Management and an MBA (Strategic Management as well as a diploma in Conservation and Management and diploma in International Studies). He has wide experience in law enforcement, conservation, managerial leadership and financial skills.



**Mr. Molu Huqa Arbale - Representative of
Principal Secretary, National Treasury**

Mr. Arbale has over 30 years' experience in the public sector. He has served in various roles in the agriculture sector, KTDA, NEMA, County Government and is currently with working the National Treasury and Planning - Climate Finance Unit. He holds Bachelor of Science in Agricultural Engineering and a Diploma in Agricultural Engineering.

Exited from the Board on 10th March 2023



**Mr. Gideon Munga Nyale - Representative of
Inspector General of National Police Service**

Born 1961 - 61 years

Mr Nyale is a member of the Board Audit Committee. He specialises in Security Management.

Exited from the Board on 10th March 2023

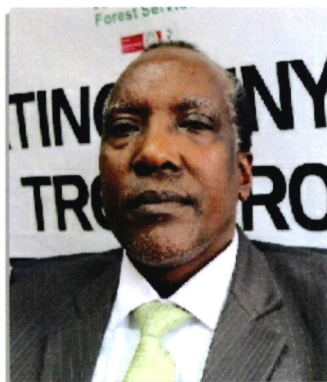


**Dr. Jane Njuguna - Representative of the
Director KEFRI**

Born 1964 - 58 years

Dr. Njuguna is currently a Senior Deputy Director of KEFRI. She holds a Ph. D in Forest Science. She is the Chairperson of the Technical, Planning, Development and KFC Committee and Member of the Human Resource & Administration Committee. She specialises in forestry research.

Exited from the Board on 10th March 2023



Mr. Joel Laigong - Representative of Forestry Society of Kenya

Born 1961 - 61 years

Mr. Laigong is the Chairman of the Technical, Planning, Development and KFC Committee of the board. He holds a Master of Science degree in Forestry Management. He is currently an Assistant Researcher at KEFRI and lectures at the University of Eldoret with his expertise being in Forest management including PFM/Forest Administration. Mr. Laigong is a life member of the Forestry Society of Kenya.

Exited from the Board on 10th March 2023



Mr. Jaswant Singh Rai - Representative of Forest Industry

Born 1953 - 69 years

Mr. Rai the Chairman of the Finance Committee of the Board. He is an astute businessman with vast interests in Kenya and other Countries. He is an industrialist with vast experience and knowledge amassed over 45 years in the wood industry.

Exited from the Board on 10th March 2023

Ms. Zipporah Muthama - Representative of the Council of Governors



Ms. Muthama is an Advocate of the High Court of Kenya. She holds a master's degree in public management from International Cooperation (Africa - European and Intra-Africa Relations) - Kehl University, Germany. She is a member of Law Society of Kenya and FIDA-K.

Ms. Muthama has acquired other skills relating to Change Management, Trial Advocacy, Arbitration and Public Policy among others. She is a member of the Gender Committee, Law Society of Kenya and a Human rights expert with experience from FIDA- Kenya, Tanzania Women Lawyers Association (TAWLA), International Commission of Jurists, Refugee Consortium of Kenya and CWS-RSC Africa. She is well versed with matters Devolution and currently working at the Council of Governors.

Exited from the Board on 10th March 2023

Mr. Julius Kamau, EBS - Chief Conservator of Forests



Mr. Kamau is a First Class Honors Degree holder in Forestry (Moi University). He also holds a Master of Arts Degree in Environmental Planning and Management (University of Nairobi) and a Diploma in International Environmental Law Making and Diplomacy (University of Eastern Finland) and has over 20 years' experience in the conservation sector.

He has a great wealth of experience in policy dialogue and influence, design and management of environmental programmes in private, public and international development cooperation sectors.

Prior to joining the Service, he was the Deputy Executive Director of the Rhino Ark Kenya Charitable Trust. He has in the past worked with the Sotik Tea Company as the Environment and Forest Manager, Embassy of Finland as a Forest Specialist, Embassy of Sweden as a Regional Programme Manager, INTASAVE Africa as the Regional Director and the East African Wildlife Society as the Executive Director.

He is a full member of Forest Society of Kenya where he served as the National Vice Secretary for 6 years (2011-2016). He is also a registered lead auditor EIA/EA and a member of the Environment Institute of Kenya.

He exited the Service in April 2023



Ms. Laura Yego - Ag. Corporation Secretary

Ms Yego is the Ag. Corporation Secretary of the Service. She holds a Bachelor of Laws Degree (LLB) (Hons) and is currently pursuing a master's degree in Environmental Law from the University of Nairobi. She is also undertaking examinations for the Certified Secretary (CS) certification course. She is an Advocate of the High Court of over 15 years' experience, a Commissioner for Oaths and a Notary Public. She is a member of the Law Society of Kenya and the East Africa Law Society in good standing.

MANAGEMENT TEAM



Julius Kamau, EBS - Chief Conservator of Forests

Mr. Kamau is a First Class Honors Degree holder in Forestry (Moi University). He also holds a Master of Arts Degree in Environmental Planning and Management (University of Nairobi) and a Diploma in International Environmental Law Making and Diplomacy (University of Eastern Finland) and has over 20 years' experience in the conservation sector.

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He is a full member of Forest Society of Kenya where he served as the National Vice Secretary for 6 years (2011-2016). He is also a registered lead auditor EIA/EA and a member of the Environment Institute of Kenya.

He exited the Service in April 2023



Alex Lemarkoko - Ag. Chief Conservator of Forests

Mr. Lemarkoko took over as acting Chief Conservator of Forests in April 2023. Mr. Lemarkoko has over thirty (30) years' experience in forest management and protection. He holds a Master of Arts degree in International Studies. He is a Full Member of the Forestry Society of Kenya



Monica Kalenda - Head - Directorate of Strategy, Partnerships & Resource Mobilization

Monica Kalenda is in charge of Strategy, Partnerships & Resource Mobilization. She is a career forest officer with a master's degree in Natural Resources Management, post graduate diploma in Corporate Governance, and a bachelor's degree in forestry with over thirty-five (35) years' experience in the field and in management. She has also undergone basic paramilitary training at the National Youth Service and officer's course at the Administration Police Training College. She is a member of the Forestry Society of Kenya and Kenya Institute of Management.



Peter Waweru - Principal, Kenya Forestry College

Mr. Peter Waweru is in charge of Kenya Forestry College. The college carries out diploma and certificate courses in Forestry and paramilitary. He holds a master's degree in International Studies-Science, a post graduate diploma in education as well as two bachelor's degrees in forestry & nature conservation, with over thirty-five (35) years' experience. He has also undergone basic paramilitary training at the National Youth Service and officer's course at the Administration Police Training College. He is a member of the Forestry Society of Kenya.



Patrick Kariuki - Ag. Senior Deputy Chief Conservator of Forests, Field Operations

Mr. Kariuki is in charge of Farm and Dryland Forestry. He holds a Master of Agricultural Studies (Rural Development, Administration & Management) and a Bachelor of Science Degree in Forestry. He has over thirty-five (35) years' experience in forest management and administration in addition to extensive operational knowledge in project development and management. He pioneered the establishment of farm forestry field schools in the forestry sector in Kenya. He has also undergone basic paramilitary training at the National Youth Service and officer's course at the Administration Police Training College. He is a member of the Forestry Society of Kenya.





Charity Munyasya - Deputy Chief Conservator of Forests, Forest Conservation and Management

Ms. Munyasya is in charge of Forest Conservation and Management. Ms. Munyasya has over thirty (30) years' experience in the forestry sector. She holds a Master of Arts degree in International Studies. She is a full member of the Forestry Society of Kenya.



Lucy Kiboi - Manager, Corporate Services

Mrs. Kiboi is in charge of Corporate Services. She holds a master's degree in Business Administration and a Bachelor's of Science Degree and is a Certified Public Accountant (K). She has over thirty-one (31) years' experience. She has also undergone basic paramilitary training at the National Youth Service and the SLDP course at Kenya School of Government. She is a member of Institute of Certified Public Accountants (ICPAK) & Kenya Institute of Management (KIM).



Anastasia Muasya - Manager - Finance & Accounting

Mrs. Muasya is in charge of Finance & Accounting. She holds a master's degree in Business Administration - Finance option, is a Certified Public Accountant (K), as well as a Bachelor's Degree in Commerce with over thirty-five (35) years' experience. She is a member of the Institute of Certified Public Accountants (ICPAK).



Juliana Ochieng - Manager Human Resource and Administration

Mrs. Ochieng is in charge of Human Resource and Administration. She holds a master's degree in Business Administration, a Bachelor's Degree in Human Resource Management and an advanced Diploma in Human Resource Planning and Development. Other Skills development courses undertaken include Strategic Leadership Development Programme and Senior Management Course. She is a member of the Institute of Human Resource Management (IHRM). She has over twenty-nine (29) years' experience in human resource management



Zipporah Toroitich - Deputy Chief Conservator of Forests, Plantation and Enterprise

Mrs. Toroitich is in charge of Forest Plantations and Enterprise. She holds a Master of Philosophy in Forestry (Forest Economics & Management), a Bachelor of Science Degree in Forestry from Moi University, a Diploma in Environmental Services in Forest Management from Helsinki University, and a Certificate in Strategic Environmental Assessment (SEA). Mrs. Toroitich has over thirty (30) years' experience in the forestry sector. She is a full member of the Forest Society of Kenya.



Esther Keige - Head - Legal Services

Ms. Keige is the Head, Legal Services. She holds a Bachelor's Degree in Law (LLB), a Post Graduate Diploma in Law and currently undertaking a Master's degree in Environmental Law.

She is an Advocate of the High Court of Kenya, a Commissioner for oaths and a Certified Secretary. She is a member of the Law Society of Kenya (LSK) and the Institute of Certified Public Secretaries of Kenya (ICPSK), with over twenty five (25) years experience as an advocate.



Anthony K. Weru - Ag. Manager - Finance & Accounting

Mr. Weru was in charge of Finance and Accounting until May 2023. He has over 31 years' experience in Finance. He holds a Bachelors degree in Commerce (Finance). He has attended Senior Management Course from Kenya School of Government. He is a member of the Institute of Certified Public Accountants of Kenya (ICPAK).



Stephen Mugi - Principal Internal Auditor

Mr. Mugi is in charge of Internal Audit and has over fourteen (14) years' experience in Auditing in the public sector. He holds a Master of Science Degree in Finance, a Bachelor's Degree in Accounting and is a member of Institute of the Internal Auditors (IIA) - Kenyan Chapter and Institute of Certified Public Accountants of Kenya (ICPAK).



Anne Muthamia - Principal Corporate Communication Officer

Ms. Muthamia is in charge of Corporate Communications Department with over 19 years' work experience. She holds an M.A. International Studies from the University of Nairobi and is a graduate of the National Defence College, Kenya. She also holds an M.A. Communication Studies from the University of Nairobi and B.A. Communication from Daystar University. She is a member of the Public Relations Society of Kenya (PRSK) and the Association of Media Women in Kenya (AMWIK).



Victor Kobia - Principal Supply Chain Officer

Mr. Kobia is in charge of Supply Chain Management. He has over nineteen (19) years experience in Supply Chain Management in the public sector. He holds a Master's Degree in Procurement and Logistics and is a Full Member of Kenya Institute of Supplies Management (KISM).

SERVICE REPORT

CHAIRMAN'S STATEMENT



Peter Kinyua, EBS - Chairman, KFS Board of Directors

On behalf of the Board of directors, I am pleased to present Kenya Forest Service Annual Report and Financial Statements for the year ended 30th June 2022.

In the fiscal reporting period 2021-2022, the Service had a total budget on Government funding of Kes.4,679 billion on both recurrent and GOK development but received Kes. 4,629 billion from the exchequer out of which expenditure of Kes. 71 million was utilized for capital expenditure. Funding from development

partners had a budget of Kes 951 million but released Kes. 666 million to the Service.

The Service has taken appropriate measures and focused its policies towards complying with the requirements of the Constitution of Kenya, Vision 2030, Big Four Agenda, and the Presidential Directive to achieve 10% tree cover by 2022. Towards this, the former President, His Excellency Uhuru Kenyatta, launched the 'National Forest Resources Assessment Report 2021 that indicated the country's tree cover has surpassed earlier Presidential directive of 10% tree cover by 2022. The report indicates that the current tree cover stands at 12.13 percent, while the country's forest cover is 8.83 percent, up from 5.9 percent forest cover in 2018. The President hence set a new target for attainment of 30% tree cover by 2050.

The Service is also implementing various policies, legislations and strategies to achieve its mandate. These include the Forest Conservation and Management Act (FCMA 2016); and the National Forest Programme (2016-2030). Review of the KFS Strategic Plan 2018-2022 is being undertaken, as well as formulation of the KFS Strategic Plan 2022-2027. The Service remains compliant to various multilateral and bilateral agreements and protocols.

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For the year ended June 30, 2022**

The financial resources were therefore utilized in implementing the approved strategies and projects to contribute towards the Services' mandate.

During the period under review, and with support from Government and Development Partners, the Service rehabilitated a total of 13,307.15ha of degraded natural forest areas mainly within the five water towers through enrichment planting. A total area of 15,181.27ha was planted through National tree planting campaigns. The Service facilitated the production of 102,517,223 seedlings in KFS Nurseries and working with stakeholders.

The Service faced some challenges that include inadequate funding (funds disbursed against the budget), inadequate staffing levels due to natural attrition, climate change leading to unreliable weather patterns that hampers planning of forest activities such as planting of trees and low survival rate of tree seedlings. Frequent forest fire outbreaks are another notable challenge as well as declining revenues from recreation facilities due to the negative effects of COVID-19 pandemic.

As my term nears its end, I am grateful for the support accorded by my Board Members, KFS Management team and staff, donor partners and stakeholders. Because of all your input, the Service has continued to excel in its service delivery.



Peter Kinyua, EBS

Chairman, Kenya Forest Service



REPORT OF THE CHIEF CONSERVATOR OF FORESTS



Alexander Lemarkoko 'ndc' (K) - Ag. Chief Conservator of Forests

The Service has successfully completed another year and I am pleased to present this Financial Report to all stakeholders. The Service mandate is guided by the Strategic Planning cycles that allow for prioritization and delivery of strategic objectives. Within the reporting period, the Service completed implementation of the Strategic Plan 2017 - 2022 and is now in the process of formulating 2022-2027 Strategic Plan. In addition, the Service implemented the relevant Presidential Directives and aligned its activities towards attainment of the Big Four Agenda. I am glad to report that the Service achieved an increase in Forest cover from the previous 5.9 percent in 2018 to 8.83 percent as reported in the 'National Forest Resources Assessment Report 2021' that was launched by the former President His Excellency Uhuru Kenyatta.

During the 2021/2022 financial year, the combined financial absorption of the Service was Kes. 5.9 billion out of an allocation of Kes. 6.5 billion translating into 91% absorption rate.

The Service raised a total of Kes. 644,732,591 as Appropriation in Aid (AIA) mainly from the sale of commercial fuel wood, movement permits, grazing fees, sale of seedlings, annual licenses, land rents, finance income etc. This translates to 4% decrease in AIA collection due to enforcement of stringent measures on livestock grazing in the forest to ensure that protection efforts are not compromised; scaling down quarrying and soil mining due to their impacts on forest conservation; and declining revenues from recreation facilities due to the negative effects of COVID-19 pandemic.

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In the FY 2021-2022, the Service absorbed 96% of externally mobilized resources amounting to Kes 631,559,860 against the approved budget of 656,000,000 under GZDSP II.

During the review period, the Service raised a total of Kes. 644,732,591 mainly from the sales of commercial fuelwood, movement permits, grazing fees, sale of seedlings, annual licenses and land rents. The Service allocated Kes 80,828,751.76 being 30% of the non-specialized goods & services procurement budget to Youth, Women and Persons with Disabilities Empowerment (AGPO).

The main challenges to effective implementation of the Strategic Plan included inadequate staffing levels due to natural attrition, inadequate funding and reduced revenue collection due to the negative impacts of COVID -19 pandemic. The Service will continue implementing the reforms aimed at enhancing service delivery, adhere to the Government's financial management requirements while upholding strict financial management guidelines and application of best practice in management.

I thank the Ministry of Environment and Forestry and Kenya Forest Service Board for their steadfast support in implementation of the KFS mandate.

I also appreciate the Management team and the entire staff of the Kenya Forest Service for continual commitment to excellence in service delivery.



Alexander L. Lemarkoko 'ndc' (K)
Ag. Chief Conservator of Forests

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STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR THE FY 2021/2022

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

The forest sector is anchored in the social pillar of the Vision 2030 development blueprint although it also plays a key role in the economic and political pillars. Forests are indeed both drivers and enablers of the Big Four Agenda. In addition, forest provide support to other sectors of the economy such as Agriculture, livestock, energy, tourism, fisheries, manufacturing, small and medium-term enterprises.

The sector aims at maintaining the long-term health of forest and landscape ecosystems while providing environmental, ecological, economic, social and cultural opportunities for the benefit of present and future generations.

The Service develops its annual work plans based on organization 5 strategic objectives which are aligned to the flagship projects in the Medium-Term Plan (MTP) III. The Service strategic objectives are:

- i. Rehabilitate 500,000ha of degraded natural forest areas, develop and conserve all public natural forests,
- ii. Restock 30,000 ha and sustainably manage all public plantations,
- iii. Increase forest cover outside public forest areas by 380,000 ha in 5 years (2017 - 2022),
- iv. Protect and Secure 2.59 M Ha of Public Forests and other Corporate Assets, and
- v. Strengthen capacity for efficient utilization of resources and effective service delivery.

Assessment of the Board's performance against the Organizational annual work plan and the Board Annual Performance contracts is done on a quarterly basis. The achievement of the performance targets set for the FY 2021/2022 period for the 5 strategic objectives, as indicated in the diagram below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Rehabilitate 500,000 hectares of degraded natural forests, develop and conserve all public forests	Increase forest cover in public	Area in hectares planted	<ul style="list-style-type: none"> • Improve forest capacity restoration • Enrichment planting • 	<ul style="list-style-type: none"> • 43,389.07 Oral forest planted • 2140 ha of mangroves planted • 411.7 ha of bamboo planted
	Increase area under public forests	Area in hectares	<ul style="list-style-type: none"> • Gazettement of new natural forests 	100hectares which had been invaded by squatters was



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Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
		gazetted/recovered	<ul style="list-style-type: none"> Re-possession of irregularly/illegally acquired public forest land 	repossessed in Mt Elgon and in Kirisia Samburu
Restock 30,000 ha and sustainably manage all public forest plantations	Sustainable productivity of public forest plantations	Area in hectares planted	<ul style="list-style-type: none"> Establishment of more suitable public forests Strengthen implementation of PFMs in all forest stations 	3,940 hectares of plantation were established.
Increase forest cover outside public forest areas by 380,000ha	Increase forest area and forest cover outside public forests	Area in hectares planted	<ul style="list-style-type: none"> conduct national campaign for tree planting promotion of greening initiatives 	The Service continued to engage with partners and stakeholders to support efforts towards increasing the country's forest cover. In addition, 73,685,989 tree seedlings were produced for planting
Protect and secure 2.4 million hectares of public	To enhance ecological integrity of public forests	Reduced incidences of insecurity and threats to forests	<ul style="list-style-type: none"> Improvement of security 	2.4 million hectares of gazetted forests protected. Sustained operations to protect recovered forest areas from re-invasion which include: - in Kirisia, 13,368 Ha in Maasai Mau, 7000 Ha of Cheptais forest in Mt. Elgon, 256Ha in Makunga- Trans Nzoia County, 21,000 Ha in Embobut Forest and 1,701 Ha in Sosion

CORPORATE GOVERNANCE STATEMENT

We believe in good Corporate Governance as an organisation. We remain committed to the highest standards of corporate governance and business ethics. The Board provides leadership through oversight, review and guidance whilst setting the strategic direction. It is the primary decision-making body for all matters considered as material to the Service. The Service continues to be guided by the Mwongozo Code of Governance for State Corporations and continues to implement its provisions.

Board meetings and attendance

1. The Service Board members usually dedicate adequate time and effort for meetings and meet as regularly as required and at least meet quarterly in order to effectively lead the organization.
2. The Chairman chairs all Board meetings and, in his absence, or inability to chair for whatever reason, the members present appoint one of their numbers to preside over the meeting.
3. The quorum for Board meetings is usually five members since the total Board membership nine.
4. Board papers are usually made available to Board members not less than ten days before the date of the meeting.
5. The Corporation Secretary attends all Board meetings and, in her absence, or inability to attend for whatever reason, the Board appoints a Secretary for the meeting from amongst the staff of the Service.

Succession plan

The Presidency and Parent Ministry Cabinet Secretary who are the appointing authority have parameters in place to ensure that the tenures of Board members are staggered to ensure a phased transition. Currently five Members have same appointments and expiry dates while four members have each separate appointment and expiry dates.

Board charter

The Service Board has developed and adopted a Board Charter. The Board Charter defines the role, responsibilities and functions of the Board in the governance of the organization.

Process of appointment and removal of Directors

1. KFS Board appointment is in line with Article 27 of the Constitution of Kenya, the Forest Conservation and Management Act, the State Corporations Act and the guidelines of the Mwongozo Code of Conduct.
2. The Board is appointed through a transparent and formal process governed by the overriding principle of merit.
3. The Board has nine members who are formally appointed to the Board through a Gazette Notice. The Board co-opted 3 members with various specialties to assist in

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implementation of forest reform agenda i.e., Dr. Salah Abdi Sheikh, Mr. Christian Lambretchs, and Mr. Philip Tama.

4. The Chief Conservator of Forests is a Board member with no voting rights.
5. Board appointments put into consideration the mix of skills and competencies required for the achievement of the organizations long term goals.
6. The Board membership has one third of the Board members who are independent upon appointment and maintains their independence during their term of service.
7. The removal of a Board member is based on non-performance, non-attendance of meetings, unethical conduct or as set out in any constitutive documents or applicable law.

Roles and functions of the Board

These are;

- (a) Determining the Service mission, vision, purpose and core values.
- (b) To set and oversee the overall strategy and approve significant policies of the Service.
- (c) To ensure that the KFS strategy is aligned with the purpose of the organization and the legitimate interests and expectations of its stakeholders.
- (d) To ensure that the strategy of the organization is aligned to the long-term goals of the Service on sustainability so as not to compromise the ability of future generations to meet their own needs.
- (e) To approve the KFS organizational structure.
- (f) To approve the annual budget of the Service.
- (g) To monitor the Service performance and ensure sustainability.
- (h) To enhance the corporate image of the Service.
- (i) To ensure availability of adequate resources for the achievement of the Service objectives.
- (j) To hire the Chief Conservator of Forests, on such terms and conditions of service as may be approved by the relevant government organ(s) and approve the appointment of senior management staff.
- (k) To ensure effective communications with stakeholders.

Board induction and training

The Service Board;

- (a) Developed an induction programme for new Board members.
- (b) Ensures that a competence needs assessment is carried out and an annual development programme for a minimum of two-day s per Board member is put in place.

The Board members;

- (a) Ensure that they are up to date with continuous professional development in their respective professional bodies.



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- (b) Receive regular briefings on matters relevant to the Service, changes in laws and regulations including government accounting policies and practices.
- (c) Are certified by an accredited body within six months of their appointment

Board and member performance

The Board undertakes annual Performance evaluation and file a report thereof with the Ministry of Environment and Forestry and SCAC. The State Corporations Advisory Committee facilitated the Board performance evaluation for the financial year 2020/2021 on 8th March 2022.

Conflict of interest

The Board have ensured that a policy on the management of conflict of interest is in place. The Board members;

- (a) Declare any real or perceived conflict of interest with the Service upon appointment to the Board.
- (b) Declare to the Board any real or perceived conflict of interest that may subsequently arise.
- (c) Do not take part in any discussions or decision-making regarding any subject or transaction in which they have a conflict of interest.
- (d) Do not influence in any manner whatsoever decision making on any matter in which they have interest.

Board remuneration

The Service have established a formal and transparent remuneration policy and remunerate Board members fairly, ethically and responsibly. The Service ensures that the remuneration policy is as per the Government regulations. The remuneration policy for Board members clearly stipulates the elements of such remuneration including sitting and other allowances.

Ethics and conduct

The Board;

- (a) Ensured that a code of conduct and ethics was developed.
- (b) Ensures that all members of the organization subscribe to the code of conduct and ethics.
- (c) Reviews the code of conduct and ethics as necessary.
- (d) Promote ethical conduct and sanction misconduct.
- (e) Ensured that a corporate gifts policy is in place.
- (f) Receives from the Committee responsible for Governance and Compliance, a report on the level of adherence to the code of conduct and ethics by members of the Service.

Governance audit

1. The Board, in consultations with State Corporations Advisory Committee (SCAC), ensures that it subjects the Service to an annual governance audit by a member regulated by the Institute of Certified Public Secretaries of Kenya (ICPSK) and accredited for that purpose.
2. The governance audit usually covers the governance practices of the Service in the following parameters:
 - (a) Leadership and strategic management;
 - (b) Transparency and Disclosure;
 - (c) Compliance with Laws and Regulations;
 - (d) Communication with stakeholders;
 - (e) Board independence and governance;
 - (f) Board systems and procedures;
 - (g) The Board ensures Consistent stakeholders value enhancement and Corporate social responsibility.

MANAGEMENT DISCUSSION AND ANALYSIS

Introduction

This is a report on review of Kenya Forest Service Strategic Plan, Highlights of activities and achievements for the Financial Year 2021-2022, key ongoing Projects and Project Completion Rates as well as implementation of Presidential Directives.

Review of Strategic Plan

The Kenya Forest Service developed the Strategic Plan 2017-2022 to enhance the realization of vision 2030 goals in the Forest Sector and to increase the national tree cover to at least 10% of the country's total land area as espoused in the Constitution. The Strategic Plan was reviewed and now the Service has embarked to develop a new Strategic Plan 2022-2027.

Review of activities and achievements of F/Y 2021/2022

Finance Management

The Service raised a total of Kshs. 644,732,591 mainly from the sales of, movement permits, grazing fees, sale of seedlings, leases, annual licenses and land rents among others against a contracted annual target of Kshs 874,000,000. This is 74% achievement.

Youth, Women and Persons with Disabilities Empowerment

The Service targeted to allocate Kes.250,959,689 being 30% of the non-specialized goods & services procurement budget to AGPO. However, the total procurement budget after the budget disbursement was Kes.536,519,485 of which Kes.380,936,714 was for specialised procurement leaving a balance of Kes.155,582,771 non-specialized procurements. The Service was able to allocate Kes.80,828,7512 to the AGPO groups which translate to 52%. The shortfall was due to low disbursement of funds.

Natural Forest Conservation and Management Programme

In the FY 2021-2022, the Service rehabilitated and restored 48,499 Ha of degraded forest areas in the counties of Nyandarua (Ol Bollosat and Ndaragwa Forest Stations); Nakuru (Bahati and Likia Forest Stations); and Kericho (Londiani and Kericho Forest Stations) through protection for natural regeneration by engagement of community scouts and support natural regeneration through temporary fencing. The Service also rehabilitated 43,389.07 Ha of degraded natural forest areas through enrichment planting and adopts a forest initiative, established 2,148 Ha of mangroves forest and 421 Ha of bamboo.

Plantations and Enterprise Programme

Despite the Forest Plantation Programme having received zero budgetary allocation in the FY 2021-2022, the Service was able to plant 3,940.9 Ha of industrial forest plantations through the support of National Tree Planting Campaign Project and the Green Zones Development Support project II.

National tree planting campaigns

29,831,234 tree seedlings were planted during the two tree planting campaigns period, out of the targeted thirty (30) million, representing 99% achievement. It is important to note that 57% of the seedlings (15,700,021) were largely mangroves propagules planted in Coast RFCA, underscoring the general poor performance of the 2021 short rains and the 2022 long rains in most part of the country.

Seedling production

In the FY 2021-2022, the Service produced 54,353,989 seedlings in its 290 tree nurseries in addition to 19,332,000 mangrove propagules that was produced at the coast conservancy all totaling to 73,685,989 seedlings against a target of 100 million. The under-achievement is due to budget cuts and reallocation of KShs 50 million to support KFS Financial System integration. At the end of the financial year 2021-2022, the balance of seedlings stock in KFS Tree Nurseries was 32,806,090.

Key Ongoing Projects and Project Completion Rates

In the FY 2021-2022, the Service committed to implement three projects namely Forest Roads Improvement project, Forest Rangers camp rehabilitation and Green Zones Development Support Project Phase II and completed 88% of the planned project activities described below:

SN	Project Name	Allocation FY 2021/22 (KES, Millions)	Targeted Output 2021/22	FY 2021/22 Achievements/ Outputs	Project Completion Rate (%)
	Forest Roads Improvement project	110	<ol style="list-style-type: none"> 1. Light Grading of 64 Km of Forest Roads. 2. Heavy Grading of 363 Km of Forest Roads. 3. Graveling of 22Km of Forest Roads. 4. Bush clearing of 307 square metres of forest roads. 5. Cleaning of 92 Culverts lines. 	<ul style="list-style-type: none"> • Light Grading of 18Km of Forest Roads • Heavy Grading of 114 Km of Forest Roads • Graveling of 11Km of Forest Roads • Bush Clearing of Forest Roads of 176KM • Culvert cleaning of Forest Roads of 22 metres 	64.4

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SN	Project Name	Allocation FY 2021/22 (KES, Millions)	Targeted Output 2021/22	FY Achievements/ 2021/22 Outputs	Project Completion Rate (%)
			<p>6. Cutting of 2006 cubic metres of Drains.</p> <p>7. 20 Km of Drainage Cleaning.</p>	<ul style="list-style-type: none"> • Graveling of 15km of forest road • Roadside drainage cutting of 250 cum • Cleaning of drains of 484 • Installation of 28 culverts • Repairing of 5 Bridges of Forest Roads • Construction of 2 New Bridges • Improve playground field in Karura Headquarters <p>Reason: The achievements of the planned targets was affected by the budget cut of 50% of the allocation</p> <p>NB: The total project expenditure on the activities is Kshs 42,561,920 or 39% of the Total allocated Budget of KShs 110,000,000. However, the allocation was reduced down by 50% to KShs 55,000,000</p>	
	Forest Rangers camp rehabilitation	95	1. 7 rangers housing units rehabilitated and complete with basic utilities	<ul style="list-style-type: none"> • Construction of 3 rangers camps • Rehabilitated 20 rangers unit 	100

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SN	Project Name	Allocation FY 2021/22 (KES, Millions)	Targeted Output 2021/22	FY 2021/22	Achievements/ Outputs	Project Completion Rate (%)
	Green Zones Development Support Project Phase II	740	2. One model tree nurseries for bambooland other tree seedlings constructed 3. Two forest ranger outpost constructed 4. Seventy eight km of forest roads improved 5. 114km of forest roads maintained 6. One forest bridges constructed			99.6%
	Overall Achievement					88

Implementation Of Presidential Directives

In the FY 2021-22, the Service fully implemented the Presidential Directives on increasing Forest for attainment of 10% National Forest Cover by 2022.

As at end of the report period;

- The Service facilitated the production of 54,353,989 seedlings ready for planting countrywide out of at target of 100 million.
- Co-ordinated 2 National tree planting campaigns for the short and long rains
- Re-stocked 3,940.9 Ha of unstocked forest plantation area against a target of 4,000 Ha.
- Rehabilitated 13,037.15Ha through enrichment planting and adopt 30,082.07 Ha Forest initiative out of target of 19,600Ha and 421 Ha out of target of 2,000Ha of bamboo and 2,148 Ha out of 2,000 Ha of mangrove forests.

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Financial Performance

	FIVE YEAR FINANCIAL PERFORMANCE				
	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
Revenue from non-exchange transactions			Kes '000'		
Public contributions and donations	2,017,014	4,717,424	4,605,527	4,625,952	4,557,518
Transfers from other governments - gifts and services-in-kind	38,075	37,156	278,810	433,802	499,464
Fines, penalties and levies	2,710	3,791	3,549	3,475	3,473
	2,057,799	4,758,371	4,887,886	5,063,229	5,060,455
Revenue from exchange transactions					
Sale of Goods & Services	2,702,905	660,580	401,442	476,447	470,093
Licenses and permits	204,794	236,655	169,302	184,399	155,262
Finance income - external investments	88,922	13,493	6,242	5,968	19,378
	2,996,621	910,728	576,986	666,814	644,733
Total revenue	5,054,420	5,669,099	5,464,872	5,730,043	5,705,188
Expenses					
Use of goods and services	(1,294,320)	(896,195)	(1,412,260)	(1,238,648)	(944,729)
Employee costs	(4,566,696)	(4,642,618)	(4,643,450)	(4,358,632)	(4,331,803)
Remuneration of Directors	(19,488)	(25,214)	(16,266)	(16,959)	(6,403)
Depreciation and amortization expense	(227,407)	(215,239)	(216,749)	(233,976)	(235,940)
Repairs and maintenance	(376,301)	(172,617)	(229,682)	(249,965)	(158,902)
Contracted services	(51,300)	(37,414)	(32,140)	(62,188)	(115,753)
Grants and subsidies	(972)	(58)	0	0	0
Total expenses	(6,536,484)	(5,989,355)	(6,550,547)	(6,160,368)	(5,793,530)
Other income	(2,149)	3,581	3,300	520	8,412
Taxation		(76,621)	(1,102)	(10,212)	(5,232)
Surplus/(Deficit)	(1,484,213)	(393,296)	(1,083,477)	(440,017)	(85,162)

Compliance with statutory requirements

The Board is satisfied that the Service has to the best of their knowledge complied with all relevant laws and conducted its business affairs in accordance with the law in particular to the State Corporations Act and the Forests Conservation and Management Act 2016. Further disclosures on compliance are set out in the Directors statement of responsibilities and notes to the financial statements.

The Service, however has a disputed claim of Kes.3,974,441,972 from the Kenya Revenue Authority in relation to unpaid Value Added Tax (VAT) but negotiations are ongoing.

Major Risk facing the Service

The table below identifies key risks that might affect the Service in the implementation of its operations and their respective mitigation measures.

No	Risk Factor	Priority	Mitigation measures
1.	Political interference	High	<ul style="list-style-type: none"> • Sensitize the political class on the importance of conserving and sustainably managing forests • Develop partnerships with County Governments • Share information with the public on forest operations
2.	Climate change impact	High	<ul style="list-style-type: none"> • Adapt climate resilience strategies and technologies
3.	Insecurity, banditry and terrorism	High	<ul style="list-style-type: none"> • Work closely with other security agencies to enhance security of public forests and corporate assets
4.	Illegal forest activities	High	<ul style="list-style-type: none"> • Intensify surveillance and protection of forests • Involvement and participation of local communities in forest management
5.	Forest fires	High	<ul style="list-style-type: none"> • Develop and implement a fire management plan
6.	Corruption	High	<ul style="list-style-type: none"> • Implement strategies that will enhance transparency and accountability in organizational operations
7.	Excessive levies on tree/forest products on transit.	High	<ul style="list-style-type: none"> • Lobby for harmonization of the relevant policies on levies
8.	Inflation and exchange rates	Medium	<ul style="list-style-type: none"> • Anticipate changes in these factors and provide for them in the programme budget.
9.	High poverty rates	Medium	<ul style="list-style-type: none"> • Involve the communities in forest management and initiate forest-based livelihood activities
10.	Technological changes	Medium	<ul style="list-style-type: none"> • Embrace and adapt appropriate technologies in organizational operations.
11.	Inadequate financial resources for forest development	Medium	<ul style="list-style-type: none"> • Lobby the Government and diversify funding sources.
12.	Pests and Diseases	Medium	<ul style="list-style-type: none"> • Monitor, identify and take appropriate actions
13.	Natural calamities	Medium	<ul style="list-style-type: none"> • Develop a disaster response plan
14.	Uncontrolled development of infrastructure in forest	Medium	<ul style="list-style-type: none"> • Establish the optimal level of infrastructure development in the forest.

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No	Risk Factor	Priority	Mitigation measures
15.	Occurrence of invasive species	High	<ul style="list-style-type: none"> Monitor, identify and take appropriate actions
16.	Overlaps in Legal, Policy and institutional mandates	Medium	<ul style="list-style-type: none"> Lobby for harmonization of the relevant legal, policies and mandates
17.	Inadequate and low quality of germplasm.	Medium	<ul style="list-style-type: none"> Explore availability of alternative sources of germplasm.
18.	Low prioritization of tree resources planting and management in private and community land	Low	<ul style="list-style-type: none"> Intensify sensitization of communities and other stakeholders on importance of trees and forests.
19.	Changes in government structure	Low	<ul style="list-style-type: none"> The Service operations are flexible and can easily be reviewed and aligned to the new Government structure.

Material arrears in statutory and other financial obligations

Creditor	Amount owed Kes.	Comments
Kenya Revenue Authority	3,974,441,972	Taxes, Penalties and Fines. The Service has written to National Treasury for funding.
National Industrial Training Authority (NITA)	39,410,010	Interest and penalties. The Service has paid the principal Kes.19,368,600 and has written to NITA for waiver of the accrued interest and penalties.
Ministry of Transport, Infrastructure, Housing and Urban Development	18,968,613	This is contentious bill. Rent on Ministry houses. The Service is negotiating with the Ministry of transport and Housing to establish the correct amounts payable.
TOTAL	4,032,820,595	

ENVIRONMENTAL AND SUSTAINABILITY REPORTING

The Kenya Forest Service exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/citizen first, delivering relevant goods and services, and improving operational excellence. Below is an outline of the organization's policies and activities that promote sustainability.

Sustainability strategy and profile

The management and staff of the Service are committed to implementing the Strategic Plan as well as the Performance Contract as we aspire to be an internationally recognized organization of excellence in knowledge based sustainable forest resources development, conservation and management. To enhance service delivery, the Service has focused on staff development, aligning internal governance with best management practices, automating its processes, increasing levels of accountability, enhancing communication and implementation of a robust monitoring and evaluation system. Further, the Service has created appropriate partnerships (e.g., adopt-a-forest programme) for resource mobilization; promoting research and technology transfer, while practicing prudent utilization of resources to enhance sustainability. The adopt-a-forest approach has greatly accelerated forest restoration across the country which is well attested to by the recently launched Forest Resource Assessment Report.

Environmental performance

Environmental factors influence the organizational operations and impacts on service delivery. These factors include climate change and its associated impacts such as droughts, floods and landslides. Industrialization has had adverse effect on biodiversity through development of national infrastructural projects in forests and pollution because of dumping of industrial wastes in forests especially the mangrove forests.

In order to deal with environmental factors, the Service has policy directions that guide infrastructural developments within public forests. These are contained in the ISO procedure manuals as well as Board of Directors resolutions. The Board has given direction on no other new development of water dams within gazetted forests. The FCMA 2016 provides for the protection and conservation of biodiversity making it mandatory that any development within public forests must not impact biodiversity negatively.

In addition, in Section 73 it entrenches multilateral agreements and international conventions in the implementation of the Act such as the Convention on Biological Diversity, Nagoya Protocol and CITES, among others that deal with biodiversity. The Service enforced the ban on use of plastics within public forests and there is a guideline on plastics. The environmental impact of the Service activities are quite minimal and infact, have an overall positive impact through enhancing forest/tree cover leading to increased carbon sequestration.

Employee Welfare

The Service Policies guiding the hiring process are Human Resource policy and procedure manual together with a disability policy and a gender policy. The Service practices affirmative action and equal opportunity recruitment of qualified persons. The above policies guide its actions and decisions. As part of its staff development programme, the Service endeavours to empower all staff through various measures whose effectiveness is monitored on a regular basis.

The Service recognizes its human capital to be strategic to the achievement of its business objectives and has implemented as part of its policy, a comprehensive medical scheme for all its staff and dependants that also caters for pre-existing conditions and HIV/AIDS to assist all who may be infected or affected. It also ensures staff carry out their duties in an ethical manner and has an anti-corruption policy that is implemented to the letter. It also has embedded into the medical scheme a component of employee assistance for staff that are affected or addicted to alcohol and/or abusing drugs.

The Service continuously provides opportunity to build human capital capacities in terms of knowledge and skills improvement, attitude change and enhancing teamwork to all staff. This has been achieved by sponsoring staff for training programmes focused on strategic leadership development, corporate governance, paramilitary courses, pre-retirement training and customer service training among others.

Market place practices

KFS efforts to responsible competitive practices includes promoting and maintaining fair competition in markets principally within the boundaries of public forests and beyond.

i. Corruption Prevention

This activity aims at combating and preventing corruption, unethical practices and promote standards and best practices in governance. This is in line with the Anti-Corruption and Economic Crimes Act, 2019 and the leadership and Integrity Act of 2012. To achieve this, the Service;

- Undertook a Corruption Risk Assessment and developed a Corruption Risk Mitigation Plan;
- Implemented measures emanating from the Corruption Risk Mitigation Plan as per the implementation matrix;
- Submitted quarterly performance reports to EACC using the prescribed reporting format.

ii. Responsible political involvement

KFS commitment to corporate responsibility guides everything the Service does, including work to help develop public policy and legislation that supports conservation. Some of political involvement include taking the responsibility to provide suitable access for persons with disabilities and universal standard designs for them.

Also, the Service undertake activities like stakeholder's engagement, community participation in conservation through formation of CFA's which enable people to develop and express their opinions on the mandate of the Service and how its governed and try to take part in and shape the decisions that affect their lives.

During the year under review the Service undertook to Improve the Capacity and Governance of CFAs. In order to strengthen the capacities of CFAs for participation in forest management, the Service carried the following activities.

- Provided technical support to the CFAs on formation/reformation processes
- Continued engaging and building capacity of the CFAs through training of CFA members on the Participatory Forest management model
- Conducted one CFA award scheme within Mara-Mau catchment.

iii. National Cohesion and values

During the year, the Service

- Enhanced the protection of the environment by securing riparian lands, water towers, improving the national forest cover and other measures to facilitate sustainable development;
- Restoration of the degraded forest areas by rehabilitation through enrichment planting indigenous trees on 4,465Ha;
- Deployed 2338 rangers to protect 2.59 million hectares of the forest and support to community forests
- Submitted in the prescribed format the Annual Report on implementation of the commitments and way forward captured in 2018 President's Report on National Values and Principles of Governance
- Enhanced collaboration between the two levels of government to entrench sharing and devolution of power
- Meetings put on hold due to COVID protocols and a cut in funding to the Service.

iv. Responsible supply chain and supplier relations

During the year, the Service.

- The Service targeted to allocate Kes.250,959,689 being 30% of the non-specialized goods & services procurement budget to AGPO. However, the total procurement budget after the budget disbursement was Kes.536,519,485.12 of which Kes.380,936,714.26 was for specialised procurement leaving a balance of Kes.155,582,770.86 non -specialized procurements.
- The Service was able to allocate Kes.80,828,751.76 to the AGPO groups which translate to 52%. The shortfall was due to low disbursement of funds.
- Ensured that these groups actually access the procurement opportunities. The Service also facilitated quick processing of payments

v. Responsible marketing and advertisement

The Service advertises its tenders through the daily newspapers giving access to a wide range of suppliers to participate

vi. Product stewardship

KFS sets goals and performance standards following consultation with stakeholders. All programs within the Service product category are accountable to the same goals and performance standards. The Service allows customers the flexibility to determine the most cost-effective means of achieving the goals and performance standards. The Service is responsible for ensuring a level playing field

**Kenya Forest Service
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by enforcing requirements that all producers in a product category participate in a stewardship program as a condition for selling their product in the jurisdiction.

Ease of Doing Business

In the FY 2021-2022, the Service achieved as follows:

- Initiated the process of integrating the FMS and FMIS which is still on-going. Detailed plan approved by Ministry of Environment & Forestry to develop the integration system for disposal of 5,000 Ha of forest plantation. The plan includes development of Oracle system and complete end-to-end in-house system for disposal process. The planned automation of the Service's procurement processes was hampered by a delay to procure the Oracle service provider to provide end-user support
- Work on POS completed on the following forest stations: Kakamega, Eburu, Londiani and Michuki park. On-going are: - Ngong Road, Busia OSBP, Namanga OSBP, Malaba OSBP, Marania & Gathiuru. Process delayed by requirement that all receipts generated must have ETR. Vendor working with KRA to see how this can be achieved.

Community Engagements

The Service strives to undertake Corporate Social Responsibility (CSR) activities that promote sustainable forest conservation and management with specific focus on vulnerable groups and forest adjacent communities. All CSR activities will promote education and awareness on forestry conservation and management, enhance socio-economic status of selected communities and strive for sustainability of all projects. The following are some of the CSR activities that the Service has conducted recently.

- **17th June, 2022:** During the World Desertification and Drought Day, The Service donated 7.5hp water pump generators to four community groups in Marigat, Baringo County to assist them access water critical for domestic use and livelihood diversification including seedling production.
- **17th May, 2022:** the Service donated 200 seedlings to the organizers of the 9th Africities summit that was held in Kisumu. This was aimed at beautifying the city ahead of the event.
- **18th December, 2022:** During the annual thanksgiving service, staff collected offertory to be donated to the less fortunate under the Service's Corporate Social Responsibility program.
- **22nd November, 2021:** KFS cycling team donated seedlings on behalf of the Service during a 4-day cycling challenge dubbed Kilifi Ultimate Bikers 1 km 3 Trees Challenge. The seedlings were to be planted in Pwani University, Ikutha Vocational Training Centre, Kenyatta High School, Gindua, Bulla Pesa, Mesilya, and Kiangu Primary Schools.

**Kenya Forest Service
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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 Kenya Forest Service affairs.

Principal activities

The principal activities of the Service continue as highlighted in *page ii* above.

Results

The results of the Service for the year ended June 30, 2022, are set out on page 1 to 63.

Directors

The members of the Board of Directors who served during the year are shown on pages viii-x.

Auditors

The Auditor General is responsible for the statutory audit of the Service, in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015, for the year ended June 30, 2022.

By Order of the Board



.....
Alexander Lemarkoko 'ndc' (K)
Secretary to the Board
Nairobi

Date: 14/06/2022

**Kenya Forest Service
Annual Report and Financial Statements
For the year ended June 30, 2022**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012; section 14 of the State Corporations Act and section 26 of the Forest Conservation and Management Act, 2016, require the Directors to prepare financial statements in respect of the Kenya Forest Service, which give a true and fair view of the state of affairs of the Kenya Forest Service at the end of the financial year and the operating results of the Service for that year. The Directors are also required to ensure that the Kenya Forest Service keeps proper accounting records which disclose with reasonable accuracy the financial position of the Kenya Forest Service. The Directors are also responsible for safeguarding the assets of the Kenya Forest Service.

The Directors are responsible for the preparation and presentation of financial statements of the Kenya Forest Service, which give a true and fair view of the state of affairs of the Kenya Forest Service for and as at the end of the financial year ended on June 30, 2022. This responsibility includes:

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Kenya Forest Service;
- (iii) Designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of the Kenya Forest Service;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the financial statements of Kenya Forest Service, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public-Sector Accounting Standards (IPSAS), and in the manner required by the Public Finance Management Act, the State Corporations Act and the Forest Conservation and Management Act. The Directors are of the opinion that the financial statements of the Kenya Forest Service give a true and fair view of the state of transactions of Kenya Forest Service during the financial year ended June 30, 2022, and of the financial position of the Kenya Forest Service as at that date. The Directors further confirm the completeness of the accounting records maintained for the Kenya Forest Service, which have been relied upon in the preparation of the financial statements of the Kenya Forest Service, as well as the adequacy of the systems of internal financial control.

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



**Kenya Forest Service
Annual Report and Financial Statements
For the year ended June 30, 2022**

Approval of the financial statements

The Kenya Forest Service financial statements were approved on
2022 and signed on its behalf by:



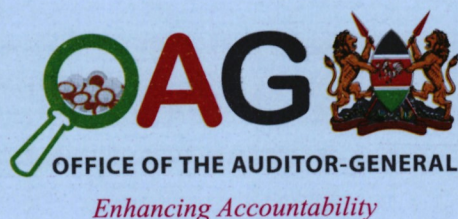
**Peter Kinyua, EBS
Chairman, Board of Directors**



**Alexander Lemarkoko 'ndc' (K)
Ag. Chief Conservator of Forests**

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON KENYA FOREST SERVICE FOR THE YEAR ENDED 30 JUNE, 2022

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 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 Kenya Forest Service set out on pages 1 to 49, which comprise of the statement of financial position as at 30 June, 2022, and the statement of financial performance, statement of changes in

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, the financial position of the Kenya Forest Service as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Forest Conservation Management Act, 2016 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Property, Plant and Equipment

The statement of financial position and as disclosed in Note 25 to the financial statements reflects property, plant and equipment balance of Kshs.1,680,267,343 . However, the following anomalies were noted in the balances;

- (i) As previously reported the financial statements reflect property, plant and equipment balance of Kshs.1,632,319,276 out of which a balance of Kshs.890,201,139 relates to the value of buildings owned by the Service in various locations. However, the amount excludes unspecified value of rangers' houses that were constructed and donated to the Service by China Roads and Bridges Company. Further, contrary to the requirements of IPSAS 17, the land on which these buildings are erected had not been valued and disclosed separately in the last seven years.
- (ii) Kenya Forest Service acquired all the assets of the former Forest Department including land vide legal notice No.151 of 2008 published in the Kenya Gazette Supplement No. 28 of 28 November, 2008. However, out of the two hundred and sixty-five (265) gazetted forest blocks owned by Kenya Forest Service with an acreage of 2,585,526.44 hectares, only seventy-seven (77) blocks have title deeds while the rest lacked title deeds.
- (iii) Included in the acreage of land of 2,585,526.44 hectares is land of an undetermined acreage with ongoing ownership court cases between the Service and private parties.
- (iv) There was illegal encroachments and excisions on forest land in various parts of the country of which a total of 555.9 hectares were illegally acquired by private parties in Kipkabus, Tingwa and Ngong forest. Further, in Uasin Gishu County, 29.5 hectares of land had unlicensed operational installations while other parcels of land though licensed remain unpaid by five institutions namely: Ministry of Energy, Kenya Airports Authority, Nabkoi Water Project, Kapsaret Water Project and County Cemetry.

- (v) The Service has not valued its assets as required by IPSAS 17 Section 31 which requires that revaluations should be carried out regularly, so that the carrying amount of an asset does not differ materially from its fair value at the balance sheet date.

In the circumstances, the accuracy, valuation and completeness of the property, plant and equipment balance of Kshs.1,680,267,343 could not be confirmed.

2. Inaccuracies in the Statement of Changes in Net Assets

The statement of changes in net assets reflects capital fund balance of Kshs.86,390,193,425 which includes fair value adjustments of biological assets amount of Kshs.6,538,885,800 as the total changes in carrying amount of biological assets. This is contrary to the provisions of IPSAS 27 paragraph 30 which requires changes in the carrying amount of biological assets to be reported in the statement of financial performance. Further, the capital funds balance of Kshs.86,390,193,425 includes capital additions amount of Kshs.290,908,449 out of which an amount of Kshs.10,010,725 relates to assets procured in the year 2020/2021 and prior years which has been erroneously included as additional capital during the year under review.

In the circumstances, the accuracy of the capital funds balance of Kshs.86,390,193,425 could not be confirmed.

3. Unsupported Receivables from Exchange Transactions

The statement of financial position and as disclosed in Note 21 to the financial statements reflects receivables from exchange transactions balance of Kshs.605,449,477 which includes long outstanding debts balance of Kshs.75,024,727 which are owed by Government Agencies and Media houses whose transmitters are located within the Service's land. However, the license charges had not been paid as the license fee is said to have been paid to the Government owned Kenya Broadcasting Corporation (KBC).

Further, the balance excludes amounts receivable from the defunct Ministry of Sports and Kenya National Highways Authority of Kshs.10,000,000 and Kshs.77,666,204, respectively. However, both KENHA and defunct Sports Ministry have not recognized the receivables as payables in their respective financial statements.

In addition, and as previously reported, the statement of financial position reflects plantation balance of Kshs.1,221,251,092 as debt on harvested forest plantation which has not been disclosed in the financial statements thus understating the receivables from exchange transactions.

In the circumstances, the accuracy and completeness of the receivables from exchange transactions balance of Kshs.605,499,477 could not be confirmed.

4. Inaccuracies in Cash and Cash Equivalents

The statement of financial position and as disclosed in Note 20 to the financial statements reflects cash and cash equivalents balance of Kshs.330,519,562 held in various banks. However, certificates of bank balance, reconciliation statements and cashbooks

presented for audit revealed amounts of Kshs.1,096,425, Kshs.5,120,264 and Kshs.2,521 in respect of KFS Water Tower Donor Account, KFS Water Tower Euro Account and KFS JICA – Cadep Account respectively which differed significantly with the amounts reflected in the respective projects' account balances of Kshs. Nil, Kshs.4,554,065 and Kshs.52,526, respectively.

Further, two bank accounts held by the Service reflect over drawn balances of Kshs.1,145,662 and Kshs.204,091, contrary to Regulation 82(7) of the Public Finance Management (National Government) Regulations, 2015.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.330,519,562 could not be confirmed.

5. Unsupported Expenditure on Drilling of Boreholes

The statement of financial position as disclosed in Note 25 to the financial statements reflects property, plant and equipment balance of Kshs.1,680,267,343 which includes roads, boreholes and civil works amount of Kshs.106,742,373 out of which an amount of Kshs.10,530,231 relates to drilling of boreholes in three (3) Counties. However, Board minutes to confirm the approval, progress reports and expenditure support documents were not provided for audit.

In the circumstances, the accuracy and completeness drilling of boreholes expenditure amounting to Kshs.10,530,231 could not be confirmed.

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

Other Matter

Unresolved Prior Year Issues

In the audit report of the previous year, several issues were raised in the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Effectiveness of Internal Controls and Risk Management. However, the Management has not resolved all the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board and the National Treasury Circular Ref. AG.3/88/ Vol. III (21) dated 11 May, 2022 on year end closing procedures.

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. Long Outstanding Imprests

The statement of financial position reflects receivables from non-exchange transactions balance of Kshs.41,641,117 which further includes temporary imprest balance of Kshs.5,670,925. Review of imprest records revealed that imprest amounting to Kshs.4,456,985 were not surrendered by the end of the financial year. This is contrary to Regulation 93(5) of the Public Finance Management (National Government) Regulations, 2015 which states that a holder of a temporary imprest shall account or surrender the imprest within 7 working days after returning to duty station.

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

2. Non Compliance with the Public Finance Management Regulations, 2015

Note 6(b) to the financial statements reflects an amount of Kshs.71,573,515 recognized in the Capital Fund which includes additional assets balance of Kshs.10,085,627 which were committed after 31 May. This is contrary to Regulation 51(1) of the Public Finance Management (National Government) Regulations, 2015 which states that all commitments for supply of goods or services shall be done not later than 31 May each year except with the express approval of the accounting officer in writing. No written approval from the accounting officer was provided for audit.

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

3. Employees Acting for More Than Six Months

The statement of financial performance and Note 13 to the financial statements reflects an amount of Kshs.4,331,803,024 in respect of employee cost. Included in the employees' cost is an amount of Kshs.2,907,134 paid as special duty allowance and Kshs.661,505 being acting allowance. Further, the Service incurred expenditure totalling to Kshs.1,531,386 as acting and special duty allowance on seven (7) employees who had acted for more than six months.

This is contrary to Section 34(3) of the Public Service Commission Act, 2017 which states that an officer may be appointed in an acting capacity but not exceeding a period of six months.

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

4. Breach of Agreement

The Service entered into an agreement with the Friends of Karura Community Forest Association (FKCFA) on 1 February, 2013 for a period of 5 years. The primary purpose of the agreement was to conserve the forest and allow non-consumptive and limited consumptive sustainable uses of the forest in accordance with the strategic management plan. In the year 2016, the Kenya Forest and Conservation Act, 2005 was amended which necessitated drawing up an agreement to conform with provisions of the Act. In line with the Act, a new agreement was signed dated 26 April, 2021 for a period of 20 years. According to the Section 13 (c) of the Agreement all surplus revenue as per the annual financial statements less funds committed to on-going or planned projects shall be remitted to KFS at the end of the year. Review of documents revealed that the surplus as per FKCFA audited financial statements amounted to Kshs.8,943,147 and Kshs.4,736,105 for the year ended 31 March, 2021 and 31 March, 2022 respectively. However, KFS did not receive the surplus.

In the circumstances, the value for money obtained from the agreement could not be confirmed.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Weak Internal Controls on Revenue Collection System

Review of the Service revenue collection revealed that there was no integration between revenue collection invoicing and receipting. Revenue is collected through M-pesa and bank accounts. However, a system walkthrough revealed that receipts are manually keyed in the system and the revenue recognition invoices are generated after receipting. Further, a report from the system invoice did not disclose the original invoiced an amount of Kshs.2,006,660 but the system generated receipts revealed eight (8) transactions that did not have receipt numbers.

In the circumstances, the effectiveness of the internal controls on revenue collection could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal 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 Board of Directors

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

In preparing the financial statements, Management is responsible for assessing the Service's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the International Public Sector Accounting Standards - Accrual 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 Board of Directors 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 controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls 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 controls 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 controls.
- 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 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

21 June, 2023

Kenya Forest Service
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For the year ended June 30, 2022

FINANCIAL STATEMENTS

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2021/2022 Kes.	2020/2021 Kes.
Revenue from non-exchange transactions			
Transfers from other government entities	6	4,557,517,822	4,625,952,496
Public contributions and donations	7	499,463,819	433,801,702
Fines, penalties and levies	8	3,472,919	3,475,390
		5,060,454,560	5,063,229,588
Revenue from exchange transactions			
Sale of goods & services	9	470,092,788	476,447,034
Licenses and permits	10	155,261,693	184,399,296
Finance income - external investments	11	19,378,110	5,968,475
		644,732,591	666,814,805
Total revenue		5,705,187,151	5,730,044,393
Expenses			
Use of goods and services	12	(944,729,353)	(1,238,648,119)
Employee costs	13	(4,331,803,024)	(4,358,632,062)
Remuneration of Directors	14	(6,402,616)	(16,959,148)
Depreciation and amortization expense	25, 26	(235,939,827)	(233,975,893)
Repairs and maintenance	15	(158,902,409)	(249,965,297)
Contracted services	16	(115,753,472)	(62,187,539)
Total expenses		(5,793,530,701)	(6,160,368,058)
Other gains/(losses)			
Gain/Loss on foreign exchange transactions	17	1,120,696	(38,734)
Gain on disposal of assets	18	7,290,882	559,150
Surplus/(Deficit) before tax		(79,931,972)	(429,803,249)
Income tax expense	19	(5,231,935)	(10,212,281)
Surplus/(Deficit) for the period		(85,163,907)	(440,015,530)
Attributable to:			
Surplus/(Deficit) attributable to owners of the controlling entity		(85,163,907)	(440,015,530)

The notes set out on pages 6 to 43 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 4 were signed on behalf of the Board of Directors by:

.....
Alexander Lemarkoko 'ndc' (K)
Ag. Chief Conservator of Forests

Date..... 14/06/2023

.....
Anastasia Muasya
Manager, Finance & Accounting
ICPAK Member Number: 6732

Date..... 14/6/2023

.....
Peter Kinyua, EBS
Chairman of the Board

Date..... 14/6/2023




Kenya Forest Service
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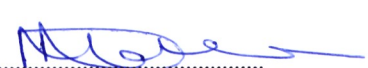
**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

	Note	2021/2022 Kes.	2020/2021 Kes.
Assets			
Current assets			
Cash and cash equivalents	20	330,519,562	274,912,226
Receivables from exchange transactions	21	605,449,477	551,373,593
Receivables from non-exchange transactions	22	41,641,117	29,780,536
		977,610,156	856,066,355
Non-current assets			
Biological assets	24	84,678,182,735	78,139,296,935
Property, plant and equipment	25	1,680,267,343	1,632,319,276
Intangible assets	26	6,621,906	9,486,755
		86,365,071,984	79,781,102,966
Total assets		87,342,682,140	80,637,169,321
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	27	66,978,681	109,588,622
Refundable deposits from customers	28	32,072,662	12,190,471
Provisions	29	208,373,509	170,909,775
Employee benefit obligation	30	35,774,650	25,299,846
Payments received in advance	31	51,450	2,989,295
Withheld Taxes	32	58,565,863	57,530,074
Corporation Tax	33	577,131	1,678,700
Deferred Income Liability	34	13,811,849	75,136,535
Total liabilities		416,205,795	455,323,318
Net assets		86,926,476,345	80,181,846,003
Reserves			
Capital funds		86,390,193,425	79,796,339,003
Accumulated surplus/(deficit)		536,282,920	385,507,000
Total reserves		86,926,476,345	80,181,846,003

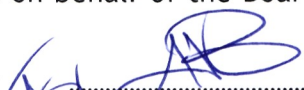
The Financial Statements set out on pages 1 to 4 were signed on behalf of the Board of Directors by:


.....
Alexander Lemarkoko 'ndc' (K)
Ag. Chief Conservator of Forests

Date.....14/06/2023


.....
Anastasia Muasya
Manager, Finance & Accounting
ICPAK Member Number: 6732

Date.....14/06/2023


.....
Peter Kinyua, EBS
Chairman of the Board

Date.....14/06/2023



Kenya Forest Service
Annual Report and Financial Statements
For the year ended June 30, 2022

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2022

	Capital Funds	Revenue Reserves	Total
As at 1 July 2020	76,202,843,310	(2,029,173,227)	74,173,670,083
Fair value adjustment of biological assets	6,269,798,963		6,269,798,963
Surplus/(deficit) for the year	-	(440,015,530)	(440,015,530)
Capital/development grants received during the year	178,392,487		178,392,487
Transfer of depreciation/ amortisation from capital fund to retained earnings	(233,975,893)	233,975,893	-
Adjustment for the year	(2,620,719,864)	2,620,719,864	-
As at 30 Jun 2021	79,796,339,003	385,507,000	80,181,846,003
As at 1 July 2021	79,796,339,003	385,507,000	80,181,846,003
Fair value adjustment of biological assets	6,538,885,800		6,538,885,800
Surplus/(deficit) for the year	-	(85,163,907)	(85,163,907)
Capital/development grants received during the year	290,908,449		290,908,449
Transfer of depreciation/ amortisation from capital fund to retained earnings	(235,939,827)	235,939,827	-
Adjustment for the year	-	-	-
As at 30 Jun 2022	86,390,193,425	536,282,920	86,926,476,345

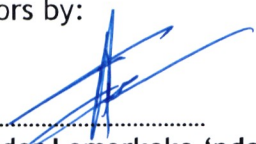
**The Service creates and maintains reserves in terms of specific requirements. The Service classifies its reserves as either capital or revenue in nature. Capital reserve is the replacement development reserve that will help the Service to replace assets as they age. Revenue reserve is the accumulated surplus over the years.*

Kenya Forest Service
Annual Report and Financial Statements
For the year ended June 30, 2022


**STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2021/2022 Kes.	2020/2021 Kes.
Cash Flows from operating activities			
Net operating Surplus		(85,163,907)	(440,015,530)
Adjustment			
Depreciation	25	233,085,778	225,450,635
Amortization of Intangible Assets	26	2,854,049	8,525,258
Net book value Retired	18	9,885,403	-
Proceeds from disposal of assets	18	(17,176,285)	(559,150)
Increase in Provision for Audit Fees	29	(4,400,000)	4,500,000
Increase in Provision for doubtful debts	29	41,863,733	4,346,584
Net Cash generated from operating activities before Changes in working Capital		180,948,771	(197,752,203)
Changes in Working Capital			
Increase in Trade and other receivables	21, 22 27,28,29, 30,31,32,	(65,936,465)	(83,893,459)
Increase in trade and other payables	33,34	(76,581,254)	(108,384,784)
Net Cash generated from operating activities		38,431,052	(390,030,446)
Cash Flows from investing activities			
Purchase of property, plant & equipment	25	(290,919,249)	(178,392,487)
Purchase of intangible items	26	10,800	-
Proceeds from disposal of property, plant & equipment	18	17,176,285	559,150
Net cash used in investing activities		(273,732,164)	(177,833,337)
Cash Flows from Financing activities			
Capital Grants Received	6(b) & 7(b)	290,908,449	178,392,487
Net cash used in Financing activities		290,908,449	178,392,487
Net increase in cash & cash equivalents		55,607,337	(389,471,296)
Cash & cash equivalents at the beginning of the period		274,912,226	664,383,521
Cash & cash equivalents at the end of the period		330,519,562	274,912,226

The Financial Statements set out on pages 1 to 4 were signed on behalf of the Board of Directors by:


.....
Alexander Lemarkoko 'ndc' (K)
Ag. Chief Conservator of Forests
Date.....14/06/2023


.....
Anastasia Muasya
Manager, Finance & Accounting
ICPAK Member Number: 6732
Date.....14/6/2023


.....
Peter Kinyua, EBS
Chairman of the Board
Date.....14/6/2023



Kenya Forest Service
Annual Report and Financial Statements
For the year ended June 30, 2022

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE PERIOD ENDED 30 JUNE 2022**

	Original budget 2021/2022 Kes.	Adjustments 2021/2022 Kes.	Final budget 2021/2022 Kes.	Actual on comparable basis 2021/2022 Kes.	Performance difference 2021/2022 Kes.	
Revenue						
Transfers from other governments entities	4,679,000,000	-	4,679,000,000	4,629,091,337	(49,908,663)	-1%
Public contributions and donations	951,000,000	-	951,000,000	665,858,324	(285,141,676)	-30%
Appropriation in Aid	874,000,000	-	874,000,000	628,827,400	(245,172,600)	-28%
Finance Income	-	-	-	19,378,110	19,378,110	0%
Total income	6,504,000,000	-	6,504,000,000	5,943,155,171	(560,844,829)	-9%
Expenses						
Compensation of employees	(4,561,174,855)	-	(4,561,174,855)	(4,331,803,024)	(229,371,831)	5%
Goods and services	(1,623,386,496)	-	(1,623,386,496)	(1,219,385,234)	(404,001,262)	25%
Board Expenses	(17,000,000)	-	(17,000,000)	(6,402,616)	(10,597,384)	62%
Acquisition of Assets	(302,438,649)	-	(302,438,649)	(290,908,449)	(11,530,200)	4%
Total expenditure	(6,504,000,000)	-	(6,504,000,000)	(5,848,499,323)	(655,500,677)	10%
Surplus/(Deficit) for the period				94,655,848	94,655,848	
Reconciliation with operating surplus						
Less: Grants received for financing activities				(290,908,449)		
Add: Depreciation & amortization expense				235,939,827		
Add: Acquisition of assets				290,908,449		
Less: Gain on foreign exchange transactions				(1,120,696)		
Add: Deferred income recognized from transfers from other governments				(52,940,429)		
Less: Gain on sale of assets				(7,290,882)		
Add: Income tax expense				5,231,935		
Surplus/(Deficit) in statement of financial performance				(85,163,907)		

Budget notes

1. Public contributions and donations had a total negative variation of Kes.285 million which represents 30% of the projected income.
2. Appropriation in aid had a negative variation of Kes.249 million equivalent to 28%.
3. Goods and services had a negative variance of 25%. This was due to late disbursement of exchequer to the Service.
4. Board expenses had a negative variation of Kes. 10 million (62%). This was due to the appointment of the Board members as the year was ongoing.
5. The budget adjustment is as a result of the supplementary budget approved by the Board.

NOTES AND APPENDICES

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Kenya Forest Service is established by and derives its authority and accountability from the Forest Conservation and Management Act, 2016. The Service is wholly owned by the Government of Kenya and is domiciled in Kenya. The Service's principal activity is conservation and management of state forests.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Service's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5.

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

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

3. ADOPTION OF NEW AND REVISED STANDARDS

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2022

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2020

STANDARD	EFFECTIVE DATE AND IMPACT:
IPSAS 41: Financial Instruments	Applicable: 1st January 2022: 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. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: <ul style="list-style-type: none">• 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;• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and• 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.
IPSAS 42: Social Benefits	Applicable: 1st January 2022: 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: <ul style="list-style-type: none">a. The nature of such social benefits provided by the entity;b. The key features of the operation of those social benefit schemes; andc. The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	Applicable: 1st January 2023: <ul style="list-style-type: none">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.

STANDARD	EFFECTIVE DATE AND IMPACT:
Other improvements to IPSAS	<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> <p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • <i>IPSAS 29: Financial instruments: Recognition and Measurement</i> Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.

iii. Early adoption of standards

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue.

Recurrent grants are recognized in the statement of financial performance. Development/capital grants are recognized in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

Public Contributions and Donations

The Service recognizes revenues from the donors and other private entities when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue.

Donor grants are accounted for where they are recognized as income over the periods necessary to match them with the related assets which they are intended to compensate on a systematic basis while capital grants and non-monetary grants, such as property, plant and equipment or other resources, are usually accounted for at fair value.

Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Service and the fair value of the asset can be measured reliably.

Fees, taxes and fines

The Service recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met.

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Sale of goods

Revenue from the sale of goods is recognized before significant risks and rewards of ownership have been transferred to the buyer, usually on sale 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.

Interest income

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

Rental income

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

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 reduced appropriations of Kes. 961,953,420 on the 2021-2022 budget following the Board of Directors' approval.

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 actual amounts as per the statement of financial performance has been presented with the statement of comparison of budget and actual amounts.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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.

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)

Value Added tax

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

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

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

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the placement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 30-year period.

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

e) 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

f) Biological Assets

Biological assets comprise forest plantations. They are measured on initial recognition and at each reporting date at fair value less costs to sell. Any gains or losses arising on initial recognition of biological assets and from subsequent changes in fair value less costs to sell has not been recognised in the statement of financial performance in the year in which they arise as per IPSAS 27 due to the substantial effect on the statement.

The fair value of forest plantations is based on market prices as valued by internal valuation team. Purchases and development of biological assets include cost of planting and upkeep until they mature.

Subsequently all costs of upkeep and maintenance of mature biological assets are recognised in the statement of financial performance in the period in which they are incurred.

g) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Service. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Service also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Service will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

h) 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

i) 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:

- The technical feasibility of completing the asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset
- 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.

j) Provisions

Provisions are recognized when the Service has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Service expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

The 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.

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 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 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

k) Nature and purpose of reserves

The Service creates and maintains reserves in terms of specific requirements. The service classifies its reserves as either capital or revenue in nature. Capital reserve is the replacement development reserve that will help the service to replace assets as they age. Revenue reserve is the accumulated surplus over the years.

l) 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.

m) Employee benefits

Retirement benefit plans

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

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

n) Foreign currency transactions

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

o) 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 the Directors, the CCF and senior managers.

p) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial year.

q) Comparative figures

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

r) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2022.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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 in future periods.

Estimates and assumptions

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

Useful lives and residual values

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

- The condition of the asset based on the assessment of experts employed by the Service
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

All items in an asset category are re-valued every 5 years or when need arises. Depreciation on property, plant and equipment is calculated to write down the cost or the revalued amount of each asset to its residual value over its estimated useful life using the below rates;

Category		Rate
Buildings	-	5%
Plant, Machinery & Tractors	-	10%
Motor Vehicles & Cycles	-	25%
Computer & ICT Equipment	-	33 ¹ / ₃ %
Furniture & Fittings	-	20%
Office & Household Equipment's	-	20%
Tools & Minor Equipment's	-	100%
Roads, Fences, Boreholes & Civil Works	-	12.5%
Aircrafts, Hoppers & Boats	-	7.5%
Intangible Assets	-	33 ¹ / ₃ %

Depreciation is charged from the date of asset recognition and ceases on the date of asset disposal.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY
(Continued)**

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 29.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material. The Service recognises provision for bad debts on all overdue debtors above 180 days in default as follows;

- 181 - 270 days overdue, a provision of 5%
- 271 - 360 days overdue, a provision of 20%
- 360 days and above, a provision of 50%

6. Transfers from Other Government Entities

These are funds from the exchequer to finance the Services recurrent and development activities in the following core programmes: Natural Forest Conservation and Management; Farm and Dryland Forests Conservation and Management; and Plantation and Enterprise Development.

Description	2021/2022 Kes.	2020/2021 Kes.
GOK Subventions - Recurrent	4,160,000,000	4,073,750,003
GOK Subventions - Development	469,091,337	673,834,000
Less: Grants received for financing activities	(71,573,515)	(121,631,507)
Total transfers from other government entities	4,557,517,822	4,625,952,496

6(b) Transfers from Ministries, Departments and Agencies

Name of the Entity Sending the Grant	Amount Recognized to Statement of Financial Performance Kes	Amount Deferred Under Deferred Income Kes	Amount Recognised in Capital Fund. Kes	Total Grant Income During the Year 2021/2022 Kes	Total Grant Income During the Year 2020/2021 Kes
Ministry of Environment & Forestry	4,557,517,822	-	71,573,515	4,629,091,337	4,747,584,003
Total	4,557,517,822	-	71,573,515	4,629,091,337	4,747,584,003

(The details of the reconciliation have been included under appendix 4)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Public Contributions and Donations

During the year, the Service received transfers from different donors as set out below;

• **African Development Bank**

These are funds for the Green Zones Development Support Project Phase II from the African Development Bank. The project specific objectives are

- i. To enhance forest conservation and livelihood support for climate change resilience and
- ii. To develop timber, bamboo, potato, cereals and pulses value chains for improved household incomes.

• **Partners donations**

The Service partners with different stakeholders on forest conservation and management. These includes donations from embassies and other corporates who support tree planting in designated areas.

• **Food and Agriculture Organization (FAO)**

These are grants for the National Forest Programme Facility from the Food and Agriculture Organization (FAO). The facility is to kick-start the process of forest sector development with attention on poverty alleviation and ecological restoration. It will be used to strengthen and complement ongoing initiatives, identify emerging issues, develop, test and refine joint forest management models for ecologically sensitive forests, involving local communities.

Description	2021/2022 Kes.	2020/2021 Kes.
African Development Bank (ADB)	414,482,553	402,426,408
Partners Donations	68,651,332	27,090,666
Food and Agriculture Organisation (FAO)	16,329,934	4,284,628
Total public contributions and donations	499,463,819	433,801,702

7 (b) Public Contributions and Donations

Name of the Entity Sending the Grant	Amount Recognized to Statement of Financial Performance Kes	Amount Deferred Under Deferred Income Kes	Amount Recognised in Capital Fund. Kes	Total Grant Income During the Year 2021/2022 Kes	Total Grant Income During the Year 2020/2021 Kes
African Development Bank (ADB)	414,482,553	-	219,334,934	633,817,487	402,426,408
Partners Donations	68,651,332	-	-	68,651,332	27,090,666
Food and Agriculture Organisation (FAO)	16,329,934	-	-	16,329,934	4,284,628
Total	499,463,819	-	219,334,934	718,798,753	433,801,702

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. Fines penalties and levies

These are penalties levied to employees on disciplinary cases.

Description	2021/2022 Kes.	2020/2021 Kes.
Fines and Surcharges	3,472,919	3,475,390
Total fines, penalties and levies	3,472,919	3,475,390

9. Sale of Goods & Services

This comprises of particular classes of revenue streams which the accounting officer has been authorised to raise and use in addition to the amounts issued by the exchequer. For purposes of the financial statements this comprises of internally generated revenues as set out overleaf;

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. Sale of Goods & Services (Continued)

Description	2021/2022 Kes.	2020/2021 Kes.
Plantations	-	8,371,525
Mangrove	8,384,440	9,438,537
Bamboo Stems	7,200	24,300
Compensation for tree stems	26,173,040	12,035,122
Professional fees	2,449,528	2,625,775
Tuition Fees	17,270,257	10,592,866
Water easement charges	9,239,756	10,735,119
Aircraft Usage	-	3,835,178
Conservation Fees	5,712,000	-
Fuel wood	44,742	-
Quarrying, Soil, Sand	7,999,946	11,625,359
Resin	-	1,500
Grazing Fees	35,776,801	36,749,808
Other Forest Incomes	1,837,092	907,580
Recreation	51,861,593	42,208,549
Grass	3,442,063	1,926,362
Withies	5,817	14,582
Assessment Fees	565,403	3,228,306
Parking Fees	821,263	-
Research Permits	199,134	128,014
Application Fees	5,000	-
Exam Fees	3,045,410	-
Students ID	143,939	-
Accommodation	2,693,275	951,470
Farm Produce	302	69,064
Tours and Excursions fee	3,854,675	-
ICT Services	832,908	-
Library fee	818,343	-
Activity fee	310,276	-
Medical fee	505,436	-
GPA cover fee	157,985	-
Students' Association membership fee	174,310	-
Staff Quarters	3,658,509	3,292,324
Hire of Plant & Equipment	-	182,018
Leases	86,522,475	109,684,823
Land Rent	170,474,581	169,486,372
PELIS/Shamba Rent/Land Rent	7,095,222	13,686,353
Ground Rent	128,690	467,727
Bonded Items	88,833	5,390,912
Court Fines	179,138	530,345
Seedlings & Cuttings	9,624,451	10,521,134
Third Party Commissions	7,223,955	7,593,253
Training Levy	765,000	76,243
Unapplied Receipts	-	1,314
Sale of Tender Documents	-	65,200
Total revenue from the sale of goods and services	470,092,788	476,447,034

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. Licenses & Permits

Description	2021/2022 Kes.	2020/2021 Kes.
Movement Permits	148,117,684	175,811,252
Monthly Fuel Licenses	7,098,147	8,448,044
Saw millers Licenses	45,862	140,000
Total licenses and permits	155,261,693	184,399,296

11. Finance Income - External Investments

This relates to interest earned from interest bearing current accounts during the financial year.

Description	2021/2022 Kes.	2020/2021 Kes.
Interest on Current Account - KCB	8,921,359	2,264,484
Interest on Current Account - Coop	9,487,543	2,568,936
Interest on Current Account - NBK	-	746
Interest on Current Account - NCBA	969,208	1,134,309
Total finance income - external investments	19,378,110	5,968,475

12. Use of Goods and Services

This comprises of administrative costs as set out below:

Description	2021/2022 Kes.	2020/2021 Kes.
Electricity	16,561,015	19,553,887
Water and Sewerage Charges	8,664,540	7,214,822
Casual Labour	121,577,304	165,358,702
Staff Welfare Costs	7,409,729	7,091,777
Telephone, Telex, Facsimile, Computer	7,632,280	8,450,063
Courier and Postal Services	4,884,685	5,248,249
Leased Communication Lines	-	768,400
Supplies of Accessories for Computers & Printers	9,151,622	9,502,212
Travel Costs (airlines, bus, railway, mileage)	1,618,851	6,104,061
Daily Subsistence Allowance	198,121,002	297,527,184
Field Operational Allowance	1,110,548	2,175,845
Travel Cost-International (Overseas)	4,272,438	-
Publishing and Printing Services	13,148,208	13,109,660
Newspapers, Magazines and Periodicals	1,697,721	704,236
Advertising, Awareness and Publicity Campaigns	4,885,517	7,865,423
Training	37,481,548	52,522,364

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. Use of Goods and Services (Continued)

Description	2021/2022 Kes.	2020/2021 Kes.
Hire of Training Facilities and Equipment	-	2,139,063
College Students' Expenses	9,117,349	-
Group Personal Insurance	-	1,511,400
Buildings Insurance	2,531,432	2,622,071
Motor Vehicle Insurance	10,527,737	31,520,325
Aircraft Insurance	17,799,039	14,372,897
Motor Boat Insurance	264,045	264,045
Fungicides, Insecticides and Sprays	295,000	265,807
Education and Library Supplies	-	242,374
Paramilitary Small Equipment and Supplies	1,910,425	3,716,576
Laboratory Materials and Supplies	-	133,400
Animal Welfare Expenses	188,500	-
General Office Supplies (papers, pencils etc.)	10,890,513	14,871,347
Cleaning Materials, Supplies and Services	3,737,508	9,851,972
Catering services	13,410,861	9,425,177
Refined Fuels and Lubricants for Transport	106,468,905	117,921,870
Bank Service Commission and Charges	2,114,751	2,074,203
Contracted Guards and Cleaning Services	3,826,326	3,409,874
Membership Fees, Dues and Subscriptions	3,304,931	4,564,919
Forest Conservation Committee Expenses	7,002,800	210,000
Legal dues, Arbitration and Compensation Packages	21,201,166	11,711,949
Special Operations	9,566,073	59,840,306
Provision for Bad Debts	41,863,733	4,346,584
Food and Rations	16,968,220	20,376,715
Events and Celebrations	19,058,176	17,156,692
Tree seeds and seedlings.	92,161,016	109,270,691
Supplies for production	53,188,469	103,058,412
Rounding off Difference Account	(25)	2
Seminars and Conferences	6,532,361	9,735,503
Tree Planting	35,151,695	38,907,223
Office Rent Expense	-	2,933,846
Aircraft Operating Costs	6,469,057	6,562,063
Staff Uniforms and Clothing	-	13,831,211
Audit Fee	4,500,000	4,500,000
Covid-19	6,462,282	14,102,717
Total use of goods & services	944,729,353	1,238,648,119

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. Employee costs

These are costs incurred by the Service on its employees and employee related activities during the reporting period while on official duties as set out below;

Description	Number of Employees	2021/2022	2020/2021
		Kes.	Kes.
		4016*	4,236
Basic Salaries		2,810,089,753	2,866,313,820
Temporary Employees		2,262,661	3,000
Acting Allowance		661,505	502,101
Overtime		509,199	911,270
Transfer Allowance		26,375,495	26,559,857
Commuting Allowance		221,801,983	220,213,583
Hardship Allowance		70,173,855	70,204,903
Special Duty Allowance		2,907,134	685,514
Leave Allowance		85,834,360	86,393,153
Extraneous Allowance		3,837,128	3,180,138
Telephone Allowance		5,622,742	4,748,559
Medical Expenses - Ex-Gratia (Write-off)		860,019	-
Staff Medical Insurance		273,729,092	295,132,025
House Allowance		332,870,252	327,939,277
Non-Practice Allowance		720,000	720,000
Entertainment Allowance		769,032	360,000
GPA/GLA		56,765,031	24,754,635
Risk Allowance		46,200	46,200
Contributions to National Social Security		9,803,617	9,888,671
Staff Pension- KFS Contributions		411,078,025	418,476,227
Staff Gratuity		15,085,941	1,599,129
Total employee costs		4,331,803,024	4,358,632,062

*The number of employees includes 92 contracted employees.

14. Remuneration of Directors

Description	2021/2022	2020/2021
	Kes.	Kes.
Boards and Committees	-	16,959,148
Board Sitting Allowance	3,320,000	-
Board Lunch Allowance	203,000	-
Board Accommodation Allowance	1,550,600	-
Board Transport Allowance	727,683	-
Board Chairman Honoraria	601,333	-
Total remuneration of Directors	6,402,616	16,959,148

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. Repairs & Maintenance

Description	2021/2022 Kes.	2020/2021 Kes.
Maintenance of Motor Vehicles	44,154,698	90,377,993
Maintenance of Plant, Machinery and Equipment	729,784	1,791,496
Maintenance of Office Furniture and Equipment	1,504,194	1,549,712
Maintenance of Medical and Dental Equipment	303,412	81,968
Maintenance of Buildings - Residential	185,231	25,432,050
Maintenance of Buildings and Stations - Non-Residential	14,585,215	20,083,006
Maintenance of Civil Works	40,085,700	8,674,781
Maintenance of Roads	28,959,716	88,465,559
Minor Alterations to Buildings and Civil Works	299,116	-
Maintenance of Computers, Software, Network	28,095,343	8,518,283
Maintenance of Aircraft	-	4,990,449
Total repairs and maintenance	158,902,409	249,965,297

16. Contracted Services

Description	2021/2022 Kes.	2020/2021 Kes.
Contracted Professional Services	23,645,317	18,496,505
Contracted Technical Services	92,108,155	43,691,034
Total contracted services	115,753,472	62,187,539

17. Foreign Exchange gain/(loss)

Description	2021/2022 Kes.	2020/2021 Kes.
Foreign Exchange Gain	1,120,696	-
Foreign Exchange Loss	-	(38,734)
Total foreign exchange gains/(loss)	1,120,696	(38,734)

18. Gain on sale of assets

Description	2021/2022 Kes.	2020/2021 Kes.
Proceeds from Disposal of Assets	17,176,285	559,150
Net Book Value Retired	(9,885,403)	-
Total gain on sale of assets	7,290,882	559,150

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19. Income Tax Expense

This relates to taxation on interest income received by the Service from financial institutions on the cash balances in current accounts;

Description	2021/2022 Kes.	2020/2021 Kes.
Current Income tax charge	-	5,968,475
Tax charged on rental income	(581,498)	1,053,260
Tax charged on interest income	5,813,433	7,021,735
Deferred tax:	-	2,106,521
Original and temporary reversal of temporary differences	-	1,053,260
Income tax expense posted	5,231,935	9,159,021
Income tax expense reported in the statement of financial performance	5,231,935	10,212,281

20. Cash and Cash Equivalent

Description	2021/2022 Kes.	2020/2021 Kes.
Cash at bank	330,519,562	274,872,521
Cash in hand	0	39,705
Total cash and cash equivalents	330,519,562	274,912,226

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

20(a). Detailed Analysis of the Cash and Cash Equivalents

(i) Bank Balances	Branch	Account No.	2021/2022 Kes.	2020/2021 Kes.
Co-operative Bank				
KFS National Tree Planting Campaign Programme	Stima Plaza	01141532868700	20,152,776	2,844,414
KFS Forest Investment Facility	Stima Plaza	01141532868701	48,416,100	46,810,223
KFS Water Towers GOK A/c	Stima Plaza	01141532868702	1,253,530	100,510
KFS (JICA) Capacity Development Project	Stima Plaza	01141532868703	2,541	66,526
Forest Irrigation Climate & Green Energy	Stima Plaza	01141532868704	24,507	82,331
GZDSP II GOK A/C	Ridgeways	01141532868705	28,986,814	336,147
GZDSP II Donor A/C	Ridgeways	01141756225800	2,553,845	6,973,426
KFS HOC Central Main A/C	Nyeri	01141032576000	74,175	
KFS HOC Western Main A/C	Kakamega	01141165517400	5,803	
KFS ENCOM Nyeri Base Main A/C	Nyeri	01141032570000	30,839	
KFS EC Mombasa Main A/C	Nkrumah Road	01120097444400	179,168	
			101,680,098	57,213,577
Equity Bank				
KFS Forest Investment Facility	Ridgeways	0810298871018	31,634,367	31,634,367
KFS Forest Management & Conservation Fund	Ridgeways	1340261075747	3,737,820	3,330,781
KFS FAO Capacity Building	Ridgeways	1340261075761	3,872,131	39,102
KFS Holding-Equity	Ridgeways	0470267372824	2,784	2,784
			39,247,102	35,007,034
Kenya Commercial Bank				
KFS Main Operating - KCB	Sarit Centre	1106928652	9,749,420	5,412,990
KFS AIA Collection	Sarit Centre	1106770021	48,251,213	29,799,984
KFS Main Development	Sarit Centre	1116447347	82,230,093	16,989,063
KFS Gratuity A/C	Sarit Centre	1139669249	19,505,153	17,465,868
KFS Dollar A/C	Sarit Centre	1122198353	(1,145,662)	10,218,338
KFS FAO Forest & Farm Facility Programme	Moi Avenue	1172165084	37,818	1,678,946
KFS Water Towers Euro Ac	Moi Avenue	1181839513	5,120,264	3,329,027
KFS Water Towers Donor Ac	Moi Avenue	1181839106	1,096,425	63,116,988
KFS HOC Nairobi Main A/C	Karen	1126065072	98,459	
KFS HOC North Rift Main A/C	Eldoret	1118416090	84,348	
KFS HOC Mau Main A/C	Nakuru	1101720352	37,663	
KFS HOC Nyanza Main A/C	Kisumu	1113097930	117,998	
KFS HOC Coast Main A/C	Treasury Square	1113012625	95	
KFS HOC Eastern Main A/C	Embu	1112985204	4,293	
KFS HOC Ewaso North Main A/C	Isiolo	1113191996	59,155	
KFS HOC North Eastern Main A/C	Garissa	1112841903	3,478	
Kenya Forestry College - Operations A/C	Londiani	1103633562	2,552,239	
Kenya Forestry College - Tuition A/C	Londiani	1112223479	2,111,653	
KFS EC Nairobi Main A/C	Karen	1136317759	2,958,462	
KFS EC Garissa Main A/C	Garissa	1107854903	4,750	
KFS ENCOM Embu Base Main A/C	Embu	1135768846	1,700	
			172,879,017	148,011,204
National Bank				
KFS Airwing A/C	Kenyatta Avenue	01020069730800	(204,091)	4,364,758
KFS Holding - NBK	Kenyatta Avenue	01023064393301	-	-
			(204,091)	4,364,758
NCBA Bank				
KFS Airwing Sinking Fund A/C	Ciata Mall	1004667472	16,917,436	30,275,948
			16,917,436	30,275,948
Total bank balance			330,519,562	274,872,521
(ii) Others				
Cash in hand			0	39,705
			0	39,705
Grand total			330,519,562	274,912,226

**The Service rolled out its ERP system to 13 regional offices which have now shifted from operating on imprests from the headquarters to transacting within the ERP.*



NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. Receivables from Exchange Transactions

Description	2021/2022 Kes.	2020/2021 Kes.
Receivables	601,531,547	539,156,495
Rental Deposit Receivable	1,319,345	1,319,345
Suppliers Prepayments	1,962,385	10,261,553
Safaricom Deposits	50,000	50,000
General Deposits with Suppliers	586,200	586,200
Total receivables from exchange transactions	605,449,477	551,373,593

Note: The total receivables from exchange transactions excludes debts accumulated on timber allocated and harvested some of which payments have not been received contrary to the Service Policy.

22. Receivables from Non-Exchange Transactions

Description	2021/2022 Kes.	2020/2021 Kes.
Zonal Control Account - Development	23,231,021	11,801,106
Zonal Control Account Recurrent	5,912,377	3,631,108
Temporary Imprest	5,670,925	10,249,132
Standing Imprest	-	6,000
Salary Advances	6,826,794	4,093,190
Total receivables from non - exchange transactions	41,641,117	29,780,536

Note: For the purposes of these financial statements, receivables from non-exchange transactions also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

23. Forest Land

As per the Forest Act all assets of the former forest department vested in the Kenya Forest Service vide Legal Notice number 151 of 2008 published in the Kenya Gazette Supplement number 82 of 28th November 2008, with effect from 1st February 2007. Currently there are two hundred and sixty-five (265) gazetted forest blocks. Out of the two hundred and sixty-five (265) gazetted forest blocks, the Service holds title deeds for seventy-seven (77) forests blocks.

Due to the non-availability in the open market of gazetted forest land it cannot be valued hence have not been recognised as part of property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

24. Biological Assets

Biological assets comprise forest plantations. Biological assets are carried at fair value at the end of each reporting period. The fair value of the biological assets has been determined by appropriately qualified staff employed by the Service using advanced modelling techniques/methods. The Service maintains commercial forest plantations for sale as per the gazetted Forest Service General Orders provisions.

The Service prepares a Forestry Resources Account (FRA) at the end of each financial year to capture full value of forest plantation and provides evidence on whether the forestry asset is utilized sustainably.

The value of public forest plantations as at 30 June 2022 is as under:

i. Forest Plantations Area Account

This presents species composition of forest plantations, area per species and un-stocked area. The un-stocked area was caused by clear-cut of standing stock and forest fires. Un-stocked area declined from 18,309 Ha to 14, 141.16 Ha during the report period. This is attributed to planting of 4,167.87 Ha comprising of 223.65 Ha of Eucalyptus, 2,035 Ha of Cupresus lusitanica, 974.22 Ha of Pines, 19 Ha of Gravelia and 916 Ha of other species.

	2021/2022	2020/2021
Species	Area (Ha)	Area (Ha)
Pines	29,477.56	28,503.34
Cypress	77,019.78	74,984.78
Gravelia	534.9	515.90
Eucalyptus	17,371.85	17,148.20
Others	14,244.75	13,328.75
Unstocked	14,141.16	18,309.03
Total Plantation Land Area	152,790.00	152,790.00

ii. Forest Plantations Monetary Account

This presents the monetary account of forest plantation stock. The changes in carrying amounts of biological assets comprise:

Description	2021/2022	2020/2021
	Kes.	Kes.
Carrying Amount as at 1 July	78,139,296,935	71,869,497,972
Changes in the carrying amount:		
Decrease due to sales and harvest ¹		
Increase due to purchases and development of new stands ²	145,875,450	100,833,950
Increase in value due to growth ³	6,399,912,120	6,173,283,635
Less impairment due to poaching, forest fires and diseases ⁴	(6,901,770)	(4,318,622)
Total Changes in the carrying amount:	6,538,885,800	6,269,798,963
Carrying Amount as at 30 June	84,678,182,735	78,139,296,935

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Biological Assets (Continued)

¹ Decrease of Value of Plantations Attributed to Harvest/ Removals

During the report period, the Service earned zero money from sale of timber, poles and fuel wood. This is due to current moratorium imposed on timber harvesting.

² Increase due to New Planting

The Service established a total of 4,167.87 Ha. of forest plantations. As a common practice, young plantations are valued at the cost of establishing the plantations. The cost of establishing one hectare of plantation is estimated at Kes.35,000. The total value of the new plantation is **Kes. 145,875,450.**

³ Increase of Plantation Value Attributed to Growth (Mean Annual Increment)

Mean annual increment of pine, cypress, eucalyptus and mixed species is 18m³/ha/year, 15m³/ha/year, 25m³/ha/year and 7m³/ha/year respectively. However, since plantations were not thinned in the last two years due to the moratorium on harvesting of plantations, affecting the normal growth of forest plantations, the Service has adjusted the rate by a value of 5%. The adjusted Mean annual increment of pine, cypress, eucalyptus and mixed species is 17.1m³/ha/year, 14.25m³/ha/year, 23.75m³/ha/year and 6.65m³/ha/year respectively This increased the value of plantations by **Kes. 6,399,912,120**

Species	Area (Ha)	Mean Annual Increment (%)	Volume (M ³)	Value per M ³	Increase Due to Growth (Kes.)
Cypress	73,101.80	14.25	1,041,700.65	3,000	3,125,101,950
Pine	27,644.20	17.10	472,715.82	3,000	1,418,147,460
Eucalyptus	17,014.20	23.75	404,087.27	3,000	1,212,261,750
Mixed Species	13,843.20	6.65	92,057.28	7,000	644,400,960
	131,603.40				6,399,912,120

⁴ Decrease in Value Attributed to Impairments

Reduction of value of plantations results from impairments is attributed to fire damage and poaching just to mention a few. During the financial year 2021/2022, the decrease was as follows;

- In the reporting period there were no fire incidents reported of significant negative impact on the existing plantations. This was due to well spread rains that were experienced in many parts of the country and adequate control measures that were put in place.
- Forest plantations are susceptible to game damage which injures the trees by debarking. The debarked portion provides avenues for pathogens which enter the stems and cause heart-rot. However, in the reporting period there were no harvesting or sales of timber, hence no defect allowance was granted.
- Poaching of mature trees, poles, withies and uprooting of young seedlings was reported in all the conservancies. This reduced the value of standing stock by **Kes. 6,901,770** during the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Biological Assets (Continued)

iii. Value of Forest Land

In most jurisdictions, the value of forest land is not included in forest accounts. This is due to the following:

- Forest land is usually set aside for forest development only and is not available for other land use options.
- Transactions of forest land are infrequent because forest land is only set aside for forestry purposes.
- Forests land may hold unique characteristics which has no clear market value.

Significant assumptions made in the estimation of the fair value of the trees in 2021/2022 include:

- i. The transformation of the un-matured plantations is based on the current age of tree species;
- ii. Cash inflows and outflows accrue evenly throughout the useful life; and
- iii. 15% of the trees planted will not attain maturity due to natural factors.

*The total change in the carrying amount of **Kes. 6,538,885,800** has been adjusted in the statement of changes in Net Assets under capital reserves.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

25. Property, Plant and Equipment

	Buildings Kes.	Plant and Machinery Kes.	Work in Progress Kes.	Motor Vehicles & Cycles Kes.	Computers & ICT Equipment Kes.	Office Furniture Kes.	Office & Household Equipment Kes.	Tools & Minor Equipment Kes.	Roads, Boreholes & Civil Works Kes.	Aircraft & hoppers Kes.	Totals Kes.
Cost As at 01 July 2021	1,413,528,237	247,622,275	78,707,380	1,235,227,576	274,885,601	186,701,953	91,262,030	123,326,316	152,794,108	571,042,572	4,375,098,048
Adjustment Total as at 01 July 2021	1,413,528,237	247,622,275	78,707,380	1,235,227,576	274,885,601	186,701,953	91,262,030	123,326,316	152,794,108	571,042,572	4,375,098,048
Additions (cost)	9,664,960	81,682,850	51,397,694	120,258,058	15,878,479	1,565,422	1,754,441	764,000	7,953,345	-	290,919,249
Revaluation Cost Adjustment											-
Disposal Total Cost as at 30 June 2022	(9,495,000)			(8,506,439)	(1,156,501)	(296,371)	(651,915)	(149,825)			(20,256,050)
Accumulated Depreciation Acc. Dep. Adjustment Total as at 30 June 2021 Charge for the year As at 30 June 2022	568,069,219 (5,092,116) 562,977,103 68,320,711 631,297,814	191,773,224	-	986,138,279 (4,188,521) 981,949,758 69,709,552 1,051,659,310	240,875,936 (596,171) 240,279,765 9,831,583 250,111,348	163,273,932 (216,010) 163,057,922 4,989,051 168,046,973	73,768,039 (135,495) 73,632,544 3,645,617 77,278,161	117,151,935 (142,334) 117,009,601 166,320 117,175,921	97,890,421 97,890,421 8,851,952 106,742,373	303,837,787 303,837,787 37,974,331 341,812,118	2,742,778,772 (10,370,647) 2,732,408,125 233,085,778 2,965,493,903
NBV 30 June 2022	782,400,383	107,935,240	130,105,074	295,319,885	39,496,231	19,924,031	15,086,395	6,764,570	54,005,080	229,230,454	1,680,267,343
NBV 30 June 2021	890,201,139	80,349,034	57,567,799	240,846,795	23,793,377	20,791,354	11,735,133	9,840,760	39,072,918	305,179,116	1,679,377,425

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

Property, Plant and Equipment (cont.)

	Buildings Kes.	Plant and Machinery Kes.	Work in Progress Kes.	Motor Vehicles & Cycles Kes.	Computers & ICT Equipment Kes.	Office Furniture Kes.	Office & Household Equipment Kes.	Tools & Minor Equipment Kes.	Roads, Boreholes & Civil Works Kes.	Aircraft & hoppers Kes.	Totals Kes.
Cost As at 01 July 2020	1,391,523,425	247,622,275	57,567,799	1,168,277,714	257,010,072	179,035,319	82,458,645	119,899,116	122,268,624	571,042,572	4,196,705,561
Adjustment Total as at 01 July 2020	1,391,523,425	247,622,275	57,567,799	1,168,277,714	257,010,072	179,035,319	82,458,645	119,899,116	122,268,624	571,042,572	4,196,705,561
Additions (cost)	22,004,812	-	21,139,581	66,949,862	17,875,529	7,666,634	8,803,385	3,427,200	30,525,484	-	178,392,487
Revaluation Cost Adjustment	-	-	-	-	-	-	-	-	-	-	-
Disposal Total Cost as at 30 June 2021	1,413,528,237	247,622,275	78,707,380	1,235,227,576	274,885,601	186,701,953	91,262,030	123,326,316	152,794,108	571,042,572	4,375,098,048
Accumulated Depreciation Acc. Dep. Adjustment	501,322,286	167,273,241	-	927,430,919	233,216,695	158,243,965	70,723,512	110,058,356	83,195,706	265,863,456	2,517,328,136
Total as at 30 June 2020	501,322,286	167,273,241	-	927,430,919	233,216,695	158,243,965	70,723,512	110,058,356	83,195,706	265,863,456	2,517,328,136
Charge for the year	66,746,933	24,499,983	-	58,707,360	7,659,241	5,029,967	3,044,527	7,093,579	14,694,715	37,974,331	225,450,636
As at 30 June 2021	568,069,219	191,773,224	-	986,138,279	240,875,936	163,273,932	73,768,039	117,151,935	97,890,421	303,837,787	2,742,778,772
NBV 30 June 2021	845,459,018	55,849,051	78,707,380	249,089,297	34,009,665	23,428,021	17,493,991	6,174,381	54,903,687	267,204,785	1,632,319,276
NBV 30 June 2020	890,201,139	80,349,034	57,567,799	240,846,795	23,793,377	20,791,354	11,735,133	9,840,760	39,072,918	305,179,116	1,679,377,425

NOTES TO THE FINANCIAL STATEMENTS (Continued)

26. Intangible Assets

Description	2021/2022	2020/2021
Cost	Kes.	Kes.
At beginning of the year	121,403,740	121,403,740
Additions	(10,800)	-
At end of the year	121,392,940	121,403,740
Additions-internal development	-	-
At end of the year	121,392,940	121,403,740
Amortization and impairment		
At beginning of the year	(111,916,985)	(103,391,727)
Amortization	(2,854,049)	(8,525,258)
At end of the year	(114,771,034)	(111,916,985)
Impairment Loss	-	-
At end of the year	(114,771,034)	(111,916,985)
Net Book Value (NBV)	6,621,906	9,486,755

27. Trade and other payables from exchange transactions

Description	2021/2022	2020/2021
	Kes.	Kes.
Employee Liability Account	545,236	1,631,853
Inventory AP Accrual Account	-	8,351,413
Expense AP Accrual Account	-	14,197,781
Receipts In Advance	1,155,052	859,921
Suppliers Liability Account	55,218,640	75,591,997
Proceeds from Asset Disposal Clearing	-	-
Retention - General Contractors	10,059,753	8,955,657
Total trade and other payables from exchange transactions	66,978,681	109,588,622

Note: The total Trade and other payables from exchange transactions excludes Kes.4,032,820,595 being demanded by KRA, NITA and Ministry of Housing which negotiations are still ongoing.

28. Refundable deposits from customer

Description	2021/2022	2020/2021
	Kes.	Kes.
Customer Refundable Deposits	19,633,380	422,825
Caution Money	671,636	-
Performance Bonds	11,767,646	11,767,646
Total refundable deposits from customers	32,072,662	12,190,471

NOTES TO THE FINANCIAL STATEMENTS (Continued)

29. Provisions

Description	Provision for Audit Fee	Provision for Bad Debts	Total
Balance as at 1 July 2021	13,460,000	157,449,775	170,909,775
Additional provisions	4,500,000	41,863,733	46,363,733
Provision utilized	(8,900,000)	-	(8,900,000)
Total provisions as at 30 Jun 2022	9,060,000	199,313,509	208,373,509

30. Employee Benefits Obligations

Description	2021/2022 Kes.	2020/2021 Kes.
Salary Clearance Account	39,641	494,547
Net Salary Account	-	1,329,458
NSSF	-	67,144
HELB	-	35,436
Sacco Deductions Account	-	86,751
Commercial Banks Deductions	-	655,764
Insurance Deductions	-	1,143,606
Hire Purchase Deductions	-	368,457
Family Maintenance	-	54,650
House Rent Utility Charges	5,730,211	5,730,211
Staff Insurance Compensation Liability	13,300,076	-
Staff Pension Contributions	-	8,934,755
Staff Gratuity	16,704,722	6,399,067
Total employee benefits obligations	35,774,650	25,299,846

31. Payments Received in Advance

Description	2021/2022 Kes.	2020/2021 Kes.
Imprest Clearing Account	51,450	2,989,295
Total advance receipts	51,450	2,989,295

NOTES TO THE FINANCIAL STATEMENTS (Continued)

32. Withheld Taxes

Description	2021/2022 Kes.	2020/2021 Kes.
Income Tax (PAYE)	-	546,915
Withholding VAT	-	(12,342)
VAT @16%	58,565,863	(2,896,285)
Pay Master General-PAYE	-	59,891,786
Total Withheld taxes	58,565,863	57,530,074

33. Corporation Tax

Description	2021/2022 Kes.	2020/2021 Kes.
At beginning of the year	1,678,700	3,482,607
Income tax charge for the year (note 22)	5,231,935	10,212,281
Under/(over) provision in prior year/s (note 22)	-	-
Income tax paid during the year	(6,333,504)	(12,016,188)
At end of the year	577,131	1,678,700

34. Deferred Income

Description	2021/2022 Kes.	2020/2021 Kes.
Deferred Income - FAO	1,718,048	1,718,048
Deferred Income - EU	5,120,375	66,445,061
Deferred Income - ADB	6,973,426	6,973,426
Total Deferred Income	13,811,849	75,136,535

The deferred income movement is as follows:

Description	2021/2022 Kes.	2020/2021 Kes.
Balance brought forward	75,136,535	76,289,970
Additions	718,798,753	405,557,601
Transfers to Capital fund	(219,334,934)	-
Transfers to income statement	(499,463,819)	(406,711,036)
Other transfers	(61,324,686)	-
Balance carried forward	13,811,849	75,136,535

NOTES TO THE FINANCIAL STATEMENTS (Continued)

35. Financial Risk Management

The Service's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Service's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The 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 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.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the Directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

The carrying amount of financial assets recorded in the financial statements representing the Service's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

	Total amount Kes	Fully performing Kes	Past due Kes	Impaired Kes
At 30 June 2022				
Receivables from exchange transactions	605,449,477	219,228,791	386,220,686	-
Receivables from non-exchange transactions	41,641,117	41,641,117	-	-
Bank balances	330,519,562	330,519,562	-	-
Total	977,610,156	591,389,470	386,220,686	0
At 30 June 2021				
Receivables from exchange transactions	551,373,593	258,218,336	293,155,257	-
Receivables from non-exchange transactions	29,780,536	29,780,536	-	-
Bank balances	274,912,226	274,912,226	-	-
Total	856,066,355	562,911,098	293,155,257	0

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Financial Risk Management (Continued)

(i) Credit risk (Continued)

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The Service has significant concentration of credit risk on amounts due from government institutions.

The Board of Directors sets the Service's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Service's Directors, who have built an appropriate liquidity risk management framework for the management of the Service's short, medium and long-term funding and liquidity management requirements. The Service manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the Service under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Financial Risk Management (Continued)

(ii) Liquidity risk management (Continued)

	Up to 1 month Kes.	1 - 3 Months Kes.	3 - 12 months Kes.	Over 1 year Kes.	Total Kes.
At 30 June 2022					
Financial assets					
Trade receivables	43,772,275	70,421,252	101,117,334	386,220,686	601,531,547
Other receivables and prepayments	45,559,047	-	-	-	45,559,047
Amount due from related parties	-	-	-	-	-
Bank balances and cash deposits	330,519,562	-	-	-	330,519,562
Total financial assets	419,850,884	70,421,252	101,117,334	386,220,686	977,610,156
Financial liabilities	(207,832,286)				(207,832,286)
Total financial liabilities	(207,832,286)	-	-	-	(207,832,286)
Net liquidity gap	212,018,598	70,421,252	101,117,334	386,220,686	769,777,870
At 30 June 2021					
Financial assets					
Trade receivables	38,332,962	60,865,602	146,802,674	293,155,257	539,156,495
Other receivables and prepayments	41,997,634	-	-	-	41,997,634
Amount due from related parties	-	-	-	-	-
Bank balances and cash deposits	274,912,226	-	-	-	274,912,226
Total financial assets	355,242,822	60,865,602	146,802,674	293,155,257	856,066,355
Financial liabilities	(284,413,543)				(284,413,543)
Total financial liabilities	(284,413,543)	-	-	-	(284,413,543)
Net liquidity gap	70,829,279	60,865,602	146,802,674	293,155,257	571,652,812

(iii) Market risk

The Board has put in place an internal audit function 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.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Service's income or the value of its

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Financial Risk Management (Continued)

(iii) Market risk (Continued)

holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The Service's Finance Department is responsible for the development of 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.

There has been no change to the Service's exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

The Service has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

The carrying amount of the Service's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

The Service manages foreign exchange risk from future commercial transactions and recognises assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Financial Risk Management (Continued)

(iii) Market risk (Continued)

a) Foreign currency risk (Continued)

	Kenya shilling Kes	Other currencies Kes	Total Kes
At 30 June 2022			
Financial assets			
Investments	-	-	-
Cash	330,519,562	3,974,602	334,494,164
Debtors	647,090,594	-	647,090,594
Total financial assets	977,610,156	3,974,602	981,584,758
Financial liabilities			
Trade and other payables	(207,832,286)	-	(207,832,286)
Borrowings	-	-	-
Total financial liabilities	(207,832,286)	-	(207,832,286)
Net foreign currency asset/(liability)	769,777,870	3,974,602	773,752,472
At 30 June 2021			
Financial assets			
Investments	-	-	-
Cash	274,912,226	13,547,365	288,459,591
Debtors	581,154,129	-	581,154,129
Total financial assets	856,066,355	13,547,365	869,613,720
Financial liabilities			
Trade and other payables	(284,413,543)	-	(284,413,543)
Borrowings	-	-	-
Total financial liabilities	(284,413,543)	-	(284,413,543)
Net foreign currency asset/(liability)	571,652,812	13,547,365	585,200,177

b) Interest rate risk

Interest rate risk is the risk that the Service's financial condition may be adversely affected as a result of changes in interest rate levels. The company's interest rate risk arises from bank deposits. This exposes the company to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Service deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Financial Risk Management (Continued)

(iii) Market risk (Continued)

c) Capital Risk Management

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

Description	2021/2022 Kes	2020/2021 Kes
Revenue reserve	357,554,987	2,800,187,227
Capital reserve	80,087,566,486	77,120,035,733
Total funds	80,445,121,473	79,920,222,960

36. Related Party Balances

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of the Service, holding 100% of the Kenya Forest Service equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external.

The Service is related to:

- i) The National Government;
- ii) The Ministry of Environment & Forestry;
- iii) Key management;
- iv) Board of Directors.

Description	2021/2022 Kes.	2020/2021 Kes.
a) Grants from the government		
Grants from National Government	4,557,517,822	4,625,952,496
	4,557,517,822	4,625,952,496
b) Key management remuneration		
Directors' emoluments	-	16,959,148
Compensation to the CEO	6,052,400	6,002,400
Key management compensation	79,222,008	62,264,561
	85,274,408	85,226,109

NOTES TO THE FINANCIAL STATEMENTS (Continued)

37. Contingent assets and contingent liabilities

There were no contingent assets to be reported as at the end of the financial year. Contingent liabilities include the court cases against the Service which are detailed in Appendix 5.

38. Capital Commitments

There were no capital commitments to be reported as at the end of the financial year

39. Events after the reporting period

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

40. Ultimate and Holding Service

The Service is a State Corporation under the Ministry of Environment & Forestry. Its ultimate parent is the Government of Kenya.

41. Currency

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

Appendix 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Property Plant and Equipment- Exclusion of 188 unvalued parcels of land without title deeds	As previously stated, the Service asked for assistance from the Ministry of Lands for valuation of the Gazetted land and got a response advising against the valuation as the land is not available for sale in the open market. A copy of the correspondence from the Ministry is attached. The Service is also in pursuit of the title deeds with the Ministry of Lands and the process is in different stages for different parcels of land.	Mr. Patrick Kariuki - Deputy Chief Conservator of Forests - Farm and Dryland Forestry	Not Resolved	Continuous
1.1	Illegal encroachments and excisions on forest land in various parts of the country	The Service continues to pursue ownership documents of all gazetted land and other parcels of land under its custody. The Service made a request to the Ministry of lands for help in valuation of land but the Ministry was not able to offer a value. This has resulted in the missing value of land in the financial statements. Forest lands have been secured through gazettelement which provide legal notices. Alteration of forest areas as gazetted can only be sanctioned/approved by the National Assembly as provided for in the Forest Conservation and Management Act 2016. The Service has created security teams in hot spot areas including Mau, Embobut and Boni Forests.	Mr. Julius Kamau - Chief Conservator of Forests	Titling Not fully Resolved. The rest is resolved	Continuous

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.2	Unsupported Depreciation and Amortization Expenses	These teams are involved in operations to evict illegal squatters as is currently ongoing in Maasai Mau forest area. There are security rangers in all gazetted forests. The Service has fully supported the depreciation figure and revised the accounts as agreed during the exit meeting. The depreciation schedule was sent as part of the Management Letter response	Mrs. Anastasia Muasya - Manager, Finance and Accounting	Resolved	
2	Heritage Assets - no specification forest blocks recognized as heritage assets	The Service continues to pursue ownership documents of all gazetted land and other parcels of land under its custody and due to the Ministry of Lands not being able to offer a value for the land, there is no available value for land to be included in the financial statements and thus forests cannot be classified as either heritage or not in the Financial Statements.	Mr. Patrick Kariuki - Deputy Chief Conservator of Forests - Farm and Dryland Forestry	Not Resolved	Continuous
3	Cash and Cash Equivalents - Long outstanding receipts in the cash book not in the bank statements	The long outstanding receipts in cashbook not in the bank statements are as a result of a matter that is still pending in court. The un-cleared payments in cashbook are mainly due to payroll deductions that were done end of June 2018 but cleared in July.	Mrs. Anastasia Muasya - Manager, Finance and Accounting	Not Resolved	Court case is not closed.
4.1	Omission of Plantation Land from the Value of Plantations	The Service recognises its plantations as biological asset. The value of the land is not inclusive.	Mrs. Anastasia Muasya - Manager, Finance and Accounting	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.2	Impairment of Plantations - Basis of impairment and recognition in the statement of financial performance	Kenya Forest Service prepares a forest resource account which provides details of opening stock, losses due to fire, poaching, re-classification, natural calamities. Additions are due to planting, natural regeneration, and growth. This is what informs the value of plantations at the end of the financial year.	Mrs. Zipporah Toroitich - Ag. Deputy Chief Conservator of Forests - Plantations and Enterprise	Resolved	
5	Receivables from Exchange Transaction - Long outstanding debts	Long outstanding debts by government agencies and media houses. The Service has continued to monitor the debt balances and improved on the debt recovery strategies by creating a debts section within finance department. This has had a positive effect on the recovery of debts and as well, the Service continues to make provision for doubtful debt based on their ages.	Mrs. Anastasia Muasya - Manager, Finance and Accounting & Mr. Patrick Kariuki - Deputy Chief Conservator of Forests - Farm and Dryland Forestry	Not resolved	Continuous
6.1	Inappropriate Recognition of Revenue from Non-Exchange Transactions - Non - recognition of deferred income for donor receipts with related conditions	The Service has now adopted the recommendation of the audit Report and recognised deferred income on all unutilised donor funds as appearing in Statement of Financial Position	Mrs. Anastasia Muasya - Manager, Finance and Accounting	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
6.2	Plantation Revenue and Seeds & Seedlings - Minimal spending in trees seeds and seedlings planting despite earning substantial revenue from the tree sales.	The Service has been underfunded over a long time and has been trying to spend as much as it can afford on plantation establishment. The Service has now prioritized activities that will directly lead to increment in the forest tree cover.	Mr. Julius Kamau - Chief Conservator of Forests	Not resolved	Continuous
6.3	Unsupported Appropriations in Aid (AIA) - variance between AIA reported at KFS and AIA reported at the Ministry, budget for each compartment or acreage and No revenue target reports availed.	The Service reports its AIA from the Oracle system. An amount Kes.4,021,549,302 as at 30 June 2017 and schedules supporting the same was availed to the audit team. The amount reported by the Ministry may have been captured by the end of June when some revenue data may not have been posted in the system. The Service has management plans and felling plans for each compartment, and which indicates the amounts expected to be collected. These are available as well as revenue targets per county.	Mrs. Anastasia Muasya - Manager, Finance and Accounting	Resolved	
6.4	Unaccounted for Plantations Harvesting Revenue	On the review of plantation management in Meru Forest, the Service confirms that all of the merchants and compartments quoted have been captured in our system and paid for while the portions not paid for were not harvested by those allocated to and are still standing. This information was provided to the audit team.	Mr. Julius Kamau - Chief Conservator of Forests	Not resolved	Continuous

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
7	Unsupported Instructors Allowance - No evidence or approved rates and work done	The instructors allowance as happens in other military training institutions is usually 25% of the basic pay of the concerned officers. This is paid to instructors at the Kenya Forest College School of Paramilitary at a rate of 25% of basic salary as per the office of the President circular Ref: OP/PA.1/32ANIII/ (59) dated 23rd August, 2006. The number of those conducting instructor duties vary depending on the availability and number of trainees.	Mrs. Julianna Ochieng - Manager, Human Resource and Administration	Resolved	
8	Aircraft Operations and Maintenance Cost	The Service provided the schedules for maintenance of Aircraft expense and maintains travel logs of the aircrafts which are readily available for verification. The Service does not offer commercial aircraft services hence usage of this aircraft is highly dependent on the governments activities and institutions that hire our plane for official duties. The Certificate of Airworthiness has been restricted to non-commercial operations, as we do not hold an Air Service License or Air Operator Certificate. The operations outside the Service have been support flights limited to government, and other state corporations on request and subject to approval by the CCF. The government agencies in turn compensate the Service for cost of use of the aircrafts on an hourly basis.	Mr. Julius Kamau - Chief Conservator of Forests	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
9	Board of Directors Meetings - number of instances where the board's business was conducted outside principal place of business without authority		Laura Yego - Corporation Secretary	Not resolved	Continuous
10	Unsupported Special Operations Expenditure - Reports to support special activities on forest protection were not availed.	These reports are available for audit but were not requested for during the audit. Copies of some of the reports were attached to the response to the Draft Report.	Mr. Alex Lemarkoko - Deputy Chief Conservator of Forests - Forest Protection	Resolved	
11	Forest Conservation Committee Chairmen (FCC) Monthly Honoraria rates	The monthly honoraria rates for FCC Chairmen were approved by the State Corporation Advisory Committee (SCAC) during its meeting of 25th June 2009 and advised the Service vide correspondence Ref No. OP/SCAC.1/17/2. This was adopted by the Full Board during its meeting of 13th August 2009	Mr. Patrick Kariuki - Deputy Chief Conservator of Forests - Farm and Dryland Forestry	Resolved	



 Alexander Lemarkoko 'ndc' (K)
 Ag. Chief Conservator of Forests
 Date.....14/06/2023.....



 Peter Kinyua, FBS
 Chairman of the Board
 Date.....14/06/2023.....

Appendix 2: PROJECTS IMPLEMENTED BY THE SERVICE

Projects

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

Project title	Project Number	Donor	Period/duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1. WaTER Programme	FED/2016/375-958	European Union (EU)	2016 - 2020	EUR 4,000,000	Yes	Yes
2. Capacity Development for Sustainable Forest Management	5553	JICA	2016 - 2021	Kes. 2,700,000,000	Yes	Yes (GoK component)
3. Green Zones Development Support Project - II	P-KE-AAD-005	AfDB & GoK	2020 - 2025	Kes. 5,498,250,000	Yes	Yes

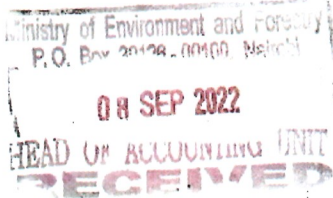
Status of Projects completion

Project	Total project Cost (Kes)	Total expended to date Kes	Completion % to date	2021/2022 Budget Kes	2021/2022 Actual Kes	Sources of funds
1 WaTER Programme	400,000,000	143,966,280	36%	-	-	EU & GoK
2 Capacity Development for Sustainable Forest Management	1,870,000,000	1,505,476,229	81%	129,030,754	129,030,754	JICA & GoK
3 Green Zones Development Support Project - II	5,498,250,000	1,569,680,585	29%	740,000,000	700,178,527	ADB & GoK

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Appendix 3: INTER-ENTITY TRANSFERS

The above amounts have been communicated to and reconciled with the Ministry of Environment & Forestry as below:



Kenya Forest Service Hqs
 Karura, Off Kiambu Rd
 P.O. Box 30513 - 00100
 Nairobi, Kenya

AIES/1/KFS (85)

22nd August 2022

Ref: No.....

Date:.....

Principal Secretary
 Ministry of Environment and Forestry
 NHIF Building - Ragati Road
 P.O Box 30126-00100
NAIROBI

Attn: George K. Gichuru

**RE: CONFIRMATION OF EXCHEQUER FINANCIAL YEAR 2021/2022
 RELEASE TO KENYA FOREST SERVICE KSHS 4,614,000,000.00.**

I confirm that Kenya Forest Service received Kshs 4,614,000,000.00 from the Ministry of Environment and Forestry exchequer during the financial year 2021/2022 i.e Kshs 4,160,000,000.00 for recurrent expenditure and Kshs 454,000,000.00 for Development expenditure.

The detail is as shown in the table below:

KENYA FOREST SERVICE EXCHEQUER

DATE RECEIVED	RECEIPT NO.	RECEIVED FROM	RECURRENT	DEVELOPMENT	REMARKS
22.09.2021	DD-45856	MIN. OF ENV & FORESTRY		85,000,000.00	NTPC PROJECT
17.11.2021	DD-45992	MIN. OF ENV & FORESTRY		85,000,000.00	NTPC-PROJECT
23.09.2021	DD-45870	MIN. OF ENV & FORESTRY		157,000,000.00	DEVELOPMENT
06.08.2021	DD-45933	MIN. OF ENV & FORESTRY	1,040,000,000.00		RECURRENT
28.10.2021	DD-45940	MIN. OF ENV & FORESTRY	1,040,000,000.00		RECURRENT

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04.02.2022	DD-107652	MIN. OF ENV & FORESTRY	1,040,000,000.00		RECURRENT
06.05.2022	DD-107773	MIN. OF ENV & FORESTRY	1,040,000,000.00		RECURRENT
04.07.2022	DD-107900	MIN. OF ENV & FORESTRY		127,000,000.00	DEVELOPMENT
TOTAL			4,160,000,000.00	454,000,000.00	

We appreciate your continued support



ANTHONY KARANJA
Ag. MANAGER FINANCE AND ACCOUNTING
FOR: CHIEF CONSERVATOR OF FORESTS

AKW/TK

Kenya Forest Service
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Kenya Forest Service Hqs
Karura, Off Kiambu Rd
P.O. Box 30513 - 00100
Nairobi, Kenya

Ref. No. AIES/1/KFS (60)

Date: 26th August 2021

Principal Secretary
Ministry of Environment and Forestry
NHIF Building - Ragati Road
P.O Box 30126-00100
NAIROBI

Attn: Head of Accounts - Mr. Okong'o

RE: CONFIRMATION OF EXCHEQUER RELEASE TO KFS KSHS 15,091,337.00

This is to confirm that Kenya Forest Service received Kshs 15,091,337.00 from the Ministry of Environment and Forestry in the current FY 2020/2021 Exchequer Development.

The amount received was for Multi Agency conducting the inventory sales assessment of mature and over mature forests as shown in the table below:

Reference Number	Date Received	Development (Kshs)
DD-45816	08-Jul-21	15,091,337.00
	Total	15,091,337.00

Thank You.


JULIUS KAMAU
CHIEF CONSERVATOR OF FORESTS

DK/IK

Trees for better lives

Tel: (254)020-3751904/5/6, (254)020-2014663, (254)020-7020285, Fax: (254)020-2385374



Kenya Forest Service
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Appendix 4: RECORDING OF 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	Statement of Financial Performance	Where Recorded/ Recognized			Total Transfers during the Year
					Capital Fund	Deferred Income		
Ministry of Environment & Forestry	08-Jul-21	Development	15,091,337	15,091,337	15,091,337			15,091,337
	06-Aug-21	Recurrent	1,040,000,000	1,040,000,000				1,040,000,000
	22-Sep-21	Development	85,000,000	13,426,485		71,573,515		85,000,000
	23-Sep-21	Development	157,000,000	157,000,000				157,000,000
	28-Oct-21	Recurrent	1,040,000,000	1,040,000,000				1,040,000,000
	17-Nov-21	Development	85,000,000	85,000,000				85,000,000
	04-Feb-22	Recurrent	1,040,000,000	1,040,000,000				1,040,000,000
	06-May-22	Recurrent	1,040,000,000	1,040,000,000				1,040,000,000
	04-Jul-22	Development	127,000,000	127,000,000				127,000,000
			4,629,091,337	4,557,517,822		71,573,515		4,629,091,337
African Development Bank (ADB)		Donor Funds	633,817,487	414,482,553		219,334,934		633,817,487
			633,817,487	414,482,553		219,334,934		633,817,487
Food and Agriculture Organization (FAO)		Donor Funds	16,329,934	16,329,934				16,329,934
			16,329,934	16,329,934				16,329,934
Total			5,279,238,758	4,988,330,309		290,908,449		5,279,238,758

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Appendix 5: COURT CASES AGAINST THE SERVICE

S/NO	FILE REF (KFS/LS/)	COURT	CASE PARTICULARS	NATURE OF CASE
1.	KFS/LS/01/08	NYERI	NYERI HCCC NO. 219 OF 2000 GEOFFREY THIONGO WAIGANJO - VS- THE AG & ANOTHER.	This is civil claim for compensation following non-fatal shot. A forest guard shot at the claimant three times occasioning him severe injuries on 27th April 2000
2.	KFS/LS/08/08	NAIROBI	NAIROBI HCCC APPL. NO. JR 522 OF 2008 BETHUEL MACHARIA KABUI -VS- KENYAFOREST SERVICE TETU/KABAGE/92-GAKANGA NYERI-	Applicant sought orders of certiorari to quash decisions in notices of 7th July, 2008 and 21st August, 2008 by DFO, Nyeri and order of prohibition from excising powers in the Forest Act, 2005 in an arbitrary and capricious
3.	KFS/LS/010/08	NAKURU	NAKURU HCCC NO.102 OF 1999 CHIRCHIR KOIMA & OTHERS -VS- EDWARD MUGUTHELI & ANOTHER.	A prerogative writ to compel KFS to effect decision of the Chebir Clan to settle in Chemomgong Forest
4.	KFS/LS/14/08	NAIROBI	NAIROBI HCCC NO. 1554 OF 2000 MORRIS RIUNGU -VS- ATTORNEY GENERAL	This is a suit for compensation of loss incurred by the plaintiff having bought wood and denied access/permit.
5.	KFS/LS/26/08	NAKURU	NAKURU HCC 255 OF 2004 -VS ATTORNEY GENERAL KIPTARUS TABOT & OTHERS	Application to challenge the eviction from Mau forest reserve.
6.	KFS/LS/31/08	NAKURU	NAKURU HCC 25 OF 2006 STEPHEN KIPRUTO TIGERE VS ATTORNEY GENERAL	Application to challenge eviction from south western Mau Forest. (LR No. 2942) Enderit Forest Block
7.	KFS/LS/32/08	NAIROBI	NAIROBI HCC 517 OF 2007 KHALIF SHEIKH ADAN VS ATTORNEY GENERAL	Case in Garissa where the applicant wants to grab forest land in Garissa.
8.	KFS/LS/36/08	NAKURU	NAKURU HCC NO 67 OF 2009 JACKSON M. KINYUA & 5 OTHERS VS KENYA FOREST SERVICE	LR NO. 13642 in Kiambu Forest Plaintiffs without the defendant's authority moved into the State Forest and plundered and have continued to waste the same
9.	KFS/LS/37/08	NAIROBI	NAIROBI HCC 848 OF 2003 GEOGLADYS HOLDINGS LTD -VS- ATTORNEY GENERAL.LR 20842 NGONG ROAD FOREST	Land was irregularly allocated to Mr. Koimange in 1996 and without knowledge of KFS was disposed to a third party (M/S Geoglady's Holdings Ltd) in 1999
10.	KFS/LS/50/08	MALINDI	NAIROBI HCCC MISC APPL NO 25 OF 2005.NAIROBI HC MISC APPL NO 340/07KALLIAPOPO- MADUNGUNI CASE IN MALINDI.	Gazettement was affected on 23rd Aug, 2004 for this area as a Forest. The residents protested when asked to vacate. Court issued orders against any eviction until the matter is settled. The matter has been pending for 5 years. Zonal Manager indicates that there is continued destruction by the squatters.
11.	KFS/LS/01/09	NAIROBI	NAIROBI HCC NO 141 OF 2010 JOHN PETER RUTHANGI VS KFS	KIAMBU ROAD L.R NO 17942 Claim for the above portion of land by Peter Ruhangi the applicant in the matter
12.	KFS/LS/018/09	NAIROBI	NAIROBI HC MISC CIVIL APPL 382/04 KAMA AGENCIES VS AG	The respondent Kama agencies claims the title of the parcel of land LR.NO.21350/1 which they claim to have been obtained through grant from the president though it is contested to be part of the Kiambu forest demarcated as forest reserve
13.	KFS/LS/38/09	ELDORET	ELDORET HCC NO 12 OF 2009 TIMOTHY INGODI & 87 OTHERS VS ATTORNEY GENERAL	The matter revolves around illegal encroachment of LikuyamiSeregea and seeking degazettement of the forest.
14.	KFS/LS/55/09	ELDORET	ELDORET HCC NO 123 OF 2009 SALINA JEROP VS JOHN WAFULA SIMIYU	Sale agreement between two parties on a piece of land in Eldoret Municipality Block 10/316 which has since been marked as a forest area.

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S/NO	FILE REF (KFS/LS/)	COURT	CASE PARTICULARS	NATURE OF CASE
15.	KFS/LS/61/10	NAKURU	NAKURU HIGH COURT PETITION NUMBER 6 OF 2010 KIPSANG KILELE & 5 OTHERS -VS AG & PRIME MINISTER.	This is a matter filed by the Ogiek community challenging their eviction from the Mau Forest. Case filed on 21/09/2010.
16.	KFS/LS/82/10	NAIROBI	IN THE MATTER OF ARBITRATION ACT 1995 BETWEEN M/S TRANSNATIONAL CONSTRUCTION LIMITED AND THE MINISTRY OF ENVIRONMENT & NATURAL RESOURCES.	The applicant is seeking for settlement of Kes. 4,377,289 awarded to them by the arbitrator from the ministry of environment & Natural resources
17.	KFS/LS/03/11	KITALE	KITALE HC NO 01/11 RUTONG'O FARM LTD VS AG SUPREME COURT APPEAL NO 2 OF 2016	Invasion of Sikhendu forest by members of Rutongo farm ltd.
18.	KFS/LS/07/11	ELDORET	ELDORET HCC PETITION NO 2/11 MARIA SOTI EDUCATIONAL TRUST VS AG	Illegal forest excision in Marakwet Keiyo zone Kaptagat forest.
19.	KFS/LS/17C/11	NAKURU	NAKURU HC PETITION NO 22 OF 2011 BARNABAS KIPTARUS BARNO VS KFS	Applicants are seeking compensation for being evicted from Likia Extension.
20.	KFS/LS/23/11	NAKURU	NAKURU HCC NO 108 OF 2006 MBURU KIMANI GACII VS DFO NYANDARUA	Illegal sale part of Olbollosat forest for the purpose of settling internally displaced persons.
21.	KFS/LS/24/11	MERU	MERU CIVIL SUIT NO 64 OF 2011 JOSEPH MWORIA JOHN & 3 OTHERS VS LOWER IMENTI FORESTER	Land dispute between the applicants and the forester, lower Imenti over land parcels no 1997 and 685 establishing Kuuru river boundary.
22.	KFS/LS/12/12	NAKURU	NAKURU PETITION NO 16 OF 2012 NICHOLAS KIMUTAI CHERUIYOT AND OTHERS VS KFS	Likia extensions- The Plaintiffs in this case have filed a suit in court seeking to be declared the lawful owners of parcels of land they own in Likia Extensions.
23.	KFS/LKS/14/12	NAKURU	NAKURU HC CIVIL SUIT NO 102 OF 2021 DANIEL MAINA KIBAGE VS KFS	The plaintiff is seeking for a court order to allow him to develop the parcel of land LR/NYANDARUA/MURUA/926. The land was a land settlement which he claims to be the lawful owner.
24.	KFS/LS/16/12	KITALE	KITALE CIVIL SUIT NO 4 OF 2012 PETER GICHOHI MUTHONI VS DIRECTOR KFS AND THE ZONAL MANAGER MARAKWET	Case on Plot number LELAN/KAPTALAMWA/162. The plaintiff is seeking for a court injunction restraining KFS from interfering with the said plot.
25.	KFS/LS/17/12	ELDORET	ELDORET VIVL SUIT NO 81 OF 2012 SQUAREDEALK KENYA LTD VS KFS	The plaintiff is seeking for a court order to allow them develop the said parcel of land. He is the registered owner of the said property and is seeking to evict KFS from the property.
26.	KFS/LS/23/12	NAKURU	NALURU CIVIL SUIT NO 276 OF 2012 KALYA SOI FARMERS COOPERATIVE SOCIETY VS PAUL KIRUI & KFS	The plaintiffs are seeking for permanent injunction restraining KFS & its agents from interfering with their operations on L.R. No. C/S MARA/OLOLUNGA/10463
27.	KFS/LS/28/12	NAIROBI	ELIJAH WAINAINA VS ATTORNEY GENERAL	Petitioner claiming ownership of L.R. Number Nyandarua/Kirima/298 which is a gazetted forest.
28.	KFS/LS/36/12	ELDORET	ELDORET HCC NO 196 OF 2007 JOSEPH KEITANY VS KEVIN OKWARA T/A ALPHAX COLLAGE	The applicant/plaintiff alleges to be the owner of ELDORET MUNICIPALITY BLOCK 10/164 and that a certificate of lease was issued to him. The land is part of Eldoret Forest and was leased to the defendant by KFS
29.	KFS/LS/37/12	NAKURU	NAKURU CIVIL SUIT NO 1342/12 KENROC BUILDING LIMITED VS KFS & 3 OTHERS	The applicant alleges to be the owner of over mature tree in Kericho Zone and hence should be allowed to harvest the same. Permit to harvest the trees was issued to Equator Willie Sawmills by KFS and the said company went ahead and sold the same to the applicant without the knowledge of KFS.

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S/NO	FILE REF (KFS/LS/)	COURT	CASE PARTICULARS	NATURE OF CASE
30.	KFS/LS/03/13	NAIROBI	NAIROBI HC PETITION NO 94 OF 2013 GITARAGA FARM LTD VS ATTORNEY GENERAL	The plaintiff is claiming that Kenya Forest Service is interfering with his rights in respect to L. R Number 9836 which it claims to have bought in 1993 last time in court was 28th October 2016, but Lenaola was not sitting, new dates in court will be communicated.
31.	KFS/LS/05/13	NAIROBI	NAIROBI ELC CIVIL SUIT NO 218 OF 2013 ANNE AMBUI MUNA VS KFS	The plaintiff is seeking for permanent injunction restraining Kenya Forest Service from interfering with her parcel of land Ngong Township
32.	KFS/LS/07/13	ELDORET	ELDORET HC PETITION NO 6 OF 2013 DAVID KIPTUM YATOR VS KFS & ATTORNEY GENERAL	Eviction from Kapolet Forest and Empotutu Forest. The Sengwer community has sued KFS in this matter claiming ownership of the Embobut Forest. The court has issued an order directing KFS and the other respondents to restrain from interfering with their enjoyment and occupation. Order was the status quo to remain pending hearing and final determination of petition
33.	KFS/LS/08/13	KERICHO	KERICHO HC CIVIL SUIT NO 3 OF 2013 KERICHO COUNTY VS KFS	The applicants are claiming unremitted cess from Kenya forest service produce. They have made an application under certificate of urgency requesting the court to restrain KFS from carrying out any activity in the forests within Kericho County.
34.	KFS/LS/15/13	NAKURU	NAKURU ELC SUIT NO 401 OF 2013 DICKSON MWANGI WANDERI VS WILLIAM CHEPTOO & ANOTHER	The applicant alleges that he is the legal owner of L.R NO Laikipia/Nyahururu/4881 and is seeking for orders to restrain KFS from interfering with his quite possession. Case is related to NAKURU CMCC NO. 1206 OF 2012 Dickson Mwangi -Vs- William Cheptoo See KFS/LS/40B/2012
35.	KFS/LS/18/13	NAIROBI	NAIROBI JUDICIAL REVIEW APPLICATION NUMBER 298 OF 2013 CORTEC MINING KENYA LIMITED VS CABINET SECRETARY MINISTRY OF MINING & ATTORNEY GENERAL	Applicant has sued KFS seeking for orders to compel KFS to allow him to carry out mining activities in mirima hill forest in Kwale county.
36.	KFS/LS/27/13	NAKURU	NAKURU PETITION NO 42 OF 2013 CLEMMENT KIPCHIRCHIR & OTHERS VS PRINCIPAL SECRETARY, MINISTRY OF LANDS & 4 OTHERS	Applicants Have Sued KFS Seeking for Orders to Stop KFS From Evicting Them from Likia Settlement Scheme Mau Forest. Odhiambo & Odhiambo Advocates have issued a bill of costs against the Service amounting to 27 million.
37.	KFS/LS/28/13	NAIROBI	NAIROBI PETITION NO 556 OF 2013 YORK WORLDIDE HOLDING LTD VS KFS & ATTORNEY GENERAL	The Petitioner is seeking for mandatory injunction directing KFS to remove the perimeter fence that was erected on LR. Number 20851, 20852 & 20853 Gigiri claiming that the said plots are duly registered to it.
38.	KFS/LS/30/13	NAIROBI	NAIROBI CIVIL PETITION NO 607 OF 2013 ROY HAULERS LTF VS ATTORNEY GENERAL, KFS AND SR,M NAROK	The applicants are seeking for orders to restrain KFS, AG and SRM Narok from disposing off, transferring or selling Scania Reg No. KBS 259G or trailer No. ZD 9893 pending hearing and determination of the suit.
39.	KFS/LS/06/14	NAKURU	JR NO 11 OF 2014 REPUBLIC VS KFS & OTHERS EXPARTE GEORGE NJENGA MUTERU & OTHERS	Matter filed by prequalified saw millers within Nakuru who claim despite being prequalified and having fulfilled all requisite conditions KFS have exclusively allocated forest produce to other interested parties. Plaintiff sought Orders nullifying the tender process used by KFS within Nakuru County.
40.	KFS/LS/07/14	NAIROBI	ELC NO 1571 OF 2007 KENYA ANTI-CORRUPTION COMMISSION VS GIGIRI COURT LTD & 3 OTHERS	Plaintiff sued KFS, NLC and The AG over property NAIROBI/BLOCK91/386 which is part of Karura forest.

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S/NO	FILE REF (KFS/LS/)	COURT	CASE PARTICULARS	NATURE OF CASE
41.	KFS/LS/08/14	KITALE	HC CONSTITUTIONAL PETITION NO 1 OF 2014 REUBEN LOTIM & OTHERS VS KFS & 3 OTHERS	Suit stemmed from an eviction notice to squatters in Lelan and Kapkanyar Forests. The petitioners/applicants claim to be pastoralist farmers and the exclusive legal proprietors of the land in question and have also claimed that KFS has interfered with their constitutional rights. Court ordered the joint survey of the boundaries and costs to be borne by the government and KFS. Survey has not been carried out to date and Director of Survey is to show cause for non-compliance.
42.	KFS/LS/18/14	BUNGOMA	ELC NO 146 OF 2012 ASHON SIKOLIA WANYONYI & 2 OTHERS VS CHIEF LAND REGISTRAR & 5 OTHERS	KFS sought to be enjoined in this matter where a temporary injunction was issued over parcels of land which form part of Chitambe forest.
43.	KFS/LS/24/14	NAIROBI	HC PETITION 418 OF 2014 JEREMMY MARK BLOCK VS KFS	The petitioner who is the registered owner of L.R No. 214/432 Muthaiga bordering karura forest to the north east, near getathura river, the petitioner is claiming that the river is situated in his property.
44.	KFS/LS/03/15	MIGORI	MIGORI CMCC NO 316 OF 2015 JUDITH ANDISI MISANGA VS DIRECTOR KFS & KFS	The plaintiff sued KFS seeking damages alleging unlawful stopping of development on private land and malicious prosecution of the plaintiff's workers. The plaintiff is also seeking a permanent injunction for Plot No. 111 Osiri Market which forms part of Nyatike/Macalder Forest.
45.	KFS/LS/04/15	MOMBASA	P & A CASE NO 58 OF 2015 AMINA DHAHRA ABAJIRA & ANOTHER VS KFS	The petitioners have sued KFS for having paid out the deceased's employee life cover benefits to the next of kin (wife) and disregarding the beneficiaries (children)
46.	KFS/LS/08/15	ELDORET	ELC NO 185 OF 2015 SAMUEL KOIMA & 52 OTHERS VS KFS AND ANOTHER	53 plaintiffs who have illegally encroached on to Kipkabus forest land (Ex-Kandie Farm) claiming to be the registered owners of the land have sued KFS for attempting to unlawfully evict them from their rightful property. They seek a declaration as to ownership and a permanent injunction against KFS.
47.	KFS/LS/15/15	NAIROBI	NAIROBI ELC PET NO 996 OF 2015 MWAGIRU NJAGU & ANOTHER VS KFS & 5 OTHERS	The petitioners want KFS to take necessary steps to repossess forest land in Kiambu forest
48.	KFS/LS/05/17	NAIROBI	MILIMANI ELC NO 1 OF 2017 ANKHAN HOLDINGS LTD VS KFS	The plaintiffs claim that a fire spread from the forest in Nakuru into their compound and destroyed property, they are claiming for compensation citing KFS staff negligence
49.	KFS/LS/10/17	BUNGOMA	BUNGOMA ELC NO 1 OF 2017 PETER & OTHERS VS KFS	The petitioner claims to be the owner of LR No 18486 situated in Ngong road
50.	KFS/LS/11/17	KERICHO	KERICHO ELC NO 6 OF 2017 JOSEPH KENY VS KFS & OTHERS	The petitioners have gone to court to stop their eviction from Mt. Elgon forest
51.	KFS/LS/15/17	KITALE	KITALE PETITION NO 4 OF 2017 CHORLIM MULTI-PURPOSE VS KFS & OTHERS	The petitioners allege to have been evicted from Mau Forest in 2009 and were never resettled or compensated. They want an order to re-occupy their land or compensation at market value. Land dispute the petitioners claim to be owners of a piece of land situated in Makunga forest. Having been squatters on the land and subsequently being issued with allotment letters.

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52.	KFS/LS/17/17	ARUSHA TANZANIA	IN THE AFRICAN COURT ON HUMAN & PEOPLE'S RIGHTS APPLICATION NO 006 OF 2012 AFRICAN COMMISSION ON HUMAN & PEOPLES' RIGHTS VS REPUBLIC OF KENYA	The Ogiek community against eviction from their ancestral land within the forest
53.	KFS/LS/20/17	THIKS	THIKA ELC NO 771 OF 2017 CHRISTOPHER KAMAU & OTHERS VS KFS	The petitioners claim ownership of parcels of land in Kamiti/Animer forest and sought orders to stop KFS from evicting them or interfering with their property
54.	KFS/LS/23/17	NAKURU	NAKURU HC JR NO 35 OF 2013 R VS PS MENR EXPARTE CHARLSE GITAHU KAMAU	Applicant applies to get an order of Mandamus to compel the Principal Secretary of the Ministry of Environment, Water and Natural Resources and/or KFS to pay the decretal sum costs and interests. This was after the plaintiff being injured after a government vehicle registration number GK 413 being driven negligently.
55.	KFS/LS/24/17	TIGANIA	TIGANIA PMCC NO 73 OF 2017 JAMES KOBIA VS CCF & AG	Malicious prosecution. The plaintiff claims that he was maliciously detained by KFS officers and has sought damages for wrongful confinement.
56.	KFS/LS/26/17	MAKUENI	ELC NO 6 OF 2017 MAKUENI COUNTY ASSEMBLY VS KFS AND OTHERS	The petitioner contends that logging and deforestation in Kivale Forest is taking place without any consideration by the County Environment Committee and an EIA taking place. They assert that the forest cover has dwindled to very low margins and the area remains threatened if left unchecked.
57.	KFS/LS/02/18	ELDORET	ELDORET PET NO 3 OF 2018 ELIAS KIBIWOTT & 20 OTHERS VS KFS	The petitioners are seeking injunction orders against KFS restraining KFS from interfering with their settlement in Embobut forest
58.	KFS/LS/03/18	KIAMBU	KIAMBU CMCC ELC NO 9 OF 2018 AGROPACK LTD VS KFS & JOAN SKUKBERRY	The applicant is seeking for an injunction restraining KFS from interfering with his alleged property LR No. 20009 within Kiambu forest
59.	KFS/LS/06/18	MIGORI	MIGORI ELC NO 22 OF 2018 KENNEDY OCHIENG OTIENO -VS- KFS & AG	The plaintiff claims to be the owner of a parcel of land called Suna East/Wasweta 1/12108 and claims KFS & Ag have trespassed to his land
60.	KFS/LS/07/18	NAIROBI	NAIROBI ELR NO 23 OF 2018 ESTHER W. KEIGE & VICTOR K. KOBIA VS KFS BOARD & PETER KINYUA	The petitioners sued KFS for infringement on rights. The court awarded damages of Kes. 2,000,000 to the petitioners. KFS filed an appeal to quash the judgement.
61.	KFS/LS/12/18	NAKURU	NAKURU CMC NO 50 OF 2018 PHILIP CHEBOCHOK VS KFS	The applicant alleges that KFS encroached into his land and planted trees on his land. Wants an order to bar KGFS from accessing his land
62.	KFS/LS/21/18	NAROK	NAROK ELC NO 12 OF 2018 JOSEPH KIMETO OLE OLEMAPELU VS THE AG, KFS & OTHERS	The petitioners allege illegal eviction from Mau Forest
63.	KFS/LS/23/18	THIKA	THIKA ELC NO 13 OF 2018 NGUGI MBUGUA VS CCF & OTHERS	The Petitioner alleges that the expansion of James Gichuru Road will expose his compound; he opposes the compulsory acquisition of the hill land at Sigona-Kikuyu.
64.	KFS/LS/26/18	ELDORET	ELDORET ELC NO 114 OF 2018 SAMUEL KIPWOMBOK & OTHERS VS EC UASIN GISHU COUNTY	The Applicants are seeking injunctive orders to prevent their eviction from Tarakwa/Lingwai/Block 1 (Koriomat)
65.	KFS/LS/27/18	NAKURU	NAKURU ELC PET NO 22 OF 2018 ISAAC RUTO & OTHERS VS KFS & OTHERS	The members of Omuch Self Help Group claim to have an interest on Parcel No. 09457 Mariashoni/Nakuru where they allege to have planted cypress trees.
66.	KFS/LS/01/19	KITALE	KITALE CMC ELC NO 9 OF 2019 BENSON SIMIYU WATAA VS KFS	The plaintiff sued the service seeking a permanent injunction restraining us from evicting and demolishing Besiwa Green Env.
67.	KFS/LS/02/19	MALINDI	MALINDI ELC NO 1 OF 2019 CHRISTOPHER RUWA NZAI VS KFS & ANOTHER	Land in Kilifi LR No. 5054/1328 measuring 0.5 Ha housing the KFS staff

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68.	KFS/LS/8/19	NAKURU	NAKURU CMCC NO 412 OF 2019 SALEE KILONZO VS KFS	Accident involving along Nakuru Eldoret Road MV Registration Number KBT 430N belonging to KFS. Plaintiff is suing for damages.
69.	KFS/LS/9/19	NAKURU	NAKURU CMCC NO 413 OF 2019 MARY C. KAGUMO VS KFS	Accident involving along Nakuru Eldoret Road MV Registration Number KBT 430N belonging to KFS. Plaintiff is suing for damages.
70.	KFS/LS/10/19	NAKURU	NAKURU CMCC NO 415 OF 2019 ROSE KIMEI VS KFS	Accident involving along Nakuru Eldoret Road MV Registration Number KBT 430N belonging to KFS. Plaintiff is suing for damages.
71.	KFS/LS/18/19	ENGINEER	ENGINEER PMCC NO 45 OF 2019 NANCY NYAMBURA LEMISO VS KFS & AG	The applicant is suing on behalf of the estate of Felix Lemiso who was fatally shot and injured by a colleague while on duty in Nyandarua forest
72.	KFS/LS/23/19	NAKURU	NAKURU ELC NO 314 OF 2019 GEORGE KIMANI KARIUKI VS AG & KFS	The claimant is claiming ownership of Nakuru Municipality Block 8/92. He claims the Service wrongfully and forcefully entered into his property.
73.	KFS/LS/28/19	KIAMBU	KIAMBU PMC NO 494 OF 2018 CATHERINE WANJIRU MAINA VS KFS	The Plaintiff is seeking for compensation for injuries caused after she was hit by a Service car
74.	KFS/LS/9/20	NYAHURURU	NYAHURURU ELC NO 3 OF 2020 LEONARD GIKARU WACHIRA VS KFS & OTHERS	The Petitioner claims to be the absolute owner of Titles Nyandarua/Muruai/1575 and 1576 the subdivisions of Nyandarua/Murumai/1152
75.	KFS/LS/11/20	NAKURU	NAKURU CMCC NO 388 OF 2020 ROBERT NJENGA & ANOTHER VS KFS & ANOTHER	Plaintiff contends that KFS officers confiscated and detained his power saw for more than 10 months rendering him jobless.
76.	KFS/LS/12/20	NYAHURURU	NYAHURURU ELC NO 28 OF 2020 PERIS NJERI HOME VS KFS	The plaintiff alleges to be the absolute owner of LR. No. Laikipia/Nyahuru/6692. KFS officers blocked him from accessing and enjoying the parcel of land which the position of service is that the land is question is part of forest.
77.	KFS/LS/14/20	NYAHURURU	NYAHURURU ELC NO 30 OF 2020 SAMUEL MWANGI KANIARU VS KFS	The plaintiff alleges to be the absolute owner of LR. No. Laikipia/Nyahuru/6777. KFS officers blocked him from accessing and enjoying the parcel of land which the position of the Service is that land is question is part of forest.
78.	KFS/LS/15/20	NAIROBI	MILIMANI ELC PET NO 20 OF 2020 KWA LANGATA RESIDENTS WELFARE ASSOCIATION & ANOTHER VS KFS & OTHERS	The petitioners are challenging eviction from Ngong road forest by the Ministry of Environment and KFS
79.	KFS/LS/16/20	NAIROBI	MILIMANI ELC PET NO 22 OF 2020 BEIGE INVESTMENT LTD VS KFS & 4 OTHERS	The petitioners are challenging eviction from Ngong road forest by the Ministry of Environment and KFS
80.	KFS/LS/17/20	NAIROBI	MILIMANI ELC PET NO 23 OF 2020 LANGATA GARDENS LTD VS KFS & 4 OTHERS	The petitioner is challenging eviction from Ngong road forest by the Ministry of Environment and KFS
81.	KFS/LS/19/20	NAIROBI	MILIMANI ELC NO E010 OF 2020 UASO	The Petitioners are claiming ownership to Michuki Park Land.
82.	KFS/LS/20/20	NAKURU	NYARIBE WATERFRONT VS KERIAKO TOBIKO & OTHERS NAKURU CMCC NO 248 OF 2020 PAUL	Accident involving KFS M/V RG No KCP 290B along Nakuru Eldoret Road. Plaintiff is suing for damages.
83.	KFS/LS/24/20	KAJIADO	KANYARI VS KFS & ANOTHER KAJIADO ELC PETITION CASE NO E001 OF 2020 SHAHN MADHAHI VIEHWEBER VS KFS	The Petitioner claims lawful ownership of two parcels of land, Kajiado/Meto/1849 & Kajiado/Meto/1850 bordering Oldonyo Orok Forest Reserve

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84.	KFS/LS/25/20	NYAHURURU	NYAHURURU CIVIL SUIT NO 176 OF 2020 MARY ALITI APURON VS KFS	The plaintiff is suing as a legal representative of the estate of the deceased who was knocked down while cycling by a KFS vehicle.
85.	KFS/LS/2/21	NYERI	NYERI CMCC NO E015 OF 2021 KELVIN MATHENGE GICHURU VS KFS	The petitioner is suing for damages arising from an accident along Nyeri-Nanyuki road involving KFS M/V Registration number KBT 465N and M/C Reg KMEQ 483C.
86.	KFS/LS/3/21	NYERI	NYERI CMCC NO E015 OF 2021 ANASTACIA WANJIRU WANGI VS KFS	The petitioner is suing for damages arising from an accident along Nyeri-Nanyuki road involving KFS M/V Registration number KBT 465N and M/C Reg KMEQ 483C.
87.	KFS/LS/9/21	NYAHURURU	NYAHURURU ELC NO E006 OF 2021 JAMES KAMAU MUNGAI VS KFS	The Plaintiff alleges that the service authorized strangers to strangers to L.R No Laikipia/Nyahururu/6784 and 6785 to which he is the registered proprietor and L.R No Laikipia /Nyahururu/6693,6699,6710 and 6786 to which he is a beneficial owner.
88.	KFS/LS/10/21	NYANDO	NYANDO ELC NO E15 OF 2021 RUTH OMONDI OTIENO & ANOTHER VS KFS	The Plaintiff has instituted a suit against KFS alleging that she is the administrator of the estate of Meshack Eric Otieno who is the owner of the suit property. The petitioner claims that KFS has threatened to remove the fence and buildings on the said property.
89.	KFS/LS/14/21	KERICHO	KERICHO ELC NO 28 OF 2021 ESTHER RUTO VS KFS & AOTHER	The Plaintiff Esther Ruto is suing on behalf of Jeremiah Kipkurui Ruto alleging that KFS has infringed on his land which is in Londiani forest.
90.	KFS/LS/16/21	NAIROBI	MILIMANI ELC NO E089 OF 2021 GEORGE MUTUA NDOLO VS KFS & OTHERS	The plaintiff alleges that KFS is interfering with his parcel of land a residential plot LR 22410 in Karen Nairobi and wants an injunction against the same or compensation for the same
91.	KFS/LS/20/21	NATIONAL ENVIRONMENT TRIBUNAL	NET APPEAL NO 14 OF 2021 HYDROMASTERS DRILLING COMPANY LIMITED VS KFS	The appellant states that the Service terminated their Special Use License and are seeking to be awarded 38,200,000 in damages.
92.	KFS/LS/21/21	NAROK	NAROK PETITION NO. E004 OF 2021 SUSAN SEIN ENKOLE VE=KFS & CS OF ENVIRONMENT AND FORESTS	The petitioner herein alleges to be the beneficial owner of motor vehicle registration No.KAA 141L TOYOTA PICKUP which was detained by KFS officers from Nkobon Forest camp on 27th November 2018 for allegations of ferrying Cedar Posts without Permit .However the petitioner claim that the vehicle was ferrying bags of maize as opposed to the Cedar post from Narok town to Sanangururi Village.
93.	KFS/LS/22/21	NYERI	NYERI ELC NO 15 OF 2021 RICHARD MAINA MWANGI VS= ECOSYSTEM CONSERVATOR NYERI COUNTY & 5 OTHERS	The EC- Nyeri county has been sued in the above matter as 6th Defendant at Nyeri Environment and Land Court. The plaintiffs are members of {KISS} they avers that sometimes back in 1985 they invested 6 Million to construct a weir across River Gichichi from which point the main pipes that supply members water. In 1985 there emerged a protracted conflict between them the EC included
94.	KFS/LS/23/21	KITALE	KITALE MISC SUIT NO. E046 OF 2021 PETER KIMANI VS= FOREST STATION MANAGER SABOTI FOREST STATION	The plaintiff went to court and obtained orders to transport forest produce without serving KFS.
95.	KFS/LS/24/21	NYANDARUA	NYANDARUA ELC NO.35 OF 2020 FRANCIS MWANGI WANYIMA VS= THE OFFICER IN CHARGE GETA FOREST STATION IN OL-KALAU	The plaintiffs alleged that they were granted the right to occupy and use a portion of Aberdere Forest. Plaintiff also alleged that on 28th October the Defendant's in the meeting resolved that the plaintiffs should vacate the suit property together with their livestock.

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96.	KFS/LS/25/21	KWALE	KWALE CIVIL SUIT NO.187 OF 2021; YOHANA HENRICK MADUUDI VS- KFS KWALE CIVIL SUIT NO.176 OF 2021; JOHN KASSIM HAMSINI VS- KFS OFFICER IN CHARGE GETA FOREST STATION IN OL-KALAU	The case mentioned concern an accident that occurred along Kombani- Kwale road, Vuga area involving motor vehicle reg. No.KBT 558N and motorcycle Reg. No. KMFH 185K
97.	KFS/LS/26/21	NAKURU	NAKURU ELC NO.80 OF 2021, CHARLES A. RONGO AND 11 OTHERS VS- KFS AND 3 OTHERS	The Service is sued as 2nd Defendant, the plaintiffs herein allege that they are the registered owner of the following parcel of lands; KIHONGO/LIKIA BLOCK 1/781, KIHONGO/LIKIA/BLOCK1/953, KIHONGO/LIKIA BLOCK 1/343, KIHONGO/LIKIA BLOCK1/359, KIHONGO/LIKIA BOCK 1/372, KIHONGO/LIKIA BLOCK 1/371, KIHONGO/LIKIA BLOCK 1/1460, KIHONGO/LIKIA BLOCK 1/699, KIHONGO/LIKIA BLOCK 1/747, KIHONGO/LIKIA BLOCK 1/753, KIHONGO/LIKIA BLOCK 1/817, KIHONGO/LIKIA BLOCK 1/818, KIHONGO/LIKIA BLOCK 1/934 AND KIHONGO/LIKIA BLOC 1/948
98.	KFS/LS/27/21	NAIROBI	NAIROBI ELC PETITION NO E047 OF 2021, BENSON WEMALI VS- KFS	The respondent herein allege that He and Her Sister are the registered proprietors of the land Ref No. 4419 (Original Number 26/3/2)
99.	KFS/LS/28/21	NVERI	NVERI CONSTITUTIONAL PETITION NO.E11 OF 2021, NYERI MANUFACTURERS ASSOCIATION VS- KFS	The respondent has through an advertisement in print media title ' Investor to tender and addendum title No.1 disposal of forest plantation material tender No's KFSDISP/02/2021-2022, KFS/DISP/03/2021-2022, KFS/DISP/04/2021-2022, KFS/DISP/05/2021-2020 has invited interested eligible forest industry investors to submit bids for sale of Forest Material with closing date of Tuesday 14th December, 2021
100.	KFS/LS/29/21	NAKURU	NAKURU CONSITITUTIONAL PETITION NO. E19 OF 2021, TIMBER MANUFURERS ASSOCIATION VS- KFS & 2 OTHERS	We respondent replying affidavit to the Attorney-General to enter appearance
101.	KFS/LS/30/21	NAIROBI	NAIROBI CONSITITUTIONAL PETITION NO. E 053 OF 2021, JAPHET KITHI CHEGA VS- KFS AND KFS BOARD	The petitioner herein alleges that the Advertisement dated 30th November 2021 by the respondents to Tender is in contravention of extension of the moratorium on longing in public and community forest issued by the CS MEF under section 31, 44, 48 and 61 of the FCM Act 2016
102.	KFS/LS/31/21	MALINDI	MALINDI CONSITUTIONAL PETITION NO.320F 2021, SWALEH MOHAMED SALEH & ANOTHER VS- NATIONAL LAND COMMISSION, AND THE AG	The petitioner herein alleges that they are registered proprietors of parcel of land known as Chara/Kipini/Block 1/11, 1/10, 1/9, 1/8, 1/7, 1/6, 1/2, 1/3, 1/4, 1/5 and Witu/Witu/ Block/1/16, 1/17, 1/15, 1/13, 1/12, 1/11, 1/14, 1/5, 1/6, 1/7, 1/8, 1/9, 1/10 Which they said it has been posses and occupied by National Land Commission , Ministry of Defense and The AG
103.	KFS/LS/32/21	NAKURU	NAKURU CIVIL SUIT NO E1345 OF 2021, GEORGE MWANGI NYABERA VS KFS	The case is concerning an accident that occurred a long Nakuru Highway involving motor vehicle registration No. KCT 606Y registered to the Service
104.	KFS/LS/33/21	KISII	KISII ELC CASE NO.138 OF 2021, LEAH MAGOMA ONGAI VS KFS	The plaintiff herein alleges to be Legitimate proprietor of land parcel No. KISII MUNICIPALITY/BLOCK III/ 294 and the Service has on intermittent periods used the suit property as temporal Central Tree Nursery
105.	KFS/LS/34/21	ITEN	ITEN CIVIL CASE NO. E49 OF 2021. PHILIP KIMOSOP =VS= KFS	The case is cancers an accident that occurred along Karuna-Kapsowar road involving motor vehicle registration No. KBQ 243D registered to the Service. The plaintiff herein has sued the service for damages occasioned to his vehicle.

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106.	KFS/LS/35/21	NAKURU	NAKURU ELC MISC APPLICATION NO. E049 OF 2021. ELASCO RONDI & 9 OTHERS =VS= KFS & 4 OTHERS	The applicants herein are seeking to compel the Service to cease the alleged forcible evictions and tearing down of the premises and abodes of the Ogiek Community without Notice
107.	KFS/LS/01/22	MILIMANI	MILIMANI MISC CRIMINAL APPLICATION NO. E023 OF 2022. JOSEET ITOTIA NJORONGE =VS= KFS	The suit originated from the Makadara criminal case No. 79 of 2022 and / or E076 of 2022, Where the lorry makes ISUZU FRR Registration No. KBW 9955 was loaded with 12 bags of Charcoal and accused person namely JOSEET ITOTIA NJORONGE was arrested for transporting the Charcoal without a movement Permit.
108.	KFS/LS/02/22	ELDAMA RAVINE	ELDAMA RAVINE MC MISC. APP. CASE NO. 4 OF 2022. CHUMA MART LIMITED & ANOTHER =VS= KFS	The applicants are seeking the Court to compel the Service to release motor vehicle Registration No. KCV 736 ISUZU LORRY TRUCK, Which was abandoned and unclaimed. The same vehicle was found illegally removing forest produce were it was loaded 35 Cypress logs inside and its occupants escaped.
109.	KFS/LS/03/22	MERU	MERU CONSTITUTIONAL PETITION NO. E002 OF 2022. GREAT MERU TIMBER MANUFACTURES ASSOCIATION =VS= KFS CS-MOE & AG	The petitioner avers that on 27th February 2018 the Chief Conservator of Forest issued a letter indicating that the Government had with immediate effect imposed a moratorium on Timber harvesting in all Public and community forests thus effectively blocking the petitioners from harvesting and removing the over mature trees without prior Notice or warning issue to them.
110.	KFS/LS/04/22	MOLO	MOLO MISCELLANEOUS APPL. NO. 43 OF 2022. NAOMI NJAMBI NJUGUNA =VS= KFS & ANOTHER	The applicant has applied to the Court to compel the Service to release motor vehicle Registration No. KCB 430D ISUZU LORRY TRUCKS, Which was found illegally removing forest, produce in Masaita Forest Station and its occupants were arrested.
111.	KFS/LS/05/22	ELDAMA RAVINE	ELDAMA RAVINE CRIMINAL CASE NO. E454 OF 2022. REPUBLIC LAWRENCE MENGICH =VS= KFS	The accused person was arrested on 23rd of October 2019 for and charged with the offences of illegally entering a state Forest and removing forest produce with a lorry registration No. KXB 358 was also impounded with six pine logs
112.	KFS/LS/06/22	ITEN	(1) ITEN CIVIL CASE NO 34 OF 2022 LOBETA E. ISAAC, (2) ITEN CIVIL CASE NO 33 OF 2022. YONAH KIBET MASAI, (3) ITEN CIVIL NO.32 OF 2022. ZEBEDEE KIPRONO CHEPWONY AND (4) ITEN CIVIL NO.37 OF 2022. JOHN EKALALE =VS= KFS	The Service has sued by four of its officers who involved in accident with motor vehicle registration No. KBR 247 U Registered by the Service while there in duty. The plaintiffs pray for a special damages, General damages for pain, suffering and loss of amenities and any other relief the court deems fit to grant