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ON

NATIONAL YOUTH SERVICE

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



NATIONAL YOUTH SERVICE

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDING JUNE 30, 2021

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY

28 JUL 2022

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

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1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background Information

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

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

The Field Units include:

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

Commanding Officers (COs) head the Field Units.

The Technical and Vocational Training Institutes are hosted within Field Units and headed by College Principals.

The total number of service men and women during the period under review was **54,059** undertaking paramilitary training, national service programmes and vocational training. The total personnel during the same period were **2,304** comprising **1,841** uniformed and **463** civilian officers, translating to an additional of 468 officers recruited to fill the staffing gaps and enhance service delivery.

(b) Principal Activities

i. Mandate

NYS has mandated to undertake the following activities (*NYS Act, 2018 section 7*):

- a) Undertake paramilitary training of its members;
- b) Implement national service programs that instill in members of the Service a culture of patriotism, loyalty, integrity, duty and service to the nation;
- c) Provide technical and vocational training, professional and personal development programmes and activities for its members;
- d) Undertake enterprise and commercial activities;
- e) Undertake leadership development programs and activities for its members;
- f) Undertake collaborative alliances for furtherance of its functions;
- g) Undertake cross-cultural activities for integration of its members; and
- h) Assist the Kenya Defence Forces (KDF), the National Police Service (NPS) and other public authorities during emergencies, disasters, war or insurrection, or in execution of the mandates of the public authorities as the Council may determine.

ii. Vision

The Service, therefore, envisions itself as a center of excellence in transforming, training and empowering Kenyan youth (Strategic Plan 2019 - 2024).

iii. Mission

The mission of the Service is to develop disciplined and empowered youth and instill members and staff of the Service with patriotism, loyalty, integrity and commitment to duty and service for effective participation in national development (Strategic Plan 2019 - 2024).

(c) Key Management

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

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

(d) Fiduciary Management

The Key Management personnel who held office during the financial year ending 30th June 2021 and had direct fiduciary responsibility were:

S/No/	Name	Designation
1.	Matilda P. Sakwa (Ms.), EBS	Director-General
2.	Mr. James K. Tembur, MBS	Deputy Director-General, Corporate Services
3.	Mr. Enock L. Amudavi, MBS	Deputy Director-General, Paramilitary Training and National Service
4.	Mr. Henry Oganyo	Director, Human Resource Management & Development
5.	Mr. Peter Maina King'ori	Director, Technical and Vocational Training
6.	Mr. James Kairu	Director, Supply Chain Management Services
7.	Mr. James Mmata	Director, Operations
8.	Ms. Jacklyn Makanda	Director, Strategy and Planning
9.	Ms. Maggy N. Munyasya	Director, Internal Audit
10.	Mr. Daniel K. Kipchumba	Director, Commercial Enterprises and Marketing
11.	Mr. John Olima	Head: Finance
12.	Mr. Elias Macharia	Head: Accounts

(e) Fiduciary Oversight Arrangements

NYS has the following fiduciary oversight arrangements in place:

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

(f) Entity Headquarters

National Youth Service Headquarters

Off Thika Super Highway, Ruaraka

P. O Box 30397 – 00100

NAIROBI, KENYA

(g) Entity Contacts

Tel: +254 20 8563521

Fax: +254 20 8561489

Email: Director.General@nys.go.ke

Website: www.nys.go.ke

(h) Entity Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O Box 60000 - 00200
NAIROBI, KENYA
2. Kenya Commercial Bank
Moi Avenue
Post Box 48400 – 00100
NAIROBI, KENYA
3. National Bank of Kenya
Harambee Avenue
P.O Box: 72866 – 00200
NAIROBI, KENYA

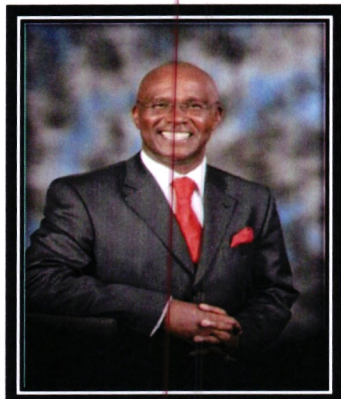
(i) Independent Auditors

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

(j) Principal Legal Advisor

The Attorney General
State Law Office
Harambee Avenue
P.O Box 40112
City Square 00200
NAIROBI, KENYA

2. THE BOARD OF DIRECTORS



Lt Gen (Rtd) Njuki Mwaniki, MGH, CBS, OGW, ndc (K) – Chairman (App. on 7th February, 2019)

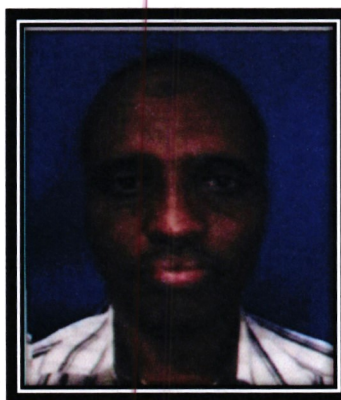
An ardent infantry retired military Three-Star-General, Njuki Mwaniki holds a Masters of Arts in War in the Modern World from The King's College, London. He holds a Diploma in International Studies from the University of Nairobi, Diploma in Military strategy from the National defense University, Beijing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

services spanning over 40 years.



Matilda P. Sakwa (Ms.), EBS – Director General/Chief Executive Officer/Secretary (App. 1st June, 2019)

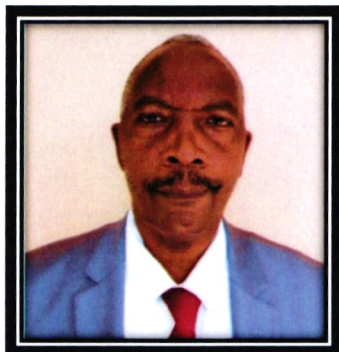
Ms. Sakwa holds a Masters in Development Studies from the International Institute of Social Studies at the Hague, The Netherlands and a Bachelor of Arts from the University of Nairobi. She is an accomplished public servant with over thirty (30) years of diligent Service in the Public Service. She was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



Mr. Adhan Nuri Berhe – Independent Member (App. on 7th February, 2019)

Mr. Berhe holds a Master of Arts in Project Planning and Management from the University of Nairobi, and a BSc in Wildlife Management from Moi University. He has over 25 years of experience in Project Management, Governance and Leadership in both public and private sector. He was also the Chairman of the County Public Service Board, County Government of Tana River.

THE BOARD OF DIRECTORS (Conti...)



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

Mr. Wachira holds an MBA in Management Information Systems, a BSc in Meteorology both from the University of Nairobi and a Postgraduate Diploma in Systems Analysis and Design from Edinburgh Napier University. He is the Managing Consultant of Peak Line Consultants Limited, Nairobi. He has a wide exposure and experience in Training and Capacity Building; Performance Management Systems; and Strategic Management. Mr. Wachira has hands-on experience in corporate governance of State-owned Enterprises (GOEs) through successful formulation and implementation of corporate policies, strategy and performance management systems at the Kenya School of Government.



Mr. Ali Sahal Idris – Independent Member (App. on 7th February, 2019)

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



Dr. Nkatha Linda Gichuyia – Independent Member (App. on 7th February, 2019)

Dr. Nkatha holds a PhD in Architecture and an MPhil in Environmental Design, both from the University of Cambridge in the UK. She is currently a Lecturer at the Architecture and Building Science Department of the University of Nairobi. Recently, she got appointed as a visiting assistant professor to the University College Dublin's School of Architecture, Planning and Environmental policy for a period of 3 years beginning 1st September 2020. Dr Nkatha is deeply involved

as well in drawing both National Government and International Policy Frameworks, in her other various capacities as a knowledge broker, Gates Cambridge Scholar, practicing Architect, and as an independent researcher and urban development consultant.



Mr. Vincent Ombaka – Independent Member (App. on 7th February, 2019)

Mr. Ombaka holds a Master of Laws (LLM), a Post-Graduate Diploma and Certificate in Laws from the University of London; a Bachelor of Laws (LLB) from the University of Nairobi; a Diploma in Laws from the Kenya School of law and a Certificate in company secretarial practice. He has a wealth of skills in policy development, research, legislative drafting and business development.



Maj Gen Fatuma Gaiti Ahmed, CBS, OGW – Alternate Member, Chief of the Kenya Defence Forces

An accomplished military officer, Maj Gen Ahmed holds a BA in Sustainable Human Development from Catholic University of Eastern Africa (CUEA) and a Diploma in Management from Strathmore University.



Mr. Arthur Chege Nduati – Alternate Member, PS, The National Treasury

Mr. Nduati holds an Executive MBA from Jomo Kenyatta University of Agriculture and Technology, BED (Arts) from Kenyatta University and is a Certified Public Accountant (CPA-K).

He is a member of the Institute of Certified Public Accountants of Kenya (ICPAK) with over 16 years' experience in public service.

THE BOARD OF DIRECTORS (Conti...)



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

Dr. Muinde holds PhD in Information Systems from the Victoria University of Wellington, New Zealand and a Masters and Bachelors in Education. She has served in various capacities in the Public Service for over thirty-one (31) years, as an educationist; Deputy Director of Programmes in the Civil Service Reforms Programme; Director, Youth Development; Director, Management Consultancy Service in charge of

Public Service Delivery Innovation and is currently the Director, Human Resource Development, State Department for Public Service. She is an active member of the following professional associations: Institute of Human Resource management (IHRM (K); Kenya Institute of Management (KIM); Kenya Association of Public Administration Management (KAPAM); Association of Africa Public Administration (AAPAM) and the Globethics Advisory Board.



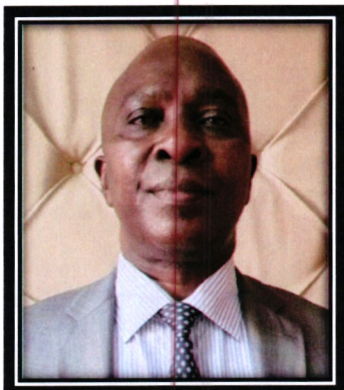
Ms. Anita Jeruto Chepseba – Alternate Member, the Attorney General

Ms. Chepseba has over 14-year experience in legal practice, including over 10 years in Public Service. She holds a Bachelor of Laws Degree (LLB) from Moi University and a Diploma in Law from Kenya School of Law.



Mr. Benson Ndiira Mugambi - Alternate Member, PS, Youth Affairs

Mr. Mugambi is a career civil servant and the current Secretary for Administration at the State Department for Youth Affairs. He is an alumnus of both the National Defence College and NYS (pre-University training programme). He holds a MA (international Studies) and a Bachelor of Arts (Public Administration) from the University of Nairobi.



Mr. Moffat Kangi - Alternate Member, PS, Interior

Mr. Holds a Master's Degree in Business Administration from Kenyatta University and a Bachelor of Arts (Government) from the University of Nairobi.

He has a wealth of experience in public administration spanning over 35 years. He is currently the Principal Administrative Secretary, State Department for Interior and Citizen Service.

3. MANAGEMENT TEAM



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



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



**Mr. Enock L. Amudavi, MBS
DDG, PT&NS
MBA (HRM), IHRM**

4. THE CHAIRMAN'S STATEMENT

The National Youth Service (NYS) was established as a State Corporation following the enactment of the NYS Act, 2018 vide a Kenya Gazette Supplement No. 160 (Acts No. 17).

Section 7 of the Act outlines the mandate of the Service which I am pleased to report that the NYS Annual Report and Financial Statements for the year ended 30th June, 2021 has adequately presented.

The Council drafted five (5) policies and six (6) Regulations, and approved 3 policies and 3 strategies.

The Council also recruited critical staff of the Service to ensure effective succession and service delivery, namely: One Director (Finance and Accounts) and 728 Privates.

From the familiarization tour undertaken by the Council in May, 2021 seven (7) Field Units were visited and the Council identified the unique potentials within the NYS Field Units. The Council made recommendations on areas of focus in regard to the mandate of the Service for the next five years.

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

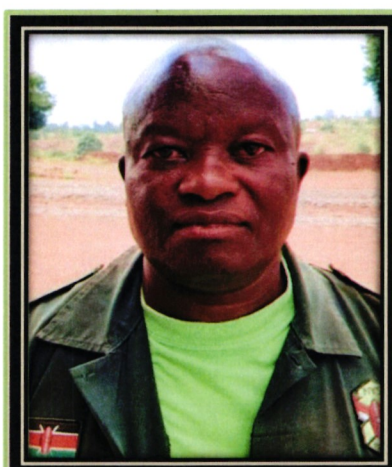
The Council is hopeful that with effective containment of the Covid-19 global pandemic and recovery of the economy, the Service will be allocated more resources. The additional resources will be prudently invested into vibrant commercial and enterprise activities to enable optimal use of the massive resources owned by the Service and spur the Service into self-reliance.

I am grateful to the Government for continued support to the Service despite the budget cut of Ksh 2 billion. The NYS Strategic Plan, 2019 – 2024 is quite ambitious on various policy, infrastructure development, commercial investments of the Service (section 7, 1 (d)) and human resource matters.

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

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

LT GEN (RTD) NJUKI MWANIKI - CHAIRMAN, NYS COUNCIL



James Mmata
Director, Operations
MA. (International Studies)



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



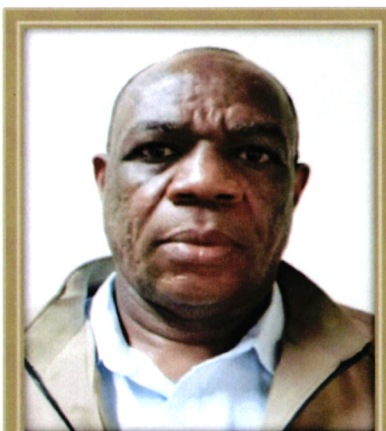
Peter Maina King'ori
Director, Technical Training
MSc. (Info. Systems)



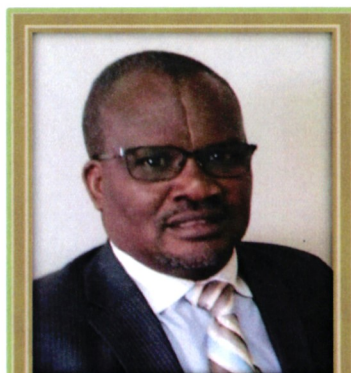
CPA. Elias K. Macharia
Head of Accounts
MBA (Finance)



Jacklyn Makanda
Director, Strategy & Planning
MBA. (International Studies)



Henry Obanyi
Director, HRM&D
MA. (HRM), IHRM



CPA. Olima John Oganyo
Head of Finance
MBA (Finance) & MPP&M

5. REPORT OF THE CHIEF EXECUTIVE OFFICER

This is the second Annual Report and Financial Statements since the establishment of the National Youth Service (NYS) as a State Corporation. During the year under review, the Service realized revenue amounting to **Ksh.362,305,055.25** against a target of **Ksh.723,570,000** amidst the challenges of the Coronavirus pandemic.

Management remains appreciative of the financial support received from Government of **Ksh 7,393,460,800.00** in recurrent grants and development grant. This year, the Service posted a fair financial performance attributed to strict adherence to financial procedures, enhanced partnerships and the introduction of effective cost-reduction measures. A pending bill of **Ksh 791,733,701** was recorded due to late submission of requests in a bid to ensure PC targets are met.

As a result, the Service enlisted 15,546 youth against the required 30,000. A total of 7,811 recruits graduated after successfully undertaking the paramilitary training at the NYS College. The Service engaged its members in food production activities, cotton production, presidential directives (rehabilitation of railway, boda-boda riders' training, 'kazi mtaani' and desert locust control operations. We too undertook commercial activities in certified potato seeds, garment production, laundry services, bakery production, mineral water production and bottling, fodder production, and horticulture production. On skills transfer, the Service enrolled 21,364 service men and women in technical and vocational institutes, which translated to 39,524 of them undertaking various courses during the period under review. On job placement, 250 SM/W were employed by KDF, 50 by Kenya Police and 106 by Huduma Kenya Secretariat in various capacities.

Lastly, the Service has invested heavily in building a strong culture of unity of purpose and commitment to the mission and ideals of the Service through development of a framework for management and leadership competencies and capacity building of its members. As a result, the NYS Council approved critical policy instruments including the Finance and Accounts Policies and Procedures Manual, Procurement, Assets Management and Disposal Policies and Procedures Manual, among others. The Council also employed the Director, Finance and Accounts - Grade NYS 3, and 728 Privates - Grade NYS 15. The Service also undertook promotions, capacity building and training of 1,355 staff.



MAPILDA P. SAKWA
CHIEF EXECUTIVE OFFICER

6. STATEMENT OF THE NATIONAL YOUTH SERVICE PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2020/2021

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

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

Performance targets and indicators of the NYS Annual Work Plan (AWP) are derived from these programmes/Strategic Result Areas. Consequently, Performance Contract (PC) targets are derived from the AWP. Achievements of performance targets of the Service are therefore tied to the PC.

Assessment of the NYS Council's performance against its Annual Work Plan is done on a quarterly basis. The Service achieved its performance targets set for the FY 2020/2021 period for its five (5) strategic result areas, as indicated in the diagram below:

Table 1: NYS Performance against predetermined objectives for FY 2020/2021

Strategic Result Area	Objective	Activities	Key Perf. Indicators	Target (FY 2020/21)	Achievements	Remarks
Paramilitary Training and Service Regimentation	To enlist and train 10,000 youth in Paramilitary Skills	Enlist Youth into NYS	No. of youth enlisted	10,000	15,546	NYS is required to recruit 30,000 youth annually. This number was downscaled due underfunding. Recruitment for FY 2019/20 was affected by COVID-19 pandemic
		Train youth in Paramilitary Skills	No. of youth trained	10,000	7,811	7,500 youth recruited in June 2021 will be trained in FY 2021/22 - Some youth dropped out of the training

National Youth Service Annual Report and Financial Statement for the year ended June, 30th 2021

Strategic Result Area	Objective	Activities	Key Perf. Indicators	Target (FY 2020/21)	Achievements	Remarks
National Service and Youth Resocialization	To engage 11,396 Servicemen/wo men (SM/W) in National Service programme	Deploy SM/W to serve the nation on tasks of National importance	No. of youth engaged in national service programmes	11,396	18,875	□ These are 2 cohorts comprising 11,396 that extended in National Service due to COVID-19 pandemic and new deployment of 7,479.
	To increase food productivity	Produce food to contribute to the county's food and nutrition security	Tons of food produced	2,700	1,661.5	• Unfavorable weather conditions and crop diseases • Inadequate funding for specialized farm inputs, machinery and installation of irrigation infrastructure for large scale farming
	To increase cotton productivity	Produce cotton to contribute to the county's manufacturing sector	Tons of cotton produced	120	25.71	

National Youth Service Annual Report and Financial Statement for the year ended June, 30th 2021

Strategic Result Area	Objective	Activities	Key Perf. Indicators	Target (FY 2020/21)	Achievements	Remarks
	To implement Presidential Directives	Implement all Presidential directives issued to the Service	Implementation of Presidential Directives	100%	100%	• Rehabilitation of Nairobi-Nanyuki, Naivasha-Kisumu and Gilgil-Nyahururu railway lines; • Nationwide Boda-boda Riders' training and sensitization programme; • Planted 1,137,800 tree seedlings in various Field Units to contribute towards accelerated attainment of 10% national tree cover; National, hygiene "Kazi Mtaani" Programme in various counties across the country; • Desert Locust Control operations in counties affected by second wave of locust invasion.
	To respond timely to disasters and emergencies	Respond to disasters and emergencies	Disaster and emergency responses	100%	100%	Locust control in 9 counties, fire responses, ambulance services, rescue services in collapsed building, shuttle and security services in COVID-19 isolation centers

National Youth Service Annual Report and Financial Statement for the year ended June, 30th 2021

Strategic Result Area	Objective	Activities	Key Perf. Indicators	Target (FY 2020/21)	Achievements	Remarks
Technical and Vocational Training	To enroll and train SM/W in Technical and Vocational skills	Enroll SM/W in to undertake technical and vocational training	No. of SM/W enrolled	25,001	21,364	After closure of schools due to COVID-19 Pandemic, the number of SM/W trainees dropped.
		Train SM/W in technical and vocational skills	No. of SM/W trained	50,920	39,524	11,396 SM/W did not transit to Technical and Vocational Training as planned due to closure of schools
	To identify and develop SM/W with talent	Profile SM/W with and develop talent	No. of SM/W with talents profiled and developed	1,500	1,800	More talent identification activities were conducted
	To place SM/W and NYS graduates on jobs	Create and seek job opportunities for SM/W and NYS graduates in public and private agencies in Kenya and abroad	No. of youth placed on jobs	250	1,384	728 Privates were recruited internally, KDF 250, Kenya Police 50 and Huduma Kenya 106
Enterprise Development	To commercialize production activities for sustainability of the Service	Undertake commercial and enterprise activities for revenue generation	No. of commercial and enterprise activities undertaken	8	10	• Certified potato seeds production; • Garment production and laundry services; • Bakery production; • Mineral water processing and bottling; • Fodder production; • Vehicle, Machinery and Equipment hire; • Horticulture (French beans) production;

Strategic Result Area	Objective	Activities	Key Perf. Indicators	Target (FY 2020/21)	Achievements	Remarks
						Nationwide Boda-boda Training Programme.
Strengthening Strategic Operations	To undertake Research and Innovation in NYS	Undertake research and innovation NYS Programmes	No. of research and innovation	2	2	• Piloting of innovative building materials • Prototype development of e-Mobility products

National Youth Service Annual Report and Financial Statement for the year ended June, 30th 2021

Strategic Result Area	Objective	Activities	Key Perf. Indicators	Target (FY 2020/21)	Achievements	Remarks
	To collaborate with stakeholders for furtherance of NYS functions	Enter into collaboration and partnerships on NYS programmes and projects	No. of collaboration and partnerships	5	10	• National Police Service and NTSA on Boda-Boda Riders training programme; • Kenya Railways Corporation on rehabilitation of Nairobi-Nanyuki, Naivasha-Kisumu and, Gilgil-Nyahururu railway lines; • Ministry of Housing and Infrastructure on National Hygiene “Kazi Mtaani” Programme in selected counties; • Nairobi Metropolitan Services on Solid Waste Collection and Disposal; • Kenya Ports Authority on rehabilitation of Kisumu and Kendu

Strategic Result Area	Objective	Activities	Key Perf. Indicators	Target (FY 2020/21)	Achievements	Remarks
						Bay Ports; National Government Constituency Development Fund Ugenya Constituency on establishment of NYS Sub-Unit in the Constituency; • Ministry of Agriculture & Livestock Development on locust control in affected counties in the second wave of locust invasion; • Syngenta Foundation on sustainable agriculture and crop variety testing and seed multiplication; • Huduma Kenya Secretariat and other MDAs on provision of security services in 52 Huduma

National Youth Service Annual Report and Financial Statement for the year ended June, 30th 2021

Strategic Result Area	Objective	Activities	Key Perf. Indicators	Target (FY 2020/21)	Achievements	Remarks
	To provide Infrastructure and Facilities for SM/W	Construct classrooms and barracks to provide safe and secure accommodation for SM/W in response to MoH guidelines on containment of COVID 19.	No. of classrooms and barracks constructed	50 classrooms and 50 barracks	101 classrooms and 62 barracks	These facilities have had a positive impact on bed capacity and training for more SM/W in NYS.
	To strengthen institutional reforms in NYS	Develop, review and implement policies, strategies, regulations and systems	Policy, strategy, regulations and systems developed and reviewed	100%	100%	• 5 Policies and Procedures manuals approved • 3 Policies developed • 6 Regulations developed • Commenced development of SM/W Tracking system. • Commenced acquisition and implementation of Enterprise Resource Planning (ERP) system

Strategic Result Area	Objective	Activities	Key Perf. Indicators	Target (FY 2020/21)	Achievements	Remarks
		Recruit, train and promote officers in an effort to fill skill gaps identified	No. of officers recruited, trained and promoted	Recruitment 18 positions and 500 each for promotion and training	-One (1) Director and, 728 Privates recruited - 1,355 officers trained and capacity built in various skills -515 officers promoted to Inspector, Chief Inspector, Senior Sergeant and Sergeant ranks.	Recruitment of 728 Privates was occasioned by savings made from Personnel Emoluments.
	To Implement Capital Projects	Rehabilitate and upgrade sewer line at NHU and NYS TTI Naivasha and, construct category E flats at VTI	Completion status (%)	3	1 completed, 1 ongoing	- Proposed rehabilitation and upgrading of sewer line at NYS HQs NHU W.P. Item No. D207 NB/NB/1801 Job No 10423B was completed - Tender for 2.5 acres of land for construction of oxidation pond for the proposed rehabilitation and upgrading of sewer line at NYS TTI Naivasha was

Strategic Result Area	Objective	Activities	Key Perf. Indicators	Target (FY 2020/21)	Achievements	Remarks
						awarded at a cost of Kshs. 6.5M. Proposed construction of category 'E' flats (12 occupants) for staff accommodation, contract no. NYS/PROC/38/2018/2019 stalled due to lack of funding.

7. CORPORATE GOVERNANCE STATEMENT

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

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

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

Council Business

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

1. Lt. Gen (Rtd) Njuki Mwaniki, MGH, CBS, OGW, ndc (K) - Chairman
2. Mr. Adhan Nuri Berhe - Independent Member
3. Mr. Ali Idris - Independent Member
4. Mr. Arthur C. Nduati - Independent Member
5. Dr. Nkatha Gichuyia - Independent Member
6. Mr. Elijah Wachira - Independent Member
7. Mr. Vincent Ombaka - Independent Member
8. Maj. Gen Fatuma Ahmed - Alternate Member, CDF
9. Ms. Anita J. Chepseba - Alternate Member, AG
10. Mr. Moffat Kangi - Alternate Member, Interior
11. Dr. Florence Muinde - Alternate Member, P/S

12. Mr. Benson Mugambi

- Alternate Member, Youth

13. Matilda P Sakwa (Ms.), EBS

- Director General/CEO/Sec.

The members who were replaced mid-way were: Ms. Ruth Koga (retired in December, 2020 and was replaced in January, 2021 by Dr. Florence Muinde, Alternate Member, P/S) and Mr. Moffat Kangi, alternate Member, Interior replaced Mr. Kang'ethe Thuku in December, 2020.

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

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

During the period under review, the Council held seven (7) meetings and nil conflict of interest was registered.

Members' attendance of the meetings is summarized in table 1 below:

Table 2: Summary of members' attendance of NYS Full Board Meetings held during FY 2020/2021

No.	Board member	Position	28 th Jul. 2020	19 th Aug. 2020	30 th Sept. 2020	16 th Dec. 2020	21 st Jan. 2021	17 th Mar. 2021	14 th Apr. 2020	Att. Rate (%)
1.	Lt Gen (Rtd) Njuki Mwaniki	Chairman	P	P	P	P	P	P	P	100
2.	Ali Idris	Independent Member	P	P	P	P	P	P	P	100
3.	Dr. Nkatha Gichuyia	Independent Member	P	P	O	P	P	P	P	86
4.	Adhan Nuri Berhe	Independent Member	P	P	P	P	P	P	P	100
5.	Vincent Ombaka	Independent Member	P	P	P	P	P	P	P	100
6.	Elijah Wachira	Independent Member	0	P	P	P	P	P	P	86
7.	Maj Gen Fatuma Ahmed	Alternate Member	0	P	P	P	P	P	P	86
8.	Anita Chepseba	Alternate Member	P	P	P	P	P	P	P	100
9.	Arthur C. Nduati	Alternate Member	P	P	0	P	P	P	P	86

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No.	Board member	Position	28 th Jul. 2020	19 th Aug. 2020	30 th Sept. 2020	16 th Dec. 2020	21 st Jan. 2021	17 th Mar. 2021	14 th Apr. 2020	Att. Rate (%)
10.	Moffat Kangi	Alternate Member	N/A	N/A	N/A	0	P	0	P	50
11.	Dr. Florence Muinde	Alternate Member	N/A	N/A	N/A	N/A	N/A	N/A	P	100
12.	Benson Mugambi	Alternate Member	N/A	N/A	N/A	N/A	P	0	P	67
13.	Ruth Koga	Alternate Member	P	P	P	P	N/A	N/A	N/A	100
14.	Kang'ethe Thuku	Alternate Member	P	0	0	N/A	N/A	N/A	N/A	33
15.	Matilda Sakwa	DG/CEO	P	P	P	P	P	P	P	100
Rate of Attendance per Meeting (%)			85	92	85	92	100	85	100	91

KEY

P	Present
0	Absent
N/A	Not a member then

Committees of the Council

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

The Committees include:

- Audit and Risk Management Committee;
- Finance and Enterprise Development Committee;
- Human Resource and Administration Committee; and
- Operations, Training and Programmes Committee.

In compliance with section 9 of the State Corporations Act, Cap 446 and the Code of Governance for State Corporations (Mwongozo) the membership to the NYS Council Committees was rotated effective 15th October, 2020. The new membership to the Committees and individual member's participation the business of the Committee is summarized below.

Audit and Risk Management Committee

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

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

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

No.	Board member	Position	23 rd Sept. 2020	10 th Feb. 2021	17 th Apr. 2021	16 th Jun. 2021	Memb. Att. Rate (%)
1.	Ali Sahal Idris	Chairman	P	P	P	P	100
2.	Dr. Nkatha Gichuyia	Member	P	N/A	N/A	N/A	100
3.	Anita Chepseba	Member	P	P	P	0	75
4.	Arthur C. Nduati	Member	P	P	P	P	100
5.	Adhan Berhe	Member	N/A	P	P	P	100
6.	Maj Gen Fatuma Ahmed	Member	N/A	o	0	P	33
Meeting Att. Rate (%)			100	80	80	80	85

KEY

P	Present
0	Absent
N/A	Not a member then

Finance and Enterprise Development Committee

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

During the period under review, the Finance and Enterprise Development Committee held six (6) meetings which were attended as follows:

No.	Board member	Position	10 th Jul. 2020	22 nd Jul. 2020	28 th Sept. 2020	24 th Nov. 2020	18 th Jan. 2021	13 th Apr. 2021	Mem. Att. Rate (%)
1.	Vincent Ombaka	Chairman/ Member	P	P	P	P	P	P	100
2.	Adhan Nuri Berhe	Member	P	P	P	N/A	N/A	N/A	100
3.	Arthur C. Nduati	Member	P	P	0	P	P	P	83
4.	Kang'ethe Thuku	Member	0	P	0	N/A	N/A	N/A	33

No.	Board member	Position	10 th Jul. 2020	22 nd Jul. 2020	28 th Sept. 2020	24 th Nov. 2020	18 th Jan. 2021	13 th Apr. 2021	Mem. Att. Rate (%)
5.	Elijah K. Wachira	Member/Chairman	P	P	P	P	P	P	100
6.	Ruth Koga	Member	N/A	N/A	P	P	P	N/A	100
7.	Dr. Nkatha Gichuyia	Member	N/A	N/A	N/A	P	P	P	100
8.	Benson Mugambi	Member	N/A	N/A	N/A	N/A	P	P	100
Meeting Att. Rate (%)			80	100	80	100	100	100	93

KEY

P	Present
0	Absent
N/A	Not a member then

Human Resource and Administration Committee

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

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

No.	Board member	Position	2 nd Jul. 2020	16 th Jul. 2020	10 th Aug. 2020	24 th Mar. 2021	8 th Apr. 2021	27 th Apr. 2021	Memb. Att. Rate (%)
1.	Adhan Nuri Berhe	Chairman	P	P	P	N/A	N/A	N/A	100
2.	Anita Chepseba	Member	P	P	P	P	P	P	100
3.	Maj Gen Fatuma Ahmed	Members	P	0	P	N/A	N/A	N/A	67
4.	Vincent Ombaka	Member/Chairman	P	P	P	P	P	P	100
5.	Ruth A. Koga	Member	P	P	P	N/A	N/A	N/A	100
6.	Dr. Nkatha Gichuyia	Member	N/A	N/A	N/A	P	P	P	100

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7.	Dr. Florence Muinde	Member	N/A	N/A	N/A	N/A	P	P	100
8.	Moffat Kangi	Member	N/A	N/A	N/A	0	0	P	33
Meeting Att. Rate (%)			100	80	100	75	75	100	88

KEY

P	Present
-	Absent
N/A	Not a member then

Operations, Training and Programmes Committee

The Operations, Training and Programmes Committee is responsible for oversight on the core mandate of the National Youth Service (NYS), namely: youth empowerment. The committee, therefore, oversees all matters relating to paramilitary training and service regimentation, national service programmes and vocational training of the servicemen and women. The committee oversees formulation and implementation of policies and strategies on all technical programmes and projects in the Service. During the period under review, the Operations, Training and Programmes Committee held three (3) meetings which were attended as follows:

No.	Board member	Position	9 th Oct. 2020	19 th Jan. 2021	13 th Apr. 2021	Memb. Att. Rate (%)
1.	Dr. Nkatha Gichuyia	Chairman	P	N/A	N/A	N/A
2.	Adhan Berhe	Chairman	N/A	P	P	100
3.	Maj Gen Fatuma Ahmed	Members	0	P	P	67
4.	Ali Sahal Idris	Member	P	P	P	100
5.	Elijah Wachira	Member	P	P	P	100
6.	Benson Mugambi	Member	N/A	P	P	100
7.	Moffat Kangi	Member	N/A	0	P	50
Meeting Att. Rate (%)			75	83	100	86

KEY

P	Present
0	Absent
N/A	Not a member then

8. MANAGEMENT DISCUSSION AND ANALYSIS

Due to the challenges of Corona Virus global pandemic and the resultant Government periodic Guidelines on containment, the critical operations of NYS were highly reduced. Key programmes and activities including enlistment of recruits into the Service, engagement in of service men and women in programmes of national importance and technical and vocational training were to their minimal. The effects spread across board to curtailing absorption of allocated funds as well as revenue .generation for the Service especially in the first half of the period under review. However, with the relaxation of the containment measures, the Service was able to move on fairly well.

The budget cut of **Ksh 2,068,115,500** was a major factor that led to reduction in number of youths enlisted into NYS. The Service also reduced its internal investments on farms and the projected commercial and enterprise investments.

Going forward, NYS has planned to embrace research and innovation with clear targets on use of local materials and resources in its commercial and enterprise activities. Under the direction of the Council, we are hopeful of sound policies and strategies to spur the Service to greatness.

9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

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

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

i) Sustainability strategy and profile

The NYS boosts of a number critical resources that spur the institution into self-reliance as well as contributing to massive national incomes.

The resources include:

- a) A huge human capital of 50,000 service men and women who at any one time are undertaking the national service – the second phase of the NYS empowerment model;
- b) Massive land resources in the 22 Field Units across the country; and
- c) The plant, machinery and equipment in most of the Service's technical and vocational training colleges and at the mechanical and transport branch – the transport hub of the Service.

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

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

The Service is also in the process of establishing a Department for Commercial Enterprises and Marketing. In this regard, NYS recruited a Director responsible for Commercial Enterprises and Marketing to spearhead the Department

Equally, the Service will be formulating policies and procedure manuals on commercialization and marketing of all its products. So far, the NYS Stakeholder Engagement Strategy has been drafted and will be finalized and published within the FY 2021/2022.

ii) Employee welfare

NYS endeavors to comply with the requirements of the Constitution of Kenya, Public Service Act and Regulations, the Human Resource Policies and Procedures Manuals for Public Service, the Public Service Diversity Guidelines, 2016. The Service therefore developed and sought approval from the SCAC of Human Resource Instruments for NYS – including the NYS Human Resource Policies and Procedures Manual, Staff Establishment, Code of Conduct, Career Guidelines and Organization Structure (2019).

10. REPORT OF THE DIRECTOR

This report together with the audited financial statements for the year ended June 30, 2021 show the state of the affairs of National Youth Service during the period under review.

i) Principal activities

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

ii) Results

The results of the entity for the year ended June 30, 2021, are set out on page xvi –xxi.

(iii) Directors

The members of the Board of Directors who served during the year are shown on page viii - xi. During the year one director (Ms. Ruth Koga) retired and one (Dr. Florence Muinde) was appointed with effect from March 25, 2021. Director, Mr. Moffat Kangi replaced Mr. Kang'ethe Thuku as alternate to Interior with effect from 16th December 2020.

iv) Surplus Remission

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, ninety per cent of its surplus funds reported in the audited financial statements after the end of each financial year. National Youth Service closed its books with a negative net balance of ksh 1,029,806,346.00 which was financed by the surplus balance brought forward in the year 2019/2020 of ksh 1,919,919,251.00 and pending bills of Ksh. 791,733,700.85. The Service therefore did not have any surplus to remit into the Consolidated Fund.

v) Auditors

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

By Order of the Board

Name MATILDA SAKWA Signature  Date 22/9/2022
Secretary to the Board

11. STATEMENT OF DIRECTORS' RESPONSIBILITIES

These Financial Statements have been prepared in accordance to section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act. The Statements give a true and fair view of the state of affairs of the National Youth Service as at June 31, 2021 as well as its operating results for the FY 2020/2021. The Council, throughout the period ensured that the Service kept proper accounting records, which have disclosed with reasonable accuracy the financial position of the National Youth Service. The Service secured its assets.

The Statements here prepared and presented by the Directors of the National Youth Service Council, give a true and fair view of the state of affairs of the Service for and as at the end of the financial year ended on June 30, 2021. In doing this, the Directors put in place adequate financial management arrangements and ensured that these continued to be effective throughout the reporting period. The Directors also ensured proper keeping of accounting records. They disclosed with reasonable accuracy at any time the financial position of the entity. The Directors designed, executed and maintained internal controls relevant to the preparation and fair presentation of the financial statements, and ensured that they are free from material misstatements, whether due to error or fraud; safeguarded the assets of the Service; applied appropriate accounting policies; and made accounting estimates that are reasonable in the circumstances.

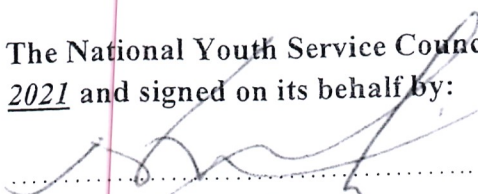
The Directors therefore are fully responsible for these Financial Statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the State Corporations Act.

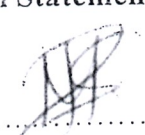
The Directors are of the opinion that the Service's financial statements give a true and fair view of the state of the transactions of NYS during the financial year ended June 30, 2021, and of the financial position of NYS as at the stated date.

The Directors further confirm the completeness of the accounting records maintained by the NYS, which informed the preparation of these financial statements as well as the adequacy of the systems of internal financial control. Nothing has come to the attention of the Directors to indicate that the National Youth Service will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

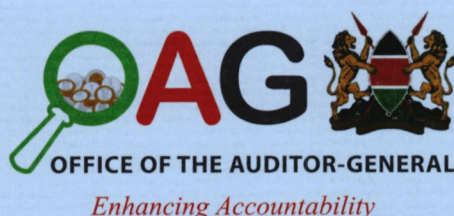
The National Youth Service Council approved these Financial Statements on September 14, 2021 and signed on its behalf by:


Chairperson of the Council


Accounting Officer/CEO

REPUBLIC OF KENYA

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HEADQUARTERS
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL YOUTH SERVICE FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Youth Service set out on pages 2 to 24, which comprise of the statement of financial position as at

30 June, 2021, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Youth Service as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended in accordance with the International Public Sector Accounting Standards (Accrual Basis) and comply with the National Youth Service Act, 2018 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0 Property, Land and Buildings

1.1 Inaccuracies in Land and Buildings Balances

The statement of financial position reflects property, plant and equipment balance of Kshs.430,224,581. As further disclosed in corresponding Note 13 to the financial statements, the balance includes an amount of Kshs.319,321,146 in respect of land and buildings. However, the values of land and buildings were combined together as one class of assets in the financial statements contrary to International Public Sector Accounting Standards IPSAS 17. Land is a tangible asset with unlimited useful life and therefore not depreciated. Due to this erroneous disclosure, the depreciation amount of Kshs.13,305,048 charged on both land and buildings is not fairly stated. Further, additions to land and buildings totalling Kshs.102,789,758 was not supported with documentation.

1.2 Incomplete Fixed Asset Register

The statement of financial position reflects property, plant, and equipment balance of Kshs.430,224,581 as disclosed in Note 13 to the financial statements. As previously reported, the Service did not maintain a complete and accurate asset register with information relating to the assets such as type of the asset, date of acquisition, supplier, cost, location, code, current values, remaining useful life, and salvage value. Further, the assets have not been tagged for tracking and identification.

1.3 Encroachment of National Youth Service Land

The Service has approximately 2,247 hectares of land in Yatta, Mavoloni, Athi River, Mombasa Technical Institute and Mwatate among other regions. Physical verification of the land in February and March, 2022 revealed that the parcels of land have not been fenced and were encroached on. Although Management has initiated the process of demarcation of the respective parcels of land, the process has not been finalized.

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

1.4 Non-Disclosure of Biological Assets

As disclosed under Note 19 to the financial statements on segment information, the Service has twenty-two (22) field units for empowering youths through technical training, farming and other programmes out of which fifteen (15) units carry out farming activities. However, an inspection carried out in Yatta, Athi River, Mavoloni units in March, 2022 revealed that the Service has biological assets with an estimated fair value of Kshs.614,739,760 which have not been disclosed in the financial statements. Management did not provide explanations for non-disclosure of undetermined value of the biological assets.

1.5 Unsupported Infrastructure and Civil Works

The statement of financial position as at 30 June, 2021 and as disclosed under Note 13 to the financial statements reflects property, plant and equipment amounting to Kshs.489,809,814 which includes Kshs.242,256,366 in respect to additions of assets and the related works during the year under review. The additions include Kshs.30,381,211 incurred under other infrastructure and civil works, which was not supported with payment vouchers and the underlying documentation.

In view of the foregoing, the accuracy, completeness and valuation of property, plant and equipment balance of Kshs.430,224,581 as at 30 June, 2021 could not be confirmed.

2.0 Refundable Deposits by Customers

The statement of financial position and as disclosed under Note 15 to the financial statements reflects a balance of Kshs.1,564,205,897 in respect of refundable deposits from customers. The balance is comprised of Kshs.1,211,422,162 and Kshs.352,783,734 for service men/women savings and other deposits-cohorts, wages, kitchen and allowances payable to Service men/women respectively. However, included in the balance is an amount of Kshs.41,757,563 in respect of retention monies from the contractors which was not analyzed, itemized and supported.

In addition, an amount of Kshs.352,783,734 was owed to cohorts that were engaged in the six (6) months Youth Empowerment Programme between September, 2014 and February, 2015. However, Management had not paid the cohorts as at the time of the audit. Management did not provide explanation for the delay in paying the cohorts.

In the circumstances, the accuracy and completeness of retention monies balance Kshs.41,757,563 could not be confirmed.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, 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 Audit Matters

In the report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Although the Management has indicated that the issues have been responded to, the matters have remained unresolved as Parliament has not met to deliberate on the same.

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, 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

1.0 Incomplete Rehabilitation and Upgrading of Sewer at National Holding Unit

The Service entered into a contract for the Rehabilitation and Upgrading of Sewer at National Holding Unit on 4 May, 2020. The Service had paid Kshs.35,558,176 as at 30 June, 2021 which was not recognized as work in progress in the financial statements. Further, physical verification of the project in May, 2022, about twelve (12) months after the lapse of completion date revealed that, the contractor had abandoned the site leaving the cut-off sections of internal tarmac roads open without tarmac.

As a result, value for money has not been realised in the implementation of the project.

2.0 Stalled Projects

2.1 Stalled Construction of Four-Storey Classrooms Block and Workshops at NYS Engineering Institute-Ruaraka

The Service Management entered into a contract for the construction of a four storey classrooms block and workshops at the NYS Engineering Institute in Ruaraka on 13 April, 2011 at contract sum of Kshs.88,794,355. The project was to take 52 weeks

ending on 9 June, 2012. This was later extended by thirty-one (31) weeks and was expected to have been completed by 12 January, 2013. However, the construction stalled in 2017 after the payment of Kshs.81,884,550 equivalent to 92% of the contract sum against 95% of the works certified.

Physical inspection conducted in May, 2022 revealed that no construction works were ongoing as the contractor had abandoned the site. The incomplete works include electrical, plumbing and drainage that were originally valued at Kshs.4,778,265 as per the State Department of Public Work's appraisal report dated 5 April, 2022.

As a result, value for money has not been realised eleven (11) years after the construction commenced.

2.2 Construction of Double Span Kitchen, Dining and Barracks at NYS Engineering Institute-Ruaraka

The Service awarded the contract for the Construction of Double Span Kitchen, Dining and Barracks at NYS Engineering Institute Ruaraka to a construction company in May, 2011 at a contract sum of Kshs.192,000,000. The project commenced on 13 June, 2011 with a contract duration of 80 weeks. The contractor was granted an extension period up to 13 March, 2017. The contractor, however, abandoned the site after receiving payments totalling Kshs.186,248,573, or 90% of the agreed contract sum. Physical inspection of the project in May, 2022, revealed that work had stalled and the contractor had abandoned the site. Further, huge visible cracks on the wall and floor were noted which continue to deteriorate. The Management claimed that the delay in completion was mainly due to delayed payments to the main contractor and sub-contractors.

As a result, value for money has not been realised eleven (11) years after the construction commenced.

2.3 Supply, Delivery and Installation of High and Low-Level pressed steel water Tanks, Booster Pumps and Tower works

The Service entered into a contract for the supply, deliver and install high- and low-level pressed steel, water tanks, booster pumps and tower works for enough water storage at National Youth Service Vocational Training Institute (VTI) located in the Industrial area, Nairobi at a contract sum of Kshs.11,715,396 on 03 September, 2019 for a period of sixteen (16) weeks ending on 31 October, 2020.

Physical inspection in May, 2022, revealed that the project was incomplete. The pump house electrical works and piping works were yet to be completed while water booster pumps were not installed. The contractor abandoned the site on 23 October, 2020 on the grounds of non-payment of certified works valued at Kshs.5,770,669.

As a result, value for money has not been realised on the project.

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

The Service entered into a contract for the construction of a 12 unit flat at the Vocational Training Institute - Industrial Area at a contract cost of Kshs.49,105,721. However, the contractor abandoned the site after receiving the first payment of Kshs.7,111,432. Management re-advertised the works and awarded the contract for the completion at a contract cost of Kshs.61,098,319 for a period of fifty-two (52) weeks commencing on 26 November, 2019. Physical inspection conducted in May, 2022 revealed that the project was incomplete and the contractor had abandoned site after receiving payments of Kshs.23,000,000.

As a result, value for money has not been realised on the project on the expenditure of Kshs.339,573,400.

3.0 Irregular Procurement of Repairs and Maintenance Service

The Service awarded a contract for the supply and delivery of paint a contract amount of Kshs.2,995,200 and paid the same on 30 June, 2021. However, it was noted that the contract was awarded to a supplier who had not tendered. Further, the professional opinion attached to the payment voucher was approved on 8 February, 2021 a day before the quotations were opened and evaluated by the committee appointed by the accounting officer.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and Board of Directors

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in

an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Service's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Service to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Service to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

31 August, 2022

13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED JUNE 30, 2021

	Notes	2020-2021	2019-2020
			Ksh
Revenue from non-exchange transactions			
Transfers from other governments – gifts and services-in-kind	1 (a)	7,393,460,800.00	17,456,126,300.00
Transfers from Ministries, Departments and Agencies	1 (b)	211,984,338.00	162,888,086.00
		7,605,445,138.00	17,619,014,386.00
Revenue from exchange transactions			
Rendering of services	2	154,858,574.00	89,735,999.00
Sale of goods	3	240,833,806.00	655,243,536.00
Sub Total		395,692,380.00	744,979,535.00
Total revenue		8,001,137,518.00	18,363,993,921.00
Expenses			
Use of goods and services	4	7,278,366,246.00	14,963,508,572.00
Employee costs	5	1,253,697,902.00	1,094,972,809.00
Remuneration of Directors	6	4,317,200.00	5,511,585.00
Repairs and maintenance	8	350,364,105.00	218,908,718.00
Grants and subsidies	9	84,605,137.00	161,172,986.00
Total expenses		8,971,350,590.00	16,444,074,670.00
Surplus before Tax and depreciation		-970,213,072.00	1,919,919,251.00
Depreciation and amortization expense	7	59,593,274.00	0.00
Taxation		0.00	0.00
Surplus/(deficit) for the period/year-2020/2021		-1,029,806,346.00	1,919,919,251.00
Net Surplus for the year		-1,029,806,346.00	1,919,919,251.00

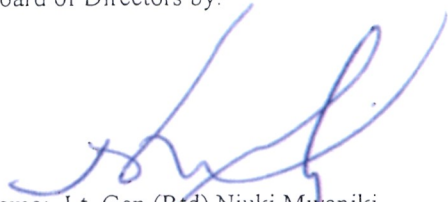
14. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2021

	Notes	2020-2021	2019-2020
			Ksh
Assets			
Current assets			
Cash and cash equivalents	10	2,443,527,428.00	3,425,066,950.00
Other Debtors & Pre-payments		0.00	16,535,310.00
Current portion of receivables from exchange transactions	11	23,497,529.00	11,729,730.00
Inventories	12	739,115,172.00	787,647,950.00
		3,206,140,129.00	4,240,979,940.00
Non-current assets			
Property, plant and equipment	13	430,224,581.00	247,553,448.00
Total assets		3,636,364,710.00	4,488,533,388.00
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	14	791,733,701.00	721,261,684.00
Refundable deposits from customers	15	1,564,205,897.00	1,577,962,453.00
Total liabilities		2,355,939,598.00	2,299,224,137.00
Net assets		1,280,425,112.00	2,189,309,251.00
Reserves			
Accumulated surplus		890,112,905.00	1,919,919,251.00
Capital Fund		390,312,207.00	269,390,000.00
Total net assets and liabilities		1,280,425,112.00	2,189,309,251.00

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


Name: Matilda P. Sakwa


Name: Elias K. Macharia
ICPAK No:5492


Name: Lt. Gen (Rtd) Njuki Mwaniki

Date: 27/7/2022

Date: 27/7/2022

Date: 27/7/2022

Director General/C.E.O /M.D

Head of Finance / Accounts

Chairman of the Board

15. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2020-2021	2019-2020 Ksh
Cash flows from operating activities			
Receipts			
Government grants and subsidies		7,393,460,800.00	17,456,126,300.00
Transfers from other agencies		211,984,338.00	162,888,086.00
Rendering of services		121,412,163.00	82,593,519.00
Sale of goods		240,833,806.00	650,656,286.00
Total Receipts		7,967,691,107.00	18,352,264,191.00
Payments			
Compensation of employees		1,253,697,902.00	1,094,972,809.00
Goods and services		6,860,889,660.00	15,035,406,423.00
Repair and maintenance		350,364,105.00	218,908,718.00
Grants and subsidies paid		210,629,714.00	161,172,986.00
Prepayments		6,675,569.00	16,535,310.00
Total Payments		8,682,256,950.00	16,526,996,246.00
Net cash flows from operating activities	16	- 714,565,843.00	1,825,267,945.00
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		-182,671,133.00	978,676,560.00
Increase capital		-182,671,133.00	978,676,560.00
Net cash flows used in investing activities		9,332,417.00	21,836,552.00
Cash flows from financing activities			
Increase in deposits		-13,756,556.00	1,577,962,453.00
Net cash flows used in financing activities		-13,756,556.00	1,577,962,453.00
Net increase/(decrease) in cash and cash equivalents		-997,742,617.00	3,425,066,950.00
Cash and cash equivalents at 1 JULY,2020	10	3,425,066,950.00	0
Cash and cash equivalents at 30 JUNE,2021	10	2,443,527,428.00	3,425,066,950.00

16. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference
	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021
Revenue	Ksh	Ksh	Ksh	Ksh	Ksh
Government grants and subsidies	9,461,456,300.00	-2,068,115,500.00	7,393,340,800.00	7,393,340,800.00	Nil
Rendering of services	0.00	0.00	0.00	0.00	Nil
Sale of goods	723,570,000.00	0.00	723,570,000.00	395,692,380.00	327,877,620.00
Total income	10,185,026,300.00	-2,068,115,500.00	8,116,910,800.00	7,789,033,180.00	327,877,620.00
Expenses					
Compensation of employees	1,250,768,000.00	0.00	1,250,768,000.00	1,253,697,902.00	-2,929,902.00
Goods and services	7,841,271,184.00	2,023,115,500.00	5,818,155,684.00	6,827,509,491.00	-1,009,353,807.00
Finance cost	150,987,116.00	20,000,000.00	130,987,116.00	287,043,375.00	-156,056,259.00
Capital expenditure (TVETS Fees and capital projects)	942,000,000.00	25,000,000.00	917,000,000.00	494,178,781.00	422,821,219.00
Total expenditure	10,185,026,300.00	2,068,115,500.00	8,116,910,800.00	8,862,429,548.00	-745,518,748.00
Surplus for the period	0.00	0.00	0.00	-1,073,396,368.00	-1,073,396,368.00

17. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2021

	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Proposed dividends	Capital/Development Grants/Fund	Total
At July 1, 2021	0.00	0.00	0.00	1,919,919,251.00	0.00	269,390,000.00	2,189,309,251.00
Revaluation gain	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transfer of excess depreciation on revaluation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred tax on excess depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fair value adjustment on quoted investments	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total comprehensive income –surplus retained	0.00	0.00	0.00	-1,029,806,346.00	0.00	0.00	-1,029,806,346.00
Capital/Development grants received during the year	0.00	0.00	0.00	0.00	0.00	25,000,000.00	25,000,000.00
Transfer from capital fund to budget (Note)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividends paid – 2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interim dividends paid – 2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Proposed final dividends	0.00	0.00	0.00	0.00	0.00	0.00	0.00
At June 30, 2021	0.00	0.00	0.00	890,112,905.00		294,390,000.00	1,184,502,905.00

Note: The service spent the entire surplus of Ksh. 1,819,196,182.00 retained in the F/Y 2020/2021. The National Treasury granted approval for the spending.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. The Service took a higher degree of judgement on assumptions and estimates as disclosed in Note 8.

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 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

Early adoption of standards

National Youth Service did not early – adopt any new or amended standards in year 2020.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

The National Youth Service received revenues from other Government Departments and Agencies to enable it carry out national services programmes related to the respective MDAs.

ii) Revenue from exchange transactions

Rendering of services

The Services recognizes revenue on rendering security, garment stitching, construction, hire of plant machines and equipment, transport and water drilling services.

Sale of goods

The Service recognizes revenue on sale of mineral water, uniforms and farm products.

b) Budget information

The original budget for FY 2020-2021 was approved by the National Assembly in June 2020. 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.

The budget for the Service 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.

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

c) Property, plant and equipment

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

d) Research and development costs

The mandate of the Service has been expended to include research and innovation. Going forward therefore it will be a major area of expenditure and will be capitalized. In this report the related expenditures have been expensed.

i) Inventories

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

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

- Raw materials: purchase cost using the weighted average cost method
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity.

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

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

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

j) Changes in accounting policies and estimates

Being the first year of reporting, the Service has adapted the current IPSAS reporting standard.

k) Employee benefits

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

l) Related parties

The Service has 11 Council Members, the CEO and Senior Managers.

m) Cash and cash equivalents

The reported cash and cash equivalents by the Service comprise cash on hand and cash at bank and short-term deposits on call. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash Imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

n) Comparative figures

This being the first report as State Corporation, the Service has comparative figures in the year 2019/2020.

o) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2021.

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the NYS financial statements is in conformity with IPSAS which 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.

The report has recognized and capitalized the acquisition of fixed assets worth **Ksh. 347,870,515.97** based on the chart of accounts in the IFMIS. A major part of the existing assets of the Service has been left out of this report because the ownership has not been officially transferred.

NOTES TO THE STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENTS

(a) TRANSFERS FROM THE NATIONAL TREASURY

Description	2020-2021	2019-2020
	Ksh	Ksh
Unconditional grants		
Operational grant	7,306,712,225.00	11,365,206,300.00
Other grants (Balance brought forward from 2019/2020)	0.00	6,090,920,000.00
Total government grants and subsidies	7,306,712,225.00	17,456,126,300.00

(b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income Ksh	Amount deferred under deferred income Ksh	Amount recognized in capital fund. Ksh	Total grant income during the year 2020-2021 Ksh	2019-2020 Ksh
Kenya Ports Authority	21,914,197.00	0	0	21,914,197.00	60,028,248.00
Kenya Railways	70,457,534.00	0	0	70,457,534.00	75,957,534.00
Ministry Of Health	39,027,780.00	0	0	39,027,780.00	10,000,000.00
FAO	2,220,500.00	0	0	2,220,500.00	16,902,304.00
Nyeri County	165,103.00	0	0	165,103.00	0

Safari com	253,278.00	0	0	253,278.00	0
Kenya coast national polytechnic	239,800.00	0	0	239,800.00	0
KPCU	4,199,250.00	0	0	4,199,250.00	0
AMREF	11,132,500.00	0	0	11,132,500.00	0
EACC	680,648.00	0	0	680,648.00	0
Post Bank	600,000.00	0	0	600,000.00	0
National Bank	100,000.00	0	0	100,000.00	0
Ministry Of Tourism	1,819,250.00	0	0	1,819,250.00	0
Ministry Of Agriculture	57,918,873.00	0	0	57,918,873.00	0
Adventist Development	900,000.00	0	0	900,000.00	0
Makueni general ltd	65,624.00	0	0	65,624.00	0
Engineers board of Kenya	90,000.00	0	0	90,000.00	0
Standard Media Group	200,000.00	0	0	200,000.00	0
	211,984,338.00	0	0	211,984,338.00	162,888,086.00

Note

Standard media group rented for the sign post

2. RENDERING OF SERVICES

Description	2020-2021	2019-2020
	Ksh	Ksh
Security Services	114,911,456.00	89,735,999.00
Training services , Boda-Boda Riders training	36,594,000.00	0.00
Hire of facilities	3,353,118.00	0.00
Total revenue from the rendering of services	154,858,574.00	89,735,999.00

Note

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

40% - Revenue to the Service

40% - Allowances to Servicemen/women

20% - To Servicemen/women welfare account

3. SALE OF GOODS

Description	2020-2021	2019-2020
	Ksh	Ksh
Sale of goods		
Sale of Uniform and Mask	17,851,289.00	535,745,230.00
Sale of Agricultural Products	222,982,517.00	119,498,306.00
Total revenue from the sale of goods	240,833,806.00	655,243,536.00

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

4. USE OF GOODS AND SERVICES

Description	2020-2021	2019-2020
	Ksh	Ksh
Electricity, Water and Gases	94,412,250.00	156,587,894.00
Water	90,186,122.00	77,145,681.00
Gas	43,945,860.00	31,547,610.00
Communication	20,703,181.00	20,540,391.00
Traveling and Accommodations	190,985,682.00	138,226,330.00
Printing, Advertising and Information Supplies and Services	40,264,708.00	36,688,207.00
Rental of Produced Assets	6,463,760.00	2,073,780.00
Training Expenses	2,172,459,348.00	8,859,503,788.00
Hospitality Supplies and Services	71,759,102.00	70,767,050.00
Veterinarian Supplies and Materials	9,156,908.00	21,772,226.00
Fungicides, Insecticides and Sprays	18,424,678.00	39,942,909.00
Dressing and other Non-Pharmaceutical medical items	37,151,805.00	0.00
Chemicals and Industrial Gases	0.00	748,540.00
Purchase of Workshop Tools, Spares and Small Equipment	73,531,432.00	47,937,871.00
Agricultural Materials, Supplies and Small Equipment	28,736,531.00	62,778,353.00
Education and Library Supplies	20,736,142.00	28,141,641.00
Purchase/Production of Photographic and Audio-Visual Materials	1,336,027.00	8,019,480.00
Purchase of Police, Prisons, and NYS Small Equipment and Supplies	220,735,571.00	131,232,534.00
Foods and Rations	2,678,696,697.00	3,208,892,654.00
Purchase of Uniforms and Clothing - Staff	22,126,284.00	6,591,915.00
Purchase of Uniforms and Clothing - Trainees	380,275,972.00	740,000,044.00
Purchase of Bedding and Linen	82,911,380.00	264,453,818.00
Supplies for Production	201,122,165.00	162,562,795.00
Supplies for Women Trainees	43,279,500.00	25,529,418.00
Office and General Supplies and Services	131,651,221.00	72,164,749.00
Fuel, Oil and Lubricants	310,270,546.00	379,715,177.00
	6,991,322,872.00	14,593,564,855.00
Other Operating Expenses		
Bank Service Commission & Charges	21,084.55	4,000,000.00
Transport cost (Freight, loading/ unloading clearing and shipping charges)	18,720.00	0.00
School Exam. & Invigilation Fees	21,619,130.00	103,657,679.00
Medical Expenses	85,781,998.35	111,548,710.00
Contracted guards and cleaning services	6,055,094.00	7,028,409.00

Description	2020-2021	2019-2020
	Ksh	Ksh
Membership fees, dues and subscription to professional bodies	663,895.00	1,043,654.00
Contracted professional services	170,940,443.00	139,279,239.00
Contracted technical services	1,713,100.00	3,185,215.00
Laundry expenses	229,910.00	200,812.00
Sub Total	287,043,374.90	369,943,718.00
Total	7,278,366,246.27	14,963,508,573.00

5. EMPLOYEE COSTS

	2020-2021	2019-2020
	Ksh	Ksh
Salaries and wages	1,250,965,813.00	1,091,122,944.00
Gratuity – Civil Service	2,732,089.00	3,849,865.00
Employee costs	1,253,697,902.00	1,094,972,809.00

6. REMUNERATION OF DIRECTORS

Description	2020-2021	2019-2020
	Ksh	Ksh
Chairman's Honoraria	1,020,000.00	802,000.00
Directors' emoluments	3,282,200.00	3,864,000.00
Other allowances	15,000.00	845,585.00
Total director emoluments	4,317,200.00	5,511,585.00

The service has 12 council members who are entitled for sitting allowance when they attend and also the Chairman receives monthly Honoraria and Air time of ksh 80,000.00 and ksh 5,000.00 respectively

7. DEPRECIATION AND AMORTIZATION EXPENSE

Description	2020-2021	2019-2020
	Ksh	Ksh
Property, plant and equipment	59,593,273.99	0
Intangible assets	0.00	0
Investment property carried at cost	0.00	0
Total depreciation and amortization	59,593,273.99	0

The Service is under taking the valuation of Immovable and movable Assets owned and once the report will be provided the same will be reported appropriately. Therefore the above amount is for the current year acquisition.

8. REPAIR AND MAINTENANCE

Description	2020-2021	2019-2020
	Ksh	Ksh
Property	0.00	22,941,197.00
Equipment and machinery	250,560.00	4,678,746.00
Vehicles	136,093,530.00	182,057,131.00
Furniture and fittings	282,800.00	211,380.00
Computers and accessories	6,765,000.00	9,020,264.00
Maintenance of Building-Residential	2,106,535.00	0.00
Maintenance of Building- Non-Residential	21,961,299.00	0.00
Other minor alteration of building and civil works	182,904,381.00	0.00
Total repairs and maintenance	350,364,105.00	218,908,718.00

9. GRANTS AND SUBSIDIES

Description	2020-2021	2019-2020
	Ksh	Ksh
Kenya Ports Authority	1,937,150.00	79,594,355.00
Kenya Railways	10,458,534.00	65,077,938.00
Ministry Of Health	0.00	6,501,593.00
FAO	0.00	9,999,100.00
Ministry Of Agriculture	57,918,873.00	
Nyeri County	165,103.00	
Safari com	253,278.00	
Kenya coast national polytechnic	239,800.00	
AMREF	11,132,500.00	
EACC	680,648.00	
Ministry Of Tourism	1,819,250.00	
Total grants and subsidies	84,605,137.00	161,172,986.00

The transfer from Ministries, Departments and agencies are meant to facilitate activities that relates directly to the units funding. The actual related cost is treated as part of expenditure and the balance is recognized as A.I.A generated and retained for consumption. In this case the expenditure is captured **ksh 84,605,137.00** and the balance is consumed as A.I.A generated and utilized appropriately.

10 CASH AND CASH EQUIVALENTS

Description	2020-2021	2019-2020
	Ksh	Ksh
Current account	1,225,429,696.00	2,260,198,474.00
On - call deposits	1,211,422,163.00	1,136,960,355.00
Others(Imprest)	6,675,569.00	27,908,121.00
Total cash and cash equivalents	2,443,527,428.00	3,425,066,950.00

A. DETAILED ANALYSIS OF THE CASH AND CASH EQUIVALENTS

Financial institution	Account Number	2020-2021 Ksh	2019-2020 Ksh
a) Current account			
Central Bank - Recurrent	1000427914	890,456.75	1,449,498,718.68
Central Bank - Development	1000427922	731,489,950.00	311,286,195.00
KCB – National Youth Service	1262609798	35,610,158.45	0.00
KCB – Cohort Saving Account	1178058158	147,680,984.10	152,846,403.00
KCB – Cohort Payments	1178056929	371,985.65	371,985.65
NBK – Director General	01001000909300	57,707,613.20	106,217,235.86
NBK – Huduma Cohort Account	01020078734700	111,412,992.75	150,034,322.05
NBK – SM/W Welfare Account	01071227287600	53,251,828.20	31,532,151.20
NBK- Boda-Boda riders training account	01071000909303	3,143,089.00	0.00
		1,141,559,058.10	2,201,787,011.44
Field Units Accounts			
KCB – Garissa Mbalambala	1265083452	840,381.40	64,561.00
KCB – Hindi Development Unit	1265043647	0.00	0.00
KCB – Tana Basin Road Project	1265030243	7,266,607.00	34,832,445.00
KCB – Tumaini Field Unit	1264943083	3,196.00	4,250.00
KCB – NYSTTI – Naivasha	1265041105	3,978,458.00	811,098.34
KCB – NYS College - Gilgil	1264982534	69,073.00	7,264,080.00
KCB – Athi River Field Unit	1264972482	4,450,256.20	2,458,709.00
KCB – Mavoloni Field Unit	1264949413	2,494,703.04	2,326,837.00
KCB – Yatta Field Unit	1264952775	3,311,113.10	2,344,287.50
KCB – Witu Field Unit	1265041091	1,065.00	0.00
KCB – Kerio Valley	1265015481	1,172,555.40	79,355.00
KCB – Kirimun Field Unit	1265040257	17,267.00	13,042.00
KCB – Mwatate Field Unit	1265326037	43,679.10	3,197.50
KCB – Kisumu Field Unit	1264937482	0.00	0.00
KCB – Turbo	1265032637	59,742,818.00	7,366,535.00
CO-OP – NYSTC – Mombasa	1141628706800	474,992.50	843,065.50
CO-OP – Lambwe Development Unit	1141332009500	4,473.30	0.00
Sub- Total		83,870,638.04	58,411,462.84
b) Deposits(SM/W Savings)			
Central Bank - Deposit	1000427938	1,211,422,162.50	1,136,960,354.75
Sub- total		1,211,422,162.50	1,136,960,354.75
c) Others(Imprest)		6,675,569.50	27,908,121.00
Grand Total		2,443,527,428.14	3,425,066,950.03

- As at 30th June, 2021 the outstanding Imprest was **Ksh. 6,675,569.50** as obtained from the IFMIS template which is treated as cash and cash equivalent. However, the surrender process is ongoing and recovery will be initiated to those who will fail to surrender before the opening of the new financial year from the salary.

11. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2020-2021	2019-2020
	Ksh	Ksh

Current receivables		
Service, Hire Services of SM/W-Huduma Center	2,853,000.00	7,142,480.00
Stitching of Uniform- Ministry of Interior Coordination of government	3,539,279.00	2,100,000.00
Other (Boda Boda programme)- Kiambu County	17,105,250.00	2,487,250.00
Total current receivables	23,497,529.00	11,729,730.00

Analysis of receivable

The This are Amount owed to Service, for services rendered by the sm/w have not been paid as at 30th June 2021 by various department. The balance relates to Huduma Kenya ksh 2.853.000.00. Stitching of uniforms is amount owed by the Department of Interior for stitching of Police uniform and Administration Police uniform's 3,539,279.00 and for Boda boda the Kiambu county owes ksh 17,105,250.00

12. INVENTORIES

Description	2020-2021	2019-2020
	Ksh	Ksh
Consumable stores	547,068,791.00	785,371,700.00
Medical supplies	1,158,000.00	1,456,950.00
Spare parts and meters	190,888,381.00	819,300.00
Total inventories at the lower of cost and net realizable value	739,115,172.00	787,647,950.00

Note

The stock figures have been obtained from all the Units held by the Service and the two main stores at the Headquarter premises

13. PROPERTY, PLANT AND EQUIPMENT

Cost	Land,	Buildings and structures.	Motor vehicle s	Furniture and fittings	Computer s	Other Assets (Educational Aids Equipment)	Plant and equipment	Capital Work in progress	Total
Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
At 1 July 2020	0.00	229,836,436.00	-	17,717,012.00	-	-	-	-	247,553,448.00
Additions	0.00	102,789,758.00	0.00	25,244,591.00	91,500.00	114,138,517.00	0.00	0.00	242,256,366.00
Disposals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transfers/adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
At 30 th June 2021	0.00	332,626,194.00	0.00	42,961,603.00	91,500.00	114,138,517.00	0.00	0.00	489,809,814.00
Depreciation and impairment	0.00								
At 1 July 2020	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation	0.00	13,305,048.00	0.00	8,592,321.00	30,195.00	37,665,711.00	0.00	0.00	59,593,275.00
Impairment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
At 30 June 2021	0.00	13,305,048.00	0.00	8,592,320.00	30,195.00	37,665,710.00	0.00	0.00	59,593,275.00
Net book values	0.00	319,321,146.00	0.00	34,369,282.00	61,305.00	76,472,806.00	0.00	0.00	430,224,581.00
At 30 th June 2021	0.00	319,321,146.00	0.00	34,369,282.00	61,305.00	76,472,806.00	0.00	0.00	430,224,581.00
At 30 th June 2020	0.00	229,836,436.00	0.00	17,717,012.00	0.00	0.00	0.00	0.00	247,553,448.00

NOTE

The service is undertaking the valuation of all assets that is held in the Headquarters and all field units. Once completed the actual values will be reported appropriately in the subsequent financial report.

The depreciation is charged on various items as follows:

- a) The building and structures qualify for Depreciation at the rate of 4% per annum. (They were new semi-permanent structures thus qualify for 25 years as per IPSAS 17)
- b) Furniture and fittings at 20% of cost
- c) Computers at 33 % of cost
- d) Other assets are charged at 33%
- e) Motor vehicles are bought and run by the MTB and thus their depreciation is charged at the MTF accounts
- f) Among the items described as other assets (Educational aids and related equipment) are the 11 Motor bikes that were bought for Boda-Boda training programme.

The work in progress relates to the projects that were initiated in previous years and since the Service is undertaking a comprehensive valuation on all assets owned and this will be included and they will be valued and reported appropriately.

14. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2020-2021	2019-2020
	Ksh	Ksh
Trade payables	791,733,700.85	717,102,129.00
Payments received in advance	0.00	3,041,031.00
Third-party payments	0.00	1,118,524.00
Other payables	0.00	0.00
Total trade and other payables	791,733,701.00	721,261,684.00

These are all the payments that were never paid due to technical hitch and lapse of time. The same will take the first charge of 2021/2022.

The service has a pending bill worth **ksh 4,342,477,078.00** which has been verified and cleared for payments. This bill will be factored when the parliament approves for the payment and be captured in the budget.

The Service also wish to disclose that there is **Ksh.1,005,630,496** which is reported in the Mechanical and Transport Fund as receivable from NYS Headquarters that has accumulated for a number of years before the Service became a Corporate body. This matter/issue has been escalated to the Council for further guidance. Once concluded it will be reported in both financial reports as expected in the reporting standards.

15. REFUNDABLE DEPOSITS FROM CUSTOMERS

Description	2020-2021	2019-2020
	Ksh	Ksh
Service mem/women savings	1,169,664,599.00	1,095,202,791.00
Retentions from Contractors	41,757,564.00	41,757,564.00
Other deposits-Cohorts, wages, kitchen and allowances payable to SM/W	352,783,734.00	441,002,098.00
Total deposits	1,564,205,897.00	1,577,962,453.00

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

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

16. CASH GENERATED FROM OPERATIONS

	2020-2021	2019-2020
	Ksh	Ksh
Surplus for the year before tax	-1,029,806,346.00	1,919,919,251.00
Adjusted for:	0.00	0.00
Depreciation	59,593,274.00	0.00
Working Capital adjustments	0.00	0.00
Increase in inventory	-48,532,778.00	(787,647,950.00)
Increase in receivables	4,767,511.00	(28,265,040.00)
Increase in payables	70,472,017.00	718,220,553.00
Increase in payments received in advance	12,372,938.00	3,041,031.00
Net cash flow from operating activities	801,314,418.00	1,825,267,945.00

17. FINANCIAL RISK MANAGEMENT

The NYS' overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The entity does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

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

(i) Credit risk

The National Youth Service has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

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 entity's management based on prior experience and their assessment of the current economic environment.

(ii) Liquidity risk management

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

(iii) Market risk

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

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

18. RELATED PARTY BALANCES**Government of Kenya**

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

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

	2020-2021	2019-2020
	Ksh	Ksh
Transactions with related parties		
a) Sales to related parties		
Sales of goods to Clients	240,833,806.00	655,243,536.00
Sales of services Clients	154,858,574.00	89,735,999.00
Total	395,692,380.00	744,979,535.00
b) Grants from the Government		
Grants from National Govt	7,393,460,800.00	17,725,516,300.00
Grants from County Government	0.00	0.00
Donations in kind	0.00	0.00
Total	7,393,460,800.00	17,725,516,300.00
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for NYS employees	1,253,697,902.00	1,094,972,809.00
Payments for goods and services for NYS	7,278,366,246.00	15,594,208,777.00
Total	8,532,064,148.00	16,689,181,586.00
d) Key management compensation		
Directors' emoluments	4,317,200.00	5,511,585.00
Total	4,317,200.00	5,511,585.00

19. SEGMENT INFORMATION

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

The Units undertake various programmes summarized in the table below.

S/No.	Field Unit	Location (County)	Key Activities
1.	Nairobi Holding Unit (NHU)	Nairobi	• Business School (IBS) • Craft Engineering School • Security Services
2.	NYS Engineering Institute (NYEI)	Nairobi	• Engineering School • Research & Innovation • Security Services
3.	Vocational Training Institute (VTI)	Nairobi (Industrial Area)	• Technical & Vocational Training • Security Services
4.	Textile and Garment Training Institute (TGTI)	Nairobi	• Garment Factory • Technical & Vocational Training • Security Services
5.	Mechanical Transport Branch (MTB)	Nairobi	• Technical & Vocational Training • Fleet Management • Disaster Response Services • Commercial Services (Plant & Equipment Hire, Construction & Water Drilling)
6.	Yatta	Machakos	• Farming (Crop & Livestock) • Technical & Vocational Training • National Duties/projects
7.	Mavoloni	Machakos	• Farming (Horticulture) • National Duties/projects
8.	Athi River	Machakos	• Farming (Horticulture) • National Duties/projects
9.	Garissa Mbalambala	Garissa	• Farming (Rice) • National Duties/projects
10.	Tana Basin	Tana River	• Farming • Technical & Vocational Training • National Duties/projects
11.	Mwatate	Taita Taveta	• Farming (Horticulture) • National Duties/projects
12.	Mombasa Technical College	Mombasa	• Technical & Vocational Training • National Duties/projects

S/No.	Field Unit	Location (County)	Key Activities
13.	Hindi	Lamu	- Farming - National Duties/projects
14.	Witu	Lamu	- Farming - National Duties/projects
15.	Technical Training Institute, Naivasha	Nakuru	- Technical & Vocational Training - Paramilitary Training - Garment Factory - Farming - National Duties/projects
16.	NYS College, Gilgil	Nakuru	- Paramilitary Training - Staff Training - Enforcement Officers' Training - Technical & Vocational Training - Bakery - National Duties/projects
17.	Tumaini	Nyandarua	- Farming (Horticulture) - Potato Seed Production Project - National Duties/projects
18.	Kirimun	Laikipia	- Farming (Livestock) - Hay Production - National Duties/projects
19.	Kerio Valley	Elgeyo Marakwet	- Technical & Vocational Training - National Duties/projects
20.	Turbo	Kakamega	- Farming - Technical & Vocational Training - Mineral Water Production & Bottling - National Duties/projects
21.	Kisumu	Kisumu	- Farming - Technical & Vocational Training - National Duties/projects
22.	Lambwe	Homa Bay	- Farming - National Duties/projects

20. CAPITAL COMMITMENTS

Capital commitments	2020-2021	2019-2020
	Ksh	Ksh
Authorized for	25,000,000.00	957,820,000
Authorized and contracted for	0.00	269,000,000
Total	25,000,000.00	1,226,820,000

21. ULTIMATE AND HOLDING ENTITY

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

22. CURRENCY

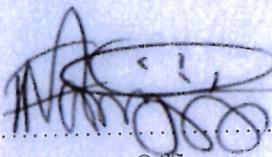
The financial statements are presented in Kenya Shillings (Ksh).

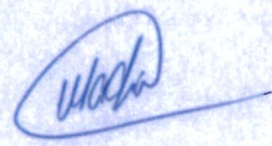
APPENDICES

APPENDIX I: INTER-ENTITY TRANSFERS

ENTITY NAME:		NATIONAL YOUTH SERVICE		
Break down of Transfers from the State Department for Youth				
a.	Recurrent Grants			
		Bank Statement Date	Amount (Ksh)	FY 2020/2021
		29/09/2020	2,129,864,073.00	
		02/02/2021	2,046,041,320.00	
		05/05/2021	83,942,755.00	
		12/05/2020	86,748,575.00	
		08/06/2021	1,000,000,000.00	
		31/06/2021	1,129,864,077.00	
		SUB TOTAL	6,476,460,800.00	
b.	Development Grants			
		Bank Statement Date	Amount (Ksh)	FY 2020/2021
		31/06/2021	917,000,000.00	
		SUB TOTAL	917,000,000.00	
		GRAND TOTAL	7,393,460,800.00	

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

Signature 
 Chief Finance Officer
 National Youth Service


 Head of Accounting Unit