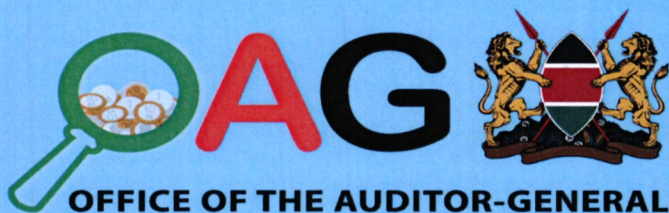


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

DATE: 20 JUN 2023

DAY:

Wednesday

TABLED BY:

DWEN OUYA MP
Opposition
Party leader, majority
for mwale

CLERK-AT THE TABLE:

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THE AUDITOR-GENERAL

ON

KENYA SCOUTS ASSOCIATION

FOR THE YEAR ENDED
30 JUNE, 2022



THE KENYA SCOUTS ASSOCIATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

**The Kenya Scouts Association
Annual Reports and Financial Statements
For the year ended 30 June, 2022**

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1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

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

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

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

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

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

(b) Principal Activities

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

Vision

Creating a Better World.

Mission

Educating young people to play a constructive role in society.

Purpose

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

Core Values of the Organization

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

(c) Key Management

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

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

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KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(d) Fiduciary Management

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

No	Designation	Name
1.	National Executive Commissioner	Moses Jonathan Ochieng
3.	Head of Procurement	Harmon Mutunga
4.	Head of Internal Audit	John Wekesa
5.	Head of Programmes	Daisy Achieng
6.	Head of Training	Peter Mwema
7.	Head of Projects & Partnerships	Patrick Wambua
9.	Head of Communications	Risper Omala
10.	Head of Scouts Shop & Camps and sites	Fred Mosaisi

(e) Fiduciary Oversight Arrangements

Name of the Committee	Members
Board Finance Committee	<ol style="list-style-type: none"> 1. Antony Gitonga - Chair 2. Ruth Mutiya - Member 3. Elizabeth Nyaberi - Member 4. David Ole Nanyokie-Member 5. Joyce Jowi - Secretary
Board Audit and Risk Committee	<ol style="list-style-type: none"> 1. Ann Musali - Chair 2. Maurice Odindo - Member 3. Joyce Kwamboka - Member 4. John Wekesa - Member
Board Scout Enterprise Committee	<ol style="list-style-type: none"> 1. Alice Kihungi - Chair 2. Maurice Odindo - Member 3. Joyce Kwamboka-Member 4. Agnes Gatere-Member 5. Fred Mosaisi - Secretary
Board Technical Committee	<ol style="list-style-type: none"> 1. George Wagaya - Chair 2. Caleb Musa - Member 3. Elizabeth Nyaberi-Member 4. Ruth Mutisya - Member 5. Peter Mwema/Daisy Achieng - Joint Secretaries
Board Human Recourse Committee	<ol style="list-style-type: none"> 1. Agnes Gatere - Chair 2. Caleb Musa - Member 3. David Ole Nanyokie-Member 4. George Wagaya - Member 5. Irene Musyoka -Secretaries

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KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

- (f) **Entity Headquarters**
P.O Box 41422,
Rowallan Scouts Camp,
Jamhuri Park, Kibera Drive,
Nairobi, Kenya
- (g) **Entity Contacts**
Telephone: (254) 2020819
Email: info@kenyascouts.org
Website: <http://kenyascouts.org/>
- (h) **Entity Bankers**
- 1) Equity Bank Ltd.
P. O. Box 75104 - 00200
NAIROBI
 - 2) Kenya Commercial Bank Ltd
P. O. Box 46950
NAIROBI
 - 3) I&M Bank
P. O. Box 30238
NAIROBI
 - 4) Absa Bank
P. O. Box 30120 - 00100
NAIROBI
- (i) **Independent Auditors**
Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya
- (j) **Principal Legal Adviser**
Wilson Rading Outa
P.O Box 389-00200
Nairobi


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2. BOARD OF DIRECTORS /COUNCIL

NATIONAL SCOUT BOARD

	Photo	Name/Title	Profile
1.		Victor Owuor Radido Chief Commissioner	DOB: 1982 Level of Ed.: University Degree Speciality: IT Length of service: 5 Year
2.		Ms Alice Kihungi Deputy Chief Commissioner	DOB: Level of Ed.: Speciality: Length of Service:
3.		Mr Moses Jonathan Ochieng National Executive Commissioner	DOB: 1965 Level of Ed.: University Degree Speciality: Education Administration Length of service: 5 Years
4		Mr. Maurice Odindo Member, Community Development Commissioner	DOB: 1962 Level of Ed.: University Degree Speciality: Education Length of service: 3 Years
5.		Mr. Anthony Gitonga Member, International Commissioner, Ag. National Treasurer	DOB: 1988 Level of Ed.: University Degree Speciality: Communications Length of Service: 3 Years
6.		Mr. Caleb Musa Member, Special Needs Commissioner	DOB: 1958 Masters Speciality: Religious Studies Length of service: 5 Years
7.		Agnes Gatere Member	DOB: 1963 Level of Ed.: Masters Speciality: Strategic Management Length of service: 5 Year
8.		Elizabeth Nyaberi Member	DOB: 1993 Level of Ed: Speciality: Length of service:
9.		Anne Musalia Member	DOB: 1962 Level of Ed: Masters Speciality: Education Length of service: 5 Year
10.		David Ole Nanyokie	DOB: 1964 Level of Ed: Diploma Speciality: Education Length of Service: 5 Year
11.		George Wagaya	DOB: 1981 Level of Ed: University Degree Speciality: Theology Length of Service: 2 years

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12.		Joyce Kwamboka	DOB: Level of Ed: Speciality: Length of Service: 2 years
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3. MANAGEMENT TEAM

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

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4. CHAIRMAN'S STATEMENT

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

That is why we set a theme that will remind us that whatever we do this year we must be innovative and must embrace technology in all ways that it will support us to achieve our aims and objectives. We want to rely on technology for membership growth, in how we enable our Scouts to access the scout program materials, in the training of our adult leadership, in financial prudent management, in general institutional governance and in communication.

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

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

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

Governance

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

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

Social and Environmental Impact

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

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CHAIRMAN'S STATEMENT *(continued)*

Institutional Sustainability

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

Communication and External Relations

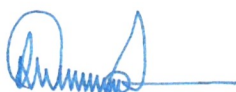
In this focus area, the Association purposed to deliver a communications strategy framework that provides clear, informative and engaging two way communications which are planned and effectively link together the Association's key messages to enable dialogue that promotes shared values and the unity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

If you have been keen you may have noticed that we have developed a very strong presence in the mass media. All the events we have conducted have had substantial media coverage. This is an indication that our profile is becoming stronger and we can only ensure it continues to grow from strength to strength

Project and Partnership

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

S No.	Name of Partner/Donor	Nature of Engagement with KSA (Activity)	Area of Partnership/Funded Project
1	SIDA/VI Agroforestry	Donor funding	Agroforestry project in Busia, Elgeyo and Marakwet counties
2	Rain Forest Alliance	Partnership	Supported the establishment E- training platform for adults in scouting. PTC rolled out.
3	UNICEF	Donor	YUNITOK Project: to amplify the voices of young people on issues affecting them.



**Victor Owuor Radido
Chief Commissioner**

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5. REPORT OF THE CHIEF EXECUTIVE OFFICER

The Association is committed to implementing good corporate governance principles and adheres to integrity, high ethical values and professionalism in all its activities. As at 30th June 2022, the National Scout Board (hereafter referred to as the Board) was made of 14 members comprising the Chief Commissioner as the Chairman, the Deputy Chief Commissioner, the Acting National Treasurer, the Legal Affairs Commissioner, the National Executive Commissioner (Chief Executive) as the Secretary and ten (10) other members: three (3) of whom are elected by the teams (Training, Administration, and County Youth Leaders), four (4) appointed for their special professional skills. And three (3) co-opted from Ministry of Education, Teachers' Service Commission, and Kenya Defence Forces.

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

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

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

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

In the previous year we executed various strategies and approaches as highlighted in this report when dealing with our members and the local community principles in an effort to support reducing our energy, transport, water use and other business usage to reduce our carbon footprint and environmental impact.

Environment

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

During 2021/22 FY, the Association was committed to:

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

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REPORT OF THE CHIEF EXECUTIVE OFFICER (*Continued*)

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

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

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

Local Community

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

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

During year 2021/22, a number of initiatives were undertaken within the local community including support in community projects within Kibra Slums, and allowing the use of the Rowallan Scout playing fields to be used as training grounds by two soccer teams from the same slums. The Association also installed 10 water reservoirs (tanks) within the Kibra slums to support the hand washing as a way of fighting corona virus.

Responsibility to Stakeholders

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

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

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

Financial Performance Highlights

Revenue and Expenses

Revenues for the year 2022 were Kshs 141,448,144 compared to Kshs. 102,859,297 in year 2021 representing 38% increase. The expenditure rose to Kshs. 148,099,652 compare to Kshs. 135,135,879 for the previous year representing 10% increase

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REPORT OF THE CHIEF EXECUTIVE OFFICER (Continued)

Revenue

The income statement shows that there was an increase in revenue collection from Ksh. 102,859,292 to Kshs. 141,448,144 in Year 2021 and 2022 respectively.

- Property Taxes Revenue which is composed of rental income went up by Kshs. 856,707 because measures were put in place to ensure timely rental payment.

Sale of Goods increased to Kshs 32,456,289 from Kshs. 3,617,709 in the year under review due increased sale of scout uniform scout registration and certificates. (Registration and Certificates- 6,940,685, Woodbage, PTC, ITC & ALT Fees- 303,979 and Net Profit from Scout Shop- 24,107,221).

- Rental Revenue from Facilities and Equipment) which is made up of camping fee, accommodation and other revenue generated from camps and sites went up to Kshs 11,642,683 from Kshs. 6,520,015 because camping and other scouting activities resumed during the year.
- Other Income declined to Kshs 148,200 from Kshs 3,530,633 because in 2021, Liaison Insurance Ltd paid the last expense through the association Kshs. 3,499,556 to the family of the departed employee.

Expenditure

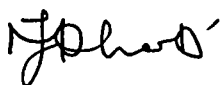
Expenditure went up to Kshs. 148,099,652 from Kshs. 135,135,879 in Year 2022 and 2021 respectively. Overall, there was an improvement in financial performance although the deficit is still at Kshs. (18,060,309) compared to last year's Kshs. (32,276,582). The association needs to expand its revenue streams to avoid over reliance on funding from the government.

- ✓ Use of Goods and Services comprise of all other expenses except employments cots and Board Meeting expenses.
- ✓ Employee Cost went up because of staff restructuring and adjustment of salaries that took place in May 2022
- ✓ Board/Council Expenses went up since there was annual general meeting in November 2021 as well as a retreat for county commissioners that took place in Mombasa.
- ✓

Future Plans

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

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



**Moses Jonathan Ochieng
National Executive Commissioner**

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**6. STATEMENT OF THE KENYA SCOUTS ASSOCIATION'S PERFORMANCE AGAINST
 PREDETERMINED OBJECTIVES FOR YEAR 2021/2022**

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

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

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

FOCUS AREAS OF THE STRATEGY

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

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

FOCUS AREA	PRIORITY	SECTION	OBJECTIVE	DETAILS	ACHIEVEMENT
1. Innovating Scouting	1. Education Method	Youth Programme	Review & Dissemination of Youth programme	Reviewing the youth programme & Disseminating the revised youth programme in at least 20 counties	Review workshop done. Youth programme handbooks in place
			Production of Youth (scouts) programme materials	Improving access to youth programme materials to both scouts and scout leaders	Materials produced and printed
			Improving access to youth programme materials	Transcribing into Braille and production of Easy to read sectional handbooks for blind and visually impaired scouts	Materials produced and printed

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		Adults in Scouting	Undertaking capacity building on governance of County executives	Induction, records, report writing, management and safe from harm trainings	Fully achieved
			Accessibility of Training materials & Tools	Producing and making accessible training materials and tools for all levels of training adults in KSA	Scouts can access youth programme materials through these links. https://www.scouting.org https://scoutingmagazine.org Hard copies of sectional handbooks available at the Scout Shop
	2. Events	Camps and centres	Increase participation and improve quality of our events at all levels	Ensure all KSA Events are done in a safe and secure environment	To be undertaken in the remaining period 2021/2023 Strategic plan period
		Communications & IT	Increased visibility of events in various platforms	Engage media firm(s) for coverage of KSA events	Fully achieved
		Youth Programme	International and national events participation	Ensure the Association is represented in at least 5 international and 15 local events annually	Fully Achieved
	3. Youth Engagement	Youth Programme	Youth Engagement policy	Reviewing and disseminating the youth engagement policy.	Fully Achieved

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				<p>Training of at least 300 rovers on life skills, entrepreneurship, solar energy, leadership, project management, financial literacy and business management.</p> <p>Training at least 1,000 scouts on Alternative dispute resolution as peer mediators</p> <p>Conduct 1 job/career fairs annually- 900 scouts</p>	To engage more partners during the SP period
			Youth Training		
	4. Membership Growth	Youth Programme and	Recruitment Drive for Scouts	Undertaking a recruitment drive for scouts- 1.9 m to be recruited	Need for an RRI Engaging MOE
		Adults in Scouting	Database for scouts and Scout leaders	Creating an effective and efficient database for both scouts and adults in scouting	Development of database ongoing
			Scouts Census	Conducting a scouts census in partnership with Ministry of Education and Teachers Service Commission amongst others	Not fully achieved Impact of Covid 19
2. Social Impact	1. Community Development	Youth Programme and	Community service and peace building	Engage at least 5,000 scouts to undertake at least 3 community service activities annually and undertake 2 peace caravans	Scheduled for 2022 Not achieved Impact of Covid 19,
			Enhancing interactive dialogue and amplifying the voices of young people	Undertake U report activities and social impact survey	Fully Achieved.
			Forging strategic partnerships	Forging at least 5 strategic partnerships with other stakeholders on emerging issues	Fully Achieved.
	2. Reaching Out	Youth Programme and	Provision of program and materials support	Providing program and material support (e.g uniforms) to at least 20 special needs units	Fully Achieved.

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		Adults in Scouting	Supporting ITC/PTC/Wood badge Trainings	Supporting ITC/PTC/Woodbadge trainings for at least 60 scout leaders from special units in marginalized areas	Scheduled for 2022 Not achieved Impact of Covid 19,
			Social impact survey	Conduct 1 social impact survey of ESP in scouting.	Fully Achieved.
	3. Environmental Conservation	Youth Programme and	Tree growing activities	Undertaking tree growing activities (tree nurseries) in at least 40 counties to achieve a target of at least 30 million trees by 2023	Poor Reporting from Grassroots
		Adults in Scouting	Participating in environmental conservation	Actively participating in environmental conservation activities being undertaken by other stakeholders including and not limited to county governments, Ministry of Education and the Ministry of environment and Natural Resources	Scheduled for 2022 Not achieved Impact of Covid 19,
	4. Community Health	Youth Programme and	Impact knowledge and skills on healthy living	Actively collaborating with partners in impacting knowledge and skills on healthy living by adopting healthy lifestyle styles during scouting events	Fully Achieved
		Adults in Scouting	Youth empowerment	Engaging at least 300 youth in agribusiness and other IGAs/ innovations	Fully Achieved
3. Communications and Relations	1. Internal Communications		Internal communication systems	Enhance internal communication systems to promote clear, concise, concrete, correct, coherent, complete and courteous messaging	Fully Achieved
	2. Stakeholder Relations		Increase media presence	Engagement of a media agency to enhance value of scouting	Fully Achieved
	3. Strategic Engagements		Develop partnerships with National and	To identify, develop and maintain mutually beneficial partnerships and relationships with 3 key national & international	

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			International organizations	organizations; to either attract support for Scouting and/or create positive change through advocacy.	
			Scout Leaders Capacity Building on strategic Engagements	To offer educational and training opportunities to build the capacities of Scout leaders in 47 counties in the field of Strategic Engagements	
4. Governance	1. Association Structure and Systems		2021-2023 Strategy	We have a new strategy for 2021-2023 ready for approval by the National Scout Board	
			Human resource policies	Review human resource policies	
5. Finances & Resources	1. Resource Mobilization		Kenya Scout Foundation	By 2023, the Kenya Scout Foundation is established	
			Kenya Scout Shop as semi-autonomous Association	By 2023 to establish the Kenya Scout shops as a semi-autonomous Association for resource mobilization. Set up new shop outlets	
	Financial Management	Approved revised financial guidelines	Review financial guidelines	Review financial guidelines	Approved revised financial guidelines
	Infrastructure/ Asset Management		Securing KSA land parcels	By 2023, secure title deeds for at least 50% of KSA land parcels	Process ongoing
			Develop and implement infrastructure development and maintenance plans	Develop plans and Undertake infrastructural developments in Rowallan, Embu, Nyeri, Kilifi, Siaya	Process ongoing

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7. CORPORATE GOVERNANCE STATEMENT

The Kenya Scouts Association is committed to implementing good corporate governance principles and adheres to integrity, high ethical values and professionalism in all its activities. As at 30th June 2022, the National Scout Board (hereafter referred to as the Board) was made of 14 members comprising the Chief Commissioner as the Chairman, the Deputy Chief Commissioner, the Acting National Treasurer, the Legal Affairs Commissioner, the National Executive Commissioner (Chief Executive) as the Secretary and eleven (10) other members: three (3) of whom are elected by the teams (Training, Administration, and County Youth Leaders), four (4) appointed for their special professional skills. And three (3) co-opted from Ministry of Education, Teachers' Service Commission, and Kenya Defence Forces.

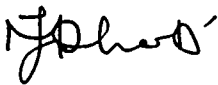
The board operated with five committees that had delegated responsibilities:

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

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

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

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



Moses Jonathan Ochieng
National Executive Commissioner

**The Kenya Scouts Association
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8. MANAGEMENT DISCUSSION AND ANALYSIS

(a) Liquidity Risk

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

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

(b) Credit risk

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

Management of Credit risks

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

These procedures include:

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

Legal action for those who fail to pay

c) Operational Risk

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

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

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

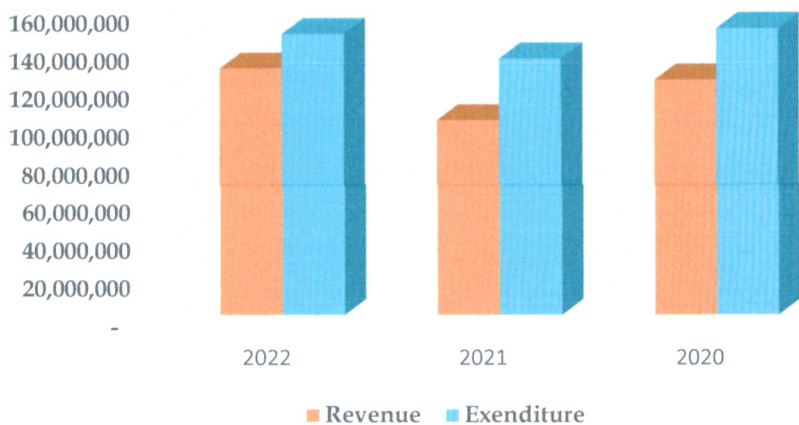
Material arrears in statutory/financial obligations

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

Statement of Financial Performance Analysis

Revenues for the year 2022 were Kshs 141,448,144 compared to Kshs. 102,859,297 in year 2021 representing 38% increase. The expenditure rose to Kshs. 148,099,652 compare to Kshs. 135,135,879 for the previous year representing 10% increase

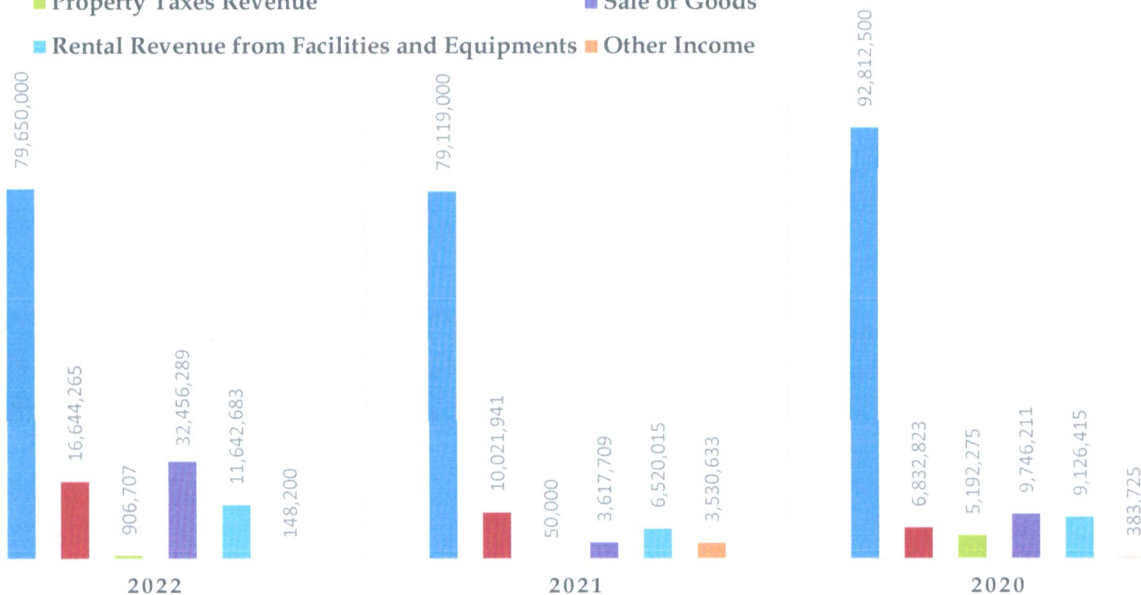
Revenue/Expenditure



The Above graph shows that the association is spending more than it generates.

CHART TITLE

- Transfers from Other Government Entities
- Donations
- Property Taxes Revenue
- Sale of Goods
- Rental Revenue from Facilities and Equipments
- Other Income



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

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

9. ENVIRONMENT AND SUSTAINABILITY REPORTING

This report is about how the KSA takes account of its economic, social and environmental impact in the way it operates as a Movement. By demonstrating our commitment to community social development we aim to align our activities, purpose, and strategy with the needs of our members, whilst embedding such responsible and ethical principles into everything we do. The elements of this report cover our approach in dealing with our members and the local community principles in an effort to support reducing our energy, transport, water use and other business usage to reduce our carbon footprint and environmental impact.

Environment

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

During 2021/22 FY, the Association was committed to:

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

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

- a) Sourcing and buying locally to save fuel costs wherever possible.
- b) Using scrap paper for drafts and notes
- c) Printing in mono and double sided wherever possible.
- d) Sourcing recycled materials wherever possible.

Local Community

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

- a) Working with and supporting local charities
- b) Encouraging volunteer work in community activities

Responsibility to Stakeholders

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

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

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

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10. REPORT OF THE DIRECTORS

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

Principal activities

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

Results

The results of the entity for the year ended June 30, 2022 are set out on page 1 to 26

Directors

The members of the Board of Directors who served during the year are shown in page (iv)

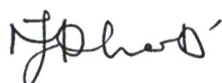
Dividends/Surplus remission

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

Auditors

The Auditor General is responsible for the statutory audit of the Association in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



**Moses Jonathan Ochieng
National Executive Commissioner**

Nairobi.

Date: 24.09.2022

The Kenya Scouts Association
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11. STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

The Directors are responsible for the preparation and presentation of the association's financial statements, which give a true and fair view of the state of affairs of the association for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the association (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the association's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the State Corporations Act). The Directors are of the opinion that the association's financial statements give a true and fair view of the state of association's transactions during the financial year ended June 30, 2022, and of the association's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the association, which have been relied upon in the preparation of the association's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The Association's financial statements were approved by the Board on 24th September 2022 and signed on its behalf by:



Victor Owuor Radido
Chief Commissioner



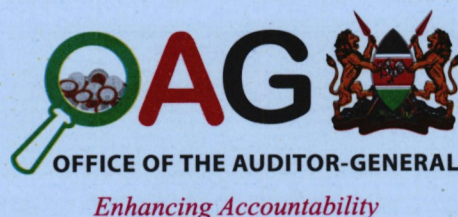
Antony Gitonga Maina
Ag. National Treasurer



Moses Jonathan Ochieng
National Executive Commissioner

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON KENYA SCOUTS ASSOCIATION FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the Kenya Scout Association set out on pages 1 to 26, which comprise of the statement of financial position as at 30 June, 2022, and the statement of financial performance, statement of changes in net assets, statement of cash flows, statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the

Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1.0 Unsupported Property, Plant and Equipment

As reported in the previous year, the statement of financial position and as disclosed in Note 20 to the financial statements reflects property, plant and equipment balance of Kshs.1,821,308,622 which includes land valued at Kshs.1,669,446,042. Included in the balance are fourteen (14) parcels of land with book values totaling Kshs.78,956,800 located in Nyeri, Muranga, Kiambu, Machakos, Uasin Gishu, Bungoma, Busia, Siaya, Mombasa and Kilifi Counties which did not have title deeds. Ownership status of the parcels of land is unknown and the parcels of land are at a risk of encroachment by informal settlers and private developers. Further, the balance excludes twelve (12) parcels of land owned by the Association located in Bungoma, Kericho, Homa Bay, Kisumu, Kwale, Laikipia, Machakos, Meru, Nakuru and Nyeri Counties of undetermined value.

In the circumstances, the accuracy, rightful ownership and fair statement of property, plant and equipment balance of Kshs.1,821,308,622 as at 30 June, 2022 could not be confirmed.

2.0 Unconfirmed Prior Year Adjustments

The statement of changes in net assets for the year ended 30 June, 2022 reflects restricted reserves balance of Kshs.3,387,316 which was net of prior year adjustment balance of Kshs.6,027,389. However, the Management did not disclose in the financial statements the nature of adjustment or give support in respect of the adjustment.

In the circumstances, the accuracy, completeness, presentation and disclosure of the prior year adjustment balance of negative Kshs.6,027,389 could not be confirmed.

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Scout Association Management in accordance with ISSAI 130 on the 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.

Emphasis of Matter

Long Outstanding Receivables

The statements of financial position and as disclosed in Notes 15 and Note 16 to the financial statements reflect receivables from exchange and non-exchange

transactions balances of Kshs.6,765,193 and Kshs.1,444,266 respectively. Included in the balances is an amount of Kshs.1,856,291 in respect of receivables which have been outstanding for more than one hundred and fifty (150) days. No explanation was provided by the Management on the steps being taken to ensure recovery of the long outstanding receivables.

My opinion is not modified in respect of the effects of the above matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of the most significant in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Prior Year Matters

In the audit report of the previous year, an issue was raised under the Report on Financial Statements. However, the Management had not resolved the issues nor given any explanation for the failure to implement the recommendations.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Board Meetings Held Outside the Principal /Registered Office

The statement of financial performance and as disclosed in Note 11 of the financial statements reflects Kshs.8,494,146 in respect of Board /Council expenses. However, during the year under review, three (3) Board meetings were held outside the principal/ registered office of the Association without the approval of the parent Ministry contrary to Circular OP/CAB.9/1A that states that all Board meetings shall be held at the principal office and Circular OP/CAB.17/34A which delegates authority to the principal secretary to approve holding of meetings outside the principal offices.

In the circumstances the Management was in breach of the directive of Circulars OP/CAB.9/1A and OP/CAB.17/34A.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 3000 and 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 THE EFFECTIVENESS OF INTERNAL CONTROL, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Audit Committee

Review of the Board committee documents established that the Management appointed members of the Audit and Risk committee but no meetings were held during the financial year under review contrary to Regulations 179(1) of the Public Finance Management (National Government) Regulations, 2015 which states that the audit committee shall meet at least once every three months.

In the circumstances there was lack of oversight over risk management and control which may lead to poor decisions and policies by the Management.

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

Responsibilities of Management and the Council

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide

a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Association to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Association to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

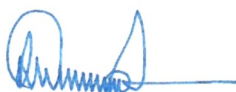
26 April, 2023

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

	Notes	2022 KSHS	2021 KSHS
Revenue from Non - Exchange transactions			
Transfers from Other Government Entities	4	79,650,000	79,119,000
Donations	5	16,644,265	10,021,941
		<u>96,294,265</u>	<u>89,140,941</u>
Revenue from exchange transactions			
Property Taxes Revenue	6	906,707	50,000
Sale of Goods	7	32,456,289	3,617,709
Rental Revenue from Facilities and Equipment	8	11,642,683	6,520,015
Other Income	9	148,200	3,530,633
		<u>45,153,879</u>	<u>13,718,357</u>
Total Revenue		<u>141,448,144</u>	<u>102,859,298</u>
Expenses			
Use of Goods and Services	10	87,746,312	78,497,802
Employee Cost	11	46,201,049	42,430,893
Board/Council Expenses	12	8,494,146	7,975,201
Depreciation and Amortisation	18 & 19	5,658,145	6,231,984
		<u>148,099,652</u>	<u>135,135,879</u>
Total Expenses		<u>148,099,652</u>	<u>135,135,879</u>
Surplus for the period		<u>(6,651,508)</u>	<u>(32,276,582)</u>

The Financial Statements set out on pages 1 to 26 were signed on behalf of the Board of Directors by:



Victor Owuor Radido
Chief Commissioner



Antony Gitonga Maina
Ag. National Treasurer



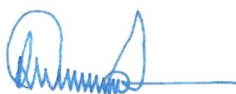
Moses Jonathan Ochieng
National Executive Commissioner

**The Kenya Scouts Association
Annual Reports and Financial Statements
For the year ended 30 June, 2022**

14. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Notes	2022 KSH	2021 KSH
ASSETS			
Current Assets			
Cash & cash equivalents	13	27,997,214	29,997,492
Receivables from Exchange Transaction	14	6,765,193	12,377,988
Receivables from Non- Exchange Transaction	15	1,444,266	2,668,114
Inventories	16	58,745,805	54,536,741
		<u>94,952,479</u>	<u>99,580,334</u>
Non - Current Assets			
Property, plant & equipment	18	1,821,308,622	1,826,181,215
Intangible Assets	19	375,997	537,138
TOTAL ASSETS		<u>1,916,637,098</u>	<u>1,926,298,688</u>
LIABILITIES			
Current Liabilities			
Payables and Accruals	17	21,707,748	18,690,441
		<u>21,707,748</u>	<u>18,690,441</u>
NET ASSETS		<u>1,894,929,350</u>	<u>1,907,608,246</u>
FUNDS			
General Fund		884,788,848	891,440,356
Revaluation Reserve		1,006,753,186	1,006,753,186
Restricted Fund		3,387,316	9,414,705
		<u>1,894,929,350</u>	<u>1,907,608,246</u>

The Financial Statements set out on pages 1 to 26 were signed on behalf of the Board of Directors by:



Victor Owuor Radido
Chief Commissioner



Antony Gitonga Maina
Ag. National Treasurer



Moses Jonathan Ochieng
National Executive Commissioner

The Kenya Scouts Association
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For the year ended 30 June, 2022

15. STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2022

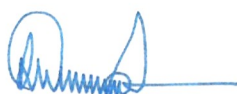
	General Fund KSHS	Restricted Fund KSHS	Revaluation Reserve KSHS	Total KSHS
Balance as at 30.06.2019	950,532,433	4,617,514	1,006,753,186	1,961,903,133
Surplus for the period	(26,815,495)	-	-	(26,815,495)
Net Movement during the year	-	(1,696,136)	-	(1,696,136)
Prior year adjustment				-
Balance as at 30.06.2020	923,716,938	2,921,378	1,006,753,186	1,933,391,502
Surplus for the period	(32,276,582)	-		(32,276,582)
Net Movement during the year	-	6,493,327		6,493,327
Prior year adjustment				-
Balance as at 30.06.2021	891,440,356	9,414,705	1,006,753,186	1,907,608,247
Surplus for the period	(6,651,508)			(6,651,508)
Net Movement during the year				-
Prior year adjustment		(6,027,389)		(6,027,389)
Balance as at 30.06.2022	884,788,848	3,387,316	1,006,753,186	1,894,929,350

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16. CASH FLOW STATEMENT FOR THE YEAR 30 JUNE 2022

	Notes	2022 Kshs	2021 Kshs
Cash Flows from Operating Activities			
Net Surplus/(Deficit)		(6,651,508)	(32,276,582)
Adjustment on non-cash income and expenditure			
Depreciation on plant and equipment	18 & 19	5,658,145	6,231,984
Changes in working capital			
Account Receivable (Increase)/Decrease	14 & 15	6,836,643	3,491,275
Inventory (Increase)/Decrease	16	(4,209,065)	(15,807,311)
Account Payables Increase/(Decrease)		3,017,307	7,076,941
Net Cash From Operating Activities		4,651,522	(31,283,693)
Cash Flows From Investing Activities			
Purchase of Property, Plant & Equipment	18	(624,410)	(1,764,240)
Increase in Intangible Assets			
Net Cash From Investing Activities		(624,410)	(1,764,240)
Cash Flows from financing activities			
Increase in Restricted funds		(6,027,389)	6,349,199
Net cash used in financing activities		(6,027,389)	6,349,199
Net Increase in cash and cash equivalents		(2,000,277)	(27,007,272)
Cash & cash equivalents at beginning of the period		29,997,491	57,004,763
Cash & cash equivalents at end of the period		27,997,215	29,997,491

The Financial Statements set out on pages 1 to 26 were signed on behalf of the Board of Directors by:



Victor Owuor Radido
Chief Commissioner



Antony Gitonga Maina
Ag. National Treasurer



Moses Jonathan Ochieng
National Executive Commissioner

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17. STATEMENT ON COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	ORIGINAL BUDGET	ADJUSTMENTS	Final BUDGET	ACTUAL ON COMPARABLE BASIS	PERFORMANCE DIFFERENCE	% of utilization	Explanation of Difference
	a	b	c=(a+b)	d	e=(c-d)	f=d/c	
Revenue from Non - Exchange transactions							
Transfers from Other Government Entities	84,000,000	10,000,000	94,000,000	79,650,000	14,350,000	15%	
Donations	9,000,000	11,000,000	20,000,000	16,644,265	3,355,735	17%	
	93,000,000	21,000,000	114,000,000	96,294,265	17,705,735		
Revenue from exchange transactions							
Rental Revenue from Facilities and Equipment	11,300,000	1,300,000	12,600,000	11,642,683	957,317	8%	
Sale of Goods	93,349,000	(62,560,000)	30,789,000	32,456,289	(1,667,289)	(5)%	
Property Taxes Revenue	6,000,000	(5,000,000)	1,000,000	906,707	93,293	9%	
Other Income			-	148,200	(148,200)		
	110,649,000	(66,260,000)	44,389,000	45,153,879	(764,879)		
Total Revenue	203,649,000	(45,260,000)	158,389,000	141,448,144	16,940,856		
Expenses							
Use of Goods and Services	152,274,000	(55,329,007)	96,944,993	87,746,312	9,198,681	9%	
Board/Council Expenses	10,140,000	3,000,000	13,140,000	8,494,146	4,645,854	35%	Expenditure was less than the budget resulting into favourable variance of 35%
Employee Cost	35,304,008	13,000,000	48,304,008	46,201,049	2,102,958	4%	
Depreciation: Property, Plant & Equipment's			0	5,658,145	(5,658,145)	0%	
Total Expenses	197,718,008	(39,329,007)	158,389,001	148,099,652	10,289,348		
Surplus for the period				(6,651,508)			

Note

The changes between original and final budget were as a result of revision of the budget within the Financial Year and inclusion of the approved carry over budget from Financial Year 2021-2022.

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18. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Kenya Scouts Association was established by an Act of Parliament Cap 219 of the Laws of Kenya and is the largest youth organization in Kenya catering for young people between the ages 6-26 years with a membership of over 1000,000 scouts and 40,000 adult leaders in 2021. It is a registered member of the World Organization of Scout Movement (WOSM) whose headquarters is based in Malaysia and Geneva.

2. Statement of Compliance and Basis of Preparation

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

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

Transfers from other government entities

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

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Transfers from other government entities

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

Rendering of services

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

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

Sale of goods

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

Interest income

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

Revenue from exchange transactions

Dividends

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

Rental income

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

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Budget information

The original budget for FY 2021-2022 was approved by the National Scouts Board. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the association upon receiving the respective approvals in order to conclude the final budget.

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 5 of these financial statements.

c) Investment property

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

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

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

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

a) Property, plant and equipment

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

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NOTES TO THE FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation

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

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

b) Leases

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

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

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

a) Intangible assets

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

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

NOTES TO THE FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Research and development costs

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

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

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

c) Financial instruments

a) Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity.

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

Impairment of financial assets

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

b) Financial liabilities

Initial recognition and measurement

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

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

d) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.
- iii) 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.
- iv) 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.
- v) Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Association.

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NOTES TO THE FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Provisions

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

Where the association expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

f) Contingent liabilities

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

g) Contingent assets

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

h) Nature and purpose of reserves

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

i) Changes in accounting policies and estimates

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

j) Related parties

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

k) Service concession arrangements

The Association analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Association recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price.

NOTES TO THE FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Association also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

l) Cash and cash equivalents

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

Comparative figures

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

m) Subsequent events

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

4. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Association's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period.

Estimates and assumptions

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

Useful lives and residual values

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

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

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4 Transfers from Other Government Entities

	2022	2021
	KSHS	KSHS
Unconditional Grants		
Transfer during the year	79,650,000	79,119,000
Total Unconditional Grants	79,650,000	79,119,000

5 Donations

WOSM	2,066,426	3,130,885
Rainforest Alliance	1,586,886	-
Vi Agroforestry	3,292,553	3,496,656
UNICEF	9,698,400	3,394,400
Total Donations	16,644,265	10,021,941

6 Property Taxes Revenue

Commercial	906,707	50,000
Total-Property Taxes Revenue	906,707	50,000

7 Sale of Goods

Registration and Certificates	6,940,685	1,464,146
Woodbage Receipts & ALT Fees	303,979	413,278
County Support -Training fee from counties	1,104,405	1,042,008
	8,349,069	2,919,432
Gross Revenue from Shop		
Sales of Scouts Uniforms & Camping gears	123,086,297	35,300,966
Cost of Sales		
Opening Stock	54,536,741	38,738,305
Add : Purchases	96,380,949	45,992,473
Less: Closing Stock	(58,745,805)	(54,536,741)
	92,171,884	30,194,038
Gross Profit	30,914,413	5,106,928
Less Operating Expenses	(6,807,192)	(4,408,651)
Net Profit/(Loss) from Shop Operations	24,107,221	698,278
Total Sale of Goods	32,456,289	3,617,709

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

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8 Rental Revenue from Facilities and Equipment

Embu	6,667,238	4,868,721
Kilifi Camp	56,100	70,100
Rowallan Camp	3,586,660	1,095,734
Machakos	190,940	45,800
Nyeri	476,200	264,530
Siaya Camp	665,545	175,130
Total Rental	11,642,683	6,520,015

This is revenue from hire of grounds, rooms and camping

9 Other Income

Staff Loan Interest	-	30,477
Foreign Exchange Gain	-	3,656
Other Sundries	148,200	3,496,500
Total Other Income	148,200	3,530,633

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

10 Use of Goods and Services

Administrative Costs

Communication Cost	757,584	764,000
Postage & Courier	1,630,791	928,307
Office Stationery	444,665	178,534
Printing and Production	494,261	410,677
Subscription Fees	2,643,296	2,576,474
Utilities	1,699,018	1,519,359
Insurance	-	351,605
Bank and Mpesa Charges	175,481	226,175
Audit Cost	-	2,198,700
Professional Fees	389,200	777,885
Repairs and Maintenance	7,665,415	6,075,656
Vehicle Expenses	3,449,825	3,301,864
Cleaning & sanitation	140,334	371,194
Restaurant Expenses	5,013,387	1,060,633
Chief Scout/Commissioner Office	1,111,756	146,102
Land Documentation	479,791	1,347,470
Rent & Rates	-	7,265,813
Legal Fees	1,022,400	612,362
Local Travel	3,384,109	1,997,114
Centres Visits	264,605	233,600

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Communication & Corp Affairs

Advertisement	1,002,588	211,096
Internet	936,220	1,481,087
Office Telephone	5,000	37,734
Website Replacement/ Maintenance	825,500	1,184,500
Newspapers and Magazines	32,740	28,200
Events , Media & Publicity	2,646,700	2,576,100
Documentary	531,750	202,000
Publications	1,609,000	1,068,660
ERP Support	744,520	744,520
IT Maintenance	240,147	398,729
Safety and Security	4,972,257	5,557,336
Investiture	40,000	458,640
KSA Events and National Days Celebrations	10,300	582,200
Consultative meetings	547,028	287,213
M&E	693,410	529,000
Tailoring		1,266,743

Youth Programmes Expenses

Certificates	1,881,640	853,900
Competition	294,200	
Founderee	1,704,600	1,140,200
Membership Cards	635,300	
National Youth Forum	684,900	
Africa Rover Moot	4,192,654	720,655
Jota Joti		71,000
Data Entry		4,350
Humanitarian Programme		7,809,498
Youth Empowerment	11,365,955	8,674,433
PLC		47,000
ACC's meetings	2,175,600	-

Adult in Scouting Expenses

Woodbadge	1,652,030	672,900
Training of Trainers		991,950
County Coordinators	521,455	593,100
Elections and Induction	162,000	179,400
PTC Training	524,200	-
Specialized Training		553,100
Capacity Building	5,898,322	2,841,702
County Scouts activities cost	1,922,205	3,382,832
Foreign travel, subsistence and other traveling cost	2,531,771	1,004,500
Task Force and Adhoc Meetings	1,109,594	-
Annual general Meeting	4,886,808	-
Total Use of Goods and Services	87,746,312	78,497,801

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NOTES TO THE FINANCIAL STATEMENTS

11 Employee Cost

Salaries & Wages	31,010,156	28,007,388
Medical Expenses	7,928,127	4,114,733
Staff Welfare	2,320,747	1,435,324
Group Life Insurance	178,785	647,116
Benevolent Fund	-	3,499,556
Pension	4,072,030	4,085,738
Gratuity	-	46,038
Staff Other Expenses	691,204	595,000
	46,201,049	42,430,893

12 Board/Council Expenses

Programme Committee	1,970,200	1,870,170
Task Force and Adhoc Meetings	251,900	-
Shops, Camps and Sites Meetings	312,200	182,450
Training committee	251,400	347,500
National Admin	3,577,146	1,953,265
Audit & Risk Committee	-	55,050
Executive Committee	1,321,200	1,534,217
Finance Committee Meeting	47,250	206,100
Technical Committee Meeting	104,250	87,300
Human Recourse Committee Meetings	251,900	-
Scouting Enterprises Committee Meeting	75,050	-
Adults in Scouting Meeting	331,650	166,000
Task Force and Adhoc Meetings	-	1,533,149
Annual general Meeting	-	40,000
	8,494,146	7,975,201

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13 Cash and Cash Equivalents

	2022	2021
	KSHS	KSHS
Current Account	23,514,692	21,010,375
Staff Advance	2,163,407	2,476,663
Others (Paybill)	2,319,115	6,510,454
Total Cash and Cash Equivalents	<u>27,997,214</u>	<u>29,997,492</u>

Detailed Analysis of the Cash and Cash Equivalents

Current Account	2022	2021
Operating and Project Accounts	KSHS	KSHS
Barclays Bank - A/C No. 0821086574	(79,776)	(79,776)
Barclays Bank - A/C No. 0821086558	-	-
Equity Bank Operations - A/C No. 1170299559323	967,784	(755,565)
Equity Bank Main - A/C No.1510260829573	1,306,210	59,011
I & M Bank - A/C No. 00200081541201	7,280,926	4,280,334
KCB US Dollar - A/C No. 1112620192	263,282	263,282
Equity Bank Vi Agroforestry	217,413	519,670
Centre & Camps Accounts		
Embu Centre, Equity Bank - A/C No. 1510262146188	752,655	1,747,943
Kilifi Centre, Equity Bank - A/C No. 1510262196329	73,155	77,235
Machakos Centre, Equity Bank - A/C No. 1510262146295	95,024	23,728
Rowallan Camp, Equity Bank - A/C No. 1510262213835	2,761,220	3,472,988
Siaya Centre, Equity Bank - A/C No. 1510262146312	851,616	357,606
Nyeri Centre, Equity Bank - A/C No. 1510262146255	116,161	40,301
Miritini Centre, Equity Bank - A/C No. 1510263534201	1,730,642	1,730,642
USD Account Equity-A/C No. 1510263534342	64,114	64,114
Shop Accounts		
Barclays Bank - A/C No, 0821086582	1,484,661	1,012,206
Equity Bank - A/C No. 1510260829601	5,128,394	7,132,847
Equity Agency - 0240260966845	4,496	4,496
Equity Agency 0242260966777	110,010	111,010

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County Scouts Accounts

Equity Bank -KSA Nairobi	13,352	5,872
Equity Bank - KSA Mombasa	3,640	35,740
Equity Bank- KSA Kwale	8,915	8,915
Equity Bank Kilifi	8	248
Equity Bank - KSA Tana River	5,034	25,274
Equity Bank Taita Taveta	1,082	72,662
Equity Bank Marsabit	143	143
Equity Bank Meru	2,225	77,985
Equity Bank Embu	13,169	43,529
Equity Bank Mwingi	1,248	1,248
Equity Bank Machakos	262	2,602
Equity Bank Makueni	81	81
Equity Bank Nyeri	1,011	1,011
Equity Bank Kirinyaga	1,165	1,165
Equity Bank - KSA Muranga	190	190
Equity Bank Kiambu	18,235	18,235
Equity Bank Tharaka Nithi	35,186	35,186
Equity Bank - KSA Turkana	1,420	25,540
Equity Bank - KSA Trans Nzoia	1,568	1,568
Equity Bank - KSA Uasin Gishu	1,066	698
Equity Bank Elgeyo Marakwet	40,235	40,235
Equity Bank Nandi	54	34
Equity Bank Laikipia	27,903	54,928
Equity Bank -KSA Nakuru	4,741	341
Equity Bank - KSA Narok	286	286
Equity Bank Kajiado	3,693	38,753
Equity Bank Kericho	(87)	(76)
Equity Bank Bomet	63	6,163
Equity Bank Kakamega	1,122	4,662
Equity Bank Bungoma	34,417	70,017
Equity Bank Busia	12,103	1,303
Equity Bank Siaya	255	255
Equity Bank Kisumu	38,145	60,845
Equity Bank Homa Bay	4,676	45,156
Equity Bank Migori	86	60,386
Equity Bank Kisii	581	60,001
Equity Bank Nyamira	764	36,884
Equity Bank Nyandarua	761	761
Equity Bank - KSA West Pokot	1,376	4,376

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Equity Bank Baringo	49,644	49,644
Equity Bank Vihiga	6,625	5,195
Equity Bank Wajir	3,845	3,845
Equity Bank Garissa	966	966
Equity Bank Samburu	440	440
Equity Bank Isiolo	45,011	45,011
	23,514,692	21,010,375
Staff Advance		
KCB Moot 1 - A/C No. 1108788971	2,163,407	2,476,663
	2,163,407	2,476,663
Others		
Pay bill - 963350	2,319,115	6,510,454
	2,319,115	6,510,454
Grand Total	27,997,214	29,997,492
14 Receivables from Exchange Transaction		
BP Shop Debtors	1,666,291	1,666,291
Receivable from Bosco Sombe	190,000	190,000
Prepayments		5,612,795
BP House Rent	4,908,902	4,908,902
	6,765,193	12,377,988
15 Receivables from Non- Exchange Transaction		
Staff Loans	1,444,266	2,668,114
	1,444,266	2,668,114
16 Inventories		
Rowallan	1,216,955	949,266
Kisumu	1,660,059	890,915
Kakamega	1,651,611	1,126,172
Embu	1,161,693	686,136
Nakuru	2,091,739	984,135
Main store	39,220,091	40,370,856
Nyeri	1,162,485	1,405,460
Eldoret	2,413,219	1,161,241
Mombasa	3,483,439	3,934,600
BP Shop	4,684,513	3,027,959
Total inventories at the lower of cost and net realizable value	58,745,805	54,536,741
17 Payables and Accruals		
Details of Creditors	2022	2021
Creditors	KSHS	KSHS
	21,707,748	18,690,441
Total Payables	21,707,748	18,690,441

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

18 Property, Plant and Equipment

	Land		Buildings		Motor vehicles		Computers		Furniture, Fixtures & Fittings		Equipment		Work in Progress		Total		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Cost/Valuation																	
As at 30/06/2017	1,663,800,000	158,200,000	10,736,500	2,264,885	4,018,080	906,310	11,350,420	1,851,276,195									
Additions	-	-	-	224,415	618,000	1,702,412	-	2,544,827									
As at 30/06/2018	1,663,800,000	158,200,000	10,736,500	2,489,300	4,636,080	2,608,722	11,350,420	1,853,821,022									
Additions	2,024,709	13,272,204	669,120	394,849	568,840	1,249,433	-	18,179,155									
As at 30/06/2019	1,665,824,709	171,472,204	11,405,620	2,884,149	5,204,920	3,858,155	11,350,420	1,872,000,177									
Additions	3,621,333	2,516,938	-	2,451,592	852,624	3,086,120	-	12,528,607									
As at 30/06/2020	1,669,446,042	173,989,142	11,405,620	5,335,741	6,057,544	6,944,275	11,350,420	1,884,528,784									
Additions				1,146,240	618,000			1,764,240									
As at 30/06/2021	1,669,446,042	173,989,142	11,405,620	6,481,981	6,675,544	6,944,275	11,350,420	1,886,293,024									
Additions	-	-	-	418,200	206,210	-	-	624,410									
As at 30/06/2022	1,669,446,042	173,989,142	11,405,620	6,900,181	6,881,754	6,944,275	11,350,420	1,886,917,434									
Depreciation and Impairment																	
As at 30/06/2020		35,936,151	9,132,911	3,055,261	3,419,448	2,566,256		54,110,026									
Disposals		-	-	-	-	-	-	-									
Charge for the year		3,451,325	568,177	1,028,016	407,012	547,252		6,001,782									
As at 30/06/2021		39,387,475	9,701,089	4,083,277	3,826,460	3,113,508		60,111,809									
Disposals		-	-	-	-	-	-	-									
Charge for the year		3,365,042	426,133	845,071	381,912	478,846		5,497,003									

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As at 30/06/2022		42,752,517	10,127,221	4,928,348	4,208,372	3,592,354	-	65,608,812
Net Book Value								
As at 30/06/2022	1,669,446,042	131,236,625	1,278,399	1,971,833	2,673,382	3,351,921	11,350,420	1,821,308,622
As at 30/06/2021	1,669,446,042	134,601,667	1,704,531	2,398,704	2,849,084	3,830,767	11,350,420	1,826,181,215
As at 30/06/2020	1,669,446,042	138,052,991	2,272,709	2,280,480	2,638,096	4,378,019	11,350,420	1,830,418,758

	2022/2021	2021/2020	2019/2020	2018/2019	2017/2018	2016/2017
19 INTANGIBLE ASSETS-ERP System						
Cost	KSHS	KSHS	KSHS	KSHS	KSHS	KSHS
30th June 2018	4,385,973	4,385,973	4,385,973	2,819,973	2,819,973	2,819,973
Additions	4,385,973	4,385,973	4,385,973	2,819,973	2,819,973	2,819,973
	-	-	-	1,566,000	1,566,000	-
Cost As at 30/06/2018	4,385,973	4,385,973	4,385,973	4,385,973	4,385,973	2,819,973
Amortization						
Accumulated Amortization	3,848,835	3,618,633	3,289,773	2,622,575	2,537,976	1,691,984
Charge for the year	161,141	230,202	328,860	667,198	84,599	845,992
30th June	4,009,976	3,848,835	3,618,633	3,289,773	2,622,575	2,537,976
Net Book Value	375,997	537,138	767,340	1,096,200	1,763,398	281,997

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. Employee Benefit Obligations

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

21. Cash generated from operations

	2022 Kshs	2021 Kshs
Net Surplus/(Deficit)	(6,651,508)	(32,276,582)
Adjustment on non cash income and expenditure		
Depreciation on plant and equipment	5,658,145	6,231,984
Working Capital adjustments		
Account Receivable (Increase)/Decrease	6,836,643	3,491,275
Inventory (Increase)/Decrease	(4,209,065)	(15,807,311)
Account Payables Increase/(Decrease)	3,017,307	7,076,941
Net Cash From Operating Activities	<u>4,651,522</u>	<u>(31,283,693)</u>

22. Financial risk management

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

i) Credit risk

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

23. FINANCIAL RISK MANAGEMENT

i) Capital Risk Management

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

	2021-2022	2020/2021
	Kshs.	Kshs.
General Fund	884,788,848	891,440,356
Revaluation Reserve	1,006,753,186	1,006,753,186
Restricted Fund	3,387,316	9,414,705
Total funds	1,898,316,666	1,907,608,247
Total borrowings	-	-
Less: cash and bank balances	(27,997,214)	(29,997,492)
Net debt/(excess cash and cash equivalents)	1,870,319,452	1,877,610,755
Gearing	0.97%	0.97%

24. RELATED PARTY BALANCES

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of the association, holding 100% of the association'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;

Transactions with related parties	2022	2021
	Kshs	Kshs
a) Sales to related parties		
b) Grants from the Government		
Grants from National Govt	79,650,000	79,119,000
Grants from County Government	-	-
Donations in kind	-	-
Total	79,650,000	79,119,000
c) Expenses incurred on behalf of related party		
d) Key management compensation		
Total	79,650,000	79,119,000

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

25. SEGMENT INFORMATION

The Association has the following camps and centres

- a. Rowallan Camp
- b. Embu Scouts Centre
- c. Siaya Camp
- d. Machakos Camp
- e. Kilifi Camp
- f. Kayaba Camp
- g. Busia Camp
- h. Nyeri Camp

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

26. EVENTS AFTER THE REPORTING PERIOD

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

27. ULTIMATE AND HOLDING ENTITY

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

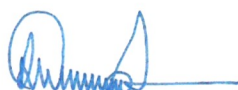
28. CURRENCY

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

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

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



Chairman of the Board
 Date:12.09.2022

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APPENDIX II: INTER-ENTITY TRANSFERS

ENTITY NAME: The Kenya Scouts Association				
Break down of Transfers from the State Department of Ministry of Education				
FY 21/22				
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
a.	Recurrent Grants	-	-	
b.	Development Grants	-	-	
c.	Direct Payments			
	Quarter 1	08/05/2021	19,647,000	2021/2022
	Quarter 2	10/27/2021	19,647,000	2021/2022
	Quarter 3	02/14/2022	20,178,000	2021/2022
	Quarter 4	04/27/2022	20,178,000	2021/2022
		Total	79,650,000	
d.	Donor Receipts			

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

Finance Officer
The Kenya Scouts Association

Sign -----