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THE AUDITOR-GENERAL

CHILD WELFARE SOCIETY OF KENYA

**FOR THE YEAR ENDED
30 JUNE, 2023**



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CHILD WELFARE SOCIETY OF KENYA

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDING
JUNE 30, 2023**



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

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Child Welfare Society of Kenya
Annual Reports and Financial Statements
For the year ended June 30, 2023

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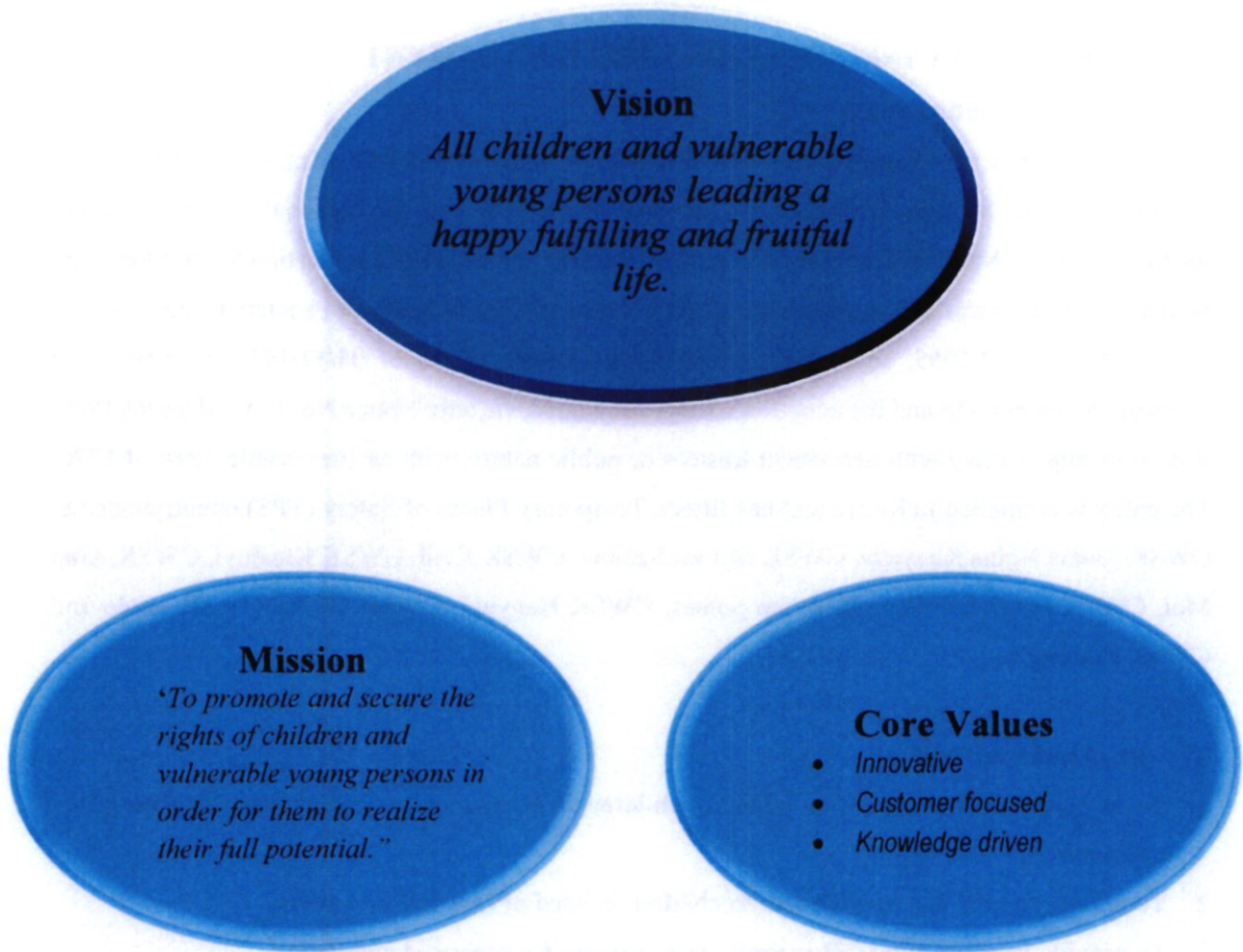
1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

Child Welfare Society of Kenya is a membership Society under the Society's Act, with an irrevocable Trust for the care, protection, welfare and adoption of children. It is the National Adoption Society for Kenya and the National Emergency Response, Welfare and Rescue Organization for children. The Society is a body corporate, established and gazetted in 1955 as an approved society Gazette Notice No. 1768 of 27/12/1955, an exempt society gazette notice 1536 of 04/11/1955, Certificate of Exemption number 455 and the adoption society for Kenya, Gazette Notice No. 1356 of 28/04/1969. It is an exempt society with permanent trustees of public nature, with an irrevocable Trust of 1970. The entity is domiciled in Kenya and has fifteen Temporary Places of Safety (TPS) countrywide.i.e. CWSK Mama Ngina Kenyatta, CWSK Mji wa Salama, CWSK Kisii, CWSK Kanduyi, CWSK Arap Moi, CWSK foster families and group homes, CWSK Nanyuki, CWSK Embu, CWSK Isiolo and CWSK Murang'a.

b) Principal Activities

1. To respond to all emergencies affecting children in Kenya and rescue children in emergency situations.
2. To rescue, receive and provide care to children in need of care and protection.
3. To provide family tracing and re unification services for separated children.
4. To facilitate alternative family care (adoption, foster care and guardianship) of children.
5. To strengthen, rehabilitate and empower families to promote quality care of children.
6. To provide education, vocational skills to vulnerable children and young persons.
7. To build the capacity of duty bearers, right holders and provide institutional strengthening in order to effectively ensure the welfare of children.
8. To provide quality temporary care to rescued children by upgrading/establishing temporary places of safety including child care facilities, group homes, foster care homes, child rescue centres, child protection units as may be considered necessary and in the best interest of the child.
9. To ensure care and protection for Orphans and Vulnerable children without families through facilitating or /and providing shelter, education health food and nutrition.



c) Strategic Objectives

The objective and purpose of CWSK is “to provide a legal and institutional framework for the care, control, protection, welfare and adoption of children through the establishment of the Child Welfare Society of Kenya”.

CWSK is an exempt Society; it is a special vehicle of the Government to deliver its mandate for the welfare, relief and emergency response for children. Its target group includes children and infants. According to the nature of work, **we focus on the best interests of the child, which is of paramount importance and consideration as guided by the Constitution Article 53 (2) “A child’s best interests are of paramount importance in every matter concerning the child”.**

Children Act (4) “*In all actions concerning children, whether undertaken by public or private social welfare institutions, courts of law, administrative authorities or legislative bodies, the best interests of the child shall be a primary consideration*”

The CWSK decision-making Organs are as it is in the CWSK Constitution.

d) Key Decision Making Organ

The Society’s day-to-day management is under the following key organs:

- Patron
- Board of Trustees
 - Board of Directors
 - Chief Executive Officer/Managing Trustee
 - Secretariat

e) Fiduciary Management

The key management personnel who held office during the financial year ended 30th **June 2023** and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	CEO / Managing Trustee	Irene Mureithi
2.	Head of Finance	Charles Maina
3.	Head of Human Resource	Marcella Obaga
4.	Internal Audit	Floriana Maganga
5.	Head of Programmes	Penelope W. Lemaron
6.	Social Protection Officer	Martin Mwebia
7.	Education and Skills Development	Jerusha Chepsat
8.	Management Accountant	Henry Kagodu
9.	Finance Manager	Lucy Boit

f) Entity Headquarters

Child Welfare Society of Kenya
P.O. Box 43982-00100
Child Welfare Building
Langata Road
Nairobi, Kenya

g) Entity Contacts

Telephone : (020) 6003301/6006391 (254) 0726298921

E-mail: cwsktoto@childwelfaremail.co.ke

Website: www.childwelfaresocietykenya.org

h) Entity Bankers

1. Equity Bank Limited
P O Box 43982-00100
Nairobi, Kenya
2. Sidian Bank Limited
P O Box 25363-00603
Nairobi, Kenya
3. Bank of Africa Group BMCE Bank
P O Box 43982
Nakuru, Kenya
4. Bank of Baroda
P O Box 30033-00100
Nairobi
5. Absa Bank Kenya
P O Box 27518-00506
Nairobi, Kenya
6. Cooperative Bank Limited
P O Box 48231-00100
Nairobi
7. Diamond Trust Bank
P O Box 61711-00200
Nairobi
8. National Bank of Kenya Limited
P O Box 578-80100
Mombasa, Kenya

9. Standard Chartered Limited
P O Box 90170-80100
Mombasa, Kenya

10. Kenya Commercial Bank of Kenya
P O Box 48400-00100
Bungoma, Kenya

11. Family Bank of Kenya
P O Box 74145-00200
Nairobi

i) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084 – 00100 GPO





Nairobi, Kenya





2 THE BOARD OF TRUSTEES

<p>1. Joseph Gitau, HSC</p> 	<p>Mr. Gitau is is the Chairman of Child Welfare Society of Kenya. He holds a Master of Arts (MA) Degree in Sociology (with emphasis in Criminology, Justice, Administration, Probation and Parole), Fordham University, New York, USA.</p> <p>He was a director of Probation and After Care Services. Among other achievements, Mr. Gitau has been a lecturer at Egerton University and Muranga University, he also taught at the Kenya Institute of Administration and was awarded the Head of State Commendation (HSC). He is also an expert in forensic Science. Mr. Gitau is a Life Member of Child Welfare Society of Kenya.</p>
<p>2. Hon.Nathan Munoko</p> 	<p>Hon. Munoko has been a Trustee of Child Welfare Society of Kenya(CWSK) from 1982 to date. He previously served as a member and Treasurer of CWSK Bungoma Branch. He was the Minister for Public Works from 1975 to 1979 and an Assistant Minister in three Ministries Namely Co-operatives and Social Services, Local Government and Agriculture.</p> <p>He has served on various Commissions and in various sectors including the political, government, administrative and education sectors.</p>
<p>3. Hon. Tiya Galgalo</p> 	<p>Hon.Tiya Galgalo is a seasoned public administrator and an educationist commissioner. She holds a Masters in Educational Administration and Planning from the University of Nairobi, and also a Bachelors in Education from Kenyatta University. She has vast experience in Consultancy work in Research, Governance, and Education among others. In addition to that, she is a champion for Disaster Risk Reduction (DRR), Governance & Gender, Monitoring & Evaluation and Resource Mobilization.</p>

<p>4. Bill Rutto</p> 	<p>Bill Rutto is a life member of CWSK since 2003 and currently serves as a member of CWSK Board of Trustees (BOT). Bill holds a Master of Science (MSc) degree in governance and an associateship of the Chartered Institute of Bankers (ACIB). He has a keen interest in child protection, and for many years was involved in promoting CWSK work as a volunteer, including fundraising. Bill is also an award-winning author (Jomo Kenyatta Prize for Literature, 2005) for his book that focuses on the youth vis-à-vis challenges of drug abuse. The book is a “class reader” for Kenyan and Rwandan secondary schools.</p>
<p>5. Joseph Gichuru</p> 	<p>Mr. Joseph Gichuru is a Trustee of the CWSK Board of Trustee and was previously the National Chairman and Nakuru Branch Chairman in Child Welfare Society of Kenya. He is also a Life Governor of Agricultural Society of Kenya. Previously, he served as Agricultural Society of Kenya Nakuru Branch Chairman, National Council Member of Agricultural Society of Kenya, Chairman of the Editorial Board, Kenya Farmers Magazine and Chairman of the Board of Trustees, Rift Valley Provincial General Hospital, among others.</p>
<p>6. Irene Mureithi</p> 	<p>Irene is the Chief Executive Officer/Managing Trustee of Child Welfare Society of Kenya. She was the Joint Secretary and Technical Advisor to the Expert/Steering Committee to Review the Framework for Child Adoption in Kenya; Member of the Project Implementation Committee of the Inter-Agency Steering Committee to Fast-Track Implementation of Government Priority Development Projects Including Development Partner Financial Projects & Member of the National Multi-Disciplinary Committee to Coordinate the Development of the Social Workers Bill. Irene is a leading professional of long standing in Social Work. She is also an Orphans and Vulnerable Children (OVC) specialist who has initiated several programmes for OVC interventions.</p>

3. MANAGEMENT TEAM

	<p>Irene Mureithi: Masters Course in Education, Psychology, B.A. HONS Social Work.</p>	<p>Chief Executive Officer/Managing Trustee</p>
	<p>CPA Charles Maina: CPA(K)</p>	<p>Head of Finance</p>
	<p>Marcella Obaga: B.A Human Resource</p>	<p>Head of Human Resource</p>
	<p>Penelope W. Lemaron: MBA, Project Mgt, BA HONS Social work</p>	<p>Senior Child Protection Officer - In Charge of Programmes</p>

 <p>CPA Maganga S. Floriana CPA(K)</p>	<p>Internal Auditor</p>
 <p>CPA Henry K. Kagundu: CPA(K), B.Sc.(IBA)</p>	<p>Management Accountant</p>
 <p>CPA Lucy Boit: CPA(K), MBA (Finance.), B.Commerce</p>	<p>Finance Manager</p>
 <p>Jerusha Chepsat: Bachelor of Arts in Public Admin in Sociology Diploma in Social Work</p>	<p>Education and Skills Development</p>

4. CHAIRMAN'S STATEMENT

The financial year 2022/2023 has been a success and we thank God for all that the Child Welfare Society of Kenya (CWSK) has achieved.

In undertaking its role, the Board of Trustees of CWSK has continued to provide policy direction and oversight of the Society in line with its Mission and Vision. The Board has proactively played its role of securing the Society's properties and assets, all in the best interest of children.

The Board is grateful to the members of the Society across the country for their continued support and contribution towards the achievement of CWSK objectives. The Board also appreciates the partnership and good working relationship between the Society and the Government through the Ministry of Labour and Social Protection. This reinforces our shared role and responsibility of ensuring that children are well protected.

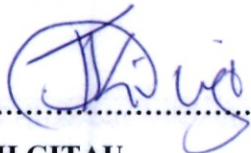
As the Board of Trustees, we acknowledge and appreciate all the members and staff of the Society for their determination, commitment and efforts that have made it possible for the CWSK to achieve its objectives. The Secretariat has worked relentlessly and tirelessly to provide services to children and vulnerable young persons. During the period, **539,194** children and vulnerable young persons were reached. The Board commits to continue providing welfare services to children as CWSK has been doing since 1955.

The Board of Trustees also acknowledges the wonderful role that was played by one of our members, Madam Haida Bruno, who passed on during the period. She was a dedicated member, committed, supportive and very passionate about children. She fought hard for the rights of children and ensured that the Society remained strong to protect children. She was instrumental in securing the properties of the Society and providing leadership whenever called upon. Her contribution to the Society shall not be forgotten.

As we cross to another financial year, the Board of Trustees remains committed to providing policy direction to the organisation as it has done in the past 67 years thus ensuring that the best interest of the child is served.

God bless CWSK.

Signed by:



DATE:

2nd April 2024

.....
MR JOSEPH GITAU

CHAIRMAN, BOARD OF TRUSTEES

5. CHIEF EXECUTIVE OFFICER/MANAGING TRUSTEE REPORT

We are grateful to God for according us yet another year to serve the most vulnerable children and families across the country.

The year has been remarkable, and in efforts to enhance child protection, CWSK reached **539,194** children through its various interventions and programmes. Such interventions entailed prevention of family separation through psycho-social and education support, emergency response, rescue of children in distress, family tracing and reintegration, alternative family care (foster care, guardianship and adoption), family empowerment, capacity building, child participation, counselling, mediation and other welfare interventions including prevention of child trafficking, HIV prevention, adolescent health reproduction, and child labour. These were in addition to capacity building and OVC (Orphans and Vulnerable Children) protection services at the Temporary Places of Safety.

Most notable is the number of children reached through Emergency Response and Preparedness Programme, which increased from 94,322 children in FY 2021/2022 to 130,623 children in FY 2022/2023. This is attributed to intensified interventions in schools as many children were affected by the ravaging draught and hard economic challenges. The counties most affected and whose schools and communities CWSK supported were Baringo, Turkana, Marsabit, Isiolo, Murang'a and Nairobi. These interventions served in combating infant mortality, promoting health and nutrition, and provision of food to children and families.

Under the Education Programme, CWSK reached 141,689 children through education support by paying school fees and levies as well as support with education materials including uniform, back to school shopping items, shoes, stationery, among others. The Society targeted the hard-to-reach children and vulnerable young persons. This promoted school retention and attendance hence affirming the right to education for every child. The Society also supported over 260 vulnerable young persons to join the National Youth Service (NYS) for skill development that is useful for their future and also, mould them into responsible adults for Nation building. The vulnerable young persons were supported with track suits, personal items, boxes, among others to enable them join the service.

To promote care and protection of children in families, CWSK reached 17,755 children through rescue, family tracing and reunification services as well as 2,433 children through alternative family care (foster care, guardianship and adoption) services. Through these interventions, the children reached will be entitled to parental care, protection, right to identity and security within their families. This is ideal for their wholesome development and is also in their best interest.

CWSK also maintained the on-going Integrated Child and Family Centres (projects) at the temporary places of safety. The centres are aimed at promoting the welfare of the rescued vulnerable children and also serve children at the community level through provision of health care, counselling, education, developmental needs and other welfare services.

The Society took part in the development of the Children Act 2022 and contributed towards making notable inclusions such as the Child fund, role of county government in child protection, the conduct of alternative family care placement, among others.

During the period, CWSK was allocated and received Kshs. 1,223,836,000. These funds were utilized in providing services to children and families under various programmes; and also, in the running of the Society. CWSK continues to implement programmes to ensure care, protection and

welfare of children as per its mandate. This is in line with the Mission of the Society “to promote and secure the rights of children and vulnerable young persons in order for them to realize their full potential”.

CWSK ACHIEVEMENTS IN THE FY 2022-2023 UNDER PROGRAMMES

CWSK Achieves Key Milestones in 2022-2023 FY

During the 2022-2023 financial year, the Child Welfare Society of Kenya (CWSK) achieved a number of milestones under its various programmes.

Here are the highlights of some of the significant achievements made during this period:

- **112,182** OVCs (Orphans and Vulnerable Children) and vulnerable young people outside the Cash Transfer Programme were provided with psychosocial support (food, education, clothing, health and shelter).
- **125,925** families and children were given psycho-social support (PSS) services (food, clothing, shelter, counselling and family mediation) to ensure quality care for children.
- Children in emergencies were protected and supported, with **130,623** children and families getting PSS services (food, clothing, shelter, counselling and family mediation). This ensured quality care for children.
- **128,458** children in schools affected by emergencies were provided with complementary education materials. The children were given food (maize, beans, lentils, rice and cooking oil, among others), soap and education materials such as stationery.
- **7,113** children were supported with complementary education materials including stationery, school uniforms, shoes and school bags, among others.



In addition, CWSK also did the following:

- Paid school fees and levies for **6,118** OVCs and young persons at the temporary places of safety where they stayed and within communities.
- Withdrew and prevented **5,404** children from being engaged in child labour.
- **1,007** parents whose children were in, or at the risk of child labour were identified, trained and empowered with income generating activities.
- **1,031** foster and adoptive parents were reached, assessed and children were placed with the eligible cases.
- **1,165** foster and adoptive parents were trained on childcare, alternative family care and parenting.
- **17,755** separated children were provided with rescue services and family tracing services through identification, documentation, tracing and re-unification (IDTR).
- **45,560** duty bearers were sensitised and trained on OVC protection and **48** local children protection community structures for OVC protection were established or strengthened.
- Children participation was promoted through strengthening the capacity of **5,379** children in identifying their needs and solutions.



Achievements made under CWSK Programmes

1. 13 Temporary Places of Safety

CWSK has thirteen temporary places of safety countrywide. These are CWSK Mama Ngina Kenyatta in Nairobi, CWSK Mji wa Salama in Mombasa, CWSK Kisii, CWSK Kanduyi, CWSK Arap Moi in Nakuru, three CWSK foster families and group homes, CWSK Nanyuki, CWSK Embu, CWSK Isiolo, CWSK Murang'a and CWSK Lodwar Transitional Centre. Through these programmes, CWSK rescues and offers shelter and safe houses for children in need of temporary care and protection. Further, CWSK provides psychosocial support to the children at the temporary places of safety.

While at the temporary places of safety, the children, especially the babies, are taken care of by nurses and other professionals who ensure that the babies and other children's health is assured. For example, at any given time, there are at least two nurses, a nutritionist, nurse aides and a clinical officer and occupational therapists. Immediately after rescue, children are screened to ensure they receive adequate and appropriate healthcare. Being the national emergency response and rescue organisation for children, CWSK always ensures rescued children are provided with all the basic needs.

The children receive proper nutrition, including adequate ration for each child, through the technical support of the nutritionists. Two of the temporary places of safety have healthcare facilities which cater for the medical needs of the children housed there. In addition, the health centres are open to the local community whose members frequent the facilities for healthcare services. There is an ambulance that provides emergency services at the CWSK temporary places of safety and also at the local community level. CWSK has been providing medical support to address the health needs of children in the temporary places of safety and has also been financially supporting children at the community level to access specialised medical care in other medical facilities.

Status of achievements under the Temporary Places of Safety

- CWSK also provided psychosocial support to children at the temporary places of safety and networked with other charitable children's institutions to offer services to the children and ensure their reintegration into their families and communities.
- CWSK's temporary places of safety have an average annual turnover of **1,500** children.



Photo 1: CWSK Mama Ngina Kenyatta TPS, Nairobi, one of CWSK's temporary places of safety (TPS). The facility provides care and protection to separated and vulnerable children referred by the police, administration, children's offices, the Judiciary, hospitals and other duty bearers.

2. Rapid Response and Rescue of children in distress

CWSK implements rapid response and children rescue services across the country through its well-established branches that reach all the 47 counties. Whenever a case of a lost child, child abuse, abandonment or exposure to detrimental risk comes to our attention, CWSK responds immediately and rescues the child(ren) to temporary care and protection as interventions are made to reunite the child with their family or provide alternative family care where necessary. Some of these cases are referred to CWSK by the police, courts, hospitals, children officers, chiefs, other government departments and the public.

Status of Rapid Response and Rescue of children programme

- In the 2022/2023 financial year, **12,582** children were provided with rescue services, including psychosocial support, at CWSK temporary places of safety and networking institutions.

Expected outcomes of the Rapid Response and Rescue of children programme

- Reduced infant mortality
- Increased protection of children in need of care and protection
- Provision of housing and accommodation
- Provision of quality temporary care for children
- Significant positive change in the lives of the rescued children
- Protection of the rights of the rescued children as provided for under Section 53 of the Kenyan Constitution

3. Emergency Preparedness and Response

CWSK is the National Emergency Response and Rescue Organisation for children and thus has been undertaking this programme since inception to ensure the welfare of children and vulnerable youth. The programme focuses on addressing child protection concerns and ensuring protection of children during emergencies like drought, floods, fire, collapse of buildings, terror attacks, ethnic conflicts and violence among others.

To ensure the provision of healthcare, shelter, housing, food, basic education and protection as enshrined in the Constitution, CWSK responds to any emergency that may arise in any part of the country and provides psychosocial support to children affected by emergencies and their families. In responding to these emergencies, CWSK focuses on ensuring that children are not separated from their families. CWSK identifies, documents and conducts family tracing and reunification for separated children during emergencies. The children receive child-specific food, counselling services to prevent trauma, educational support items, clothing and temporary care where necessary, among others. In addition, CWSK builds the capacity of the local community structures and local community members to enable them protect children during emergencies and also establishes and/or strengthens local community structures to enable them to respond to child protection in emergencies.



CWSK also addresses food security under the emergency response programme. The Society buys and stocks cereals at a subsidised cost from the National Cereals and Produce Board. The cereals are stocked to ensure there is always food for children throughout the year, even during the drought seasons. Other foodstuffs are stocked to ensure that children receive adequate food throughout the year even when there is shortage of food in the market. The food is distributed to children affected by drought in various counties in the country. The food support ensures that the children affected by drought continue receiving quality food in the right quantities for proper growth and development in order to prevent malnutrition. It also ensures that the children are retained in school and, therefore, prevent them from going to the streets in search of food.



Status of achievements in emergency preparedness and response programme

- **130,500** children in emergencies were provided with psycho-social support against a target of **125,000**. The children and families were provided with education support, food, clothing, bedding, building materials and counselling.
- **128,458** children in schools affected by emergencies were provided with complementary education materials.
- **123** children caught up in emergencies were provided with identification, documentation, tracing, mediation and re-unification services on a need basis during emergency response, against a target of **100**.

Expected outcomes

- Significant change in the lives of the children affected by emergencies after provision of psycho-social support
- Increased admission and retention in the schools affected by emergencies
- Increased awareness on issues affecting children in emergencies
- Increased protection of children in emergencies
- Provision of adequate food and nutrition for food security
- Prevention of separation of children from their families



Photos 2 and 3: CWSK trucks drive past Loyapat Village on their way to Lodwar, Turkana County, to deliver food supplies to schools and communities. Photo 4 shows CWSK staff distributing stationeries to children in schools within the county. The area had been hit by draught due to failed rains.



Photo 5: Children at a school in Kwale County receive food, cooking oil, stationeries and child-friendly mentorship books from CWSK. This is one of the schools in the region that had been affected by draught and, as a result, children were not going to school. The support by CWSK saw an increase in pupils' school attendance and retention.

4. Alternative Family Care

This programme is a Vision 2030 flagship project. Its overall goal is to increasingly realise a conducive family and alternative Care for Children in Need of Special Protection (CNSP). Foster care, adoption, and/or guardianship are the key components of the Alternative Family Care programme. CWSK facilitates children to live and be cared for within families and communities.

Status of achievements in Alternative Family Care

- **1,031** foster and adoptive parents were assessed, trained and empowered, whereby eligible cases were placed with children. This was against a target of **1,400**.

- **1,165** parents were trained on child care and alternative family care against a target of **1,000**.
- Case follow-ups were undertaken, reaching **134** cases against a target of **120** cases. This ensured child protection within families.
- **103** court reports for children were prepared and filed out of a target of **100**.

Expected outcomes

- An increased number of children living in families.
- Deinstitutionalisation-reduction of the number of children in institutions.
- Children are enjoying their right to be raised and be cared for in a family setup as stipulated in the Children Act, Section 6(1) and Article 53(1) (e) of the Constitution.

5. Family Counselling, Mediation, Rehabilitation and Empowerment

This programme aims at strengthening family relationships and enhancing their social and economic capacity for them to effectively care and protect children. This is done through provision of counselling, mediation, psychosocial support, rehabilitation and economic empowerment to families for them to provide quality care for children.

Status of achievements in Family Counselling, Mediation, Rehabilitation, Empowerment

- Psycho-social support (PSS) services (food, clothing, shelter, counselling, family mediation) were provided to **125,925** families and children to ensure quality care for children. This was against a target of **122,590** families.
- **862** families of vulnerable children were identified, trained and empowered, against a target of **1,000** families. There were concerted efforts, through capacity building, to prevent family distress and to support families, bearing in mind that there were increased political activities in preparation for the 2022 general elections.

Expected outcomes

- Improved family relationships and parenting skills
- Improved economic livelihood for families
- Provision of quality care and protection for children by their families at the local community level
- Improved health for children and families
- Decent affordable housing for families providing care to reunified children.
- Children enjoying their right to be raised in a family setup as stipulated in the Children Act, Section 6(1) and in Article 53(1) (e) of the Constitution.
- Strengthening of protection of children within families and communities.
- Upholding the rights of children to remain in their families as provided for under Section 6(3) of the Children Act and the United Nations Convention on the Rights of the Child (UNCRC) preamble.

- Enhanced protection of children within families.



Photo 6: A family receives support from CWSK to help them promote the welfare of their children. The support included mattresses, blankets and food (maize, beans and ndengu).

6. Local, Regional, and International Family Tracing and Reunification

This programme focuses on family tracing for children who are not aware of the whereabouts of their parents or parents not aware of the whereabouts of their children. Family tracing is undertaken through physical tracing, media (using local dailies) and social investigations. Once the family has been traced, adequate psychosocial support is offered to the child and the family for successful reunification and reintegration. This is done locally, regionally and internationally.

Status of achievements in Family Tracing and Reunification Programme

Provided **5,170** separated children with family tracing services (Identification, Documentation, Tracing and Re-unification – IDTR) through social investigations (physical tracing) and also by placing their photos on in local dairies. This was against a target of **5,000**.

Expected outcomes

- Children enjoying their right to be raised in a family setup as stipulated in the Children Act and the Constitution, Article 53(1) (e).
- Protection of children is strengthened within families and communities.
- Upholding the right of children to remain in their families as provided for under the Children Act and the UNCRC preamble
- Enhanced protection of children within families

- Increased number of children living in families
- Deinstitutionalisation - reduction of the number of children in institutions, which is detrimental to their general welfare.



Photo 7: A CWSK officer poses for a photo with a family during reintegration of two siblings. The family was given psycho-social support and a reunification kit comprising of stationery, food, mattresses and blankets.



Photo 8: CWSK social workers assist a parent to put a thumb print on documents during reunification with her three children at the children's office in Bungoma County. The children were among 43 who had been rescued in Nairobi County following the closure of a children's home. The children's home was charged with child trafficking and child abuse.



Photos 9,10 and 11: Home at last! A mother gladly receives a hug from her son during reunification in Kiambu County. The child had been lost and later placed in one of CWSK places of safety. CWSK traced the child's mother and also gave psycho-social support items to the family during the reunification.

Friday, December 9, 2022 / PEOPLE DAILY 7



HELP ME FIND MY FAMILY

Lost/Missing children ask – are you my family?

The children are currently under the care of CWSK Places of Safety across the Country



 <small>Name: King Henry Muri Age: 10 Months, 1 Month Residence: 1011022 Residence: P.O. Box Residence: Nairobi Residence: Nairobi</small>	 <small>Name: King Roger At Age: 10 Months, 1 Month Residence: 1011022 Residence: P.O. Box Residence: Nairobi</small>	 <small>Name: King W Age: 10 Months, 1 Month Residence: 1011022 Residence: P.O. Box Residence: Nairobi</small>	 <small>Name: King W Age: 10 Months, 1 Month Residence: 1011022 Residence: P.O. Box Residence: Nairobi</small>	 <small>Name: King W Age: 10 Months, 1 Month Residence: 1011022 Residence: P.O. Box Residence: Nairobi</small>	 <small>Name: King W Age: 10 Months, 1 Month Residence: 1011022 Residence: P.O. Box Residence: Nairobi</small>	 <small>Name: King W Age: 10 Months, 1 Month Residence: 1011022 Residence: P.O. Box Residence: Nairobi</small>	 <small>Name: King W Age: 10 Months, 1 Month Residence: 1011022 Residence: P.O. Box Residence: Nairobi</small>
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Telephones: 0713 308 835 / 0713 508 826 | E-mail: cws.kito@childwelfaremail.co.ke | www.cwsk.go.ke

Photo 12: One of CWSK Media Tracing advertisement in one of the local dairies during the period in review. Media tracing is among several methods that Child Welfare Society of Kenya uses in tracing families of lost, separated and missing children.

7. Education and Skills Development

This programme is a Vision 2030 flagship project. The programme focuses on helping OVCs, vulnerable young persons and other children access quality education and self-reliance skills training through enhancing and strengthening early childhood development (ECD) programmes, providing support towards education at all levels to all children in the 15 CWSK temporary places of safety and at local community level, helping children and youth to access quality education and self-reliance skills.

CWSK deals with the hard-to-reach children in different parts of the country. All children are treated with equity regardless of their varied backgrounds and/or impairment. The children under the support of CWSK are provided with direct support of school fees and levies, personal effects, stationery and transport to school. Some are also given food and clothing. The programme focuses on children in temporary places of safety and within the community.



Status of achievements in Education and Skills Development programme

- Supported children in education and skills development and they are now enjoying their right to education as stipulated in the Children Act and Article 53(1) (b) of the Constitution.
- **7,113** children, out of a target of **6,890** children, were supported with complementary education materials. These included stationery towels, school uniforms, shoes, school bags, among others, to enable them continue with education.
- CWSK paid school fees and levies for **6,118** OVCs and young persons at the temporary places of safety and in the community, against a target of **6,059**.

- **1,007** parents whose children are under the education support programme were identified, trained and empowered with income generating activities. This was against a target of **1,000**.
- CWSK also facilitated **260** vulnerable young persons to join the National Youth Service (NYS). The youth who joined the NYS were given personal effects such as soap, shoe polish, bathing towels and inner wears, metallic boxes, iron boxes, rubber shoes, tracksuits and t-shirts, transport and other support.



Expected outcomes

- Protection of the rights of the children as provided for by Article 53 of the Constitution
- Increased number of children accessing education
- Increased positive self-esteem among the supported children
- Increased literacy levels for Kenyan citizens
- Increased self-reliance and job creation
- Children out of school who have attained the age of majority have acquired life skills important for their development.
- Children are now enjoying their right to education as stipulated in the Children Act and Article 53(1) (b) of the Constitution.
- Job creation for the vulnerable youth who receive vocational skills training
- Reduction of risks of children getting separated from their families in search of education
- Reduction of chances of vulnerable children and the youth –

especially those who find themselves in children's institutions in search of education – getting radicalised.



Photo 13: A tweet showing one of the interventions that CWSK was engaged in during the period under review. This was in Kwale and Kilifi counties where CWSK reached over 9,000 children in the region. The children had been affected by draught, thus preventing them from attending school. CWSK supported schools in the region with cereals (maize, beans, thoroko, among others), cooking oil, stationery and child-friendly mentorship materials.



Photos 14 and 15: Affirming the right to play. CWSK officers join children during play as part of learning. Children should be allowed time to play, relax and enjoy as this stimulates to their physical and mental growth.



Photo 16: CWSK officers visit young persons at the National Youth Service (NYS) as part of mentorship and follow-up on their progress. Through this programme, CWSK supports vulnerable youth with track suits, shoes, boxes, personal effects and transport, among others, as they join the service. The NYS training enables them acquire useful skills, knowledge and discipline in their future endeavours.

8. OVC Protection – Provision of Psychosocial Support

This programme seeks to enhance the quality of care, psychosocial support and provide counselling and referral services for OVC in order to improve the care and quality of life. Through the programme, OVCs outside the family and other OVCs are provided with psychosocial support to enhance their quality of life and protect them from exploitation.

Status of Achievements

- **112,182** OVCs and vulnerable young person's outside the Cash Transfer Programme were provided with psychosocial support (food, education, clothing, health & shelter). This was against a target of **112,000**.

Expected outcomes

- Retention of children in families
- Enhanced protection of OVCs by duty bearers

- Significant positive change in the lives of the OVCs living outside the cash transfer programme
- Improved livelihoods for OVCs through life skills trainings.
- Increased opportunities and resources for OVCs
- Reduction of chances of vulnerable children and the youth getting radicalised, especially those who find themselves in institutions in search of basic needs.

9. Child Labour

This programme aims at creating an enabling environment for child labour-free zones across the country and providing psychosocial support to OVCs outside the family household. This includes lobbying and advocating for policies and laws that promote a society free of child labour and Commercial Sexual Exploitation of Children (CSEC), prevention and withdrawal of children from situations of child labour, including CSEC, neglect, abuse and exploitation. Through this programme, CWSK identifies, registers, rescues, rehabilitates, mediates families, traces and integrates/reunifies these children with their families.

Status of Achievements

- Prevented and withdrew **5,404** children from child labour against a target of **4,500**. The children were involved in, or were at risk of engaging in child labour and CSEC. They were identified and provided with psychosocial support to go to school where they were retained.
- Contracts for **10** school-based social workers were renewed. Through the social workers, cases of child labour in schools and at the community level were identified and relevant interventions were made.
- **197** parents whose children are either in, or at the risk of child labour were identified, trained and empowered with income generating activities.



Expected outcomes

- Improved school environment
- Children were prevented from engaging in child labour
- Reduced number of working children
- Increased school enrolment and retention of children
- Children protected from commercial sexual exploitation and from contracting HIV/AIDS.



Photos 17 and 18: CWSK prevents Child Labour by sensitising children in schools, thus promoting school attendance and retention. This in turn reduces the chances of children engaging in child labour. CWSK also provides sanitary towels to girls and also provides child friendly mentorship materials to enable children attend school.

10. Capacity Building and Institutional Strengthening

This programme aims at strengthening the institutional and technical capacity of duty bearers to provide improved services to OVCs and enhance their protection. Through this programme, CWSK sensitises professionals directly dealing with the care of OVCs, the police, teachers, judges and magistrates, chiefs and hospital staff. These people are involved at one point or another in the care of OVCs and, therefore, need to understand their roles in protecting OVCs.

In circumstances where no legal protection is put in place, the child can be exposed to abuse in many ways. The programme, therefore, aims at strengthening the community capacities, duty bearers, youth and children to provide an enabling environment for the care of OVCs and protection as well as institutional strengthening.



Status of Achievements

- **45,560** duty bearers, against a target of **40,000**, were sensitised and trained on OVC protection.
- **5,379** children were reached and sensitised through the Child Participation Programme, thus enabling them to identify their needs and solutions. This was against a target of **4,800** children.
- **14** Rights of the Child Clubs (ROCs) were formed/strengthened, out of a target of **8**.
- **48** local child protection community structures for OVC protection were established and/or strengthened. This was against a target of **40**.

Expected outcomes

- Increased knowledge and skills in protecting children
- Increased networking as a result of understanding the roles of the duty bearers
- Enhanced protection of children



Photo 19: A banner showing different stakeholders who supported and participated in the Day of the African Child Celebration during the period under focus (2022/2023 financial year). This is an annual event that is marked on June 16th. CWSK is one of the major stakeholders who actively participated in the event through giving support to the National Council of Children Services (the coordinating body) at the national and county levels. Through this event, over 20,000 children and community members were reached at national level and about 7,000 were reached at each of the county level events. Participants were sensitised on child protection issues, with the theme being ‘The Rights of the Child in the Digital Environment’.



Photos 20-23: CWSK staff welcome the CS and PS in the Ministry of Labour and Social Protection at the CWSK booth during the Kenya Social Protection Conference in April 2023. The event took place at the Kenya School of Government where over 30,000 participants were reached through capacity building on various child protection issues and through CWSK Programmes.



Photo 24: CWSK staff join pupils of different schools in Nairobi during tree planting and management. This promotes environmental conservation while at the same time encouraging child participation.

11. HIV/AIDS, Adolescent & Youth Reproductive Health

This programme aims at reducing the prevalence of HIV/AIDS and enhance support mechanisms for affected and infected orphans and other vulnerable children. It also addresses the healthcare needs of the children and youth. The programme endeavours to advocate for behaviour change among adolescents, children and adults. The aim is to enhance the quality of care, psychosocial support and

provide counselling and referral services for children affected by HIV/AIDS in order to improve the care given to them and their quality of life.

In addition, the programme aims at prolonging the lives of parents so as to prevent children from becoming orphans. It also aims at reaching out to children and youth through HIV/AIDS and reproductive health education. Child and youth participation is used where children and young people reach out to their peers and other stakeholders.

At the same time, through this programme, sensitisation meetings are organised at the local community level where the participants are trained and sensitised on HIV prevention, medical adherence, nutrition, and fighting against stigma. The aim of this programme is to reduce new infections, to encourage those who are infected to adhere to drug prescriptions and live a positive lifestyle and also to reduce the stigmatisation of those infected. CWSK has a youth-friendly centre in Nanyuki which is run jointly with Nanyuki Referral Hospital.

Status of achievements in the HIV/AIDS, Adolescent and Youth Reproductive Health Programme

- **25,866** children and youth were reached during the period under review. This was done in schools through group sessions with children where they were sensitised about HIV/AIDS.



Photo 25: A social worker from CWSK engages secondary school students during a group session in which sanitary towels and stationery were distributed. Through this programme, adolescents are sensitised on hygiene, need for education, reproductive health, HIV/AIDS, among others, with the involvement of consultants.

12. Projects – Upgrading and Establishment of CWSK Temporary Places of Safety

These are Strategic Intervention Projects for children separated from their families and others living outside the family setup. The ventures are also part of Kenya's Vision 2030 flagship project. The vision of the projects is to see that all separated children in Kenya have a decent temporary accommodation before they are reintegrated back to families. Once complete, the projects will be fully operational in the following locations: Nairobi, Joska, Bungoma, Bomet, Murang'a, Kisumu, Isiolo, Nanyuki, Kisii, Embu, Baringo, Turkana, Machakos, Nyandarua, Taita Taveta, and Kilifi. It is important to note that during the 2022/2023 financial year, CWSK did not receive budgetary allocation under Development for the upgrading of the centres. Therefore, CWSK only undertook maintenance works at the centres and not much development works.

The integrated centres have health facilities that provide preventive and curative services to children. These facilities also reach out to children, as well as other local community members, at the local community level. The clinics also provide adolescent and youth reproductive health services as well as counselling. The health facilities have significantly reduced the infant mortality rate. Some of the rescued infants at the facilities have medical conditions that are referred to other hospitals.

The completion of these centres will lead to affordable housing by cutting down on the amount of rent that CWSK pays while providing care, protection and custody in some of the counties such as Nairobi. Children will enjoy a friendly environment that is less traumatising compared to them being accommodated in a dormitory kind of structure since these centres are like homes. On the other hand, the money saved from rent will be used to directly support the children.

In addition, the centres have stores to ensure food security for separated children and those affected by various forms of emergencies. The stores have foodstuffs that also support children living outside family care. The centres have nutritionists who ensure the rations are in the right quantity and quality.

Achievements in development

1. CWSK Isiolo – Phase 1 is complete. It comprises a perimeter wall, guardhouse, health centre and office. Equipping and official launch of the health centre is required for operationalisation. Phase 2 is in progress. It comprises of three storey house blocks at 87% completion. Finishing and equipping of the house blocks is required for occupation.
2. CWSK Nanyuki – Phase 1, comprising a perimeter wall, health centre, office and guardhouse is complete. Equipping and official launch of the health centre is required for operationalisation. Phase 2, i.e. three storey house blocks, is in progress and is 87% complete. Finishing and equipping of the house blocks is required for occupation.
3. Mama Ngina Kenyatta – Phase 1, comprising a perimeter wall and a guard house is complete.
4. CWSK Murang'a – Phase 1 is 100% complete and it comprises perimeter walls, guard house, kitchen unit, health centre, office, cabro parking, driveway and an ablution unit. Equipping and official launching of the health centre is required for its operationalisation. Phase 2, comprised of four-storey house blocks is in progress at 87% completion. Finishing and equipping of the house blocks is required for occupation.
5. CWSK Joska – Phase 1 is in progress. It comprises three foster houses, i.e one Bungalow house block (86% complete), two one-storey house blocks at 86% completion, a maisonette which is 70% complete and an administration/office unit which is 60% complete. Phase 2 is in progress, comprising one three-storey house block at 50% completion, a dining/kitchen unit (87% complete), a laundry unit (65% complete), store godown (65% complete), civil works, i.e. walkways and driveways (40%), drainage works 70%, landscape works (60%), two bio-digester

units (80%), boundary wall works (80%). Finishing and equipping of the house blocks is required for occupation.

6. CWSK Bungoma – Phase 1 is in progress and it comprises one bungalow house block at 87% completion. The house block requires finishing and equipping for occupation. Perimeter fencing is 20% complete, bio-digester works (70%), drainage works (80%) and landscape works at 20% completion.

Impact of the Projects

- When complete, the integrated child and family centres will annually rescue 20,000 most vulnerable children.
- Children will receive holistic professional services under one roof. These are rescue and temporary care centres for separated children, nutrition, physiotherapy, counselling, health, education and psychosocial support.
- Protection of children living outside family households will be improved.
- Spacious accommodation for children will be available, therefore providing adequate social distancing for mitigation against Covid-19.
- Children will be moved from rented premises, therefore saving on rent.
- Children will receive education at the centres, therefore improving their security.
- Capacity building for duty bearers (parents, teachers, children officers and health workers among others) will be strengthened.
- Some of the rescued children have been found to suffer from malnutrition and other nutrition-related conditions at the time of admission to the integrated centres. Their needs are adequately addressed before they are reunified with their families.
- The stores at the centres ensure that food is available to the children throughout the year.
- The centres have created employment to hundreds of young people in the project locations. They youth are trained on EPS building, therefore acquiring techniques and skills that contribute significantly to the housing industry in various parts of the country.

Sample project photos



A section of the Murang'a project - Main entry



CWSK Murang'a integrated child and family centre – Murang'a House block 1



CWSK integrated child and family centre in Murang'a – Work in progress: House blocks 1&2 (above), health centre, guard house and parking complete (below)

(Above) CWSK Integrated child and family centre in Joska (maisonette block I, Bungalow, dining/kitchen unit)





(above) CWSK Integrated child and family centre - Joska – A section of maisonette 3 work in progress.



CWSK Integrated child and family centre in Joska





(Above) CWSK Integrated child and family centre - Isiolo – A section of perimeter wall which is complete



CWSK Integrated child and family centre in Isiolo – Health centre and guard house units complete



CWSK Integrated child and family centre, Isiolo – house block unit 1



CWSK Integrated child and family centre, Isiolo – house block unit 2



CWSK Nanyuki – Integrated child and family centre – Health centre, guard house, parking complete



CWSK Nanyuki – Integrated child and family centre – Three house blocks above

Conclusion

During the FY 2022/2023, Child Welfare Society of Kenya reached more children and vulnerable young persons compared to the previous year. These were 539,194 in the FY 2022/2023 compared to 426,953 in the FY 2021/2022. We give all the glory to the Almighty God for this development. This has seen more children across the country being provided with welfare services, thus improving their lives. It is also in line with our mission to promote and secure the rights of children and vulnerable young persons in order for them to realise their full potential.

Despite not receiving funds under the Development programme, CWSK has undertaken maintenance works at the integrated child and family centres that are under construction. We are, however, optimistic that the Society will be allocated funds to complete the construction of the centres, thus reaching and improving the lives of more children and families at the community level.

We look forward to another year to continue implementing our programmes and projects, thereby positively impacting the lives of more children and vulnerable young persons as per our vision “to see all children and vulnerable young people leading a happy, fulfilling and fruitful life”.

Signed by:



Date:

2nd April, 2024

Irene Mureithi

CHIEF EXECUTIVE OFFICER/MANAGING TRUSTEE

6. STATEMENT OF CWSK'S PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2022/2023

A. 13 TEMPORARY PLACES OF SAFETY

CWSK has thirteen temporary places of safety countrywide. These are CWSK Mama Ngina Kenyatta in Nairobi, CWSK Mji wa Salama in Mombasa, CWSK Kisii, CWSK Kanduyi, CWSK Arap Moi in Nakuru, three CWSK foster families and group homes, CWSK Nanyuki, CWSK Embu, CWSK Isiolo, CWSK Murang'a and CWSK Lodwar Transitional Centre. Through these programmes, CWSK rescues and offers shelter and safe houses for children in need of temporary care and protection. Further, CWSK provides psychosocial support to the children at the temporary places of safety.

Achievements in Temporary Places of Safety

- CWSK also provided psychosocial support to children at the temporary places of safety and networked with other charitable children's institutions to offer services to the children and ensure their reintegration into their families and communities.
- CWSK's temporary places of safety have an average annual turnover of **1,500** children

B. RAPID RESPONSE AND RESCUE OF CHILDREN IN DISTRESS

CWSK implements rapid response and children rescue services across the country through its well-established branches that reach all the 47 counties. Whenever a case of a lost child, child abuse, abandonment or exposure to detrimental risk comes to our attention, CWSK responds immediately and rescues the child(ren) to temporary care and protection as interventions are made to reunite the child with their family or provide alternative family care where necessary. Some of these cases are referred to CWSK by the police, courts, hospitals, children officers, chiefs, other government departments and the public.

Achievements in Rapid Response and Rescue of Children in Distress

In the 2022/2023 financial year, **12,582** children were provided with rescue services, including psychosocial support, at CWSK temporary places of safety and networking institutions

C. EMERGENCY PREPAREDNESS AND RESPONSE.

CWSK is the National Emergency Response and Rescue Organisation for children and thus has been undertaking this programme since inception to ensure the welfare of children and vulnerable youth. The programme focuses on addressing child protection concerns and ensuring protection of children during emergencies like drought, floods, fire, collapse of buildings, terror attacks, ethnic conflicts and violence among others. To ensure the provision of healthcare, shelter, housing, food, basic education and protection as enshrined in the Constitution, CWSK responds to any emergency that may arise in

any part of the country and provides psychosocial support to children affected by emergencies and their families. In responding to these emergencies,

Achievements in Emergency Preparedness and Response

- **130,500** children in emergencies were provided with psycho-social support against a target of **125,000**. The children and families were provided with education support, food, clothing, bedding, building materials and counselling.
- **128,458** children in schools affected by emergencies were provided with complementary education materials.
- **123** children caught up in emergencies were provided with identification, documentation, tracing, mediation and re-unification services on a need basis during emergency response, against a target of **100**.

D. ALTERNATIVE FAMILY CARE.

This programme is a Vision 2030 flagship project. Its overall goal is to increasingly realise a conducive family and alternative Care for Children in Need of Special Protection (CNSP). Foster care, adoption, and/or guardianship are the key components of the Alternative Family Care programme. CWSK facilitates children to live and be cared for within families and communities.

Achievements in Alternative Family Care

- **1,031** foster and adoptive parents were assessed, trained and empowered, whereby eligible cases were placed with children. This was against a target of **1,400**.
- **1,165** parents were trained on child care and alternative family care against a target of **1,000**.
- Case follow-ups were undertaken, reaching **134** cases against a target of **120** cases. This ensured child protection within families.
- **103** court reports for children were prepared and filed out of a target of **100**.

E. FAMILY COUNSELING, MEDIATION, REHABILITATION AND EMPOWERMENT.

This programme aims at strengthening family relationships and enhancing their social and economic capacity for them to effectively care and protect children. This is done through provision of counselling, mediation, psychosocial support, rehabilitation and economic empowerment to families for them to provide quality care for children.

Achievements in Family Counselling, Mediation, Rehabilitation and Empowerment.

- Psycho-social support (PSS) services (food, clothing, shelter, counselling, family mediation) were provided to **125,925** families and children to ensure quality care for children. This was against a target of **122,590** families.
- **862** families of vulnerable children were identified, trained and empowered, against a target of **1,000** families. There were concerted efforts, through capacity building, to prevent family

distress and to support families, bearing in mind that there were increased political activities in preparation for the 2022 general elections.

F. LOCAL, REGIONAL AND INTERNATIONAL FAMILY TRACING AND REUNIFICATION

This programme focuses on family tracing for children who are not aware of the whereabouts of their parents or parents not aware of the whereabouts of their children. Family tracing is undertaken through physical tracing, media (using local dailies) and social investigations. Once the family has been traced, adequate psychosocial support is offered to the child and the family for successful reunification and reintegration. This is done locally, regionally and internationally

Achievements in Local, Regional and International Family Tracing and Reunification

Provided **5,170** separated children with family tracing services (Identification, Documentation, Tracing and Re-unification – IDTR) through social investigations (physical tracing) and also by placing their photos on in local dairies. This was against a target of **5,000**.

G. EDUCATION AND SKILLS DEVELOPMENT

This programme is a Vision 2030 flagship project. The programme focuses on helping OVCs, vulnerable young persons and other children access quality education and self-reliance skills training through enhancing and strengthening early childhood development (ECD) programmes, providing support towards education at all levels to all children in the 15 CWSK temporary places of safety and at local community level, helping children and youth to access quality education and self-reliance skills. CWSK deals with the hard-to-reach children in different parts of the country. All children are treated with equity regardless of their varied backgrounds and/or impairment. The children under the support of CWSK are provided with direct support of school fees and levies, personal effects, stationery and transport to school. Some are also given food and clothing. The programme focuses on children in temporary places of safety and within the community

Achievements in Education and Skills Development

- Supported children in education and skills development and they are now enjoying their right to education as stipulated in the Children Act and Article 53(1) (b) of the Constitution.
- **7,113** children, out of a target of **6,890** children, were supported with complementary education materials. These included stationery towels, school uniforms, shoes, school bags, among others, to enable them continue with education,
- CWSK paid school fees and levies for **6,118** OVCs and young persons at the temporary places of safety and in the community, against a target of **6,059**.
- **1,007** parents whose children are under the education support programme were identified, trained and empowered with income generating activities. This was against a target of **1,000**.
- CWSK also facilitated **260** vulnerable young persons to join the National Youth Service (NYS). The youth who joined the NYS were given personal effects such as soap, shoe polish,

bathing towels and inner wears, metallic boxes, iron boxes, rubber shoes, tracksuits and t-shirts, transport and other support.

H. OVC PROTECTION-PROVISION OF PSYCHO-SOCIAL SUPPORT

This programme seeks to enhance the quality of care, psychosocial support and provide counselling and referral services for OVC in order to improve the care and quality of life. Through the programme, OVCs outside the family and other OVCs are provided with psychosocial support to enhance their quality of life and protect them from exploitation.

Achievements in OVC Protection-provision of Psycho-Social Support

112,182 OVCs and vulnerable young person's outside the Cash Transfer Programme were provided with psychosocial support (food, education, clothing, health & shelter). This was against a target of **112,000**.

I. CHILD LABOUR

This programme aims at creating an enabling environment for child labour-free zones across the country and providing psychosocial support to OVCs outside the family household. This includes lobbying and advocating for policies and laws that promote a society free of child labour and Commercial Sexual Exploitation of Children (CSEC), prevention and withdrawal of children from situations of child labour, including CSEC, neglect, abuse and exploitation. Through this programme, CWSK identifies, registers, rescues, rehabilitates, mediates families, traces and integrates/reunifies these children with their families.

Achievements in Child Labour

- Prevented and withdrew **5,404** children from child labour against a target of **4,500**. The children were involved in, or were at risk of engaging in child labour and CSEC. They were identified and provided with psychosocial support to go to school where they were retained.
- Contracts for **10** school-based social workers were renewed. Through the social workers, cases of child labour in schools and at the community level were identified and relevant interventions were made.
- **197** parents whose children are either in, or at the risk of child labour were identified, trained and empowered with income generating activities.

J. CAPACITY BUILDING AND INSTITUTIONAL STRENGTHENING

This programme aims at strengthening the institutional and technical capacity of duty bearers to provide improved services to OVCs and enhance their protection. Through this programme, CWSK

sensitises professionals directly dealing with the care of OVCs, the police, teachers, judges and magistrates, chiefs and hospital staff. These people are involved at one point or another in the care of OVCs and, therefore, need to understand their roles in protecting OVCs.

Achievements in Capacity Building and Institutional Strengthening

- **45,560** duty bearers, against a target of **40,000**, were sensitised and trained on OVC protection.
- **5,379** children were reached and sensitised through the Child Participation Programme, thus enabling them to identify their needs and solutions. This was against a target of **4,800** children.
- **14** Rights of the Child Clubs (ROCs) were formed/strengthened, out of a target of **8**.
- **48** local child protection community structures for OVC protection were established and/or strengthened. This was against a target of **40**.

K. HIV/AIDS, ADOLESCENT & YOUTH REPRODUCTIVE HEALTH

This programme aims at reducing the prevalence of HIV/AIDS and enhance support mechanisms for affected and infected orphans and other vulnerable children. It also addresses the healthcare needs of the children and youth. The programme endeavours to advocate for behaviour change among adolescents, children and adults. The aim is to enhance the quality of care, psychosocial support and provide counselling and referral services for children affected by HIV/AIDS in order to improve the care given to them and their quality of life.

In addition, the programme aims at prolonging the lives of parents so as to prevent children from becoming orphans. It also aims at reaching out to children and youth through HIV/AIDS and reproductive health education. Child and youth participation is used where children and young people reach out to their peers and other stakeholders.

At the same time, through this programme, sensitisation meetings are organised at the local community level where the participants are trained and sensitised on HIV prevention, medical adherence, nutrition, and fighting against stigma. The aim of this programme is to reduce new infections, to encourage those who are infected to adhere to drug prescriptions and live a positive lifestyle and also to reduce the stigmatisation of those infected. CWSK has a youth-friendly centre in Nanyuki which is run jointly with Nanyuki Referral Hospital.

Achievements in HIV/AIDS, Adolescent & Youth Reproductive Health Programme

25,866 children and youth were reached during the period under review. This was done in schools through group sessions with children where they were sensitised about HIV/AIDS.

7. CORPORATE GOVERNANCE STATEMENT

Corporate Governance is the process and structure by which organizations are directed and controlled while ensuring accountability and transparency in resource mobilization and utilization. Child Welfare Society of Kenya is committed to high standards of corporate governance, having existed as a body corporate since 1955.

Board of Trustees

Child Welfare Society of Kenya is a membership organization and was established as an Approved Society in 1955 and an irrevocable Trust in 1970. The Board of Trustees is responsible for the governance of CWSK and it ensures that the organization complies with all government regulations while achieving its objectives as per the CWSK strategic plan and performance contract. The Board members are collectively responsible for the long-term success of the organization and they are charged with the responsibility to provide leadership and oversee management of the organization.

Board Meetings

The Board of Trustees holds meetings on a regular basis and where necessary special meetings of the Board are called.

Accountability

The Board of Trustees is responsible for reviewing and approving the annual budget of the organization before submission to the relevant authorities. The Board also reviews and approves financial statements to ensure they are a true representation of the organization's position. The Board of Trustees signs a Performance Contract with the Government and oversees compliance and realization of the same by the Management.

Organizational Policies

The organization has policies including the Human Resource policy, ICT policy and the Child Protection policy, among others, which govern the organization and the interests of children. These policies are in line with the CWSK strategic plan and the performance contract.


Audit

Internal audit systems are in place. The organization undergoes external audit by the Auditor General.

Organizational Structure

An organizational structure detailing lines of authority is in place and is entrenched in CWSK Constitution. Staff professionalism and competence is maintained through recruitment policies and a performance appraisal system that is keen on targets and accountability while taking into account appropriate training requirements. Through continuous monitoring, staffs are expected to develop and maintain the required skills to fulfil their responsibilities.

Signed:



.....

Irene Mureithi
Chief Executive Officer/Managing Trustee

Date: 2nd April, 2024



.....

Mr. Joseph Gitau ,
Chairman, Board of Trustees

Date: 2nd April, 2024

8. MANAGEMENT DISCUSSION AND ANALYSIS

The Chairman of the Board of Trustees submits this report together with the financial report for the year ended June 30, 2023.

The Board of Trustees would like to pass their gratitude to the Government of Kenya for funding the operations of CWSK for the purpose of ensuring the comfort of the children. The functions of the Board include:

- a. To receive budgetary allocation from the Government of Kenya.
- b. To collect donations (whether periodical or otherwise).
- c. To elect the Chairman of the Board of Trustees.
- d. To appoint the Board of Directors and the Chairman of Board of Directors.
- e. To appoint the Managing Trustee who shall be the Chief Executive Officer of the Society.
- f. To appoint the Treasurer.
- g. To be the custodian of all the assets, legal documents, and liabilities of the Society.
- h. To establish the Secretariat which runs from the National level to the County level.
- i. To issue appeals for donations and periodical reports on the work of Trustees.
- j. To accept donations on any special trusts in connection with Child Welfare Society of Kenya Programmes so that every donation so accepted shall be held subject to the terms and conditions of the gifts.


The Board of Trustees approved the CWSK budget. The amount requested from the Government for full implementation of the organization's mandate has not been given yet. Under the leadership of the Board, CWSK worked within this budget.

In the year under review, CWSK received Kshs.1,223,836,000. However, no funds were received for development of CWSK TPS projects and this grossly affected the normal implementation of programmes in terms of achievement of the annual targets as well as projects. This was compounded by the emergence of the ongoing drought in the country. This is due to the fact that there was no rainfall experienced in the country in late 2022.

The drought situation in the Country has led to loss of livelihood for many households especially the very vulnerable families. Many animals have also been reported to have died due to lack of vegetation to feed on.

The fixed assets are held under a trust managed by a Board of Trustees registered under an irrevocable trust deed of the Child Welfare Society of Kenya on 12th June 1970, established from 1955.

Signed:




.....

Irene Mureithi

Chief Executive Officer/ Managing Trustee

Date: 2nd April, 2024



.....

Mr. Joseph Gitau , HSC

Chairman, Board of Trustees

Date: 2nd April, 2024

9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

The vision of the Child Welfare Society of Kenya (CWSK) is to see all children and vulnerable young persons leading happy, fulfilling, and fruitful lives. We go out of our way to ensure that the most marginalized and the most vulnerable children in our society are given a fair chance through protection and control, psychosocial support, education, provision of shelter and healthcare and counselling.

As we pursue this ideal, we are aware of our responsibility to care for the Earth. CWSK knows very well that to create an atmosphere conducive for the care and protection of the children, we must on the other hand conserve the environment in which we work and live.

CWSK has from the beginning taken a conscious decision to make environmental conservation an agenda in all our work with children and which is evident even in our development projects.

Tree planting and beautification of our temporary places of safety and in all our held land across the county is an endeavour we take seriously. In especially all our upcoming construction sites, we have set aside ample spaces to grow trees, grass and flowers, giving the site fresh air, beauty and a cooling effect.

We are working on reducing waste from our centres including kitchens by constructing biogas digesters, which also help in solving a variety of energy and health issues in our centres and their surroundings. For starters, the waste that is used in the digesters does not reach the dumpsites that have become an eyesore and a source of a variety of diseases affecting communities.

Secondly, the energy from the system, which is used for cooking, heating and lighting, is a major boost to environment conservation as it saves on firewood and charcoal, diesel and water. This reduces carbon emitted into the atmosphere thus ensuring a clean environment. The residue from the digesters is also used in our gardens as fertilizer for the vegetables and other plants.

This technology will eventually be replicated in all our centres and the net effect in terms of environmental conservation will be immense.

At CWSK, the use of the printing machine has been cut to below 20 percent as we emphasise on digital documents, which are stored and shared online. This has minimized the use of printing paper, which has a direct impact on the environment, as paper is a by-product of wood from trees.

We also have an in-house policy that sees to it that electricity is used only when necessary, encouraging the use of natural light through windows in our offices and ensuring that all electrical equipment is shut down whenever not in use.

Outside our centres, the CWSK has been giving out water tanks to schools and communities for use in harvesting rainwater. This has been the case especially in drought prone areas with water scarcity.

10. REPORT OF THE TRUSTEES

The Trustees submit their report together with the audited financial statements for the year ended June 30, 2023, which show the state of Child Welfare Society of Kenya affairs.

The principal activities of the Child Welfare Society of Kenya are:

1. To respond to all emergencies affecting children in Kenya and rescue children in emergency situations.
2. To rescue, receive and provide care to children in need of care and protection.
3. To provide family tracing and re unification services for separated children.
4. To facilitate alternative family care (adoption, foster care and guardianship) of children.
5. To strengthen, rehabilitate and empower families to promote quality care of children.
6. To provide education, vocational skills to vulnerable children and young persons.
7. To build the capacity of duty bearers, right holders and provide institutional strengthening in order to effectively ensure the welfare of children.
8. To provide quality temporary care to rescued children by upgrading/establishing temporary places of safety including child care facilities, group homes, foster care homes, child rescue centres, child protection units as may be considered necessary and in the best interest of the child.
9. To ensure care and protection for Orphans and Vulnerable children without families through facilitating or /and providing shelter, education, health, food and nutrition.

Results

The results of the Society for the year ended June 30, 2023 are set out on page 1-6.

Directors

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

Auditors

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

By Order of the Board of Trustees

Signed:



Date: *2nd April, 2024*

Irene Mureithi
Chief Executive Officer/ Managing Trustee

11. STATEMENT OF THE TRUSTEES RESPONSIBILITIES

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

The Trustees are responsible for the preparation and presentation of the Society's financial statements, which give a true and fair view of the state of affairs of the Society for and as at the end of the financial year ended on June 30, 2023. 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 Society; (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 Society; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Trustees accept responsibility for the Society'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. The Trustees are of the opinion that the Society's financial statements give a true and fair view of the state of Society's transactions during the financial year ended June 30, 2023, and of the Society's financial position as at that date. The Trustees further confirm the completeness of the accounting records maintained for the Society, which have been relied upon in the preparation of the Society's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Trustees to indicate that the Society 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 Society's financial statements were approved by the Board on 2nd April, 2024 and signed on its behalf by:



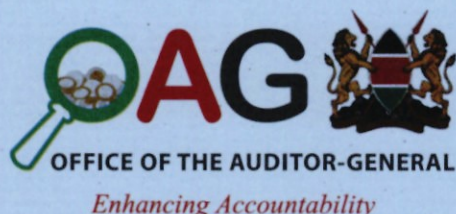
Joseph Gitau,
Chairman, Board of Trustees



Irene Mureithi
CEO/ Managing Trustee

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON CHILD WELFARE SOCIETY OF KENYA FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Child Welfare Society of Kenya set out on pages 1 to 29, which comprise of the statement of financial position as at 30 June, 2023, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Child Welfare Society of Kenya as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Child Welfare Society Order, 2014.

Basis for Qualified Opinion

1. Lack of Ownership Documents

The statement of financial position, and as disclosed in Note 14 to the financial statements reflects property, plant and equipment balance of Kshs.2,985,443,589. Included, in the balance is an amount of Kshs.1,151,313,276 for land. However, eighteen (18) parcels of land spread across the country did not have complete ownership documents while some had none at all. Although the Society provided some documents indicating progress in acquiring the ownership, the process had not been completed by the time of audit in January, 2024. Further, some parcels of land had ongoing court cases regarding ownership.

In the circumstance, the accuracy, ownership and completeness for property, plant and equipment of Kshs.2,985,443,589 could not be confirmed.

2. Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalent balance of Kshs.635,250,211 as disclosed in Note 18 to the financial statements. However, eighteen (18) bank accounts with Kshs.1,130,382 balance remained inactive throughout the year, though Management has written to the bank to activate four (4) out of the eighteen accounts. Response from the bank on their status at April, 2024 was not provided for audit review. In addition, no explanation was provided for failure to close the remaining fourteen (14) of them.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.635,250,211 could not be confirmed.

3. Long Outstanding Receivables

The statement of financial position, and as disclosed in Note 17 to the financial statements reflects receivables balance of Kshs.6,971,908 as at 30 June, 2023, which has been outstanding for a long time. However, Management has not indicated the effort being made to recover the long outstanding receivables.

In the circumstances, the accuracy and recoverability of the receivables balance of Kshs.6,971,908 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects a final expenditure budget and actual on a comparable basis of Kshs.1,223,836,000 and Kshs.1,091,620,232 respectively resulting in under-expenditure of Kshs.132,215,768 or 11% of the budget.

The under-expenditure may have affected the implementation of the strategic objective of provision of the legal and institutional framework for the care, control protection and adoption of children.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

As disclosed under the progress on follow-up on the auditor's recommendations section of the financial statements, various prior year audit issues remained unresolved as at 30 June, 2023. Management had not provided reasons for the delay in resolving the prior year's audit issues as required by the Public Sector Accounting Standards Board template and The National Treasury's circular Ref. AG.3/88 Vol. VII (28) of 09 May, 2023.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Incomplete Building Works

The statement of financial position reflects property, plant and equipment balance of Kshs.2,985,443,589 as disclosed in Note 14 to the financial statements. The balance

includes construction work in progress amount of Kshs.1,547,253,917 out of which Kshs.1,427,720,834 was in respect to construction of buildings in six sites of Isiolo, Nanyuki, Murang'a, Bungoma, Joska and Mama Ngina. As previously reported, the contracts for these projects were awarded at contract sums totalling Kshs.3,951,587,738 and were expected to be completed in 2018. However, a physical verification in February, 2024 revealed that they were still incomplete despite Kshs.1,427,720,834 having been paid as at 30 June, 2023. Management has not indicated when these projects were likely to be completed for use by the children as intended.

In the circumstances, the delay may result in escalated costs for completion and value for money may not be obtained.

2. Non-Compliance with One-Third of Basic Salary Rule

Review of the payroll of the Society revealed that during the year under review, twenty-two (22) employees received a net salary of less than one-third (1/3) of their basic salaries contrary to Section C.1(3) of the Human Resource Policies and Procedures Manual for the Public Service, 2016 which provides that public officers shall not over commit their salaries beyond two thirds (2/3) of basic salary. Management did not provide satisfactory explanations for the failure to comply with the policy.

In the circumstances, Management was in breach of the human resource policies and procedure manual.

3. Overdrawn Bank Accounts

The statement of financial position reflects cash and cash equivalents balance of Kshs.635,250,211 as disclosed in Note 18 to the financial statements. The balance includes Kshs.633,538,266 in respect of the current account balance, out of which, Kshs.176,420 relates to two (2) overdrawn bank accounts. This was contrary to Regulation 82(7) of the Public Finance Management (National Government) Regulations, 2015 which provides that no official government bank account shall be overdrawn, nor shall any advance or loan be obtained from a bank account for official purposes beyond the limit, authorized by The National Treasury in line with Section 28(4) of the Act.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on

Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Lack of an Audit Committee and Weak internal Audit Unit

As reported in the previous year, the Society did not have an Audit Committee contrary to Section 73 (5) of the Public Finance Management Act, 2012 which states that every national government entity shall establish an internal auditing committee whose composition and functions are to be prescribed by the regulations. Further, the Internal Audit did not have an approved internal audit charter and an approved audit plan. This was contrary to Section 73(1) and (2) of the Public Finance Management Act, 2012 which requires every National Government entity to establish means for conducting internal audit reviews in accordance with the guidelines issued by the Accounting Standards Board and regulations that prescribe requirements for conducting internal audits.

In the circumstances, the effectiveness of risk management measures and governance of the Society could not be confirmed.

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

Responsibilities of Management and Board of Trustees

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

In preparing the financial statements, Management is responsible for assessing the Society'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 Society or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Because of its inherent limitations, internal 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 control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of 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 Society'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 Society 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 Society to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with 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 communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


 FCPA Nancy Gathungu, SBS
AUDITOR-GENERAL

Nairobi

13 May, 2024

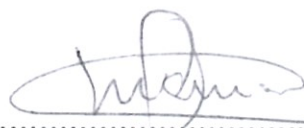
**13. STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2023**

REVENUE FROM NON-EXCHANGE TRANSACTIONS	Note	2022/2023	2021/2022
		KShs	KShs
RECURRENT FUNDS			
Government Grant	6	1,223,836,000	933,840,000
Other Grants	7	23,656,231	22,081,296
Other Income	8	1,912,717	681,632
Total Recurrent Revenue		<u>1,249,404,948</u>	<u>956,602,928</u>
Recurrent Expenses			
Compensation of Employees	9	407,144,994	267,384,473
Directors Expenses	10	6,964,250	7,566,985
Depreciation Charge	14	21,245,111	19,770,767
Operation Expenses	11	152,557,320	141,164,933
OVC Development	13	499,580,182	386,270,374
Subtotal - Recurrent Expenses		<u>1,087,491,857</u>	<u>822,157,532</u>
Finance Costs	12	2,477,208	1,625,297
SURPLUS/(DEFICIT) FROM RECURRENT ACTIVITIES		<u>159,435,883</u>	<u>132,820,099</u>

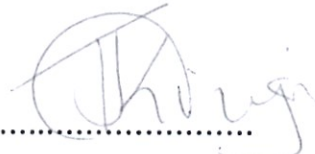
The notes set out on pages 7 to 24 form an integral part of these Financial Statements.



Irene Mureithi
CEO/Managing Trustee
Date 2nd April, 2024



Charles Maina
G.M Finance
Date 2nd April, 2024



Joseph Gitau
Chairman, Board of Trustees
Date 2nd April, 2024

14. STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Note	2022/2023 KShs	2021/2022 KShs
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	14	2,985,443,589	2,980,742,574
Investments			
Safaricom shares	15	2,231,250	3,181,125
		2,987,674,839	2,983,923,699
Current Assets			
Inventories	16	4,533,643	1,355,000
Receivables	17	6,971,908	264,324,839
Cash and Cash Equivalents	18	635,250,211	273,023,560
Trustees Account	19	108,053,837	108,053,837
		<u>754,809,599</u>	<u>646,757,236</u>
Total Assets		<u>3,742,484,438</u>	<u>3,630,680,935</u>
Financed by:			
Current Liabilities			
Accounts Payable and Accruals	20	896,700	67,144,445
		<u>896,700</u>	<u>67,144,445</u>
Net Assets			
Accumulated Fund		431,871,142	253,819,894
Revaluation Reserves		1,204,907,081	1,204,907,081
Capital Reserves		2,104,809,515	2,104,809,515
Total Net Assets		3,741,587,738	3,563,536,490
Total Net Assets & Liabilities		<u>3,742,484,438</u>	<u>3,630,680,935</u>

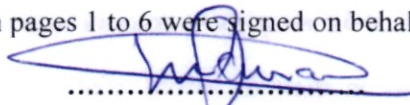
The Financial Statements set out on pages 1 to 6 were signed on behalf of the Board of Trustees by:



Irene Mureithi

Chief Executive Officer/Managing Trustee

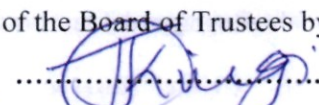
Date 2nd April, 2024



Charles Maina

G.M Finance

Date 2nd April, 2024



Joseph Gitau

Chairman, Board of Trustees

Date 2nd April, 2024

15. STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 30 JUNE 2023

	Accumulated Fund	Revaluation Reserves	Capital Reserves	Total
	KShs	KShs	KShs	KShs
Balance as at 1st July 2021	120,999,795	1,204,907,081	1,680,521,111	3,006,427,987
Capital Grants Received	-	-	423,044,412	423,044,412
Surplus (Deficit) for the Period.	132,820,099	-	-	132,820,099
Prior Year Adjustments relating to previous years)	-	-	1,243,992	1,243,992
Balance as at 30th June 2022	<u>253,819,894</u>	<u>1,204,907,081</u>	<u>2,104,809,515</u>	<u>3,563,536,490</u>
Balance as at 1st July 2022	253,819,894	1,204,907,081	2,104,809,515	3,563,536,490
Capital Grants Received	-	-	-	-
Surplus (Deficit) for the Period	159,435,883	-	-	159,435,883
Prior Year Adjustments relating to previous Years	18,615,365	-	-	18,615,365
Balance as at 30th June 2023	<u>431,871,142</u>	<u>1,204,907,081</u>	<u>2,104,809,515</u>	<u>3,741,587,738</u>


Nature and purpose of reserves

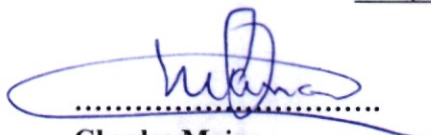
The Registered Trust creates and maintains reserves in terms of specific requirements as follows


- i) Capital Reserve – this is used to record contribution made by Government in form of development grants transfers, for emergency and welfare of children.
- ii) Revaluation Reserve – this is used to indicate the re-valued amounts on the plant property and equipment, and any other adjustments on the same.

16. STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	2022/23	2021/22
	KShs	KShs
Cash flows from operating activities		
Net Surplus /(Deficit) for the year	159,435,883	132,820,099
Adjusted for item not involving movement of cash		
Depreciation	21,245,111	19,770,767
Unrealised Loss/(Gain) on investments	949,875	2,027,250
Operating Surplus/(Deficit) before Working Capital Changes	<u>181,630,869</u>	<u>154,618,116</u>
(Increase)/decrease in inventory	(3,178,643)	-
(Increase)/decrease in receivables	257,352,932	(248,287,944)
Increase/(decrease) in payables	(66,247,744)	(3,442,686)
Increase/(decrease) in Trustee Account	-	105,580
Net cash generated from operating activities	<u>369,557,414</u>	<u>(97,006,934)</u>
Investing activities		
Purchase of Fixed Assets	(25,946,128)	(97,668,384)
Cash from operating and investing activities	<u>343,611,286</u>	<u>(194,675,318)</u>
Financing activities		
Development Government Fund	-	423,044,412
Prior Year Adjustment relating to Previous Years	18,615,365	1,243,992
Net cash from financing activities	<u>18,615,365</u>	<u>424,288,403</u>
Net cash in/(out) flow for the year	<u>362,226,651</u>	<u>229,613,085</u>
Cash and cash equivalents at 1st July	<u>273,023,560</u>	<u>43,410,475</u>
Cash and cash equivalents as at 30th June	<u>635,250,211</u>	<u>273,023,560</u>


.....
Irene Mureithi
Chief Executive Officer/Managing Trustee
Date 2nd April, 2024


.....
Charles Maina
G.M Finance
Date 2nd April, 2024


.....
Joseph Gitau
Chairman, Board of Trustees
Date 2nd April, 2024

17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT

FOR THE YEAR ENDED 30 JUNE 2023

REVENUE	Original Budget	Adjustments	Final Budget	Actual	Performance difference	
	2022-2023	2022-2023	2022-2023	basis	2022-2023	
	KShs	KShs	KShs	KShs	KShs	%
Government grants –						
Recurrent	1,500,000,000	(276,164,000)	1,223,836,000	1,223,836,000	-	-
Government grants - Development	1,229,383,500	(1,229,383,500)	-	-	-	-
Government grants - Moratorium	-	-	-	-	-	-
Orphans and Vulnerable Children (OVC) Development	1,470,616,500	(1,470,616,500)	-	-	-	-
Project Grants: Nakuru Lapsetry	-	-	-	21,274,905	21,274,905	100%
Donations/Other Incomes	-	-	-	4,294,043	4,294,043	100%
TOTAL INCOME	4,200,000,000	(2,976,164,000)	1,223,836,000	1,249,404,948	25,568,948	2.1%
RECURRENT						
Operation Expenses	285,823,624	(105,823,624)	180,000,000	152,557,320	27,442,680	15.2%
Moratorium Expenses	213,344,429	(213,344,429)	-	-	-	0%
Family Strengthening and Tracing Program	40,784,229	(35,784,229)	5,000,000	3,373,600	1,626,400	32.5%
Capital Expenditure	60,486,573	(45,486,573)	15,000,000	13,105,469	1,894,531	12.6%
Personnel Costs	998,231,947	(578,231,947)	420,000,000	407,144,994	12,855,006	3.1%
Trustees Expenses	2,600,000	4,400,000	7,000,000	6,964,250	35,750	0.5%
TOTAL RECURRENT EXPENDITURE	1,601,270,802	(974,270,802)	627,000,000	583,145,633	43,854,367	7.0%
DEVELOPMENT PROGRAMME						
OVC DEVELOPMENT						
Capacity Building, Research and Advocacy Program	138,485,720	(120,485,720)	18,000,000	9,951,800	8,048,200	44.7%
Education and Skills Development for Unreached Children at the Community Level	459,129,546	(354,129,546)	105,000,000	99,732,800	5,267,200	5.0%
Emergency, Preparedness Response Programmes	187,286,023	127,049,977	314,336,000	276,732,633	37,603,367	12.0%
Temporary Places of Safety (including Children's Home) Programmes	333,789,909	(178,289,909)	155,500,000	106,058,053	49,441,947	31.8%
Alternative Family Care	250,654,500	(246,654,500)	4,000,000	2,831,473	1,168,527	29.2%

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TOTAL OVC DEVELOPMENT	1,369,345,698	(772,509,698)	596,836,000	495,306,759	101,529,241	17.0%
PROJECTS DEVELOPMENT						
Upgrading CWSK Places of Safety (Development projects)	1,229,383,500	(1,229,383,500)	0	13,167,840	(13,167,840)	(100)%
TOTAL PROJECTS DEVELOPMENT	1,229,383,500	(1,229,383,500)	0	13,167,840	(13,167,840)	(100)%
TOTAL CWSK BUDGET YEAR 2022/2023	4,200,000,000	(2,976,164,000)	1,223,836,000	1,091,620,232	132,215,768	10.8%

Variance Explanations

A Recurrent Expenditure

PROGRAMME/ACTIVITY

Government grants – Recurrent
Government grants - Development
Orphans and Vulnerable Children (OVC) Development
Government grants - Administration

RECURRENT

Operation Expenses

Family Strengthening & Family Tracing Programme

Capital Expenditure

Personnel Costs

Variance

%

Variance Comments

0%

15.2%

Exchequer received late in June 2023

32.5%

Exchequer received late in June 2023

12.6%

Exchequer received late in June 2023

3.1%

Exchequer received late in June 2023

B DEVELOPMENT PROGRAMME

OVC DEVELOPMENT

Capacity Building, Research and Advocacy Programme

Education and Skills Development for Unreached Children at the Community Level

Emergency, Preparedness and Response Programme

Temporary Places of Safety (including Children's Home) Programme

Alternative Family Care

44.7%

Exchequer received late in June 2023

5.0%

Exchequer received late in June 2023

12.0%

Emergency funds not planned

31.8%

Exchequer received late in June 2023

29.2%

Exchequer received late in June 2023

18. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Child Welfare Society of Kenya is a membership society under the society's Act, with an irrevocable Trust under perpetual succession Act for the care, protection, welfare and Adoption of children. It is the national adoption society for Kenya and the national emergency response, welfare and rescue organization for children. The society is a body corporate, established and gazetted in 1955 as an approved society Gazette Notice No. 1768 of 27/12/1955, an exempt society gazette notice 1536 of 04/11/1955, Certificate of Exemption number 455 and the adoption society for Kenya, Gazette Notice No. 1356 of 28/04/1969. It is an exempt society with permanent trustees of public nature, with an irrevocable Trust of 1970. A Legal Order No.58 of 2014 was put in place which is in conflict with all the existing CWSK Legal Instruments. CWSK has existed as a body cooperate since 1955, as well as an irrevocable Trust and a membership Society.

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 Society's accounting policies.

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

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

3. ADOPTION OF NEW AND REVISED STANDARDS

- i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2023:

Standard	Impact
IPSAS 39: Employee Benefits	Applicable: 1st January 2018 The objective to issue IPSAS 39 was to create convergence to changes in IAS 19 Employee benefits. The IPSASB needed to create convergence of IPSAS 25 to the amendments done to IAS 19. The main objective is to ensure accurate information relating to pension liabilities arising from the defined benefit scheme by doing away with the corridor approach.

- ii. New and amended standards and interpretations also effective for the year ended 30 June 2023:

Standard	Effective date and impact:
IPSAS 40: Public Sector Combinations	Applicable: 1st January 2019: The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only) Business combinations and combinations arising from non-exchange transactions which are covered purely under Public Sector combinations as amalgamations.

- iii. Early adoption of standards

The entity did not early-adopt any new or amended standards in year ended 30/6/2023.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

The Entity recognizes revenue 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 Entity and the fair value of the asset can be measured reliably.

Transfer 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 economics benefits or services potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the Statement of Financial Performance. Development/capital grants are recognized in the Statement of Financial Position and Statement of Changes in Net Assets, and realized in the Statement of Financial Performance over the useful life of the assets that have been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

The Entity recognizes revenue from rendering of services by reference to the stages 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.

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.

Other Income

Interest income, school tuition and dispensary income are recognized as received.

b) Taxes

i) Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Society operates and generates taxable income.

Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the Statement of Financial Performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

ii) Deferred tax

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

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

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

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

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

Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

c) Property, plant and equipment

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

Depreciation is calculated to write off the cost or valuation of property and equipment in equal annual instalments over their estimated useful lives. The rates are;

Freehold land	Nil
Leasehold land	Over period of lease
Buildings	2%
Motor vehicles	25%
Fixtures, furniture & fittings	12.5%
Equipment	20%
Computers	30%

Capital work in progress is not depreciated until such as time as the asset is brought into use. No depreciation is provided for in the year of acquisition, whilst full depreciation is provided for in the year of disposition.

Revaluation reserve on buildings is amortised at 2% per year.

d) 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.

e) 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:

- a. Raw materials: purchase cost using the weighted average cost method
- b. 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

Inventory is measured at cost upon initial recognition. 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 deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Society.

f) Provisions

Provisions are recognized when the Society 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 Society expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

The Society 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 financial statements, potential is remote.

Contingent assets

The Society 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 Society 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.

g) Nature and purpose of reserves

The Society creates and maintains reserves in terms of specific requirements as follows:

(i) Capital reserve - used to record contribution made by government in form of grants / transfers

(ii) R evaluation reserve - used to indicate the revalued amount on the plant, property and equipment.

h) Changes in accounting policies and estimates

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

i) Employee benefits

Retirement benefit plans

Short term employee benefits include items such as: (a) Wages, salaries, and social security contributions; (b) short term compensated absence (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled.

When an employee has rendered service to the Society during an accounting period, the Society recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for that service: as a liability (accrued expense), after deducting any amount already paid.

If the amount already paid exceeds the undiscounted amount of the benefits, the Society recognises the excess (i) as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and (ii) as an expense, unless another standard requires or permits the inclusion of the benefits in the cost of an asset

j) 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 in various commercial banks at the end of the financial year.

k) Budget information

The National Assembly approved the original budget for FY 2022-2023 on 9th June 2022. The entity'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 17 of these financial statements.

l) 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, 2023.

n) Trustees Account

This relates to income generating activities and property held thereunder which continue to be presided over by the Trustees.

o) Financial management risk and objectives

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

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

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 Society 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 Entity. 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:

- a. The condition of the asset based on the assessment of experts employed by the Society
- b. The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- c. The nature of the processes in which the asset is deployed
- d. Availability of funding to replace the asset

Changes in the market in relation to the asset

Provisions

Provisions are recognized when the Society has a present obligation (legal or constructive) as a result of 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 Society 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.

6. TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income	Amount deferred under deferred income	Amount recognized in capital fund	Total grant income during the year	2021-2022
	KShs	KShs	KShs	KShs	KShs
Ministry of Labour and Social Protection	1,223,836,000	-	-	1,223,836,000	1,356,884,412
Total	1,223,836,000	-	-	1,223,836,000	1,356,884,412

7. OTHER GRANTS

Description	2022-2023	2021-2022
	KShs	KShs
Project Grants: Nakuru Lapsetry	21,274,905	20,275,871
Project Grants: Katian Diesel	-	-
Donations/Other Incomes	2,381,326	1,805,425
Total other grants	23,656,231	22,081,296

8. OTHER INCOME

Description	2022-2023	2021-2022
	KShs	KShs
Interest Received	260	5,562
Dispensary Income	18,710	18,990
School Tuition Fees	3,033,900	2,684,330
Unrealized (Loss)/ gains on investments	(949,875)	(2,027,250)
Foreign Currency exchange gain/(loss)	(190,278)	-
Total other income	1,912,717	681,632

9. COMPENSATION OF EMPLOYEES

Description	2022-2023	2021-2022
	KShs	KShs
Basic salaries	309,924,609	232,007,011
Pensions- Old Mutual	60,863,143	-
Allowances	34,195,002	34,648,862
NSSF Employer contribution	2,162,240	728,600
Total Employee costs	407,144,994	267,384,473

10. DIRECTORS EXPENSES

Description	2022-2023	2021-2022
	KShs	KShs
Chairman's Honoraria- Board of Trustees	960,000	915,000
Chairman's Honoraria- Board of Directors	960,000	-
Sitting allowances- Trustees	1,195,000	1,280,000
Sitting allowances- Directors	795,000	-
Medical Insurance	-	-
Induction and Training	-	-
Travel and accommodation- Trustees	1,750,250	106,510
Other members allowances	1,304,000	5,265,475
Total Directors' emoluments	6,964,250	7,566,985

11. OPERATION EXPENSES

Description	2022-2023	2021-2022
	KShs	KShs
Operation Expenses:	152,557,320	141,164,933
-Motor Vehicle expenses	30,202,401	
-Utilities: Water, electricity, etc	11,209,832	
-Repairs and maintenance	13,810,609	
-Communication	1,963,927	
-Office rent	9,097,121	
-Professional services	16,045,655	
-Printing and stationery	1,771,620	
-Office security	16,429,847	
-Staff travel and accommodation	52,026,308	
Total Operation Expenses	152,557,320	141,164,933

12. FINANCE COSTS

Description	2022-2023	2021-2022
	KShs	KShs
Bank Charges	2,459,721	1,577,535
Mpesa Charges	17,487	47,762
Total Finance Costs	2,477,208	1,625,297

13. OVC DEVELOPMENT EXPENDITURE

Description	2022-2023	2021-2022
	KShs	KShs
Capacity building & Institutional strengthening	9,951,800	9,044,655
Education & skills development	99,732,623	116,261,740
Emergency Response	276,732,633	99,048,835
Family tracing & reunification	3,373,600	2,380,540
Alternative Family Care	2,831,473	22,356,793
Temporary places of safety	106,058,053	134,577,811
OVC Without Families	900,000	2,600,000
Total OVC Expenses	499,580,182	386,270,374

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14. PROPERTY, PLANT AND EQUIPMENT

Description	Land	Buildings	Motor vehicles	Computers	Furniture and Equipment	Construction in progress	TOTALS
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
COST							
At 1 July 2021	1,151,313,276	220,503,683	151,426,465	18,316,627	62,201,223	1,473,374,925	3,077,136,199
Additions	-	-	-	1,516,150	8,570,992	87,581,242	97,668,384
Capitalization of walls	-	26,870,090	-	-	-	(26,870,090)	-
At 30 June 2022	<u>1,151,313,276</u>	<u>247,373,773</u>	<u>151,426,465</u>	<u>19,832,777</u>	<u>70,772,215</u>	<u>1,534,086,077</u>	<u>3,174,804,583</u>
DEPRECIATION							
At 1 July 2021	-	21,510,005	111,379,231	13,233,174	28,168,834	-	174,291,244
Charge for the year	-	3,979,874	10,011,809	1,525,036	4,254,049	-	19,770,767
At 30 June 2022	-	25,489,879	121,391,039	14,758,210	32,422,883	-	194,062,009
NBV at 30 June 2022	<u>1,151,313,276</u>	<u>221,883,894</u>	<u>30,035,426</u>	<u>5,074,567</u>	<u>38,349,332</u>	<u>1,534,086,077</u>	<u>2,980,742,574</u>
COST							
At 1 July 2022	1,151,313,276	247,373,773	151,426,465	19,832,777	70,772,215	1,534,086,077	3,174,804,583
Additions	-	68,950	-	1,960,352	10,748,986	13,167,840	25,946,128
At 30 June 2023	<u>1,151,313,276</u>	<u>247,442,723</u>	<u>151,426,465</u>	<u>21,793,129</u>	<u>81,521,201</u>	<u>1,547,253,917</u>	<u>3,200,750,711</u>
DEPRECIATION							
At 1 July 2022	-	25,489,879	121,391,039	14,758,210	32,422,883	-	194,062,011
Charge for the year	-	4,947,475	9,283,820	1,818,889	5,194,927	-	21,245,111
At 30 June 2023	-	<u>30,437,354</u>	<u>130,674,859</u>	<u>16,577,099</u>	<u>37,617,810</u>	-	<u>215,307,122</u>
NBV at 30 June 2022	<u>1,151,313,276</u>	<u>217,005,369</u>	<u>20,751,606</u>	<u>5,216,030</u>	<u>43,903,391</u>	<u>1,547,253,917</u>	<u>2,985,443,589</u>

15. INVESTMENTS

Description	2023-2022	2021-2022
	KShs	KShs
a) Equity investments (specify)		
127,500 Safaricom Limited Shares @KShs.5.00	3,181,125	5,208,375
Revaluation (Loss)/surplus as at 30th June (2023: Kshs 17.50; 2022: Kshs 24.95)	(949,875)	(2,027,250)
Total investments	2,231,250	3,181,125

16. INVENTORIES

Description	2022-2023	2021-2022
	KShs	KShs
Consumables:	<u>4,533,643</u>	<u>1,355,000</u>
Paper stationery-files, pens, notebooks,printpaper	1,208,216	
Non-paper stationery-paper trays, pins, clips,etc	650,578	
Food items	2,040,139	
Soaps and detergents	165,025	
Toiletries	203,107	
Baby supplies	266,578	
Total inventories at the lower of cost and net realizable value	4,533,643	1,355,000

17. RECEIVABLES

Description	2022-2023	2021-2022
Current receivables	KShs	KShs
Deposits refundable- Rent, Power, etc	2,194,413	5,639,069
Social protection Quarter 4 disbursement	-	233,460,000
Plot debtors	4,978,650	4,978,650
Staff debtors	798,845	20,247,120
Total current receivables	7,971,908	264,324,839
Less: Provision for Doubtful debts	(1,000,000)	-
Total Net Receivables	6,971,908	264,324,839

18. CASH AND CASH EQUIVALENTS

Description	2022-2023	2021-2022
	KShs	KShs
Current account	633,538,266	271,390,938
Others(Petty cash)	1,711,945	1,632,621
Total cash and cash equivalents	635,250,211	273,023,560

DETAILED ANALYSIS OF THE CASH AND CASH EQUIVALENTS

		2022-2023	2021-2022
Financial Institution	Account number	KShs	KShs
KCB Bank HQ	1267069430	568,628,074	89,029,739
Sidian (formerly K-Rep) Bank(US D)	10030100027	350,530	205,422
Sidian (formerly K-Rep) Bank(KShs)	10030200057	1,804,802	4,607,422
Bank of Africa-ArapMoi 0004	8013140004	17,770	191
Bank of Africa-ArapMoi 0012	8013150012	757	(3,528)
Bank of Africa Bungoma branch	2605510009	9,500	25,070

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BBK – CPB	948522934	(88,411)	(81,787)
BBK- Nanyuki Children's Home	948527389	34,580	34,580
BBK- Kisii Children Home	81053979	954,006	1,793,016
BBK - Nanyuki branch	308017389	(88,008)	(81,384)
BBK 1330	948551330	2,749,319	1,901,005
BBK Fin 8484	941258484	20,460,992	4,358,966
BBK HQ 8468	941258468	1,755,011	3,340,760
BBK Mama Ngina	948003112	1,873,312	4,002,987
BBK Murang'a 1137 (Donation a/c)	2026601137	174,565	2,528,856
BBK TBP 1349	948551349	21,036,264	139,755,708
Equity Bank EURO 458	1470262150458	3,335	283,813
Equity- CWSK- Kisii 8384	1470262758384	8,060	1,448,180
Equity Bank- Bungoma 6992	480299936992	20,716	20,716
Equity Bank (Towa)488	150295282488	10,500	521,560

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Equity Bank A/c 416	150291898 416	407,332	407,332
Equity Bank CESVI EURO 478	147026215 0478	17,778	3,014,633
Equity Bank Development 4154	147026237 4154	12,481	1,732,602
Equity Bank KSHS(CESVI)271	147026215 0271	3,460,125	1,553,665
Equity Bank Murang'a 7226	220299937 226	53,355	253,595
Equity bank supreme 225	147026215 0225	475	26,175
Equity Bank USD	150291898 436	7,758	88,584
Equity Off A/c 458	150291898 458	10,915	438,975
Equity salary Account - 253	147026215 0253	667,754	667,754
KCB Bungoma branch	112685869 2	1,876,223	1,284,265
NBK MjiWaSalama	103807530 4600	6,162,934	6,954,314
Standard Chartered Mombasa		1,145,530	1,277,225
Total		633,538,266	271,390,938

19. TRUSTEES ACCOUNT

This relates to activities and properties held thereunder which continue to be presided over by the Trustees for the purpose of generating income for the Society.

Description	2022-2023	2021-2022
Trustees Account	KShs	KShs
Bal B/f	108,053,837	108,159,417
Trustees Injections/Drawings/Reversals	-	(105,580)
Total Trustees Account	108,053,837	108,053,837

20. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2022-2023	2021-2022
	KShs	KShs
Operations	896,700	19,718,619
Staff creditors	-	818,434
Salary deductions	-	46,607,392
Total trade and other payables	896,700	67,144,445

21. CASH GENERATED FROM OPERATIONS

	2022-2023	2021-2022
Surplus for the year before tax	KShs	KShs
Surplus for the year before tax	159,435,883	132,820,099
Adjusted for:		
Depreciation	21,245,111	19,770,767
Unrealized Loss/(Gain) on Investments	949,875	2,027,250
Finance cost	-	-
Increase in inventory	(3,178,643)	-
Decrease in receivables	257,352,932	(248,287,944)
Increase in Trustees account	-	105,580
Increase in deferred income	-	-
Decrease in payables	(66,247,744)	(3,442,686)
Increase in payments received in advance	-	-
Net cash flow from operating activities	369,557,414	(97,006,934)

22. FINANCIAL RISK MANAGEMENT

The Society's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Society'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 Society does not hedge any risks and has in place policies to ensure that credit is only extended with an established credit history.

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

(i) Credit risk

The Society 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 in each case, 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 Trustees. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Society's management based on prior experience and their assessment of the current economic environment.

The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Society has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

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

(ii) Liquidity risk management

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

(iii) Market risk

The Board of Trustees has put in place an internal audit function to assist it in assessing the risk faced by the Society on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates, which will affect the Society's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit Committee.

The Society's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit Committee) and for the day-to-day implementation of those policies.

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

23. EVENTS AFTER THE REPORTING PERIOD

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

24. ULTIMATE AND HOLDING ENTITY

The entity is a membership Society under the Society's Act, with an irrevocable Trust incorporated in 1955. It is an approved and an exempt Society. Child Welfare Society of Kenya is an Agency of the Government under the Ministry of Labour and Social Protection.

25. 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)
1.0	Inaccuracies in Cash and Cash Equivalents	The long outstanding items revealed in the bank reconciliation statements have been adjusted and cleared. Dormant bank accounts have been activated and allocated to respective CWSK branches.	Finance Officer	Resolved	F/Y 2022/23
2.0	Long Outstanding Receivables	The outstanding balances are income generating activities of sale of plots by the Trustees. The title deeds of the plots allottees are still in process, the outstanding amounts will be recovered at the point of title deeds issuance.	CWSK Board of Trustees	Resolved	On-going
1.0 (a)	Non-compliance with one-third of Basic Salary Rule	This was as a result of Sacco deductions. Jogoo and Waumini saccos are independent entities not controlled by CWSK and they do not consult the Society when they are giving loans to CWSK staff.	Finance Officer	Resolved	F/Y 2022/23
2.0 (a)	Lack of Staff Establishment	A detailed staff register of all employees containing all of their particulars is in place.	Finance Officer	Resolved	F/Y2022/23
3.0 (a)	Incomplete Building Works	There was lack of budgeted adequate funding.	CWSK Board of Trustees	Work-in-Progress	On-going

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.0 (a)	Overdrawn Bank accounts	The 3 bank accounts were not overdrawn by cheques payments or withdrawals. The balance of sh. 219,448 relates to accumulated bank charges over time as the bank accounts were not active then.	Finance Officer	Resolved	F/Y 2022/23
1.0 (b)	Lack of an Audit Committee	CWSK Board has put an Audit Committee in place. An additional Internal Auditor to be added.	CWSK Board of Trustees	Resolved	F/Y 2022/23
2.0 (b)	Weak Internal Audit Department	CWSK has an Internal Auditor. The Internal Audit Department is being strengthened by additional staff in order to build its capacity.	CEO	Resolved	F/Y 2022/23
3.0 (b)	Lack of Approved Organizational Structure	CWSK is a membership society with an irrevocable Trust. Its operations are based on the Trust Deed. The approved organization structure is now in place.	CEO	Resolved	F/Y 2022/23

Guidance Notes:

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



Irene Mureithi
Chief Executive Officer/ Managing Trustee

Date 2nd April, 2024