

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 05 JUN 2024	DAY: WEDNESDAY
TABLED BY: MAJORITY PARTY WHIP HON. SILVANIA ORO	OF
CLERK AT THE TABLE: J. Lemerelle	

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ON

**NATIONAL COUNCIL FOR CHILDREN'S
SERVICES**

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



70 MAR 2024

NATIONAL COUNCIL FOR CHILDREN'S SERVICES

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2023**

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

**NATIONAL COUNCIL FOR CHILDREN'S SERVICES
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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1. ACRONYMS, ABBREVIATIONS AND GLOSSARY OF TERMS

A: Acronyms and Abbreviations

NCCS	National Council for Children Services
Ag. CEO	Acting Chief Executive Officer
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
CCI	Charitable Children's Institutions
AAC	Area Advisory Council
ACRWC	African Committee of Experts on the Rights and Welfare of the Child.
CUC	Court Users Committee
CEB	County Education Board
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
NSSF	National social security house (NSSF)
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SCAC	State Corporations Advisory Committee
SDG	Sustainable Development Goals

B: Glossary of Terms

Fiduciary Management- Members of Management directly entrusted with the responsibility of financial resources of the organisation

Comparative Year- Means the prior period

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2. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

National Council for Children’s Services (NCCS) is a State Corporation established under section 41 of the Children Act, 2022 to exercise general supervision and control over planning, financing and coordination of children rights and welfare. The Council was inaugurated on 27th September, 2002. NCCS was transformed to a State Corporation through the Miscellaneous Amendment Act, April 2017. NCCS was categorized as a State Corporation by the State Corporations Advisory Committee (SCAC) on the 22nd of January, 2020. The Council has the mandate of regulatory, supervisory, advisory, general oversight in planning, financing and coordination of all programs, plans and actions designed to facilitate the realization of the rights of the child guaranteed under the Constitution and other statutes.

(b) Principal Activities

To ensure that NCCS operations are run effectively and efficiently and to fulfil its strategic objectives, mandate and realize customer satisfaction, the Council is organized into three (3) Technical Departments as follows: -

The Departments are: -

- (i) Standards and Compliance;
- (ii) Advocacy, Public Education and Awareness;
- (iii) Strategy, Planning and Resource Mobilization.

(c) Key Management

National Council for Children Services day to day management is run under the following key organs;

- i) The Board of Directors
- ii) Chief Executive Officer
- iii) Section Head- Corporation Secretary & Legal Services
 - Registration & Licensing
 - Compliance & Enforcement
 - Public Awareness, Capacity Building & Partnerships
 - Planning & Business Process Re-Engineering Department
 - Corporate Services
 - Internal Audit and Risk Assurance.

(d) 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.	Ag. Chief Executive Officer	Abdinoor Sheikh Mohamed
2.	Deputy Director, Children’s Services /Section head	Benson Bakala Wambani
3.	Assistant Director Children’s Services / Section head	Truphena Chemining’wa
4.	Principal Accountant	Moses Onyango Muga
5.	Assistant Director Children’s Services / Section head	Alex Wamakobe
6.	Assistant Director Children’s Services / Section head	Mary Thiong’ó
7.	Senior Children’s Officer/ Section Head	Kennedy Owino

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(e) Fiduciary Oversight Arrangements

Audit Committee

The committee is a subcommittee of the board of directors and support the Council in fulfilling its governance and oversight responsibilities in relation to financial reporting, internal control structure, risk management systems, internal and external audit functions and ethical accountability.

Finance committee

The Finance Committee provides financial analysis, advice, and oversight of the organizations budget and ensuring that the organization is operating with the financial resources it needs to provide programs and services as per the councils' mandate.

(f) Entity Headquarters

National social security house (NSSF)
Block C 4th floor
Bishop road
P.O. Box 6446-00100
Nairobi

(g) Entity Contacts

Telephone :(254) 020-2691023
E-mail. nccssecretariat@nccs.go.ke
Website. www.nccs.go.ke

(h) Entity Bankers

Kenya Commercial Bank
Account. 1132458803
Branch: Moi Avenue
P O Box 48400-00100
Nairobi

(i) Independent Auditors


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

(j) Principal Legal Adviser

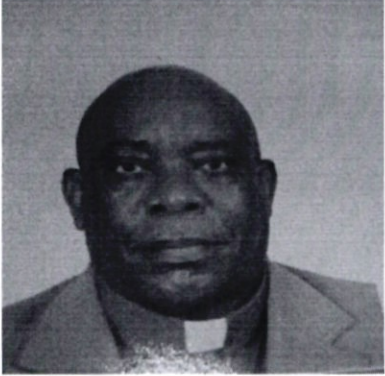


The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112-00200
City Square, Nairobi
Kenya

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3. THE BOARD OF DIRECTORS

<p>1. NURIA GOLLO HALAKE HSC</p> 	<p>Date of Birth: 1965 Work Experience Executive Director Marsabit Women Advocacy and Development Organization and Network treasurer of Mionet (Marsabit Indigenous Organization Network.) Organizations working with and on children matters. Member of CUC (Court Users Committee) Representing the interest of Children Member of CEB (County Education Board) Cso representing children. Currently, Madam Nuria is a Chair of the audit committee of the council.</p>
<p>2. HENRY MUTWIRI RIUNGU</p> 	<p>Date of birth:1971, Key Qualifications: Master's in Business Administration Bachelor of Commerce (Business Admin) Work Experience: As Finance –trained Professional and also having studied Business Administration I am able to drive business and organizational success by using financial and managerial knowledge and skills to influence strategic decisions and manage performance. I am able to analyze issues and events in global business environment and decide whether proposed long-term projects are financially viable. I have also been involved in preparing national budgets forecasts and used techniques for analyzing and improving credit management and disbursements for donor-financed projects and parastatals and other Government Investments in Public Entities. I am also able to analyze competitive environment and evaluate strategic options and also implement strategic plans and manage change.</p>
<p>3. MR. SETH NYAMWEYA MASESE</p> 	<p>Date of birth:1973 Key Qualifications: Bachelor of Social Laws Work Experience: Seth is a Lawyer with a Bachelor's Degree in Law. He is an Advocate of the High Court of Kenya and has over eighteen years of experience in commercial law, civil society and governance work with particular strengths in vetting and negotiating International and Local Treaties and Agreements, negotiations skills, legal research and rendering general legal advice particularly to the Government of the Republic of Kenya. Currently he is a Deputy Head - Senior Principal State Counsel, Attorney General's Chambers and Department of Justice in the Legal Advisory and Research Division.</p>

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<p>4. BISHOP BERNARD KARIUKI</p> 	<p>Date of birth:1950 Key Qualifications: Masters of Theology Bachelor of Theology Bachelor of Law Work Experience Mr Kariuki ministering in the church ACK for 25 years in the church & PISCOPOL Church for a period of 15 years. He was a commissioner CKRC for 5 years (NGAI commission). He has been a director at Rural Electrification Authority for years. Kariuki has a legal firm to Tobiko and Njoroge Advocates, a medium law. Kariuki is now a member of board of directors at The National Council for Children Services.</p>
<p>5. DICKSON ORUKO</p> 	<p>Date of Birth :14.11.1967 Key qualifications Bachelor of arts. Diploma in public Administration. Senior management course. Management Development for administration officer's course. Internal quality auditor's course-iso9001:2015 and 190:11:201 Finance for non-finance officers' course. Work Experience- 27 years</p>
<p>6. IRINE OGAMBA</p> 	<p>Date of Birth :16/2/72 Key Qualifications LLB, LLM and several certifications and professional courses Senior Management Course, Strategic leadership course, Corporate Governance Course, Trustees accreditation Course etc Work experience State Counsel, Corporation Secretary and head legal, Director Legal Services.</p>

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<p>7. ABDINOOR SHEIKH</p> 	<p>Date of birth:1968 <u>Key Qualifications:</u> Master's in Education Bachelor of Education <u>Work Experience:</u> Mr. Mohamed is the current acting Chief Executive Officer at the National Council for Children Services and secretary to the Board of Directors. Previously he worked as Children's County Coordinator in Wajir County. Mr. Mohamed also worked as a trained teacher.</p>
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4. KEY MANAGEMENT TEAM

<p>1. ABDINOOR SHEIKH</p> 	<p>Ag. C.E.O, NCCS</p> <p>Key Qualifications</p> <ul style="list-style-type: none"> • Master's in Education • Bachelor of Education
<p>2. BENSON WAMBANI</p> 	<p>ASS. DIRECTOR CHILDREN SERVICES</p> <p>Key Qualifications</p> <ul style="list-style-type: none"> • Bachelor of Social Work
<p>3. CPA MOSES MUGA</p> 	<p>HEAD OF FINANCE.</p> <p>Key Qualification</p> <ul style="list-style-type: none"> • Msc. Commerce (Finance and Investments) • Bsc. International Business Administration (Finance) • Dip in Applied Statistics • CPA(K)
<p>4. TRUPHENA CHEMININGWA</p> 	<p>HEAD, DEPARTMENT OF PLANNING & BUSINESS PROCESS RE-ENGINEERING.</p> <p>Key Qualifications</p> <ul style="list-style-type: none"> • Bachelor of Arts - Anthropology
<p>5. ALEX WAMAKOBE</p> 	<p>HEAD, DEPARTMENT OF REGISTRATION AND LICENSING</p> <p>Key Qualifications</p> <ul style="list-style-type: none"> • Masters in Counselling Psychology • Bachelor of Arts – Social Work

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<p>6. MARY THIONG'O</p> 	<p>HEAD, DEPARTMENT OF PUBLIC AWARENESS, CAPACITY BUILDING AND PARTNERSHIPS</p> <p>Key Qualifications</p> <ul style="list-style-type: none">• Bachelor of Arts – Sociology
<p>7. KENNEDY OWINO</p> 	<p>HEAD, DEPARTMENT OF COMPLIANCE & ENFORCEMENT</p> <p>Key Qualifications</p> <ul style="list-style-type: none">• Masters in Rural, Sociology and Community Development.

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5. CHAIRMAN'S STATEMENT**

NO SUBSTANTIVE CHAIR FOR THE FINANCIAL YEAR 2022/2023

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6. REPORT OF THE CHIEF EXECUTIVE OFFICER



The National Council for Children's Services has made the following achievements in the execution of its mandate in the period of 2022-2023 under review.

The council has ensured that there was a legislation that is aligned to the constitution and policies to guide in the implementation of child rights and welfare.

Further the council has ensured that there's adherence to the state obligations to the UNCRC and the ACRWC by coordinating the consolidation and submission of the periodic state party reports.

To achieve its objectives, the Council has developed a five years' strategic plan (2022-2027) in line with its mission, mandate, and its vision 2030, SDGs. The work plan and performance contract for the year 2022/2023 financial year was in line with this strategic plan.

It is within the council's mandate to ensure that child rights and welfare is advocated for and that child participation is emphasized in order to give children a voice. This was achieved during National celebrations of the Day of the African Child 2023 where among other things, the children had an engagement with key service providers on how best their rights and welfare can be enhanced.

The council undertook a number of measures to regulate and supervise actors in children sector to ensure that there is adherence/compliance to the legislation and policies put in place to govern the sector to ensure that children are well cared for and protected to have a holistic growth and development.

Charitable Children Institutions are registered through the Council and there is need for the Council to monitor compliance by the said institutions to the set regulations and standards. Many children suffer in the hands of their care givers/guardians, there's need therefore for them to be protected.

The council has realized successes during financial year 2022-2023. Some of the key highlights are and not limited to;

- Coordinated the completion, submission and sanitization and enactment of Children Act 2022, to the Parliamentary Committee on Labour and Social Protection and National Assembly.

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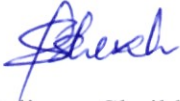
- Undertook mapping exercise of stakeholders and services in the Care Reform Program.
- Developed Information, Education and Communication (IEC) materials on transition of care including Frequently Asked Questions and online advocacy animation tool.
- Research of Funding Streams for Children Institutions to inform the advocacy on the redirection of resources to promote family and community-based care.
- Online training on transitioning of care for Headquarters staff and County Coordinators for the state department of social protection and Area Advisory Committee members from Kiambu and Kajiado Counties.
- Finalizing National Plan of Action (NPA) on Commercial Sexual exploitation of Children (CSEC).
- Successfully defending of the 2nd and 3rd State Party Report on the level of implementation of the African Charter on the Rights and Welfare of the Child (ACRWC).
- Initiated and coordinated stakeholders' engagements in the development of the combined 6th and 7th State Party periodic report and a Zero Draft report on the level of implementation of the United Nations Convention on the Rights of the Child in place.
- Initiated and coordinated stakeholders' engagements in the development of responses to issues raised by the African Committee of Experts on the Rights and Welfare of the Child regarding the level of implementation of the ACRWC.
- Coordinated planning and successful National launch and Celebration for the Day of African Child 2023.
- Coordinated the development and validation of The National Care Reform Strategy for Children in Kenya through inclusive stakeholder's participation engagements facilitated by an international consultant.
- Advocacy for the protection and promotion on the rights and welfare of children through media partnership engagements.
- Coordination of stakeholder where issues affecting children are discussed.
- Draft strategic plan in place and mobilization of resources through partners

The above achievements were made despite a number of challenges. The Council receives very little funds from the Exchequer against its huge mandate in line with Children Act 2022.

The Council has lean staff of only 25 seconded from the Parent Ministry.

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The Council has now started operationalizing its Human Resource instruments that were recently approved by State Corporation Advisory Committee (SCAC) and it is in the process of recruiting its own staff.



Abdinoor Sheikh Mohamed,

Ag. C.E.O,

NATIONAL COUNCIL FOR CHILDREN SERVICES.

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**7. STATEMENT OF KEY PERFORMANCE AGAINST PREDETERMINED
OBJECTIVES**

Children Act 2022

The Council spearheaded the development and enactment of the Children Act, 2022.

It is AN ACT of Parliament to give effect to Article 53 of the Constitution; to make provision for children rights, parental responsibility, alternative care of children including guardianship, foster care placement and adoption; to make provision for care and protection of children and children in conflict with the law; to make provision for, and regulate the administration of children services; to establish the National Council for Children's Services and for connected purposes.

The key unique features of the Children Act 2022 include:

1. Equal parental responsibility for a child whether the parents are married or not.
2. Advances the principle of the best interest of a child including but not limited to considerations under Article 53(2) of the Constitution 2010
3. Promotes inclusion of intersex children and provision of registration services.
4. Promotes different alternative family care options including adoption, guardianship and kinship to ensure children grow up in a family setup.
5. Discourages institutionalisation of children except as a last resort and done for shortest time possible.
6. Outline's role of County governments in regulating child care facilities.
7. Provides for establishment of a Special Police Unit for children to facilitate juvenile justice.
8. Provides for establishment of rescue centres in all the 47 counties to provide temporary care for children in need of care and protection.
9. Proposes creation of a child welfare fund
10. Raises the age of criminality for children from 8-12 years.

Policy Formulation

Policies, Guidelines, and other documents developed include:

- National Children Policy, 2010 – currently under review.
- National Care Reform Strategy for Children in Kenya 2022-2032.
- National Plan of Action for children in Kenya, 2015-2022
- National Plan of Action against Sexual Exploitation of Children in Kenya.
- Development of Monitoring and Evaluation framework for the National Prevention and Response Plan on Violence Against Children (NPRP on VAC and National Plan of Action to address Online Child Sexual Exploitation and Abuse (NPA to address OCSEA)
- Good Practice in Child Care: A Manual for Children Caregivers.

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International and Regional State Party Obligation

- Periodic reports on Kenya`s implementation of the UNCRC to the UN Committee on the Rights of the Child. The 6th and 7th report is at the AG`s for review pending submission
- Thematic reports to UN Special Rapporteurs
- National Celebrations of the CRC@30
- Periodic reports to the AU`s African Committee of Experts on the rights and welfare of the Child on the implementation of the Charter.
- First report on the implementation of Agenda 2040.
- Annual commemoration of the Day of the African Child based on themes set by the AU.

Child Participation

- Meaningful involvement of children in decision-making; policy development, implementation, and M & E. This is done through various child participation platforms such as Kenya Children Assembly (KCA), and Child Rights Clubs.

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8. CORPORATE GOVERNANCE STATEMENT.

The Council is responsible to exercise regulatory over the state and non-state actors in the children sector, ensuring compliance with international, regional and national obligations, statutes, laws and policies on children, coordinating actors and provision of services in the children's sector and Coordinating actors and provision of services in the children's sector.

The Council has delegated authority to the acting Chief Executive Officer to conduct the day-to-day business.

1. Council Business

The Board of Directors appointed members to committees based on their professional competencies, skills and in line with statutory requirements.

During the period under review, the NCCS Council's members were as summarized below;

i. Full Board Members

S/No.	Name	Organization	Telephone	Email address
1	Bishop Bernard Kariuki (Chairperson)	Faith Based Org. (FBO)	0722754425	bpnjoroge@gmail.com
2	Seth Masese	Office of the Attorney General	0721910995	nyamweyaseth@gmail.com
3	Nuria Golo Halakhe	MWANDO (FBO)	0725401221	nuriagollo@yahoo.com
4	Henry Mutwiri	National Treasury	0720091044	<u>mutwirhr@gmail.com</u>
5	Shem Nyakutu	Secretary Children's Services	0705108459	<u>Shemnyakutu12@gmail.com</u>
6	Irine Ogamba	CoG Representative	0722400585	<u>Irene.ogamba@cog.go.ke</u>
7	Dickson Oruko	PS Representative	0722616623	Oruko77@gmail.com
8	Abdinoor Mohamed	Secretary-Co- opted	0720938187	Abdinoor.sheikh57@gmail.com

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

The Board Members were paid sitting allowances for all full Council and council committee meetings attended as well as daily subsistence allowance for activities attended including board retreats and familiarization visits to the field (Spot Checks and Monitoring of Area Advisory Councils and Charitable Children Institutions).

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2. Committees of the Council

The Council has the following three (3) committees, which meet regularly under the terms of reference set by the Council. The committee are expected to operate transparently, ensure full disclosure to the board and confine themselves within the rules and procedures set out by the board. Matters deliberated by the committees are presented to the board by the respective chairmen during the Full board meetings.

The committees are:

- i. Audit and Risk,
- ii. Finance and Administration and
- iii. Strategy and Implementation Committees.

The responsibility and members of the committees are summarized below;

i. Audit Committee.

The committee assists the board to monitor, evaluate, make decisions and propose to the board with respect to all auditing, risk management and internal control functions relating to the council.

The main responsibilities of the council are;

- a) Evaluate the adequacy of the control environment to provide reasonable assurance that the systems of internal control are of a high standard and functioning as intended
- b) Performing an independent review of the financial statements to ensure the integrity and transparency of the financial reporting process.
- c) Monitoring the effectiveness of the Council's performance information and compliance with the performance management framework and performance reporting requirements,
- d) Review the effectiveness of how the Council monitors compliance with relevant legislative and regulatory requirements and promotes a culture committed to lawful and ethical behaviour
- e) Ensure that external audit recommendations are fully addressed, that the quality of internal audit is of an appropriate standard and that line management has full regard to internal audit recommendations
- f) Advise the Council on financial reporting

The Members of the committee are as follow;

S/No.	Name	Organization	Telephone	Email address
1	Nuria Golo Halakhe (Chairperson)	MWANDO (FBO)	0725401221	nuriagollo@yahoo.com
2	Henry Mutwiri	National Treasury	0720091044	mutwirihr@gmail.com
3	Seth Masese	Office of the Attorney General	0721910995	nyamweyaseth@gmail.com
4	Dickson Oruko	PS Representantive	0722616623	Oruko77@gmail.com
5	Irine Ogamba	CoG Representantive	0722400585	Irene.ogamba@cog.go.ke
6	Alice Njoki	Secretary- Co-Opted	0721435146	alicegnjoki@gmail.com

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ii. Finance and Administration Committee.

The finance and administration committee assist the board in fulfilling its oversight on management of funds, allocations of funds, preparation and reviewing of budget and financial reporting.

The main responsibilities of the committee are;

- a) Establish financial management system through the development of appropriate guidelines;
- b) Determine the criteria for disbursement of funds and resources to needy and deserving cases,
- c) Conduct training and other capacity building activities to strengthen management and organizational development for the Council and its partners.
- d) Ensure proper utilization of the resources in adherence to the financial regulations.
- e) Facilitate timely development and implementation of the Council's strategic plan and
- f) Observe proper assets management and disposals mechanisms.

The Members of the committee are as follow;

S/No.	Name	Organization	Telephone	Email address
1	Henry Mutwiri (Chair Person)	National Treasury	0720091044	mutwirhr@gmail.com
2	Bishop Bernard Kariuki	Faith Based Org. (FBO)	0722754425	bpnjoroge@gmail.com
3	Shem Nyakutu	Secretary Children's Services	0705108459	Shemnyakutu12@gmail.com
4	Abdinoor Mohamed	Secretary-Co-opted	0720938187	Abdinoor.sheikh57@gmail.com

iii. Strategy and Implementation Committee.

The Strategy and Implementation committee main objective is to assist the board in establishing, coordinate and operationalize mechanisms on service delivery to children matters.

The main responsibilities of the committee are;

- a) Identify, design and implement resource mobilization initiatives directed at various internal and external stakeholders.
- b) Advocate child rights welfare i.e., Develop advocacy, media participation and partnership strategies towards safeguarding children's welfare and rights.
- c) To Develop and review legislation, policies and programmes for care and protection of children,
- d) To enhance research, monitoring and evaluation on children issues i.e., Collaborate with research institutions on children welfare matters and disseminate the findings to relevant stakeholder

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The Members of the committee are as follow;

S/No.	Name	Organization	Telephone	Email address
1	Bishop Bernard Kariuki (Chairperson)	Faith Based Org. (FBO)	0722754425	bpnjoroge@gmail.com
2	Seth Masese	Office of the Attorney General	0721910995	nyamweyaseth@gmail.com
3	Nuria Golo Halakhe	MWANDO (FBO)	0725401221	nuriagollo@yahoo.com
4	Shem Nyakutu	Secretary Children's Services	0705108459	<u>Shemnyakutu12@gmail.com</u>
5	Irine Ogamba	CoG Representative	0722400585	<u>Irene.ogamba@cog.go.ke</u>
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9. MANAGEMENT DISCUSSION AND ANALYSIS

In the year under review, the general operational and financial performance of the Council has been fair. The Council continued to deliver on its mandate as provided for under the now-repealed Children Act 2001 through various programmes and services offered to exercise general supervision and control over planning, financing & coordination of children rights and welfare. In this regard, the key highlights of major achievements that was made by the Council during the period under review was the enactment of new Children Act 2022.

i) Fourth Medium Term Plan

The Fourth Medium Term Plan 2023-2027 whose theme is “Accelerating socio-economic transformation for Gender, Youth and Vulnerable Groups for a more competitive, inclusive and resilient economy”: The Council will contribute to the achievement of MTP IV targets through implementation of programmes and projects designed to deliver on the BETA initiatives of the government.

ii) The Children Act 2022

The Council plays a key role in ensuring the implementation of the Children Act 2022 by regulating, coordinating, and overseeing children matters in the country and also offering advisory to the government on child rights and welfare.

iii) The Children Policy

Kenya Children Policy serves as a framework to guide state and non-state actors at National and County levels in achieving global and national commitments through the implementation of the Children Act 2022. By so doing, it is envisioned that all children in Kenya will realize their rights.

iv) National Care Reform Strategy for Children in Kenya 2022-2032

The Council plays a key role in ensuring the implementation of the care reforms in Kenya by monitoring and evaluating the progress. The Council will ensure the stakeholders implementing care reforms are well coordinated and that in its completion, the children live safely, happily and sustainably in family and community-based care.

During the period under review also the Council developed an inventory of Charitable Children's Institutions (CCIs), registered seven hundred and twenty-six (726) CCIs of which two hundred and sixty-two (262) were renewals and deregistered two (2) CCIs. Advocacy on child rights and welfare was also undertaken where press statements on emerging issues, child rights and welfare were done, radio programmes in vernacular on children rights and welfare and operationalized Kenya Children Assemblies (KCA) both at national and county level. Every financial year there were 48 Kenya Children Assemblies conducted as well as ensuring that international days on children observed for

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example the Day of the African Child and World Play Day. Area Advisory Councils (AACs) were established in forty-seven (47) Counties and in one hundred seventy-nine (179) Sub-counties levels; and trained on their mandate. The Council offered financial support to the AACs at Kshs 10,000.00 in 2022 per quarter and gradually increased to Kshs 20,000.00. It also carried out regular capacity building of the newly established and existing AACs. In addition, the Council developed a monitoring and evaluation (M&E) tool on CCIs and AACs. The quarterly M&E findings and recommendations were shared with stakeholders in the children sector. The Council developed National Plan of Action for children in Kenya, , A Sessional Paper on National Children Policy, National Plan of Action Against Sexual exploitation of children in Kenya, Early Childhood Development Action Plan, Automation Policy for NCCS, Capacity Building Strategy on Automation for NCCS, NCCS HIV/Aids Workplace Policy, Gender Based Violence work place Policy, Gender Mainstreaming Workplace Policy, Corruption Prevention Policy for NCCS, Code of Conduct and Ethics for NCCS, Framework for National Child 18 Protection System for Kenya, 2023, Child Protection referral Guidelines and tool and Prevention of Alcohol, Drugs and Substance abuse Policy. To address legislative and institutional inadequacies. Further, the Council consolidated Third, Fourth and Fifth State Party reports to the on UNCRC and submitted in January, 2016; and the First State Party Periodic report on the African Charter on the Rights and Welfare of the Child was prepared and submitted to the African Committee of Experts on the rights and welfare of the Child (ACERWC) in 2022. The Council coordinated the commemoration of the Day on the African Child (DAC) celebrations on the 9th and 16th of June every year. The Council prepared a report on the celebrations and submits to the African Union. In addition, The Council conducted Situation Analysis of Children, Young People and Women in Kenya and prepared a report, carried out research on the situation and magnitude of children living with albinism in Kenya, children accompanying their mothers to prison, and Early Childhood Development Study. On Information and Communication Technology (ICT), the Council Local Area Network was connected, developed its NCCS website ([www.childrenscouncil go.ke](http://www.childrenscouncil.go.ke)) with NCCS email domain, established the National Directory for Children's Service Providers, procured Computers and other ICT accessories and NCCS Secretariat was trained in ICT. During the period under review, the Council capacity-built Secretariat staff on Disaster Management, Customer Care for improvement of service delivery. One study tour was undertaken in the United Kingdom, attended International Children's forum (Children Summit in Rwanda) and countrywide trainings for AAC members, police and judicial officers

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10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

The general operations and financial performance of NCCS has been fair/good. Some of the key sustainability and environmental reporting's are;

i. United Nations 2030 Agenda for Sustainable Development

The National Council for Children's Services (NCCS) plays a critical role in implementation of Sustainable Development Goals (SDGs) that were adopted at the UN Sustainable Development Summit in September 2015 in New York. The NCCS has mainstreamed SDGs into its MTP IV Sector Plans, Strategic Plan 2023-2072, Performance Contracts and Work Plans and to Monitor and Evaluate their implementation through preparation of periodic reports.

Since the adoption of the SDGs, Kenya has made progress in the localization and implementation of the SDGs. However, COVID-19 pandemic reversed most of the gains already made in the implementation of SDGs. Without drastic prioritized interventions, the country is unlikely to meet the SDGs by 2030.

This is based on the premise that despite the challenges and the difficult environment faced, Kenya has a potential to achieve the SDGs if innovative strategies and solutions are designed, adopted and implemented. This strategy therefore will focus on the actions that will help us reverse negative trends in some goals and those that will take us forward more quickly across a broad range of interlinked goals while at the same time protecting the gains already made.

NCCS is committed to the achievement of the SDGs and will focus on the following goals are eliminating all harmful practices, such as child, early and forced marriage and female genital mutilation, take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms significantly reduce all forms of violence and related death rates everywhere; End abuse, exploitation, trafficking and all forms of violence against and torture of children; Promote the rule of law at the national and international levels and ensure equal access to justice for all; Develop effective, accountable and transparent institutions at all levels; Ensure responsive, inclusive, participatory and representative decision making at all levels, Promote and enforce comprehensive laws and policies for sustainable Development

ii. African Union Agenda 2063

The Strategic Plan is aligned to the Africa's Agenda 2063 whose overarching purpose is to build an integrated, prosperous and peaceful Africa, driven and managed by its own citizens and representing a dynamic force in the international arena. The Strategic Plan will coordinate various activities geared towards the achievement of the AU Agenda 2063. These activities will include programmes and policies that enhance: conservation and the use of transboundary resources for sustainable development; regional Peace, security and legislation; creation of functional Continental and Regional Financial and monetary institutions; promotion of Good Governance, Democracy, respect for Human Rights, Justice and Rule of Law.

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Agenda 2063 is Africa's blueprint and master plan for transforming Africa into the global powerhouse of the future. It is the continent's strategic framework that aims to deliver on its goal for inclusive and sustainable development and is a concrete manifestation of the pan-African drive for unity, self-determination, freedom, progress and collective prosperity pursued under Pan-Africanism and African Renaissance. The genesis of Agenda 2063 was the realization by African leaders that there was a need to refocus and reprioritize Africa's agenda from the struggle against apartheid and the attainment of political independence for the continent which had been the focus of The Organization of African Unity (OAU), the precursor of the African Union; and instead to prioritize inclusive social and economic development, continental and regional integration, democratic governance and peace and security amongst other issues aimed at repositioning Africa to becoming a dominant player in the global arena.

Agenda 2063 builds on, and seeks to accelerate the implementation of past and existing continental initiatives for growth and sustainable development. Agenda 2063 identifies seven aspirations that were derived through a consultative process with the African Citizenry. It is implemented through ten-year successive Implementation Plans with the first covering 2013- 2023. The NCCS directly contributes towards implementation of Aspiration 1: A Prosperous Africa, based on inclusive growth and sustainable development through addressing priority areas on incomes and Inequality social security and protection including Persons with Disabilities; and education and STI skills driven revolution. It will also contribute towards Aspiration 6: An Africa whose development is people driven, relying on the potential offered by African People, especially its Women and Youth, and caring for Children.

iii. The Constitution of Kenya

The Council plays a key role in the realization of key provisions in the Constitution. (Article 53 on the rights of children, Article 54 on the rights of persons with disability). The Council plays a role in implementing the Constitution mainly through ensuring progress towards the achievement of the Chapter 4-part 3 Article 53 on The Bill of Rights, focusing on children.

Every child with disability and special needs, is entitled to be treated with dignity and respect and to be addressed and referred to in a manner that is not demeaning; have access to educational institutions and facilities for persons with disabilities; reasonable access to all places, public transport and information; use Sign language, Braille or other appropriate means of communication; and access materials and devices to overcome constraints arising from the child's disability.

iv. Kenya Vision 2030

The pillars of the Vision 2030 advocate for protection of the rights and welfare of the child. Indeed, the Vision recognizes a just and equitable society as a key development goal. The Council will contribute to the national development agenda through coordination of projects, programmes and overseeing implementation of activities on child Rights and Welfare.

V Bottom-Up Economic Transformation Agenda

The Bottom-Up Economic Transformation Agenda (BETA) is the Government's Plan geared towards economic turn-around and inclusive growth through a value chain approach. BETA ensures rational resource allocation by eliminating wastage of resources occasioned by duplication, fragmentation and

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ineffective coordination in implementation of programmes and projects. It identifies policy priorities expected to result in the greatest impact on the economy and welfare of households. This is to be achieved through targeted investments in five core pillars: Agriculture; Micro, Small and Medium Enterprises (MSME) Economy; Housing and Settlement; Healthcare; Digital Superhighway and Creative Economy.

The Strategic Plan as guided by the Bottom-Up Economic Transformation Agenda is committed to implementing programmes targeted at children. Appreciating the role of human resources in development and considering returns of investment on children, the Council will play a key role in coordinative child welfare programmes that are key in development of a child. Children and young people comprise of over sixty percent of the national population, and form the largest and most vulnerable segment of the society that should be prioritised in planning and adequate provisions for their care and welfare.

v. Climate Change

Children are more vulnerable to effects of climate change than adults. According to WHO approximately 88% of existing global diseases caused by climate change affect children under 5 years of age, they bear the greatest burden of climate change.

Children rights are also undermined in the face of climate change. Children have absolute right to live in a decent environment, access to good health, nutritious food and living in safety.

Key impact of climate change that effects the enjoyment of children rights include;

1. Extreme weather events and Natural disasters
2. Water scarcity and food insecurity
3. Air pollution
4. Vector borne and infectious diseases
5. Impact on mental health

NCCS will include public health interventions including awareness creation fora's to educate people about the risks climate change poses to children and how to protect them from its effects. The council will also join the public in tree planting call to address the effects of climate change

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11. REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2023 which show the state of the NCCS affairs.

i) Principal activities

To ensure that NCCS operations are run effectively and efficiently and to fulfil its strategic objectives, mandate and realize customer satisfaction, the Council is organized into three (3) Technical Departments as follows: -

The Departments are: -

- (i) Standards and Compliance;
- (ii) Advocacy, Public Education and Awareness;
- (iii) Strategy, Planning and Resource Mobilization.

ii) Results

The results of the Council for the year ended June 30, 2023 are set out on page 1-17.

iii) Directors

The members of the Board of Directors who served during the year are shown on page VI and VII.

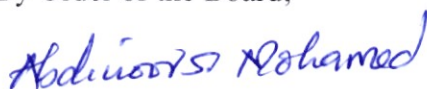
iv) Surplus remission

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. However, the council did not make any surplus during the Financial Year 2022/2023 and hence no remittance to consolidated Fund.

v) Auditors

The Office of Auditor General is responsible for the statutory audit of National Council for Children Services in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015. Certified Public Auditors were nominated by the Auditor General to carry out the audit of National Council for Children Services for the year/period ended June 30, 2023 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor general to appoint an auditor (s) to audit his behalf.

By Order of the Board;



Name
Board Secretary/Secretary to the Board.


Signature


Date

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12. STATEMENT OF DIRECTORS' RESPONSIBILITIES.

Section 81 of the Public Finance Management Act, 2012 and Section 30(1) of the Children Act 2001 require the Directors to prepare financial statements in respect of that the council, which give a true and fair view of the state of affairs of the council at the end of the financial year/period and the operating results of the council for that year/period. The Directors are also required to ensure that the council keeps proper accounting records which disclose with reasonable accuracy the financial position of the council. The Directors are also responsible for safeguarding the assets of the council

The Directors are responsible for the preparation and presentation of the council's financial statements, which give a true and fair view of the state of affairs of the council for and as at the end of the financial year (period) 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 entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the council; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

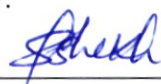
The Directors accept responsibility for the council financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the State Corporations Act) – Section 30(1) of the Children Act 2001. The Directors are of the opinion that the Council's financial statements give a true and fair view of the state of Council's transactions during the financial year ended June 30, 2023, and of the Council's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the Council's, which have been relied upon in the preparation of the Council's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Council's 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 Council's financial statements were approved on behalf of the Board by:

**Chairman of The Board
June 30th, 2023**



**Ag. Chief Executive Officer
June 30th, 2023**

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL COUNCIL FOR CHILDREN'S SERVICES 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 the Government achieves value for money and that such funds are applied for intended purpose.
- C. Report on the 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Council for Children's Services set out on pages 1 to 18, which comprise the statement of financial position as at 30 June, 2023 and the statement of statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting

Report of the Auditor-General on National Council for Children's Services for the year ended 30 June, 2023

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 National Council for Children's Services 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 Children's Act, 2001.

Basis for Qualified Opinion

1. Unauthorized General Expenditure

The statement of financial performance reflects general expenses amount of Kshs.15,548,557 as disclosed in Note 13 to the financial statements. The amount includes Kshs.3,648,092 incurred on foreign travel but charged on various expenditure items. However, the foreign travel expenditure was not factored in the Council's approved budget for the year under review thereby resulting to unauthorized expenditure.

In the circumstances, the accuracy, completeness and propriety of general expenses of Kshs.3,648,092 could not be confirmed.

2. Irregular Board Expenses

The statement of financial performance reflects remuneration of Board expenses of Kshs.7,749,772. However, the approved budget for the year under review was Kshs.6,100,000 resulting in an over-expenditure of Kshs.1,649,772. There was no approval or supplementary budget for the over-expenditure.

In the circumstances, the accuracy, completeness and regularity of the remuneration of Board expenses of Kshs.7,749,772 could not be confirmed.

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

Emphasis of Matter

Pending Bills

The statement of financial position reflects trade and other payables balance of Kshs.3,401,401 as of 30 June, 2023 as disclosed in Note 16 to the financial statements. However, Management did not provide a satisfactory explanation for the failure to settle the payables during the year in which they occurred. Failure to clear pending payables in

the year to which they relate adversely affects the provisions of the subsequent year to which they constitute a first charge on the budget.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management did not disclose some of the issues and progress made in resolving the issues as required under the prescribed reporting template.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and 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. Non-Compliance with the Public Sector Accounting Standards Board Reporting Template

Review of the annual report and financial statements for the year under review revealed inadequate disclosures and presentation errors. The errors include the absence of corresponding explanatory notes in respect of cash and cash equivalents, employee costs and benefits, comparative amounts, subsequent events and taxes, related party disclosures, trade and other payables, refundable deposits, reconciliation of cash generated from operations, financial risk management and other important disclosures.

Further, the amounts and balances in the financial statements were not rounded off to the nearest shilling and the Chairperson did not sign the Chairperson's statement and the Statement of Director's Responsibilities as required. In addition, the Management Discussion and Analysis did not provide detailed discussions on the operations and financial performance of the Council including major achievements.

In the circumstances, the presentation of the annual report and financial statements did not conform to the reporting template as prescribed by the Public Sector Accounting Standards Board.

2. Failure to Revalue Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment net book value of Kshs.9,914,616 as disclosed in Note 14 to the financial statements. As previously reported, the assets donated by the State Department for Social Protection at net book value have however, not been revalued contrary to paragraph 27 of IPSAS 17 on property, plant and equipment which requires assets acquired through non exchange transactions be measured at fair value as at the date of acquisition.

In the circumstances, Management was in breach of the requirements of the International Public Sector Accounting Standards.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (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 comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed except for the 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

1. Failure to Automate Operations of the Council

Review of the Council operations shows that the Management is yet to develop and adopt the use of a comprehensive integrated database or Enterprise Resource Planning (ERP) system to support the automation and processes of financial and non-financial operations of the Council. The Council continues to rely on manual records/system, which are inefficient, prone to errors and tedious to maintain.

In the circumstances, the effectiveness of the Council's financial information management and processing systems could not be confirmed.

2. Lack of an Internal Audit Unit

As previously reported, the Council operated without an Internal Audit Unit contrary to Section 73(1)(a) of the Public Finance Management Act, 2012 which requires every

national government entity to ensure compliance with the Act and have appropriate arrangements for conducting internal audit according to the guidelines of the Accounting Standards Board. The Council relied on services of an external auditor from State Department for Social Protection but the audit reports were not provided for audit verification.

In the circumstances, the lack of internal audit function exposes the entity to weak internal controls and possible poor performance.

3. Failure to Appoint Board Chairperson

As previously reported, the former Chairperson to the Board was appointed on 3 May, 2019 for a period of three (3) years which was to expire on 3 May, 2022. The Chairperson however, resigned on 7 January, 2022 and the Council did not have a Board Chairperson as at 30 June, 2022. However, as at the time of audit in February, 2024, the Board Chairperson had not been appointed.

In the circumstances, the Council has not complied with Section 1.1.1(9) and Section 3.1.1(b) of the Mwongozo on appointment of the Chairperson to the Board.

4. Lack of Substantive Office Holders and Policy Documents

Review of the staff records revealed that the Council had eighteen (18) staff who have been on an acting capacity since 7 March, 2019. This was contrary to The National Treasury Circular number OP/CAB. 9/1A on management of State Corporations, which sets the limit of acting Chief Executive Officer to the maximum of six (6) months. Further, the other staff are on secondment from the parent Ministry of Labour and Social Protection. In addition, the Council lacks an approved Human Resources Policy and Procedure Manuals, staff grading, and establishment and career guidelines as required by the Human Resource Policies and Procedure Manual of Public Service, 2016.

In the circumstances, the effectiveness of the Council's operations and internal controls systems could not be confirmed.

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

Responsibilities of Management and the Board of Directors

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

In preparing the financial statements, Management is responsible for assessing the Council's ability to sustain its services, disclosing as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of the intention to terminate the Council 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 comply with the authorities, which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in

which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability 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 Council to cease 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 Council to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and 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, CBS
AUDITOR-GENERAL

Nairobi


18 April, 2024


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

	Notes	2022-2023	2021-2022
REVENUE FROM NON-EXCHANGE TRANSACTIONS		Kshs.	Kshs.
Grants from National Government	6	99,500,000.00	89,500,000.00
Grants from Non-Governmental Organization	7	22,435,660.00	27,716,613.00
Other Receipts	8	1,425,243.00	746,567.00
Total revenue		123,360,903.00	117,963,180.00
EXPENSES			
Employee costs	9	2,990,359.00	-
Remuneration of Board Expenses	10	7,749,772.00	4,478,555.00
Repairs and maintenance	11	117,350.00	459,700.00
Programs	12	61,586,163.00	58,370,160.00
General expenses	13	11,900,465.00	16,872,305.00
Depreciation and amortization expense	14	2,263,103.00	2,169,040.00
Total expenses		86,607,212.00	82,349,760.00
Surplus for the period		36,753,691.00	35,613,420.00

The notes set out on pages 1 to 5 form an integral part of these Financial Statements:


.....
Ag C.E.O
Abdinoor Sheikh
Date: 30th June 2023



.....
HEAD FINANCE:
Moses O. Muga
ICPAK Member No. 14266
Date: 30th June 2023


**NATIONAL COUNCIL FOR CHILDREN'S SERVICES
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

15. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2023

	Notes	2022-2023	2021-2022
Assets		Kshs.	Kshs.
Current Assets			
Cash and cash equivalents	15	78,808,162.00	39,329,967.00
Total Current Assets		78,808,162.00	39,329,967.00
Non-Current Assets			
Property, plant and equipment	14	9,914,616.00	11,577,719.00
Total assets		88,722,778.00	50,907,686.00
Liabilities			
Current liabilities			
Trade and other payables	16	3,401,401.00	2,340,000.00
Total liabilities		3,401,401.00	2,340,000.00
Net assets		85,321,377.00	48,567,686.00
Capital Fund		36,753,691.00	15,638,578.00
Accumulated surplus		48,567,685.00	32,929,108.00
Total net assets and liabilities		85,321,377.00	48,567,686.00

The notes set out on pages 1 to 5 form an integral part of these Financial Statements:


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Ag C.E.O
Abdinoor Sheikh
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**NATIONAL COUNCIL FOR CHILDREN'S SERVICES
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

**16. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30TH JUNE
2023**

	Attributable to the owners of the controlling entity			
	Capital Funds	Retained Earnings	Reevaluation reserve	Accumulated surplus
Balance as at 30 June 2021	15,638,578.00	-2,684,312.00	-	12,954,266
Balance as at 1st July 2022	15,638,578.00	-2,684,312.00	-	12,954,266
Capitalized government grants	-	-	-	-
Total comprehensive income for the year	-	37,490,756.00	-	37,490,756.00
Balance as at 30th June 2022	15,638,578.00	32,929,108.00	-	48,567,686.00
Balance as at 1 st July 2022	15,638,578.00	32,929,108.00	-	48,567,686.00
Capitalized grants	-	-	-	-
Total comprehensive income for the year	36,753,691.00	48,567,686.00	-	85,321,377.00
Balance as at 30th June 2023	36,753,691.00	48,567,686.00	-	85,321,377.00

The notes set out on pages 1 to 5 form an integral part of these Financial Statements:



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Ag C.E.O
Abdinoor Sheikh
Date: 30th June 2023



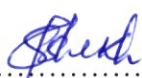
.....
HEAD FINANCE:
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ICPAK Member No. 14266
Date: 30th June 2023

**NATIONAL COUNCIL FOR CHILDREN'S SERVICES
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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

	Notes	2022-2023	2021-2022
RECEIPTS		Kshs.	Kshs.
Grants from National government	6	99,500,000.00	89,500,000.00
Donor funding	7	22,435,660.00	27,716,613.00
Other receipts	8	1,425,243.00	746,567.00
Total receipts		123,360,903.00	117,963,180.00
PAYMENTS			
Employee cost	9	2,990,359.00	-
Board expenses	10	7,749,772.00	4,478,555.00
Repairs and maintenance	11	117,350.00	459,700.00
Programs	12	61,586,163.00	58,370,160.00
General expenses	13	11,900,465.00	16,872,305.00
Total Payments		84,344,109.00	80,180,720.00
Increase in payables		1,061,394.00	1,660,000.00
Net cash flow from operating activities		40,078,188.00	39,442,460.00
Cash flow from Investing Activities			
Acquisition of Assets		600,000.00	348,000.00
Net cash flows from Investing Activities		-600,000.00	-348,000.00
Cash flow from Borrowing Activities			
Proceeds from Domestic Borrowings			
Net cash flow from financing activities			
Net increase in Cash and Cash Equivalent		39,478,188.00	39,094,459.00
Cash and cash equivalent at beginning of the period	17	39,329,974.00	235,508.00
Cash and cash equivalent at end of the year	15	78,808,162.00	39,329,974.00

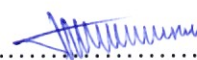
The notes set out on pages 1 to 5 form an integral part of these Financial Statements:



Ag C.E.O

Abdinoor Sheikh

Date: 30th June 2023



HEAD FINANCE:

Moses O. Muga

ICPAK Member No. 14266

Date: 30th June 2023

**NATIONAL COUNCIL FOR CHILDREN'S SERVICES
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Receipts/ Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% Of Utilization
	a	b	c= a +b	d	e=c-d	f=d/c %
Receipts						
Grants: National Government	89,500,000.00	10,000,000.00	99,500,000.00	99,500,000.00	-	100%
Other Receipts		23,860,903.00	23,860,903.00	23,860,903.00	-	100%
Total Receipts	89,500,000.00	33,860,903.00	123,360,903.00	123,360,903.00	-	100%
Payments						
Board Expenses	6,100,000.00	1,650,000.00	7,750,000.00	7,749,772.00	228	99%
Employee Costs	43,000,000.00	-2,000,000.00	41,000,000.00	2,990,359.00	38,009,641.00	7%
Repairs and Maintenance	500,000.00	-	500,000.00	117,350.00	382,650.00	23%
Contracted Services	-	-	-	-	-	
Programs	27,730,102.00	33,860,903.00	61,591,005.00	61,586,163.00	4,842.00	99%
General Expenses	11,569,898.00	350,000.00	11,919,898.00	11,900,465.00	19,433.00	99%
Acquisition of Assets	600,000.00	-	600,000.00	600,000.00	-	100%
Total Payments	89,500,000	33,860,903.00	123,360,903.00	84,944,109.00	38,416,794.00	68%

The notes set out on pages 1 to 5 form an integral part of these Financial Statements:



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Ag C.E.O
Abdinoor Sheikh
Date: 30th June 2023



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**NATIONAL COUNCIL FOR CHILDREN’S SERVICES
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

19. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

The National Council is established by and derives its authority and accountability from Children’s Act. The National Council for Children Services is a Semi-Autonomous Government Agency under the State Department for Social Protection. The National Council for Children’s Services principal activity is Oversight of Children issues in the country

2. Statement of Compliance and Basis of Preparation

The National Council for Children’s Services financial statements have been prepared in accordance with and complies with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the entity. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

3. Adoption of New and Revised Standards

New and amended standards and interpretations in issue effective in the year ended 30 June 2023.

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity’s future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and

**NATIONAL COUNCIL FOR CHILDREN'S SERVICES
ANNUAL REPORTS AND FINANCIAL STATEMENTS
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Standard	Effective date and impact:
	<ul style="list-style-type: none"> • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social Benefits	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity. (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued. d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.
Other improvements to IPSAS	<p>Applicable 1st January 2023</p>

**NATIONAL COUNCIL FOR CHILDREN'S SERVICES
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Standard	Effective date and impact:
	<ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.

Notes to the Financial Statements (Continued)

- i. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.*

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of</p>

**NATIONAL COUNCIL FOR CHILDREN'S SERVICES
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

	discontinued operations to be presented separately in the statement of financial performance.
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4. Summary of Significant Accounting Policies.

a) Revenue recognition

i) Revenue from non-exchange transactions

a) Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to The National Council for Children's Services and can be measured reliably.

ii) Revenue from Exchange Transactions

a) Rendering of services

The National Council for Children's Services recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable

b) Budget information

The original budget for FY 2022-2023 was approved by the National Assembly, Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by The National Council for Children's Services upon receiving the respective approvals in order to conclude the final budget. Accordingly, The National Council for Children's Services recorded appropriations of eighty-nine million, five hundred thousand shillings budgets following the governing body's approval and re-allocation was also done during the financial year due to recruitment process of staff. The Council received donor funding in support of various activities in our core mandate.

The National Council for Children's Services budget is prepared on basis of the work plan, procurement plans translated into the actual income and expenditure. 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

**NATIONAL COUNCIL FOR CHILDREN'S SERVICES
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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

c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, The National Council for Children's Services 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. The council uses straight line method of depreciation for property, plants and equipment's.

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Council'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:

i) 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 Entity 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.

**NATIONAL COUNCIL FOR CHILDREN'S SERVICES
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

ii) Useful lives and residual value

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 Entity.
- 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.
- e) Changes in the market in relation to the asset

iii) Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in note 15. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

**NATIONAL COUNCIL FOR CHILDREN'S SERVICES
ANNUAL REPORTS AND FINANCIAL STATEMENTS
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TRANSFERS FROM MINISTRIES, DEPARTMENT AND AGENCIES.

		2022-2023	2021-2022
Name of the Entity sending the grant		Kshs	Kshs
State Department of social protection	6.	99,500,000.00	89,500,000.00
TOTALS		99,500,000.00	89,500,000.00
NGO Funding	7.	22,435,660 00	27,716,613.00
TOTALS		22,435,660.00	27,716,613.00
Other receipts	8.	1,425,243.00	746,567.00
TOTALS		1,425,243.00	746,567.00
GRAND TOTALS		123,360,903.00	117,963,180.00

9.EMPLOYEE COSTS

	2022-2023	2021-2022
Description	Kshs	Kshs
Recruitments Costs	2,990,359.00	-
Total employee cost	2,990,359.00	-

10. BOARD OF DIRECTORS EXPENSES

	2022-2023	2021-2022
Description	Kshs	Kshs
Chairman's Honoraria	-	640,000.00
Statutory Deductions	1,953,060.00	1,171,740.00
Directors' emoluments	5,545,806.00	2,666,815 00
Millage Allowance	250,906.00	-
Total director emoluments	7,749,772.00	4,478,555.00

11. REPAIRS AND MAINTENANCE

	2022-2023	2021-2022
Description	Kshs	Kshs
Repairs and Maintenance- Others	29,000 00	416,900.00
Repairs and Maintenance-Vehicles	88,350 00	42,800.00
Total Repairs and Maintenance	117,350.00	459,700.00

12. PROGRAMS

	2022-2023	2021-2022
Description	Kshs	Kshs
Programs-NCCS	39,150,503.00	32,806,440.00
Programs-LUMOS	-	525,000.00
Programs-UNICEF	22,435,660.00	25,038,720.00
Total Cost	61,586,163.00	58,370,160.00

**NATIONAL COUNCIL FOR CHILDREN'S SERVICES
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13. GENERAL EXPENSES

	2022-2023	2021-2022
Description	Kshs	Kshs
Domestic travel	3,304,900.00	6,043,706.00
Air Tickets	220,200.00	884,880.00
Catering Services	489,200.00	741,100.00
Fuel and Oil	805,000.00	425,452.00
Office and general supplies	2,230,373.00	1,798,800.00
Finance Charges	254,265.00	137,574.00
Provision of Audit Fee	50,000.00	100,000.00
Purchase of Computers and Accessories	788,000.00	786,990.00
Postal & Courier	30,700.00	45,000.00
Conferences and delegation & Training	2,338,638.00	2,730,149.00
Training & Development	693,408.00	1,240,835.00
Insurance	695,781.00	765,809.00
Telecommunications	-	1,172,000.00
Total General Expenses	11,900,465.00	16,872,305.00

14. PROPERTY PLANTS AND EQUIPMENT

1. Property, Plant and Equipment's					
Depreciation and amortization of Non - current assets Movement Schedule					
	Motor vehicles	Furniture and fittings	Computers	Office equipment	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
As at 1st July 2020	4,218,188.00	1,641,500.00	4,073,245.00	8,492,050.00	18,424,983.00
Additions	-	-	-	-	-
disposals	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-
As At 30th June 2021	3,690,915.00	1,436,313.00	2,729,074.00	7,430,544.00	15,286,845.00
As At 30th June 2021					
Additions	-	348,000.00.00	-	-	348,000.00
disposals	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-
As At 30th June 2022	3,690,915.00	1,784,313.00	2,729,074.00	7,430,544.00	15,634,845.00
Depreciation and impairment					
As at 1st July 2020	4,218,188.00	1,641,500.00	4,073,245.00	8,492,050.00	18,424,983.00
Depreciation	527,274.00	205,188.00	1,344,171.00	1,061,506.00	3,138,138.00
impairment	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-
As At 30th June 2021	3,690,915.00	1,436,313.00	2,729,074.00	7,430,544.00	15,286,845.00

**NATIONAL COUNCIL FOR CHILDREN'S SERVICES
ANNUAL REPORTS AND FINANCIAL STATEMENTS
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Depreciation	403,694.00	157,097.00	795,534.00	812,716.00	2,169,040.00
Disposals	-	-	-	-	-
impairment	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-
As At 30th June 2022	-403,694.00	-157,097.00	-795,534.00	-812,716.00	-2,169,040.00
Net book Value					
As At 30th June 2022	2,825,856.00	1,447,677.00	1,615,175.00	5,689,010.00	11,577,719.00
Net book values As At 1st July 2022	2,825,856.00	1,447,677.00	1,615,175.00	5,689,010.00	11,577,719.00
Additions			600,000.00		600,000.00
Total	2,825,856.00	1,447,677.00	2,215,175.00	5,689,010.00	12,177,719.00
Charge for the year	706,464.00	180,960.00	664,553.00	711,126.00	2,263,103.00
Net book Value as at 30th June 2023	2,119,392.00	1,266,717.00	1,550,623.00	4,977,884.00	9,914,616.00

15. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR.

	2022-2023	2021-2022
Description	Kshs	Kshs
Bank	78,808,162.00	39,329,967.00
Total cash and cash equivalents	78,808,162.00	39,329,967.00

16. PAYABLES.

	2022-2023	2021-2022
Description	Kshs	Kshs
Payables	3,401,401.00	2,340,000.00
Total payables	3,401,401.00	2,340,000.00

17. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR.

	2022-2023	2021-2022
Description	Kshs	Kshs
Bank	39,329,974.00	235,508.00
Total cash and cash equivalents	39,329,974.00	235,508.00

**NATIONAL COUNCIL FOR CHILDREN'S SERVICES
ANNUAL REPORTS AND FINANCIAL STATEMENTS
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18. CASH GENERATED FROM OPERATIONS

Surplus for the year before tax	2022-2023	2021-2022
	Kshs	Kshs
Surplus for the year before tax	36,753,691.00	35,613,420.00
Adjusted for:		
Depreciation	2,263,103.00	2,169,040.00
Working capital adjustments		
Increase in inventory	-	-
Increase in receivables	-	-
Increase in payables	1,061,394.00	1,660,000.00
Net cash flow from operating activities	40,078,188.00	39,442,460.00

19. FINANCIAL RISK ANALYSIS

a) Capital Risk Management

Surplus for the year before tax	2022-2023	2021-2022
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	36,753,691.00	32,929,108.00
Capital Reserve	48,567,685.00	15,638,578.00
Total Funds	85,321,377.00	48,567,686.00
Total Borrowing	-	-
Less: Cash and Bank balances	78,808,162.00	39,329,967.00
Net Debt/Excess cash and cash equivalents	78,808,162.00	39,329,967.00
Gearing	92%	81%

b) Credit risk Management.

	Total Amounts	Fully Performing	Past Due	Impaired
As at 30th June 2023				
Receivables	-	-	-	-
Bank Balances	78,808,162.00	-	-	-
Totals	78,808,162.00	-	-	-
As at 30th June 2022				
Receivables	-	-	-	-
Bank Balances	39,329,967.00	-	-	-
Totals	39,329,967.00	-	-	-

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c) Liquidity risk

	Less than 1 Month	Less than 1-3 Months	Over 5 months	Totals
As at 30th June 2023				
Payables	-	3,401,401.00	-	3,401,401.00
Deferred Income	-	-	-	-
Employee Benefit obligation	-			
Totals	-	3,401,401.00	-	3,401,401.00
As at 30th June 2022				
Payables	-	2,340,000.00	-	2,340,000.00
Deferred Income	-	-	-	-
Employee Benefit obligation	-	-		-
Totals		2,340,000.00	-	2,340,000.00

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20. APPENDICES

i) Payables

S/No	Payee	Amount	Details
1	The Kyaka	262,500.00	Conference Services
2	The Kyaka	192,500.00	Conference Services
3	Enza Airport Hotel	250,000.00	Conference Services/Hall Hire
4	Stockwell Properties Ltd	98,000.00	Conference Services
5	Merica Hotel	174,213.00	Conference Services
6	Pago Airways	155,600.00	Air travel Services
7	Pago Airways	310,400.00	Air travel Services
8	Pago Airways	205,900.00	Air travel Services
9	Jusgat Enterprises	1,500,000.00	TSHIRTS/BANNERS
10.	Office of Auditor General	100,000.00	Provision of Audit Services
11	Merica Hotel	152,288.00	Conference Services
	Totals	3,401,401.00	

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ii) 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.	Inaccuracies in the Financial Statements	Amended	Moses Muga-Principal Accountant	Resolved	30/06/2023
2.	Non-Revaluation of PPE	On-Going	Ian Kodeka-SCMO	Not Resolved	30/06/2024

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.

Ag. C.E.O

Chairman of the Board

Date.....*30/6/2023*.....

Date.....