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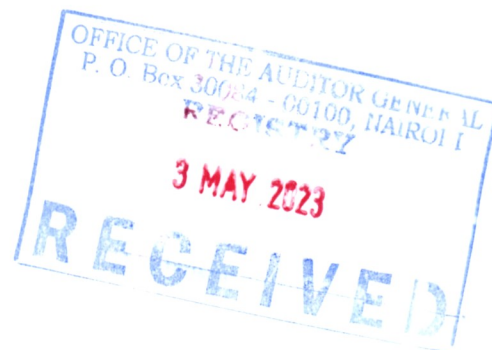
ON

CHILD WELFARE SOCIETY OF KENYA

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



CHILD WELFARE SOCIETY OF KENYA



**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDING
JUNE 30, 2022**



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

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Annual Reports and Financial Statements
For the year ended June 30, 2022*

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1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

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

b) Principal Activities

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

Vision

All children and vulnerable young persons leading a happy fulfilling and fruitful life.

Mission

“To promote and secure the rights of children and vulnerable young persons in order for them to realize their full potential.”

Core Values

- *Innovative*
- *Customer focused*
- *Knowledge driven*

e) Strategic Objectives

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

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

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

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

d) Key Decision Making Organ

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

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

e) Fiduciary Management

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

No.	Designation	Name
1.	CEO / Managing Trustee	Irene Mureithi
2.	Head of Finance	Charles Maina
3.	Head of Human Resource	Marcella Obaga
4.	Internal Audit	Floriana Maganga
5.	Information Communication and Technology	Julius Osero
6.	Head of Programmes	Penelope W. Lemaron
7.	Head of Operations	Anne Waichinga
8.	Social Protection Officer	Martin Mwebia
9.	Information Communication and Technology	Geoffrey Yegon
10.	Education and Skills Development	Jerusha Chepsat

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

f) Entity Headquarters

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

g) Entity Contacts

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

E-mail: cwsktoto@childwelfaremail.co.ke

Website: www.childwelfaresocietykenya.org

h) Entity Bankers

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




Mombasa, Kenya




9. Standard Chartered Limited
P O Box 90170-80100
Mombasa, Kenya
10. Kenya Commercial Bank of Kenya
P O Box 48400-00100
Bungoma, Kenya
11. Family Bank of Kenya
P O Box 74145-00200
Nairobi

i) Independent Auditors





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





2. THE BOARD OF TRUSTEES

<p>1. Joseph Gitau, HSC</p> 	<p>Mr. Gitau is is the Chairman of Child Welfare Society of Kenya. He holds a Master of Arts (MA) Degree in Sociology (with emphasis in Criminology, Justice, Administration, Probation and Parole), Fordham University, New York, USA.</p> <p>He was a director of Probation and After Care Services. Among other achievements, Mr. Gitau has been a lecturer at Egerton University and Muranga University, he also taught at the Kenya Institute of Administration and was awarded the Head of State Commendation (HSC). He is also an expert in forensic Science. Mr. Gitau is a Life Member of Child Welfare Society of Kenya.</p>
<p>2. Hon.Nathan Munoko</p> 	<p>Hon. Munoko has been a Trustee of Child Welfare Society of Kenya(CWSK) from 1982 to date. He previously served as a member and Treasurer of CWSK Bungoma Branch. He was the Minister for Public Works from 1975 to 1979 and an Assistant Minister in three Ministries Namely Co-operatives and Social Services, Local Government and Agriculture.</p> <p>He has served on various Commissions and in various sectors including the political, government, administrative and education sectors.</p>
<p>3. Mrs. Haida Bruno</p> 	<p>Mrs. Bruno is a Member of the CWSK Board of Trustee. She is a trained Social Worker who has a special passion to provide childcare services to needy children. She has volunteered in assisting vulnerable and needy children in Mombasa County as a member of Child Welfare Society of Kenya, Mombasa Branch.</p> <p>Mrs. Bruno has been a vice chairperson at CWSK Board of Directors. She also previously served as a National treasurer for NCKK and Board of Directors for East African Venture NCKK.</p> <p>Mrs. Bruno is currently the chairlady of Coast Women Council of Clergy.</p>

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

3. MANAGEMENT TEAM

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

<p style="text-align: center;">CPA Maganga Floriana Sandra</p> 	<p>Internal Auditor</p>
 <p style="text-align: center;">Julius Osero</p> <p>Bachelor of Science Information Technology</p>	<p>Information Communication and Technology</p>
 <p style="text-align: center;">Anne Waichinga</p> <ul style="list-style-type: none"> • Bachelor of Education 	<p>Head of Operations</p>
 <p style="text-align: center;">Jerusha Chepsat</p> <ul style="list-style-type: none"> • Bachelor of Arts in Public Admin in Sociology • Diploma in Social Work 	<p>Education and Skills Development</p>

4. CHAIRMAN'S STATEMENT

We thank God for a successful ending of the financial year 2021/22.

The Board of Trustees of Child Welfare Society of Kenya (CWSK) has continued to undertake its mandate in the overall policy direction and oversight of the Society. The Board is greatly indebted to the members of the Society across the country who have continued to support the organization to achieve its objectives. Secondly, the Board appreciates the partnership that exists between the Society and the Government through the Ministry of Labour and Social Protection, which strives to ensure that children are well protected as a shared responsibility.

As the Board of Trustees, we have continued to give policy direction and oversight, as well as guiding the Society in line with its mission and vision. We appreciate all the members and staff of the Society for their dedication and efforts to enable the Society to achieve its objectives. The Government, through the Ministry of Labour and Social Protection, has been of tremendous support towards the Society in ensuring that the welfare and protection of children throughout the country is realised.

In addition, the Board has been proactive in securing society's properties and assets in the best interest of children.

The contribution of the CWSK staff can also not go unnoticed. The Secretariat has worked diligently and tirelessly towards meeting the goals of the Society and ensuring that children and vulnerable young persons receive necessary services. **426,953** children and young persons were reached during the period. This has made a positive impact in their lives by improving their welfare and psycho-social needs which is in line with the vision of the Society that is to see all children and vulnerable young persons lead a happy, fulfilling and fruitful life.

To ensure continued provision of welfare services to children as the Society has been doing since 1955, the Board of Trustees will continue playing its role in the next financial year. This will indeed contribute towards the realisation of the vision of the Society, which is 'to see all children and young persons leading a happy, fulfilling and fruitful life', as well as the mission, which is 'promoting, protecting and securing the rights of children and young persons in order to realise their full potential'.

As the Board of Trustees, we would like to mention the passing on of one of our member's Mr. Basiliano Nyaga. He was the National Treasurer, a stickler for professionalism and a dedicated servant of humanity, especially the most vulnerable children, he was instrumental in the turnaround and growth of the Society.

As we move into the next financial year, the Board of Trustees is committed to providing policy direction to the organisation as it has done in the past 66 years to ensure the best interest of the child is served.

God bless CWSK

Signed by:

.....

Mr. Joseph Gitau

CHAIRMAN, BOARD OF TRUSTEES

DATE:

28th April, 2023

5. CHIEF EXECUTIVE OFFICER/MANAGING TRUSTEE REPORT

The year 2021/2022 was marked with many developments for the country. It is the year that saw the country slowly transitioning and resuming to normalcy after the effects of the Covid- 19 Pandemic. During the same period, there were many developments in the political sector as preparations of the country's general elections in August 2022 were under way.

The Society achieved many milestones during the period. In efforts to promote child protection, CWSK reached **426,953** children through provision of various psychosocial support interventions such as food, clothing, stationery and other forms of education support, medical support, family tracing and reintegration services, provision of alternative family care services (foster care, guardianship and adoption) to separated children, family mediation, family empowerment, counselling and capacity building, among others.

There were tremendous milestones in the Education Programme whereby 40 children from the Temporary Places of Safety sat the Kenya Certificate of Primary Education (KCPE) examination with nine of them scoring over 370 marks thus securing admissions in National and County Secondary Schools. In addition, 29 of the children attained over 250 marks. All the children who sat the examinations, including those supported in their communities, have since been admitted in various secondary schools. This is a great achievement bearing in mind that these are children who have experienced various hardship situations and vulnerabilities. Some of them are cases of lost children, abused children, neglected children and other types of cases of children in need of care and protection.

The Society was also able to support 148 vulnerable young persons to join the National Youth Service where they were equipped with life skills and training to enable them to become responsible independent adults. The training was also useful in that it kept the youths off negative influences and pressure that emanate from being idle, lack of role modelling, inadequate finances, indecisiveness regarding career choices and other socio-economic factors.

Through the Emergency Programme, the Society was able to reach 94,322 school children in some of the most drought affected counties like Kilifi, Machakos, Makueni and Meru; as well as children affected by food shortages and other socio-economic challenges in the counties of Kirinyaga, Embu, Nakuru and Nairobi. These children were provided with food support, education support and counselling.

Throughout the period, the Society was also able to provide rescue, family tracing and reunification services to 4,418 children as well as provide alternative family care services (through guardianship, foster care and adoption) to 749 children. As a result, the right to parental care and familial protection to these children was affirmed. This further means that the children will continue to be cared for and protected within their families and communities thereby guaranteeing their security, right to identity as well as good environment for their physical, psychological and social development.

Through budgetary allocation, the CWSK Integrated Child and Family Centre at Joska had some project units upgraded at 90% completion level. Over 1,500 children will be accorded various services at the Integrated Child and Family Centre in promotion of their well-being, which includes health care services and water, among other necessities, to the community.

Meanwhile, the Society continues to implement various programmes geared towards ensuring care, protection and welfare for vulnerable children. The interventions are also targeted towards vulnerable

young persons and family empowerment. Consequently, the well-being of children is secured towards full realisation of their rights and potential.

It is noteworthy to state that CWSK received Kshs 1,123,424,411 out of a budgetary allocation of Kshs. 1,379,928,824 by the Government for the Financial Year 2021/2022. Kshs. 933,840,000 of the budget allocation was recurrent while development was Ksh 446,088,824. At the moment, CWSK continues to undertake its operations and programmes in the best interest of children. We hope to continue implementing CWSK programmes and offer services to children and families with an aim of ensuring care, protection and development of children throughout the country.

We are looking forward to a more productive season as a new government takes charge of the country.

CWSK ACHIEVEMENTS IN THE FY 2021-2022 UNDER PROGRAMMES

Highlights of significant achievements during the period

- **97,435** OVCs and vulnerable young persons outside the Cash Transfer Programme provided with psychosocial support (food, education, clothing, health & shelter) during the period.
- **110,216** families and children provided with Psycho-social Support (PSS) services (food, clothing, shelter, counselling, family mediation) to ensure quality care to children.
- Children in emergencies protected and supported whereby **94,322** children and families provided with Psycho-social Support (PSS) services (food, clothing, shelter, counselling, family mediation) to ensure quality care to children.
- **64,233** children in schools affected by emergencies, facilitated with complementary education materials. The children were supported with food (maize, beans, lentils, rice, cooking oil, among others), soap and education materials such as stationery.
- **7,300** children supported with complementary education materials (including stationery, school uniforms, shoes, school bags, among others). In addition, CWSK also;
 - o Paid school fees and levies for **8,100** OVCs and young persons at the temporary places of safety and in the community.
 - o Facilitated **148** vulnerable young persons to join the National Youth Service (NYS).
 - o Prevented and withdrew **4,600** children at risk of child labour.
 - o **273** parents whose children are in or at risk of child labour identified, trained and empowered with Income Generating Activities
- **676** foster and adoptive parents reached assessed and the eligible cases placed with children.
- **1,275** foster and adoptive parents trained on childcare, alternative family care and parenting.
- **1,867** separated children provided with family tracing services through Identification, Documentation, Tracing and Re-unification (IDTR).
- **2,340** children in distress provided with rescue services.
- **33,700** duty bearers sensitized and trained on OVC protection and 26 local child protection community structures for OVC protection established/ strengthened.
- Child Participation promoted through strengthening the capacity of **4,019** children in identifying their needs and solutions.
- The society was instrumental during the period in the development of the Children Act 2022. This has been through active participation and contribution towards the development of the new statute. CWSK has given notable achievements in the inclusion of several aspects of child protection including, clarity of roles of the different actors in the Child Protection sector in Government (that is the role of the Cabinet Secretary, Directorate of Children Services, National Council for Children Services, as well as Child Welfare Society of Kenya). CWSK

also contributed towards the inclusion of a Child Welfare Fund in the act, role of the County Governments in Child Protection, conduct of Adoptions in Kenya, as well as other best practices in Child Protection within the Act.

Achievements under CWSK Programmes

1. 15 Temporary Places of Safety

CWSK has fifteen temporary places of safety country wide i.e. CWSK Mama Ngina Kenyatta, CWSK Mji wa Salama Mombasa, CWSK Kisii, CWSK Kanduyi, CWSK Arap Moi, CWSK foster families and group homes, CWSK Nanyuki, CWSK Embu, CWSK Isiolo and CWSK Murang'a. Through this programme CWSK rescues and offers shelter and safe houses for children in need of temporary care and protection. Further, CWSK provides psychosocial support to the children in the temporary places of safety.

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

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

Status of achievements under the Temporary Places of Safety

- CWSK also provided psychosocial support to children while at the temporary places of safety and networked with other charitable children's institutions to offer services to the children and ensure their reintegration into their families/communities.
- During the period, CWSK temporary places of safety had a turnover of **1,500** children on average.



Photo 1: Child Welfare Society of Kenya CEO/Managing Trustee (Irene Mureithi) accompanied by the Ambassador for Greece H.E. Mr. Antonios Sgouropoulos during a visit to the children at CWSK Mama Ngina Temporary Place of Safety.



Photo 2: Re-looking at history, down the memory lane; a photo showing one of Child Welfare Society of Kenya's Temporary Places of Safety (CWSK EMBU TPS).

2. Rapid Response and Rescue of children in distress

CWSK implements rapid response and rescue of children services across the country through its well established branches that reach all the 47 counties. Whenever a case of a lost child, child abuse,

abandonment, or exposure to detrimental risk comes to our attention, CWSK responds immediately and rescues the child (ren) for temporary care and protection as interventions are made to reunite the child with the family or provide alternative family care where necessary. Some of these cases are referred to CWSK by the police, courts, hospitals, children officers, chiefs, other Government departments and the public.

Status of rapid response and rescue of children programme

- **2,340** rescued children and in temporary places of safety were provided with psychosocial support.

Expected outcomes of the rapid response and rescue of children programme

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

3. Emergency Preparedness and Response

CWSK is the National Emergency Response and Rescue Organization for children and thus has been undertaking this programme since inception in ensuring the welfare of children and vulnerable young persons. The programme focuses on addressing child protection concerns and ensuring protection of children during emergencies like drought, floods, fire, collapse of buildings, terror attacks, ethnic conflicts and violence among others. To ensure, health provision, shelter, housing, food, provision of basic education and protection as enshrined in the Constitution CWSK responds to any emergency that may take place in any part of the country and provides psychosocial support to children and their families affected by emergencies. In responding to these emergencies, CWSK focuses on ensuring that children are not separated from their families. CWSK identifies documents and conducts family tracing and reunification for separated children during emergencies. The children receive child specific food, counselling services to prevent trauma, education support items, clothing, and temporary care where necessary among others. In addition, CWSK builds the capacity of the local community structures and local community members on protecting children during emergencies as well as establishes/strengthens local community structures to respond to child protection in emergencies.

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

Status of achievements in emergency preparedness and response programme

- **94,322** children in emergencies provided with psycho-social support against a target of **91,800**. The children and families were provided with education support, food, clothing, beddings, building materials, counselling)
- **64,233** children in schools affected by emergencies were facilitated with complementary education materials against a target of **62,670**
- **211** children caught up in emergencies were provided with identification, documentation, tracing, and mediation and re-unification services as per need during emergency response.

Expected outcomes

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



Photos 3 and 4: CWSK truck in Nakuru County during emergency response for communities identified by the local administration as being greatly affected by the socio-economic effects of Covid-19 pandemic. Most of the households lost their livelihoods and could not fend for their children. The CWSK staff also assisted in off-loading the food supplies comprising of maize, beans, rice and other psycho-socio supplies for children.



Photos 5, 6 and 7: CWSK officer assists a mother in carrying foodstuff for her children during Emergency Response in Nairobi County. CWSK gave support to victims of floods.



Photos 8 and 9: CWSK officers assist beneficiaries to carry food issued as support to their children and families during emergency response in Nakuru County.

4. Alternative Family Care

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

Status of achievements in Alternative family care

- **676 foster and adoptive parents were assessed, trained and empowered; whereby eligible cases were placed with children. This was against a target of 650.**
- **1,275 parents were trained on child care and alternative family care against a target of 1,000**
- **Case follow up was undertaken reaching 123 cases against a target of 120 cases. This ensured child protection in families**
- **87 court reports for children were prepared and filed out of a target of 70**

Expected outcomes

- Increased number of children living in families
- Deinstitutionalization-reduction of the number of children in institutions
- Children are enjoying their right to be raised and be cared for in a family set as stipulated in the children act section 6(1) and the Constitution Article 53(1) (e).

5. Family Counseling, Mediation, Rehabilitation and Empowerment

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

Status of achievements in family counselling, mediation, rehabilitation, empowerment

- Psycho-social Support (PSS) services (food, clothing, shelter, counseling, family mediation) were provided to 110,216 families and children to ensure quality care to children. This was against a target of **94,300**
- **1,119** families of vulnerable children were identified, trained and empowered against a target of **1,000** families. Concerted effort was put through capacity building with an aim of preventing family distress and to support families bearing in mind that there were increased political activities in preparation for the general elections.

Expected outcomes

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



Photo 10: Psychosocial support given to children in Narok County in presence of the Children Officer Narok East and Assistant children officer County Narok East. This is a case of a child headed household that was referred to CWSK for support.



Photo 11: Girls happy and smiling through the masks as they receive sanitary supplies from CWSK staff in one of the schools.

6. Local, Regional and International Family Tracing and Reunification

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

Status of achievements in family Tracing and Reunification

Provided **1,187** separated children with family tracing services (Identification, Documentation, Tracing and Re-unification-IDTR) through social investigations (physical tracing) and also by placing their photos on the print media in local dairies.

Expected outcomes

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

- Enhanced protection of children within families
- Increased number of children living in families
- Deinstitutionalization - reduction of the number of children in institutions that is detrimental to their general welfare.



Photo 12: Mother happily receives her separated son in presence of Sub-County Children Officer Starehe. This is one of the many successful Family Tracing and Reintegration cases undertaken.



Photo 13: CWSK officers give psychosocial support to a family during reintegration of children in Narok County. The children continue to be under CWSK Education support programme to cushion them from risks of child marriage or FGM (Female Genital Mutilation) within the area, which could result to their dropping out of school.

7. Education and Skills Development

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

Status of Achievements in education and skills development

- Supported children in education and skills development and they are now enjoying their right to education as stipulated in the Children Act and the Constitution Article 53(1) (b).
- Many of the children supported by CWSK performed excellently in this year's Kenya Certificate of Primary Examination (KCPE) where by 9 children had over 370 marks and 29 had over 250 marks. The children performed very well considering that they come from very challenging backgrounds and were admitted in the best performing high schools in the country.
- **7,300** children out of a target of **6,890** children were supported with complementary education materials. These include stationery towels, school uniforms, shoes, school bags, among others to enable them continue with education.
- CWSK paid school fees and levies to **8,100** OVCs and young persons at the temporary places of safety and in the community; against a target of **6,060**.
- **1,309** parents whose children are under the education support were identified, trained and empowered with Income Generating Activities. This was against a target of **1,000**.
- CWSK also facilitated **148** vulnerable young persons to join the National Youth Service (NYS). The young persons who joined the NYS were supported with personal effects (soap, shoe polish, bathing towels, inner wears, among others), metallic boxes, iron boxes, rubber shoes, tracksuits and t-shirts, transport and other support

Expected outcomes

- Protection of the rights of the children as provided for by Article 53 of the Constitution
- Increased number of children accessing education
- Increased positive self-esteem for children supported
- Increased literacy levels for Kenyan citizens
- Increased self-reliance and job creation
- Children out of school that have attained age of majority have life skills important for their development.
- Children are now enjoying their right to education as stipulated in the Children Act and the Constitution Article 53(1) (b).
- Job creation for the vulnerable young persons that are provided with vocational skills training
- Reduction of risks of children getting separated with their families in search of education
- Reduction of chances of vulnerable children and young person's getting radicalized especially those who find themselves in children institutions in search of education.



Photos 15 and 16: Jubilation at CWSK following our children's exemplary KCPE performance. The children got admission to join different secondary schools in the country.



Photo 17: Cake cutting session with the staff and children in celebration of the achievements by the children in the KCPE examination of March 2022.



Photo 18: CWSK staffs join young persons during the NYS Pass out at Gilgil. During the period, CWSK supported 148 young persons to join the service.

8. OVC Protection-provision of Psycho-Social Support

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

Status of Achievements

- 97,435 OVCs and vulnerable young person's outside the Cash Transfer Programme provided with psychosocial support (food, education, clothing, health & shelter).

Expected outcomes

- Retention of children in families
- Enhanced protection of OVCs by duty bearers
- Significant positive change in the lives of the OVCs living outside cash transfer
- OVCs have improved livelihoods through life skills trainings.
- Increased opportunities and resources for OVCs
- Reduction of chances of vulnerable children and young person's getting radicalized especially those who find themselves in institutions in search of basic need provisions

9. Child Labour

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

Status of Achievements

- Prevented and withdrew 4,600 children from child labour against a target of 4,500. The children were involved in or were at risk of engaging in child labour and CSEC. They were identified and provided with psychosocial support to go to school thus they were retained in school
- Contracts for 10 school-based social workers were renewed. Through the social workers, cases of child labour in schools and at the community were identified and relevant interventions were provided.
- 273 parents whose children are in or at risk of child labour identified, trained and empowered with Income Generating Activities.

Expected outcomes

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

10. Capacity Building and Institutional Strengthening

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

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

Status of Achievements

- 33,700 duty bearers were sensitized and trained on OVC protection
- 4,019 children were sensitized and reached through the Child Participation Programme thus enabling them to identify their needs and solutions.
- 12 Rights of the Child Clubs (ROCs) were also formed/strengthened out of a target of 8
- 26 local child protection community structures for OVC protection were established and/or strengthened. This was against a target of 16.

Expected outcomes

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





Photos 19 and 20: CWSK staff participated in the Africa Public Service week at KICC, Nairobi County alongside other ministry departments and agencies. The event reached over 30,000 members of the public who were all sensitized on different services offered by the government including child welfare matters. CWSK also supported the production of the ministry documentary.

11. HIV/AIDS, Adolescent & Youth Reproductive Health

This programme aims at reducing the HIV/AIDS prevalence and enhancing support mechanisms for affected and infected orphans and other vulnerable children (OVC). It also addresses health care needs of the children and youth. This programme endeavors to advocate for behavior change among adolescents, children and adults. The aim is enhancing the quality of care, psychosocial support and providing counselling and referral services for HIV/AIDS affected children in order to improve the care and quality of life. In addition, the programme aims at prolonging the lives of parents to prevent children from becoming orphans. It also aims at reaching out to children and youth through HIV/AIDS and reproductive health education. Child participation and youth participation is used where children and youth reach out to other children/youth and other stakeholders. In addition, through this programme sensitization meetings are organized at the local community level where the participants are trained and sensitized on HIV prevention, medical adherence, nutrition, and fighting against stigma. The aim of this programme is to reduce new infections, to encourage those who are infected to adhere to drugs and live a positive lifestyle and also to reduce stigmatization of those infected. CWSK has a Youth friendly centre in Nanyuki which is run jointly with Nanyuki Referral Hospital.

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

- 23,423 children and young persons were reached during the period. This was done in schools through group sessions with children to sensitize them on HIV/AIDS.

12. Projects-Upgrading & Establishment of CWSK Temporary Places of Safety

These are Strategic Intervention Projects for separated children and other children living outside families. In addition, they are also part of Kenya's Vision 2030 flagship project. The vision of the projects is to see that all separated children in Kenya have a decent temporary accommodation as they are reintegrated back to families. When complete, they will be fully operational in the following locations: Nairobi, Joska, Bungoma, Bomet, Murang'a, Kisumu, Isiolo, Nanyuki, Kisii, Embu, Baringo, Turkana, Machakos, Nyandarua, Taita Taveta, and Kilifi.

The integrated centers have health facilities that provide preventive and curative services to children. These facilities also reach out to the children at the local community level as well as other local community members. The clinics also provide adolescent and youth reproductive health services as well as counseling.

The health facilities have significantly reduced the infant mortality rate to infants. Some of the infants rescued at the facilities may have medical conditions that are referred to other hospitals. The completion of these Centers would lead to affordable housing by cutting down on the amount of rent that CWSK pays while providing care, protection and custody in some of the counties such as Nairobi. Children would enjoy an environment that is friendly and less traumatizing compared to them being accommodated in a dormitory kind of structure since these centers are homely in nature. On the other hand, the money saved from rent would support children directly.

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

Achievements in development

1. CWSK Isiolo- Phase 1 complete comprising of perimeter wall, guardhouse, health centre, office -100 %; Equipping and official Launching of the Health centre is required for operationalization. Phase 2 in progress i.e. three Storey house blocks at 87%. Finishing and equipping of the House blocks is required for occupation.
2. CWSK Nanyuki- Phase 1 complete comprising of perimeter wall, health centre, office, guard house -100 %; Equipping and official launching of the Health centre is required for operationalization. Phase 2 in progress i.e. three Storey house blocks 87%. Finishing and equipping of the House blocks is required for occupation.
3. Mama Ngina Kenyatta- Phase 1 complete comprising of Perimeter wall, guard house - 100 %.
4. CWSK Murang'a- Phase 1 complete comprising of Perimeter walls, guard house, kitchen unit, health centre, office, cabro parking, drive way, ablution unit - 100 %; Equipping and official Launching of the Health centre is required for operationalization. Phase 2 of 4 Storey house blocks in progress at 87 % completion. Finishing and equipping of the house blocks is required for occupation.
5. CWSK Joska- Phase 1 in progress-comprising of 3 foster houses i.e 1 Bungalow house block - 86%, Two 1 Storey house blocks at 86 %, Maisonette 3 at 70% Administration/office unit 60%, Phase 2 in progress- comprising One 3 storey house block at 50%, dining/kitchen unit - 87%, Laundry unit -65%, store go down- 65%, civil works 40% i.e. walk ways, drive ways,

drainage works 70%, landscape works 60%, 2 bio-digester units - 80%. Boundary wall works 80%. Finishing and equipping of the house blocks is required for occupation.

6. CWSK Bungoma- Phase 1 in progress- One Bungalow house block is at 87%, The house block requires Finishing and equipping for occupation, perimeter fencing 20%, bio-digester works 70%, drainage works 80%, landscape works 20%.

Impact of the Projects

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

Sample project photographs



Photo 1. A section of Murang'a project- Main entry



Photo 2. CWSK Murang'a Integrated child & family centre – Murang'a House block 1

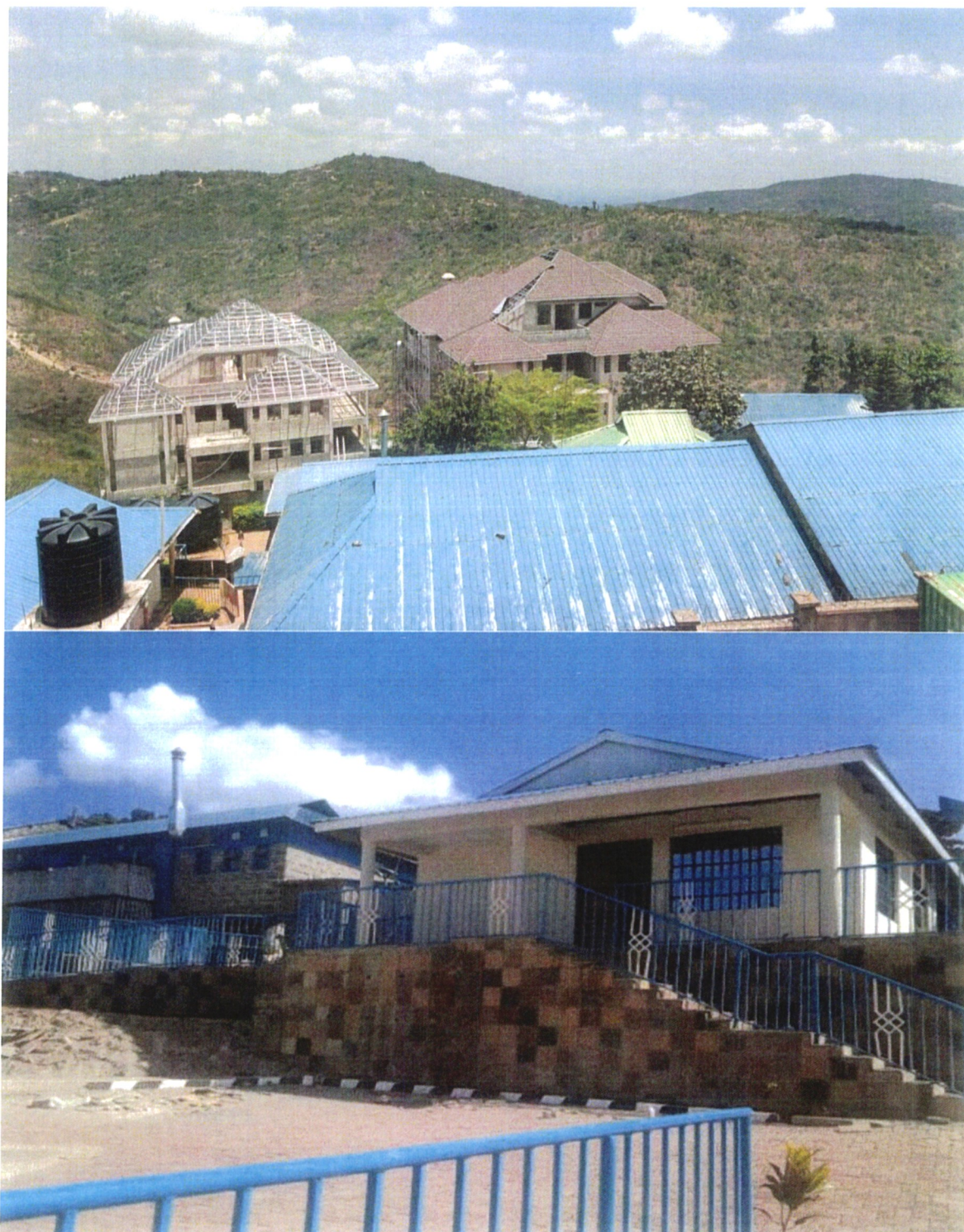


Photo 3: CWSK Integrated child & family centre Murang'a – Work in progress House blocks 1&2 (above)– Health centre, guard house, parking complete(below)



Photo 4: CWSK Integrated child & family centre Joska (Maisonette block 1, Bungalow, dining/kitchen unit)



Photo 6: CWSK Integrated child and family centre - Joska – A section of perimeter wall - complete



Photo7: CWSK Integrated child and family centre - Joska – A section of Maisonette 3 work in progress



Photo 5: CWSK Integrated child & family centre Joska – project components (work in progress)





Photo 6: CWSK Integrated child and family centre - Isiolo – A section of perimeter wall - complete



Photo 7: CWSK Integrated child and family centre - Isiolo – Health centre and guard house units complete



Photo 8: CWSK Integrated child and family centre - Isiolo –house block unit 1



Photo 9: CWSK Integrated child and family centre - Isiolo –house block unit 2



Photo 10: CWSK Nanyuki – Integrated child and family centre – Health centre, guard house, parking complete



Photo 11: CWSK Nanyuki – Integrated child and family centre – Three house blocks above

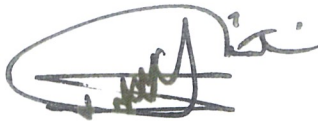
CONCLUSION

We are grateful to God for the tremendous achievements that Child Welfare Society of Kenya accomplished in the year 2021/22 and for the remarkable growth to a higher level of glory that has seen CWSK continue to expand the provision of services to children across the country.

During the period, CWSK has reached 426,953 children and young persons through its various programmes and this has made a positive impact in their lives by improving their welfare and psycho-social needs. This is in line with the vision of the Society which is to see all children and vulnerable young persons lead a happy, fulfilling and fruitful life. We are thankful to God for these achievements.

The Society has faced a challenge in non-disbursement of funds which has delayed implementation of programme activities and has also lead to non-implementation of some of the project works. However, we look forward to continuing the implementation of our programmes and projects as we work towards creating a positive impact into the lives of children and vulnerable young persons. CWSK aims to ensure that children and vulnerable young persons in Kenya lead a happy, fulfilling and fruitful life. We look forward to the next financial year to make a positive impact to the lives of children and vulnerable young persons.

Signed by:



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Date: *28th April, 2023*

Irene Mureithi
CHIEF EXECUTIVE OFFICER/MANAGING TRUSTEE

6. STATEMENT OF CWSK's PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2021/2022

A. 15 TEMPORARY PLACES OF SAFETY

CWSK has fifteen temporary places of safety country wide i.e. CWSK Mama Ngina Kenyatta, CWSK Mji wa Salama Mombasa, CWSK Kisii, CWSK Kanduyi, CWSK Arap Moi, CWSK foster families and group homes, CWSK Nanyuki, CWSK Embu, CWSK Isiolo and CWSK Murang'a. Through this programme CWSK rescues and offers shelter and safe houses for children in need of temporary care and protection. Further, CWSK provides psychosocial support to the children in the temporary places of safety.

Achievements in Temporary Places of Safety

- CWSK also provided psychosocial support to children while at the temporary places of safety and networked with other charitable children's institutions to offer services to the children and ensure their reintegration into their families/communities.
- During the period, CWSK temporary places of safety had a turnover of **1,500** children on average.

B. RAPID RESPONSE AND RESCUE OF CHILDREN IN DISTRESS

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

Achievements in Rapid Response and Rescue of Children in Distress

- **2,340** rescued children and in temporary places of safety were provided with psychosocial support.

C. EMERGENCY PREPAREDNESS AND RESPONSE.

CWSK is the National Emergency Response and Rescue Organization for children and thus has been undertaking this programme since inception in ensuring the welfare of children and vulnerable young persons. The programme focuses on addressing child protection concerns and ensuring protection of children during emergencies like drought, floods, fire, collapse of buildings, terror attacks, ethnic conflicts and violence among others. To ensure, health provision, shelter, housing, food, provision of basic education and protection as enshrined in the Constitution CWSK responds to any emergency that may take place in any part of the country and provides psychosocial support to children and their families affected by emergencies.

Achievements in Emergency Preparedness and Response

- **94,322** children in emergencies provided with psycho-social support against a target of **91,800**. The children and families were provided with education support, food, clothing, beddings, building materials, counselling)
- **64,233** children in schools affected by emergencies were facilitated with complementary education materials against a target of **62,670**
- **211** children caught up in emergencies were provided with identification, documentation, tracing, and mediation and re-unification services as per need during emergency response.

D. ALTERNATIVE FAMILY CARE.

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

Achievements in Alternative Family Care

- **676 foster and adoptive parents were assessed, trained and empowered; whereby eligible cases were placed with children. This was against a target of 650.**
- **1,275 parents were trained on child care and alternative family care against a target of 1,000**
- **Case follow up was undertaken reaching 123 cases against a target of 120 cases. This ensured child protection in families**
- **87 court reports for children were prepared and filed out of a target of 70**

E. FAMILY COUNSELING, MEDIATION, REHABILITATION AND EMPOWERMENT.

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

Achievements in Family Counselling, Mediation, Rehabilitation and Empowerment.

- Psycho-social Support (PSS) services (food, clothing, shelter, counseling, family mediation) were provided to 110,216 families and children to ensure quality care to children. This was against a target of **94,300**
- **1,119** families of vulnerable children were identified, trained and empowered against a target of **1,000** families. Concerted effort was put through capacity building with an aim of preventing family distress and to support families bearing in mind that there were increased political activities in preparation for the general elections.

F. LOCAL, REGIONAL AND INTERNATIONAL FAMILY TRACING AND REUNIFICATION

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

reunification and reintegration of these children with their families. This is done locally, regionally and internationally.

Achievements in Local, Regional and International Family Tracing and Reunification

- Provided **1,187** separated children with family tracing services (Identification, Documentation, Tracing and Re-unification-IDTR) through social investigations (physical tracing) and also by placing their photos on the print media in local dairies.

G. EDUCATION AND SKILLS DEVELOPMENT

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

Achievements in Education and Skills Development

- Supported children in education and skills development and they are now enjoying their right to education as stipulated in the Children Act and the Constitution Article 53(1) (b).
- **Many of the children supported by CWSK performed excellently in this year's Kenya Certificate of Primary Examination (KCPE) where by 9 children had over 370 marks and 29 had over 250 marks. The children performed very well considering that they come from very challenging backgrounds and were admitted in the best performing high schools in the country.**
- **7,300** children out of a target of **6,890** children were supported with complementary education materials. These include stationery towels, school uniforms, shoes, school bags, among others to enable them continue with education.
- CWSK paid school fees and levies to **8,100** OVCs and young persons at the temporary places of safety and in the community; against a target of **6,060**.
- **1,309** parents whose children are under the education support were identified, trained and empowered with Income Generating Activities. This was against a target of **1,000**.
- CWSK also facilitated **148** vulnerable young persons to join the National Youth Service (NYS). The young persons who joined the NYS were supported with personal effects (soap, shoe polish, bathing towels, inner wears, among others), metallic boxes, iron boxes, rubber shoes, tracksuits and t-shirts, transport and other support.

H. OVC PROTECTION-PROVISION OF PSYCHO-SOCIAL SUPPORT

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

Achievements in OVC Protection-provision of Psycho-Social Support

- **97,435** OVCs and vulnerable young person's outside the Cash Transfer Programme provided with psychosocial support (food, education, clothing, health & shelter).

I. CHILD LABOUR

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

Achievements in Child Labour

- Prevented and withdrew **4,600** children from child labour against a target of **4,500**. The children were involved in or were at risk of engaging in child labour and CSEC. They were identified and provided with psychosocial support to go to school thus they were retained in school
- Contracts for **10** school-based social workers were renewed. Through the social workers, cases of child labour in schools and at the community were identified and relevant interventions were provided.
- **273** parents whose children are in or at risk of child labour identified, trained and empowered with Income Generating Activities.

J. CAPACITY BUILDING AND INSTITUTIONAL STRENGTHENING

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

Achievements in Capacity Building and Institutional Strengthening

- **33,700** duty bearers were sensitized and trained on OVC protection
- **4,019** children were sensitized and reached through the Child Participation Programme thus enabling them to identify their needs and solutions.
- **12** Rights of the Child Clubs (ROCs) were also formed/strengthened out of a target of **8**
- **26** local child protection community structures for OVC protection were established and/or strengthened. This was against a target of **16**.

K. HIV/AIDS, ADOLESCENT & YOUTH REPRODUCTIVE HEALTH

This programme aims at reducing the HIV/AIDS prevalence and enhancing support mechanisms for affected and infected orphans and other vulnerable children (OVC). It also addresses health care needs of the children and youth. This programme endeavors to advocate for behavior change among adolescents, children and adults. The aim is enhancing the quality of care, psychosocial support and providing counselling and referral services for HIV/AIDS affected children in order to improve the care and quality of life. In addition, the programme aims at prolonging the lives of parents to prevent children from becoming orphans. It also aims at reaching out to children and youth through HIV/AIDS and reproductive health education. Child participation and youth participation is used where children and youth reach out to other children/youth and other stakeholders. In addition, through this programme sensitization meetings are organized at the local community level where the participants are trained and sensitized on HIV prevention, medical adherence, nutrition, and fighting against stigma. The aim of this programme is to reduce new infections, to encourage those who are infected to adhere to drugs and live a positive lifestyle and also to reduce stigmatization of those infected. CWSK has a Youth friendly centre in Nanyuki which is run jointly with Nanyuki Referral Hospital.

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

- **23,423** children and young persons were reached during the period. This was done in schools through group sessions with children to sensitize them on HIV/AIDS.

7. CORPORATE GOVERNANCE STATEMENT

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

Board of Trustees

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

Board Meetings

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

Accountability

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

Organizational Policies

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

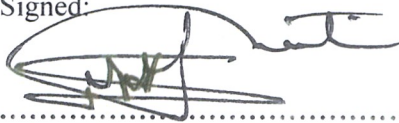
Audit

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

Organizational Structure

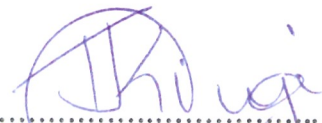
An organizational structure detailing lines of authority is in place and is entrenched in CWSK Constitution. Staff professionalism and competence is maintained through recruitment policies and a performance appraisal system that is keen on targets and accountability while taking into account appropriate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

Signed:



Irene Mureithi
Chief Executive Officer/Managing Trustee

Date: 28th April, 2023



Mr. Joseph Gitau,
Chairman, Board of Trustees

Date: 28th April 2023

8. MANAGEMENT DISCUSSION AND ANALYSIS

The Chairman of the Board of Trustees submits this report together with the financial report for the year ended June 30, 2022.

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

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

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

In the year under review, CWSK did not receive its full budgetary allocation. Out of the total of allocation of Ksh 1,379,928,823 CWSK received Ksh 1,123,424,411 (81%). This grossly affected the normal implementation of programmes in terms of achievement of the annual targets as well as projects. This was compounded by the emergence of the ongoing drought in the country. This is due to the fact that there was no rainfall experienced in the country in late 2021 and 2022.

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

Also the performance of CWSK programmes, which are essentially community-based were affected due to the observance of the Ministry of Health protocols such as social distancing and minimal movement.

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

Signed: 

Irene Mureithi

Chief Executive Officer/ Managing Trustee

Date: 28th April 2023


.....

Mr. Joseph Gitau, HSC

Chairman, Board of Trustees

Date: 28th April 2023

9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

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

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

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

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

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

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

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

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

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

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

10. REPORT OF THE TRUSTEES

The Trustees submit their report together with the audited financial statements for the year ended June 30, 2022, which show the state of Child Welfare Society of Kenya affairs.

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

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

Results

The results of the Society for the year ended June 30, 2022 are set out on page 1-6.

Directors

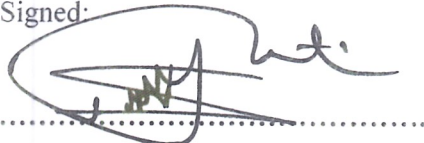
The members of the Board of Trustees who served during the year are shown on page vii-viii.

Auditors

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

By Order of the Board of Trustees

Signed:



Date: 28th April, 2023

Irene Mureithi
Chief Executive Officer/ Managing Trustee

11. STATEMENT OF THE TRUSTEES RESPONSIBILITIES

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

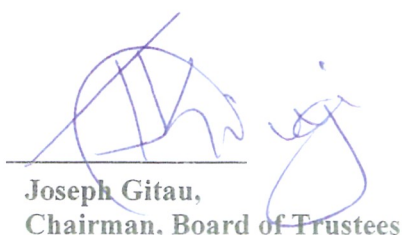
The Trustees are responsible for the preparation and presentation of the Society's financial statements, which give a true and fair view of the state of affairs of the Society for and as at the end of the financial year ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial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


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

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

Approval of the financial statements

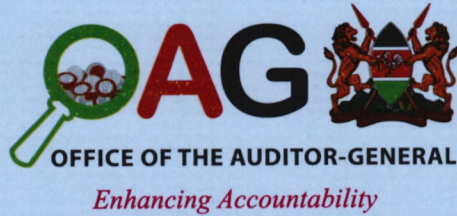
The Society's financial statements were approved by the Board on 28th April, 2023 and signed on its behalf by:


Joseph Gitau,
Chairman, Board of Trustees


Irene Mureithi
CEO/ Managing Trustee

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON CHILD WELFARE SOCIETY OF KENYA FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Child Welfare Society of Kenya set out on pages 1 to 32, which comprise of the statement of financial position as at

30 June, 2022, the statement of financial performance, the statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Child Welfare Society of Kenya as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Child Welfare Society of Kenya Order, 2014.

Basis for Qualified Opinion

1. Inaccuracies in Cash and Cash Equivalents

The statement of financial position and as disclosed in Note 24 to the financial statements reflects cash and cash equivalents balance of Kshs.273,023,560. The balance includes current account balance of Kshs.271,390,938 out of which Kshs.7,601,927 was for twelve (12) bank accounts which were not supported by bank reconciliation statements and cashbooks. Further, five (5) bank accounts had long outstanding reconciling items on bank deposits amounting to Kshs.2,591,326 and unrepresented cheques amounting to Kshs.100,880 with some dating back to year 2014. In addition, fourteen (14) bank accounts with a balance totalling to Kshs.6,256,226 remained dormant with no explanations for non-closure. Another three (3) foreign currency bank accounts with a balance of Kshs.3,387,030 differed with converted amount of Kshs.23,881 resulting to unexplained variance of Kshs.3,363,149.

In the circumstances, the accuracy and fair statement of cash and cash equivalents balance of Kshs.273,023,560 as at 30 June, 2022 could not be confirmed.

2. Long Outstanding Receivables

The statement of financial position and as disclosed in Note 23 to the financial statements reflects receivable balance of Kshs.264,324,839. Included in the balance are long outstanding receivables totalling Kshs.24,574,273 for which no provisions for bad and doubtful debts have been made for their likely impairment. Further, Management has not indicated the efforts being made to recover long outstanding debts.

In the circumstances, the accuracy recoverability, and fair statement of receivables balance of Kshs.264,324,839 as at 30 June, 2022 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Child Welfare Society of Kenya

Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

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

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects a final expenditure budget and actual on comparable basis of Kshs.1,379,928,824 and Kshs.919,825,915 respectively resulting in under-expenditure of Kshs.460,102,909 or 33% of the budget.

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

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 One-Third of Basic Salary Rule

During the year under review, twelve (12) employees earned net salaries of less than one-third (1/3) of the basic salary contrary to Section C.1(3) of the Public Service Commission (PSC) Human Resource Policies, 2016. Management has not explained the failure to comply with the policy. In the circumstances, Management contravened Section C.1(3) of the Public Service Commission (PSC) Human Resource Policies, 2016 and this may expose the staff to pecuniary embarrassment.

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

2. Lack of Staff Establishment

Audit review of human resource records revealed that the Society did not have an approved staff establishment. This was contrary to Section 4.8.1(iii) of the Norms and Standards for Management of Human Resource in the Public Service, 2017 which provides that; Staff recruitment and selection will be based on human resource plans, authorized staff establishment and clear job descriptions and specifications.

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

3. Incomplete Building Works

The statement of financial position and as disclosed in Note 20 to the financial statements reflects property, plant and equipment balance of Kshs.2,980,742,574. Included in the balance is construction in progress balance of Kshs.1,534,086,077 which comprise of construction of building in six (6) sites of Joska, Isiolo, Nanyuki, Murang'a, Bungoma and Mama Ngina. The tenders for the construction were awarded at a contract sum of Kshs.3,951,587,738 in 2013 and were scheduled for completion in 2018. However, physical verification in March, 2023 revealed they were incomplete with Kshs.1,520,466,959 having been paid as at 30 June, 2022. Management has not indicated when they are likely to complete them for use by the children as intended.

In the circumstances, value for money from the expenditure of Kshs.1,520,981,584 on construction works has not been realized.

4. Overdrawn Bank Accounts

The statement of financial position and as disclosed in Note 24 to the financial statements reflects cash and cash equivalents balance of Kshs.273,023,560. The balance includes current account balance of Kshs.271,390,938 out of which Kshs.219,448 relates to three (3) overdrawn bank accounts. This was contrary to Regulation 82(7) of the Public Finance Management (National Government) Regulations, 2015, which provides that no official National Government bank account shall be overdrawn, or any advance or loan be obtained from a bank account for official purposes beyond the limit authorized by The National Treasury in line with Section 28(4) of the Act.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, 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 has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Lack of an Audit Committee

Review of effectiveness of internal controls revealed that the Society did not constitute an Audit Committee. This was contrary to Regulation 174(1) of PFM Regulation, 2015 (National Government) on establishment of Audit Committee by each national government entity.

In the circumstance, the effectiveness on internal controls, risk management and governance of the Society could not be confirmed.

2. Weak Internal Audit Department

During the year under review, there was no evidence of an approved Internal audit charter, approved audit plan, audit reports or minutes from audit committee. This was contrary to Section 73(1)(a) of Public Finance Management Act, 2012 which requires every National Government entity to establish means for conducting internal audit reviews in accordance with the guidelines issued by the Accounting Standards Board.

In the circumstance, the effectiveness of internal controls, risk management and governance of the Society could not be confirmed.

3. Lack of Approved Organizational Structure

Review of the Human Resource Instruments indicated that the Society did not have an up to date approved organizational structure.

In the circumstance, the effectiveness of internal controls, risk management and governance of the Society could not be confirmed.

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

Responsibilities of Management and Board of Trustees

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution.

My consideration of the internal 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 controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Society's 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 Society's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Society to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

I communicate with 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.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

16 May, 2023

13. STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2022

REVENUE FROM NON-EXCHANGE TRANSACTIONS	Note	2021/2022	2020/21
		KShs	KShs
RECURRENT FUNDS			
Government Grant	6	933,840,000	492,340,000
Other Grants	15	22,081,296	18,107,502
Other Income	15(b)	681,632	2,852,106
Total Recurrent Revenue		<u>956,602,928</u>	<u>513,299,609</u>
Recurrent Expenses			
Compensation of Employees	16	267,384,473	232,300,495
Directors Expenses	17	7,566,985	4,822,850
Depreciation Charge	20	19,770,767	23,769,661
Programs Support Expenses	18	141,164,933	67,390,543
OVC Development	19	386,270,374	231,553,700
Subtotal - Recurrent Expenses		<u>822,157,532</u>	<u>559,837,250</u>
Finance Costs	18a	1,625,297	456,914
SURPLUS/(DEFICIT) FROM RECURRENT ACTIVITIES		<u>132,820,099</u>	<u>(46,994,555)</u>

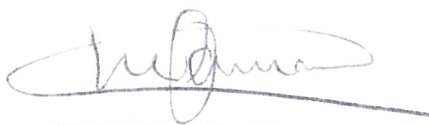
The notes set out on pages 7 to 26 form an integral part of these Financial Statements.



Irene Mureithi

Chief Executive/Managing

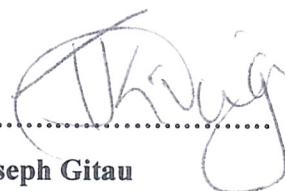
Date 28th April, 2023



Charles Maina

G.M Finance

Date 28th April, 2023



Joseph Gitau

Chairman, Board of Trustees

Date 28th April, 2023

14. STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	2021/22 KShs	2020/21 KShs
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	20	2,980,742,574	2,902,844,957
Investments			
Safaricom shares	21	3,181,125	5,208,375
		2,983,923,699	2,908,053,332
Current Assets			
Inventories	22	1,355,000	1,355,000
Receivables	23	264,324,839	16,036,895
Cash and Cash Equivalents	24	273,023,560	43,410,474
Trustees Account	25	108,053,837	108,159,417
		<u>646,757,236</u>	<u>168,961,786</u>
Total Assets		<u>3,630,680,935</u>	<u>3,077,015,118</u>
Financed by:			
Current Liabilities			
Accounts Payable and Accruals	26	67,144,445	70,587,131
		<u>67,144,445</u>	<u>70,587,131</u>
Net Assets			
Accumulated Fund		253,819,894	120,999,795
Revaluation Reserve		1,204,907,081	1,204,907,081
Capital Reserve		2,104,809,515	1,680,521,111
Total Net Assets		3,563,536,490	3,006,427,987
Total Net Assets & Liabilities		<u>3,630,680,935</u>	<u>3,077,015,118</u>

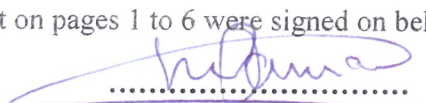
The Financial Statements set out on pages 1 to 6 were signed on behalf of the Board of Trustees by:



Irene Mureithi

Chief Executive Officer/Managing Trustee

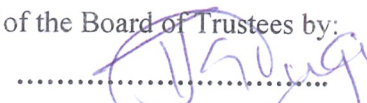
Date 28th April, 2023



Charles Maina

G.M Finance

Date 28th April, 2023



Joseph Gitau

Chairman, Board of Trustees

Date 28th April, 2023

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

	Accumulated Fund	Revaluation Reserves	Capital Reserves	Total
	KShs	KShs	KShs	KShs
Balance as at 1st July 2020	167,994,350	1,204,907,081	1,680,521,111	3,053,422,542
Capital Grants Received	-	-	-	-
Surplus (Deficit) for the Period.	(46,994,555)	-	-	(46,994,555)
Prior Year Adjustments relating to previous years)	-	-	-	-
Balance as at 30th June 2021	<u>120,999,795</u>	<u>1,204,907,081</u>	<u>1,680,521,111</u>	<u>3,006,427,987</u>
Balance as at 1st July 2021	120,999,795	1,204,907,081	1,680,521,111	3,006,427,987
Capital Grants Received	-	-	423,044,412	423,044,412
Surplus (Deficit) for the Period	132,820,099	-	-	132,820,099
Prior Year Adjustments relating to previous Years	1,193,912	-	50,080	1,243,992
Balance as at 30th June 2022	<u>255,013,806</u>	<u>1,204,907,081</u>	<u>2,103,615,603</u>	<u>3,563,536,490</u>

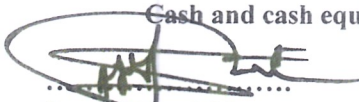
Nature and purpose of reserves

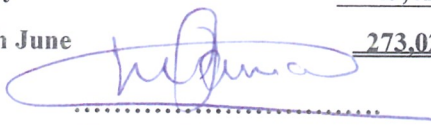
CWSK creates and maintains reserves in terms of specific requirements as follows

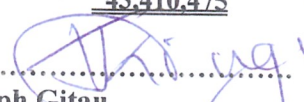
- i) Capital Reserve – this is used to record contribution made by Government in form of development grants transfers
- ii) Revaluation Reserve – this is used to indicate the re-valued amounts on the plant property and equipment, and any other adjustments on the same.

**16. STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022**

	2021/22	2020/21
	KShs	KShs
Cash flows from operating activities		
Net Surplus /(Deficit) for the year	132,820,099	(46,994,555)
Adjusted for item not involving movement of cash		
Depreciation	19,770,767	23,769,661
Unrealised Loss/(Gain) on investments	2,027,250	(1,555,500)
Operating Surplus/(Deficit) before Working Capital Changes	<u>154,618,116</u>	<u>(24,780,394)</u>
(Increase)/decrease in inventory	-	(1,355,000)
(Increase)/decrease in receivables	(248,287,944)	(10,740,200)
Increase/(decrease) in payables	(3,442,686)	(3,021,130)
Increase/(decrease) in Trustee Account	105,580	5,927,613
Net cash generated from operating activities	<u>(97,006,934)</u>	<u>(33,969,110)</u>
Investing activities		
Purchase of Fixed Assets	(97,668,384)	(12,891,718)
Cash from operating and investing activities	<u>(194,675,318)</u>	<u>(46,860,828)</u>
Financing activities		
Development Government Fund	423,044,412	-
Prior Year Adjustment relating to Previous Years	1,243,992	-
Net cash from financing and investing activities	<u>424,288,403</u>	<u>-</u>
Net cash in/(out) flow for the year	<u>229,613,085</u>	<u>(46,860,828)</u>
Cash and cash equivalents at 1st July	<u>43,410,475</u>	<u>90,271,303</u>
Cash and cash equivalents as at 30th June	<u>273,023,560</u>	<u>43,410,475</u>


Irene Mureithi
Chief Executive Officer/Managing Trustee
Date 28th April, 2023


Charles Maina
G.M Finance
Date 28th April, 2023


Joseph Gitau
Chairman, Board of Trustees
Date 28th April, 2023

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**17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT
FOR THE YEAR ENDED 30 JUNE 2022**

REVENUE	Original Budget		Adjustments		Final Budget		Actual		Performance difference
	2021-2022	KShs	2021-2022	KShs	2021-2022	KShs	2021-2022	KShs	
Government grants –									
Recurrent	1,500,000,000		(566,160,000)		933,840,000	933,840,000	933,840,000	-	0%
Government grants – Development	1,229,383,500		(783,294,676)		446,088,824	423,044,412	423,044,412	23,044,412	5%
Government grants – Moratorium	-		-		-	-	-	-	0%
Orphans and Vulnerable Children (OVC) Development	1,470,616,500		(1,470,616,500)		-	-	-	-	0%
Project Grants: Nakuru Lapsetry	-		-		-	20,275,871	20,275,871	(20,275,871)	0%
Donations/Other Incomes	-		-		-	2,487,057	2,487,057	(2,479,057)	0%
TOTAL INCOME	4,200,000,000		(2,820,071,176)		1,379,928,824	1,379,647,340	289,484	0%	
RECURRENT									
Programs Support Expenses	285,823,624		(117,219,326)		168,604,298	161,656,257	6,948,041	6,948,041	4%
Moratorium Expenses	213,344,429		(213,344,429)		-	-	-	-	0%
Family Strengthening and Tracing Programme	40,784,229		(35,674,229)		5,110,000	4,980,540	129,460	129,460	3%
Capital Expenditure	60,486,573		(24,486,573)		36,000,000	10,087,142	25,912,858	25,912,858	72%
Personnel Costs	998,231,947		(715,856,947)		282,375,000	267,384,473	14,990,527	14,990,527	5%
Trustees Expenses	2,600,000		7,400,000		10,000,000	7,566,985	2,433,015	2,433,015	24%
TOTAL RECURRENT EXPENDITURE	1,601,270,802		(1,099,181,504)		502,089,298	450,954,840	51,134,458	10%	
DEVELOPMENT PROGRAMME									
OVC DEVELOPMENT									
Capacity Building, Research and Advocacy Programme	138,485,720		(125,485,720)		13,000,000	9,044,655	3,955,345	3,955,345	30%
Education and Skills Development for Unreached Children at the Community Level	459,129,546		(332,029,546)		127,100,000	116,261,740	10,838,260	10,838,260	9%
Emergency, Preparedness Response Programs	187,286,023		(76,038,023)		111,248,000	99,048,835	12,199,165	12,199,165	11%
Temporary Places of Safety (including Children's Home) Programme	333,789,909		(179,320,207)		154,469,702	134,577,811	19,891,891	19,891,891	13%
Alternative Family Care	250,654,500		(224,721,500)		25,933,000	22,356,793	3,576,207	3,576,207	14%

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TOTAL OVC DEVELOPMENT PROJECTS DEVELOPMENT	1,369,345,698	(937,594,996)	431,750,702	381,289,834	50,460,868	12%
Upgrading CWSK Places of safety (Development projects)	1,229,383,500	(783,294,676)	446,088,824	87,581,242	358,507,582	0%
TOTAL PROJECTS DEVELOPMENT	1,229,383,500	(783,294,676)	446,088,824	87,581,242	358,507,582	0%
TOTAL CWSK BUDGET YEAR 2021/2022	4,200,000,000	(2,820,071,176)	1,379,928,824	919,825,915	460,102,909	33%

Variance Explanations

A Recurrent Expenditure

PROGRAMME/ACTIVITY

Government grants – Recurrent
Government grants - Development
Orphans and Vulnerable Children (OVC) Development
Government grants - Administration
RECURRENT
Programme Support Expenses

Family Strengthening & Family Tracing Programmes
Capital Expenditure
Personnel Costs

B DEVELOPMENT PROGRAMME

OVC DEVELOPMENT

Capacity Building, Research and Advocacy Programme
Education and Skills Development for Unreached Children at the Community Level
Emergency, Preparedness and Response Programmes
Temporary Places of Safety (including Children's Home) Programme
Alternative Family Care

Variance %	Variance Comments
0%	
4%	Exchequer Not Received
6%	Exchequer Not Received
2%	Exchequer Not Received
5%	Exchequer Not Received
30%	Exchequer Not Received
10%	Exchequer Not Received
11%	Exchequer Not Received
15%	Exchequer Not Received
15%	Exchequer Not Received

18. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value.

The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Society's accounting policies.

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

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

3. ADOPTION OF NEW AND REVISED STANDARDS

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

Standard	Impact
IPSAS 39: Employee Benefits	Applicable: 1st January 2019 The objective to issue IPSAS 39 was to create convergence to changes in IAS 19 Employee benefits. The IPSASB needed to create convergence of IPSAS 25 to the amendments done to IAS 19. The main objective is to ensure accurate information relating to pension liabilities arising from the defined benefit scheme by doing away with the corridor approach.

- ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022

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

- iii. Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2022.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

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

Transfer from Other Government Entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Rental income

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

Other Income

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

b) Taxes

i) Current income tax

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

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

ii) Deferred tax

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

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

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

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

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

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

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

c) Property, plant and equipment

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

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

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

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

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

d) Intangible assets

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

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

e) Inventories

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

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

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

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

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

f) Provisions

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

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

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

Contingent liabilities

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

Contingent assets

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

g) Nature and purpose of reserves

The Society creates and maintains reserves in terms of specific requirements as follows: (i) capital reserve - used to record contribution made by government in form of grants / transfers

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

h) Changes in accounting policies and estimates

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

i) Employee benefits

Retirement benefit plans

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

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

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

j) Cash and cash equivalents

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

k) Budget information

The National Assembly approved the original budget for FY 2021-2022 on 10 June 2021. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 17 of these financial statements.

l) Comparative figures

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

m) Subsequent events

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

n) Trustees Account

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

o) Financial management risk and objectives

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

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Society based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future

developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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

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

Changes in the market in relation to the asset

Provisions

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

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

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

6. TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the Entity sending the grant	Amount recognized to Comprehensive Income	Amount to deferred of deferred income	Amount recognized in capital fund	Total grant income during the year	2020-2021
	KShs	KShs	KShs	KShs	KShs
Ministry of Labour and Social Protection	933,840,000	-	423,044,412	1,356,884,412	492,340,000
Total	933,840,000	-	423,044,412	1,356,884,412	492,340,000

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Levies, Fines and Penalties

Description	2021-2022	2020-2021
	KShs	KShs
Fuel levy	-	-
Other levies (Specify)	-	-
Fines	-	-
Penalties	-	-
Total	-	-

8. Public Contributions and Donations

Description	2021-2022	2020-2021
	KShs	KShs
The Green Belt Movement	-	-
Health donations	-	-
Research donations	-	-
Other public donations (specify)	-	-
Total transfers and sponsorships	-	-
Reconciliation of public contributions and donations		
Balance unspent at beginning of the year	-	-
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
Conditions to be met - remain liabilities	-	-

9. Property Taxes Revenue

Description	2021-2022	2020-2021
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	KShs	KShs
Taxable land and buildings		
Residential	-	-
Commercial	-	-
State	-	-
Penalties	-	-
Sub- total property and taxes	-	-
Income forgone	-	-
Total property taxes revenue	-	-

10. Licenses, Fees and Permits

Description	2021-2022	2020-2021
	KShs	KShs
Licenses	-	-
Fees	-	-
Permits	-	-
Total	-	-

(Provide brief explanation for this revenue)

11. Rendering Of Services

Description	2021-2022	2020-2021
	KShs	KShs
Waste management (solid waste)	-	-
Waste management (sewerage and sanitation)	-	-
Service fees	-	-
Water quality	-	-
Quality assurance	-	-
Total revenue from the rendering of services	-	-

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12. Sale of Goods

Description	2021-2022	2020-2021
	KShs	KShs
Sale of goods		
Sale of electricity	-	-
Sale of water	-	-
Sale of books	-	-
Sale of publications	-	-
Other (include in line with your organisation)	-	-
Total revenue from the sale of goods	-	-

13. Rental Revenue from Facilities and Equipment

Description	2021-2022	2020-2021
	KShs	KShs
Operating lease revenues	-	-
Staff houses	-	-
Contingent rentals*	-	-
Total rentals	-	-

14. Finance Income

Description	2021-2022	2020-2021
	KShs	KShs
Cash investments and fixed deposits	-	-
Interest income from Treasury Bills	-	-
Interest income from Treasury Bonds	-	-
Interest from outstanding debtors	-	-
Total finance income	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. (a) OTHER GRANTS

Description	2021-2022	2020-2021
	KShs	KShs
Project Grants: Nakuru Lapsetry	20,275,871	16,202,855
Project Grants: Katian Diesel	-	-
Donations/Other Incomes	1,805,425	1,904,647
Total other grants	22,081,296	18,107,502

15(b) OTHER INCOME

Description	2021-2022	2020-2021
	KShs	KShs
Interest Received	5,562	7,406
Dispensary Income	18,990	118,500
School Tuition Fees	2,684,330	1,170,700
Unrealized (Loss)/ gains on investments	(2,027,250)	1,555,500
Total other income	681,632	2,852,106

16. COMPENSATION OF EMPLOYEES

Description	2021-2022	2020-2021
	KShs	KShs
Basic salaries	232,007,011	212,225,138
Allowances	34,648,862	19,157,157
NSSF employer contribution	728,600	918,200
Total Employee costs	267,384,473	232,300,495

17. DIRECTORS EXPENSES

Description	2021-2022	2020-2021
	KShs	KShs
Chairman's Honoraria	915,000	1,131,000
Sitting allowances	1,280,000	1,681,850
Medical Insurance	-	-
Induction and Training	-	-
Travel and accommodation	106,510	323,500
Other members allowances	5,265,475	1,686,500
Total director's emoluments	7,566,985	4,822,850

18. PROGRAM SUPPORT EXPENSES

Description	2021-2022	
	KShs	KShs
Programs support Expenses	141,164,933	67,390,543
Total Program Support Expenses	141,164,933	67,390,543

18. a Finance Costs

Description	2021-2022	
	KShs	KShs
Bank Charges	1,577,535	382,770
Mpesa Charges	47,762	74,144
Total Finance Costs	1,625,297	456,914

19. OVC DEVELOPMENT EXPENDITURE

Description	2021-2022	2020-2021
	KShs	KShs
Capacity building & Institutional strengthening	9,044,655	118,210
Education & skills development	116,261,740	55,663,284
Emergency Response	99,048,835	61,255,396
Family tracing & reunification	2,380,540	1,468,700
Alternative Family Care	22,356,793	13,030,864
Temporary places of safety	134,577,811	100,017,246
OVC Without Families	2,600,000	-
Total OVC Expenses	386,270,374	231,553,700

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20. . PROPERTY, PLANT AND EQUIPMENT

Description	Land	Buildings	Motor vehicles	Computers	Furniture and Equipment	Construction in progress	TOTALS
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
COST							
At 1 July 2020	1,151,313,276	216,522,083	151,319,965	18,245,427	58,465,773	1,468,377,957	3,064,244,481
Additions	-	3,981,600	106,500	71,200	3,735,450	4,996,968	12,891,718
At 30 June 2021	<u>1,151,313,276</u>	<u>220,503,683</u>	<u>151,426,465</u>	<u>18,316,627</u>	<u>62,201,223</u>	<u>1,473,374,925</u>	<u>3,077,136,199</u>
DEPRECIATION							
At 1 July 2020	-	17,530,167	98,065,652	11,085,062	23,840,700	-	150,521,582
Charge for the year	-	3,979,838	13,313,578	2,148,111	4,328,134	-	23,769,661
At 30 June 2021	-	21,510,005	111,379,231	13,233,174	28,168,834	-	174,291,242
NBV at 30 June 2021	<u>1,151,313,276</u>	<u>198,993,678</u>	<u>40,047,234</u>	<u>5,083,453</u>	<u>34,032,389</u>	<u>1,473,374,925</u>	<u>2,902,844,957</u>
COST							
At 1 July 2021	1,151,313,276	220,503,683	151,426,465	18,316,627	62,201,223	1,473,374,925	3,077,136,199
Additions	-	-	-	1,516,150	8,570,992	87,581,242	97,668,384
Capitalization of walls	-	26,870,090	-	-	-	(26,870,090)	-
At 30 June 2022	<u>1,151,313,276</u>	<u>247,373,773</u>	<u>151,426,465</u>	<u>19,832,777</u>	<u>70,772,215</u>	<u>1,534,086,077</u>	<u>3,174,804,583</u>
DEPRECIATION							
At 1 July 2021	-	21,510,005	111,379,231	13,233,174	28,168,834	-	174,291,244
Charge for the year	-	3,979,874	10,011,809	1,525,036	4,254,049	-	19,770,767
At 30 June 2022	-	<u>25,489,879</u>	<u>121,391,039</u>	<u>14,758,210</u>	<u>32,422,883</u>	-	<u>194,062,009</u>
NBV at 30 June 2022	<u>1,151,313,276</u>	<u>221,883,894</u>	<u>30,035,426</u>	<u>5,074,567</u>	<u>38,349,332</u>	<u>1,534,086,077</u>	<u>2,980,742,574</u>

21. INVESTMENTS

Description	2021-2022	2020-2021
	KShs	KShs
a) Equity investments (specify)		
127500 Safaricom Limited Shares @KShs.5.00	5,208,375	3,652,875
Revaluation (Loss)/surplus as at 30th June (2022: Kshs 24.95; 2021: Kshs 40.85)	(2,027,250)	1,555,500
Total investments	3,181,125	5,208,375

22. INVENTORIES

Description	2021-2022	2020-2021
	KShs	KShs
Beddings & Cutlery	1,355,000	1,355,000
Tiles	-	-
Roof Trusses	-	-
EPS panels	-	-
Iron Sheets	-	-
Cement	-	-
Paints	-	-
Electrical cables	-	-
Total inventories at the lower of cost and net realizable value	1,355,000	1,355,000

23. RECEIVABLES

Description	2021-2022	2020-2021
Current receivables	KShs	KShs
Deposits refundable	10,617,719	7,658,413
Social protection Quarter 4 disbursement	233,460,000	-
Staff debtors	20,247,120	8,378,482
Total current receivables	264,324,839	16,036,895

24. CASH AND CASH EQUIVALENTS

Description	2021-2022	2020-2021
	KShs	KShs
Current account	271,390,938	39,171,684
Others(Petty cash)	1,632,621	4,238,790
Total cash and cash equivalents	273,023,560	43,410,474

DETAILED ANALYSIS OF THE CASH AND CASH EQUIVALENTS

		2021-2022	2020-2021
Financial Institution	Account number	KShs	KShs
KCB Bank HQ	1267069430	89,029,739	987,837
Sidian (formerly K-Rep) Bank(USD)	10030100027	205,422	213,047
Sidian (formerly K-Rep) Bank(KShs)	10030200057	4,607,422	1,014,352
Bank of Africa-ArapMoi 0004	8013140004	191	155,848
Bank of Africa-ArapMoi 0012	8013150012	(3,528)	2,107,978
Bank of Africa Bungoma branch	2605510009	25,070	118,389
Bank of Baroda-Kisumu branch	95850100001696	-	49,404
BBK – CPB	948522934	(81,787)	-

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BBK- Nanyuki Children's Home	948527389	34,580	56,231
BBK-Kisii Children Home	81053979	1,793,016	218,057
BBK - Embu		-	590,000
BBK - Nanyuki branch	308017389	(81,384)	(3,095)
BBK 1330	948551330	1,901,005	3,467,715
BBK Fin 8484	941258484	4,358,966	12,408
BBK HQ 8468	941258468	3,340,760	1,467,618
BBK Isiolo		-	451,278
BBK Mama Ngina	948003112	4,002,987	500,000
BBK Murang'a 1137(Donation a/c)	2026601137	2,528,856	3,922,977
BBK TBP 1349	948551349	139,755,708	131,620
Coop Bank A/c 6900		-	(56,276)
DTB NakuruAra pMoi 5123		-	171,218
Equity Bank EURO 458	1470262150 458	283,813	283,813
Equity- CWSK- Kisii 8384	1470262758 384	1,448,180	1,035,706
Equity Bank- Bungoma 6992	4802999369 92	20,716	1,394,947
Equity Bank (Towa)488	1502952824 88	521,560	1,905

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Equity Bank A/c 416	1502918984 16	407,332	407,332
Equity Bank CESVI EURO 478	1470262150 478	3,014,633	3,014,633
Equity Bank Development 4154	1470262374 154	1,732,602	1,334,417
Equity Bank KSHS(CESVI)271	1470262150 271	1,553,665	153,370
Equity Bank Murang'a 7226	2202999372 26	253,595	1,346,108
Equity bank supreme 225	1470262150 225	26,175	25,790
Equity Bank USD 36	1502918984 36	88,584	88,584
Equity Off A/c 458	1502918984 58	438,975	438,975
Equity salary Account - 253	1470262150 253	667,754	29,754
Family Bank Bungoma		-	442
KCB Bungoma branch	1126858692	1,284,265	4,508,039
Mama Ngina - Equity Bank		-	41,000
NBK Mji Wa Salama	1038075304 600	6,954,314	7,891,804
Standard Chartered Mombasa		1,277,225	1,598,462
Total		271,390,938	39,171,684

25. TRUSTEES ACCOUNT

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

Description	2021-2022	2020-2021
Trustees Account	KShs	KShs
Bal B/f	108,159,417	114,087,030
Trustees Injections/Drawings/Reversals	(105,580)	(5,927,613)
Total Trustees Account	108,053,837	108,159,417

26. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2021-2022	2020-2021
	KShs	KShs
Operations	19,718,619	27,936,450
Staff creditors	818,434	13,738,418
Salary deductions	46,607,392	28,912,263
Total trade and other payables	67,144,445	70,587,131

27. CASH GENERATED FROM OPERATIONS

	2021-2022	2020-2021
Surplus for the year before tax	KShs	KShs
Surplus for the year before tax	132,820,099	(46,994,555)
Adjusted for:		
Depreciation	19,770,767	23,769,661
Unrealized Loss/(Gain) on Investments	2,027,250	(1,555,500)
Finance cost	-	-
Increase in inventory	-	(1,355,000)
Increase in receivables	(248,287,944)	(10,740,200)
Increase in Trustees account	105,580	5,927,613
Increase in deferred income	-	-
Increase in payables	(3,442,686)	(3,021,130)
Increase in payments received in advance	-	-
Net cash flow from operating activities	(97,006,934)	(33,969,110)

28. FINANCIAL RISK MANAGEMENT

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

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

(i) Credit risk

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

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

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

The board of directors sets the company's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

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

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

(iii) Market risk

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

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

financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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

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

29. EVENTS AFTER THE REPORTING PERIOD

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

30. ULTIMATE AND HOLDING ENTITY

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

31. CURRENCY

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

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	PPE, Ownership of Documents(Land Title Deeds	Progress has been registered in some of the properties.	C.E.O	Work In Progress	
2.0	Petty cash	Provision has been done for the unrecoverable petty cash from staff who left.	Finance officer	Done	
3.0	Receivables	Long Outstanding receivables. Provision has been done for the unrecoverable Debtors.	Finance officer	Done	
4.0	Outstanding PAYE	PAYE of Ksh 18,954,676 are penalties and Interests which waiver of the same is being worked on.	Finance Officer	Work In Progress	F/Y2022/23
	Unanalyzed payables of Ksh.1,485,670	This was as a result of double postings and journals have been done to reverse the same.	Finance Officer	Done	
	Outstanding statutes Ksh 694,693	This was as a result of double postings and journals have been done to reverse the same(NSSF, HELB, NHIF). For Britam, cheques were issued but never banked therefore became stale. Payment for Britam amounting to Ksh 488,208 this has been paid in Dec 2022	Finance Officer	Done	

Guidance Notes:

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



Irene Mureithi
Chief Executive Officer/ Managing Trustee

Date.....*28th April, 2023*.....