

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF



THE AUDITOR-GENERAL

ON

**STREET FAMILIES REHABILITATION TRUST
FUND**

**FOR THE YEAR ENDED
30 JUNE, 2024**

**STATE DEPARTMENT FOR SOCIAL PROTECTION
AND**

SENIOR CITIZENS AFFAIRS

| | |
|-----------------------|--|
| THE NATIONAL ASSEMBLY | |
| DATE: | 14 MAR 2025 |
| | FRIDAY |
| TABLED BY: | DEPUTY MAJORITY LEADER CHON OWEN BAYA, MP |
| CLERK-AT-THE-TABLE: | IRENE NDUKU |

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

13 DEC 2024

RECEIVED



REPUBLIC OF KENYA

**MINISTRY OF LABOUR AND SOCIAL PROTECTION
STATE DEPARTMENT FOR SOCIAL PROTECTION AND
SENIOR CITIZENS AFFAIRS**

STREET FAMILIES REHABILITATION TRUST FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDING

30TH JUNE, 2024

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

*State Department for Social Protection and Special Programmes
Street Families Rehabilitation Trust Fund
Annual Report and Financial Statements for the year ended June 30, 2024.*

TABLE OF CONTENTS

| | |
|---|--------|
| 1. ACRONYMS, ABBREVIATIONS AND GLOSSARY OF TERMS..... | iii |
| 2. KEY ENTITY INFORMATION AND MANAGEMENT | iv |
| 3. THE BOARD OF TRUSTEES | viii |
| 4. KEY MANAGEMENT TEAM..... | xv |
| 5. CHAIRPERSON'S STATEMENT | xviii |
| 6. REPORT OF THE FUND ADMINISTRATOR..... | xx |
| 7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR F/Y 2023/24 | xxii |
| 8. CORPORATE GOVERNANCE STATEMENT..... | xxvi |
| 9. MANAGEMENT DISCUSSION AND ANALYSIS..... | xxxii |
| 10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING..... | xxxv |
| 11. REPORT OF THE TRUSTEES/ FUND ADMINISTRATION COMMITTEE..... | xxxvii |
| 12. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES | xxxix |
| 13. REPORT OF THE INDEPENDENT AUDITOR FOR THE FINANCIAL STATEMENTS OF SFRTF .. | xli |
| 14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2024 | 1 |
| 15. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2024 | 2 |
| 16. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30TH JUNE 2024 | 3 |
| 17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2024 | 4 |
| 18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2024 | 5 |
| 19. NOTES TO THE FINANCIAL STATEMENTS..... | 6 |

1. ACRONYMS, ABBREVIATIONS AND GLOSSARY OF TERMS

A: Acronyms and Abbreviations

| | |
|-------|--|
| CEO | Chief Executive Officer |
| SFRTF | Street Families Rehabilitation Trust Fund |
| DG | Director General |
| CBK | Central Bank of Kenya |
| ICPAK | Institute of Certified Public Accountants of Kenya |
| IPSAS | International Public Sector Accounting Standards |
| MD | Managing Director |
| NT | National Treasury |
| OCOB | Office of the Controller of Budget |
| OAG | Office of the Auditor General |
| OSHA | Occupational Safety and Health Act of 2007 |
| PFM | Public Finance Management |
| PPE | Property Plant & Equipment |
| PSASB | Public Sector Accounting Standards Board |
| SAGAs | Semi-Autonomous Government Agencies |
| SC | State Corporations |
| WB | World Bank |
| VC | Vice Chancellor |

B: Glossary of Terms

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

Comparative Year- Means the prior period.

2. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background Information

The Street Families Rehabilitation Trust Fund (SFRTF) is a body corporate established on 11th March, 2003 through a Gazette Notice No. 1558. The key objective of the fund is to spearhead national government response to restore dignity to street families. The strategic goals of the Trust Fund are to safeguard and promote the rights of street families and to address the concerns of all homeless, destitute and vulnerable people in urban areas.

The mandate of the Trust Fund is to:

- ❖ Coordinate rehabilitation Programmes for street families
- ❖ Conduct public education on street families issues
- ❖ Mobilize resources, fundraise and receive donations and fund street families rehabilitation programmes,
- ❖ Managing donations for the rehabilitation of street families through a trust fund
- ❖ Monitoring disbursement and expenditure of funds
- ❖ Advise the government and other relevant agencies on matters relating to the rehabilitation of street families.

Vision: A country free of street families.

Mission: To coordinate, develop capacity and mobilize resources to facilitate and monitor rescue, rehabilitation, reintegration and resocialization programmes for street families.

Strategic Objectives

1. Build knowledge base on the plight of street families
2. Develop and implement policies on rehabilitation of street families

State Department for Social Protection and Special Programmes
 Street Families Rehabilitation Trust Fund
 Annual Report and Financial Statements for the year ended June 30, 2024.

3. Establish and manage a fund for rescue, rehabilitation, re-integration and resocialization Programmes for street families.
4. Design systems and structures for effective implementation rescue, rehabilitation, re-integration and resocialization programmes
5. Lobbying and advocacy.
6. Institutional strengthening of Street Families Rehabilitation Trust Fund and implementing partners for effective programming.
7. Enact relevant legislation on issues of street families
8. Strategic planning, monitoring and evaluation
9. Develop and manage database on street families

(b) Key Management

The Secretary/Chief Executive Officer provides leadership to a Secretariat that manages the operations of the Trust Fund.

| SN | Position | Name |
|----|-----------------------------|------------------|
| 1 | Fund Manager/ Administrator | Caroline Towett |
| 2 | Fund Accountant | Bernard Sambwami |
| 3. | Other (<i>specify</i>) | |

(c) Fiduciary Management

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

*State Department for Social Protection and Special Programmes
Street Families Rehabilitation Trust Fund
Annual Report and Financial Statements for the year ended June 30, 2024.*

| S/No | Names | Title designation | Responsibilities |
|------|-------------------------|-------------------------------------|--------------------------------------|
| 1. | Joseph Motari | Principal Secretary | Accounting Officer |
| 2. | Caroline Towett | Ag. CEO | Ag.CEO/Secretary to the board |
| 3. | Bernard Sambwami | Senior Deputy Accountant General | Head Accounting Unit |
| 4. | Batista Osano Nyang'ara | Chief Finance Officer | Head Finance Unit |
| 5. | Felister Ngang'a | Procurement Officer | Head Supply Chain Management Unit |

(d) Fiduciary Oversight Arrangements

The Board of Trustees of Street Families Rehabilitation Trust Fund plays an oversight role on the management of Trust Fund's resources, with the help of ministerial Audit, Finance and Budget committee

(e) Trust Fund Headquarters

Tourism Fund Building
P.O Box 40326-00100
Tourism Fund Building,
Bishops Road
Nairobi, Kenya

(f) Trust Fund Contacts

Telephone: 0722-257486
E-mail: ceo.sfrtf@gmail.com

(g) Bankers

1. Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

Nairobi, Kenya

(h) Independent Auditors

Auditor General

Office of the Auditor general

Anniversary Towers, University Way

P.O. Box 30084-00100

Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

3. THE BOARD OF TRUSTEES



Hon. Mary Wambui Munene was born on 20th June 1952 She is an experienced, dedicated and passionate leader and entrepreneur, having worked with corporate organizations, non-profit and Government agencies on social welfare and social justice across Kenya, where she has been positively influencing, motivating, mentoring and leading various projects and events successfully.

Hon. Mary is the former Member of the National Assembly for Othaya Constituency (2013-2017); currently the Director FIGAROS Limited (2007 to date); former Secretary, Maendeleo ya Wanawake, Nyeri; and formerly the Administrator and Coordinator, KANU Nyeri Branch (1974-1983). She also previously worked as a teacher at Mukima and Chinta Primary Schools in Laikipia County.

Hon. Mary holds a Bachelor of Business Administration in Business Management Degree from SMC University & Swiss Management Centre and Higher National Diploma from Stratford Business School. She is a Fellow at Institute of leadership management (Membership No. 10430110).

Currently, besides being the Chairperson of the Street Families Rehabilitation Trust Fund, Hon. Mary is a Board member and a Trustees of Computer for Schools, Mahiga Girls High School, Gakuyu Secondary School and Munyange Secondary School. She has been very instrumental in conflict resolution and peace building in various parts of the country.



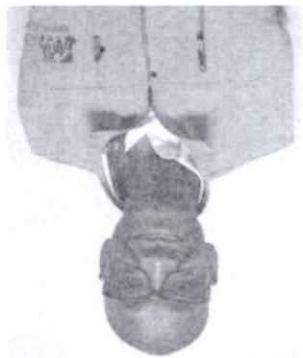
Mr. Ahmed Hussein Ahmed was born on 29th August, 1955. He is an accomplished and result driven individual who has grown through positions in the public service of increasing challenges and responsibility since 1977.



He became Director of Children's Services on March 20015 up to June 2015 where he provided leadership, guidance and direction to the entire Department of Children Services in the country. Mr. Ahmed was also the Secretary to the National Council for Children's Services, National Adoption Committee, Counter Trafficking in Person's Advisory Board National Assistance Trust Fund for Victims of Trafficking of Persons and the National Steering Committee for Orphans and Vulnerable Children.


Mr. Ahmed holds a Post-graduate Diploma in Psychological Counselling from the Institute of Healthcare Administration- India and a Certificate in Early childhood teachers training from the Kenya Institute of Education.



Currently, besides being a Trustee, he is also the Chairman of the Board for Governors for Wamy High School-Nairobi, Arabuko High School in Kilifi, NEP Mewa College of Professional Studies Mombasa and NEP College of Health Science. Mr. Ahmed is also the Chairman of Kenya Association of Retired Officers (KARO) Nairobi.

Ahmed is a non-executive trustee and Chair of the Programmes Committee and a member of Finance and Administration Committee.

| | |
|---|--|
| <p>Hudson Nyabuto was born on 1st January, 1959. He is a Business Consultant/Finance Advisor with extensive experience in Financial Management, Portfolio Management, Property Acquisition, Real Estate Financing and Real Estate Development within the public and private sectors with a proven track record of accomplishments in investment management, strategic planning, business development and relationship management. He is a highly effective negotiator and communicator with great people skills along with strong leadership, problem solving and decision-making abilities and an eye for the bottom-line.</p> <p>Mr. Nyabuto holds MBA (Major: Accounting and Finance) - University of Nairobi, Kenya CPA (K) - Institute of Certified Accountants of Kenya and a Bachelor of Science (S/App. M) - University of Nairobi, Kenya</p> <p>Mr. Nyabuto has worked in different capacities in various organizations which include: Finance Manager at Urban and Rural Construction Company Limited; General Manager – Accounts USAID, Kenya; Senior Accountant Mitchell Cotts (K) Limited; Group Internal Auditor Tratoria Limited; Senior Auditor at Sharma & Sharma (Under Grant Thornton International); and Audit Assistant, Coopers & Lybrand (Now PricewaterhouseCoopers);</p> <p>He is currently a Kenyan Partner at Stag African and Surge Infrastructure Development Limited. He is also a member of Certified Public Accountant (K) Ltd.</p> <p>Mr. Nyabuto is a non-executive trustee, Chair of the Audit Committee and a member of Advocacy and Communication Committee</p> |  |
|---|--|



| | |
|---|---|
|  | <p>Emma Wanjiku Ndirangu was born on 1st January, 1971. She is a dedicated leader and entrepreneur with a strong commitment to enhancing participatory democracy, sustainable development and social justice. With a diverse career spanning over two decades, she has successfully balanced her roles as a businesswoman and a public servant. From 2017 to 2022, Wanjiku served as a Member of the County Assembly in Kiambu County, where she actively contributed to local governance and community development.</p> <p>Ms Wanjiku who holds a Diploma in Project Management, is a successful business person and has a proven record of mentorship programmes for upcoming entrepreneurs.</p> <p>Before her tenure in public office, Wanjiku was deeply involved in her community through various board roles, including serving on the Constituency Development Fund Committee and the Constituency Roads Committee in Thika Town. Additionally, she played a pivotal role as a board member at Thika Girls Karibaribi from 2015 to 2018, advocating for quality education and infrastructure development.</p> <p>Emma is a non-executive trustee, a member of the Programmes and Finance and Administration Committees.</p> |
|  | <p>Nancy A. Oranga who was born on 31st December, 1991 is a highly meticulous and reliable professional with a strong background in sales, marketing and research.</p> <p>She holds a Bachelors degree in Business Studies which has enabled her to attain a proven work experience as a Sales Representative in renowned hotels.</p> |

| | |
|---|---|
| | <p>Nancy is passionate about community development and has contributed to various initiatives, including serving as a Research Assistant on a UNICEF project and participating in local governance. With a strong desire to further her education and expertise, Nancy aims to continue making a positive impact on society and future generations.</p> <p>Nancy is a non-executive trustee, Chair of the Advocacy and Communication Committee and a member of the Audit Committee.</p> |
|  | <p>John Paul Kireria Mwobobia was born in 1979. He is an accomplished and result driven individual who has been a community leader through various positions.</p> <p>John Paul holds a diploma in Human Resource Management from Mt. Kenya University and a Certificate in County governance from Jomo Kenyatta University of Agriculture and Technology.</p> <p>John Paul Kireria Mwobobia has been a long serving Member of County Assembly Meru County for a period of ten years between 2013 to 2022 and before devolution he was a Councilor in the Meru Municipal Council between 2011 to 2013. He was a member of County Assemblies Forum [CAF] while at Meru assembly. He also served a Public Investments Accounts Committee Vice Chair for two terms.</p> <p>John Paul is a non-executive trustee, Chair of the Finance and Administration Committee and a member of the Programmes Committee</p> |

| | |
|---|---|
| <p>Susan Muthoni Ngigi is a is the alternate member to the Principal Secretary, Ministry of Finance and Planning (The Treasury). She is a Human Resource professional and a Member of Institute of Human Resources Management (IHRM).</p> <p>Susan holds a Bachelor degree in Sociology and Geography from Kenyatta University, Diploma in Business Management from Kenya Institute of Management (KIM) and a Higher Diploma in Human Resources Management from College of Human Resources Management (CHRM).</p> <p>She also holds Professional certificates in: Senior Management, Human Resources Management and Development and HR Analytics. Susan is a Mental Health Champion under the programme in the State Department for Public Service.</p> |  |
| <p>Gladys Ngaruya was born on 26th October 1991. She is the Alternate to the Principal Secretary, State Department for Social Protection in the Board. She is an Assistant Secretary at the Ministry of Labour and Social Protection.</p> <p>Gladys holds a Bachelor of Business Information Technology (BBIT) from Jomo Kenyatta University of Agriculture and Technology. She is an experienced and self-motivated administrator.</p> <p>Gladys has strong organizational and interpersonal skills with the ability to prioritize, multitask and work under pressure. She is self-motivated, able to work both independently to complete tasks and a good team player.</p> |  |

| | |
|---|--|
| | <p>She is result oriented and she has a proven track record of working collaboratively with other team members. She utilizes excellent leadership skills to spearhead internal communication initiatives.</p> |
|  | <p>Caroline C. Towett was borne on 10th December,1970. She is a psychologist. She holds a Master of Public Administration degree from University of Nairobi, Bachelor's degree (Psychology Special) from Gujarat University, Ahmedabad India.</p> <p>Caroline has over 20 years' experience in working in the children protection sector. She has been in charge of two statutory institutions dealing with children and youth under the Juvenile Justice System overseeing management of rehabilitation programs and psychosocial support services for both children and their families. She has been involved in the development of policies and guidelines related to rehabilitation and treatment of children and youth in conflict with the law. She has expertise in policy formulation and implementation, resource mobilization, management of partnerships and conflict resolutions.</p> <p>In her work, Caroline has interacted with stakeholders that include line Ministries, County Governments, Development Partners, Civil Society Organizations, Faith based organizations among others. She has sat in many Task Forces and Committees, latest being National Council of Administration of Justice on Child Matters and Taskforce on Policy, Legal, Institutional and Administrative Reforms Regarding Intersex Persons of Kenya. She has also been involved in a number of researches and public awareness forum. Currently she is the Acting Chief Executive Officer at the Street Families Rehabilitation Trust Fund. She is the AIE holder and the Secretary to the board of Trustees.</p> |

4. KEY MANAGEMENT TEAM

| | |
|---|---|
|  | <p>Mr. Joseph Mogosi Motari is the Principal Secretary, State Department for Social Protection and Senior Citizen Affairs in the Ministry of Labour and Social Protection.</p> <p>He is a seasoned career civil servant specialized in Public Administration and Governance. Preceding his appointment as Principal Secretary on 5th December, 2022, he was the Director Administration in the then State Department for Post Training and Skills Development, Ministry of Education from May 2022. Earlier he had served as the Senior Deputy Secretary in the State Department for Gender in the Ministry of Public Service, Youth and Gender Affairs between May, 2019 and May, 2022, and as Deputy Secretary from March 2019 to May 2019 in the same station.</p> |
|  | <p>Mr. Batista O.M Nyang'ara, MBA, CPA [K] is a Senior/Chief Finance Officer and Head of Finance in the State Department for Social protection and Senior Citizen Affairs. He holds a Masters of Business Administration [MBA] Degree, and is a Certified Public Accountant, and a Member of the Institute of Certified Public Accountants of Kenya [ICPAK] and the Kenya Institute of Management [KIM].</p> <p>The Main Functions of Finance Department entails Budgetary Supply Matters; Processing of Annual Forward and Revised Estimates; issuance of Authority to Incur Expenditure (AIE); Expenditure Forecasts and Monitoring; Prioritization of Projects and activities for the purpose of Financial Allocations in the Budget; oversight of Commitment of funds and Expenditure</p> |

*State Department for Social Protection and Special Programmes
 Street Families Rehabilitation Trust Fund
 Annual Report and Financial Statements for the year ended June 30, 2024.*

| | |
|---|---|
| | <p>Trends, Budget Monitoring and Reporting, Reallocation within the Budget and the overall Financial Management and Control of Voted Funds.</p> <p>He has a track record in the Public Service spanning over thirty Years [30] with hands-on experience and competences in Finance Management, Budget Formulation and implementation, Corporate Governance, Resource Mobilization, Policy Formulation, Financial Analysis and Reporting, Risk Management and Finance Systems Review [IFMIS] & Business Re-Engineering.</p> |
|  | <p>Caroline Towett has over 20 years' experience in working in the children protection sector. She has been in charge of two statutory institutions dealing with children and youth under the Juvenile Justice System overseeing management of rehabilitation programs and psychosocial support services for both children and their families. She has been involved in the development of policies and guidelines related to rehabilitation and treatment of children and youth in conflict with the law. She has expertise in policy formulation and implementation, resource mobilization, management of partnerships and conflict resolutions.</p> <p>Currently she is the Acting Chief Executive Officer at the Street Families Rehabilitation Trust Fund. She is the AIE holder and the Secretary to the Board of Trustees.</p> |
| | <p>Benard Sabwami is a Senior Deputy Accountant General</p> |



Felista Njoki Ngángá Supply Chain Management professional with vast experience in the Public Procurement domain. She is a Deputy Director- Supply Chain Management Services, heading the Supply Chain Management Unit in the State Department for Social Protection and Senior Citizens Affairs.

Felista holds an MBA (Strategic Management Option)- Kenya Methodist University, Bachelor of Commerce (Business Administration Option)- The University of Nairobi and a Diploma in Purchasing & Supplies- Kenya Institute of Management

She has a vast experience of nineteen (19) years spanning across diverse Government Ministries and Departments including the Ministry of Interior; The National Treasury and Planning; State department for Transport; Ministry of Energy and the State law Office.

Felista is a member of the Kenya Institute of Supplies Management and the Kenya Institute of Management.

5. CHAIRPERSON'S STATEMENT

The Street Families' Rehabilitation Trust Fund was established on 11th March 2003 by the Local Government Act CAP 265 through a Legal Gazette Notice No. 1558 to address the concerns of all homeless, destitute and vulnerable persons in urban areas. It was registered as a body corporate in August 2010 under the Trustees (Perpetual Succession) CAP 164 Laws of Kenya (LoK). The Trust Fund (SFRTF) is domiciled in the State Department of Social Protection, Ministry of Labour and Social Protection.

The Trust Fund is managed by a Board of Trustees (BOT) composed of a Chairperson and members drawn from diverse fields. The mandate of the Trust Fund include: The mandate of the Trust Fund is to Coordinate rehabilitation programmes for street families, Conduct public education on street families issues, Mobilize resources, fundraise and receive donations and fund street families rehabilitation programmes, Managing donations for the rehabilitation of street families through a trust fund, Monitoring disbursement and expenditure of funds, Advise the government and other relevant agencies on matters relating to the rehabilitation of street families.

In order to realize its mandate, the Trust Fund partners with stakeholders that include line ministries, County Governments, development partners, Non-Governmental organizations, Faith Based Organizations, Civil society Organizations, reformed street persons volunteers, among others to undertake rescue, rehabilitation, reintegration and re-socialization of street families.

During the financial year 2023/2024, a total of Kshs.60,209,929 (Sixty million, two hundred nine thousand, nine hundred twenty nine shillings) was disbursed to 29 institutions across the country to facilitate rescue, rehabilitation, reintegration and resocialization of street families.

The Trust Fund also finalized the National Policy on Rehabilitation of Street Families and is ready for dissemination and implementation.

In order to create synergies, the Trust Fund shall establish County Chapters across the 47 counties. This will bring together key stakeholders to address the plight of street families with an aim of harnessing resources and enhancing effectiveness of program implementation at the county level. In the year under review, the Trust Fund established twelve (12) County Chapters in Migori, Siaya, HomaBay, Kajiado, Kiambu, Makueni, Murang'a, Taita Taveta, Baringo, Samburu, Kitui and

*State Department for Social Protection and Special Programmes
Street Families Rehabilitation Trust Fund
Annual Report and Financial Statements for the year ended June 30, 2024.*

Laikipia. The Trust Fund has continuously undertaken rescue of the homeless street persons to cushion them from the effects of the hardships in the streets. A total of 4,805 homeless persons were rescued and placed in institutions partnering with the Trust Fund.



HON. MARY WAMBUI MUNENE

CHAIRPERSON BOARD OF TRUSTEES

6. REPORT OF THE FUND ADMINISTRATOR

SFRTF was established on 11th March 2003 through Kenya Gazette Notice No. 1558 to address the concerns of all homeless, destitute and vulnerable people in urban areas. It was registered as a body corporate under cap 164 Trustees (Perpetual Succession) Act in August 2010.

The Street Families Rehabilitation Trust Fund has been tasked with the responsibility of coordinating all activities related to the rehabilitation and empowerment of persons living and/or working in the streets. Consequently, the Trust Fund implements rehabilitation programmes that will lead to realization of a country free of street families is in line with the Constitution of Kenya, the country's long term development blue print of the Kenya Vision 2030 and the international commitments which Kenya is a signatory that include the Sustainable Development Goals, the United Nations Convention on the Rights of the Child, and the Universal Declaration of Human Rights, among others.

In order to realize its mandate, the Trust Fund partners with stakeholders that include line ministries, County Governments, development partners, Non-Governmental organizations, Faith Based Organizations, Civil society Organizations, Community Based Organizations, reformed street persons, volunteers, among others to undertake rescue, rehabilitation, reintegration and re-socialization of street families.

During the financial year 2023/2024, a total of Kshs. 60,209,929 (Sixty million, two hundred nine thousand, nine hundred twenty nine shillings) was disbursed to 29 institutions to facilitate rescue, rehabilitation, reintegration and resocialization of street families. The disbursed funds are supporting the following number of beneficiaries in the under listed programmes.

| No. | Programmes | No. of Beneficiaries |
|-----|-----------------------------------|----------------------|
| 1. | Rescue | 4,805 |
| 2. | Rehabilitation | 6,115 |
| 3. | Reintegration and resocialization | 3,622 |

*State Department for Social Protection and Special Programmes
Street Families Rehabilitation Trust Fund
Annual Report and Financial Statements for the year ended June 30, 2024.*

| | | |
|----|-------------------------------------|-------|
| 4. | Provision of psychosocial Support | 5,419 |
| 5. | Talent Identification and Nurturing | 287 |
| 6. | Economic empowerment support | 308 |
| 7. | Training of caregivers | 249 |
| 8. | Establishment of County Chapters | 12 |

The Trust Fund has finalized the National Policy on Rehabilitation of Street Families. This will provide guidelines on how to address the plight of street families in an effort to realize a county free of street families. The policy focuses on harmonizing and standardization of program designs and implementation for sustainability and impact.

For effective implementation of its programmes and in order to create synergies, the Trust Fund established eleven (12) Chapters in counties with high concentration of street families as per the 2018 National Census of Street Families. The Counties include Migori, Siaya, HomaBay, Kajiado, Kiambu, Makeni, Murang'a, Taita Taveta, Baringo, Samburu, Kitui and Laikipia and continued to operationalize twenty-three (23) Chapters established in the previous two years.



Ms. CAROLINE TOWETT

FUND ADMINISTRATOR

7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR F/Y 2023/24

The Trust Fund was established on 11th March, 2003 vide Gazette Notice No. 1558 and registered as a body Corporate in August, 2010 under the Trustees (Perpetual Succession) Act CAP 164 Laws of Kenya (L.O.K.). The main objective of the Fund is to address the concerns of all homeless, destitute and vulnerable persons in urban areas

The Mandate of the SFRTF is to:

- Coordinate rehabilitation activities for street families;
- Conduct public education on street families issues;
- Advise the Government and other relevant agencies on matters relating to the rehabilitation of street families;
- Initiate creation of SFRTF Local Chapters at County levels; and
- Lobby and advocate for street families' issues.

To achieve this mandate, the Trust Fund has the following strategic objectives within the current Strategic Plan for 2023-2027 period.

1. To coordinate prevention and rescue of street families
2. To design systems and structures for effective implementation of Rehabilitation, re-integration and re-socialization of street families
3. To develop policies and legislations on issues affecting street families
4. To strengthen the institutional capacity of the Fund, implementing partners and other stakeholders
5. To mobilize resources for street families rehabilitation programmes.

The Trust Fund develops its annual work plans based on the above strategic objectives. Some performance outputs in the work plan are also captured in the annual Performance Contract, hence there is a direct link between the work plan and the Performance Contract. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Trust Fund achieved its performance targets set for the FY 2023-2024 period for its five strategic objectives, as indicated in the diagram below:

State Department for Social Protection and Special Programmes
 Street Families Rehabilitation Trust Fund
 Annual Report and Financial Statements for the year ended June 30, 2024.

| Strategic Pillar/Theme/Issues | Objective | Key Performance Indicators | Activities | Achievements |
|---|--|--|--|--|
| 1. Prevention and rescue of street families | To enhance prevention and rescue of street families | No. of street persons assessed | Conduct a targeted needs assessment for relevant and appropriate placement | 4,805 |
| | | No. of street persons rescued and placed | Undertake actual rescue and placement | 4,805 |
| 2. Rehabilitation, re-integration and re-socialization of street families | To enhance Rehabilitation, Re-integration and Resocialization of Street Families | List of institutions supported | Financial Support to institutions undertaking the 4Rs programmes of street families | Kshs.65,000,000 disbursed to 29 institutions to undertake rehabilitation programmes for 6,115 street persons |
| | | List of beneficiaries supported by the disbursed funds | | |
| | | No. of street families provided with psychosocial support services | Provide psychosocial support to children and youth undergoing rehabilitation and families hosting reintegrated street families | 5,419 |
| | | No. of street persons' talents | Identify and promote talents | 200 |

State Department for Social Protection and Special Programmes
 Street Families Rehabilitation Trust Fund
 Annual Report and Financial Statements for the year ended June 30, 2024.

| | | | | |
|---------------------------------------|--|--|---|------------------------|
| | | identified and nurtured | of street families undergoing rehabilitation and, on the streets | |
| | | No. of street persons reintegrated | Reintegration of street families to the society | 3,622 |
| | | No. of families supported through economic empowerment to ensure retention of reintegrated persons | Economic empowerment for effective resocialization | 308 |
| 3. Develop policy and legal framework | To provide policies and legislations on issues affecting street families | Policy document | Finalize National Policy on Rehabilitation of Street Families (NPRSF) | Policy developed |
| | | Policy implementation guidelines | Develop and implement policy implementation guidelines on rehabilitation of street families | Guidelines developed |
| 4. Strengthen institutional capacity | To promote efficiency and effectiveness in service delivery | Workshop report | Undertake capacity building to staff and management of | 249 caregivers trained |

| | | | | |
|--|--|--|-------------------------|--|
| | | | partner institutions | |
|--|--|--|-------------------------|--|

Compliance with Presidential Directive

The Trust Fund aligned its procurement policies with the Constitution of Kenya 2010, the PFM Act 2012 and The PFM Regulations 2015, and the Procurement and Assets Disposal Act, 2015 and Regulations.

Access to Government Procurement Opportunities

The Trust Fund ensures transparency in procurement of goods and services and that 30% of procurement is awarded to AGPO suppliers (Women, People with Disabilities and youth).

Payment of Pending Bills

The Trust Fund remained steadfast in settling all its pending bills. During the financial year 2023/2024, the Trust Fund incurred pending bills of Kshs.15,237,742 being various services provided which will be paid in the financial year 2024/2025.

8. CORPORATE GOVERNANCE STATEMENT

The SFRTF Board of Trustees was appointed vide various Gazette Notices which include No. 9333 dated 5th August; 2022, No. 8485 of 30th June, 2023; No, 613 of 26th January, 2024; while the Board Chair was appointed vide Gazette Notice No. 1941 of 23rd February, 2024. The Board, which is comprised of a Chair and five Trustees was appointed by the Cabinet Secretary, Ministry of Labour and Social Protection. In addition, there are two members representing the Principal Secretaries State Department for Social Protection & Senior Citizens Affairs and the National Treasury. The Board undertook trainings on corporate governance, induction and strategic planning in January, 2024 organized by the State Corporations Advisory Committee (SCAC). Corporate governance is a key element contributing to Trust Fund's sustainable business success and is highly regarded at the Fund.

Roles and Functions of the Board

The Board of Trustees is responsible for providing overall leadership through oversight, review and guidance in addition to setting the strategic and policy direction. It is the primary decision-making organ for all policy matters of the Trust Fund. The Board is endowed with the appropriate composition of skills, knowledge and experience to perform its duties effectively. The Board continues to offer oversight and review matters related to their duties including the Trust Fund's strategy, financial performance, corporate governance, ensuring the maintenance of sound internal control system and risk management framework, delegation and monitoring of the authority for expenditure and commitments.

Board Composition

The Board had eight members; the Chairman, five independent trustees and two directors representing the Principal Secretaries State Department for Social Protection and the National Treasury and the Chief Executive Officer as the Secretary to the Board.

Succession Plan

The Board is required to serve for a full term of three years renewable once, subject to evaluated performance. Appointment to serve on the Board is done prior to the expiry of the term of the sitting Board. In every subsequent term, one third of the Trustees shall retire from office with a maximum number of 6 years to serve. Unless one has an outstanding significant contribution to the Trust Fund, one is eligible for re-appointment up to a maximum of three terms.

Board's Induction and Development

Upon appointment, Trustees are provided with information regarding their roles and responsibilities to various stakeholders, all pertinent information about the Trust Fund and its operations, as well as information on their statutory obligations particularly in view of the fact that the Trust Fund is a Government entity. In addition to the induction information provided, opportunity for training in corporate governance as well as emerging trends that have an impact on the business of the Trust Fund is provided for all trustees.

Board Meetings and Attendance

The full Board meets on a quarterly basis and has a formal schedule of matters to be discussed. The Trustees receive appropriate and timely reports to facilitate informed deliberations and decision-making. The Board promotes an environment of innovative thinking, consultation, cordial relations, information sharing and openness in communication. During the year under review, the Board of Trustees held meetings as illustrated in the table below;

| FULL BOARD MEETING | | | |
|-------------------------------------|--------------------------------|----------------------|--|
| S/No. | No. of meetings | In Attendance | |
| 1. | 25 th July, 2023 | 6 Members | |
| 2. | 3 rd October, 2023 | 6 Members | |
| 3. | 18 th January, 2024 | 7 Members | |
| 4. | 14 th March, 2024 | 7 Members | |
| FINANCE COMMITTEE MEETING | | | |
| S/No. | No. of meetings | In Attendance | |
| 1. | 3 rd August, 2023 | 3 members | |
| 2. | 3 rd October, 2023 | 3 Members | |
| 3. | 14 th May, 2024 | 3 Members | |
| PROGRAMMES COMMITTEE MEETING | | | |
| S/No. | Date of meetings | In Attendance | |

| | | | |
|-----------------------------------|------------------------|----------------------|--|
| 1. | 31st July, 2023 | 3 Members | |
| 2. | 29th November, 2023 | 3 Members | |
| 3. | 30th April, 2024 | 3 Members | |
| AUDIT COMMITTEE MEETING | | | |
| S/No. | No. of meetings | In Attendance | |
| 1. | 31st October, 2023 | 3 Members | |
| | 29th February, 2024 | 3 Members | |
| | 11th June, 2024 | 4 Members | |
| ADVOCACY COMMITTEE MEETING | | | |
| S/No. | No. of meetings | In Attendance | |
| | 29th February, 2024 | 3 Members | |
| | 2nd May, 2024 | 3 Members | |
| | 11th June, 2024 | 3 Members | |

Board Committees

The Board has four committees with specific delegated authorities and terms of reference. These are Finance and Administration; Programmes; Advocacy and Communication; and Audit and Risk Committee each chaired by a Trustee. The committees meet on a quarterly basis and when need arises. The respective Committee Chairmen present their reports to the full board at the quarterly basis. The details of these committee and memberships are highlighted below.

1. Finance & Administration Committee

The functions of the Committee are;

- a) Fiscal and administrative matters.
- b) Investment plans
- c) Planning and development of physical infrastructure including acquisition of land and buildings, erection and location of new premises, alteration to or renovation of existing ones.
- d) Long term plans, budgets and projections for the Trust Fund's development and growth.
- e) Research and development.

2. Programmes committee

Programmes Committee is responsible to the board for:

- a) Designing of programmes, strategies and plans in respect to Prevention, Rescue, Rehabilitation, Reintegration and Re-socialization
- b) Co-ordination of the implementation of the prevention, rescue, rehabilitation, reintegration & re-socialization(4R+P) Programmes for street families;
- c) Innovation and ICT in the 4R programmes
- d) Benchmarking and Exchange Programmes

3. Advocacy and Communications Committee

The advocacy and publicity committee is responsible to the Board:

- a) Conduct public education on street families;
- b) Development and implementation of communication strategy
- c) Development and implementation of media and publicity plans and
- d) Periodic M&E on programme Implementation

4. Audit and Risk Committee

- a. Create an environment for discipline and effective internal controls in the Trust Fund so as to reduce opportunities for fraud or any other malpractices.
- b. Increase public confidence in the credibility of the Trust Fund through quality assurance of the Company's internal controls.
- c. Provide policy and other necessary guidance to the head of internal audit and provide specific directives to the audit department as and where necessary.
- d. Periodically review the appropriateness, scope, efficiency and effectiveness of the Trust Fund's internal control system and submit suitable recommendations for improvement.
- e. Ensure compliance by the Trust Fund's management to the statutory Audit requirements and international accounting standards and procedures as well as relevant directives of treasury and other relevant Government agencies.

Board Remuneration

The Trust Fund pays members of the Board a taxable sitting allowance as approved by the Salaries and Remuneration Commission. The sitting allowance is payable when a member attends meeting of

*State Department for Social Protection and Special Programmes
Street Families Rehabilitation Trust Fund
Annual Report and Financial Statements for the year ended June 30, 2024.*

the Board or Committees and when on official duty in and outside the Country. The Chairperson of the Board is paid a honorarium as approved by the Government on monthly basis. The payment of travelling, accommodation and lunch allowance is also based on the approved rates by the Government of Kenya. The Trust Fund does not grant personal loans or guarantees to Trustees. The remunerations as per the Salaries and Remuneration Commission circular dated 16th June, 2017 is shown on the table below.

| Allowance | Chairman | Member |
|---------------|---|---|
| Honoraria | Kshs.60,000 per month | - |
| Sitting | Kshs.20,000 per sitting | Kshs.20,000 per sitting |
| Lunch | Kshs.2,000 per day in lieu of lunch | Kshs.2,000 per day in lieu of lunch |
| Accommodation | As per equivalent Job Group 'R' provided by the Salaries and Remuneration Commission circular on review of allowances in the public service | As per equivalent Job Group 'R' provided by the Salaries and Remuneration Commission circular on review of allowances in the public service |
| Transport | AA rates subject to maximum of Kshs.20,000 per month. | AA rates subject to maximum of Kshs.20,000 per month. |
| Airtime | Kshs.6,000 per month | Kshs.5,000 per month |

Conflict of Interest

The Trustees are obligated to inform the Board or the Chairperson as soon as the Member becomes aware of any conflict or potential conflict of interest, which that Member may have in relation to any transaction or matter relevant to the Trust Fund or its business. Unless the Board decides or the law requires otherwise, the member shall not participate in the deliberation and decision on that

*State Department for Social Protection and Special Programmes
Street Families Rehabilitation Trust Fund
Annual Report and Financial Statements for the year ended June 30, 2024*

transaction or matter. This is recorded in the Board's Minutes and/or Conflict of Interest Register as deemed appropriate.

9. MANAGEMENT DISCUSSION AND ANALYSIS

The Principal Secretary for State Department for Social Protection & Senior Citizens Affairs and the Secretary to the Street Families Rehabilitation Trust Fund are responsible for the preparation and presentation of the Trust Fund's financial statement, which gives a true and fair view of the state of affairs of the Trust Fund for and as at the end of the financial year ended on June 30, 2024. This responsibility includes:

- (i) Maintaining adequate financial management arrangement 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 Fund;
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of the Fund;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Principal Secretary for the State Department for Social Protection and Senior Citizens Affairs together with the Secretary to the Street Families Rehabilitation Trust Fund accept responsibility for the Fund's financial statements, which have been prepared on the accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Principal Secretary for the State Department for Social Protection and Senior Citizens Affairs and the Secretary to the Street Families Rehabilitation Trust Fund are of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year/period ended June 30, 2024, and of the Fund's financial position as at that date. The Principal Secretary State Department for Social Protection and Senior Citizens Affairs together with the Secretary to the Street Families Rehabilitation Trust Fund further confirm the completeness of the accounting records

*State Department for Social Protection and Special Programmes
Street Families Rehabilitation Trust Fund
Annual Report and Financial Statements for the year ended June 30, 2024.*

maintained for the Fund, which have been relied upon in the preparation of the Fund financial statements as well as the adequacy of the systems of internal financial control.

The Principal Secretary State Department for Social Protection and Senior Citizens Affairs together with and the Secretary to the Street Families Rehabilitation Trust Fund confirm that the Fund has complied fully with applicable Government Regulations and the terms of external financing covenants, and that funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

1.1 Funding summary

The Fund is for duration of infinite years from 2003 with an approved budget as determined by National Government highlighted in the table below:

Below is the funding summary:

| Source of funds | Ministry's Contribution | Amount received to date (30th June, 2024) | Balance yet to be paid to date (30th June, 2024) |
|-------------------------------|--------------------------------|--|--|
| | <i>Kshs</i> | <i>Kshs</i> | <i>Kshs</i> |
| | <i>(A)</i> | <i>(B)</i> | <i>(A)-(B)</i> |
| (i) Counterpart funds | NIL | NIL | NIL |
| Government of Kenya Exchequer | 230,290,000.00 | 200,200,000.00 | 30,090,000 |
| (ii) Bank Interests | NIL | NIL | NIL |
| Total | 230,290,000.00 | 200,200,000.00 | 30,090,000 |

*State Department for Social Protection and Special Programmes
Street Families Rehabilitation Trust Fund
Annual Report and Financial Statements for the year ended June 30, 2024.*

The table below indicates the total receipts, total payments and deficits or surpluses for the last three financial years;

| YEAR | TOTAL RECEIPTS | TOTAL PAYMENTS | DEFICITS/ SURPRUS |
|-------------|-----------------------|-----------------------|--------------------------|
| 2021/2022 | 211,313,507 | 183,867,059 | 27,446,448 |
| 2022/2023 | 206,940,320 | 187,381,471 | 19,558,848 |
| 2023/2024 | 200,200,000 | 246,279,477 | (46,079,477) |

10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

The core mandate of the Trust Fund is to coordinate rehabilitation programmes for the street families in Kenya. The Trust Fund partners with public and private organizations to implement its programmes in order to meet its objectives sustainably.

Sustainability strategy and profile

In keeping with the Trust Fund's Mandate as a statutory body, its viability has been founded in its current Strategic Plan. As indicated in the Strategic Plan, the Trust Fund has committed to integrating effective and efficient management systems and practices in the organizational functions.

Environmental performance

Under the United Nations Development Goals (SDGs), number 15 addresses the need to sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss. The Trust Fund supported efforts toward environmental sustainability by engaging in conservation activities. In fulfilling the Government's Forestry Strategy for a 10% tree cover, the Trust Fund participated and supported tree planting within the partner institutions, especially by planting fruit trees that would also contribute to food security and provision of required nutrients for the street families as they undergo rehabilitation.

Employee welfare

The Trust Fund has not yet employed staff of its own but relies on personnel deployed by the State Department for Social Protection. However, in realization that the employees are an important stakeholder and asset in the realization of the Trust Fund's mandate, the Fund sponsored some of the officers for training programmes. In addition, the Trust Fund ensures maintenance of occupational health and safety at workplace.

Market place practices

The Fund is involved in the following in relation to responsible market place practices.

a) Responsible competition practice

This is achieved through the Fund maintaining the minimum set standards. This is achieved by ensuring that there is uniform treatment of its clients and rehabilitation institutions as well as corrupt malpractices are not entertained in the organization.

b) Responsible Supply chain and supplier relations

The Trust Fund has maintained good business practices through treating its suppliers responsibly, by honouring contracts and respecting payment practices as indicated in the contract agreement with the suppliers.

c) Responsible marketing and advertisement

The Fund's marketing practices were done responsibly and advertisement both online and print media maintain ethical marketing practices. All the tender adverts were through the centralized advertising system under the Government Advertising Agency.

d) Product stewardship

By ensuring product and service standards, the Trust Fund undertook its mandate to safeguard consumer rights and interests. Any deviation to the expected standards was addressed and corrected.

i) Corporate Social Responsibility / Community Engagements

The Trust involves community in its programmes from rescue to reintegration to ensure effective resocialization and settlement of beneficiaries back in the society. The Trust Fund also held deliberative engagement of the community in the development of its policy, which enabled the Fund to tap diverse perspective towards the policy document. As such, this has enabled the citizens and communities to better understand the functions of the Trust Fund.

11. REPORT OF THE TRUSTEES/ FUND ADMINISTRATION COMMITTEE

The Directors submit their report together with the audited financial statements for the year ended June 30, 2024, which show the state of the Trust Fund's affairs.

i) Principal activities

The strategic goals of the Trust Fund are to safeguard and promote the rights of street families and to address the concerns of all homeless, destitute and vulnerable people in urban areas.

ii) Results

The results of the Entity for the year ended June 30, 2024, are set out on pages 1 – 7.

iii) Trustees

The Board of Trustees is at the apex of the Fund's structure and ensures implementation. The table below summarizes the members of the Board of Trustees who served during the year under review.

| No. | Name | Position | Appointment | Status |
|-----|---------------------|--------------------|---------------------------------|----------------|
| 1. | Hon. Mary W. Munene | Chairperson | 23 rd February, 2024 | Re-appointment |
| 2. | Ahmed Hussein Ahmed | Independent Member | 5 th August, 2022 | Ongoing |
| 3. | Judson Nyabuto | Independent Member | 5 th August, 2022 | Ongoing |
| 4. | Emma W. Ndirangu | Independent Member | 30 th June, 2023 | Ongoing |
| 5. | Nancy Oranga | Independent Member | 30 th June, 2023 | Ongoing |

*State Department for Social Protection and Special Programmes
Street Families Rehabilitation Trust Fund
Annual Report and Financial Statements for the year ended June 30, 2024.*

| | | | | |
|----|-------------------|--------------------------------|--------------------------------|---------|
| 6. | John Paul Mwobobi | Independent Member | 26 TH January, 2024 | Ongoing |
| 7. | Gladys Ngaruiya | Alternate to PS | 10 th January, 2024 | Ongoing |
| 8. | Susan Ngigi | Alternate to PS | 9 th May, 2023 | Ongoing |
| 6. | Caroline Towett | CEO and Secretary to the Board | | Ongoing |

iv) Surplus remission

The Trust Fund did not make any surplus during the year financial year 2023/2024 and hence no remittance to the Consolidated Fund.

v) Auditors

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

By Order of the Board


.....

Chair of the Board/ Fund Administration Committee

12. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

Section 84 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a Fund established by Gazette Notice No. 1558 and registered as a body Corporate in August, 2010 under the Trustees (Perpetual Succession) Act CAP 164 Laws of Kenya (L.O.K.) shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2024. 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 fund, (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 fund; (v) Selecting and applying appropriate accounting policies, and (vi) Making accounting estimates that are reasonable in the circumstances.

The Administrator of the Fund accepts responsibility for the Fund'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 Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2024, and of the Fund's financial position as at that date.

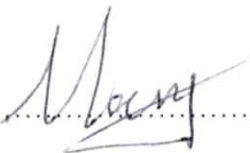
The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control. In preparing the financial statements, the Administrator of the Fund has assessed the Fund's ability to continue as a going concern. Nothing

*State Department for Social Protection and Special Programmes
Street Families Rehabilitation Trust Fund
Annual Report and Financial Statements for the year ended June 30, 2024.*

has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

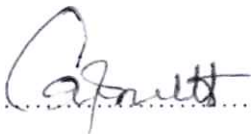
Approval of the financial statements

The Fund's financial statements were approved by the Board on _____ 2024 and signed on its behalf by:

.....


Name:

Chairman of the Fund

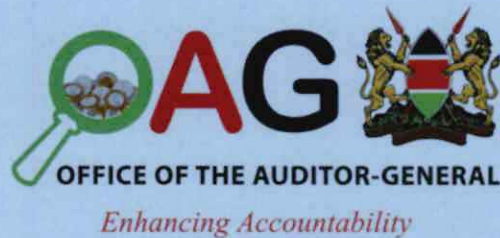
.....


Name:

Fund Administrator

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON STREET FAMILIES REHABILITATION TRUST FUND FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

- I draw your attention to the contents of my report which is in three parts:
- A. Report on 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 the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
 - C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the Street Families Rehabilitation Trust Fund set out on pages 1 to 24, which comprise of the statement of

financial position as at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Street Families Rehabilitation Trust Fund as at 30 June, 2024 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 Trustee (Perpetual Succession) Act, Cap 164 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in Use of Goods and Services

The statement of financial performance and as disclosed in Note 8 to financial statements reflects use of goods and services amount of Kshs.169,142,870. The use of goods includes amount includes domestic, travel and subsistence allowances of Kshs.146,101,941 out of which allowances amounting to Kshs.24,812,318 were not supported with payment vouchers. In addition, use of goods and services expenditure includes rent expense of Kshs.7,851,214 which differed with re-computed annual rent for the year of Kshs.7,271,399 resulting to an overstatement of use of goods and services expenditure by Kshs.579,814.

In the circumstances, the accuracy and completeness of use of goods of Kshs.169,142,870 could not be confirmed.

2. Variances Between Financial Statements and Supporting Schedules

The statement of financial position and as disclosed in Note 15 to the financial statements reflects trade and other payables balance of Kshs.15,244,742. However, supporting schedules reflects a balance of Kshs.7,000 resulting to a variance of Kshs.15,237,742 which was not supported by creditors statement of accounts.

In the circumstances, the accuracy and completeness of trade and other payables balance of Kshs.15,244,742 could not be confirmed.

3. Property, Plant and Equipment

The statement of financial position and as disclosed in Note 14 to the financial statements reflects property, plant and equipment balance of Kshs.49,544,022. However, the following unsatisfactory matters were noted:

3.1. Variances in Information and Communication Technology Equipment Cost

The balance includes information and communication technology (ICT) equipment cost of Kshs.6,834,025. However, the fixed asset register maintained reflected Kshs.4,642,675 resulting to an unexplained variance of Kshs.2,191,350.

3.2. Land Donated by the Kenya Pipeline Company Limited

As previously reported, Kenya Pipeline Corporation donated and surrendered to the Fund a piece of land in August, 2007. Subsequently, the title deed was surrendered to the Commissioner of Lands on 06 August, 2007 for the purposes of transferring and registering the property in the name of the Fund. However, it was noted that the land had been encroached and as at the time of audit in October, 2024, it had not been transferred to the Fund.

3.3. Parcels of Land in Embu, Murang'a and Laikipia

As previously reported, available information indicates that the defunct Local Authorities of Embu, Murang'a and Laikipia Counties informally allocated land to the Street Families Rehabilitation Trust Fund as captured in the Minutes dated 19 September, 2016. However, review of the matter revealed that the Fund had neither identified the locations of these parcels nor obtained their title deeds or any other legal/formal allocation documents. Further, Management had not demonstrated any efforts put in place to acquire ownership documents.

3.4. Failure to Value Land

The balance includes an amount of Kshs.38,000,000 for land being the initial cost or purchase price in 2013 and eleven (11) years later, the land had not been revalued.

In the circumstances, the accuracy, completeness and ownership of property, plant and equipment of Kshs.49,544,022 could not be confirmed.

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

Emphasis of Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects total revenue budget of Kshs.230,290,000 and actual receipt of Kshs.200,200,000 respectively, resulting to

revenue shortfall of Kshs.30,090,000 or 13%. Further, the statement reflects total actual income of Kshs.200,200,000 and total actual expenditure of Kshs.243,453,710 resulting to an explained over expenditure of Kshs.43,253,710 or 22% of the actual income.

The revenue shortfall affected the planned activities of the Fund and may have impacted negatively on service delivery. Also, over expenditure is indicative of reallocation of resources from other approved activities which could affect service delivery.

2. Fund's Performance

The statement of financial performance reflects total expenditure of Kshs.246,279,477 which includes use of goods and services expenditure of Kshs.169,142,870 out of which Kshs.146,101,941 or 60% of total expenditure relates to travel, subsistence and other allowances. Comparatively the Fund disbursed only Kshs.65,000,000 or 26% of total expenditure to various children's homes in the Country.

In the circumstances, substantial part of the budgeted amounts was incurred on travel, subsistence and other allowances rather than on the Fund's strategic objective activities.

My opinion is not modified in respect of these matters.

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. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements. However, Management had not resolved the issues as at 30 June, 2024 or given any explanation for the failure to resolve them. In addition, all the prior year issues were not disclosed under Progress on Follow up of Auditor Recommendations section of the financial statements.

Other Information

The Trustees are responsible for the other information set out on page iv to xl which comprise of Key Entity Information and Management, the Board of Trustees, Management Team, Chairperson's Statement, Report of the Fund Administrator, Statement of Performance against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability

Reporting, Report of the Trustees and Statement of Management's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Fund's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in the 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

Irregular Payment of Daily Subsistence Allowances

Note 8 to the financial statements reflects travel, subsistence and other allowances of Kshs.169,142,870 out of which allowances amounting to Kshs.4,380,600 were paid as daily subsistence allowances. The allowances were paid to staff for forty-two (42) days exercise on charitable children institutions carried out between 19 March, 2024 to 30 April, 2024. This was contrary to Section C16(2) of the Public Service Commission Human Resource Policies and Procedures Manual for the Public Service, 2016 which states that accommodation allowance will be paid for a maximum continuous period of thirty (30) days. Notwithstanding the provisions of paragraph (1) of this provision, an officer who is required to be away from his duty station for more than thirty (30) days will be paid accommodation allowance for the subsequent additional days at half ($\frac{1}{2}$) rate up to a maximum period of five (5) months. Beyond this period, if the officer continues to work in the same station, this will be treated as a posting and accommodation allowance will cease to be applicable.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Failure to Carry Out Risk Assessment

During the year under review, the Fund Management did not carry out risk assessment. This was contrary to Treasury circular No.3/2009 of 23 February, 2009 which states that accounting officers shall put in place structures and systems to manage their identified risks, considering their legal obligations, policy decisions, business objectives and public sector expectations.

In the circumstances, the effectiveness of risk management in the Fund could not be confirmed.

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

Responsibilities of the 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 controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

The Board of Trustees is responsible for overseeing the Fund'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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, SBS
AUDITOR-GENERAL

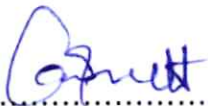
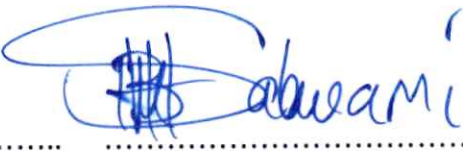

Nairobi

23 December, 2024

**14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED
 30TH JUNE 2024**

| Description | Note | FY 2023/2024 | FY 2022/2023 |
|---|------|---------------------|--------------------|
| | | Kshs | Kshs |
| Revenue from non-exchange transactions | | | |
| Transfers from other government entities | 6 | 200,200,000 | 202,000,000 |
| | | 200,200,000 | 202,000,000 |
| Revenue from exchange transactions | | | |
| Other income | 7 | - | 9,313,507 |
| | | | |
| Total revenue | | 200,200,000 | 211,313,507 |
| | | | |
| Expenses | | | |
| Use of Goods and Services | 8 | 169,142,870 | 66,328,555 |
| Board of Management Expenses | 9 | 9,230,840 | 5,510,300 |
| Depreciation and amortization expense | 10 | 2,825,767 | 3,618,352 |
| Repairs and maintenance | 11 | 80,000 | 2,754,170 |
| Grants and subsidies | 12 | 65,000,000 | 87,392,367 |
| | | | |
| Total expenses | | 246,279,477 | 165,603,744 |
| | | | |
| Net Surplus / (Deficit) for the year | | (46,079,477) | 45,709,763 |

The notes set out on pages 1 to 7 form an integral part of these Financial Statements. The Financial Statements set out these pages were signed on behalf of the Board of Directors by:

| | | |
|---|---|---|
|  |  |  |
| | | |
| Caroline C. Towett | Bernard M. Sambwami | Hon Mary Wambui Munene |
| Ag Chief Executive Officer | Senior Deputy Accountant General | Chairperson of the Board |

Date 11/12/2024

Date


Date 11/12/2024


15. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2024


| Description | Note | FY 2023/2024 | FY 2022/2023 |
|---------------------------------|------|--------------------|--------------------|
| | | Kshs | Kshs |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 13 | 138,041,324 | 166,057,294 |
| Receivables | | | |
| Total Current Assets | | 138,041,324 | 166,057,294 |
| Non-current assets | | | |
| Property, plant, and equipment | 14 | 49,544,022 | 52,369,789 |
| Total Non-current Assets | | 49,544,022 | 52,369,789 |
| Total assets | | 187,585,346 | 218,427,083 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 15 | 15,244,742 | 7,000 |
| Total Liabilities | | 15,244,742 | 7,000 |
| Net Assets | | 172,340,604 | 218,420,083 |
| Represented by: | | | |
| Revolving Fund | | | - |
| Accumulated surplus/Deficit | | (369,716) | 45,709,763 |
| Reserves | | 172,710,320 | 172,710,320 |
| Net Assets | | 172,340,604 | 218,420,083 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Fund financial statements were approved on _____ 2024 and signed by:


 Name
 Chairperson of the Board/Fund


 Name
 Fund Administrator


 Name
 Fund Accountant

**16. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED
 30TH JUNE 2024**

| Description | Revaluation reserve | Accumulated surplus/Deficit | Total |
|--------------------------------|---------------------|-----------------------------|--------------------|
| As at July 1, 2022 | 172,710,320 | - | 172,710,320 |
| Revaluation gain | - | - | - |
| Surplus/(deficit) for the year | - | 45,709,763 | 45,709,763 |
| Funds received during the year | - | - | - |
| Transfers | - | - | - |
| As at June 30, 2023 | 172,710,320 | 45,709,763 | 218,420,083 |
| At July 1, 2023 | 172,710,320 | 45,709,763 | 218,420,083 |
| Revaluation gain | - | - | - |
| Surplus/(deficit) for the year | - | (46,079,477) | (46,079,477) |
| Transfers | - | - | - |
| At June 30, 2024 | 172,710,320 | (369,716) | 172,340,604 |

17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2024

| Description | Note | FY | FY |
|---|------|---------------------|--------------------|
| | | 2023/2024 | 2022/2023 |
| | | Kshs | Kshs |
| Cash flows from operating activities | | | |
| Receipts | | | |
| Transfers from other government entities | | 200,200,000 | 202,000,000 |
| Other receipts | | - | 9,313,507 |
| Total Receipts | | 200,200,000 | 211,313,507 |
| Payments | | | |
| Use of Goods and Services | | 158,614,201 | 66,328,555 |
| Board of Management Expenses | | 9,230,840 | 5,510,300 |
| Repairs and maintenance | | 80,000 | 2,754,170 |
| Grants and subsidies | | 60,290,929 | 87,392,367 |
| Total Payments | | 228,215,970 | 161,985,392 |
| Net cash flows from operating activities | 16 | (28,015,970) | 49,328,115 |
| Cash flows from investing activities | | | |
| Purchase of property, plant, equipment & intangible assets | | - | 45,372,117 |
| Net cash flows used in investing activities | | - | 45,372,117 |
| Net increase/(decrease) in cash and cash equivalents | | (28,015,970) | 3,955,998 |
| Cash and cash equivalents as at 1 July | 13 | 166,057,294 | 162,101,296 |
| Cash and cash equivalents as at 30 June | 13 | 138,041,324 | 166,057,294 |

18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2024

| Description | Original budget | Adjustments | Final budget | Actual on comparable basis | Performance difference | % of utilisation |
|---|--------------------|-------------------|--------------------|----------------------------|------------------------|------------------|
| | a Kshs | b Kshs | c=(a+b) Kshs | d Kshs | e=(c-d) Kshs | f=d/c% |
| Revenue | | | | | | |
| Transfers from Other Governments entities | 200,000,000 | 30,290,000 | 230,290,000 | 200,200,000 | 30,090,000 | 86.9% |
| Total income | 200,000,000 | 30,290,000 | 230,290,000 | 200,200,000 | 30,090,000 | 86.9% |
| Expenses | | | | | | |
| Use of Goods and Services | 131,070,000 | 30,290,000- | 161,360,000 | 169,142,870 | (7,782,870) | 104.8% |
| Board of Management Expenses | 3,180,000 | - | 3,180,000 | 9,230,840 | (6,050,840) | 293.5% |
| Repairs and maintenance | 750,000 | - | 750,000 | 80,000 | 670,000 | 10.7% |
| Grants and subsidies | 65,000,000 | - | 65,000,000 | 65,000,000 | - | 0% |
| Total expenditure | 200,000,000 | 30,290,000 | 230,290,000 | 243,453,710 | (13,163,710) | 105.7 |
| Surplus for the period | - | | - | (43,253,710) | (43,253,710) | |
| <i>Reconciliation</i> | | | | | | |
| Surplus / Deficit as per performance | - | | | (43,253,710) | | |
| Surplus for the period | | | | (43,253,710) | | |

19. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Street Families Rehabilitation Trust Fund is established by and derives its authority and accountability from Local Government Act CAP 265. The Fund is wholly owned by the Government of Kenya and is domiciled in Kenya. The Fund's principal activity is coordinate rehabilitation programmes for street families.

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 Fund's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 4. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Fund. 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. *New and amended standards and interpretations in issue effective in the year ended 30 June 2024.*

There are no new standards effective in the FY.

- ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.*

| Standard | Effective date and impact: |
|--|--|
| IPSAS 43: Leases | <i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. |
| IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations | <i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. |
| IPSAS 45: Property Plant and Equipment | <i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets. |

| | |
|---------------------------------------|--|
| IPSAS 46: Measurement | <p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> |
| IPSAS 47: Revenue | <p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> |
| IPSAS 48: Transfer Expenses | <p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> |
| IPSAS 49: Retirement Benefit Plans | <p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> |

iii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption and impact on entity’s financial statements.)*

4. Significant Accounting Policies

a. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Fund and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

b. Budget information

The original budget for FY 2023/24 was approved on 25th July, 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Fund upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of Ksh.30,000,000 (Thirty Million Kenya Shillings Only) on 18th January, 2024 of the FY 2023/2024 budget following the governing body's approval. The Fund's budget is prepared on a different basis from 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 as per the statement of financial performance has been presented under section 18 of these financial statements.

c. Property, plant, and equipment (PPE)

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 Fund recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

d. Nature and purpose of reserves

The Fund creates and maintains reserves in terms of specific requirements. These reserves are accumulated surpluses/deficits realized by the Fund in the previous years

e. Changes in accounting policies and estimates

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

f. Related parties

The Fund regards a related party as a person or entity with the ability to exert control individually or jointly, or to exercise significant influence over the Fund, or vice versa. Members of key management are regarded as related parties and comprise the Directors/Trustee, the Fund Managers, and Fund Accountant.

g. Cash and cash equivalents

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

h. Comparative figures

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

i. Events after the reporting period

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

j. Ultimate and Holding Fund

The Fund is established under Section 24 (4) PFM Act under the Department of Social Protection/ State Corporation. Its ultimate parent is the Government of Kenya.

k. Currency

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

5. Significant judgments and sources of estimation uncertainty

The preparation of the Fund'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.

a) 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. However, existing circumstances and assumptions about future developments may change

due to market changes or circumstances arising beyond the control of the Fund. Such changes are reflected in the assumptions when they occur. (*see IPSAS 1.140.*)

b) 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:

- i) The condition of the asset is based on the assessment of experts employed by the Fund
- ii) The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- iii) The nature of the processes in which the asset is deployed
- iv) Availability of funding to replace the asset
- v) Changes in the market in relation to the asset

Notes to the Financial Statements

6. Transfers from other government entities

| Description | FY 2023/2024 | FY 2022/2023 |
|-----------------------------|-----------------------|-----------------------|
| | KShs | KShs |
| Unconditional grants | | |
| Operational Grant | 200,200,000.00 | 202,000,000.00 |
| Total | 200,200,000.00 | 202,000,000.00 |

7. Other income

| Description | FY 2023/2024 | FY 2022/2023 |
|---------------------|--------------|------------------|
| | KShs | KShs |
| UNICEF Programme | - | 9,313,507 |
| Total income | - | 9,313,507 |

8. Use of Goods and Services

| Description | FY 2023/2024 | FY 2022/2023 |
|---|--------------------|-------------------|
| | Kshs | Kshs |
| Fuel and Oil | 1,384,957 | 1,239,250 |
| Printing and Stationery | 800,400 | 1,351,500 |
| Rent expenses | 7,851,214 | 6,848,717 |
| Telecommunication | 480,000 | 1,409,800 |
| Training | 2,794,280 | 4,782,701 |
| Travel, Subsistence & Other Allowances* | 146,101,941 | 41,234,268 |
| Other General Expenses | 5,270,900 | 5,249,900 |
| Hospitality | 842,678 | 3,666,219 |
| Specialized material and supplies | 767,000 | 546,200 |
| Conference Facilities | 2,849,500 | |
| Total | 169,142,870 | 66,328,555 |

9. Board of Management Expenses

| Description | FY 2023/2024 | FY 2022/2023 |
|------------------------------------|------------------|------------------|
| | Kshs | Kshs |
| Chairman's Honoraria | 660,000 | 720,000 |
| Sitting allowance | 2,260,000 | 300,000 |
| Mileage | 120,000 | - |
| Induction and training | 1,023,720 | 504,000 |
| Travel and accommodation allowance | 4,765,120 | 3,674,300 |
| Airtime allowances | 402,000 | 312,000 |
| Total | 9,230,840 | 5,510,300 |

10. Depreciation and Amortization Expense

| Description | FY 2023/2024 | FY 2022/2023 |
|--|------------------|------------------|
| | Kshs | Kshs |
| Property, plant and equipment | 2,825,767 | 3,618,352.00 |
| Total depreciation and amortization | 2,825,767 | 3,618,352 |

11. Repairs And Maintenance

| Description | FY 2023/2024 | FY 2022/2023 |
|--------------------------------------|---------------|------------------|
| | Kshs | Kshs |
| Property- Buildings | - | 2,754,170 |
| Motor vehicle expenses | 80,000 | - |
| Total repairs and maintenance | 80,000 | 2,754,170 |

12. Grants and Subsidies

| Description | FY 2023/2024 | FY 2022/2023 |
|--|-------------------|-------------------|
| | Kshs | Kshs |
| Other grants and subsidies(transfer to partner rehabilitation centres) | 65,000,000 | 87,392,367 |
| Total grants and subsidies | 65,000,000 | 87,392,367 |

13. Cash and Cash Equivalents

| Description | FY 2023/2024 | FY 2022/2023 |
|--|--------------------|--------------------|
| | KShs | KShs |
| Current accounts | 138,041,324 | 166,057,294 |
| Total cash and cash equivalents | 138,041,324 | 166,057,294 |

13 (a) Details of cash and cash equivalents

| Description | | FY 2023/2024 | FY 2022/2023 |
|---------------------------|----------------|--------------------|--------------------|
| Financial institution | Account number | KShs | KShs |
| a) Current account | | | |
| Central Bank of Kenya | 1000398598 | 138,041,324 | 166,057,294 |
| Total | | 138,041,324 | 166,057,294 |

14) Trial Balance

| STREET FAMILIES REHABILITATION TRUST FUND | | |
|--|--------------------|--------------------|
| TRIAL BALANCE | | |
| As At 30th June 2024 | | |
| | DR | CR |
| Exchequer Receipt | | 200,200,000 |
| Other receipts | | |
| Use of goods and services | 169,142.870 | |
| Board of management Expenses | 9,230,840 | |
| Depreciation/Amortization | 2,825,767 | |
| Repairs & maintenance | 80,000 | |
| Grants and Subsidies | 65,000,000 | |
| Cash and Cash Equivalent | 138,041,324 | |
| Property, plant and equipment | 49,544,022 | |
| Receivable | | |
| Deficit as per performance | | 46,079,477 |
| Payables | | 15,244,742 |
| Reserves | | 172,340,604 |
| TOTAL | 433,864,823 | 433,864,823 |

14. Property, Plant, and Equipment

| Description | Land | Motor vehicles | Furniture, fittings, and office equipment | ICT Equipment | Total |
|------------------------------------|-------------------|-------------------|---|------------------|-------------------|
| | Ksh | Ksh | Ksh | Ksh | Ksh |
| Cost | | | | | |
| At 1 July 2022 | - | 8,489,000 | 6,013,620 | 5,523,300 | 20,025,920 |
| Additions | 38,000,000 | 5,840,000 | 234,000 | 1,310,725 | 45,384,725 |
| Disposals | | | | | - |
| Transfers/adjustments | - | - | - | - | - |
| At 30th Jun 2023 | 38,000,000 | 14,329,000 | 6,247,620 | 6,834,025 | 65,410,645 |
| | | | | | - |
| At 1 July 2023 | 38,000,000 | 14,329,000 | 6,247,620 | 6,834,025 | 65,410,645 |
| Additions | - | - | - | - | - |
| Disposals | | | | | - |
| Transfer/adjustments | - | - | - | - | - |
| At 30th Jun 2024 | 38,000,000 | 14,329,000 | 6,247,620 | 6,834,025 | 65,410,645 |
| Depreciation and impairment | | | | | |

*State Department for Social Protection and Special Programmes
Street Families Rehabilitation Trust Fund
Annual Report and Financial Statements for the year ended June 30, 2024.*

| | | | | | |
|-------------------------------------|-------------------|------------------|------------------|------------------|-------------------|
| At 1 July 2022 | | 4,907,708 | 1,470,701 | 3,044,100 | 9,422,509 |
| Depreciation for the year | | 1,884,258 | 597,113 | 1,136,976 | 3,618,347 |
| Disposals | | - | - | - | - |
| Impairment | | - | - | - | - |
| At 30 June 2023 | - | 6,791,966 | 2,067,814 | 4,181,076 | 13,040,856 |
| At July 2023 | - | 6,791,966 | 2,067,814 | 4,181,076 | 13,040,856 |
| Depreciation | | 1,507,407 | 522,476 | 795,884 | 2,825,767 |
| Disposals | | - | - | - | - |
| Impairment | | - | - | - | - |
| Transfer/adjustment | | - | - | - | - |
| At 30th June 2024 | | 8,299,373 | 2,590,290 | 4,976,960 | 15,866,623 |
| Net book values | | | | | |
| At 30th Jun 2023 | 38,000,000 | 7,537,034 | 4,179,806 | 2,652,949 | 52,369,789 |
| At 30th Jun 2024 | 38,000,000 | 6,029,627 | 3,657,330 | 1,857,065 | 49,544,022 |

15. Trade and other payables

| Description | FY 2023/2024 | | FY 2022/2023 | |
|---------------------------------------|---------------------|-----------------------|---------------------|-----------------------|
| | KShs | | KShs | |
| Trade payables | 15,244,742 | | 7,000 | |
| Total trade and other payables | 15,244,742 | | 7,000 | |
| Ageing analysis: | FY 2023/2024 | % of the Total | FY 2022/2023 | % of the total |
| Under one year | 15,237,742 | 99.95% | - | - |
| 1-2 years | - | - | - | - |
| 2-3 years | 7,000 | .05% | 7,000 | 100% |
| Over 3 years | - | - | - | - |
| Total | 15,244,742 | 100% | 7,000 | 100% |

16. Net cash flows from operating activities

| 16. Cash Generated from Operations | FY 2023/2024 | | FY 2022/2023 | |
|--|---------------------|--|-------------------|--|
| | KShs | | KShs | |
| Surplus for the year before tax | (46,079,477) | | 45,709,763 | |
| Adjusted for: | | | | |
| Depreciation | 2,825,767 | | 3,618,352 | |
| Working Capital adjustments | (43,253,710) | | | |
| Increase in payables | 15,237,742 | | - | |
| Net cash flow from operating activities | (28,015,970) | | 49,328,115 | |

17. Financial risk management

The Fund's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Fund'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 Fund 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 Fund's financial risk management objectives and policies are detailed below:

a) Liquidity risk management

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

The table below represents cash flows payable by the Fund 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.

| Description | Less than 1 month | Between 1-3 months | Over 5 months | Total |
|------------------------|-------------------|--------------------|-------------------|-------------------|
| | Kshs. | Kshs. | Kshs. | Kshs. |
| At 30 June 2023 | | | | |
| Trade Payables | - | - | 7,000 | 7,000 |
| Total | - | - | 7,000 | 7,000 |
| At 30 June 2024 | | | | |
| Trade Payables | - | - | 15,327,742 | 15,327,742 |
| Total | - | - | 15,327,742 | 15,327,742 |

b) Market risk

The board has put in place an internal audit function to assist it in assessing the risk faced by the Fund 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 Fund'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 Fund's Finance Department is responsible for the development of detailed risk management policies (*subject to review and approval by the Audit and Risk Management Committee*) and for the day-to-day implementation of those policies.

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

c) Interest rate risk

Interest rate risk is the risk that the Fund's financial condition may be adversely affected as a result of changes in interest rate levels. The Fund's interest rate risk arises from bank deposits. This exposes the Fund to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Fund's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates

Sensitivity analysis

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs. 00 (2023/2024: Kshs.00). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs. 00 (2023/2024-- Kshs.00)

d) Capital risk management.

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

| Description | Insert Current FY | Insert comparative FY |
|---|-------------------|-----------------------|
| | Kshs. | Kshs. |
| Revolving fund | - | - |
| Accumulated surplus (<i>Reserves</i>) | - | - |
| Total funds | - | - |
| Less: cash and bank balances | - | - |
| Net debt/(excess cash and cash equivalents) | - | - |
| Gearing | - | - |

18. Related party balances

a) Nature of related party relationships

Entities and other parties related to the Fund include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members. The fund/scheme is related to the following entities:

- a) National government Fund
- b) Key management;
- c) Board of Trustees/Committee; etc.

b) Related party transactions

i. Transfers from related parties

| Description | Insert Current FY | Insert comparative FY |
|--------------------------------|-------------------|-----------------------|
| | Kshs. | Kshs. |
| Transfers from related parties | 200,200,000 | 202,000,000 |

ii. Key management remuneration

| Description | Insert Current FY | Insert comparative FY |
|-----------------------------|-------------------|-----------------------|
| | Kshs. | Kshs. |
| Board of Trustees | 9,230,840 | 5,510,300 |
| Key Management Compensation | - | - |
| Total | 9,230,840 | 5,510,300 |

19. Events after the Reporting Period

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

20. Ultimate And Holding Entity

The Entity is a Fund under the sponsorship of State Department for Social Protection entity which is an MDA/ Constitutional Commission or Independent Office/ SC or SAGA

21. Currency

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest shilling.

22. ANNEXES

Annex I: Progress on Follow-Up of Prior Year Auditor’s Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|-----------------------------------|---|-----------------------------------|--|
| 1.0 | Directors’ expenses | The Directors’ expenses were charged appropriately and their accommodation expenses pertain to staff of the SFRTF | Resolved | |
| 2.0 | Land ownership documents | The process of title acquisition is ongoing and the Fund’s management is following with the relevant Government departments to facilitate this process. | Unresolved | December, 2027 |
| | | | | |

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 the 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 Fund responsible for implementation of each issue.
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to the National Treasury.

Fund Manager/Accounting Officer (enter title of head of Fund)

A. G. CSO
 Date.....*7/11/2024*

Annex II: Inter-Fund Confirmation Letter

Name of transferring entity...STATE DEPARTMNT FOR SOCIAL PROTECTION


Name of beneficiary entity...STREET FAMILIES REHABILITATION TRUST FUND

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30th June (Current FY)

| Reference Number | Date Disbursed | Recurrent (A) | Development (B) | Total (C)=(A+B) | Remarks |
|--------------------|----------------|--------------------|-----------------|--------------------|----------|
| SFRTF/FIN/2/1(108) | 27/10/2023 | 50,000,000 | - | 50,000,000 | Received |
| STRTF/FIN/2/1(179) | 26/09/2023 | 50,000,000 | | 50,000,000 | Received |
| STRTF/FIN/2/1(123) | 7/02/2024 | 33,400,000 | | 33,400,000 | Received |
| STRTF/FIN/2/1(127) | 7/03/2024 | 16,700,000 | | 16,700,000 | Received |
| STRTF/FIN/2/1(132) | 9/04/2024 | 16,700,000 | | 16,700,000 | Received |
| STRTF/FIN/2/1(135) | 6/05/2024 | 16,700,000 | | 16,700,000 | Received |
| STRTF/FIN/2/1(137) | 30/5/2024 | 16,700,000 | | 16,700,000 | Received |
| Total | | 200,200,000 | | 200,200,000 | |

I confirm that the amounts shown above are correct as of the date indicated.

Head of Accounts Department - Disbursing Entity:

Name Bernard M. Sabwami Sign  Date 11/12/2024

Head of Accounts Department - Beneficiary Entity:

Name CAROLINE TOWETT Sign [Signature] Date 11/12/2024

Annex III: Reporting of Climate Relevant Expenditures

| Project Name | Project Description | Project Objectives | Project Activities | | | | | Source Of Funds | Implementing Partners |
|--------------|---------------------|--------------------|--------------------|----|----|----|----|-----------------|-----------------------|
| | | | | Q1 | Q2 | Q3 | Q4 | | |
| N/A | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

State Department for Social Protection and Special Programmes
 Street Families Rehabilitation Trust Fund

Annual Report and Financial Statements for the year ended June 30, 2024.

Annex IV: Reporting on Disaster Management Expenditure

| Column I Programme | Column II Sub-programme | Column III Disaster Type | Column IV Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness) | Column V Expenditure item | Column VI Amount (Kshs.) | Column VII Comments |
|-----------------------|----------------------------|-----------------------------|---|------------------------------|-----------------------------|------------------------|
| N/A | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

*State Department for Social Protection and Special Programmes
Street Families Rehabilitation Trust Fund
Annual Report and Financial Statements for the year ended June 30, 2024.*