

REPUBLIC OF KENYA



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NATIONAL ASSEMBLY

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REPORT

OF

THE AUDITOR-GENERAL

ON

**NATIONAL COUNCIL FOR CHILDREN'S
SERVICES**

**FOR THE YEAR ENDED
30 JUNE, 2021**



NATIONAL COUNCIL FOR CHILDREN'S SERVICES

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021**

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

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KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

National Council for Children's Services (NCCS) is established under section 30 of the Children Act, 2001 to exercise general supervision and control over planning, financing and coordination of children rights and welfare. The Council was inaugurated on 27th September, 2002.

NCCS was transformed to a State Corporation through the Miscellaneous Amendment Act, April 2017. NCCS was categorized as a State Corporation by the State Corporations Advisory Committee (SCAC) on the 22nd of January, 2020. The Council has the mandate of regulatory, supervisory, advisory, general oversight in planning, financing and coordination of all programs, plans and actions designed to facilitate the realization of the rights of the child guaranteed under the Constitution and other statutes.

(b) Principal Activities

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

The Departments are: -

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

(c) Key Management

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

- i) The Board of Directors
- ii) Chief Executive Officer
- iii) Section Head-Policy, Development and legal issues.
 - Advocacy, Media and communication.
 - Planning, research, Monitoring and evaluation.
 - Resource Mobilization.

(d) Fiduciary Management

Key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

No	Designation	NAME
1	Ag. C.E. O	Abdinoor Sheikh
2	Deputy Director, Children's Services /Section head	Benson Bakala Wambani
3	Assistant Director Children's Services / Section head	Truphena Chemining'wa
4	Chief Accountant	Moses Muga
5	Assistant Director Children's Services / Section head	Judy Wachira
6	Assistant Director Children's Services / Section head	Mary Thiong'o

ENTITY INFORMATION AND MANAGEMENT (Continued)

(e) Entity Headquarters

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

(f) Entity Contacts

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

(g) Entity Bankers

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

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

THE BOARD OF DIRECTORS

	<p>Date of birth:1973 Key Qualifications: Master’s degree in Counselling Psychology and a post graduate diploma in substance abuse counselling and management and a Bachelor’s degree in Education and currently undertaking a PHD in Leadership and Governance Work Experience: She has experience in public service delivery in several sectors including the education sector, women empowerment, youth drug addiction prevention/ rehabilitation and children rights. I am serving on my 2nd(second) term as the chairperson of the Kenya National Council for Children where I have initiated, steered and completed several projects and programs focused on improving the welfare of children in different parts of the country.</p>
	<p>Date of Birth: 1965 Work Experience Executive Director Marsabit Women Advocacy and Development Organization and Network treasurer of Mionet (Marsabit Indigenous Organization Network.) Organizations working with and on children matters. Member of CUC (Court Users Committee) Representing the interest of Children Member of CEB (County Education Board) Cso representing children. Currently, Madam Nuria is a Chair of the audit committee of the council</p>
	<p>Date of birth:1971, Key Qualifications: Master’s in Business Administration Bachelor of Commerce (Business Admin) Work Experience: As Finance –trained Professional and also having studied Business Administration I am able to drive business and organizational success by using financial and managerial knowledge and skills to influence strategic decisions and manage performance. I am able to analyze issues and events in global business environment and decide whether proposed long-term projects are financially viable. I have also been involved in preparing national budgets forecasts and used techniques for analyzing and improving credit management and disbursements for donor-financed projects and parastatals and other Government Investments in Public Entities. I am also able to analyze competitive environment and evaluate strategic options and also implement strategic plans and manage change.</p>



MR. SETH NYAMWEYA MASESE
Bachelor of Social Laws, Bachelor of Laws
(Special)

Date of birth:1973

Key Qualifications:

Bachelor of Social Laws

Work Experience:

Seth is a Lawyer with a Bachelor's Degree in Law. He is an Advocate of the High Court of Kenya and has over eighteen years of experience in commercial law, civil society and governance work with particular strengths in vetting and negotiating International and Local Treaties and Agreements, negotiations skills, legal research and rendering general legal advice particularly to the Government of the Republic of Kenya. Currently he is a Deputy Head - Senior Principal State Counsel, Attorney General's Chambers and Department of Justice in the Legal Advisory and Research Division.



**MR. NOAH MOKAYA OMAMBIA
SANGANYI, HSC**

Date of birth:1962

Key Qualifications:

Bachelor of Social Laws

Work Experience:

Sanganyi is a Child Protection Specialist, Director Children's Services at the Department of Children Services under the Ministry of Labour and Social Protection. He specializes in Child Protection including Psychosocial Support to Orphans and Vulnerable Children, Development of work plans, Development of National Programme Guidelines on Orphans and other Children made Vulnerable by HIV/AIDS (OVC), Development of National Policy on Orphans and Vulnerable Children (OVC), Development of National Plan of Action on Orphans and Vulnerable Children (OVC).

He has 6 years management of ILO/IPEC – child labour funded programme in Kisii soapstone industry, 6 years Government of Kenya(GOK)Expert on Treatment of Juvenile Delinquent System with technical co-operation programmes of Japan International Cooperation Agency (JICA), 6 years as a GOK Expert on Promotion of Street Children and Youth at Risk with German Technical Co-operation (GTZ) and lastly 3 years GOK Expert in management of National Cash Transfer Programme for Orphans and Vulnerable Children (OVC – CT).



**DR. LAURA BONARERI ANGWENYI
OYIENGO**

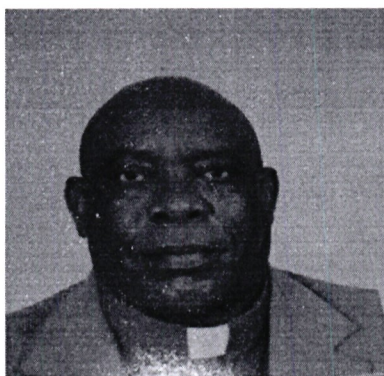
Date of birth:1976

Key Qualifications:

Masters of medicine, Paediatric and child health

Work Experience:

Consultant Paediatrician, Child and Adolescent health specialist currently serving as the Head of Neonatal and Child health services at the Ministry of Health. I am currently supporting the Ministry of Health, Kenya working with partners and stakeholders, in ensuring delivery of quality health services to infants and children amidst the COVID-19 pandemic. Previously worked at the National AIDS STI Control Program (NAS COP), Kenya where I led the Paediatric and Adolescent HIV care and treatment program wide experience in clinical patient management and public health including in-depth knowledge of the public and private sectors in Kenya. spearheaded as well as collaborated on multiple high impact projects which have brought about positive impacts for children and adolescents living with HIV and reforms in health service delivery for the young population



BISHOP BERNARD KARIUKI

Date of birth:1950

Key Qualifications:

Masters of Theology

Bachelor of Theology

Bachelor of Law

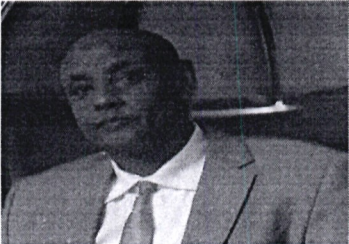



Work Experience

Mr Kariuki ministering in the church ACK for 25 years in the church & PISCOPOL Church for a period of 15 years. He was a commissioner CKRC for 5 years (NGAI commission). He has been a director at Rural Electrification Authority for years.



Kariuki has a legal firm to Tobiko and Njoroge Advocates, a medium law.

Kariuki is now a member of board of directors at The National Council for Children Services.

MANAGEMENT TEAM

 <p>ABDINOOR SHEIKH</p>	<p>Ag. C.E.O, NCCS</p>
 <p>BENSON WAMBANI Bachelor of Social Work</p>	<p>ASSISTANT DIRECTOR CHILDREN SERVICES</p>
 <p>MOSES MUGA</p>	<p>HEAD OF FINANCE, NCCS</p>
 <p>TRUPHENA CHEMININGWA Bachelor of Arts - Anthropology</p>	<p>ASSISTANT DIRECTOR CHILDREN'S SERVICES</p>

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 <p>JUDY WACHIRA. Bachelor of Arts – Social Work Masters in Counselling Psychology</p>	<p>ASSISTANT DIRECTOR CHILDREN'S SERVICES</p>
 <p>MARY THIONG'O Bachelor of Arts – Sociology</p>	<p>ASSISTANT DIRECTOR CHILDREN'S SERVICES</p>

CHAIRPERSONS' STATEMENT



It's my pleasure to present to you the annual financial report for the National Council for Children's Services for the period 2020-2021 financial year being the second report under my tenure as the chair of this board.

In releasing this report, I wish to acknowledge and appreciate the immense contributions of my board members and the secretariat that made us reach this milestone. This combined effort has seen the Council categorized as a state corporation.

The vast experience and rich knowledge of my board members on governance for state Corporation has enabled us to entrench values and principles of public service and best practices in the council's corporate governance. The myriad experience and commitment of the secretariat under the able leadership of the Ag. CEO has made the council to make vital milestone towards achieving its mission of having empowered and protected children in Kenya.

The council would not have achieved our targets without the valuable inputs and support from our partners who have offered both technical and financial support. It is through this concerted effort that the council has realized the finalization of children bill 2021 which is currently at the National Assembly.

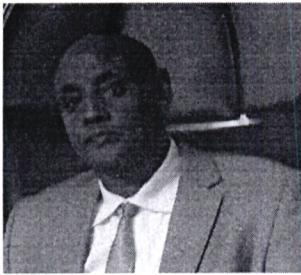
The council has successfully defended the second and third state party periodic report on the level of implementation on the African charter on the right and welfare of the child.

During the financial year 2020/2021 the council amidst the challenges of Covid 19 was able to steer the launch and the celebration of the day of the African child (DAC) virtually. The council also coordinated the development of a number of policies, strategies and guidelines aimed towards ensuring that Children are protected, empowered and their rights enhanced.

A handwritten signature in blue ink that reads "Joyce Ngugi". The signature is written in a cursive, flowing style.

**Joyce Ngugi,
Chairperson,
National Council for Children Services.**

REPORT OF THE CHIEF EXECUTIVE OFFICER



The National Council for Children's services has made great strides in the execution of its mandate in the period of 2020/2021 under review.

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

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

To achieve its objectives, the council has developed a five years' strategic plan in line with its mission, mandate, and its vision 2030, SDGs. The work plan and performance contract for the year 2020/2021 financial year was in line with this strategic plan.

It is within the council's mandate to ensure that child rights and welfare is advocated for and that child participation is emphasized in order to give children a voice. This was achieved during National celebrations of the Day of the African Child 2021 where among other things, the children had an engagement with key service providers on how best their rights and welfare can be enhanced.

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

Charitable Children Institutions are registered through the council and thus there is need for the council to monitor compliance by the said institutions to the set regulations and standards. More often than not, children suffer in the hands of their care givers/guardians, there's need therefore for them to be protected.

The council has realized successes during financial year 2020/2021. Some of the key highlights are and not limited to;

- Coordinated the completion, submission and sanitization of the children Bill 2021, to the Parliamentary Committee on Labour and Social Protection and National Assembly.
- Undertook mapping exercise of stakeholders and services in the Care Reform Program.
- Developed Information, Education and Communication (IEC) materials on transition of care including Frequently Asked Questions and online advocacy animation tool.
- Research of Funding Streams for Children Institutions to inform the advocacy on the redirection of resources to promote family and community-based care.
- Online training on transitioning of care for Headquarters staff and County Coordinators for the state department of social protection and Area Advisory Committee members from Kiambu and Kajiado Counties.
- Finalizing National Plan of Action (NPA) on Commercial Sexual exploitation of Children (CSEC).
- Successfully defending of the 2nd and 3rd State Party Report on the level of implementation of the African Charter on the Rights and Welfare of the Child (ACRWC).
- Initiated and coordinated stakeholders' engagements in the development of the combined 6th and 7th State Party periodic report and a Zero Draft report on the level of implementation of the United Nations Convention on the Rights of the Child in place.

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- Initiated and coordinated stakeholders' engagements in the development of responses to issues raised by the African Committee of Experts on the Rights and Welfare of the Child regarding the level of implementation of the ACRWC.
- Coordinated planning and successful National launch and Celebration for the Day of African Child 2021.
- Coordinated the development and validation of The National Care Reform Strategy for Children in Kenya through inclusive stakeholder's participation engagements facilitated by an international consultant.
- Advocacy for the protection and promotion on the rights and welfare of children through media partnership engagements.
- Coordination of stakeholder where issues affecting children are discussed.
- Draft strategic plan in place and mobilization of resources through partners.

The above achievements were made despite a number of challenges. Most notably are the inadequate resources both human and financial. The funds from the exchequer are very little and there's a lean staffing of the council thus affecting the operations of the council adversely.

However, it's our hope and trust that soon the council will be fully operationalized to achieve its mandate. Once this is achieved the council will fully embark on its mandate as the coordinator, regulator, overseer and advisor on matters of children.

Abdinoor Sheikh Mohamed,
Ag, C.E.O,
National Council for Children Services.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors appointed members to committees based on their professional competencies and skills.

The committee are expected to operate transparently, ensure full disclosure to the board and confine themselves within the rules and procedures set out by the board. Matters deliberated by the committees are presented to the board by the respective chairmen during the Full board meetings. The committees are: Audit and Risk, Finance and Administration and Strategy and Implementation Committees.

The responsibility and members of the committees are summarized below;

1. AUDIT COMMITTEE.

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

The main responsibilities of the council are;

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

The Members of the committee are as follow;

S/No.	Name	Organization	Telephone	Email address
1	Nuria Golo Halakhe (Chairperson)	MWANDO (FBO)	0725401221	nuriagollo@yahoo.com
2	Henry Mutwiri	National Treasury	0720091044	mutwirih@gmail.com
3	Noah M.O. Sanganyi	Director Children Services	0722813560	sanganyinoah@yahoo.com
4	Seth Masese	Office of the Attorney General	0721910995	nyamweyaseth@gmail.com
5	Nereah Olick	Director of Education	0725871877	anyangoolick@gmail.com

2. FINANCE AND ADMINISTRATION COMMITTEE.

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

The main responsibilities of the committee are;

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

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f) Observe proper assets management and disposals mechanisms.
The Members of the committee are as follow;

S/No.	Name	Organization	Telephone	Email address
1	Laura Bonareri (Chairperson)	Director of Health	0724097033	bonarerimk@gmail.com
2	Henry Mutwiri	National Treasury	0720091044	mutwirihr@gmail.com
3	Bishop Bernard Kariuki	Faith Based Org. (FBO)	0722754425	bpnjoroge@gmail.com
4	Mary Owino	PS Representative Social Protection	0722330377	owino@yahoo.com
5	Nereah Olick	Director of Education	0725871877	anyangoolick@gmail.com

3. STRATEGY AND IMPLEMENTATION COMMITTEE.

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

The main responsibilities of the committee are;

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

The Members of the committee are as follow;

S/No.	Name	Organization	Telephone	Email address
1	Bishop Bernard Kariuki (Chairperson)	Faith Based Org. (FBO)	0722754425	bpnjoroge@gmail.com
2	Noah M.O. Sanganyi	Director Children Services	0722813560	sanganyinoah@yahoo.com
3	Seth Masese	Office of the Attorney General	0721910995	nyamweyaseth@gmail.com
4	Laura Bonareri	Director of Health	0724097033	owarfa@yahoo.com
5	Nuria Golo Halakhe	MWANDO (FBO)	0725401221	nuriagollo@yahoo.com

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4. FULL BOARD MEMBERS

S/No.	Name	Organization	Telephone	Email address
1	Joyce Wanjiku Ngugi	Chairperson	0722514125	joycejossy@yahoo.com
2	Nuria Golo Halakhe	MWANDO (FBO)	0725401221	nuriagollo@yahoo.com
3	Henry Mutwiri	National Treasury	0720091044	mutwirih@gmail.com
4	Bishop Bernard Kariuki	Faith Based Org. (FBO)	0722754425	bpnjoroge@gmail.com
5	Seth Masese	Office of the Attorney General	0721910995	nyamweyaseth@gmail.com
6	Noah M.O. Sanganyi	Director Children Services	0722813560	sanganyinoah@yahoo.com
7	Mary Owino	PS-Representative Social Protection.	0722330377	owinoma@yahoo.com
8	Laura Bonareri	Director of Health	0724097033	bonarerimk@gmail.com

Note: Mary Owino was appointed as a representative from the Ministry of Labour and Social Protection but her retirement came before the end of financial year hence she ceased to be a member of the board.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

‘Corporate Social Responsibility’ refers to efforts to positively change business behaviour and practices as they affect children. This is done in collaboration with a range of stakeholders, including NGOs, government, civil society, children and young people.

Businesses have significant impacts, both positive and negative, on children’s rights. They make important contributions to the well-being of children by creating jobs and livelihoods for families, as well as in the form of philanthropic initiatives. At the same time, violations of children’s rights by companies can threaten children’s protection, survival and development.

We do this through four interrelated work areas:

1. Policy development and legal issues
2. Advocacy, Media and communication
3. Planning, research, monitoring and evaluation and
4. Resources mobilization.

The Council’s work on CSR is grounded in delivering results for the most disadvantaged children. It represents a unique opportunity to work together with the private sector – through addressing core social and economic practices and leveraging corporate knowledge, skills and networks – to address the challenges facing disadvantaged children.

We believe that our CSR can make a valuable contribution to children’s rights because:

- Companies interact with children on a daily basis. Children are workers in factories and fields, consumers of products, family members of employees, and live-in neighborhoods where businesses operate.
- Business impacts a wide range of children’s rights. In the past, corporate responsibility towards children has often focused on preventing and eliminating child labor, or on philanthropic investments. But companies also affect children through products and services, marketing methods, relationships with local and national governments, and investments in local communities.
- Companies have a responsibility to comply with national law and respect international standards on children’s rights. While governments have a duty to protect children against violations, companies have a responsibility to respect children’s rights throughout their activities and relationships.
- Business can act as a champion for children’s rights through core business activities, strategic social investments and philanthropy, advocacy and public policy engagement. Companies can work in partnership with, and exercise influence over, governments, peers, suppliers and other business relationships as part of promoting children’s rights.

The Council has an important role in raising awareness of children rights, and in working with private sectors to promote the responsibility to protect, respect and support children’s rights in the workplace, marketplace and community.

Our CSR work is part of the efforts to develop and maintain innovative partnerships and collaborative relationships, with the goal of promoting equity, reducing disparities and expanding services for the most vulnerable and marginalized children.

REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2021 which show the state of the council' s affairs.

Principal activities

The principal activities of the entity are:

In line with Mwongozo guidelines, the board;

- (a) Exercise their role collectively and not individually.
- (b) Determine the organization's mission, vision, purpose and core values.
- (c) Set and oversee the overall strategy and approve significant policies of the organization.
- (d) Ensure that the strategy is aligned with the purpose of the organization and the legitimate interests and expectations of its shareholders and other stakeholders.
- (e) Ensure that the strategy of the organization is aligned to the long-term goals of the organization on sustainability so as not to compromise the ability of future generations to meet their own needs.
- (f) Approve the organizational structure.
- (g) Approve the annual budget of the organization.
- (h) Monitor the organization's performance and ensure sustainability.
- (i) Enhance the corporate image of the organization.
- (j) Ensure availability of adequate resources for the achievement of the organization's objectives.
- (k) Hire the CEO, on such terms and conditions of service as may be approved by the relevant government organ(s) and approve the appointment of senior management staff.
- (l) Ensure effective communication with stakeholders.

Results

The results of the council for the year ended June 30, 2021 are set out on page 1-12

Directors

The members of the Board of Directors who served during the year are shown on page xiii.

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Auditors

The Auditor General is responsible for the statutory audit of the council in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015. Certified Public Auditors were nominated by the Auditor General to carry out the audit of National Council for Children Services for the year/period ended June 30, 2021.

By Order of the Board

Abdinar Sheikh M

Name

Board secretary

Nairobi.

A. Sheikh

Signature

30.06.2021

Date

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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


The Directors are responsible for the preparation and presentation of the council's financial statements, which give a true and fair view of the state of affairs of the council for and as at the end of the financial year (period) ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the council; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the council financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the State Corporations Act) – Section 30(1) of the Children Act 2001. The Directors are of the opinion that the Council's financial statements give a true and fair view of the state of Council's transactions during the financial year ended June 30, 2021, and of the Council's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the Council's, which have been relied upon in the preparation of the Council's financial statements as well as the adequacy of the systems of internal financial control.

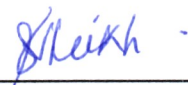
Nothing has come to the attention of the Directors to indicate that the Council's will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements.

The council's financial statements were approved on behalf of the Board by:



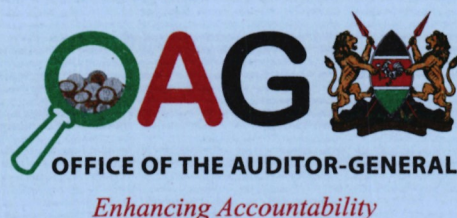
Chairman of The Board
30th June 2021



Ag. Chief Executive Officer
30th June 2021

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL COUNCIL FOR CHILDREN'S SERVICES FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Council for Children Services set out on pages 1 to 12, which comprise of the statement of financial position

as at 30 June, 2021, and the statement of financial performance, statement of changes in net assets 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 National Council for Children's Services as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and Children Act, 2001.

Basis for Qualified opinion

1.0 Inaccuracies of the Financial Statements

1.1. Trial Balance

Review of the trial balance and the financial statements reflected variances under several items as indicated below:

Item	Amount (Kshs)		
	Trial Balance	Financial Statements	Variance
Domestic Travel	4,137,700	4,423,597	285,897
Office and General Supplies	1,425,400	2,418,000	992,600
Local Transport	97,250	Nil	97,250
Conferences and Delegation and Training	1,554,728	2,769,528	1,214,800
State Corporation Advisory Committee	28,000	Nil	28,000
National Celebrations	190,000	Nil	190,000

In the circumstances, the accuracy of the financial statements could not be confirmed.

1.2. Non-Compliance with Reporting Template

The Public Sector Accounting Standards Board prescribed template requires the financial statements to have disclosures on statement of the entity's performance against predetermined objectives, management discussion and analysis, environmental and sustainability reporting, surplus remission, adoption of new and revised standards, cash and cash equivalents, subsequent events, estimates and assumptions. However, the financial statements as presented for audit did not have the required disclosures.

In the circumstances, the financial statements do not comply with the Public Sector Accounting Standards Board (PSASB) reporting template.

2.0 Unsupported Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.13,398,759. As previously reported, most of the assets were donated by the State Department for Social Protection at net book values and have not been revalued. This is contrary to paragraph 27 of IPSAS 17 on property, plant and equipment which requires assets acquired through non-exchange transactions to be measured at fair value as at the date of acquisition.

Further, the Council has not developed or disclosed the depreciation policy on the non-current assets while the fixed assets register does not disclose the date of purchase for some of the assets, respective costs of these assets and status of the assets. In addition, some of the assets have not been tagged for ease of tracking and verification.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.13,398,759 could not be confirmed.

3.0 Inaccuracies in General Expenses

The statement of financial performance and Note 7 to the financial statement reflects Kshs.14,124,775 in respect to general expenses. Review of records revealed unsatisfactory issues as indicated below:

3.1 Omission of Bank Charges

Review of the bank statement and the cash book indicates that, an amount of Kshs.47,193 was incurred with respect to bank charges. However, the expenditure was not included in the general expenses amount.

3.2 Wrong Classification of Expenditure on Printer and Two (2) Laptops

The general expenses include an amount of Kshs.1,398,000 in respect to purchase of computers and accessories. Out of this expenditure is an amount of Kshs.869,000 in respect to acquisition of a printer at Kshs.600,000 and two (2) laptop computers at Kshs.269,000. Despite the acquisition of assets cost having been correctly reported under the additions in the non-current assets' movement schedule at Note 10, the expenditure has however been expensed in the statement of financial performance contrary to generally acceptable accounting principles of only expensing the depreciation charge for the year of the non-current assets.

3.3 Unsupported Internet Data Bundles Allowances

The general expenses include an amount of Kshs.1,018,500 in respect of telecommunications. Out of this, an amount of Kshs.224,000 was to facilitate purchase of internet data bundles for seventy-three (73) virtual training participants on integration

of children from residential care to family and communities. However, expenditure returns of Kshs.179,000 in respect of sixty (60) participants was not provided for audit review.

In the circumstances, the accuracy of the general expense amount of Kshs.14,124,775 could not be confirmed.

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.0 Irregular Payment of Telephone Allowances

The statement of financial performance reflects Kshs.14,124,775 in respect to general expenses, which includes an amount of Kshs.1,018,500 in respect to telecommunications as disclosed under Note 7 to the financial statements. Further, included in the amount is Kshs.635,000 which was paid to various officers as airtime allowance. However, the officers were correctively overpaid by Kshs.171,000 contrary to the Head of Public Service circular of 5 March, 2010 which prescribed the maximum airtime allowances per job groups for civil service.

In addition, the circular states that officers from Job group L and below may be provided with airtime not exceeding Kshs.2,000 per month with an approval of the Accounting Officer stating the circumstances necessitating the allowances. However, eleven (11) officers falling in Job groups L and below were paid airtime allowances totalling to

Kshs.129,500 without approval from the Accounting Officer. Further, five (5) officers who were paid airtime allowance totalling to Kshs.40,500 are not in the Councils' list of members of staff. The basis for this payment was not provided.

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

2.0 Irregular Procurement of Various Goods

The statement of financial performance and Note 7 to the financial statement reflects Kshs.14,124,775 in respect to general expenses which includes an amount of Kshs.2,418,000 in respect to office and general expenses. Included in the office and general expenses are payments amounting to Kshs.400,000 in respect of supply and delivery of drinking water, facemasks and alcohol hand sanitizers. However, review of the procurement process revealed that the tender opening and evaluation Committees' meetings were conducted by the same tender opening and evaluation Committee members contrary to Section 78(b) of the Public Procurement and Asset Disposal Act, 2015 which requires that at least one of the members of the tender opening committee shall not be directly involved in the processing or evaluation of the tenders.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Lack of Substantive Office Holders and Weak Internal Controls

As reported in the previous year audit report, Section 37 of the Children's Act, 2001 provides for the appointment of a Director and Deputy Directors of Children's services as well as Children Officers and other Officers. However, the Council has a Chief Executive Officer in an acting capacity and all the Council's staff are on secondment from the Parent Ministry.

In addition, the Council lacks an approved human resource policy and procedures manual, staff grading and establishment, and career guidelines as required by the Human Resource Policies and Procedures Manual of Public Service, 2016.

In the circumstances, the effectiveness of the entity's internal controls system could not be confirmed.

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

Responsibilities of Management and the Board of Directors

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

In preparing the financial statements, Management is responsible for assessing the National Council for Children Services ability 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 liquidate the Service or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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


CPA Nancy Gatirungu, CBS
AUDITOR-GENERAL

Nairobi


21 July, 2022

NATIONAL COUNCIL FOR CHILDREN'S SERVICES
Annual Reports and Financial Statements
For the year ended June 30, 2021


1. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2021

	Notes	2020-2021	2019-2020
		Kshs	Kshs
REVENUES			
Grants from National Government	1	36,500,000	46,500,000
Other receipts		324,497	230,668
TOTAL REVENUE		36,824,497	46,730,668
EXPENSES			
Employee costs	2	00	00
Board Expenses/remuneration of Management	3	5,069,549	7,443,552
Repairs and maintenance	4	902,010.00	2,408,352
Contracted services	5	00	00
Programs	6	15,946,400	12,348,400
General expenses	7	14,124,775	16,155,621
Depreciation of Assets	10	2,757,085	3,138,138
TOTAL EXPENSES		38,799,820	41,494,063
Surplus/ Deficit for the period		(1,975,323)	5,236,605


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



Ag C.E.O
 Abdinoor Sheikh
 Date: 30th June 2021



CHAIRMAN OF THE BOARD
 Joyce Ngugi
 Date: 30th June 2021




HEAD FINANCE:
 Moses O. Muga
 ICPAK Member No. 14266
 Date: 30th June 2021

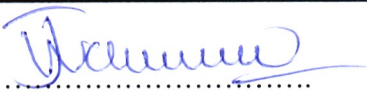
NATIONAL COUNCIL FOR CHILDREN'S SERVICES
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For the year ended June 30, 2021


2. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2021

	Notes	2020-2021	2019-2020
		Kshs	Kshs
ASSETS			
Current assets			
Cash at Bank	8	235,508	284,946
Non-Current Assents			
Property, plant and equipment	10	13,398,759	15,286,844
TOTAL ASSETS		13,634,267	15,571,790
Liabilities			
Outstanding Debts			
Payables	11	680,000	642,200
TOTAL LIABILITIES		680,000	642,200
NET ASSETS		12,954,267	14,929,590
TOTAL NET ASSETS AND LIABILITIES		12,954,267	14,929,590
Bal b/f		14,929,590	9,692,985
Surplus for the year		(1,975,323)	5,236,605
TOTAL		12,954,267	14,929,590

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


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Ag C.E.O
Abdinoor Sheikh
Date: 30th June 2021


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CHAIRMAN OF THE BOARD
Joyce Ngugi
Date: 30th June 2021



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Moses O. Muga
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Date: 30th June 2021


NATIONAL COUNCIL FOR CHILDREN'S SERVICES
Annual Reports and Financial Statements
For the year ended June 30, 2021

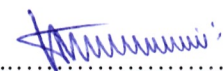
3. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30TH JUNE 2021.

	CAPITAL RESERVE	REVENUE RESERVE	REVALUATION RESERVE	TOTAL AMOUNT
Bal as at 30th June 2019	15,638,578	- 5,945,594	0	9,692,984
Bal As at 1st July 2019	15,638,578	- 5,945,594	-	9,692,984
Capitalized Government Grant	-	-	-	-
total comprehensive income for the year		5,236,605		5,236,605
Bal As at 30th June 2020	15,638,578	-708,989		14,929,589
Bal As at 1st July 2020	15,638,578	-708,989	-	14,929,589
capitalized grants	-	-	-	-
total comprehensive income for the year		- 1,975,323		- 1,975,323
Bal as at 30th June 2021	15,638,578	(2,684,312)		12,954,266

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


.....
Ag C.E.O
Abdinoor Sheikh
Date: 30th June 2021


.....
CHAIRMAN OF THE BOARD
Joyce Ngugi
Date: 30th June 2021

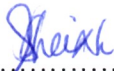

.....
HEAD FINANCE:
Moses O. Muga
ICPAK Member No. 14266
Date: 30th June 2021


NATIONAL COUNCIL FOR CHILDREN'S SERVICES
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For the year ended June 30, 2021

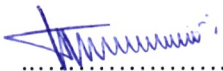
4 STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2021

		KSH.	KSH.
RECEIPTS		2020-2021	2019-2020
Grants from National government	1	36,500,000	46,500,000
Other Receipts		324,497	230,668
Total receipts		36,824,497	46,730,668
PAYMENTS			
Employee cost	2		-
Board expenses	3	5,069,549	7,443,552
Repairs and maintenance	4	902,010	2,408,352
General expenses	7	14,124,775	16,155,621
Contracted services	5	0	0
Programs	6	15,946,400	12,348,400
Total Payments		36,042,734	38,355,925
Adjusted for:			
Changes in receivables		0	0
Changes in payables		37,800	4,425,486
Net cash flow from operating activities		819,563	(4,425,486)
Cash flow from Investing Activities			
Acquisition of Assets		869,000	4,020,795
Net cash flows from Investing Activities		- 869,000	(4,020,795)
Cash flow from Borrowing Activities			
Proceeds from Domestic Borrowings		0	-
Net cash flow from financing activities		0	-
Net increase in Cash and Cash Equivalent		- 49,439	-71,537
Cash and cash equivalent at beginning of the period	8	284,947	356,484
Cash and cash equivalent at END of the year	9	235,508	284,947

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


.....
Ag C.E.O
Abdinoor Sheikh
Date: 30th June 2021


.....
CHAIRMAN OF THE BOARD
Joyce Ngugi
Date: 30th June 2021


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HEAD FINANCE:
Moses O. Muga
ICPAK Member No. 14266
Date: 30th June 2021

NATIONAL COUNCIL FOR CHILDREN'S SERVICES
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5. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS FOR
THE YEAR ENDED 30 JUNE 2021.


Receipts/ Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% Of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
Receipts						
Grants: National Government	36,500,000	0	36,500,000	36,500,000	0	100%
Other Receipts	0	0	0	324,497	(324,497)	
Total Receipts	36,500,000	0	36,500,000	36,824,497	(324,497)	
Payments						
Board Expenses	5,100,000	0	5,100,000	5,069,549	30,451	99%
Employee Costs	-	0	-	0	0	0%
Repairs and Maintenance	1,000,000	0	1,000,000	902,010	97,990	96%
Contracted Services	-	0	-	0	0	0%
Programs	16,000,000		16,000,000	15,946,400	53,600	97%
General Expenses	14,400,000		14,400,000	14,124,775	275,225	96%
Total Payments	36,500,000	0	36,500,000	36,042,734	457,266	

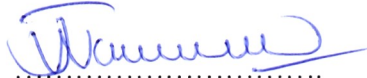
Budget Notes

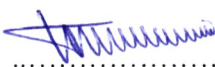
The under expenditures were due to

1. **Employees Cost-** The employees under the council were seconded from the Ministry and their cost borne by the ministry. Therefore, there was no cost related to the employees.
2. **General expenses-** the under expenditure is inclusive of depreciation

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


.....
Ag C.E.O
Abdinoor Sheikh
Date: 30th June 2021


.....
CHAIRMAN OF THE BOARD
Joyce Ngugi
Date: 30th June 2021


.....
HEAD FINANCE:
Moses O. Muga
ICPAK Member No. 14266
Date: 30th June 2021

NATIONAL COUNCIL FOR CHILDREN'S SERVICES
Annual Reports and Financial Statements
For the year ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS

a. General Information

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

b. Statement of Compliance and Basis of Preparation

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

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

c. Summary of Significant Accounting Policies.

a) Revenue recognition

i) Revenue from non-exchange transactions

a) Transfers from other government entities

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

ii) Revenue from Exchange Transactions

a) Rendering of services

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

NATIONAL COUNCIL FOR CHILDREN'S SERVICES
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b) Budget information

The original budget for FY 2020-2021 was approved by the National Assembly, Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by The National Council for Children's Services upon receiving the respective approvals in order to conclude the final budget. Accordingly, The National Council for Children's Services recorded appropriations of thirty-six million, five hundred thousand shillings budgets following the governing body's approval.

The National Council for Children's Services budget is prepared on basis of the work plan, procurement plans translated into the actual income and expenditure. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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

b) Property, plant and equipment

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

NATIONAL COUNCIL FOR CHILDREN'S SERVICES
Annual Reports and Financial Statements
For the year ended June 30, 2021

1. TRANSFERS FROM MINISTRIES, DEPARTMENT AND AGENCIES

Name of the Entity sending the grant	2020-2021	2019-2020
		Kshs
State Department of social protection	36,500,000	46,500,000
Direct Payment by State Department of social protection		
Other receipts	324,497	230,668
Total	36,824,497	46,730,668

2. EMPLOYEE COSTS

Description	2020-2021	2019-2020
	KShs	KShs
Transport allowance	0	0
Travelling allowance	0	0
Total employee cost	0	0

3. BOARD BEXPENSES/REMUNERATION OF MANAGEMENT

Description	2020-2021	2019-2020
	Kshs	Kshs
Chairman's Honoraria	980,000	980,000
Directors' emoluments	4,089,549	6,463,552
Total director emoluments	5,069,549	7,443,552

4. REPAIRS AND MAINTENANCE

Description	2020-2021	2019-2020
	Kshs	Kshs
Repairs and Maintenance- Others	341,360	1,283,400
Repairs and Maintenance-Vehicles	560,650	1,124,952
Total Repairs and Maintenance	902,010	2,408,352

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5. CONTRACTED SERVICES.

Description	2020-2021	2019-2020
	Kshs	Kshs
Consultancy on child-to-child abuse	-	-
Payment of Rent	0	0
Totals	0	0

6. PROGRAMS.

	2020-2021	2019-2020
	KShs	KShs
PROGRAMMES	15,946,400	-
Cash transfer on a National Day Celebrations	-	10,305,400
Children Bill	-	2,043,000
Total Cost	15,946,400	12,348,400

7. GENERAL EXPENSES.

Description	2020-2021	2019-2020
	Kshs	Kshs
Domestic travel	4,423,597	4,959,185
Foreign travel	-	49,425
Catering services	1,217,700	1,810,190
Fuel and oil	794,000	660,000
Office and general supplies	2,418,000	1,352,455
Bank Charges		183,105.80
Electricity Expenses	-	-
Specialised Materials and Supplies	-	-
Purchase of Computers and Accessories	1,398,000	-
Printing stationeries	-	5,518,160
Postal & Courier	85,450	-
Provisions for Audit fee	-	-

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Conferences and delegation & Training	2,769,528	826,500
Subscriptions	-	-
Telecommunications	1,018,500	-
Care reform	-	796,600
Total General Expenses	14,124,775	16,155,621

8. CASH AND CASH EQUIVALENTS.

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank	235,508	284,946
Total cash and cash equivalents	235,508	284,946

9. DETAILED ANALYSIS OF THE CASH AND CASH EQUIVALENTS.

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank	235,508	284,946
Total Cash and Cash Equivalents	235,508	284,946

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10. NON-CURRENT ASSETS MOVEMENT SCHEDULE.

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers	Office Equipment's	Total
Cost	KShs	KShs	KShs	KShs	KShs	KShs
As At 1 st July 2019		4,218,188	1,641,500	2,830,750	5,713,750	14,404,188
Additions				1,242,495	2,778,300	4,020,795
Charge for the year						
As At 30th June 2020		4,218,188	1,641,500	4,073,245	8,492,050	18,424,983
Charge for the year		527,274	205,188	1,344,171	1,061,506	3,138,138
As At 30th June 2020		527,274	205,188	1,344,171	848,969	2,925,601
Net book values As At 30th June 2020		3,690,915	1,436,313	2,729,074	7,430,544	15,286,845
Additions				869,000		869,000.00
As At 30th June 2021		3,690,915	1,436,313	3,598,074	7,430,544	16,155,845
Charge for the year		461,364	179,539	1,187,364	928,818	2,757,086
Net book values As At 30th June 2021		3,229,550	1,256,773	2,410,710	6,501,726	13,398,759

11. PAYABLES

Particulars	2020/2021	2019/2020
Payables	680,000	642,200

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PRIOR YEAR AUDIT ISSUES			
S/N	ISSUE RAISED	MANAGEMENT RESPONSE	STATUS
1	Depreciation of Assets	The assets were not depreciated in the financial year 2020/2021. The council is planning to constitute evaluation committee.	The Council is in the process of coming up with the evaluation committee