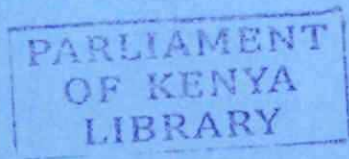


REPUBLIC OF KENYA



Enhancing Accountability

REPORT



OF

THE AUDITOR-GENERAL

ON

CHILD WELFARE SOCIETY OF KENYA

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

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	03 MAR 2025 Thursday
TABLED BY:	Hon. Naomi Wageri MP Deputy Majority Party Whip
CLERK AT THE TABLE:	Ar. Shibusko



CHILD WELFARE SOCIETY OF KENYA

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDING
JUNE 30, 2024**



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

*Child Welfare Society of Kenya
Annual Reports and Financial Statements
For the year ended June 30, 2024*

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1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

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

b) Principal Activities

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

Vision

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

Mission

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

Core Values

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

c) Strategic Objectives

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

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

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

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

d) Key Decision Making Organ

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

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

e) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were.

No.	Designation	Name
1	CEO / Managing Trustee	Irene Mureithi
2.	Head of Finance	Charles Maina
3.	General Manager Programmes	Selastine Nthiani
4.	General Manager Programmes	Mary Thiong’o
5.	Officer in charge of Security & Administration	John Wachira
6.	Senior Manager Programmes	Jennifer Wangari
7.	Head of Human Resource	Marcella Obaga
8.	ICT Officer	Alfred Oanya
9	Internal Audit	Floriana Maganga
10	Management Accountant	Henry Kagundu
11.	Finance Manager	Lucy Boit

f) Entity Headquarters

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

g) Entity Contacts

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

E-mail: cwsktoto@childwelfaremail.co.ke

Website: www.childwelfaresocietykenya.org

h) Entity Bankers

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

8. National Bank of Kenya Limited
P O Box 578-80100
Mombasa, Kenya

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

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




 11. Family Bank of Kenya
P O Box 74145-00200
Nairobi
- i) Independent Auditors**
- Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O Box 30084 – 00100 GPO
Nairobi, Kenya

2. THE BOARD OF TRUSTEES





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

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

3. MANAGEMENT TEAM

	<p>Irene Mureithi: Masters Course in Education, Psychology, B.A. HONS Social Work.</p>	<p>Chief Executive Officer/Managing Trustee</p>
	<p>CPA Charles Maina: CPA(K)</p>	<p>Head of Finance</p>
	<p>Selastine Nthiani B.A Sociology</p>	<p>General Manager Programmes</p>

	<p>MaryThiong'o B.A Sociology</p>	<p>General Manager Programmes</p>
	<p>John Wachira NCPE</p>	<p>Officer in charge of Security & Administration</p>
	<p>Jennifer Wangari B.A Sociology</p>	<p>Senior Manager programmes</p>
	<p>Marcella Obaga: B.A HumanResource</p>	<p>Head of Human Resource</p>

	<p>Alfred Oanya BSC in Mathematics & Computer Science</p>	<p>ICT Officer</p>
	<p>CPA Maganga S. Floriana CPA(K)</p>	<p>Internal Auditor</p>
	<p>CPA Henry K. Kagodu: CPA(K), B.Sc.(IBA)</p>	<p>Management Accountant</p>
	<p>CPA Lucy Boit: CPA(K), MBA (Finance.), B.Commerce</p>	<p>Finance Manager</p>

4. CHAIRPERSON'S STATEMENT

The financial year 2023/2024 has been remarkable for Child Welfare Society of Kenya (CWSK), and we are grateful to God for the achievements realized throughout the year.

The CWSK Board of Trustees plays a crucial role in providing policy direction and oversight, ensuring that the Society remains aligned with its mission and vision. In the best interests of children, the Board also actively safeguards the properties and assets under its trusteeship for children.

The Society draws its membership from CWSK Branches and we are grateful to all members of the society for their unwavering support in helping us achieve our goals.

The Board expresses profound gratitude to the First Lady of the Republic of Kenya, Her Excellency Mrs. Rachael Ruto for agreeing to become spokesperson and champion for children. The Board also acknowledges all the members and staff of the Society for their dedication, passion and efforts that have made it possible for the Society to accomplish its goals. It is truly fulfilling to serve the children and vulnerable young people of this great country and contribute to the nation's development. During this period, the Society reached 937,144 children and vulnerable young persons and the Trustees take great pride in this significant achievement.

This milestone demonstrates that the Society is successfully fulfilling the mandate for which it was established. The Government of Kenya, through the Ministry of Labour and Social Protection, has provided invaluable support in ensuring the welfare and protection of children across the country.

The Board is committed to continue providing welfare services to children, as CWSK has been doing since 1955. In the next financial year, the Board of Trustees will remain dedicated to fulfilling its responsibilities in order to achieve the Society's vision; 'to see all children and vulnerable young persons leading a happy, fulfilling, and fruitful life'. The Board will also work towards accomplishing the Society's mission; 'to promote and secure the rights of children and vulnerable young persons, in order for them to realize their full potential'.

The Board of Trustees remains steadfast in its commitment to providing policy direction to the organization, as it has done for the past 68 years, ensuring that the best interests of the child are upheld.

May God bless Child Welfare Society of Kenya.



Mr. Joseph Gitau, HSC

CHAIRPERSON BOARD OF TRUSTEES

Date:

18th December, 2024

5. CHIEF EXECUTIVE OFFICER/MANAGING TRUSTEE REPORT

We are grateful to God for allowing us to have another year to serve needy children and families across the country

Child Welfare Society of Kenya (CWSK) is an agency of government under the Ministry of Labour and Social protection. In the financial year 2023/2024 we received tremendous support and leadership from our parent ministry. We carried out various interventions, which were led by either the Cabinet Secretary or the Principal Secretary. The interventions included a tree planting activity in Nyamira County and emergency interventions in Kiambu and Tana River Counties. CWSK also received notable support from The National Treasury and other government ministries such as the Ministry of Education and Ministry of Interior and National Administration. We give our gratitude and appreciation for the support without which it would have been difficult to achieve such great results.

It has been an outstanding year in our efforts to ensure protection of children within the country. Through various programmes, a total of 937,144 children were reached in the FY 2023/2024. Notably, under emergencies CWSK reached 250,278 children compared to 130,623 children reached in FY 2022/2023.

CWSK runs a pilot lunch programme to support Day Scholars in six counties across the country. This intervention prevents school dropout, child labour, teenage pregnancies and child abuse which results to students building their self-esteem and confidence. Under the Education and Skills Development Programme, CWSK reached 183,905 children. In this programme, the Society targets the hard-to-reach children and vulnerable young persons through psychosocial support. Similarly, 51 vulnerable young persons were facilitated to join the National Youth Service (NYS) for skills development.

CWSK reached 47,627 children through rescue, family tracing and reunification services and also provided alternative family care services. This promoted care and protection of children in families, giving them a sense of identity and belonging within a family for holistic growth and development in their best interest.

The Society has been undertaking maintenance of the on-going Integrated Child and Family Centres (projects) at the temporary places of safety. We look forward to completing these projects in the next financial year.

During the period, CWSK was allocated and received Kshs 900 million. These funds were fully utilised in providing services to children and families under various programmes, including the running of the Society. CWSK continues to implement programmes to ensure care, protection and welfare of children in line with the mission of the Society 'to promote and secure the rights of children and vulnerable young persons in order for them to realise their full potential'.

Special thanks go to the First Lady of the Republic of Kenya, Her Excellency, Mrs. Rachael Ruto for amplifying children voices and ensuring their voices are heard and their needs are met. We are grateful to our partners for their support in child protection endeavors. Sincere appreciation goes to the secretariat and staff of Child Welfare Society of Kenya who have worked tirelessly with great passion and commitment, to serve the children of this country.

May God bless you all and reward every one of you for special efforts that you always put. Thank you.

CWSK ACHIEVEMENTS IN THE FY 2023-2024 UNDER PROGRAMMES

Highlights of significant achievements during the period

- Children in emergencies were protected and supported whereby 250,278 children and their families provided with Psycho-social Support (PSS) services (food, clothing, shelter, counselling, family mediation) to ensure quality care to children.
- 183,905 children in schools affected by emergencies, facilitated with complementary education materials. The children were supported with food (maize, beans, lentils, rice, cooking oil, among others), soap and education materials such as stationery.
- 47,627 children provided with rescue and response services and family tracing services through Identification, Documentation, Tracing and Re-unification (IDTR).
- 37,616 families and children provided with Psycho-social Support (PSS) services (food, clothing, shelter, counselling, family mediation) to ensure quality care to children.
- 188,956 OVCs and vulnerable young persons outside the Cash Transfer Programme provided with psychosocial support (food, education, clothing, health & shelter) during the period.
- 15,116 children supported with complementary education materials (including stationery, school uniforms, shoes, school bags, among others). In addition, CWSK also;
- Paid school fees and levies for 9,785 OVCs and young persons at the Temporary Places of Safety and in the community.
- Prevented and withdrew 109,450 children at risk of child labour.
- 878 parents whose children are in or at risk of child labour identified, trained and empowered with Income Generating Activities
- 986 foster and adoptive parents reached, assessed and the eligible cases placed with children.
- 702 foster and adoptive parents trained on childcare, alternative family care and parenting.
- 43,656 duty bearers sensitized and trained on OVC protection and 331 local child protection community structures for OVC protection established/strengthened.

- Child Participation promoted through strengthening the capacity of 43,656 children in identifying their needs and solutions.

Achievements under CWSK Programmes

1. Temporary Places of Safety

CWSK has 10 Temporary Places of Safety (TPS) spread across various counties. These are CWSK Mama Ngina Kenyatta TPS in Nairobi County, CWSK Mji wa Salama TPS in Mombasa County, CWSK Kisii TPS in Kisii County, CWSK Kanduyi TPS in Bungoma County, CWSK Arap Moi TPS in Nakuru County, four CWSK Foster Families and Group Homes, CWSK Nanyuki TPS in Laikipia County, CWSK Embu TPS in Embu County, CWSK Isiolo TPS in Isiolo County, CWSK Murang'a TPS in Murang'a County and CWSK Lodwar Transitional Centre in Turkana County.

CWSK rescues children that are in distress and offers temporary shelter and safe houses for children in need of temporary care and protection. Further, CWSK provides psychosocial support to the children at the temporary places of safety.

The TPS' are headed by Branch Administrative Officer and other professionals such as Social Workers, Clinical Officers, Nurses, Teachers as well as caregivers. These professional work together to ensure care to children under care and protection. The facilities serve children of all ages, from infants to teenagers as supported independent living for vulnerable young persons.

Status of achievements under the Temporary Places of Safety

- CWSK provided psychosocial support to children while at the temporary places of safety and networked with charitable children's institutions to offer services to the children and ensure their reintegration back to their families/communities as well as alternative family care.
- CWSK temporary places of safety have a turnover of 1,500 children on average each year.



Photo 1: The First Lady Mama Rachel Ruto with the CEO CWSK while visiting the children at CWSK Mji Wa Salama TPS in Mombasa County. The facility provides care and protection to separated and vulnerable children referred from the police, administration, children's offices, judiciary, hospitals and by other duty bearers.

2. Emergency Preparedness and Response

CWSK is the National Emergency Response and Rescue Organization for children in Kenya. CWSK has been running this programme since inception, in ensuring the welfare of children and vulnerable young persons affected by emergencies.

Under this programme, CWSK is running a pilot programme in counties across the country, supporting day secondary school to increase school enrolment and retention and prevent children from getting into child labour, teenage pregnancies and other vices.

In the Financial Year 2023/2024, CWSK responded to various emergencies that occurred in the country with the focus being child protection for children affected by emergencies. These include natural calamities like floods as well as man-made disasters like fire.

Status of achievements in emergency preparedness and response programme

- 250,278 children in emergencies provided with psycho-social support against a target of 125,000. The children and families were provided with education support, food, clothing, beddings, building materials, counselling)
- 183,905 children in schools affected by emergencies were facilitated with complementary education materials

- 248 children caught up in emergencies were provided with identification, documentation, tracing, and mediation and re-unification services as per their individual needs during emergency response.

outcomes

- Provision of psycho-social support to children affected by emergencies, restoring hope and stability.
- Increased awareness on issues affecting children in emergencies
- Increased protection of children in emergencies
- Provision of adequate food and nutrition for food security
- Prevention of children from separation



Photo 2: Photo of the Former CS Labour and Social Protection, the PS and the CEO CWSK during an Emergency intervention for flood victims in Hazina Location, South B, Nairobi.



Photo 3: Photo of the Principal Secretary, State Department for Social Protection and Senior Citizen Affairs with the Area MP Alice Wahome, the Government Spokesman Hon. Isaac Mwaura and CEO CWSK during an Emergency intervention in Githurai, Nairobi County where CWSK distributed psychosocial support items to affected by floods.



Photo 4: Psychosocial support items arranged on a field for beneficiaries (flood victims) in an Emergency intervention in Kiambaa, Kiambu County

3. Rapid Response and Rescue of children in distress

CWSK implements Rapid Response and Rescue services for children through its branches that serve all the 47 counties. Through this programme, various children cases are handled. These include cases of abandonment, lost and found children, children that have faced abuse of various forms, children rescued from trafficking, children of incarcerated parents e.t.c. These children are rescued and placed temporarily in CWSK TPS' pending investigations and other interventions including

family tracing. The cases are referred to CWSK by the police, courts, hospitals, children offices, chiefs' offices, other Government departments and the public.

Status of rapid response and rescue of children programme

- 44,392 children were provided with rescue services, including psychosocial support, at CWSK temporary places of safety and networking institutions.

Outcomes

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

4. Local, Regional and International Family Tracing and Reunification

Under this programme, CWSK conducts family tracing for children who are separated from their parents/kin/relatives as well as assisting parents whose children are missing. This is done locally, regionally and internationally. Various efforts are undertaken including physical tracing, media tracing and social investigations. This is done with the aim of upholding a child's right to parental care and protection. Once the family has been traced, social and scientific verifications are undertaken to ascertain family relationships. Subsequently, during the reunification, the family receives psychosocial support to better care for the children, including economic empowerment.

Status of achievements in Family Tracing and Reunification

CWSK provided 3,235 separated children with family tracing services (Identification, Documentation, Tracing and Re-unification-IDTR) through social investigations (physical tracing) and also by placing their photos on the print media in local dailies.

Outcomes

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

- Deinstitutionalization in line with the National Care Reform Strategy - reduction of the number of children in institutions which is detrimental to their general welfare.



Photo 5 and 6: Photo of CWSK officers at the Sub County Children Office reunifying a child with his family. The family also received psychosocial support and school uniform for the child.

The Standard, Sunday, June 24, 2024 Sponsored Content 17



HELP ME FIND MY FAMILY

Lost/Missing children ask - are you my family?
 The Children are currently under the care of CWSK Places of Safety
 across the country



 <small>Name: [Name] Age: [Age] Place of residence: [Location]</small>	 <small>Name: [Name] Age: [Age] Place of residence: [Location]</small>	 <small>Name: [Name] Age: [Age] Place of residence: [Location]</small>	 <small>Name: [Name] Age: [Age] Place of residence: [Location]</small>	 <small>Name: [Name] Age: [Age] Place of residence: [Location]</small>	 <small>Name: [Name] Age: [Age] Place of residence: [Location]</small>	 <small>Name: [Name] Age: [Age] Place of residence: [Location]</small>	 <small>Name: [Name] Age: [Age] Place of residence: [Location]</small>	 <small>Name: [Name] Age: [Age] Place of residence: [Location]</small>	 <small>Name: [Name] Age: [Age] Place of residence: [Location]</small>
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Telephone: 0713 900 935/0713900 935
 Email: enquiries@childwelfare.or.ke info@childwelfare.or.ke www.childwelfare.or.ke

Photo 7: One of CWSK Media Tracing advertisement in one of the local dairies during the period. Media tracing is among several other the methods that Child Welfare Society of Kenya uses in tracing families of lost, separated and missing children.

5. Alternative Family Care

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

Status of achievements in Alternative family care

- 986 foster and adoptive parents were assessed, trained and empowered; whereby eligible cases were placed with children.
- 702 parents were trained on child care and alternative family care
- Case follow up was undertaken reaching 514 cases. This ensured child protection in families
- 133 court reports for children were prepared and filed in court.

Outcomes

- Increased number of children living in families
- Deinstitutionalization of children - reduction of the number of children in institutions
- Children are enjoying their right to be raised and be cared for in a family set up as stipulated in The Children Act 2022, Section 11 (1) and the Constitution of Kenya, Article 53 (1) (e).

6. Family Counselling, Mediation, Rehabilitation and Empowerment

The aim of this programme is to strengthen family relationships and enhance their social and economic capacity for them to effectively care and protect children. This is done through provision of counselling, mediation, psychosocial support, rehabilitation and economic empowerment to families for them to provide quality care to children.

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

- Psycho-social Support (PSS) services (food, clothing, shelter, counseling, family mediation) were provided to 37,616 families and children to ensure quality care to children.
- 885 families of vulnerable children were identified, trained and empowered. This is to strengthen the families to better care for their children.

Outcomes

- Improved family relationships and parenting skills
- Improved economic livelihood for families
- Provision of quality care and protection for children by their families at the local community level
- Improved health for children and families
- Decent affordable housing to families providing care to reunified children.
- Children enjoying their right to be raised in a family setup as stipulated in The Children Act, 2022 and the Constitution of Kenya Article 53(1) (e).
- Protection of children is enhanced within families and communities.
- Upholding children's rights to remain in their families as provided for under The Children Act and UNCRC preamble

7. Education and Skills Development

This programme is a Kenya Vision 2030 Flagship Project. The programme aims at facilitating OVC's and vulnerable young persons access to quality education and self-reliance skills training through enhancing and strengthening early childhood development (ECD) programmes, providing support towards education at all levels to all children in the CWSK temporary places of safety and at the local community level, promoting children and youth access to quality education and self-reliance skills. CWSK deals with the hard to reach children in different parts of the country. All children are treated with equity regardless of their varied background and impairment. The children who are under the support of CWSK are provided with direct support of school fees and levies, personal effects, stationery and transport to school. They are also supplied with food support and personal effects. The programme focuses on children in temporary places of safety and in community.

Status of Achievements in Education and Skills Development

- Supported children in education and skills development and they are now enjoying their right to education as stipulated in the Children Act and the Constitution Article 53(1) (b).
- 183,905 children were supported with complementary education materials. These include support to school feeding programme, personal effects, double decker beds, mattresses, blankets, school uniforms, shoes, school bags, among others to enable them continue with education.
- CWSK paid school fees and levies for 9,785 OVCs and young persons at the temporary places of safety and in the community;
- 1,510 parents whose children are under the education support were identified, trained and empowered with Income Generating Activities. This was against a target of 1,000.

- CWSK also facilitated 51 vulnerable young persons to join the National Youth Service (NYS). The young persons who joined the NYS were supported with personal effects (soap, shoe polish, bathing towels, inner wears, among others), metallic boxes, iron boxes, rubber shoes, tracksuits and t-shirts, transport and other support.

Outcome

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



Photo 8 and 9: Photo of CWSK staff and students during emergency education support programme in schools in Mukurweini constituency- Nyeri County



Photo 10: Photo of school going children at Gachie Primary School in Kiambu County receiving food and lunch boxes



Photo 11: Photo of CWSK Officers at Gilgil with some of the NYS granduants who benefitted from CWSK support

8. OVC Protection-provision of Psycho-Social Support

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

Status of Achievements

- 188,956 OVCs and vulnerable young person's outside the Cash Transfer Programme provided with psychosocial support (food, education, clothing, health & shelter).

Outcomes

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

9. Child Labour

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

Status of Achievements

- Prevented and withdrew 109,450 children from child labour. The children were involved in or were at risk of engaging in child labour and CSEC. They were identified and provided with psychosocial support to go to school thus they were retained in school
- Contracts for 10 school-based social workers were renewed. Through the social workers, cases of child labour in schools and at the community were identified and relevant interventions were provided.

- 878 parents whose children are in or at risk of child labour identified, trained and empowered with Income Generating Activities.

Outcomes

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



Photo 12 and 13: Psychosocial support items for students during Emergency Education Support Programme for Special Schools in Tharaka Nithi County

10. Capacity Building and Institutional Strengthening

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

The programme aims at strengthening the capacities of communities, duty bearers, youth and children to provide an enabling environment for OVCs care and protection as well as institutional strengthening.

Status of Achievements

- 43,656 duty bearers against a target of 40,000 were sensitized and trained on OVC protection
- 43,656 children were sensitized and reached through the Child Participation Programme thus enabling them to identify their needs and solutions. This was against a target of 4,800
- 42 Rights of the Child Clubs (ROCs) were also formed/strengthened out.
- 48 local child protection community structures for OVC protection were established and/or strengthened. This was against a target of 40.

Outcomes

- Increased knowledge and skills in protecting children
- Increased networking among duty bearers
- Enhanced protection of children



Photo 14: Photo of a Training session for duty bearers in Homa Bay County



Photo 15: Photo of the Principal Secretary, State Department for Social Protection and Senior Citizen Affairs with CWSK staff during the National Tree Planting Day in Nyamira County.

11. HIV/AIDS, Adolescent & Youth Reproductive Health

This programme aims at reducing the HIV/AIDS prevalence and enhancing support mechanisms for affected and infected orphans and other vulnerable children (OVC). It also addresses health care needs of the children and youth. This programme endeavours to advocate for behaviour change among children, adolescents and young persons. It seeks to enhance the quality of care, psychosocial support and providing counselling and referral services for HIV/AIDS affected children in order to improve their care and quality of life. In addition, the programme aims at prolonging the lives of parents to prevent children from becoming orphans. It also aims at reaching out to children and youth through HIV/AIDS and reproductive health education. In addition, through this programme, sensitization meetings are organized at the local community level where the participants are trained and sensitized on HIV prevention, medical adherence, nutrition, and fighting against stigma. The aim of this programme is to reduce new infections, to encourage those who are infected to adhere to medication and live a positive lifestyle and also to reduce stigmatization of those infected.

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

- 15,168 children and young persons were reached during the period. This was done in schools through group sessions with children to sensitize them on HIV/AIDS, Reproductive Health and mentorship.



Photo 16 and 17: Photos of CWSK Officers in session with children



Photo 18: Group Counselling at CWSK Kisii TPS

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

These are Strategic Intervention Projects for separated children and other children living outside families. In addition, they are also part of Kenya's Vision 2030 flagship project. The vision of the projects is to see that all separated children in Kenya have

decent temporary accommodation as they are reintegrated back to families. When complete, they will be fully operational in the following locations: Nairobi, Joska, Bungoma, Bomet, Murang'a, Kisumu, Isiolo, Nanyuki, Kisii, Embu, Baringo, Turkana, Machakos, Nyandarua, Taita Taveta, and Kilifi. It is important to note that during the period, CWSK did not receive a budgetary allocation under Development, for upgrading of the centers. Therefore, CWSK only undertook maintenance works at the centers and not much development works.

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

The completion of these Centers would lead to affordable housing by cutting down on the amount of rent that CWSK pays while providing care, protection and shelter in some counties such as Nairobi. Children would enjoy an environment that is friendly and less traumatizing as compared to them being accommodated in a dormitory kind of structure. On the other hand, the money saved from rent would support children directly.

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

Achievements in development

1. CWSK Isiolo- Phase 1 complete comprising of perimeter wall, guardhouse, health centre, office -100 %; Equipping and official Launching of the Health centre is required for operationalization. Phase 2 in progress i.e. three Storey house blocks at 87%. Finishing and equipping of the House blocks is required for occupation.
2. CWSK Nanyuki- Phase 1 complete comprising of perimeter wall, health centre, office, guard house -100 %; Equipping and official launching of the Health centre is required for operationalization. Phase 2 in progress i.e. three Storey house blocks 87%. Finishing and equipping of the House blocks is required for occupation.
3. CWSK Mama Ngina Kenyatta TPS- Phase 1 complete comprising of Perimeter wall, guard house - 100 %.
4. CWSK Murang'a- Phase 1 complete comprising of Perimeter walls, guard house, kitchen unit, health centre, office, cabro parking, drive way, ablution unit - 100 %; Equipping and official Launching of the Health centre is required for operationalization. Phase 2 of 4 Storey house blocks in progress at 87 %

completion. Finishing and equipping of the house blocks is required for occupation.

5. CWSK Joska- Phase 1 in progress-comprising of 3 foster houses i.e 1 Bungalow house block - 86%, Two 1 Storey house blocks at 86 %, Maisonette 3 at 70% Administration/office unit 60%, Phase 2 in progress- comprising One 3 storey house block at 50%, dining/kitchen unit - 87%, Laundry unit -65%, store go down-65%, civil works 40% i.e. walk ways, drive ways, drainage works 70%, landscape works 60%, 2 bio-digester units - 80%.Boundary wall works 80%.Finishing and equipping of the house blocks is required for occupation.
6. CWSK Bungoma- Phase 1 in progress- One Bungalow house block is at 87%, The house block requires finishing and equipping for occupation, perimeter fencing 20%, bio-digester works 70%, drainage works 80%, landscape works 20%.

Impact of the Projects

- When complete, the integrated child and family centres will rescue an annual turnover of 20,000 vulnerable children.
- Children will receive holistic professional services under one roof. These are rescue and temporary care centres of separated children, nutrition, physiotherapy, counselling, health, education, psychosocial support.
- Protection of children living outside family households will be improved.
- Spacious accommodation to children will be provided with free space for movement and play.
- Children will be moved from rented premises, therefore saving money.
- Education will be provided to the children in the centres, upholding the right to education.
- Some of the children rescued at the integrated centers suffer from malnutrition and other nutrition related conditions at the time of admission. These will be adequately addressed before they are reunified with their families.
- The stores at the centers ensure that food is available to children throughout the year.
- The centers have created employment to hundreds of youths in the project location. They youth are trained on Expanded Polystyrene (EPS) building technology and therefore acquire techniques and skills that contribute significantly to housing industry in various parts of the country.

Sample project photographs



Photo 19: CWSK Isiolo TPS: Health Centre, Guard house and reception office



Photo 20: CWSK Nanyuki TPS gate



Photo 21: CWSK Muranga Phase 1: – Health Centre (complete)



Photo 22: CWSK Murang'a: Aerial view of a section Integrated child and family centre



Photo 23: CWSK Joska Integrated Child and Family Centre



Photo 24: CWSK Joska: Maisonette 2 progress



Photo 25: CWSK Joska: Bungalow unit in progress



Photo 26: CWSK Bungoma Bungalow

CONCLUSION

In the financial year 2023/2024, CWSK provided psycho-social support services to 937,144 children through Emergency Response, Education Support, Rescue of children in distress, Family Tracing and Reintegration, Alternative family Care placement (Adoption, Guardianship and Foster Care), Prevention of Child Trafficking, HIV/AIDS Prevention, Adolescent Health Reproduction, Child Labour, Capacity Building and OVC Protection, services at the Temporary Places of Safety and through other CWSK Programmes. CWSK surpassed its overall performance targets for the period. During the FY 2023/2024, Child Welfare Society of Kenya reached more children and vulnerable young persons as compared to the previous year where CWSK reached 539,194 children in the FY 2022/2023.

This was occasioned by a number of factors during the period including an increased need for intervention for children in emergencies, the Emergency Education Support Programme for Day Secondary Schools, and through interventions in the counties, working with other partners.

We are grateful to the Almighty God for the achievements. CWSK reached more children across the country and provided welfare services thus improving their lives. This is in line with our mission; to promote and secure the rights of children and vulnerable young persons in order for them to realize their full potential.

In the FY 2023/2024 CWSK was not allocated funds for Project Development. However, CWSK undertook maintenance works at the Integrated Child and Family Centres that are under construction. We are positive that the Society will be allocated funds to complete the projects, thus reaching and improving the lives of more children and families in the community.

We are looking forward to a fruitful year as we continue implementing our programmes and projects, impacting the lives of more children and vulnerable young persons as per our vision, *'to see all children and vulnerable young persons leading a happy, fulfilling and fruitful life'*.

Signed by:



.....
Irene Mureithi
CHIEF EXECUTIVE OFFICER/MANAGING TRUSTEE

Date: *18th December, 2024*

6. STATEMENT OF CWSK's PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2023/2024

A. TEMPORARY PLACES OF SAFETY

CWSK has 10 Temporary Places of Safety (TPS) spread across various counties. These are CWSK Mama Ngina Kenyatta TPS in Nairobi County, CWSK Mji wa Salama TPS in Mombasa County, CWSK Kisii TPS in Kisii County, CWSK Kanduyi TPS in Bungoma County, CWSK Arap Moi TPS in Nakuru County, four CWSK Foster Families and Group Homes, CWSK Nanyuki TPS in Laikipia County, CWSK Embu TPS in Embu County, CWSK Isiolo TPS in Isiolo County, CWSK Murang'a TPS in Murang'a County and CWSK Lodwar Transitional Centre in Turkana County.

Status of achievements under the Temporary Places of Safety

- CWSK provided psychosocial support to children while at the temporary places of safety and networked with charitable children's institutions to offer services to the children and ensure their reintegration back to their families/communities as well as alternative family care.
- CWSK temporary places of safety have a turnover of 1,500 children on average each year.

B. EMERGENCY PREPAREDNESS AND RESPONSE.

CWSK is the National Emergency Response and Rescue Organization for children in Kenya. CWSK has been running this programme since inception, in ensuring the welfare of children and vulnerable young persons affected by emergencies.

Under this programme, CWSK is running a pilot programme in counties across the country, supporting day secondary school to increase school enrolment and retention and prevent children from getting into child labour, teenage pregnancies and other vices.

In the Financial Year 2023/2024, CWSK responded to various emergencies that occurred in the country with the focus being child protection for children affected by emergencies. These include natural calamities like floods as well as man-made disasters like fire.

Status of achievements in emergency preparedness and response programme

- 250,278 children in emergencies provided with psycho-social support against a target of 125,000. The children and families were provided with education support, food, clothing, beddings, building materials, counselling)
- 183,905 children in schools affected by emergencies were facilitated with complementary education materials

- 248 children caught up in emergencies were provided with identification, documentation, tracing, and mediation and re-unification services as per their individual needs during emergency response.

C. RAPID RESPONSE AND RESCUE OF CHILDREN IN DISTRESS

CWSK implements Rapid Response and Rescue services for children through its branches that serve all the 47 counties. Through this programme, various children cases are handled. These include cases of abandonment, lost and found children, children that have faced abuse of various forms, children rescued from trafficking, children of incarcerated parents etc. These children are rescued and placed temporarily in CWSK TPS' pending investigations and other interventions including family tracing. The cases are referred to CWSK by the police, courts, hospitals, children offices, chiefs' offices, other Government departments and the public.

Status of rapid response and rescue of children programme

- 44,392 children were provided with rescue services, including psychosocial support, at CWSK temporary places of safety and networking institutions.

D. LOCAL, REGIONAL AND INTERNATIONAL FAMILY TRACING AND REUNIFICATION

Under this programme, CWSK conducts family tracing for children who are separated from their parents/kin/relatives as well as assisting parents whose children are missing. This is done locally, regionally and internationally. Various efforts are undertaken including physical tracing, media tracing and social investigations. This is done with the aim of upholding a child's right to parental care and protection. Once the family has been traced, social and scientific verifications are undertaken to ascertain family relationships. Subsequently, during the reunification, the family receives psychosocial support to better care for the children, including economic empowerment.

Status of achievements in Family Tracing and Reunification

CWSK provided 3,235 separated children with family tracing services (Identification, Documentation, Tracing and Re-unification-IDTR) through social investigations (physical tracing) and also by placing their photos on the print media in local dailies.

E. ALTERNATIVE FAMILY CARE.

This programme is a Vision 2030 flagship project on child protection. Its overall goal is to increasingly realize a conducive family and alternative Care for Children in Need of Special Care and Protection (CNSP). Foster care, guardianship and

adoption are the core components in the Alternative Family Care programme. CWSK facilitates children to live and be cared for within families and communities.

Status of achievements in Alternative family care

- 986 foster and adoptive parents were assessed, trained and empowered; whereby eligible cases were placed with children.
- 702 parents were trained on child care and alternative family care.
- Case follow up was undertaken reaching 514 cases. This ensured child protection in families
- 133 court reports for children were prepared and filed in court.

F. FAMILY COUNSELING, MEDIATION, REHABILITATION AND EMPOWERMENT.

The aim of this programme is to strengthen family relationships and enhance their social and economic capacity for them to effectively care and protect children. This is done through provision of counselling, mediation, psychosocial support, rehabilitation and economic empowerment to families for them to provide quality care to children.

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

- Psycho-social Support (PSS) services (food, clothing, shelter, counseling, family mediation) were provided to 37,616 families and children to ensure quality care to children.
- 885 families of vulnerable children were identified, trained and empowered. This is to strengthen the families to better care for their children.

G. EDUCATION AND SKILLS DEVELOPMENT

This programme is a Kenya Vision 2030 Flagship Project. The programme aims at facilitating OVC's and vulnerable young persons access to quality education and self-reliance skills training through enhancing and strengthening early childhood development (ECD) programmes; providing support towards education at all levels to all children in the CWSK temporary places of safety and at the local community level, promoting children and youth access to quality education and self-reliance skills. CWSK deals with the hard to reach children in different parts of the country. All children are treated with equity regardless of their varied background and impairment. The children who are under the support of CWSK are provided with direct support of school fees and levies, personal effects, stationery and transport to

school. They are also supplied with food support and personal effects. The programme focuses on children in temporary places of safety and in community

Status of Achievements in Education and Skills Development

- Supported children in education and skills development and they are now enjoying their right to education as stipulated in the Children Act and the Constitution Article 53(1) (b).
- 183,905 children were supported with complementary education materials. These include support to school feeding programme, personal effects, double decker beds, mattresses, blankets, school uniforms, shoes, school bags, among others to enable them continue with education.
- CWSK paid school fees and levies for 9,785 OVCs and young persons at the temporary places of safety and in the community,
- 1,510 parents whose children are under the education support were identified, trained and empowered with Income Generating Activities. This was against a target of 1,000.
- CWSK also facilitated 51 vulnerable young persons to join the National Youth Service (NYS). The young persons who joined the NYS were supported with personal effects (soap, shoe polish, bathing towels, inner wears, among others), metallic boxes, iron boxes, rubber shoes, tracksuits and t-shirts, transport and other support.

H. OVC PROTECTION-PROVISION OF PSYCHO-SOCIAL SUPPORT

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

Status of Achievements

- 188,956 OVCs and vulnerable young person's outside the Cash Transfer Programme provided with psychosocial support (food, education, clothing, health & shelter).

I. CHILD LABOUR

The programme aims at combating child labour and providing psychosocial support to OVCs outside family household. This includes lobbying and advocating for policies and laws that promote child labour and Commercial Sexual Exploitation of Children (CSEC) free society, prevention and withdrawal of children from situations of child labour including CSEC, neglect, abuse and exploitation. Through this programme CWSK identifies, registers, rescues,

rehabilitates, mediates families, traces, and integrates/reunifies these children with their families.

Status of Achievements

- Prevented and withdrew 109,450 children from child labour. The children were involved in or were at risk of engaging in child labour and CSEC. They were identified and provided with psychosocial support to go to school thus they were retained in school
- Contracts for 10 school-based social workers were renewed. Through the social workers, cases of child labour in schools and at the community were identified and relevant interventions were provided.
- 878 parents whose children are in or at risk of child labour identified, trained and empowered with Income Generating Activities.

J. CAPACITY BUILDING AND INSTITUTIONAL STRENGTHENING

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

The programme aims at strengthening the capacities of communities, duty bearers, youth and children to provide an enabling environment for OVCs care and protection as well as institutional strengthening.

Status of Achievements

- 43,656 duty bearers against a target of 40,000 were sensitized and trained on OVC protection
- 43,656 children were sensitized and reached through the Child Participation Programme thus enabling them to identify their needs and solutions. This was against a target of 4,800
- 42 Rights of the Child Clubs (ROCs) were also formed/strengthened out.
- 48 local child protection community structures for OVC protection were established and/or strengthened. This was against a target of 40.

K. HIV/AIDS, ADOLESCENT & YOUTH REPRODUCTION HEALTH

This programme aims at reducing the HIV/AIDS prevalence and enhancing support mechanisms for affected and infected orphans and other vulnerable children (OVC). It also addresses health care needs of the children and youth. This programme endeavours to advocate for behaviour change among children, adolescents and young persons. It seeks to enhance the quality of care, psychosocial support and providing counselling and referral services for HIV/AIDS affected children in order to improve their care and quality of life. In addition, the programme aims at prolonging the lives of parents to prevent children from becoming orphans. It also aims at reaching out to children and youth through HIV/AIDS and reproductive health education. In addition, through this programme, sensitization meetings are organized at the local community level where the participants are trained and sensitized on HIV prevention, medical adherence, nutrition, and fighting against stigma. The aim of this programme is to reduce new infections, to encourage those who are infected to adhere to medication and live a positive lifestyle and also to reduce stigmatization of those infected.

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

15,168 children and young persons were reached during the period. This was done in schools through group sessions with children to sensitize them on HIV/AIDS, Reproductive Health and mentorship.

7. CORPORATE GOVERNANCE STATEMENT

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

Board of Trustees

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

Board Meetings

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

Accountability

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

Organizational Policies

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

Audit

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

Organizational Structure

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

Signed:



Irene Mureithi
Chief Executive Officer/Managing Trustee

Date: 18th December, 2024



Mr. Joseph Gitau ,
Chairman, Board of Trustees

Date: 18th December, 2024

8. MANAGEMENT DISCUSSION AND ANALYSIS

The Chairman of the Board of Trustees submits this report together with the financial report for the year ended June 30, 2024.

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

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

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

In the year under review, CWSK received Kshs.900,000,000. However, no funds were received for development of CWSK TPS projects and this grossly affected the normal implementation of programmes in terms of achievement of the annual targets as well as projects. This was compounded by the emergence of the drought followed by the El nino rains which caused massive flooding across the country, leading to destruction of property and loss of lives.

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

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

Signed: 

.....
Irene Mureithi
Chief Executive Officer/ Managing Trustee

Date: 18th December 2024


.....
Mr. Joseph Gitau , HSC
Chairman, Board of Trustees

Date: 18th December 2024

9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

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

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

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

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

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

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

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

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

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

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

10. REPORT OF THE TRUSTEES

The Trustees submit their report together with the audited financial statements for the year ended June 30, 2024, which show the state of Child Welfare Society of Kenya affairs.

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

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

Results

The results of the Society for the year ended June 30, 2024 are set out on page 1-6.

Directors

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

Auditors

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

By Order of the Board of Trustees

Signed:



.....

Date: 18th December, 2024

Irene Mureithi
Chief Executive Officer/ Managing Trustee

11. STATEMENT OF THE TRUSTEES RESPONSIBILITIES

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

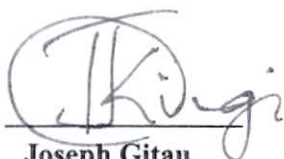
The Trustees are responsible for the preparation and presentation of the Society's financial statements, which give a true and fair view of the state of affairs of the Society for and as at the end of the financial year ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial 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 Society; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Society; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Trustees accept responsibility for the Society's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Trustees are of the opinion that the Society's financial statements give a true and fair view of the state of Society's transactions during the financial year ended June 30, 2024, and of the Society's financial position as at that date. The Trustees further confirm the completeness of the accounting records maintained for the Society, which have been relied upon in the preparation of the Society's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The Society's financial statements were approved by the Board on 18th December, 2024 and signed on its behalf by:



Joseph Gitau,
Chairman, Board of Trustees



Irene Mureithi
CEO/ Managing Trustee

REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



Enhancing Accountability

HEADQUARTERS
Anniversary Towers
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON CHILD WELFARE SOCIETY OF KENYA 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 Child Welfare Society of Kenya set out on pages 1 to 29, 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 effects 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 Child Welfare Society of Kenya 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 the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Board Expenses

The statement of financial performance and as disclosed in Note 10 to the financial statements reflects directors expenses of Kshs.7,284,500. However, board minutes and attendance registers were not provided to support the expenditure.

In the circumstances, the accuracy and completeness of directors expenses of Kshs.7,284,500 could not be confirmed.

2. Land without Ownership Documents

The statement of financial position and as disclosed in Note 14 to the financial statements reflects property, plant and equipment balance of Kshs.2,975,924,912. The balance includes Kshs.354,470,000 in respect of value for twelve (12) parcels of land whose ownership documents were not provided for audit review.

In the circumstances, the accuracy and ownership of property, plant and equipment balance of Kshs.354,470,000 could not be confirmed.

3. Lack of Trustees Account Ownership Documents

The statement of financial position and as disclosed in Note 19 to the financial statements reflects trustees account balance of Kshs.136,053,837 which includes endowment fund income generating activities of Kshs.28,000,000 relating to purchase of apartments.

However, sale agreements for the purchase of the apartments were not provided for audit review.

Further, the trustees account opening balance of Kshs.108,053,837 includes twelve (12) parcels of land spread across the country out of which five (5) did not have ownership documents and one (1) parcel had ongoing court case.

In the circumstances, the accuracy and ownership of trustees account balance of Kshs.136,053,837 could not be confirmed.

4. Unsupported Provision for Doubtful Debts and Long Outstanding Receivables

The statement of financial position and as disclosed in Note 17 to the financial statements reflects receivables balance of Kshs.4,478,897. Further, Note 17 to the financial statements reflects total current receivables of Kshs.6,478,897 and provision for doubtful debts of Kshs.2,000,000. However, the approved rate of provision for doubtful debts was not disclosed in Note 17 under significant accounting policies. In addition, plot debtors of Kshs.4,978,650 were outstanding for more than two years.

In the circumstances the accuracy, completeness and recoverability of the receivables balance of Kshs.4,478,897 could not be confirmed.

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

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget of Kshs.900,000,000 and actual receipts of Kshs.922,238,008 respectively, resulting to over-collection of Kshs.22,238,008 or 2%. Further, actual receipts of Kshs.922,238,008 includes development project government grant of Kshs.14,302,826 which was not budgeted for resulting to over-collection of 100%. Management did not provide satisfactory explanation for the failure to include the development project in the approved budget.

In addition, the statement of comparison of budget and actual amounts reflects actual expenditure of Kshs.838,824,099 against actual revenue of Kshs.922,238,008 resulting to under absorption of Kshs.83,413,909.

The under expenditure affected the planned activities and may have negatively impacted on the operations of the Society.

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

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues as ta 30 June, 2024 or given any explanation for the failure to resolve them.

Other Information

The Trustees are responsible for the other information set out on page i to xlvii which comprise of Key Entity Information and Management, the Board of Trustees, Management Team, Chairperson's Statement, Managing Trustees Report, Statement of CWSK's Performance against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Trustees and Statement of Directors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Society'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.

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 matters 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

1. Retention in Office of Staff Beyond the Retirement Age of 65 Years

Review of the staff records provided revealed that the Society retained twelve (12) officers in the service beyond the mandatory retirement age of 65. This was contrary to Section D21 of Public Service Commission Human Resource Policies and Procedures Manual for Public Service, 2016 which states that all officers shall retire from the service on attaining the mandatory retirement age of 60 years and 65 years for persons with disabilities and/or as may be prescribed by the government from time to time.

In the circumstances, Management was in breach of law.

2. Staff Earning Less Than One Third of Basic Salary

Review of payrolls for five months between July to November, 2023 revealed that fifteen (15) staff received net salary which was less than one third of their basic salary. This is Contrary to the Section 19(3) of Employment Act, 2007 which states that without prejudice to any right of recovery of any debt due, and notwithstanding the provisions of any other written law, the total amount of all deductions which under the provisions of subsection (1), may be made by an employer from the wages of his employee at any one time shall not exceed two-thirds of such wages or such additional or other amount as may be prescribed by the Minister either generally or in relation to a specified employer or employee or class of employers or employees or any trade or industry.

In the circumstances, Management was in breach of law.

3. Non-Compliance with Public Sector Accounting Standard Board Template

Review of the financial statements revealed Management did not include the related party disclosures, balances and transactions, contingent assets and liabilities, capital commitments, project implementation status report, transfers from other government entities, inter entity confirmation letter, reporting of climatic relevant expenditures and reporting of disaster relevant expenditure. This was contrary to the format prescribed in the Annual Financial Reporting Template issued by the Public Sector Accounting Standard Board. Section 81(3) of Public Finance Management Act, 2012 which states that the accounting officer shall prepare the financial statements in a form that complies with the relevant accounting standards prescribed and published by the Accounting Standards Board from time to time.

In the circumstances, the financial statements were not fully compliant with the Annual Financial Reporting Template.

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

Basis for Conclusion

1. Dormant Bank Accounts

The statement of financial position and as disclosed in Note 18 to the financial statements reflects cash and cash equivalent balance of Kshs.53,461,740 which includes current accounts balance of Kshs.52,022,736 relating to thirty-two (32) bank accounts operated by the Society. However, sixteen (16) bank accounts with account balance of Kshs.2,359,605 remained inactive throughout the year attracting bank charges. This was contrary to Section 68(1) of the Public Finance Management act 2012 which requires that an accounting officer for a national government entity shall be accountable to the National Assembly for ensuring that the resources of the respective entity for which he or she is the accounting officer are used in a way that is effective, efficient, economical and transparent.

In the circumstances, effectiveness and efficiency in management of bank accounts could not be confirmed.

2. Incomplete Asset Register

The statement of financial position and as disclosed in Note 14 reflects property, plant and equipment balance of Kshs.2,975,924,912. However, the asset register provided for audit was incomplete as it lacked corresponding values and dates of purchase.

In the circumstances the effectiveness of internal controls on management of fixed assets 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 Society'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 Society's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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 ISSAI 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, CBS
AUDITOR-GENERAL

Nairobi

27 December, 2024

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

REVENUE FROM NON-EXCHANGE TRANSACTIONS	Note	2023/2024	2022/2023
		KShs	KShs
RECURRENT FUNDS			
Government Grant	6	900,000,000	1,223,836,000
Other Grants	7	19,609,567	23,656,231
Other Income	8	2,628,441	1,912,717
Total Recurrent Revenue		<u>922,238,008</u>	<u>1,249,404,948</u>
Recurrent Expenses:			
Compensation To Employees	9	402,934,373	407,144,994
Directors Expenses	10	7,284,500	6,964,250
Operation Expenses	11	82,540,980	152,557,320
Child Protection, Care & Welfare	13	957,962,848	499,580,182
Depreciation Charge	14	32,870,286	21,245,111
Subtotal - Recurrent Expenses		<u>1,483,592,987</u>	<u>1,087,491,857</u>
Finance Costs	12	3,831,130	2,477,208
SURPLUS/(DEFICIT) FROM RECURRENT ACTIVITIES		<u>(565,186,109)</u>	<u>159,435,883</u>

The notes set out on pages 7 to 27 form an integral part of these Financial Statements.



Irene Mureithi
Chief Executive Officer/Managing Trustee
Date 18th December, 2024



David Kipkoech Ruto
Treasurer
Date 18th December, 2024



Joseph Gitau
Chairman, Board of Trustees
Date 18th December, 2024

**14. STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

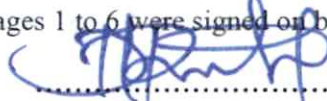
	Note	2023/2024 KShs	2022/2023 KShs
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	14	2,975,924,912	2,985,443,589
Investments			
Safaricom shares	15	2,205,750	2,231,250
		2,978,130,662	2,987,674,839
Current Assets			
Inventories	16	6,791,193	4,533,643
Receivables	17	4,478,897	6,971,908
Cash and Cash Equivalents	18	53,461,740	635,250,211
Trustees Account	19	136,053,837	108,053,837
		<u>200,785,667</u>	<u>754,809,599</u>
Total Assets		<u>3,178,916,329</u>	<u>3,742,484,438</u>
Financed by:			
Current Liabilities			
Accounts Payables and Accruals	20	2,514,700	896,700
		<u>2,514,700</u>	<u>896,700</u>
Net Assets			
Accumulated Fund		(133,316,047)	431,871,142
Revaluation Reserve		1,204,907,081	1,204,907,081
Capital Reserve		2,104,809,515	2,104,809,515
Total Net Assets		3,176,401,629	3,741,587,738
Total Net Assets & Liabilities		<u>3,178,916,329</u>	<u>3,742,484,438</u>

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



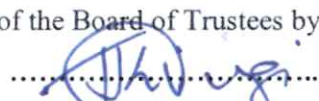
Irene Mureithi
Chief Executive Officer/Managing Trustee

Date 18th December, 2024



David Kipkoech Ruto
Treasurer

Date 18th December, 2024



Joseph Gitau
Chairman, Board of Trustees

Date 18th December, 2024

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

	Accumulated Fund	Revaluation Reserves	Capital Reserves	Total
	KShs	KShs	KShs	KShs
Balance as at 1st July 2022	253,819,894	1,204,907,081	2,104,809,515	3,563,536,490
Capital Grants Received	-	-	-	-
Surplus (Deficit) for the Period.	159,435,883	-	-	159,435,883
Prior Year Adjustments relating to previous years)	18,615,365	-	-	18,615,365
Balance as at 30th June 2023	<u>431,871,142</u>	<u>1,204,907,081</u>	<u>2,104,809,515</u>	<u>3,741,587,738</u>
Balance as at 1st July 2023	431,871,142	1,204,907,081	2,104,809,515	3,741,587,738
Capital Grants Received	-	-	-	-
Surplus (Deficit) for the Period	(565,186,109)	-	-	(565,186,109)
Prior Year Adjustments relating to previous Years	-	-	-	-
Balance as at 30th June 2024	<u>(133,314,967)</u>	<u>1,204,907,081</u>	<u>2,104,809,515</u>	<u>3,176,401,629</u>

Nature and purpose of reserves

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


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

**16. STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024**

	2023/24	2022/23
	KShs	KShs
Cash flows from operating activities		
Net Surplus /(Deficit) for the year	(565,186,109)	159,435,883
Adjusted for item not involving movement of cash		
Depreciation	32,870,286	21,245,111
Unrealised Loss/(Gain) on investments	25,500	949,875
Operating Surplus/(Deficit) before Working Capital Changes	(532,290,323)	181,630,869
(Increase)/Decrease in Inventory	(2,257,550)	(3,178,643)
(Increase)/Decrease in Receivables	2,493,011	257,352,932
Increase/(Decrease) in Payables	1,618,000	(66,247,744)
(Increase)/Decrease in Trustee Funds	(28,000,000)	-
Net cash generated from operating activities	(558,436,862)	369,557,414
Investing activities		
Purchase of Fixed Assets	(23,351,609)	(25,946,128)
Cash from operating and investing activities	(581,788,471)	343,611,286
Financing activities		
Government Development Fund	-	-
Prior Year Adjustment relating to Previous Years	-	18,615,365
Net cash from financing activities	-	18,615,365
Net cash in/(out) flow for the year	(581,788,471)	362,226,651
Cash and cash equivalents at 1st July	635,250,211	273,023,560
Cash and cash equivalents as at 30th June	53,461,740	635,250,211


Irene Mureithi
Chief Executive Officer/Managing Trustee

Date: 18th December, 2024


David Kipkoech Ruto
Treasurer

Date: 18th December, 2024


Joseph Gitau
Chairman, Board of Trustees

Date: 18th December, 2024

Child Welfare Society of Kenya
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**17.STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 30 JUNE 2024**

REVENUE	Original	Adjustments	Final	Actual	Trustees	Budget/Actual	Variance
	Budget		Budget	Comparable	Endowment	Performance	
	2023-2024	2023-2024	2023-2024	2023-2024	2023-2024	2023-2024	
	KShs	KShs	KShs	KShs	KShs	KShs	%
Government Grant-Recurrent	2,326,278,250	(1,426,278,250)	900,0w00,000	900,000,000	-	-	0%
Trustees Endowment Fund for Expenditure	-	-	-	-	635,250,211	-	100%
Government Grants - Development	1,500,000,000	(1,500,000,000)	-	-	-	-	-
Project Grants: Nakuru Lapsetry	-	-	-	14,302,826	-	14,302,826	100%
Donations/Other Incomes	-	-	-	7,935,182	-	7,935,182	100%
TOTAL FUNDS AVAILABLE	3,826,278,250	(2,926,278,250)	900,000,000	922,238,008	635,250,211	22,238,008	2.5%
RECURRENT							
Personnel Costs	450,000,000	(124,000,000)	326,000,000	326,000,000	76,934,373	-	0%
Operation Costs	138,169,216	(59,160,716)	79,008,500	78,345,985	94,194,95	662,515	0.8%
Board Expenses	40,000,000	(18,000,000)	22,000,000	7,284,500	-	14,715,500	66.9%
Family Strengthening, Rehabilitation, & Mediation	240,000,000	(225,410,000)	14,590,000	14,583,970	-	6,030	0.04%
Rapid Rescue & Response Services (TPS)	249,405,759	(106,797,759)	142,608,000	142,608,000	7,725,203	-	0%
Education & Skills Development	411,630,741	(352,225,741)	59,405,000	64,405,000	82,916,870	(5,000,000)	(8.42)%
OVCs Protection & Support	72,400,000	(46,547,000)	25,853,000	25,349,283	-	503,717	1.95%
Emergency Preparedness & Response Programs	292,329,750	(316,686,750)	75,643,000	79,319,098	463,149,995	(3,676,098)	(4.86)%

*Child Welfare Society of Kenya
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For the year ended June 30, 2024*

Family Tracing & Reunification	45,730,784	(27,231,284)	18,499,500	18,499,500	328,775	-	0%
Local Adoption & Kinship Adoption	25,000,000	(14,628,000)	10,372,000	10,306,961	-	65,039	0.63%
Foster Care & Guardianship	107,100,000	(99,414,000)	7,686,000	7,354,998	-	331,002	4.3%
Capacity Building & Institutional Strengthening	84,512,000	(64,106,000)	20,406,000	19,586,245	-	819,755	4%
Psychosocial Support & OVC Outside Cash Transfer	50,000,000	(29,306,000)	20,694,000	20,657,750	-	36,250	0.18%
Implementation Presidential Directives- Tree Planting	-	2,000,000	2,000,000	1,171,200	-	828,800	41.4%
Capital Expenditure	120,000,000	(44,765,000)	75,235,000	23,351,609	-	51,883,391	68.9%
Upgrading CWSK Places of Safety	1,500,000,000	(1,500,000,000)	-	-	-	-	-
TOTAL CWSK BUDGET YEAR 2023/2024	3,826,278,250	(2,926,278,250)	900,000,000	838,824,099	635,250,211	61,175,901	6.8%

VARIANCE EXPLANATION

	<u>Variance (%)</u>	<u>Variance Comments</u>
Personnel Costs	0%	No Variance
Operation Costs	0.8%	Variance within acceptable limits
Board Expenses	66.9%	Few Board of Directors meetings
Family Strengthening, Rehabilitation, & Mediation	0.04%	Variance within acceptable limits
Rapid Rescue & Response Services (TPS)	0%	No Variance
Education & Skills Development	(8.42)%	Variance within acceptable limits
OVCs Protection & Support	1.95%	Variance within acceptable limits
Emergency Preparedness & Response Programs	(4.86)%	Variance within acceptable limits
Family Tracing & Reunification	0%	No Variance
Local Adoption & Kinship Adoption	0.63%	Variance within acceptable limits
Foster Care & Guardianship	4.3%	Variance within acceptable limits
Capacity Building & Institutional Strengthening	4%	Variance within acceptable limits
Psychosocial Support & OVC Outside Cash Transfer	0.18%	Variance within acceptable limits
Implementation of Presidential Directives- Tree Planting	41.4%	Saving on Tree planting expenses

18. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

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

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

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

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

3. ADOPTION OF NEW AND REVISED STANDARDS

- i. *New and amended standards and interpretations in issue effective in the year ended 30 June 2024.*

There were no new and amended standards issued in the financial year.

- 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	<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	<i>Applicable 1st January 2025</i>

Standard	Effective date and impact:
	<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>
<p>IPSAS 47- Revenue</p>	<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>
<p>IPSAS 48- Transfer Expenses</p>	<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>
<p>IPSAS 49- Retirement Benefit Plans</p>	<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.

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

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

Transfer from Other Government Entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Rental income

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

Other Income

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

b) Taxes

i) Current income tax

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

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

ii) Deferred tax

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

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

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

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

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

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

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

c) Property, plant and equipment

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

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

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

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

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

d) Intangible assets

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

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

e) Inventories

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

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

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

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

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

f) Provisions

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

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

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

Contingent liabilities

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

Contingent assets

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

g) Nature and purpose of reserves

The Society creates and maintains reserves in terms of specific requirements as follows: (i) capital reserve - used to record contribution made by government in form of grants / transfers (ii) revaluation reserve - used to indicate the revalued amount on the plant property and equipment.

h) Changes in accounting policies and estimates

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

i) Employee benefits

Retirement benefit plans

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

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

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

j) Cash and cash equivalents

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

k) Budget information

The National Assembly approved the original budget for FY 2023-2024 on 15th June 2023. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

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

l) Comparative figures

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

m) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2024.

n) Trustees Account

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

o) Financial management risk and objectives

The Society's activities expose it to a variety of financial risks including credit, liquidity and capital risks. The Society's overall risk management programme focuses on unpredictability

of changes in the business environment and seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk.

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Society based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1 140

Useful lives and residual values

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

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

Provisions

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the Entity sending the Grant	Amount recognized in the Statement of Financial Performance	Amount deferred under deferred income	Amount recognized in Capital Fund	Total Grant received during the year 2023-2024	Total Grant received during the year 2022-2023
	KShs	KShs	KShs	KShs	KShs
Ministry of Labour and Social Protection	900,000,000	-	-	900,000,000	1,223,836,000
Total	900,000,000	-	-	900,000,000	1,223,836,000

7. OTHER GRANTS

Description	2023-2024	2022-2023
	KShs	KShs
Project Grants: Nakuru Lapsetry	14,302,826	21,274,905
Project Grants: Katian Diesel	-	-
Donations	5,306,741	2,381,326
Total Other Grants	19,609,567	23,656,231

8. OTHER INCOME

Description	2023-2024	2022-2023
	KShs	KShs
Interest Received	17,096	260
Dispensary Income	20,330	18,710
School Tuition Fees	2,642,011	3,033,900
Membership Income	30,000	-
Unrealized (Loss)/Gains on Investments	(25,500)	(949,875)
Foreign Currency Exchange Gain/(Loss)	(55,496)	(190,278)
Total Other Income	2,628,441	1,912,717

9.COMPENSATION TO EMPLOYEES

Description	2023-2024	2022-2023
	KShs	KShs
Consolidated Salaries	352,932,245	341,428,170
Pensions-Old Mutual Employer Contribution	15,011,271	29,359,582
Leave Allowance	25,545,133	34,195,002
NSSF Employer Contribution	5,913,123	2,162,240
Housing Levy Employer Contribution	3,532,601	-
Total Employee Costs	402,934,373	407,144,994

10.DIRECTORS AND TRUSTEES EXPENSES

Description	2023-2024	2022-2023
	KShs	KShs
Chairman's Honoraria- Board of Trustees	2,126,000	960,000
Chairman's Honoraria- Board of Directors	840,000	960,000
Sitting Allowances - Trustees	2,052,500	1,195,000
Sitting Allowances- Directors	1,677,500	795,000
Medical Insurance' Chairs - BOT and BOD	-	-
Induction & Training	-	-
Travel & Accommodation- Trustees/Directors	588,500	1,750,250
Allowances - e.g. Special Assignment, Duty Allowance	-	1,304,000
Total Trustees & Directors Emoluments	7,284,500	6,964,250

11. OPERATION EXPENSES

Description	2023-2024	2022-2023
	KShs	KShs
Motor Vehicle Expenses – Fuel & Maintenance	18,868,822	30,202,401
Utilities Water, Electricity, etc	7,949,279	11,209,832
Repairs & Maintenance-Buildings	11,157,151	13,810,609
Communication	1,134,500	1,963,927
Office Rent	9,334,135	9,097,121
Professional Services	9,386,185	16,045,655
Printing & Stationery	2,085,945	1,771,620
Office Security	22,624,963	16,429,847
Staff Travel & Accommodation	-	52,026,308
Total Operation Expenses	82,540,980	152,557,320

12. FINANCE COSTS

Description	2023-2024	2022-2023
	KShs	KShs
Bank Charges	3,628,722	2,459,721
Mpesa Charges	2,024,08	17,487
Total Finance Costs	3,831,130	2,477,208

13. CHILD PROTECTION, CARE & WELFARE EXPENDITURE

Description	2023-2024	2022-2023
	KShs	KShs
Family Strengthening, Rehabilitation & Mediation	14,583,970	13,500
Rapid Rescue & Response Services	150,333,203	106,102,053
Education & Skills Development	147,321,870	99,818,801
OVCs Protection & Support	25,349,283	900,000
Emergency Preparedness & Response Programs	542,469,093	275,286,355
Family Tracing & Reunification	18,828,275	3,360,100
Local Adoption & Kinship Adoption	10,306,961	167,173
Foster Care & Guardianship	7,354,998	2,664,300
Capacity Building & Institutional Strengthening	19,586,245	11,267,900
Psychosocial Support & OVC Outside Cash Transfer	20,657,750	33,000
Implementation of Presidential Directives- Tree Planting	1,171,200	-
Totals	957,962,848	499,580,182

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14. PROPERTY, PLANT AND EQUIPMENT

Description	Land	Buildings	Motor	Computers	Furniture and	Construction in	TOTALS
	Kshs	Kshs	Vehicles/Bikes Kshs	Kshs	Equipment Kshs	progress Kshs	
COST							
At 1 July 2022	1,151,313,276	247,373,773	151,426,465	19,832,777	70,772,215	1,534,086,077	3,174,804,583
Additions	-	68,950	-	1,960,352	10,748,986	13,167,840	25,946,128
At 30 June 2023	<u>1,151,313,276</u>	<u>247,442,723</u>	<u>151,426,465</u>	<u>21,793,129</u>	<u>81,521,201</u>	<u>1,547,253,917</u>	<u>3,200,750,711</u>
DEPRECIATION							
At 1 July 2022	-	25,489,879	121,391,039	14,758,210	32,422,883	-	194,062,011
Charge for the year	-	4,947,475	9,283,820	1,818,889	5,194,927	-	21,245,111
At 30 June 2023	-	30,437,354	130,674,859	16,577,099	37,617,810	-	215,307,122
NBV at 30 June 2023	<u>1,151,313,276</u>	<u>217,005,369</u>	<u>20,751,606</u>	<u>5,216,030</u>	<u>43,903,391</u>	<u>1,547,253,917</u>	<u>2,985,443,589</u>
COST							
At 1 July 2023	1,151,313,276	247,442,723	151,426,465	21,793,129	81,521,201	1,547,253,917	3,200,750,711
Additions	-	-	-	399,270	11,246,481	11,705,858	23,351,609
At 30 June 2024	<u>1,151,313,276</u>	<u>247,442,723</u>	<u>151,426,465</u>	<u>22,192,399</u>	<u>92,767,682</u>	<u>1,558,959,775</u>	<u>3,224,102,320</u>
DEPRECIATION							
At 1 July 2023	-	30,437,354	130,674,859	16,577,099	37,617,810	-	215,307,122
Charge for the year	-	4,948,854	20,724,981	843,935	6,352,516	-	32,870,286
At 30 June 2024	-	35,386,208	151,399,840	17,421,034	43,970,326	-	248,177,408
NBV at 30 June 2024	<u>1,151,313,276</u>	<u>212,056,515</u>	<u>26,625</u>	<u>4,771,365</u>	<u>48,797,356</u>	<u>1,558,959,775</u>	<u>2,975,924,912</u>

15. INVESTMENTS

Description	2023-2024	2022-2023
	KShs	KShs
Equity Investments (specify)		
(127,500 Safaricom Limited Shares @KShs.5.00)		
Balance b/f	2,231,250	3,181,125
Revaluation (Loss)/Surplus as at 30th June (2024. Kshs 17 30, 2023· Kshs 17.50)	(25,500)	(949,875)
Total investments	2,205,750	2,231,250

16. INVENTORIES AT T.P.S. AND HEAD OFFICE

Description	2023-2024	2022-2023
	KShs	KShs
Paper Stationery—Files,Notebooks,Printpaper,Pens	1,611,216	1,208,216
Non-Paper Stationery- Paper Trays,Pins,Clips, etc	867,578	650,578
Food Items	3,148,939	2,040,139
Soaps & Detergents	302,500	165,025
Toiletries	372,307	203,107
Baby Supplies	488,653	266,578
Total Inventories at the Lower of Cost and Net Realizable Value	6,791,193	4,533,643

17. RECEIVABLES

Description	2023-2024	2022-2023
Current Receivables	KShs	KShs
Deposits Refundable & other Debtors – Rent, Power, etc	1,500,247	2,194,413
Plot Debtors	4,978,650	4,978,650
Staff Debtors	-	798,845
Total Current Receivables	<u>6,478,897</u>	<u>7,971,908</u>
Less: Provision for Doubtful Debts	(2,000,000)	(1,000,000)
Total Net Receivables	4,478,897	6,971,908

18. CASH AND CASH EQUIVALENTS

Description	2023-2024	2022-2023
	KShs	KShs
Current Accounts	52,022,736	633,538,266
Others (Petty Cash)	1,439,004	1,711,945
Total Cash and Cash Equivalents	53,461,740	635,250,211

DETAILED ANALYSIS OF THE CASH AND CASH EQUIVALENTS

		2023-2024	2022-2023
Financial Institution	Account number	KShs	KShs
KCB Bank HQ	1267069430	30,727,480	568,628,074
Sidian (formerly K-Rep) Bank(USD)	10030100027	313,774	350,530
Sidian (formerly K-Rep) Bank(KShs)	10030200057	1,798,370	1,804,802
Bank of Africa-ArapMoi 0004	8013140004	29,380	17,770
Bank of Africa-ArapMoi 0012	8013150012	627	757
Bank of Africa Bungoma branch	2605510009	2,803	9,500
BBK – CPB	948522934	-	(88,411)
BBK- Nanyuki Children's Home	948527389	8,084	34,580
BBK-Kisii Children Home	81053979	91,674	954,006
BBK -Nanyuki branch	308017389	-	(88,008)
BBK 1330	948551330	1,099,834	2,749,319
BBK Fin 8484	941258484	55,620	20,460,992
BBK HQ 8468	941258468	1,737,452	1,755,011
BBK Mama Ngina	948003112	122,922	1,873,312
BBK Murang'a 1137(Donation a/c)	2026601137	2,011,267	174,565
BBK TBP 1349	948551349	2,404,033	21,036,264
Equity Bank EURO 458	1470262150458	3,027	3,335

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Equity-CWSK-Kisii 8384	1470262758384	7,880	8,060
Equity Bank-Bungoma 6992	480299936992	20,716	20,716
Equity Bank (Towa)488	150295282488	10,320	10,500
Equity Bank A/c 416	150291898416	141,929	407,332
Equity Bank CESVI EURO 478	1470262150478	16,138	17,778
Equity Bank Development 4154	1470262374154	12,301	12,481
Equity Bank KSHS(CESVI)271	1470262150271	159,305	3,460,125
Equity Bank Murang'a 7226	220299937226	83,175	53,355
Equity Bank Supreme 225	1470262150225	295	475
Equity Bank USD	150291898436	7,151	7,758
Equity Off A/c 458	150291898458	10,735	10,915
Equity Salary Account - 253	1470262150253	67,639	667,754
KCB Bungoma branch	1126858692	1,059,961	1,876,223
NBK MjiWaSalama	1038075304600	6,151,714	6,162,934
Standard Chartered Mombasa	0102147545500	3,867,129	1,145,530
Total		52,022,736	633,538,266

19. TRUSTEES ENDOWMENT FUND

This relates to income generating activities, real estates and properties held by the Trustees for the purpose of generating income for the Society.

Description	2023-2024	2022-2023	
<u>Trustees Endowment Fund</u>	KShs	KShs	
Bal B/f	108,053,837	108,053,837	
Endowment Fund Income Generating Activities	28,000,000	-	
Total Trustees Endowment Fund	136,053,837	108,053,837	

20. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2023-2024	2022-2023	
	KShs	KShs	
Operations	890,700	896,700	
Staff Creditors	-	-	
Total Trade and Other Payables	890,700	896,700	
Accrual – Audit Fees	1,624,000	-	
Total Payables and Accruals	2,514,700	896,700	

21. FINANCIAL RISK MANAGEMENT

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

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

(i) Credit risk

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

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

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

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

(ii) Liquidity risk management

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

(iii) Market risk

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates, which will affect the Society's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market

risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit Committee.

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

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

22. EVENTS AFTER THE REPORTING PERIOD

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

23. ULTIMATE AND HOLDING ENTITY

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

24. CURRENCY

The financial statements are presented in Kenya Shillings (KShs)

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

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	Lack of Ownership Documents	There is a detailed asset register. The process of acquiring titles deeds for some of the parcels of land owned by CWSK is a long one and it is currently ongoing. However we have allotment letters, land Certificate and request for ownership letters.	Resolved	On-going
2.0	Confirmation of Cash and Cash Equivalents balances.	Dormant bank accounts have been activated and allocated to respective CWSK branches. All Bank Balance Certificate have been received confirming the balance of KSHs. 635,250,211	Resolved	F/Y 2023/24
3.0	Long Outstanding Receivables	The outstanding balances are income generating activities of sale of plots by the Trustees. The title deeds of the plots allottees are still in process, the outstanding amounts will be recovered at the point of title deeds issuance.	Resolved	On-going
1.0 (a)	Incomplete Building Works	There was lack of budgeted adequate funds to complete the Homes for use by the children	Work-in-Progress	On-going
2.0 (a)	Non-compliance with one-third of Basic Salary Rule	This was as a result of Sacco deductions. Jogoo and Waumini saccos are independent entities not controlled by CWSK and they do not consult the Society when they are giving loans to CWSK staff. We will seek to have this consultation with the staff in order to advise on the one-third rule.	Resolved	F/Y 2023/24

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3.0 (a)	Overdrawn Bank accounts	The 2 bank accounts were not overdrawn by cheques payments or withdrawals. The balance of sh. 176,420 relates to accumulated bank charges over time as the bank accounts were not active then.	Resolved	F/Y2023/24
4.0 (a)	Lack of an Audit Committee and Weak internal Audit Unit	CWSK now has a Board of Directors in place and the Audit committee has been constituted. CWSK has an internal auditor, the internal audit department is being strengthened in order to build it capacity.	Resolved	F/Y2023/24

Guidance Notes:

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

Irene Mureithi
Chief Executive Officer/ Managing Trustee

Date...18th December, 2024