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**NON - GOVERNMENTAL  
ORGANIZATIONS  
CO-ORDINATION BOARD  
ANNUAL REPORTS  
AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30<sup>TH</sup> JUNE 2004**

657-3  
NGOCB



## **BOARD CHAIRMAN'S STATEMENT**

I'm pleased to present the Annual Report and Financial Statements of the NGO Co-ordination Board for the year ended 30<sup>th</sup> June 2004. The NGOs Co-ordination Board was formed as a response to the phenomenal growth in the number of organizations involved in care, welfare and development activities. It was also becoming apparent to the Government that these organizations were mobilizing considerable funding and resources, necessitating analysis to understand their contribution to national development. Related to the foregoing was the fact that these organizations were at the time registered under desperate legal regimes thereby making it difficult to monitor their activities. The Board was established under the NGOs Coordination Act of 1990 and commenced operations in 1992.

## **MISSION AND VISION STATEMENT OF THE BOARD**

The Board's mission is to provide efficient services in the coordination and facilitation of the NGOs/CSO sector in order to support and enhance the contribution of the sector in the socio-economic development and improvement of the welfare of the people.

The NGOs Co-ordination Board's vision is to be the leading centre of excellence for the co-ordination and facilitation of the NGO/CSO sector in Kenya

## **YEAR 2004 RESULTS**

With regard to registration of the NGOs which is the main mandate, the Board has done extremely well and the number of registered NGOs has risen steadily. The Processing for the registration of new NGOs has been streamlined and we are now able to complete the process expeditiously provided that the applicants fulfill all the requirements on application. This has enabled the Board to collect revenue of Ksh 9,691,340 as compared to Ksh 8,688,450 collected in 2003.

The Government grant was also increased from Ksh. 22.8 million to Ksh. 34.8 million. This is a 12 million increase owing to the added mandate on IGAD/NGO-CSO forum.

## **FUNCTIONS OF THE BOARD**

Section 7 of the NGO act states that the functions of the Board shall be:

1. To register, co-ordinate and facilitate the work of all national and international NGOs operating in Kenya.
2. To maintain a register of national and international NGOs operating in Kenya with their precise sectors, affiliation and locations of their activities.
3. To receive, discuss, analyze and evaluate the Annual Reports of NGOs.
4. To advise the Government on the activities of NGOs and on their role in national development
5. To conduct a regular review of the register, and to determine its consistency with reports submitted by the NGOs and the Council of NGOs
6. To provide policy guidelines for NGOs, for harmonizing their activities with the National Development Plan for the country so that NGOs avoid activities which contradict national Programmes.

## **COMMITTEES OF THE BOARD**

The Board carries out some of its duties by delegation to Board committees from time to time. These committees meet regularly and make recommendations to the Board on issues delegated to them. The committees operate under Terms or Reference approved by the Board. The Board currently has five committees namely:

1. Finance and Administration Committee (FINAD)
2. Programmes and Public Relations Committee (PPRC)
3. IGAD/NGO/CSO Forum Committee
4. Resource Mobilization Committee (RMS)
5. Procurement Committee

## **COMPOSITION OF THE BOARD**

According to section 4 of the NGO Act, the Board consists of: -

1. A Chairman appointed by the President.
2. Not more than seven and not less than five members appointed by the Minister by virtue of their knowledge or experience in development and welfare management.
3. The Permanent Secretary in the Office of the President responsible for NGOs portfolio.
4. The Permanent Secretary in the Ministry for the time being responsible for Foreign Affairs.
5. The Permanent Secretary to the Treasury.
6. The Permanent Secretary in the Ministry for the time being responsible for Economic Planning.
7. The Permanent Secretary in the Ministry for the time being responsible for Home Affairs and Heritage.
8. The Attorney General
9. Not more than seven and not less than five members appointed by the minister from the recommendation of the NGO Council to represent the diversified areas of NGOs interest within the Board.
10. The Executive Director appointed by the Minister in charge of NGOs portfolio who is an ex-officio and secretary to the Board.

## **THE MANAGEMENT**

Preliminary section 2 of the NGO Act creates the NGOs Co-ordination Bureau headed by an Executive Director appointed by the Minister. The management is the Executive arm of the Board and is responsible for carrying out the Boards decisions. All the 35 members of staff are based at the Nairobi Office. Mr. Zachary Silatei is the Executive Director.

## **APPRECIATION**

Finally, I wish to take this opportunity to express my appreciation to fellow Board Members for their co-operation and support, and to Management and Staff for their commitment and dedication throughout the year.

Wycliffe Mutsune OGW  
**Board Chairman**

## CURRENT BOARD MEMBERS

NAME	DESIGNATION
Mr. W. A. Mutsune	Chairman
Mr. Kipoki oleTasur	Member
Mr. Abdullahi Abdi	Member
Mr. Francis Mwaka	Member
Mr. Bashir Hussein Ali	Member
Prof. Henry Mwanzi	Member
Amb. G.K. Muriithi	Member
Mr. Alex Chacha	Member
Amb. Orie-Rogo Manduli	Member
Ms. Hubbie Hussein Al- Haji	Member
Permanent Secretary	Ministry of Home Affairs
Permanent Secretary,	Ministry of Planning
Permanent Secretary	Ministry of Finance
Permanent Secretary	Office of the President
Attorney General	Office of the Attorney General
Permanent Secretary	Ministry of Foreign Affairs
Mr. Z.N. Silatei	Ex-Officio and Secretary to the Board

**REGISTERED OFFICE**

Co-operative Bank House 15<sup>th</sup> floor  
Haile Selassie Avenue  
P.O Box 44617-00100  
Telephone 214044  
Website [www.ngobureau.or.ke](http://www.ngobureau.or.ke)  
Email [ngobureau@wananchi.com](mailto:ngobureau@wananchi.com)

**NAIROBI****BANKERS**

Kenya Commercial Bank Limited  
KICC Branch  
P.O Box 46950  
Telephone 214878  
**Nairobi**

**AUDITORS**

Controller and Auditor General  
P.O Box 30084-00100  
Telephone +254-20-342330  
**Nairobi**

## **STATEMENT OF BOARD MEMBERS' RESPONSIBILITIES**

The Non-Governmental Organizations' Co-ordination Act requires the Board Members to prepare financial statements for each financial year that gives a true and fair view of the state of the Board as at the end of the financial year and of its operation results. It also requires the Board Members to ensure that the Board keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Board. They are also responsible for safeguarding the assets of the Board.

The Board Members accept the responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and the requirements of the Non-Governmental Organizations' Co-ordination Act.

The Board Members are of the opinion that the financial statements give a true and fair view of the Board and of its operating results. The Board further accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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

**Wycliffe Mutsune OGW**  
**Board Chairman**  
**Date: 23-11-2005**

**Zachary Silatei**  
**Executive Director**  
**Date: 23-11-2005**



## **KENYA NATIONAL AUDIT OFFICE**

### **REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENT OF NON-GOVERNMENTAL ORGANIZATIONS CO-ORDINATION BOARD FOR THE YEAR ENDED 30TH JUNE 2004**

I have audited the financial statements of the Non-Governmental Organizations Co-ordination Board for the year ended 30 June 2004 in accordance with the provisions of section 14 of the Public Audit Act, 2003. 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. The financial statements are in agreement with the books of accounts.

#### **Respective Responsibilities of the Board Members and the Controller and Auditor General.**

As set out in the statement of board members responsibilities, the Board members are responsible for the preparation of financial statements which give a true and fair view of the Board's state of affairs and its operating results. My responsibility is to express an independent opinion on the financial statements based on my audit.

#### **Basis of Opinion**

The audit was conducted in accordance with the International Standards on Auditing. Those standards require that the audit be planned and performed with a view to obtaining reasonable assurance that the financial statements are free from material misstatement. An audit includes an examination, on a test basis of evidence supporting the amounts and disclosures in the financial statements. It also includes an assessment of the accounting policies used and significant estimates made by the board members, as well as an evaluation of the overall presentation of the financial statements. I believe my audit provides reasonable basis for the opinion.

#### **Opinion**

In my opinion, proper books of accounts have been kept and the financial statements give a true fair view of the state of financial affairs of the Board as at 30 June 2004 and of its surplus and cash flows for the year then ended in accordance with the International Financial Reporting Standards and the Non-Governmental Organizations Co-ordination Act, 1990.

E.N. MWAI

**CONTROLLER AND AUDITOR GENERAL**

Nairobi.

03 February 2006





## BALANCE SHEET AS AT 30TH JUNE 2004

<b>ASSETS:</b>	<b>NOTES</b>	<b>2004 Ksh.</b>	<b>2003 Ksh.</b>
<b>Non-current assets</b>			
Property plant & Equipment	<b>11</b>	4,419,357	4,827,880
<b>Current assets</b>			
Inventories	<b>1 c</b>	550,410	174,856
Accounts receivables	<b>4</b>	2,556,909	1,897,321
Cash and bank balances	<b>10</b>	-	41,532
		3,107,319	2,113,709
<b>TOTAL ASSETS</b>		<b>7,526,676</b>	<b>6,941,589</b>
<b>EQUITY AND LIABILITIES:</b>			
Accumulated fund	<b>5</b>	1,111,741	636,720
Capital grant	<b>6</b>	386,723	552,460
<b>Current liabilities</b>			
Accruals & payables	<b>3</b>	5,996,663	5,752,409
Bank overdraft	<b>10</b>	31,549	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,526,676</b>	<b>6,941,589</b>
<b>WYCLIFF MUTSUNE OGW</b>		<b>Z.N SILATEI</b>	
<b>BOARD CHAIRMAN</b>		<b>EXECUTIVE DIRECTOR</b>	
<b>DATE: 23-11-2005</b>		<b>DATE: 23-11-2005</b>	

## **CASH FLOW STATEMENT FOR YEAR ENDED 30TH JUNE 2004**

	NOTES	2004 Ksh.	2003 Ksh.
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus for the year		126,999	(111,842)
Adjustments for:			
Depreciation	11	947,338	756,242
Capital grant amortization	6	(165,738)	(150,820)
<b>Operating income before working capital changes</b>		908,599	795,220
(Increase) in inventories		(375,554)	(84,094)
(Increase) in receivables	4	(659,588)	(110,314)
Increase in payables	3	244,254	(1,430,381)
<b>Net cash generated from operations</b>		117,711	(829,569)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets		(190,792)	908,631
Net (Decrease) in cash and cash equivalent		(73,081)	79,062
Cash and cash equivalent at the beginning of the year	10	41,532	30,775
<b>Cash and cash equivalent at the end of the year</b>		<b>(31,549)</b>	<b>41,532</b>

# NOTES FOR THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2004

<b>NOTE 1</b>			
<b>SIGNIFICANT ACCOUNTING POLICIES</b>			
<b>a) Basis of preparation:</b>			
The accounts are prepared in accordance with and comply with International accounting Standards. The accounts are prepared under the historical cost convention.			
<b>b) Fixed assets</b>			
All fixed assets are stated at historical cost less depreciation. Depreciation is calculated on a reducing balance over their expected useful life of the asset concerned.			
The annual rates used are:			
	Motor vehicles	20%	
	Furniture and Equipment	12.5%	
	Computers	30%	
In the current year depreciation rate for computers was changed from 25% to 30%			
<b>c) INVENTORIES</b>			
Inventories are stated at the lower of cost and net realizable value			
		<b>2004</b>	<b>2003</b>
		<b>Ksh.</b>	<b>Ksh.</b>
<b>NOTE 2</b>			
<b>INCOME</b>			
The income comprises of the following			
Government grant	34,805,039	22,805,039	
Appropriation in Aid	9,502,244	8,688,450	
Grant Beacon	521,000	231,270	
Capital grant amortization	165,738	150,820	
<b>Total</b>	<b>44,994,021</b>	<b>31,875,579</b>	
Government grant was the grant received from the Exchequer. Appropriation in Aid is the revenue generated from the services the board offers to the public. Grant Beacon was a grant received from an Organization for a research study. Capital grant represents a grant received for computers and amortised			
<b>NOTE 3</b>			
<b>ACCRUALS AND PAYABLES</b>			
This consists of unpaid bills at the close of the financial year as shown below.			
Statutory deductions	379,726	670,882	
Telephones	1,378,250	54,901	
Auditor General	420,000	350,000	
Rent owing-ICDC	3,278,690	4,194,939	
Other deductions (SACCO)	539,997	481,687	
<b>Total</b>	<b>5,996,663</b>	<b>5,752,409</b>	
Statutory deductions represents NSSF, NHIF & PAYE. ICDC is the rent outstanding.			

# NOTES FOR THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2004

NOTE 4	2004	2003
RECEIVABLES AND PREPAYMENTS	Ksh.	Ksh.
It consists of the following		
Insurance	1,555,814	772,017
ICDC Deposit	487,312	487,312
Staff debtors	513,783	637,992
<b>Total</b>	<b>2,556,909</b>	<b>1,897,321</b>
<b>NOTE 5</b>		
<b>STATEMENT OF CHANGES IN EQUITY</b>		
Balance b/f	636,720	1,908,478
Prior year adjustment	348,022	(1,159,916)
Surplus for the year	126,999	(111,842)
<b>Total</b>	<b>1,111,741</b>	<b>636,720</b>
<b>NOTE 6</b>		
<b>CAPITAL GRANT</b>		
As at 1 July	552,461	703,280
Amortized in the year	(165,738)	(150,820)
<b>Total</b>	<b>386,723</b>	<b>552,460</b>
<b>NOTE 7</b>		
<b>ADMINISTRATION EXPENSES</b>		
Salaries	6,393,819	4,214,439
House allowances	4,416,000	4,811,193
Gratuity & pension	1,436,410	1,053,610
Other allowances	322,883	242,992
Passage leave	280,699	152,312
Transport expenses	1,500,281	2,095,033
Travelling and accommodation	1,629,123	1,653,597
External travelling	564,931	49,280
Postage & telegrams	59,966	141,076
Telephone expenses	4,154,324	1,159,729
Official entertainment	1,498,224	1,460,979
Board, conferences & program exp.	9,734,547	3,962,985
Fees, commission & honoraria	180,000	527,105
Insurance	2,852,896	2,465,276
Staff welfare	240,900	122,500
NSSF	62,200	57,600
Legal & consultancy fees	902,400	88,400
Staff training	131,650	13,100
Direct funded task force	627,987	231,270
	<b>36,989,240</b>	<b>24,502,476</b>

# NOTES FOR THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2004

NOTE 8	2004	2003							
GENERAL OPERATING EXPENSES	Ksh.	Ksh.							
Electricity & water	10,600	20,693							
Staff uniforms	-	12,000							
Library expenses	575,841	191,047							
Printing & stationary	1,896,280	1,354,628							
Adverting & publicity	165,176	33,050							
Cleaning	135,570	41,000							
Rent & rates	2,417,300	3,352,345							
Miscellaneous & other charges	298,421	355,040							
Computer expenses	519,969	278,680							
Grants to other institutions	36,000	234,083							
General maintenance	659,988	705,827							
Audit fees	70,000	70,000							
Depreciation expense	947,338	756,242							
<b>Total</b>	<b>7,732,483</b>	<b>7,404,635</b>							
<b>NOTE 9</b>									
<b>FINANCIAL EXPENSES</b>									
Bank charges & interest	145,299	80,310							
<b>NOTE 10</b>									
<b>CASH &amp; BANK BALANCES</b>									
Cash at hand									
Cash at bank	(31,549)	(4,017)							
<b>Total</b>	<b>(31,549)</b>	<b>(4,017)</b>							
<b>NOTE 11</b>									
<b>PROPERTY PLANT &amp; EQUIPMENT</b>									
	<b>Motor Vehicles</b>	<b>Furn &amp; Equip.</b>	<b>Computers</b>	<b>Totals</b>					
	<b>Sh.</b>	<b>Sh.</b>	<b>Sh.</b>	<b>Sh.</b>					
	20%	12.50%	30%						
<b>COST</b>									
At 1 July 2003	5,285,406	5,608,747	1,816,572	12,710,725					
Additions		90,792	100,000	190,792					
Disposals									
At 30 June 2004	5,285,406	5,699,539	1,916,572	12,901,517					
<b>DEPRECIATION</b>									
At 1 July 2003	4,145,255	2,564,364	825,203	7,534,822					
Charge for the year	228030	391897	327411	947338					
At 30 June 2004	4,373,285	2,956,261	1,152,614	8,482,160					
<b>NET BOOK VALUE</b>									
As at June 2004	912,121	2,743,278	763,958	4,419,357					
As at 1 July 2003	1,140,151	3,044,383	991,369	4,827,880					

