

REPUBLIC OF KENYA



KENYA NATIONAL AUDIT OFFICE

REPORT
OF
THE
AUDITOR-GENERAL



ON

FINANCIAL STATEMENTS OF NATIONAL
COUNCIL FOR PERSONS WITH
DISABILITIES FOR THE YEAR ENDED 30
JUNE 2010

KENYA NATIONAL AUDIT OFFICE

RECEIVED

- 8 DEC 2010

No:
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NAIROBI



NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

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NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

Corporate Information

Establishment of the Council.

The persons with Disabilities Act (2003) was assented to on 31st December 2003 and came into force, other than section 22,23,24,35(1),35(2), 39 and 40, on 16th June 2004 through legal notice No. 64 of 2004. The mentioned sections however, came into force on 24th December 2009.

Vision

A vibrant agency promoting disability mainstreaming in national development.

Mission

Mainstream disability issues in all aspects of socio-cultural, economic and political development.

Core values

In furtherance of its mission, NCPWD is committed to practicing and fostering the following values in all aspects of its dealings:

Commitment

Dedication to duty and service to persons with disabilities

Team spirit

Working together to accomplish our mission.

Credibility.

The ability to make people believe and trust us.

Integrity.

Displaying high ethical standards in all aspects of its work complete with requisite dedication.

Positive Diversity.

Valuing diversity by respecting individual differences.

Inclusivity

Seeking individual, corporate and community contributions as well as recognizing the same in pursuit of its objectives.

Fairness and Equity

Being fair and equitable in dealings with staff, clients and members of the community.

Stakeholders Focus

Establishing and maintaining cooperative relationships with stakeholders.

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

CORPORATE INFORMATION (CONTINUED)

BOARD OF DIRECTORS

Mr. Kibaya Laibuta	-	Chairman
Mrs. Patience Chome	-	Vice - chairman
Dr. Neema Nungari Salim	-	Director
Alex Parsaloi Munyere	-	Director
Edah Wangechi Maina	-	Director
Muthoni Kihara	-	Director
David M. Wanjama	-	Director
Joshua Akeyo Ogendo	-	Director
Josephtha Mukobe	-	Director
Patrick Onyango	-	Director
Douglas Sidialo	-	Director
Maureen Onyango	-	Director
Fred O. E. Mwangi	-	Director
Mbarak Twahir	-	Director
Titus Kilika	-	Director
Josephine Sinyo	-	Director
Janet Kasuku	-	Director
Amina Ibrahim	-	Director
Ezra Ojuka	-	Director
Josephine Aska	-	Director
Simeon Omare	-	Director
Beatrice Odundo	-	Director
Cecilia Mbaka	-	Director
Patrick Waweru	-	Director

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

CORPORATE INFORMATION (CONTINUED)

CORPORATE AUDITORS

Auditor General
Kenya National Audit Office
Anniversary Towers
P.O. Box 30084-00100

NAIROBI

Tel: +254-20-335777
Fax: +254-20-330829

BANKERS

Kenya Commercial Bank
Sarit Centre Branch
P.O. Box 14959

NAIROBI

Tel: +254-20-3747576
Fax: +254-20-3747576

REGISTERED OFFICE

National Council For Persons With Disabilities
Waiyaki Way
P.O. Box 66577-00800

NAIROBI

Tel: +254-20-4452877
Fax: +254-20-4452877

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES
CORPORATE INFORMATION (CONTINUED)

MANAGEMENT STAFF

Mrs. Phoebe A Nyagudi	-	Director
Ms. Mary Jacobs	-	PA to the Director
Ms. Catherine A. Wameyo	-	Principal Accountant
Ms. Emily L Zindoli	-	Principal Training Officer
Mr. Isaac Mwaura	-	Principal Public Relations Officer
Ms. Winfred Mbugua	-	Registration/Database Administrator
Mr. Joseph Maleu	-	Procurement Officer
Mr. Cleaver Aetoni	-	Ag. Human Resource Officer
Mr. Isaac Manyonge	-	Assistant Accountant
Ms. Jane Wamugu	-	Administrative Secretary
Ms. Pamela Omas	-	Senior Assistant Secretary
Mr. Daniel Onkware	-	Driver
Mr. Josephat Sasaba	-	Driver
Ms. Hafsa Mijae	-	Senior Supervisor
Mr. Cyril Maghanga	-	Senior Support Staff
Ms. Beth Kimotho	-	Cleaner

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

CHAIRMAN'S REPORT

During the year under review (2009/2010) Financial Year, National Council for Persons with Disabilities had set out to carry out the following strategic objectives as per its strategic plan of 2008/2012:


1. Mainstream Disability issues in different levels and sectors of society.
2. Ensure that statistics about Persons with Disabilities are maintained and that they are registered for the purposes of planning and provision of services.
3. Enhance awareness creation on disability issues and the activities of the Council.
4. Work towards the domestication of the UN Convention on the Rights of Persons with Disabilities.
5. Increase the lobby of employment of Persons with Disabilities in the public and private sectors.
6. Strengthen the capacity of Disabled Persons Organizations (DPOs).
7. Build the capacity of the Council for effective service delivery.

During the year under review all the strategic objectives were addressed and the National Council for Persons with Disabilities did very well as indicated in the evaluated Performance Contract. Some of the targets which were met during the year include the following:

- Establishment of three Strategic Partnerships.
- Formulation of two new policies
- Participation in the National Census
- Strengthening the capacity of Disabled Persons Organizations.
- Operationalization and disbursement of the National Development Fund for Persons with Disabilities.

A few challenges were witnessed during the year and they include the following:

- Lack of capacity in developing proposals to access the National Development Fund for Persons with Disabilities by the target population.
- Lack of financial management skills among the same target population.
- Inadequate funding for the recurrent expenditures.
- Inadequate working space for both the Council and the Fund.


Kibaya I. Laibuta
Chairman

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

STATEMENT OF DIRECTORS RESPONSIBILITIES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010.

The Directors are responsible for the preparation and presentation of the financial statements of National Council For Persons With Disabilities set out on pages to which comprise the statement of financial position as at 30 June 2010, the Statement of comprehensive incomes, Statement of changes in equity and Statement of cashflows for the year then ended and a summary of significant accounting policies and other explanatory notes.

The Directors responsibilities include : determining the basis of accounting described in note 1 is an acceptable basis for preparing and presenting the financial statements in the circumstances; designing, implementing and maintaining internal controls relevant to the preparation and presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Under the Kenyan State Corporations Act Cap 446, the Directors are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its operating results for that year. It also requires the directors to ensure the council keeps proper accounting records, which disclose with reasonable accuracy, the financial position of the Council. They are responsible for safeguarding the assets of the Council.

The Directors accept 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 in the manner required by the State Corporations Act Cap 446. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the council and of its operating results. The Directors further accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial controls.


The Directors have made an assessment of the Council's ability to remain as a going concern and have no reason to believe the council will not be a going concern for at least the next twelve months from the date of this statement.

Director

7.12.2010

Date

Mrs. Phoebe A. Nyagudi

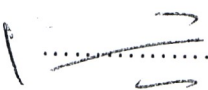

Signature

Chairman

7.12.2010

Date

Mr. Kibaya Laibuta


Signature

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-mail: cag@kenao.go.ke
Website: www.kenao.go.ke



P. O. Box 30084-00100
NAIROBI

Date.....

KENYA NATIONAL AUDIT OFFICE

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES FOR THE YEAR ENDED 30 JUNE 2010

I have audited the accompanying financial statements of National Council for Persons With Disabilities for the year ended 30 June 2010 set out at pages 7 to 15 which comprise the Statement of Financial Position as at 30 June 2010, the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, together with a summary of significant accounting policies and other explanatory information 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.

Management's Responsibility for the Financial Statements

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards and for such 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.

Responsibility of the Auditor General

My responsibility is to express an independent opinion on the financial statements based on the audit. The audit was conducted in accordance with the International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed with a view to obtaining reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of

accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

I believe the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council as at 30 June 2010, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards and comply with the Persons With Disabilities Act, 2003.


A. S. M. Gatumbu
AUDITOR GENERAL

Nairobi

6 December 2010

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010**

	NOTES	2009/10 (KSHS.)	2008/09 (KSHS.)
Income			
Grants	2	32,000,000	30,000,000
Other Incomes		5,552,200	51,578
TOTAL		37,552,200	30,051,578
Expenditure			
Staff Costs	3	8,072,870	3,618,476
Non-Staff Administration Costs	4	8,394,832	6,167,273
Other Operating Cost	5	2,772,727	2,580,437
Training & Workshops		1,036,126	1,990,987
Depreciation	7	2,406,579	2,042,217
Board Expenses		4,307,072	4,695,282
Travelling & Accommodation Costs	6	8,779,866	2,320,720
Audit fees		300,000	300,000
TOTAL		36,070,072	23,715,393
Operating Surplus		1,482,128	6,336,185

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30 JUNE 2010

	NOTE	30-Jun-10 AMOUNT Kshs	30-Jun-09 AMOUNT Kshs
OPERATING ACTIVITIES			
Cash generated from Operating activities	12	4,424,303	8,700,805
INVESTING ACTIVITIES			
Purchase of Equipment		(3,705,298)	(8,581,034)
INCREASE IN CASH & CASH EQUIVALENTS			
		719,005	119,771
Cash & Cash equivalent at the beginning of the Period		131,297	11,526
Cash & Cash equivalent at the end of the Period		850,303	131,297

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2010

	CAPITAL RESERVES (KSHS.)	SURPLUS (KSHS.)	TOTAL (KSHS.)
BALANCE AS AT 01/07/2009	8,589,925	-	8,589,925
SURPLUS FOR THE YEAR	-	1,482,128	1,482,128
BALANCE AS AT 30/06/2010	8,589,925	1,482,128	10,072,054

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). The principal accounting policies adopted are set out below.

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention as modified to include valuation of donations received in-kind and equipment as described below.

(b) Revenue

(i) Grants

Unrestricted grants are accounted for in the when confirmation of the commitment to pay is received from the donors or the Government of Kenya (GoK).

(ii) Donations in kind

Donations in kind are recognized on a receipt basis and recorded at their estimated market values.

(c) Equipment

Equipment is stated at cost less depreciation.

(d) Depreciation

Depreciation is calculated to write off the cost or valuation of equipment over their estimated useful lives using the straight-line method. Computer software and licences (intangible assets) are amortized over a period of 3.33 years. The annual rates in use are as follows:

Buildings	2.5%
Motor vehicles	25%
Office equipment, furniture & fittings	12.5%
Computers & peripherals	30%

(e) Receivables

Receivables are carried at anticipated realizable values

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(f) Foreign currencies

Assets and liabilities denominated in foreign currency are translated into Kenya shillings at the rates of exchange ruling at the balance sheet date. Transactions during the year are translated at the rates ruling on the transaction dates. Differences on exchange are dealt with in the statement of comprehensive incomes.

2. GRANTS

The Council received Kshs. 32 million inform of grants disbursed on quarterly basis at kshs. 8 million per quarter.

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3 STAFF COSTS	30-Jun-10	30-Jun-09
	(KSHS.)	(KSHS.)
Personnel Emoluments	7,185,292	1,670,420
Purchase of Uniforms	53,000	42,000
Allowances	834,578	1,906,057
TOTAL	8,072,870	3,618,476
4 NON-STAFF ADMINISTRATION COSTS	30-Jun-10	30-Jun-09
	(KSHS.)	(KSHS.)
Utilities, Supplies & Services	154,706	89,313
Communication, Supplies & Services	632,858	228,339
Printing, Advertising & Information Supplies & Services	1,894,244	2,261,704
Catering Services	407,001	341,381
National Day Celebrations	851,566	443,705
Insurance Costs	259,594	-
Specialised Materials and Supplies	507,310	71,500
Office and General Supplies and Services	1,518,389	1,339,623
Fuel, Oil and Lubricants	560,285	289,990
Routine Maintenance - Vehicles	205,800	60,315
Routine Maintenance - Other Assets	1,403,079	761,740
Sundry expenses	-	279,663
TOTAL	8,394,832	6,167,273
5 OTHER OPERATING EXPENSES	30-Jun-10	30-Jun-09
	(KSHS.)	(KSHS.)
Bank Service Commission & Charges	37,810	9,550
Contracted Guards & Cleaning Services	629,875	118,011
Contracted Professional Services	2,105,042	2,452,876
TOTAL	2,772,727	2,580,437
6 TRAVELLING & ACCOMMODATION	30-Jun-10	30-Jun-09
	(KSHS.)	(KSHS.)
Domestic Travel Expenses	6,529,716	1,754,075
Foreign Travel Expenses	2,250,150	566,646
TOTAL	8,779,866	2,320,720

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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NON-CURRENT ASSETS MOVEMENT
SCHEDULE

	BUILDINGS	MOTOR VEHICLES	OFFICE EQUIP.	COMPUTERS FURNITURE & FITTING	TOTALS
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
BAL. AS AT 01/07/09	1,991,316	5,483,058	2,188,534	1,160,340	10,823,248
ADDITIONS	2,168,198		- 862,700	674,400	3,705,298
COST AS AT 30/06/10	4,159,514	5,483,058	3,051,234	1,834,740	14,528,546
DEP. RATE	2.5%	25%	12.5%	30%	
ACCUM. DEP. B/FWD	49,783	1,370,765	273,567	348,102	2,042,216
DEP. CHARGE 09/10	103,988	1,370,765	381,404	550,422	2,406,579
ACCUM. DEP. C/D	153,771	2,741,529	654,971	898,524	4,448,795
NET BOOK VALUE AS AT 30 TH JUNE 2009	1,941,533	4,112,293	1,914,967	812,238	8,781,031
NET BOOK VALUE AS AT 30 TH JUNE 2010	4,005,743	2,741,529	2,396,263	936,216	10,079,751

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BANK AND CASH BALANCES

	30-Jun-10 AMOUNT Kshs	30-Jun-09 AMOUNT Kshs
Cash on Hand	Nil	Nil
Cash at Bank	850,303	131,297
Total	850,303	131,297

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 CAPITAL RESERVES

	30-Jun-10 AMOUNT Kshs	30-Jun-09 AMOUNT Kshs
Reserves B/fwd	8,589,925	2,253,740
Total	8,589,925	2,253,740

10 CREDITORS

	30-Jun-10 AMOUNT Kshs	30-Jun-09 AMOUNT Kshs
Director of Pensions	274,670	-
Paymaster General	167,400	-
Mrs. Phoebe Nyagudi	115,930	-
Septiemme Venture - Retention fees	-	82,404
Total	558,000	82,404

11 PROVISIONS

This relates to Audit fees for financial year 2009/2010 provided during the year amounting to Kshs. 300,000

12 CASH GENERATED FROM OPERATIONS
30TH JUNE 2010

	30-Jun-10 AMOUNT Kshs	30-Jun-09 AMOUNT Kshs
OPERATING SURPLUS FOR THE YEAR	1,482,128	6,336,185
ADJUSTMENTS:		
Depreciation	2,406,579	2,042,217
Audit fees provision		300,000
OPERATING SURPLUS BEFORE W/C CHANGES	3,888,707	8,678,402
CHANGES IN WORKING CAPITAL		
Decrease/(Increase) in Debtors	60,000	(60,000)
Increase in Creditors	475,596	82,404
NET CASH GENERATED FROM OPERATING ACTIVITIES	4,424,303	8,700,805

NATIONAL COUNCIL FOR PERSONS WITH DISABILITIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. Legal Status

The Act establishes the National Council for Persons with Disabilities. The Council is a body Corporate (Parastatal) or a Semi-Autonomous Government Agency that is capable of suing and being sued and acquiring, holding and disposing movable and immovable property.

14. Employees

The Council has 6 employees seconded from the Ministry of Gender, Children and Social Development and 10 permanent employees it has engaged independently.

15. Use of funds.

The management of NCPWD ensures that funds from the Government of Kenya and various donors are used as stipulated in the approved annual budgets, Grants Agreements and Project Documents. This is done with due attention to economy, efficiency and only for the purposes for which the funding was provided.

16. Currency

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

17. Comparatives

Comparative figures are provided for the financial year 2008/2009