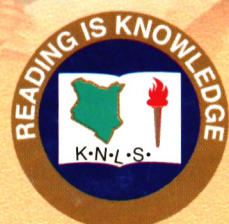


KENYA NATIONAL LIBRARY SERVICE

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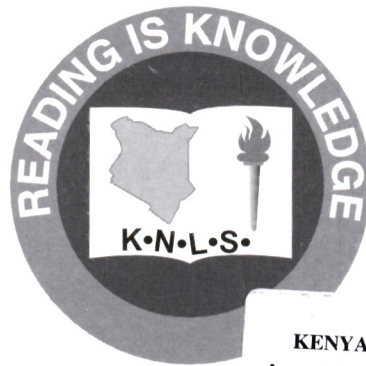
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Annual Report and Accounts
1999/2000

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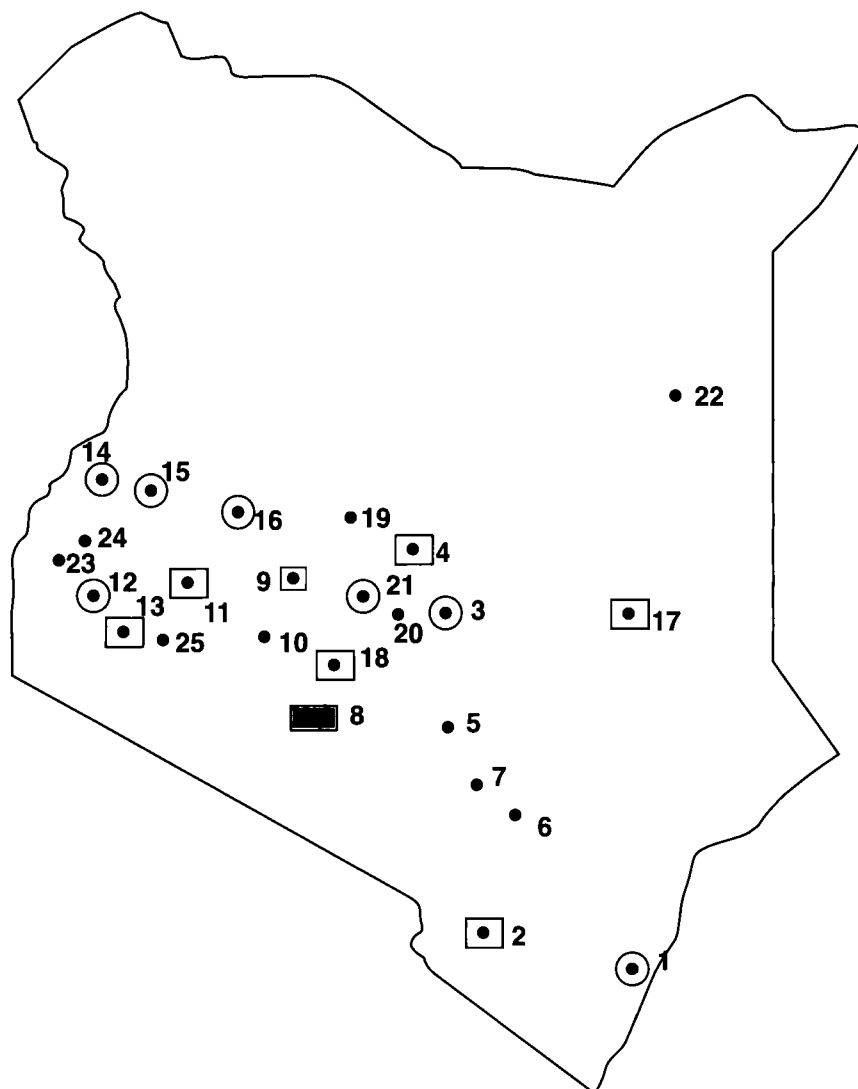
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ANNUAL REPORT AND ACCOUNTS FOR THE YEAR 1999/2000

KENYA NATIONAL LIBRARY SERVICE
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FAX: 254-020-2721749
E-MAIL: knls@nbnet.co.ke
Website: www.knls.or.ke

KENYA NATIONAL LIBRARY SERVICE NETWORK



- | | | |
|--------------|--------------|--------------|
| 1. Mombasa | 10. Naivasha | 19. Laikipia |
| 2. Wundanyi | 11. Kericho | 20. Karatina |
| 3. Embu | 12. Kisumu | 21. Nyeri |
| 4. Meru | 13. Kisii | 22. Wajir |
| 5. Kithasyu | 14. Kakamega | 23. Nyilima |
| 6. Kinyambu | 15. Eldoret | 24. Rambula |
| 7. Mutyambua | 16. Kabarnet | 25. Silibwet |
| 8. Nairobi | 17. Garissa | |
| 9. Nakuru | 18. Thika | |

KEY



BRANCH & MOBILE



COMMUNITY



BRANCH



BRANCH & MOBILE (HQ)

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BOARD OF DIRECTORS



Front - Left to Right :

A. Wang'ombe, S. K. Ng'ang'a, Hon. Archbishop S.A. Ondiek, Tom Sitima, W.J.A. Tuva, Lorna Maruti, Omari Gichogo and Doreen Mbogho.

Middle - Left to Right

J. Chirchir, Daniel Rono, E. Wafula, J. Kithete and P.M. Mumo.

Back - Left to Right

E. K. Cheruiyot, D. Nyambok, M.O. Warfa, B.I.W. Thuku and S.M. Maitha (Deputy Director)

In accordance with the Kenya National Library Service (KNLS) Board Act Cap 225, para I (I) of the schedule as amended by legal Notice No. 86 of 1970, the following members served in the Board during the year under review.

Archbishop S A Ondiek	- Chairman
Mohamed O Warfa	- Vice-Chairman/Representative, North Eastern Province
Tom Sitima	- Representative, Western Province
Joseph Chirchir	- Representative, Rift Valley Province
Paul Mumo	- Representative, Eastern Province
Abishag Wang'ombe (Mrs)	- Representative, Central Province
Edward Cheruiyot	- Representative, Nairobi Province
Doreen Mbogho (Mrs)	- Representative, Coast Province
Omari Gichogo	- Representing Kenya Publishers Association
Festus Khayundi	- Representing Kenya Library Association
David Kirui	- Director, Adult Education
Lorna Maruti	- Representing Town Clerk Nairobi City Council
Salome Mathangani	- Representing Vice Chancellor - University of Nairobi
Permanent Secretary	- Ministry of Home Affairs, National Heritage, Culture and Social Services
Permanent Secretary	- Ministry of Education
Permanent Secretary	- Ministry of Finance
Permanent Secretary	- Ministry of Local Government
Permanent Secretary	- Ministry of Economic planning & development
S. K. Ng'ang'a	- Secretary to the Board

INTRODUCTION

The Kenya National Library Service (KNLS) Board was established by the Act of parliament (Cap.225, Laws of Kenya) in August 1965. The Act mandates the Board to promote, establish, equip, manage, maintain and develop libraries in Kenya. The KNLS has a network of 22 branches countrywide.

The objectives of the KNLS Board are:

1. To supplement formal education;
2. To support non-formal education;
3. To facilitate reading for knowledge, information and research for the development of the nation;
4. To encourage reading in relation to people's jobs and occupations;
5. To promote use of books and non-book materials for individual intellectual development;
6. To develop reading habits and reading capabilities of both children and adults;
7. To facilitate reading for purposeful use of leisure time.

In fulfilling the above objectives, KNLS targets the following public segments.

- ◆ Pupils in primary schools, students in secondary schools and any one pursuing formal education;
- ◆ New literates i.e, adults graduating from literacy classes;
- ◆ Adults undertaking vocational training in polytechnics, colleges and other training institutions;
- ◆ Employees in public, private and voluntary organizations;
- ◆ Researchers, policy makers and other information seekers in pursuit of knowledge and/or leisure;
- ◆ The general public.

**MESSAGE
FROM
THE
CHAIRMAN
OF THE
BOARD**

It gives me great pleasure to present the Annual report and Accounts for the financial year 1999/2000. The success of the activities of the Board during the year is attributed to the support the KNLS Board received from the government of Kenya. The government continued to provide us with the grants that enabled us conduct our activities and serve the public effectively.



*Hon. Archbishop Stephen
O. Ondiek*

The year 1999/2000 was a great year for the KNLS Board. Besides the normal activities and programmes, the Board undertook unique activities that placed the operations of the Board in the world map of major libraries. Most of these activities were undertaken with the realization that the demand for KNLS services was rising fast. In order to cope with this demand, the Board recognized that there was need to develop strategies that would ensure that the services provided to the public were of high quality.

The Board's concern for the rural people saw the opening of another Community Based Library in Silibwet in Bomet District.

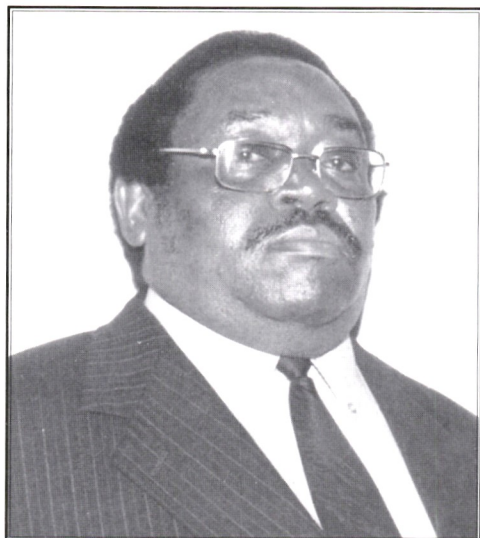
In recognition of the fact that human resource is the greatest asset for provision of efficient library and information services to the public, the Board continued to invest prudently in quality training and capacity building as a vital strategy for enhancing performance and achieving maximum satisfaction by the public being served.

As we begin the 21st century, my Board will continue to strengthen investments in human capacity development as a crucial resource for achieving our goals as a public and national library of Kenya. We will also focus on integrating new technology in the library operations and service provision with the aim of enhancing access to information within the information superhighway. We will also strengthen partnership with other development partners and also bring on board new ones for rapid development of our library network.

I wish to thank the government of Kenya for its immense support to my Board. I also wish to thank our esteemed readers who have been understanding and greatly supportive in our endeavour to create a knowledgeable society for Kenya.

Hon. Archbishop Stephen O. Ondiek
Chairman - KNLS Board

**Message
from the
Chief
Executive**



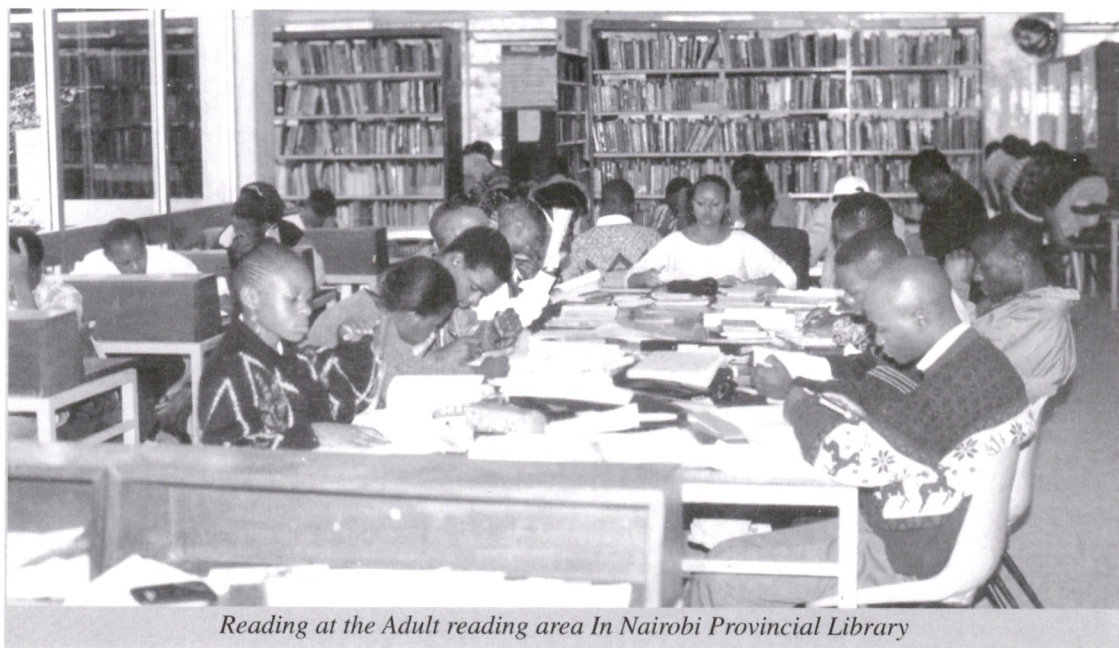
*S. K. Ng'ang'a
Director - K.N.L.S.*

The Kenya National Library Service Board is pleased to release the Annual Report and Accounts for the financial year 1999/2000. The year under review marked yet another period in which KNLS played a crucial role in supporting the Government's commitment to fighting poverty, ignorance and diseases.

These are the three big enemies that our government at the time of independence vowed to fight so as to develop a prosperous citizenry.

In this endeavour, the Board espouses the role of knowledge as an important arsenal for empowering the citizens. Through this, citizens are able to make the right choices and decisions and also participate in the national development. In recognition of this, the KNLS Board continued to attach great importance to books and other information materials as sources of knowledge necessary for empowering Kenyans from all walks of life.

To ensure that Kenyans receive quality services, the Board took several measures aimed at enhancing the quality of service provision and ensuring that the services met the diverse needs of the various communities in the country.



Reading at the Adult reading area In Nairobi Provincial Library

**Major
Highlights**

**Board
members
seminar**

The year under review witnessed the Board commencing the process of revitalizing its services. This was preceded by the first ever Board's seminar on revitalization of library services held between 13th and 15th October 1999.

During the year, our bookstock rose from 698,230 volumes of books worth Ksh.104,031,244 to 746,075 books valued at Ksh.126,006,602. Thus we achieved a growth of 6% over the previous financial year.

Our network registered an increase in membership by 5% from 149,219 registered readers in 1998/99 to 157,923 readers in 1999/2000. Our annual attendance also grew by 32% witnessing 1,077,169 readers visiting our libraries countrywide as compared to 814,289 readers in 1998/99. The year also saw a total of 753 researchers using the Central National Reference Library at the KNLS headquarters.

The Board loaned out a total of 325,094 books to registered readers countrywide.

During the year, the Board participated and organized several activities aimed at inculcating a reading culture amongst Kenyans. Some of these activities included:



Visually impaired children reading Braille books

**National
Book Week
celebrations**

In September 1999, the Board hosted the National Book Week Celebrations in 13 of its branches countrywide. The celebrations were marked with several reading promotional activities such as story telling, moulding, dancing, drama, reading and writing competitions for children. The celebrations were supported by the National Book Development Council (NBDC-K) who donated Ksh.338,000.00.



*National Book Celebrations in Mombasa
Provincial Library*

- ◆ Participation in the Agricultural Society of Kenya shows countrywide.
- ◆ Participation in the Book fairs and book exhibitions countrywide

In line with its mandate of promoting the development of libraries in Kenya, the Board continued to advice government and private institutions on:

- ◆ Designing of library facilities;
- ◆ Book stock selection;
- ◆ Management of libraries;

A total of nine (9) institutions benefited from these services.

The headquarters library provided training attachment to 35 students from various Library Science teaching institutions.

A new branch library was opened to the public in Silibwet, Bomet district.

The Board commissioned two other community libraries in Nyilima (Bondo District) and Rambula (Siaya District). The libraries were developed through partnership between the Board and the local communities..

The KNLS Board continued to work in partnership with other development partners so as to enhance and provide quality library and information services. In the year under review, the Board worked with several development partners both locally and overseas.

**Advisory
Services**

**Expansion
of
Library
Services**

**Partner-
ship**



Offloading books donated by Book Aid International at the K.N.L.S. Headquarters

Some of these included:

(i) Book Aid International of UK who continued to be the longest development partner of the Board from overseas. During the year, the organization donated to KNLS Board a total of 84,028 books which were distributed to various educational institutions and KNLS branches countrywide.

The support of BAI was very instrumental in assisting the Board establish libraries in various institutions especially those based in the rural areas.

(ii) Kenya Accountants and Secretaries National Examination Board (KASNEB)

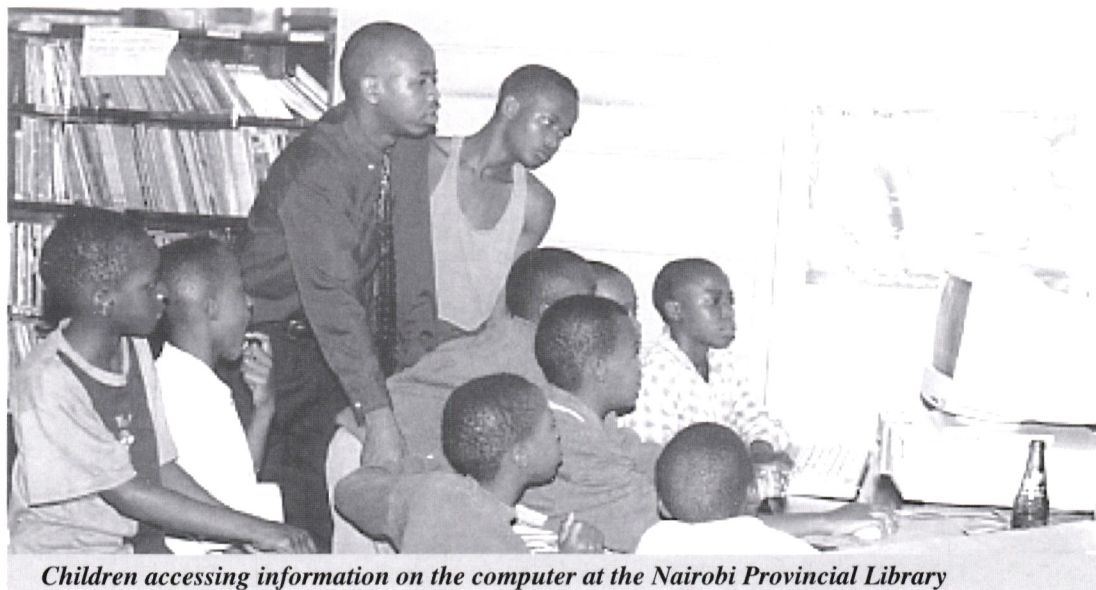
The partnership between KNLS and KASNEB that began in 1998, continued to strengthen as students of KASNEB examinations were now able to obtain such information on KASNEB i.e. registration, examinations and any other relevant information from the KNLS branches.

(iii) Desai Memorial Foundation

A memorandum of Understanding was signed between the KNLS Board and the Desai Memorial Foundation regarding the proposed National Library for the Visually Impaired Persons (VIPs). The Foundation also donated four (4) Braille machines to the KNLS Board for use by Blind users.

(iv) Carnegie Corporation of New York

The year 1999/2000 witnessed the Board bring on board a new partner in the development of libraries. The Carnegie Corporation of New York requested the KNLS Board to submit a project proposal for US\$75,000 grant for a six month planning study on revitalization of public library services in Kenya. The grant was received in June 2000.



Children accessing information on the computer at the Nairobi Provincial Library

Finance

(i) Government Grants

The KNLS Board received Ksh.186,795,960 for Personal Emoluments and operational expenses. This was an increase of Ksh. 2,633,959 over previous year's allocation.

(ii) Appropriations in Aid

In 1999/2000 the KNLS Board received Ksh. 2,099,343 as Appropriations in Aid (AIA) through sales of publications, photocopying, Internet services, disposal of newspapers, renting of halls and other miscellaneous income. This was an increase of 19% over the previous year's AIA collection.

Fixed Assets

- (i) In the Balance Sheet as at 30th June 2000, a fixed Assets figure of Kshs.179,467,076 includes an amount of Kshs.16,864,000 for eight (8) plots owned by the Board but which had no title deeds. The eight plots were: Garissa, Mwingi, Ngong, Laikipia, Karatina, Kisii, Makueni and Wundanyi. The Board has been following up the issue of title deeds with the Commissioner of Lands and there has been good progress.
- (ii) The same fixed assets figure of Kshs.179,467,076 does not include the value of three (3) other plots owned by the Board and with title deeds. The three plots were: Kapsabet, Lusumu and Rambula. These plots had not been valued. The Board had, however, written to the Government Chief Valuer to assist in the valuation exercise.

- (iii) A further eleven (11) plots without title deeds had also been excluded from the fixed assets figure. These, too, had not been valued. The plots were Ukwala, Muranga, Kibera, Busia, Kwale, Naivasha, Nyahururu, Siaya, Kilifi and Maua. Out of these; Ukwala, Muranga, Kibera, Busia and Kwale had been surveyed and their respective data already approved by the Director of Survey. The RIMS had already been amended and assigned respective parcel numbers, awaiting registration of Titles.

Naivasha and Nyahururu plots had also been surveyed and the data was with the Director of Survey. The Director had also been requested to expedite survey works for Siaya, Kilifi, Kitale and Maua.

The legal tussle over the proposed KNLS Headquarters extension dates back to January 1988, when the then Chief Accountant of the Board, the late J Nyamweya commissioned a firm of architects to provide services to the Board for the proposed extension of the Headquarters building.

After payment to the architect of a sum of Kshs.9,257,335 by the Parent Ministry earlier in 1994, the other consultant i.e. Quantity Surveyor sued the Board for non payment of their professional fees amounting to Kshs.17,154,262 (HCCCN0.1116 of 1999).

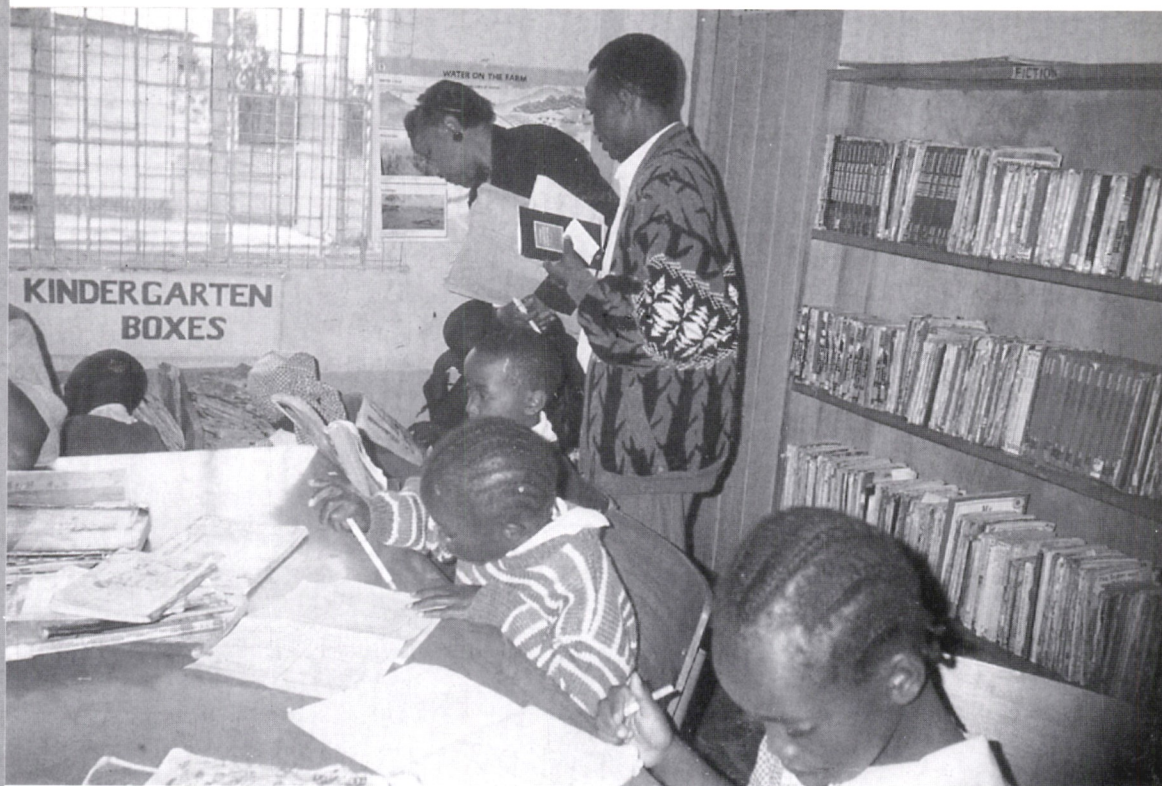
The civil suit was still pending in court until June 2002, when the Attorney-General's office advised that the defendants (KNLS and A-G) had no plausible defence and should therefore seek settlement of the same to avoid further loss by way of accruing interest. In December 2003, a consent order was duly executed by the parties in favour of the plaintiff against the defendants for the sum of Kshs. 9,998,929.00 thus bringing the suit to a conclusion.

During the year, the Board resolved to pay Kshs.731,042.85 to seven of its ex-employees, whose pension dues were still being held by the Kenya National Assurance Company (in liquidation). The sum paid was 80% of the dues owed to the former employees and the Board anticipated to recover the same from the pension funds once it was released by KNA liquidator/official receiver.

The first installment settlement cheque of Kshs.9,723,447 was released to the Board by KNAC (2001) Ltd. in June 2003. The advance of the Kshs.731,043 to the former employees is therefore recoverable.

Proposed Extension of KNLS Headquarters

Debtors



Children reading at the Junior Section at the Karatina Community Library.

Challenges

Despite the progress made during the year, we wish to point out that the Board experienced several challenges which affected its smooth operations during the year under review.

The problem of inadequately trained staff especially in information technology continued to affect our efforts of automating library services.

There was also an increased wear and tear of books due to heavy use by readers leading to a large number of books requiring binding and strengthening of the book spine. The problem of defaulting by the readers borrowing books has continued to plague the Board. Many readers fail to return books after borrowing.

The challenges notwithstanding, the Board is committed to developing measures that will ensure that Kenyan citizens have a wider access to books and other reading materials.

As a Board, we intend to expand the Book Bindery section so as to cope with the bindery requirements of the many torn books from our branch libraries. We also intend to implement the recommendation of the Board's seminar as a way of revitalizing our library services.



■ Readers anxious to acquire knowledge queue to enter the KNLS Nairobi Area Library just before 8.30 am

In achieving our goals and objectives, we wish to thank the Government of Kenya for its continued support through the annual grant. We also acknowledge the support that we have received from the Kenyan communities especially in areas where we have established community libraries. The communities have been instrumental in boosting the morale of the Board members and the staff in general.

We also wish to thank our esteemed readers who have continued to value our services. Their constructive criticisms has opened the doors for us to re-examine ourselves and direct our efforts to meeting their information needs. We wish to assure all Kenyans that in the years ahead, we will strive to streamline our services and ensure that our services are of much higher quality.

S. K. NG'ANG'A
Secretary, Kenya National
Library Service Board

KNLS STAFF POSITION

With the expansion of the library network the size of the KNLS workforce has continued to grow. By the end the of the year under review, the Board had a total of 890 employees as follows:

	1999/2000	1998/1999
Director	1	1
Deputy Director	1	1
Senior Principal Librarian	2	2
Principal Librarian	-	1
Senior Librarian	9	9
Librarian I, II	58	49
Graduate Assistants	19	17
Senior Library Assistants	33	32
Library Assistant I, II	131	126
Library Assistant III	2	2
Library Clerks	144	138
Library Attendants	124	121
Chief Accountant	-	-
Senior Internal Auditor	-	-
Senior Accountant	-	-
Accountant I,	-	-
Accountant II	2	1
Accountant , III	4	4
Chief Human Resource Officer	1	1
Senior Human Resource Officer	1	1
Human Resource Officers I, II	3	2
Executive Secretary	1	-
Personal Secretaries	3	2
Archives and Records Officer	3	3
Telephone Receptionists	4	4
Senior Clerical Officers	2	2
Account Clerks	4	4
Higher Clerical Officer	6	5
Clerical Officers	34	35
Copy Typists I, II, III	37	37
Drivers I, II, III	15	14
Chief Security Officer	-	-
Security Officers I, II	18	17
Executive Officer	1	1
Care Taker	-	1
Subordinate Staff 1, 11	156	150
Watchman I, II	71	68
TOTAL	890	853
	=====	=====

STAFF WELFARE

The Kenya National Library Service Board recognize that human resources are its greatest asset in order to provide efficient library and information services to the public. It is against this that KNLS continues to invest prudently in quality training and capacity building as a vital strategy for enhancing performance and achieving maximum satisfaction by the public being served. To this end, during the year 1999/2000, the Board sponsored its staff for training at various levels as shown hereunder.

Course/Level	No. of Staff
Dip. In Library and information Science at Kenya Polytechnic	14
Bachelor's Degree in Information Science in Towson University in USA	1
Post graduate diploma in Mass Communication at the University of Nairobi	1
Masters in Information Science in Makerere University, Uganda	1
Bachelor's degree in Management Science in USA	1
Masters in Information Technology in the USA	1
TOTAL	19

BOOKSTOCK

By June 30th 2000, the KNLS Board had a total bookstock of 746,075 books valued at Ksh.126,006,602.00 in its library network.

BRANCH	1999/2000		1998/1999	
	BOOK STOCK	VALUE	BOOK STOCK	VALUE
ACQ. & PRO.	38,282	16,124,678	31,568	12,168,388
NYILIMA	11,984	5,613,875	2,297	687,094
ELDORET	34,045	4,374,303	35,153	4,070,704
EMBU	45,993	5,764,351	47,063	5,942,745
GARISSA	25,226	2,767,139	25,282	2,687,444
KABARNET	35,237	4,680,008	33,826	4,166,520
KAKAMEGA	27,201	3,959,277	25,780	3,397,530
KARATINA	13,193	2,829,996	12,207	2,634,987
KERICHO	27,850	3,355,392	26,563	2,842,783
KINYAMBU	3,341	1,222,569	3,067	1,094,630
KISII	23,602	3,796,306	23,144	3,583,994
KISUMU	43,093	4,711,897	41,957	4,376,609
LAIKIPIA	7,946	2,460,106	7,376	1,981,734
MERU	23,611	1,902,624	23,780	1,902,546
MOMBASA	37,501	5,042,746	36,455	4,599,423
MUTYAMBUA	7,090	2,804,617	6,351	2,526,110
NAIROBI AREA	57,092	12,477,934	54,681	11,364,515
NAIVASHA	13,907	4,932,003	13,960	4,594,513
NAKURU	29,961	4,254,026	29,417	4,163,896
NR & BD	118,384	10,292,206	111,102	9,973,701
NYERI	43,528	4,944,002	43,105	4,691,672
RAMBULA	8,665	2,951,497	1,666	461,164
SILIBWET	5,768	3,603,385		
THIKA	26,278	3,047,270	26,194	2,934,899
WAJIR	9,240	2,618,170	9,173	2,589,296
WUNDANYI	23,326	3,814,138	23,614	3,666,915
KITHASYU	4,731	1,662,135	3,395	927,432
TOTAL	746,075	126,006,602	698,230	104,031,244

ADDITIONAL BOOKSTOCK

A total of 56,594 books valued as Ksh.20,363,484 were added to the bookstock during the year 1999/2000.

1999/2000		
BRANCH	NUMBER	VALUE
ACQ & PROCESSING	9,696	4,928,191
NYILIMA	325	584,328
ELDORET	325	584,328
EMBU	143	11,055
GARISSA	1,191	221,469
KABARNET	1,633	539,978
KAKAMEGA	1,874	618,506
KARATINA	1,485	276,376
KERICHO	1,895	574,689
KINYAMBU	339	140,744
KISII	803	258,591
KISUMU	1,864	390,937
KITHASYU	1,377	742,017
LAIKIPIA	692	510,336
MERU	297	80,916
MOMBASA	1,875	588,258
MUTYAMBUA	759	282,523
NAIROBI AREA	4,573	1,640,682
NAIVASHA	145	382,182
NAKURU	3,114	406,600
NR & BD	7,285	319,105
NYERI	1,343	359,619
RAMBULA	7,005	2,491,704
SILIBWET	5,768	3,603,385
THIKA	391	157,676
WUNDANYI	622	216,990
TOTAL	56,594	20,363,484

BOOK ISSUES

A total of 301,421 books were loaned out to readers countrywide

BRANCH	1999/2000	1998/1999
ELDORET	14,749	11,825
EMBU	14,121	13,672
GARISSA	14,610	6,382
KABARNET	19,448	15,274
KAKAMEGA	8,048	-
KARATINA	5,728	7,455
KERICHO	7,240	14,305
KINYAMBU	6,563	179
KISII	6,288	5,937
KISUMU	10,681	7,321
KITHASYU		3,943
LAIKIPIA	13,655	9,153
MERU	10,817	14,477
MOMBASA	11,610	7,341
MUTYAMBUA	19,802	13,433
MWINGI	2,118	-
NAIROBI AREA	22,222	16,720
NAIVASHA	21,008	24,951
NAKURU	15,865	16,762
NYERI	17,033	22,213
NYILIMA	4,860	-
RAMBULA	21,127	-
THIKA	6,507	5,071
WUNDANYI	26,098	13,313
WAJIR	27,098	-
SILIBWET	325	2
	<u>301,421</u>	<u>229,727</u>

MEMBERSHIP

A total membership of 157,923 readers were registered as library members during the year under review.

BRANCH	1999/2000	1998/1999
ELDORET	2,131	1,559
EMBU	3,945	3,564
GARISSA	5851	3,959
KABARNET	10,151	11,236
KAKAMEGA	18,959	19,248
KARATINA	5,290	3,815
KERICHO	3,365	4,210
KINYAMBU	1,063	-
KISII	6,385	5,693
KISUMU	6,279	6,023
KITHASYU		-
LAIKIPIA	4,263	3,895
MERU	8,952	8,939
MOMBASA	19,196	19,881
MUTYAMBUA	3,388	2,184
NAIROBI AREA	21,290	19,521
NAIVASHA	2,209	2,615
NAKURU	8,211	8,293
NYERI	12,118	14,522
NYILIMA	557	-
RAMBULA	3,786	-
SILIBWET	325	-
THIKA	2,528	4,179
WAJIR	282	-
WUNDANYI	7,369	5,883
	<u>157,923</u>	<u>149,219</u>

ATTENDANCE

Over 1 million Kenyans used the library services countrywide.

BRANCH	1999/2000	1998/1999
ELDORET	31,488	57,405
EMBU	41,523	33,016
GARISSA	44,139	48,740
KABARNET	51,713	46,892
KAKAMEGA	20,099	28,361
KARATINA	15,314	8,493
KERICHO	30,272	34,103
KINYAMBU	12,965	-
KISII	54,320	45,936
KISUMU	117,070	65,905
KITHASYU	15,561	-
LAIKIPIA	29,050	21,833
MERU	31,024	33,875
MOMBASA	66,582	73,663
MUTYAMBUA	49,560	41,967
NAIROBI AREA	68,159	57,405
NAIVASHA	64,309	64,908
NAKURU	34,891	27,690
NYERI	65,000	60,000
NYILIMA	20,685	-
RAMBULA	30,425	-
SILIBWETI	20,070	-
THIKA	38,387	41,551
WUNDANYI	36,491	44,520
WAJIR	29,521	-
	1,070,159	836,263

WITHDRAWALS

15,463 books valued at Ksh.2,344,416 were withdrawn from the library collections countrywide due to wear and tear, losses and obsolescence.

BRANCH	1999/2000		1998/1999	
	NUMBER	KSH.	NUMBER	VALUE (KSH.)
NYILIMA	9	1,410		
ELDORET	1433	280,729	1,542	166,467
EMBU	1213	189,449	1,184	167,877
GARISSA	1247	141,774	2,077	95,818
KABARNET	222	26,490	309	38,121
KAKAMEGA	453	56,809	592	84,078
KARATINA	499	81,366	972	129,897
KERICHO	608	62,081	2,044	165,015
KINYAMBU	65	12,805	27	5,011
KISII	345	46,279	660	74,930
KISUMU	728	55,649	308	22,114
KITHASYU	41	7,314	272	46,185
LAIKIPIA	122	31,964	537	99,256
MERU	466	80,838	984	100,389
MOMBASA	829	144,935	1,630	196,383
MUTYAMBUA	20	4,016	3	220
NAIROBI AREA	2162	527,263	1,733	220,287
NAIVASHA	198	44,691	592	128,790
NAKURU	2624	316,469	991	84,334
NR & BD	3	600	9,592	1,626,741
NYERI	920	107,289	1,694	297,442
WAJIR	33	7,755	9	2,525
THIKA	307	45,305	187	17,979
WUNDANYI	910	69,766	569	61,044

15,463'

2,344,416

28,508

3,830,903

AUDITED ACCOUNTS
1999/2000

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
ACCOUNTS OF KENYA NATIONAL LIBRARY SERVICES BOARD
FOR THE YEAR ENDED 30 JUNE 2000**

I have examined the Accounts of the Kenya National Library Service board for the year ended 30 June 2000 in accordance with the provisions of Section 29 of the Exchequer and Audit Act (Cap 412). I have obtained all the information and explanations considered necessary for the purpose of the audit. Proper book of account have been kept and the Accounts, which have been prepared under the historical cost convention, are in agreement therewith and comply with the Kenya National Library Service Board Act, (Cap 225).

1. Fixed Assets

The Balance Sheet Fixed Assets figure of Kshs.179,467,076 as at 30 June 2000 includes an amount of Kshs.16,864,000 being the value of (8) plots owned by the Board for which the Board has not obtained title deeds. The figure however, excludes an undetermined value of three (3) other plots with title deeds as well as eleven (11) plots without title deeds. In the absence of title documents for the eleven plots and the exclusion of the value of fourteen (14) plots of land from the Balance Sheet, it has not been possible to confirm the ownership of the land as well as the propriety of the Balance Sheet fixed Assets of Kshs.179,467,076 as at 30 June 2002.

2.0 Proposed Extension of KNLS Headquarters

In January 1988, the then Chief Accountant of the Board commissioned a firm of architects to provide architectural service to the Board for a proposed extension of the Kenya National Library Service Headquarters but without the approval of the Board. Five days later on 11 January 1988, the same officer and in a similar manner, commissioned three other firms to provide electrical, mechanical and structural/civil and quantity surveying services for the same project without the Board approval. These irregular appointments were made before a full Board meeting scheduled to discuss the project on 13 January 1988 was held. When the Board met on 13 January 1988 the Project was not approved but the Board directed its Executive Committee, to which the Chief Accountant was a member, to work out more details of the Project for subsequent Board discussion. Consequent to the irregular commissioning of consultants a cost estimate of Kshs.132,675,000 was given as well as three fee notes of Kshs.3,157,725 based on the Project

cost estimate of Kshs 132,675,000. Records show that the project cost was without any explanation revised upwards to Kshs.257,190,252 after which the four consultants involved in the project submitted their revised fee notes of Kshs.27,153,193 based on the new Project costs, again without consultations with Board and without confirming the correctness of the fee notes.

2.1 On becoming aware of the existence of the consultancy in September 1988, the Board of Directors rejected the proposals made by the Chief Accountant and resolved to have the officer summarily dismissed. Several years later and in a strange change of events, the Board approved the revival of the Project in July 1991. The Ministry of Public Works in a letter dated 17 March, 1993 advised that the commissioning of the consultants was illegal and that no consultancy fees were payable. On 18 November 1993, however, the Permanent Secretary, Public Works and in apparent contradiction to their letter of 17 March 1993, which had stated that the fees were not payable, wrote and advised the Parent Ministry that one of the consultants, an architect was due for fees totalling Kshs. 9,257,335 and further indicated that a payment voucher for the same amount had been prepared. Thereafter, the Ministry of Public Works forwarded the payment to the Board's Parent Ministry for payment. The Parent Ministry subsequently paid the consultants, their portion of the professional fees of Kshs. 9,257,335 without even consulting the Board. The expenditure was offset against the Board's grants receivable from the parent Ministry.

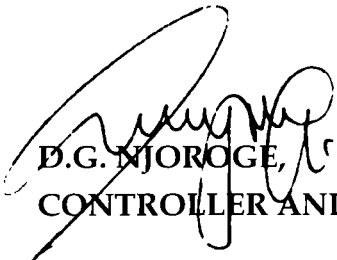
2.2 Records further show that on learning of the payment to the architect, the other consultants sued the Board for non payment of their fees totalling Kshs. 17,154,262 under HCC No. 1116 of 1999, a civil suit which has been pending in court since then. During the year under review the Board hired a firm of lawyers to defend it on the suit and subsequently paid the lawyers a total of Kshs. 856,000 between October and December 1999. Apart from the fact that the Ministry of Public Works irregularly approved the payment of fees even when it had advised the parent Ministry to the contrary, the Parent Ministry irregularly paid the fees even when the project was not implemented. It is also not clear why the Parent Ministry paid fees to one of the consultants based on the revised project cost of Kshs. 257,109,252 against the original project estimate cost of Kshs. 132,675,000 submitted by the irregularly appointed consultants.

2.3 Apart from the fact that the Board may lose much more than the amount of Kshs. 17,154,262.70 now demanded by the other remaining three consultants based on the irregular payment by the Parent Ministry, it is also not clear how a project of this magnitude could have been commenced and designed reportedly without the knowledge and approval of the Board. In addition the expenditure of Kshs.856,000 incurred by the Board to pay lawyers during the year under review would have been saved had proper procedures been followed when appointing and commissioning the consultants to design the project, which in any case had not been planned or budgeted for.

3. Debtors

The debtors balance of Kshs.1,597,770 as at June 2000 includes cash advances totalling Kshs.731,043 made to seven retirees of the Board on the grounds that their pension contributions were still held by Kenya National Assurance Company (now in Liquidation). However, there was no information available to confirm that the liquidators of the Kenya National Assurance Company had given any undertaking to repay to the Board the advances of Kshs.731,043. Under the circumstances therefore, it has not been possible to confirm the recoverability of the debt of Kshs.731,043 shown as recoverable from the liquidators of the defunct KNAC.

In my opinion, and subject to the reservations set out in the foregoing paragraphs, the Accounts, when read together with the Notes there on, give a true and fair view of the financial state of affairs of the Board as at 30 June 2000 and of its surplus and cash flows for the year then ended.


B.G. NJOROGE,
CONTROLLER AND AUDITOR GENERAL

Nairobi

27 February, 2003

KENYA NATIONAL LIBRARY SERVICE


BALANCE SHEET AS AT 30TH JUNE 2000

	Notes	1999/2000 Kshs	1998/99 Kshs
Fixed Assets	(6)	179,467,076	180,658,450
Stock of books		<u>126,006,602</u>	<u>104,031,246</u>
		<u>305,473,678</u>	<u>284,689,696</u>
Current Assets			
Debtors	(3)	1,597,770	1,424,595
Stores		845,203	1,039,425
Cash and Bank balances	(4)	<u>33,343,467</u>	<u>19,381,528</u>
		<u>35,786,440</u>	<u>21,845,548</u>
Current Liabilities			
Creditors/Accruals	(5)	<u>13,377,486</u>	<u>10,070,895</u>
Net Assets		<u>22,408,954</u>	<u>11,774,653</u>
		<u>327,882,632</u>	<u>296,464,349</u>
Financed By:			
Accumulated Fund	(7)	313,127,911	280,517,523
Revaluation Account			319,688
Carnegie Corporation Fund account		5,043,278	
Surplus/(Deficit)		<u>9,711,443</u>	<u>15,627,138</u>
		<u>327,882,632</u>	<u>296,464,349</u>

BOARD DIRECTOR

 30th. Oct 2000

BOARD CHAIRMAN

 30/10/2000

Income And Expenditure Account For The Period Ended 30th June 2000

	Notes	1999/2000	1998/99
Income		Kshs	Kshs
Government grants		186,795,955	184,161,996
Fines, Overdues & Surcharges		404,957	331,894
Kenya National Bibliography sales		75,246	13,214
Interest Received		21,800	204,356
Miscellaneous income		1,479,979	776,126
Profit on Disposal		45,000	192
Rent Received Account		477,318	434,617
		<u>189,300,255</u>	<u>185,922,396</u>
Expenditure			
Staff expenses	(1)	126,997,227	127,466,740
Administration expenses	(2)	37,404,713	30,561,853
Transport operating expenses		4,093,194	4,201,029
With holding tax		3,270	30,653
Insurance		6,258,651	3,864,024
Depreciation expenses		4,831,757	4,170,959
		<u>179,588,812</u>	<u>170,295,258</u>
Surplus / (Deficit) for the year		<u>9,711,443</u>	<u>15,627,138</u>

Cashflow Statement For The Year Ended 30th June 2000

	1999/2000	1998/99
Cash from operating activities	Kshs	Kshs
Net earnings (loss) – Boards Account	9,711,443	15,625,458
– Carnigie corp fund	5,043,278	
Adjustments for :-		
Profit on disposal	(45,000)	(192)
Prior year adjustments	(306,432)	(102,144)
Depreciation	<u>4,831,757</u>	<u>4,170,959</u>
Operating profit before working capital changes	19,235,046	19,694,081
Cash provided (used) by operating activities		
Increase (Decrease) in trade and other debtors	(173,175)	(1,087,755)
Increase(Decrease) in stock	194,223	250,681
Increase(Decrease) in trade creditors	<u>3,306,591</u>	<u>6,405,993</u>
	3,327,639	5,568,919
Investment transactions Increases (decreases)		
Purchase of Books & Periodicals	(5,005,365)	(4,744,755)
Purchase of Equipment	(3,446,383)	(2,766,138)
Purchase of Motor Vehicles	<u>(149,000)</u>	<u>88,200</u>
	(8,600,748)	(7,422,693)
Net increase (decrease) in cash and cash equivalents	13,961,939	17,840,307
Cash and Cash equivalents at beginning of period	<u>19,381,528</u>	<u>1,541,221</u>
Cash and cash equivalents at end of period	<u>33,343,467</u>	<u>19,381,528</u>

Notes

	1999/2000	1998/99
	Kshs	Kshs
1. Staff Expenses		
Personal Emoluments	68,954,825	74,546,099
House Allowance	23,252,475	22,312,879
Other Allowances	4,187,742	3,787,483
Medical Allowance	9,599,216	9,156,702
Pension contribution expenses	9,830,605	8,012,475
Passage & leave	1,175,310	1,339,850
Medical expenses	242,647	220,729
Travelling & Accommodation	7,138,109	6,613,370
Purchase of uniforms & clothing	1,129,321	333,659
Staff training expenses	1,486,976	1,143,495
	<u>126,997,227</u>	<u>127,466,740</u>

2. Administration Expenses

Rents & rates non-residential	123,030	21,230
Postal & telegram	469,811	245,459
Telephone expenses	2,478,283	1,941,896
Official entertainment	1,030,166	838,374
Exp of Board's Committee & Conference	5,735,649	3,181,297
Electricity	1,774,720	1,328,698
Water & Conservancy	157,606	145,239
Purchase of Stationery	2,206,477	1,180,899
Publishing & Printing	2,383,107	2,101,945
Library expenses	10,364,561	10,509,679
Advertising & Publicity	1,841,810	1,120,229
Audit fees	150,000	
Computer expenses	316,788	481,454
Contracted Professional Services	1,422,357	595,492
Miscellaneous & other charges	364,401	309,445
Fees, Commission & Honoraria	180,000	92,271
Maintenance of Plant & Equipment	573,021	451,697
Maintenance of Buildings & Stations	3,596,503	3,450,569
Contribution to International Organization	3,054	137,256
Bank charges	122,952	216,445
National Bibliography Center		100,000
Grants to Community lib	2,260,415	1,963,960
	<u>37,404,713</u>	<u>30,563,533</u>

	1999/2000	1998/99
3. Debtors	Kshs	Kshs
Deposits -Refundable	456,116	471,078
Imprest & Advances	68,936	71,887
miscellaneous debtors	<u>1,072,719</u>	<u>881,631</u>
	<u>1,597,770</u>	<u>1,424,596</u>
4.Cash & Bank Balances	Kshs	Kshs
Cash in hand	199,314	325,034
Bank main account	9,437,527	(46,448)
Bank Development Account	15,466,767	15,466,767
Bank pension Account	2,413,926	3,414,761
Bank Reserve & Deposit A/C	782,656	221,414
Bank Carnigie Corp planning	5,043,278	
	<u>33,343,467</u>	<u>19,381,528</u>
5.Creditors & Accruals	kshs	kshs
Pension-Receipts/Refunds	2,814,523	1,811,749
Kenisis	80,423	80,423
Pension payable - staff	1,151,611	2,092,562
Sacco payable	2,561,533	2,161,880
NHIF	109,910	212,460
P.A.Y.E	361,736	411,007
Miscellaneous deductions	135,017	135,687
Local Authority Service charge	152,059	143,799
Union dues	56,736	60,104
Net salary payable	387,274	523,165
Insurance payable - staff	469,384	453,364
Mortgage		22,041
Maktaba welfare	97,000	84,600
Surcharges	19,282	6,620
Overpayments	20,121	7,068
Creditors& other provisions	4,860,876	1,764,366
Provision for Audit fees	<u>100,000</u>	<u>100,000</u>
	<u>13,377,486</u>	<u>10,070,895</u>

6. Fixed Assets

	Land & Buildings	Motor Vehicles	Furniture Fittings & Equipments	Total
	Kshs	Kshs	Kshs	Kshs
Cost / valuations as at 30/6/99	184,121,264	9,118,554	17,886,732	211,126,550
Additions during the year		194,000	3,446,383	3,640,383
Disposal		136,000		136,000
Cost / valuation	184,121,264	9,176,554	21,333,115	214,630,933
Accumulated depreciation	10,569,687	7,426,028	12,472,385	30,468,100
Depreciation on Disposal b/fwd		136,000		136,000
Depreciation for the year 1999/2000	1,270,353	894,764	2,666,640	4,831,757
Accumulated depreciation c/fwd	11,840,040	8,184,792	15,139,025	35,163,857
Net Book Value 30/6/2000	<u>172,281,224</u>	<u>991,762</u>	<u>6,194,090</u>	<u>179,467,076</u>
Net Book Value 30/6/99	<u>173,551,577</u>	<u>1,692,526</u>	<u>5,414,347</u>	<u>180,658,450</u>

7. Accumulated Fund

The increase in accumulated fund was caused by books that were donated by international bodies in the year 1999/2000 and capitalized.

	kshs
Balance brought forward	296,464,349
Less	
Prior year Adjustments – Pension payable	306,432
Add	
Donation of books	16,969,994
Balance carried forward	<u>313,127,911</u>

8. Carnegie Library research and project Proposal Fund

	Kshs
Receipt from Carnegie International	5,700,000
Les Expenses	<u>651,120</u>
Fund balance as at 30/6/2000	<u>5,043,278</u>

The board received kshs 5,700,000 in the month of June 2000 from Carnegie International for a six months library Research and development proposal ending

31st December 2000

9. Accounting Policies

The Income and Expenditure Account and Balance Sheet for the year ended 30th June, 2000 are shown together with the figures for the year ended 30th June, 1999 for comparison.

(a) Accounting Convention

The Board's financial statements have been prepared under the historical cost convention as modified by the Revaluation of Leasehold Land and buildings fixtures fittings and equipment's which are incorporated in these accounts.

(b) Depreciation

Depreciation is charged to write off the cost of fixed assets over their useful life using the straight line method at the following rates:-

Motor vehicles	25%
Fixtures Furniture Fittings & Equipment's	1 2.5%
Buildings	2%

(c) Stores

These are shown at cost and no provision for obsolesce and deterioration



**FOR MORE INFORMATION CONTACT
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