

NATIONAL CRIME RESEARCH CENTRE

ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR
2012/2013

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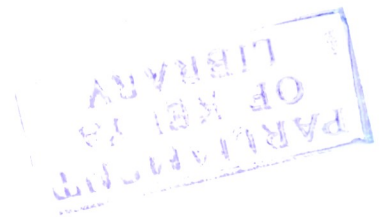


NATIONAL CRIME RESEARCH CENTRE

Annual Report &

Financial Statements

For the Financial Year 2012/2013



General Information

The National Crime Research Centre (NCRC) is a state corporation in the State Law Office. The centre was established by an Act of Parliament, the National Crime Research Act Cap 62 Laws of Kenya. Its objective is to carry out research into the causes of crime and its prevention.

Office: NSSF Building
Block A Western Wing
P.O. Box 21180-00100
Nairobi
Kenya
Telephone No. 0202716762

Bankers: Kenya Commercial Bank
Milimani Branch
P.O. Box 69696-00400
Nairobi
A/C No. 1122479417

Auditor: The Auditor General
Kenya National Audit Office
P.O. Box 30084-00100
Nairobi
Kenya

Our Mandate

The mandate of NCRC as stipulated in the National Crime Research Centre Act (Act No. 4 of 1997) is to carry out research into the causes of crime and its prevention and to disseminate research findings and recommendations to the Government agencies concerned with the administration of criminal justice, with a view to assisting them in their Policy formation and Planning.

Our Vision

To be a world class crime research Institution

Our Mission

To provide quality and authentic research into the causes of crime, its prevention with a view to achieving a crime free society.

Our Motto

Fighting crime through research

Core values

The centre will conduct its business guided by the following core values;

- a) Professionalism and team work
- b) Customer focus
- c) Consultative Leadership
- d) Transparency and accountability
- e) Trust and Honesty
- f) Cultivating long term relationships
- g) Social responsibility

Director

The Chief Executive Officer of the Centre and Secretary to the Governing Council NCRC, responsible for efficiency of the organization, Management administration, directing control and coordination of the operation of the Centre in matters concerning research.

Principal Researcher

The Officer responsible for coordination of crime research, directing and analyzing data, collaboration with the criminal justice system etc.

Finance and Accountant Officer

Responsible for processing of estimates expenditure monitoring, allocation of resources, prioritization of programmes etc.

Human Resource Management & Administration Officer

The officer responsible for Human Resource Procurement, Development, compensation, integration and maintenance of the Centre and administrative matters of the Centre.

Internal Audit Officer

The officer is responsible for providing an objective review of all activities of the Centre aiming to add value, improve operational efficiency and internal control systems by carrying out internal audits.

Supply Chain Management Officer

Responsible for procurement of goods and services for the centre.

THE MINISTER'S REPORT**I. Changes in policy/strategy that affected the MDA's operations such as legislative changes or new strategic initiatives developed during the year.**

A number of changes in policy/strategy affected the operations of the National Crime Research Centre (NCRC) both positively and negatively.

1. The Constitutional requirement that government services be decentralized to the devolved units in the County Governments meant that NCRC's research studies had to be undertaken in a number of counties as study sites for purposes of representativeness. For instance, a study on "Gender Based Violence in Kenya" covered 14 counties while another on "Election Crimes and Offences in Kenya" covered 26 counties. The positive effect of this Constitutional requirement was that the crime dynamics in the different counties were articulated and interventions with a national outlook were likely. However, such a strategy implied increased costs of doing research.
2. During the Financial Year, there were financial austerity measures instituted by the government which meant that the Centre could not get all the required finances (as proposed in the draft estimates) to execute its mandate smoothly. For example, the Centre needed adequate finances to be used in the recruitment of a required number of staff in tandem with the proposed organizational structure but was allocated funds adequate only for four staff (that is, the Director, two Researchers and one Accountant) thus making implementation of its programme impossible. The Centre could also not be able to acquire adequate office accommodation as planned.
3. Following the delinking of NCRC from the parent Ministry and the need to fully operationalize the Centre during the Financial Year, it was necessary to acquire more staff. The Centre had therefore to request for deployment/secondment of staff who would continue to draw their salaries from their ministries while serving at the Centre. However, the Centre was given the option of either meeting all the remuneration expenses of the seconded staff or releasing the seconded staff back to their ministries. The Centre opted to have the members of staff seconded to it and this resulted to unexpected expenditure towards the seconded staff.

**II. An overview of NCRC's accomplishments during the year and challenges met****(a) Accomplishments**

Generally, the Centre was able to achieve a composite score of 2.962 implying a "Very Good" performance based on self evaluation in the 2012/2013 Performance Contract. It is hoped that this score will be endorsed as true in the final evaluation by the Performance Contracting Division. The following were the key specific accomplishments.

1. Finalization of a study on Organized Criminal Gangs in Kenya after its final review by the Governing Council in May, 2013.
2. Finalization of a study on Gender Based Violence in Kenya after its final review by the Governing Council in May, 2013.
3. Undertaking of a study on Election Crimes and Offences in Kenya in the last two quarters of the financial year and whose report is almost complete.
4. Recruitment of substantive staff of the Centre (that is, the Director, two Researchers and one Accountant) and secondment of five other staff.
5. Installation of the second Governing Council (G.C) of the Centre (and formation of various committees the G.C) after the expiry of the term of the first Council.
6. Acquisition of the required infrastructure and key software for the establishment of a Crime Data Base/Bank.
7. Establishment of good working relationship, linkages and collaboration with stakeholders (such as Childline Kenya with whom there is a Memorandum of Understanding (MOU) awaiting signatures by the parties).
8. Acquisition of new office premises at the Bishops Annex building and allocation of additional funding by the Treasury at the close of the Financial Year for partitioning of the premises.

THE ACCOUNTING OFFICER/RECEIVER OF REVENUE/ADMINISTRATOR OF A NATIONAL PUBLIC FUNDS REPORT:



I. Key achievements of the NCRC for the year in terms of Medium Term Plan, Strategic Plan priorities and associated key performance information including revenue performance

The NCRC's mandate, and which is also one of its 2008-2012 Strategic Plan priorities, is to carry out research into the causes of crime and its prevention and to disseminate the research findings and recommendations to the Government agencies concerned with the administration of criminal justice with a view to assisting them in their policy planning and formulation. During the year, NCRC carried out research studies on "Organized Criminal Gangs in Kenya", "Gender Based Violence in Kenya" and "Election Crimes and Offences in Kenya". These studies were key achievements in realizing Medium Term Plan's priority key result areas of: internal security of people and property; increased access to justice; reform of electoral and political parties' processes; and effective criminal justice system.

II. Highlight of key targets that were not achieved and the associated implementation challenges

The NCRC had targeted to fully align the NCR Act to the Constitution. However, this target was partially fulfilled because it was to be guided by the Legal Committee of the new Governing Council which was officially launched in May, 2013. The Centre had also targeted to fully automate its services. The necessary software and hardware/infrastructure was acquired but full automation was not possible because of lack of an ICT Officer. A target on ISO Certification was cascaded to the Centre but could not be fully achieved due to the cost involved against the problem of inadequate resources.

III. Any other information that the Accounting Officer/Receiver of Revenue/Administrator's of a National Public Funds may deem necessary

Crime has continued to be a serious problem in the country. Crime prevention approaches must be evidenced-based and anchored on research. However, the government budgetary allocation to the National Crime Research Centre during the year remained low compared to the magnitude of the Centre's mandate and the seriousness of crime. Further, the Centre was seriously understaffed and this negatively affected the smooth implementation of programmes. Development partners who could assist the Centre in its resource base were not forthcoming despite efforts to attract them. This was partly because of the Centre's low publicity and the inability to continuously churn out crime research reports which could interest potential donors.

IV. Concluding Remarks

In order to adequately assist in crime prevention through research approach, the National Crime Research Centre will need to be adequately funded through the exchequer and development partners. To enable the Centre to continue being there to discharge this critical mandate of crime research, more substantive and key staff that are on permanent terms of engagement will need to be recruited guided by the approved organizational structure.

Director:

Signed.....

MR. J. ORIRI ONYANGO

REPUBLIC OF KENYA



KENYA NATIONAL AUDIT OFFICE

**REPORT OF
THE
AUDITOR-GENERAL**

ON

**THE FINANCIAL STATEMENTS OF
NATIONAL CRIME RESEARCH CENTRE
FOR THE YEAR ENDED
30 JUNE 2013**

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

Basis for qualified opinion.

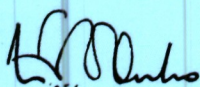
The National Crime Research Centre inherited assets of an unknown value from the Office of the Attorney General and Department of Justice in the year 2007 which have not been taken on charge to date. Consequently, the fixed assets balance of Kshs. 12,290,785.00 reflected in the statement of financial position as at 30 June 2013 could not be confirmed.

Qualified Opinion

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Centre as at 30 June 2013, and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the NATIONAL Crime Research Centre Act, Cap. 62 of the Laws of Kenya.

Other Matter

I draw your attention to the fact that the National Crime Research Centre has no formal Risk Management Policy. My opinion is not qualified in respect of this matter.



Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

18 February 2014

Statement of Financial Position

FOR THE YEAR ENDED 30TH JUNE, 2013

	NOTES	2012/2013	2011/2012
ASSETS		Kshs	Kshs
FIXED ASSETS	2	12,290,785	14,725,698
CURRENT ASSETS			
BANK	3	33,049,531	12,480,666
CASH	3	67,366	139,871
ACCOUNTS RECEIVABLE	4	1,956,726	247,124
TOTAL CURRENT ASSETS		35,073,623	12,867,661
LESS: CURRENT LIABILITIES			
ACCOUNTS PAYABLE	5	232,000	6,645,221
NET CURRENT ASSETS		34,841,623	6,222,440
TOTAL ASSETS		47,132,408	20,948,138
FINANCED BY			
BALANCE B/F		20,948,138	23,034,264
SURPLUS FOR THE YEAR		26,184,270	(2,086,126)
TOTAL KSHS		47,132,408	20,948,138

Chairman:

Signed.....

PROF. GITHU MUIGAI, SC.

Director:

Signed.....

MR. J. ORIRI ONYANGO

Date:

27th September, 2013

Statement of Changes in Reserves

FOR THE YEAR ENDED 30TH JUNE, 2013

Opening Balance as at 01/07/2011	23,034,264
Surplus/ Deficit as at 30th June 2012	(2,086,126)
Closing Balance as 30th June 2012	20,948,138
Opening Balance as at 01/07/2012	20,948,138
Surplus/ Deficit as at 30th June 2013	26,184,270
Closing Balance as 30th June 2013	47,132,408

Notes to the Financial Statements...cont.

	2012/2013 Kshs	2011/2012 Kshs
Note No. 3 Cash & Cash Equivalents		
Cash at Bank	33,049,531	12,480,666
Cash at Hand	67,366	139,871
Net Cash at Bank	33,116,897	12,620,537

Cash and Cash equivalent comprise of cash at hand and cash at bank for the financial year 2011/2012

	2012/2013 Kshs	2011/2012 Kshs
Note No. 4 Accounts Receivable		
Staff Debtors	7,700	247,124
Deposit on Rent	1,949,026	-

	2012/2013 Kshs	2011/2012 Kshs
Note No. 5 Accounts Payable		
Creditors	232,000	6,645,221

Note No. 6 Income/Revenue

The Centre receives its revenue from State Law Office. Recurrent is received quarterly while Development is paid twice per year.

	2012/2013 Kshs	2011/2012 Kshs
Receive From Account		
State Law Office Recurrent	72,560,000	40,000,000
State Law Office Development	14,400,000	10,000,000
Ministry of Finance	-	8,000,000
Other Income	300,000	-
TOTAL	87,260,000	58,000,000

Note No. 7 Administrative Expenses

Administrative expenses include benchmarking tours done by both Governing Council members and the Secretariat and amounts used as development expenditure in research

	2012/2013 Kshs	2011/2012 Kshs
Accounts		
Communication	968,154	755,221