

CSO Partners' **Outstanding**
Annual Report
Awards **2011**
for the Voluntary Sector

FEEDBACK TO NOMINEES

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Introduction

Civil society organizations (CSOs) have assumed a significant role in engaging and impacting the processes of both the State and businesses. They represent the voice of the people and their aspirations: providing channels for marginalized and weaker sections of society to assert their rights. CSOs have proven the significance of their position in society by creating waves in the processes of democracy, accountability, human rights, environmental sustainability, HIV/AIDS, poverty alleviation, amongst many others. CSOs have taken a lead role in upholding the issue of accountability. For example, they have using RTI Act (2005) to ensure people's rights and entitlements are upheld. However, similar consistency needs to be built in the context of self-disclosure for CSOs towards society. With a highly volatile environment created around the issue of corruption in India, CSOs have a large role to play in promoting accountable and transparent processes. CSOs have a responsibility to incorporate systems of transparency and accountability first within themselves, and consequently demand this from other sectors.

Annual Reports are a key tool for disclosure and verification of an organization's activities and accounts. They are also a tool which can be utilized by organizations as a means to effectively showcase their good work. CSO Partners' Outstanding Annual Report Awards, organized jointly with FMSF India and Credibility Alliance, recognizes the need for a national movement towards better accountability and transparency practices. By appreciating the forerunners in the NGO sector, this initiative is generating a nation-wide effort towards more effective public disclosure practices. Annual reports can, and must be used to communicate to a variety of readers, including donors, potential donors, corporate stakeholders, supporters, government agencies, other like-minded organisations and beneficiaries of the programmes implemented by the organisation.

The awards are divided across three categories: small (Budgets >Rs.50 lakhs), medium (Budgets Rs.50 lakhs-Rs.5 crore) and large (Budgets >Rs. 5 crore). These reports were then assessed using simple criteria, covering aspects of reporting that CSO Partners thought to be essential for a strong annual report. While only three winners could emerge from this contest in the large and medium categories, every organisation can learn something about how to improve annual reporting. This document seeks to help you understand what the main strengths and weaknesses of the annual reports received were, and how annual reports can be used better to communicate the good work of your organisation.

Round up of Awards Ceremony: Annual Report Awards 2011

In what one might consider to be one of the largest national events which recognizes and applauds accountability practices, the *CSO Partners' Outstanding Annual Report Awards 2011* held in New Delhi on 9th April 2011, was attended by a diverse and passionate group of Civil Society Organizations from across the country.

The 2011 awards attracted a large number of nominations from NGOs cutting across sizes, causes and geographical areas. Out of 245 entries received, 32 organizations were short listed by an independent jury. The jury, comprising of Sudhir Sahni (President – Head of Advertising, O&M New Delhi), Amrish Kumar, (CA – Institute of Chartered Accountants of India) and Parul Soni (Executive Director and Practice Leader, Development Advisory Services, Ernst & Young) revalidated the ratings and selected the final 6 national winners.



Mr. Jagadananda (State Information Commissioner, Government of Odisha), and Mr. Subrata Mukherji (President, ICICI Foundation for Inclusive Growth), awarded the winners with a trophy and a cash prize (Rs 3 lakhs for the winners and Rs 1 lakh each for the two runners-up in each category).

This year, the First Prize in the 'Large NGO' category was presented to Swami Vivekananda Youth Movement and the First Prize in the 'Medium NGO' category was presented to Dream a Dream. The Runners Up included The Akshaya Patra Foundation and The Evangelical Fellowship of India Commission on Relief (EFICOR) in the 'Large Ngo' category, and IBTADA and Akshara Foundation in the 'Medium NGO' category. No reports in 'Small NGOs' category were awarded as they were not able to meet the minimum benchmarks required to be considered for the award.



About the winners

Large Category

Swami Vivekananda Youth Movement (SVYM) – WINNER

Established in 1984 in Mysore, SVYM is engaged in building a new civil society in India through its grass roots to policy action in health, education, and community development. Strongly rooted in its values of *satya*, *ahimsa*, *seva* and *tyaga*, the organization works across Karnataka and serves nearly 6 million people. SVYM won the Runner Up place in Annual Report Awards of 2010.

The Akshaya Patra Foundation (TAPF) – RUNNER UP

TAPF is a Public Charitable, secular Trust established through the support of ISCKON missionaries, corporate professionals and entrepreneurs. TAPF works towards its goal of a prosperous and educated

India by partnering with the Central and State Governments in providing clean and nutritious, cooked mid day meals to government schools. TAPF has won the Runner Up place in Annual Report 2010 also.

The Evangelical Fellowship of India Commission on Relief (EFICOR) – RUNNER UP

A national Christian relief and development organization, EFICOR is the official relief and development arm of the Evangelical Fellowship in India. A first time winner of the Annual Report Awards, EFICOR serves the poor and marginalized through its activities in the areas of community development, disaster response and HIV/AIDS.

Medium Category

Dream A Dream – WINNER

Registered in Bangalore, Dream A Dream empowers children from vulnerable backgrounds to discover their potential and sensitizes the community towards a discrimination free society that respects diversity. From being Runner Up in 2009 and 2010, the organization has now moved ahead to bag the winning position.

IBTADA – RUNNER UP

Based in Alwar, Rajasthan, IBTADA has been working since 1997 for girl child education, women's empowerment and livelihoods. IBTADA aims to strengthen society, especially women, to play a crucial role in alleviating poverty and inequality.

Akshara Foundation – RUNNER UP

Akshara Foundation believes that quality education is the undeniable right of every child. Based in Bangalore, the organisation's programmes have benefitted more than 1,00,000 children.

This award has been supported by ICICI Foundation for Inclusive Growth from its very inception with the understanding that civil society organisations play a crucial role in the nation's growth, and that it is important to recognise and evaluate their impact.

FEEDBACK ON ANNUAL REPORTS

The 245 Annual Reports received by CSO Partners were assessed with respect to public disclosure, financial transparency and communication to arrive at selection of the best Annual Reports for the Annual Reports Award.

On completion of the assessment, certain broad trends emerge from the shortlisted reports in each category – large, medium and small. These trends are outlined below to help you understand which annual reports are strong documents for communication and which can be improved. We hope that this information will help you continue your efforts towards creating excellent annual reports that you can use widely to promote your organisations and the good work that you do.

PUBLIC DISCLOSURE

Basic Details

Providing basic organizational details is the first step in public disclosure. Basic details about NGO name, contact details, registration and tax exemption details and banking information create a sense of

Strengths	Weaknesses
NGO name and type	Incomplete banking details
Full contact details	Lack of tax exemption details
	No web address

surety about the organisation to the reader. In general, most of the reports have included these details, with only small omissions, such as the name of a contact person or lack of detail on tax exemption. Medium and small NGOs also need to take care to mention your banking details.

By providing a valid web address, you are able to direct your reader to more information about your organisation and the work you do. This is a detail that must be mentioned, and is missing in many medium and small NGO reports. If your organisation does not have a website, it would be well worth setting one up, and updating it regularly, as today many potential donors and other supporters would have access to the internet above any other form of media. This is a vital opportunity for you to publicise your work to the right people.

Vision and Mission

Mentioning your vision and mission gives the reader an immediate idea of what your organisation seeks to do and what your philosophy is. Providing objectives for a year in an annual report helps you communicate how you sought to

Strengths	Weaknesses
NGO mission and vision mentioned	Limited description of NGO origin or history
NGO objectives described	Inconsistencies between activities and NGO vision
Brief NGO profile provided	

fulfill your vision and mission in that particular year. A brief origin and history of your organisation helps you disclose how it was started and with what motive.

In most of the annual reports, this section has been very well disclosed and you have clearly outlined your mission, vision and objectives. However, some of you have missed the opportunity to mention the origin of your organisation, which readers could be very interested in knowing about. Another observation is that at times the programme activities were not aligned to the vision and mission of the organisation. It could be that the organization has evolved beyond its original vision and mission or that the activities are not in tandem. In both cases, there is need for reflection at the organisational level and if required, re-visioning and resetting the strategic priorities.

Governance

Governance as a function includes providing strategic support and ensuring that the organization is moving in the right direction, responding to the external environment while remaining true to its vision and mission. This role is usually

Strengths	Weaknesses
NGO board members mentioned	General Body members not mentioned
Details of board meetings & remuneration given	Competencies on board & relationship between board members not described well

carried out by the Board of an organization. Furnishing information on NGO governing bodies provides your reader with assurance that you are a transparent and credible organisation. Your reader can also see whether your governance bodies meet requirements through your annual report. It is good if you can mention details of board membership (gender wise), meetings held during the year, major decisions made and money spent on conducting them.

Details on members of the General Body could be better disclosed, especially by small and medium NGOs. You can provide a very brief paragraph or a table on your governance bodies, but you should include this information. Information on Board membership is better disclosed, but is weak on points like occupation of Board members, their areas of expertise and their relationship with other Board members. Your readers will find your Board more trustworthy if they know who the members are. And that they are not related to each other. This puts to rest any apprehensions about nepotism or conflict of interest. This includes mentioning what social group the Board members come from, which you can do in your table or paragraph. Some of your reports have presented details of Board meetings and remuneration given well, but others can strengthen this as well.

Programme Details

Perhaps the most important section of your annual report would be the programme section, where you outline what you did in the year gone by. In this section you can highlight your successes and what you have achieved, assuring your readers that you have spent your time, resources and money well. Including details on

Strengths	Weaknesses
Programme activities highlighted	Missing links to programme of previous years
Target populations, areas, issues discussed	Lessons learned from implementation not mentioned
Stakeholders involved described	Challenges faced this year left out
Monitoring systems and indicators included	Future plans not included

target populations, areas and issues you have addressed will give your reader a more tangible understanding of your work. Do try to be brief, especially when it comes to explaining activities.

Most of your reports have provided good information on who you work with, what activities you did in the reporting year, what issues you addressed and which other stakeholders you worked with. Many of you have also included information on monitoring systems and indicators. However, do try to link your present programme with that of earlier years, and include lessons learned from your experiences of working in the field. This will provide continuity of the programme for the reader. A section on challenges and obstacles faced along with description about future plans would be much appreciated by the discerning reader.

Organisation Details

Providing relevant information on who works in your organisation, what they do and the cross-section of expertise they represent will assure your readers of how competitive your organisation is. Recognising staff who have performed well or have achieved something special

is also a good indicator that you value your staff and it will be a motivating factor for your employees.

Data on social security measures will show your readers that you take good care of your employees.

The annual reports cover significant details on the organogram, staff, and other personnel engaged in the organization. However you can include details of volunteers and consultants who may not be on regular payroll, giving them some recognition and showing your readers that there is more expertise in your organisation than just your staff. Special recognition given to personnel for contribution to the organization is rarely mentioned, and can be done. You can also incorporate details on social security measures provided and compliance of your organisation with the PF and gratuity acts.

Strengths	Weaknesses
NGO staff details covered well	Details of volunteers and consultants not included
	No mention of special contribution made by employees
	Social security provided to employees not disclosed

Financial Information

It is essential that you include appropriate and easy-to-understand financial information in your report as it shows how you have handled financial resources and that your systems are transparent. This is important especially for current or potential donors and also for other people interested in financial information.

Strengths	Weaknesses
Abridged balance sheet provided	Asset & grant segregation not done
Income & expenditure statement included	Analysis of financial statements not done
	Internal audit details seldom mentioned
	Signatures of office bearers omitted in most cases

A good abridged financial statement is a very good disclosure mechanism for the lay person. Most of your annual reports contain good abridged balance sheets and income and expenditure statements, although analysis of financial statements has only been done for reports in the large category – medium and small can improve the analysis done on their financial statements – this will explain the figures better to your readers. You can also strengthen the information on asset and grant segregation

as this average across the categories. Internal audits performed within the organisation can be disclosed and all documents must be signed by office bearers. If you include international travel details in your report, it will be more robust.

Donors and Networks

Mentioning your major donors and supporters will give them a sense of recognition, whilst giving other readers information about where your money comes from. Disclosing what networks or forums you are members of will also provide information to like-minded NGOs and to others about what your organisation is passionate about and how you engage with others.

Strengths	Weaknesses
Details of major donors included	Details of networks could be furnished
Details of supporters included	

Most annual reports have presented information on donors and supporters well, but you can include more information on networks, forums and other external, independent bodies you are members of.

FINANCIAL TRANSPARENCY

Presentation of Financial Statements

Financial information disclosed in your annual report will provide your reader with a sense that you are accountable and have good systems for financial management in place. This would assure your donors, potential donors, government, other supporters and readers that you manage finances well.

While many of your reports do

Strengths	Weaknesses
Readability of financial statements is good	Clear segregation of financial information not done
Financial summary of previous year included	Inconsistencies between programme & financial information
	Accounting policies of organisation not included
	Limited information on bank accounts provided
	Financial statements not signed appropriately

contain appropriate financial information, it could be better organised and could include more details. Financial statements in most of your reports have good readability and are easy to follow, making the information understandable even to a lay person. You could strengthen the financial information by

including clear and segregated information on income, expenditure, receipt, payment, fund flows and bank accounts.

Always ensure that your report has clear uniformity between programme and financial information, as this will be what guides your readers. In addition, if you include the financial summaries of previous years, it provides your readers with a sense of where you have come from and the direction in which progress is taking place. You could also provide information on your accounting policies and your bank accounts. If your organization receives foreign funding, ensure that your FC and non FC accounts are maintained separately. This discrepancy was noticed among a few reports in this year's Awards.

You should ensure that all statements are signed by the appropriate personnel. Original balance sheets should be signed by the auditor and chief functionary before photo copies are taken. Unsigned balance sheets cannot be considered valid. Do not sign on photo copies.

Transparency in Financial Statements

The amount of financial information you reveal and the way in which you reveal it will decide whether your readers think you are a transparent organisation or not. Therefore, take care to disclose all the money you have spent and what you have spent it on, avoiding vague and disguised heads for expenditure. It is easy for a trained eye to detect ambiguities.

Strengths	Weaknesses
Major donors and supporters mentioned	Expenditure against budget not charted
Accounting policies narrated	No disclosure of inter-project fund transfers
	Remuneration to trustees or directors not mentioned
	Administrative expenses not included
	Common expenditure & basis for allocation left out

Transparency can be improved in your annual report by disclosing information on: remuneration or reimbursement given to trustees or other parties, expenditure against budgets, inter-project transfers, interest earned, how it was assigned to project funds and common expenditure. How well your expenditure statements match your budgets will show your strength in planning appropriately – you can also briefly mention reasons for alterations in your budgets. Mentioning your administrative expenditure and its proportion to programme expenditure would also give your readers an idea as to how efficient your programme is. Do mention your major donors and supporters, showing who supported you the most.

COMMUNICATION AND PRESENTATION

Visual Appeal

The first impression is a lasting one. Visual appeal can provide your readers with the stimulus required to enjoy the entire document along with getting the information you want to convey. In fact in today's fast-paced world, your readers are more likely to get through reading the whole document if it has visual appeal.

Although as NGO workers we think that it is important to highlight the work we do and keep presentations low-key, it is important that you use appropriate colours, fonts and photographs in your annual report. Try and highlight your brand colours if you have any, and use fonts of appropriate size for titles, sub-headings and paragraphs. Photographs should convey a clear message and should highlight the positive aspects of your work. Try to avoid photographs of large groups of people where no emotions are visible, unless used as an evidence for activities done. Close up photographs, of small groups of direct beneficiaries, showing how they have benefitted from your work are the best communicators. If you are using pictures of individuals, ensure that you have taken consent from the subject of the photograph to use it in the annual report. If you have, disclose it in the report. The reader will appreciate your sensitivity in this regard.

Also try and add a design touch to your annual report. Follow a specific scheme of colour and layout across the whole document. Make an attractive cover page which will catch the attention of your readers and make them want to read the document. Also ensure that you include the right information on the cover page, including your organisation name, which year the report is for and highlights of the year for your organisation.

Large and medium organizations have fared better on the visual appeal front. Small organizations have not scored as well in this section. In many cases, the reports were simply printed out Word documents, probably due to resource constraints.

Strengths	Weaknesses
Occasional use of brand colours among large organisations	Good photographs have not been included Brand colours could be highlighted Uniform colour and fonts not used Annual Report designs are poor

Readability

It is an important aspect of your annual report. A bulky and verbose document does not attract or retain the reader's attention.

Do ensure that you use correct language, grammar and that your paragraphs are easy-to-read. Avoid using jargon and text-heavy sections. Adding diagrams

makes reading and understanding your content easier. For example, you can use a simple pie chart to show proportions of social groups involved in your work, or a bar chart to show how much funding you receive from various donors.

Some of the organizations opted to have only an electronic version of their annual report. In such cases, they have taken a print-out of the report and filed the nomination. We appreciate this step towards saving the environment. However, we would like to point out that in such cases, the print-out should be taken in colour (if the report is in colour) to retain the desired visual impact. If you are sending in a print-out of an electronic annual report, be sure to upload the same on your website. In one case, the report submitted for the Awards did not match with the version available online. So ensure that the online version is the same as the one you submitted and that both are the latest annual report.

While making a choice to have only electronic annual reports, organizations should bear in mind that this will restrict readership of their primary stakeholders, the communities at the grassroots who in most cases may not have access to technology.

While majority of the reports were in English, a few reports in regional languages were also received. We applaud these organizations for making this choice. Of special mention are those few organizations who have published their Annual Report in both English and regional language. This is a unique measure and you can consider using this as a means to reach a wider audience.

Strengths

Annual reports in regional language plus English improve reach

Weaknesses

Use of diagrams is very limited

Long, difficult-to-read sentences and jargon are used too often

Language and grammar needs improvement

Evidence of work done

Showcasing evidence of work done in your annual report gives your readers a sense of reality. Including photographs of your beneficiaries and other stakeholders can provide tangibility to your report. Use of photographs can be for two purposes: for

Strengths	Weaknesses
Case studies and success stories used	Limited use of good stakeholder testimonials
Names changed to protect privacy of beneficiaries	Lack of good quality programme related photographs

aesthetic value to enhance visual appeal of the report and as evidence of work done by the organization. In the latter case, choice of photographs calls for improvement, being of low resolution and not appropriately placed in the narrative.

Case studies and success stories will enable your readers to understand the impact your work has had on people's lives and not just understand what you as an organisation have done. Testimonials from various stakeholders, including even your own staff, can summarize people's thoughts in one or two sentences. Such short and succinct elements can provide verification of your activities to your readers.

Most of the reports have provided case studies and success stories across categories. Mention must be made of few organizations in large and medium category that changed names of the persons in the case studies to protect identities. We applaud you for your sensitivity in protecting the privacy of the individual.

Direct Messages to readers

These are a good way to appeal for funding, support or volunteerism and acknowledgement to those who have supported your organisation in the reporting

Strengths	Weaknesses
Letter from chief functionary included	Very few messages and appeals to readers found
	Limited use of tear-off donation cards

year. These elements also communicate your needs directly to readers. Most of the reports carried a letter from the Chief Functionary. This is a good way to begin your document, where the readers are greeted and the entire year's work is summarized in a paragraph or so, along with plans for the future mentioned briefly, as well as other highlights included. These could have been strengthened with messages and appeals to readers. Few organizations dovetailed their fund-raising with the annual report by providing a 'tear off' donation card. In small category, this section was weak and limited

mostly to message from the Chief Functionary. This is an area, which small category organizations should consider strengthening.

CONCLUSION

Post awards, individual feedback has been sent to the top 30 NGOs whose reports were made it to the final round of screening. This general feedback is meant for all the NGOs who have participated in the Annual Reports Award 2011. CSO Partners sincerely hopes that the feedback will help in preparing quality Annual Reports in the future.

We look forward to your continued participation in this unique awards contest in the future also.
