

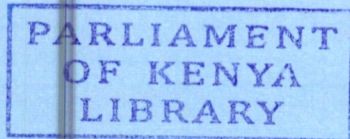
REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



REPORT



OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
REGISTRAR OF POLITICAL PARTIES FUND**

**FOR THE YEAR ENDED
30 JUNE 2016**

**POLITICAL PARTIES FUND
REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED JUNE 30, 2016**



**OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
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Republic of Kenya

**POLITICAL PARTIES FUND
ANNUAL REPORT
AND
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2016**

 Office of the Registrar of Political Parties –ORPP
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P.O. Box 1131-00606
NAIROBI

**POLITICAL PARTIES FUND
REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED JUNE 30, 2016**

TABLE OF CONTENTS		PAGE
I.	FUND INFORMATION AND OVERALL PERFORMANCE.....	iii
II	FORWARD BY THE ATTORNEY GENERAL	iii
III	STATEMENT OF FUND MANAGEMENT RESPONSIBILITIES	viii
IV	REPORT OF THE INDEPENDENT AUDITORS ON THE POLITICAL PARTIES FUND	ix
V.	STATEMENT OF RECEIPTS AND PAYMENTS FOR THE PERIOD ENDED 30 TH JUNE 2016.....	1
VI	STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30 TH JUNE 2016	2
VII	STATEMENT OF CASHFLOW FOR THE PERIOD ENDED 30 TH JUNE 2016	3
VIII	STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS	4
IX	NOTES TO THE FINANCIAL STATEMENTS	5
X	NOTES TO THE FINANCIAL STATEMENTS	7

**POLITICAL PARTIES FUND
REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED JUNE 30, 2016**

1. FUND INFORMATION AND OVERALL PERFORMANCE

(a) Background information

The Office of the Registrar of Political Parties (ORPP) is an independent State Office within the meaning of Article 260 of the Constitution established by the Political Parties Act, 2011. Section 23 of the Act established a Fund known as Political Parties Fund which is administered by the Registrar of Political Parties. The sources of fund are; such funds being not less than zero point three percent of the revenue collected by the National Government as may be provided by Parliament; and contributions/donations to the fund from any other lawful source.

The Act further states that the balance of the fund at the end of the financial year shall be retained for the purpose for which the fund is established subject to any law relating to public finance.

The fund is distributed as follows:-

- i) Ninety five percent of the fund proportionately by reference to the total number of votes secured by each party in the preceding general election;
- ii) Five percent for the administration expenses of the fund.

(b) Key Management

The Office of The Registrar of Political Parties is headed by Registrar of Political Parties, deputized by three Assistant Registrars. The office has the following key organs: -

- Registration and County Coordination
- Compliance and Regulation
- Corporate Services;

Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2015 and who had direct fiduciary responsibility were:

Names	Title designation
Lucy Kamunye Ndungu	Registrar of Political Parties
Dinah Anyango Liech	Assistant Director Human Resources
Joel Kiplangat Terer	Assistant Director Records Management
Juliet Wanjiku Murimi	Assistant Director Compliance
Joel Nyagwoka Onchwati	Principal Finance Officer
John Mwai Macharia	Chief Accountant
Veronichah Ndinda Muasya	Chief Internal Auditor
Joseph Kanja Kariuki	Senior Economist
Enid Moraa Nyamwaro	Chief Supplier Chain Management Officer

**POLITICAL PARTIES FUND
REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED JUNE 30, 2016**

(c) Fiduciary Oversight Arrangements

The following are some of the oversight authorities that are in place in the ORPP;

- Budget Implementation Committee
- Audit Committee
- Legal Standards and Compliance Committee
- Tender Evaluation
- Inspection and Acceptance Committee and
- Administrative and Training Committee

(d) Headquarters

P.O. Box 1131 – 00606
Lion Place 1st Floor
Karuna Close, Off Waiyaki Way, Westlands,
Nairobi, Kenya

(e) Contacts

Telephone: (254) (020) 4022000
E-mail: registrar@orpp.or.ke
Website: www.orpp.or.ke

(f) Banker

Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000-00200
Nairobi, Kenya

(g) Independent Auditors

The Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O. Box 30084-GPO 00100
Nairobi, Kenya

(h) Principal Legal Adviser

The Attorney General,
State Law Office and Department of Justice,
Sheria House, Harambee Avenue
P.O. Box 40112- 00200
Nairobi, Kenya

**POLITICAL PARTIES FUND
REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED JUNE 30, 2016**

II. FORWARD BY THE ATTORNEY GENERAL

Introduction

The Republic of Kenya is a multi-party democratic state founded on the national values and principles of governance where the people of Kenya are given the mandate to exercise their political and democratic rights. The Constitution further provides that every person is equal before the law and has a right to make political choices which include the right to belong and campaign for a political party of their choice. Articles 91 and 92 of the Constitution recognize political parties as important governance institutions in the promotion of democracy. To operationalize the two Articles the Political Parties Act 2011 (PPA) was enacted. The Act is the primary legal reference for management of political parties.

The Act established the Office of the Registrar of Political Parties (ORPP) as a State Office within the meaning of Article 260 of the Constitution of Kenya, 2010. The Act further provides that ORPP shall be a body corporate with perpetual succession, with a common seal and capable of suing and being sued in its corporate name.

ORPP's core mandate is to register, regulate and administer the Political Parties Fund and to promote democratic political system that is issue-based, people-centred, result-oriented and accountable to the public as envisaged by the Second Medium Term Plan (MTP II) plan and Vision 2030.

The office with the support of the State Law Office and Department of Justice and other stakeholders developed a robust legal framework for governing the political process to ensure that political parties promote democracy and cohesion among Kenyans. Sixty two (62) political parties were fully registered and six (6) provisionally registered by 30th June, 2016.

Section 81(4) of the Public Financial Management (PFM) Act, 2012 provides that an Accounting Officer of a National Government entity shall not later than three months after the end of each financial year, the Office of the Registrar of Political Parties shall submit to the Auditor General, the Accounts of the Office together with the statement of income and expenditure and a statement of assets and liabilities.

The accounts of the Office of the Registrar of Political Parties are hereby forwarded as presented here below:-

1. Budget Performance

In the budget of ORPP for the financial year 2015/2016, disbursement to Political Parties amounted to Kshs.367.2 million. The amount comprised of 95% to Political Parties which was disbursed to qualifying Political Parties as per the provision of Political Parties Act 2011. The balance of 5% is for fund administration expense where the office utilised 90% of the budget. The budget was utilised as follows:-

**POLITICAL PARTIES FUND
REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED JUNE 30, 2016**

Item	Amount (in Millions Kshs.)
Disbursement to Political Parties	348.8
Administration Expenses	16.5
Total	365.3

The actual expenditure for the financial year was Kshs.365.3 million representing 99% budget utilization.

2. Key Achievements

i) Enhanced compliance to the Political Parties Act, 2011

The office in partnership with the National Treasury and the National Audit Office conducted sensitization workshops for the political party secretary generals, fund managers, accountants and procurement officers on the Public Financial Management Act, 2012, the Public Procurement and Disposal Act, 2015 and the Political Parties Act, 2011.

ii) Institutionalization of Political Parties

The Fund is progressively assisting political parties to become institutionalized entities as envisaged by the Constitution. They are professionally run with clear administrative structures, offices and personnel. They are accountable to the public in line with the provisions of the Act.

iii) Gender and Representative Democracy

The utilization of the Fund has enhanced the promotion of representation of special interest groups.

3. Implementation challenges

- a) Fund Allocation: Section 24 stipulates that the Fund will receive "Such funds not less than zero point three per cent of the revenue collected by the government or as may be provided by the Parliament". In the financial year under review, the Fund was allocated 367.2 million which does not comply with the provision of the Act.
- b) Political parties lack adequate capacity to manage the resources in accordance with the Government Financial Regulations.
- c) Political parties face challenges in synchronising their activities with quarterly budget execution by the government.

**POLITICAL PARTIES FUND
REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED JUNE 30, 2016**

4. Way Forward:

- The office will engage the relevant authorities to ensure that the Fund is allocated in accordance with the Act.
- The Office will continue to enhance capacity of political parties' officials on prudent financial management practices.
- The office will continue to efficiently and effectively administer the Political Parties Fund in accordance with the Political Parties Act, 2011.

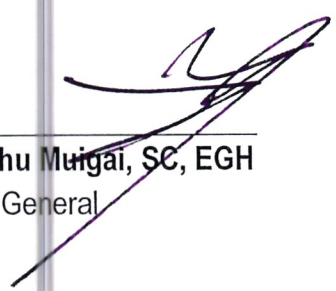
5. Summary of Fund Compliance

Below is a list of consequences suffered or likely to be suffered on account of non-compliance

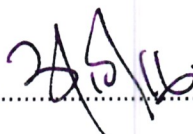
- i. Issue a warning letter
- ii. Withhold funds
- iii. Suspend the registration
- iv. Deregistration

The Office has from time to time issued notice and circulars to Political Parties to demand compliance as a way of mitigating adverse effects of actual or potential consequences of noncompliance.

The office confirms that there was significant compliance with the Political Parties Act, 2011.



Hon. Githu Muigai, SC, EGH
Attorney General

Date: 

**POLITICAL PARTIES FUND
REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED JUNE 30, 2016**

III STATEMENT OF FUND MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for office of the Registrar of Political Parties shall prepare financial statements in respect of that the accounting unit. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.

The Registrar of Political Parties is in charge of the office of the Registrar of Political Parties and is responsible for the preparation and presentation of the financial statements, which give a true and fair view of the state of affairs of the office for and as at the end of the financial year ended on June 30, 2016. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the office of the Registrar of Political Parties; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Registrar of Political Parties accepts responsibility for the financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and relevant legal framework of the Government of Kenya. The Registrar is of the opinion that the financial statements give a true and fair view of the state of transactions during the financial year ended June 30, 2016, and of the financial position as at that date. The Registrar of Political Parties further confirms the completeness of the accounting records maintained for the office, which have been relied upon in the preparation of the financial statements as well as the adequacy of the systems of internal financial control.

The Registrar confirms that the office has complied fully with applicable Government Regulations and the Political Parties Act and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Registrar confirms that the financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The Political Parties Fund's financial statements were approved and signed by the Accounting Officer on 30/09/2016 2016


Lucy K. Ndungu, EBS
Registrar of Political Parties


John M. Macharia
Chief Accountant

**POLITICAL PARTIES FUND
REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED JUNE 30, 2016**

IV REPORT OF THE INDEPENDENT AUDITORS ON THE POLITICAL PARTIES FUND

We have audited the accompanying (consolidated) financial statements of Office of the Registrar of Political Parties for the year ended June 30, 2015 which comprise: (i) a statement of receipts and payments; (ii) a statement of financial assets and liabilities; (iii) a statement of comparative budget and actual amounts; (iv) a statement of pending bills as at June 30, 2016; and (v) a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The Registrar of Political Parties is responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards, and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain 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 auditors' 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 control relevant to the Office of the Registrar of Political Parties' 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 Office of the Registrar of Political Parties' internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Political Parties Fund as at June 30, 2016, and its receipts and payments, as well as cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

Auditor General

Date

**POLITICAL PARTIES FUND
REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED JUNE 30, 2016**

**V. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE PERIOD ENDED 30TH
JUNE 2016**

	Note	2015/2016 Kshs	2014/2015 Kshs
RECEIPTS			
Transfer from Government entities	1	367,200,000	360,000,000
Miscellaneous Receipts(Retention)	2	883,660	-
Total receipts		368,083,660	360,000,000
PAYMENTS			
Purchase of goods and services	3	10,564,943	7,322,559
Acquisition of non-financial assets	4	5,962,150	14,601,388
Transfers to other government entities	5	349,519,245	343,436,169
TOTAL PAYMENTS		366,046,338	364,135,154
SURPLUS/DEFICIT FOR THE YEAR		2,037,322	(5,360,116)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Office of the Registrar of Political Parties financial statements were approved on 30.9. 2016 and signed by:


Lucy K. Ndungu, EBS
Registrar of Political Parties


John M. Macharia
Chief Accountant

REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON REGISTRAR OF POLITICAL PARTIES FUND FOR THE YEAR ENDED 30 JUNE 2016

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the Registrar of Political Parties Fund set out on pages 1 to 11, which comprise the statement of assets as at 30 June 2016, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. 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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. The audit was conducted in accordance with International Standards of Supreme Audit Institutions. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain 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 control 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 Registrar of Political Parties Fund internal control. An audit

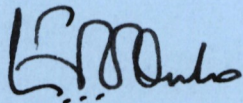
Report of the Auditor-General on the Financial Statements of Registrar of Political Parties Fund for the year ended 30 June 2016

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

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Registrar of Political Parties Fund as at 30 June 2016, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.



FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

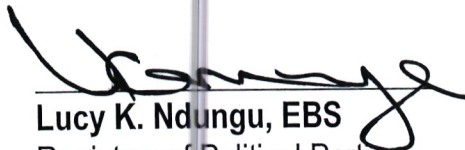
24 February 2017


**POLITICAL PARTIES FUND
REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED JUNE 30, 2016**

VI STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30TH JUNE 2016

	Note	2015 – 2016	2014 – 2015
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	6	60,399,114	57,478,132
		60,399,114	57,478,132
TOTAL FINANCIAL ASSETS			
Less			
FINANCIAL LIABILITIES:-			
Accounts Payable – Deposits		883,660	-
NET FINANCIAL ASSETS		<u>59,515,454</u>	<u>57,478,132</u>
 REPRESENTED BY:			
Fund balance b/fwd	6B	57,478,132	62,838,248
Surplus for the year		2,037,322	(5,360,116)
NET FINANCIAL POSITION		59,515,454	57,478,132

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Office of the Registrar of Political Parties financial statements were approved on 30.9.1 2016 and signed by:


Lucy K. Ndungu, EBS
 Registrar of Political Parties




John M. Macharia
 Chief Accountant


**POLITICAL PARTIES FUND
REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED JUNE 30, 2016**

VII STATEMENT OF CASHFLOW FOR THE PERIOD ENDED 30TH JUNE 2016

	Notes	2015 – 2016 Kshs	2014 – 2015 Kshs
Receipts for operating income			
Transfer from Government entities	1	367,200,000	360,000,000
Miscellaneous receipts	2	883,660	-
Payments for operating expenses			
Purchase of goods and services	3	(10,564,943)	(7,322,559)
Transfer to other government entities	5	(349,519,245)	(343,436,169)
Net cash flow from operating activities		7,999,472	9,241,272
Adjustment during the year			
Changes in Payables		883,660	-
Net cash flow from operating activities		8,883,132	
 CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	4	(5,962,150)	(14,601,388)
Net cash flows from Investing Activities		(5,962,150)	(14,601,388)
 CASHFLOW FROM BORROWING ACTIVITIES			
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		2,920,982	(5,360,116)
 Cash and cash equivalent at BEGINNING of the year		 <u>57,478,132</u>	 <u>62,838,248</u>
 Cash and cash equivalent at END of the year		 <u>60,399,114</u>	 <u>57,478,132</u>

The entity financial statements were approved on 30.9. 2016 and signed by:


Lucy K. Ndungu, EBS
Registrar of Political Parties


John M. Macharia
Chief Accountant


**POLITICAL PARTIES FUND
REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED JUNE 30, 2016**

VIII STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Receipts/Payments Item	Original Budget a	Adjustments B	Final Budget c=a+b	Actual on Comparable Basis d	Variance e=d-c	% of Variance f=e/c %
Receipts						
Transfer from Government entities	367,200,000	-	367,200,000	367,200,000	0	0%
Miscellaneous receipts	-	-	-	-	0	-
Total Receipts	367,200,000	-	367,200,000	367,200,000	0	0%
Payments						
Purchase of goods and services	10,564,943	-	10,564,943	10,564,943	0	0%
Acquisition of non-financial assets	5,962,150	-	5,962,150	5,962,150	0	0%
Transfers to other government entities	349,519,245	-	349,519,245	349,519,245	0	0%
Total Payments	366,046,338	-	366,046,338	366,046,338	0	0%

The Office of the Registrar of Political Parties financial statements were approved on 30.9.16 2016 and signed by:


Lucy K. Ndungu, EBS
Registrar of Political Parties


John M. Macharia
Chief Accountant

**POLITICAL PARTIES FUND
REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED JUNE 30, 2016**

IX SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of this financial statement are set out below:-

1. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting. The financial statements comply with and conform to the form of presentation prescribed by the Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the Fund and all values are rounded to the nearest one Shilling. The accounting policies adopted have been consistently applied to all of the years presented.

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts. The cash basis of accounting recognises transactions and events only when cash is received or paid out by the Fund.

The principal accounting policies adopted in the preparation of these financial statements are set out below:

2. Recognition of revenue and expenses

The Fund recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the Fund. In addition, the Fund recognises all expenses when the event occurs and the related cash has actually been paid out by the Fund.

3. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which had not been surrendered or accounted for at the end of the financial year/period.

**POLITICAL PARTIES FUND
REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED JUNE 30, 2016**

4. Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year/period arising from contracted goods or services during the year/period or in past years/periods. As pending bills do not involve the payment of cash in the reporting period, they are simply disclosed as an Annex to the financial statements. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

5. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The Fund's budget was approved as required by Law and National Treasury Regulations, as well as by the participating development partners, as detailed in the Government of Kenya Budget Printed Estimates for the year. A high-level assessment of the Fund's actual performance against the comparable budget for the financial year/period under review has been included in an annex to these financial statements.

6. Comparative figures

Where necessary comparative figures for the previous financial year/period have been amended or reconfigured to conform to the required changes in financial statement presentation.

7. Subsequent events

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2016.

**POLITICAL PARTIES FUND
REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED JUNE 30, 2016**

X NOTES TO THE FINANCIAL STATEMENTS

1 TRANSFER FROM GOVERNMENT ENTITIES

	2015 – 2016 Kshs	2014 – 2015 Kshs
Office of the Registrar of Political Parties (Recurrent)	367,200,000	360,000,000
	367,200,000	360,000,000

In the financial year 2015/2016, The National Treasury provided in the budget of The Registrar of political Parties Kshs.367,200,000 as grant to Political Parties.

2 MISCELLANEOUS RECEIPTS

	2015 – 2016 Kshs	2014 – 2015 Kshs
Miscellaneous receipts (10% retention)	883,660	-
	883,660	-

The Miscellaneous receipts (Retention) was in respect of retention on contract number ORPP/224726-2015/2016 on partitioning of the office of the Registrar of the Political Parties. The same will be released to the contractor after obtaining a certificate of making good defects.

3 PURCHASE OF GOODS AND SERVICES

	2015 – 2016 Kshs	2014 – 2015 Kshs
Utilities ,Supplies, and Services	-	1,195,061
Domestic/Foreign Travel & Subsistence	6,531,245	3,981,921
Printing & Advertising	1,605,100	1,225,000
Other Expenses	1,548,880	185,600
Hospitality , supplies & services	340,000	734,977
Routine Maintenance of Vehicles	539,718	-
Total	10,564,943	7,322,599

This is part of 5% administration expenses of the Fund which the office incurred in the process of administering the fund.

**POLITICAL PARTIES FUND
REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED JUNE 30, 2016**

4. ACQUISITION OF NON-FINANCIAL ASSETS

	2015 – 2016 Kshs	2014 – 2015 Kshs
Purchase of Motor Vehicle	2,921,150	12,498,068
Purchase of office furniture & general equipment	855,000	2,103,320
Information Communication Tech. Equipment	2,186,000	-
	<u>5,962,150</u>	<u>14,601,388</u>

During the year, the office procured motor vehicle, office furniture and general equipment. The office also acquired information communication Technology equipment which included design and development of the office official website and the registration of the domain.

5. TRANSFERS TO OTHER GOVERNMENT AGENCIES

	2015 – 2016 Kshs	2014 – 2015 Kshs
Disbursement to Political Parties	349,519,245	343,436,169

During the year under review, the office disbursed to qualifying Political Parties the amount shown above in accordance with the Political Parties Act, 2011. The breakdown of the distribution is as shown in the table below:-

	PARTY NAME	2015 – 2016	2014 – 2015 Ksh.
1	The National Alliance	158,979,845	155,849,815
2	Orange Democratic Party	139,647,018	136,982,623
3	United Republican Party	50,892,382	49,167,562
4	National Vision Party	-	1,436,169
	TOTAL	349,519,245	343,436,169

**POLITICAL PARTIES FUND
REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED JUNE 30, 2016**

6A. CASH AND CASH EQUIVALENTS C/FWD

	2015 – 2016 Kshs	2014 – 2015 Kshs
Central Bank of Kenya -A/c no. 1000181842	60,399,114	57,478,132
	60,399,114	57,478,132

(Analysis of the bank balance)

Fund Balance		
Creditors (Due to Political Parties)	24,529,755	
5% Fund administration	34,985,699	
10% Retention	883,660	
	60,399,114	

Political Parties Dues

Disbursement to political parties was initially in accordance with the Political Parties Act, 2007 which stipulated that all political Parties that complied with the Law were to receive 15% of Political Parties Fund and 80% was disbursed depending on the number of votes the party garnered in the preceding general election.

Further there were statutory requirements which each party was to fulfil to access the funding. It is on this ground that some party defaulted and hence the funds were released to the non-complying parties.

6B. FUND BALANCE B/FWD

	2015-2016 Kshs.	2014-2015 Kshs.
	57,478,132	62,838,248

7. PENDING BILLS (Annex 1A)

	2015 – 2016 Kshs	2014 – 2015 Kshs
Supply of services	-	438,118
	-	438,118


**POLITICAL PARTIES FUND
REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED JUNE 30, 2016**


8 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. The office nominated focal persons to resolve the various issues as shown below with the associated time frame within which the issues will be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status:	Timeframe:
OAG/RPPF/2014/2015	Unregistered Lease Agreement	The office is in communication with the landlord to have the process of registering the lease finalised in line with section 54 of the Land Registration Act.	Joel Terer	In Progress	3 Months

The office agreed with the issues raised by external auditors and they were resolved as above


Lucy K. Ndungu, EBS
Registrar of Political Parties


John M. Macharia
Chief Accountant

**POLITICAL PARTIES FUND
REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED JUNE 30, 2016**

ANNEX 1A - ANALYSIS OF PENDING PAYABLES

Contractor Services	Outstanding amount 2015-16	Outstanding amount 2014-15
Advance Sharp Solution	-	15,259
Bejus Enterprises	-	10,344
Techno Afrique	-	52,920
African Touch Safaris	-	359,595
Total	-	438,118